

VANCOUVER, B.C. -- Tower Energy is pleased to announce it has entered into an option agreement with Sidewinder Exploration Ltd., dated June 26th, 2011 to acquire up to a 100% (subject to a 2% NSR) interest in two mineral properties known as "Dragon" and "Dorado", located on Vancouver Island, British Columbia.

The 7200 hectare Dragon (Zn, Cu, Au, Ag) project is located 25 km northwest of Gold River, Vancouver Island and 60 km northwest of the Myra Falls Zn-Cu-Pb-Ag-Au mine (Nyrstar NV), the largest producing volcanogenic massive sulphide deposit in western Canada. Geological mapping of the Dragon property indicates that a strongly silica altered and sulfide mineralized rhyolite flow-dome complex comprises the footwall of a prospective volcanogenic massive sulphide (VMS) horizon which is conformably overlain by limestone. On the Dragon property, the conformable transition from footwall altered felsic volcanic rocks to overlying limestones indicates a shallow marine environment for the hydrothermal system. This geological setting may be prospective for precious metal enriched, Eskay Creek-like VMS mineralization. A historical airborne geophysical survey of the Dragon property outlined several conductors that are coincident with this prospective horizon. These conductors have yet to be tested by diamond drilling. Several VMS occurrences exist on the Dragon property, most notably the Falls-North showing. A 2 meter chip sample from the Falls-North occurrence yielded base and precious metal grades of 7.3% Zn, 1.3% Pb, 0.68 g/t Au and 19 g/t Ag. The prospective horizon that hosts polymetallic VMS mineralization of the Falls-North occurrence has been traced along strike for over 4 kilometres. Historic exploration of the Dragon property by Noranda Inc., and Westmin Resources Ltd. outlined multiple, untested targets. These and other untested targets recently identified by a previous operator will be examined during a 2011 field program comprising geological mapping, rock sampling, geophysical surveys and diamond drilling.

The 2347 hectare Dorado project (Cu, Au) is located 25 kilometres southwest of Gold River, Vancouver Island. Here, a recently discovered 1.8 km long corridor of strong quartz-epidote-carbonate alteration and associated gold-copper bearing stringer to massive sulfide mineralization has been defined in basaltic volcanic rocks. Grab samples of stockwork-like stringer chalcopyrite mineralization associated with this corridor have yielded up to 1.5% Cu, 0.3 g/t Au, and 12 g/t Ag. An exploration program combining geophysics, geological mapping, stream sediment and soil sampling is planned for the Dorado property during the summer of 2011.

Under the option agreement dated June 26, 2011, Tower may earn an initial 75% interest in the properties by making cash payments of \$45,000 and issuing 1.2 million common shares to Sidewinder, in addition to funding aggregate exploration expenditures of \$2,000,000 all over a total 41-month period. The Company also has an exclusive right and option to earn an additional 25% interest in the properties (for an aggregate of 100% subject to a 2% NSR) by funding and delivering a Feasibility Study.

Initial field programs on the Dragon and Dorado properties are expected to commence in July, 2011. Technical information in this release is historical in nature and has been compiled from sources believed to be accurate, but have not been verified by Tower.

The technical content of this news release has been reviewed and approved by Kenneth Thorsen, BSc, P.Geo (No. 8232), a consultant of the company and qualified person for the purposes of National Instrument 43-101 -- Standards of Disclosure for Mineral Properties of the

Canadian Securities Administrators.

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Neither the TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statement Caution

This news release contains certain "forward-looking statements", as defined in the United States Private Securities Litigation Reform Act of 1995, and within the meaning of Canadian securities legislation. Such statements include, without limitation, statements regarding the proposed use of proceeds and anticipated date of closing. The Company cautions that forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made and they involve a number of risks and uncertainties. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors, should change, except as required by law. Factors that could cause future results to differ materially from those anticipated in these forward-looking statements include, the Company's inability to secure subscriptions from investors to complete the proposed financing in whole or in part, a management decision to change the use of proceeds based on changing circumstances, the volatility of metals prices, volatility in the market for the Company's securities and market for equities generally, and other risks associated with mineral exploration. The reader is urged to refer to the Company's public disclosure which is available through the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com for a more complete discussion of such risk factors and their potential effects.