

Taipan Resources Inc. Completes Farm-out With Tower Resources for Block 2B Onshore Kenya

June 3, 2014 (Source: Marketwired) – Taipan Resources Inc. (“Taipan” or the “Company”) (TSX VENTURE:TPN), through its wholly-owned Kenya-based subsidiary Lion Petroleum Corp. (“Lion”), has completed the previously announced farm-out agreement with Tower Resources (Kenya) Limited (“Tower”), a subsidiary of AIM-listed Tower Resources Inc. (TRP.L, TRP LN), whereby Tower has acquired a 15% participating interest in Block 2B onshore Kenya.

Completion, which occurred on Monday 2 June 2014, was conditional upon consent from Premier Oil (PMO.L, PMO LN), which holds 55% of the licence, as well as the receipt of US\$4.5 million cash and the admission on the AIM market of the first tranche of 4.5 million Ordinary Shares in Tower.

In total consideration for the farm-out, Lion Petroleum Corp. received US\$4.5 million cash and a total of 9.0 million Ordinary Shares in Tower, the second tranche of which, consisting of 4.5 million shares, will be received in three months’ time. There is also a contingent payment of US\$1 million cash on the spudding of a second well in Block 2B.

Taipan retains a 30% interest and operatorship during the exploration phase in Block 2B.

In February 2014, the Company announced an NI 51-101 compliant independent assessment of Block 2B, completed by Sproule International Limited, which estimated that Block 2B, located in the Anza Basin, holds gross mean unrisked prospective resources of 1,593mmboe, based on 19 exploration leads.

The Badada-1 well is expected to spud at the end of 2014/early 2015 and will target gross mean unrisked prospective resources of 251mmboe (Sproule International Limited February 2014).

Max Birley, CEO of Taipan, commented: "We are delighted to welcome Tower as a partner on Block 2B in Kenya which we believe is highly prospective. We look forward to progressing the work programme on the licence with Tower and Premier, having established a high quality and fully aligned partnership. This is an exciting time for the company – the completion of the transaction now means we are funded to drill wells on both blocks."

Graeme Thomson, CEO of Tower stated: "We are extremely pleased to conclude this exciting farm-in to Kenya at a time when it is opening up as an oil province. The farm-in fits perfectly with our strategy of securing material positions in very high upside exploration assets coupled with near-term drilling. This licence is right at the forefront of new plays, and we look forward to drilling in the coming months."

About Taipan Resources Inc.

Taipan Resources Inc. (TSX VENTURE:TPN) is an independent, Africa-focused oil exploration company with interests in Block 1 and Block 2B onshore Kenya through its wholly owned subsidiary Lion Petroleum Corp.

After the farmout, Taipan will hold a 30% working interest in Block 2B (1.35 million acres / 5,464 km²). The Company's 20% working interest in Block 1 (5.497 million acres / 22,246 km²) is operated by East Africa Exploration (Kenya) Ltd, a subsidiary of Afren plc.

About Tower Resources plc

Tower Resources plc (LSE:TRP) is an AIM-listed, London-based independent oil and gas exploration company with a regional focus on sub-Saharan Africa.

The Company holds a 30% working interest in a licence comprising three Blocks offshore Namibia and a 50% interest in three contiguous licences, onshore and offshore, in the Sahawari Democratic Republic. The Company announced on April 23, 2014 that its partner Repsol Exploration Limited had successfully spudded their Welwitschia-1 well offshore Namibia. On April 9, 2014, the Company announced the acquisition of Rift Petroleum Holdings Limited, a company with extensive interests offshore South Africa and onshore Zambia.

About Premier Oil plc

Premier Oil plc (LSE:PMO) is a leading FTSE 250 independent exploration and production company with interests in the North Sea, South East Asia, the Middle East, Africa, Pakistan, Brazil, and the Falkland Islands. Its portfolio of producing assets delivered production of 58,600 boepd in the first half of this year, and it has various projects in the development phase which should increase production to over 100,000 boepd in the medium-term. Premier became active in Kenya in 2011.

–Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. The statements contained in this release that are not historical facts are forward-looking statements, which involve risks and uncertainties that could cause actual results to differ materially from the targeted results. The Company relies upon litigation protection for forward looking statements.

By definition of the COGC Handbook – “Undiscovered resources are those quantities of oil and gas estimated on a given date to be contained in accumulations yet to be discovered.” Further the Handbook states – Caution (per NI 51-101/5.9(2)(v)(B)) – “There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce

any portion of the resources.” In addition, per NI 51-101/5.6 “the estimated values disclosed do not represent fair market value.”

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Taipan. As a result, Taipan cannot guarantee that any forward-looking statement will materialize and the reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and Taipan will only update or revise publicly any of the included forward-looking statements as expressly required by Canadian securities law.