

SECURITIES ACT

MATERIAL CHANGE REPORT

Item 1 Name and address of Company

Tower Energy Ltd.  
2110-1177 West Hastings Street  
Vancouver BC V6E 2K3

Item 2 Date of Material Change

**August 17, 2011**

Item 3 Press Release

News Release dated **August 17, 2011** disseminated via The NewsWire under section 7.1 of National Instrument 51-102

Item 4 Summary of Material Change

See attached copy of the **August 17, 2011**, News Release.

Item 5 Full Description of Material Change

See attached copy of the **August 17, 2011**, News Release.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Senior Officers

Len Guenther, Director of the Issuer, is knowledgeable about the material change and this report. His business telephone no. is (604) 669-4340.

Item 9 Date of Report

August 17, 2011

"Len Guenther"  
Director



August 17, 2011

TWR: TSX Venture Exchange

## **NEWS RELEASE**

### **TOWER PROPOSES SHARE CAPITAL CONSOLIDATION**

Mark Vanry, President and CEO of Tower Energy Ltd. ("the Company"), announces that the Company proposes to consolidate its share capital on the basis of one (1) post-consolidated Common Share for four (4) Common Shares currently held. The Company currently has 91,347,725 issued and outstanding Common Shares and proposes to have 22,836,931 issued and outstanding Common Shares following consolidation.

The management of the Company has determined that, in its opinion, a consolidation of its share capital could improve access to capital markets and institutional investors in the future.

At the Special and Annual Shareholder Meeting (the "Meeting") of the Company to be held on September 7, 2011, shareholders will be asked to vote in favour of the proposed consolidation by a "special resolution." A "special resolution" is a resolution passed by a majority of not less than two-thirds of the votes cast by the shareholders who, being entitled to do so, vote in person or by proxy at the Meeting. In addition to shareholder approval, the consolidation is also subject to acceptance for filing by the TSX Venture Exchange.

The name of the Company will be changed to Tower Resources Ltd in conjunction with the proposed consolidation.

#### **TOWER ENERGY LTD.**

"Mark Vanry"  
President & CEO

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*Neither the TSX Venture Exchange nor its Regulatory Service (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*