

TomCo Energy Plc
Annual Report and Accounts 2007



TomCo Energy Plc

TomCo Energy Plc is a forward-looking energy Company leveraging its expertise and extensive industry contacts to develop a conventional oil production profile in the South-Western US. The Company also owns oil shale reserve assets in the State of Utah, US, estimated to contain some 230 million barrels of oil.

We see today, what others dream about tomorrow.

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Operational highlights

- Successful launch of TomCo Energy Plc on AIM following completion of the acquisition of The Oil Mining Company Inc in January 2007 which owns oil shale leases covering 2,918 acres in Utah, estimated by SRK Consulting (“SRK”) to contain some 230 million barrels of oil.
- Raised £1.77 million in new equity for investment in conventional oil assets.
- During the year, acquired interest in seven drilling participations and acquired rights to participate in 17 new drilling prospects in US.
- Gross production averaging 11.46 barrels per day from PDP’s.

Chairman's statement

I am pleased to announce the results for TomCo Energy Plc ("TomCo or the Company") (formerly Netcentric Systems Plc) for the year-ended 30 September 2007. These financial results reflect the fundamental change by the Company into an active oil production and exploration company.

Acquisition of The Oil Mining Company Inc

On 16 January 2007, Netcentric Systems Plc completed the reverse acquisition of The Oil Mining Company Inc, which owns two separate groups of mineral leases on a total of 2,918 acres of oil shale in the State of Utah, US. The independent firm of mining consultants, SRK, reporting on the acquired leases, has estimated these leased oil shale areas to contain some 230 million barrels of oil.

At completion of the acquisition, the Company changed its name to TomCo Energy Plc and was re-admitted to trading on AIM (TOM.L) and John Ryan, the President of The Oil Mining Company Inc, was appointed to the Board as Commercial Director.

In conjunction with the acquisition, the Company raised a total of £1.78 million through a placing of 71.28 million ordinary shares, at a placing price of 2.5 pence each, which has been used for working capital and primarily to enable the Company to investigate and make investments in producing oil wells and drilling in proven undeveloped acreage in the US.

Investments

During the year, the Company took interests in five drilling participations two of which were successful and one of which has not yet started drilling. The Company also acquired for US\$972,000, a 50% interest in the Mark III leases, "Saratoga and Abel" in Lubbock County, Texas, which have eight producing wells and preliminary estimated reserves of 28,960 barrels and subsequent to the year's end has announced a six well "in-fill" drilling programme at these two leases with

a further eleven projected to be drilled later during 2008.

We also spent a significant amount of time and effort to research and bring forward the acquisition programme for two sizeable target companies, which, unfortunately, failed to pass the due diligence tests which are a vital aspect of our decision making process. We will continue to be vigilant about all acquisition ideas and the process has enhanced our contacts and in turn our access to a larger number of high class prospects. We continue to research a number of other acquisition targets.

Post Balance Sheet

Acquisition of Heletz-Kokhav and Luxi Licenses, Israel

On 16 January 2008 TomCo announced that it had signed a letter of intent ("LOI") regarding the acquisition ("Acquisition") of interests in two petroleum licenses onshore Israel from Avenue Group Inc (AVNU.OB), a New York based US listed Oil & Gas Company, and its wholly-owned subsidiary Avenue Energy Israel Limited (together referred to as "AEI"). The interests to be acquired are a 50% interest in the Heletz-Kokhav Licence and a 25% interest in the Luxi License (the "Licenses"), which include the Heletz-Kokhav oilfield ("Heletz"). The concessions, covering over 68,000 gross acres, were recently awarded to AEI by the Israel Petroleum Commission and are 3-year production and development licenses which can be extended to 30-year production leases once production from the field has increased from the recent 60 to 300 barrels of oil per day ("bpd").

The Heletz field, located 55km south of Tel Aviv and 12km east of the Mediterranean coast, is Israel's only onshore producing oil field. The field has produced in excess of 17 million barrels of oil to date from Cretaceous sands, with peak production of 3,000 to 4,200 bpd between 1959 and 1967. The original oil-in-place (OOIP) for the field is estimated to be 50.7 million barrels; the Israeli Government estimates that there are 2 million barrels of primary recoverable oil remaining, and studies suggest over

5 million barrels of secondary recovery potential may exist. A number of undrilled, deeper exploration prospects on the licenses have estimated potential in excess of 100 million barrels.

AEI and the Company will commission an independent determination of remaining reserves for the Heletz field, as one of the first steps in an active technical programme designed to identify well re-completion and infill well drilling targets, and to examine secondary recovery options. Production from the field had declined to around 60 bpd by 2007, although TomCo expects that the implementation of modern production and recovery methods and selected infill drilling will significantly increase production over the next 2 years, resulting in the granting of a 30-year production lease.

The completion terms of the Acquisition will be:

1. TomCo will place into escrow US\$1 million in cash for a period of three months pending the approval of the transfer from Avenue of the 50% and 25% interests in the oil fields to TomCo by the Israeli Authorities with a formula to complete the transfer in the event that no such approval is forthcoming;
2. TomCo will issue to AEI 12.5 million ordinary shares of 0.5 pence each in the Company ("TomCo Shares") valued at US\$500,000 at 4c per share with a one year sale restriction;
3. TomCo will pay to AEI 50% of AEI costs incurred to date in relation to the Licenses of TomCo of US\$54,000;
4. over the three year Phase 1 period (three years) of the License TomCo will pay up to a maximum US\$4.5 million of development costs;
5. TomCo will pay a further US\$1.5 million fee to AEI at the time at which a 30 years production lease is issued, which is expected to be at the time production at the fields reaches 300 bpd; and

6. TomCo will pay a further US\$5 million fee to AEI in the event that gross recoverable reserves on the Licenses are declared by an independent, qualified assessor to be more than 10 million barrels.

To finance the Acquisition, TomCo has placed 67,066,666 shares ("Placing Shares") at 1.5p per share raising a total of £1million before expenses. Each two shares placed has an attached warrant to subscribe for one new ordinary TomCo share at a strike price of 2.5p per share with a 13 months term and a further Warrant for one share at a strike price of 5p exercisable within 13 months of the date of exercise of the first warrant. Application has been made for the Placing Shares to be admitted to AIM, and trading is expected to commence on 25 March.

Additionally at completion of the Heletz Acquisition the Company intends to issue a 24 months 8% Convertible Loan Note to Trafalgar Capital Specialized Investment Fund for Euros 1,000,000 with a minimum convertibility at 2p per share. The Company will issue 7,000,000 warrants with a three years term with an exercise price calculated at 90% of the price at completion and fee of Euro 25,000 satisfied by an issue of 1,179,562 shares.

Shareholders should be aware that this acquisition of the Heletz-Kokhav and Lux licences has not yet completed and the Company will make appropriate announcements regarding this transaction.

Strategy

The Company's strategy going forward is to hold the oil shale assets in reserve until such time as their exploitation becomes commercially and economically practical. In this regard, we believe that the Shell "In Situ" extraction process is the most likely to receive environmental clearance from US authorities and start meaningful production within a six-year time frame. Secondly, the Company is utilising the expertise of Howard Crosby, our CEO, and John Ryan, in investment in oil wells and proven undeveloped acreage located in the US and in special

situations like the Heletz License in Israel. This strategy is being implemented and the Company has, to date, already invested US\$1.39 million in such situations with a view to creating a prodigious and productive investment portfolio of conventional American and Israeli based shallow producing oil wells and proven undeveloped drilling locations. Meanwhile the Board continues to actively seek further investments, acquisitions and oil business associations.

Oil shale

Although there have been recent ongoing advances in the technology to extract oil from oil shale, particularly by Shell Oil, oil shale in the US is not yet being commercially exploited on any scale but your Board believes that this situation will change over the next few years (as a result of the huge strategic and commercial pressures, together with present supply anxiety) and will within this time frame, induce the US to create an oil shale industry in the way that the Canadian Tar Sands industry was created; indeed there has been a flurry of oil shale deals in January 2008 in the US, including an acquisition by IDT and apparent oil shale land purchases by Shell Oil.

Future investment

Your Board is now also reviewing certain other investments where clear advantage can be shown to exist to assist in the improving the value of our shares.

Website

Shareholders can find detailed information on the Company's website; www.tomcoenergy.com which, in accordance with AIM Rule 29, contains a summary of our current strategy, detailed information about US oil shale and oil shale related links to US Government sites, the Company's share price, documents, announcements, press releases and articles.

Stephen Komlósy
Chairman
31 March 2007

Board of Directors and Company information

Stephen Anton Komlósy Chairman (aged 67)

Mr Komlósy has over 45 years' experience in business as a proprietor and Director of a number of public companies operating both in the UK and the US. Retiring as Executive Chairman of AIM quoted investment company PSG Solutions Plc in October 2005, with John May, he had taken the company from a negative asset position to over £20 million over a five-year period, moving the company to OFEX and then to AIM. Previously, he was instrumental in the flotation of PremiSys Plc on AIM and Avatar Systems Inc on NASD OTC Bulletin Board. He has been a director of a number of public companies including Branon Plc, a listed industrial holding company, which he co-founded, operating in the supply of equipment to the oil business and as a manufacturer for the MOD, co-founder of LPO, a West End property and theatre owner and producer, Pavilion Leisure Plc and the Laurie March Group of companies, a property and cinema group which he was instrumental in floating.

Howard Mattes Crosby Chief executive (aged 55)

Mr Crosby has over 30 years in the investment banking industry and has founded and managed over 15 publicly traded companies. His emphasis is on the mining and natural resources sector. Early in his career he was the Vice President of UNC Nuclear Industries, a division of United Nuclear Corporation, which at the time was extensively involved in uranium exploration and production in the western US. He was also the Chairman and Chief Executive Officer of Cadence Resources Corporation until October 2005. He was one of the original founders of Cadence Resources and was instrumental in growing the market capitalisation of Cadence from under US\$1 million to over US\$450 million. Cadence was listed on the NASDAQ exchange. Mr Crosby is also a Director of White Mountain Titanium, listed on the Toronto Stock Exchange. Mr Crosby is also a Director of Platinum Diversified Mining Plc. Platinum Diversified Mining Plc. is a Special Purpose Acquisition Company ("SPAC") that was funded and floated in 2006 on the AIM market in London for US\$80 million. In September 2007, Platinum acquired International Consolidated Minerals Inc for US\$240 million and now trades under that name.

John Patrick Ryan Commercial Director (aged 45)

Mr Ryan is executive Vice President and chief financial officer of High Plains Uranium Inc, which he led from start up in April 2004 to its successful IPO on the Toronto Stock Exchange in December 2005. He is also currently Chief Financial Officer of Trend Mining Company and was Chief Legal Officer of Platinum Diversified Mining, Inc, both of which focused on metals exploration. John has over twelve years' senior level experience in the mineral and oil and gas industry sectors. He was until October 2005, Executive Vice President and Chief Financial Officer of Cadence Resources where he was instrumental in negotiating the acquisition of Aurora Oil & Gas Corporation Inc which involved assisting with the successful raising of over US\$20 million in new equity capital to close the transaction. Mr Ryan was previously Executive Vice President and Chief Financial Officer of Western Goldfields, Inc and a stockbroker at Pennaluna & Co., and Shearson-Lehman Brothers. He is currently Chairman and Chief Financial Officer of US Silver Corporation. John gained a BSc in Mining Engineering from the University of Idaho and a Juris Doctor at Boston College Law School.

**Isle of Man
Company number**
36210C

**England and Wales
Company number**
FC022829

Country of incorporation
Isle of Man

Secretary
John May

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and broker**
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London W1K 3SQ

Registrars
Computershare Investor
Services plc
PO Box 82
The Pavilions
Bridgwater Road
Bristol BS99 7NH

Gerard Maurice Thompson
Director (aged 63)

A Yale University graduate in 1967 with postgraduate training at Johns Hopkins University, University of Miami and the Open University, Mr Thompson's early career was in investment banking, marketing, new business development and corporate finance, latterly in natural resources. A former Chairman of Energy Technique PLC, currently, he is a Director of one other public company trading on AIM, Croma Group PLC as well as two UK private companies. Mr Thompson has over 20 years of banking experience working with leading investment banks including Merrill Lynch, Smith Barney and American International Group in the Caribbean, Spain, France and the UK as well as 15 years' experience with both private and public companies as a Director and a senior level manager. He specialises in manufacturing and distribution, natural resources and IT. As a business consultant, he has spearheaded several turn-arounds, providing increased value to shareholders, both public and private. Mr Thompson is active in promoting small and medium sized business causes through legislative change and is a member of the Genesis Patrons Group, advising Parliament on small business needs. He is an independent, qualified and accredited mediator and has been a Director since May 1999.

John Joseph May
Finance Director (aged 59)

Mr May is a Chartered Accountant with a degree from the University of London. He did his postgraduate studies at the University of Bath Management School. John is currently a Director of a number of UK and US listed investment companies on the AIM market and the NASD OTC Bulletin Board. His latest involvement in March 2006 is as a Director of Platinum Diversified Mining Plc. This company quoted on AIM raised US\$80 million for mining investments. In September 2007, Platinum acquired International Consolidated Minerals Inc for US\$240 million and now trades under that name and remains listed on AIM. Also in March 2006 he was appointed Non-executive Chairman of Southbank UK Plc, which floated on the Channel Islands Stock Exchange with a market capitalisation of £30 million. In November 2006, he was appointed a Director of Red Leopard Holdings Plc, a property investment company which is AIM listed. Lately John was the finance director for another AIM listed investment company, PSG Solutions Plc and also was a Non-executive Director of AIM listed Croma Group Plc. He is also a Director of PetroLatina Energy Plc, an oil and gas exploration company on AIM with an initial focus on Latin America. John is also active in UK politics and is the current Policy Director and Deputy Chairman of The Small Business Bureau Limited (SBB) and Deputy Chairman of The Genesis Initiative – lobbying groups to Government on behalf of Small Businesses ("SME"s). Until 1994 John was a partner for 17 years with International Accountancy firm Horwath Clark Whitehill.

Paul Martyn Hughes
Non-executive Director (aged 50)

Mr Hughes spent the first seventeen years of his career working for Lloyds Bank plc in a management capacity dealing with graduate recruitment, training management and providing management consultancy to major clients of the bank including risk management. Since 1996 he has been the Group Managing Director of the Gadd Group (Development and Contracting Group) and has been the Non-executive Director of several private companies including Minsterstone Limited, Norian (UK) Limited, Metrodiner Limited and eleven others. He is currently Chairman (South West) of Clydedale Bank. Mr Hughes is also a Director of the British Institute for Brain Injured Children, a national charity.

Auditors

Milsted Langdon
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Taunton
Somerset TA1 2UH

Solicitors

Wallace LLP
1 Portland Place
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Bankers

Investec Bank
2 Gresham Street
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Barclays Bank plc
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Newbrick Road
Stoke Gifford
Bristol BS3Y 8ZJ

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USA

Directors' report

The Directors submit their report and the financial statements of the Company and of the Group for the year ended 30 September 2007.

Principal activity

The principal activity of the Group is that of acquiring participations in shallow producing oil wells and proven drilling prospects.

Review of the business and future developments

A review of the Group's business and activities during the year together with its prospects for the future is contained in the Chairman's statement.

Risk assessment

The Group's oil and gas activities are subject to a range of financial and operational risks which can significantly impact on its performance.

Liquidity and interest rate risks

Cash forecasts identifying the liquidity requirements of the Group are produced frequently. These are reviewed regularly by management and the Board to ensure that sufficient financial headroom exists for at least a twelve month period.

This strategy will continually be reviewed in the light of developments with existing projects and new project opportunities as they arise.

Currency risk

Due to the limited income and expenses denominated in foreign currencies, it was not considered cost effective to manage transactional currency exposure on an active basis. However, as the financial statements are reported in sterling and the Group's production predominantly in US dollars, movements in the US dollar/sterling exchange rate can significantly affect the Group's income statement. As a result of the Group having subsidiaries whose accounts are denominated in foreign currencies, movements in the US dollar/sterling exchange rates can also significantly affect the Group's balance sheet. Exchange differences that arise on consolidation are taken to reserves.

Financial instruments

In light of the position as set out above, it was not considered an appropriate policy for the Group to enter into any hedging activities or trade in any financial instruments, such as derivatives.

Operation risk

Operational risks include equipment failure, well blowouts, pollution, fire and the consequences of bad weather. The Group manages the project operators of a producing field and ensures that all relevant legislation is met and appropriate insurance cover is in place.

Results and dividends

The income statement is set out on page 10. The Directors do not propose the payment of a dividend.

	Year to 30 September 2003 £'000	Year to 30 September 2004 £'000	Year to 30 September 2005 £'000	Year to 30 September 2006 £'000	Year to 30 September 2007 £'000
Five year record					
Revenue	11	5	—	—	68
Loss before tax	289	178	77	127	1,212
Tangible fixed assets	42	—	—	96	5,947
Cash	310	162	3	83	136
Net assets	341	151	74	218	6,044

Directors

Directors who served on the Board during the year were as follows:

S A Komlósy
H Crosby
J Ryan (appointed 16 January 2007)
G M Thompson
J J May FCA
P M Hughes (re-appointed 31 October 2006)

Biographical details of serving Directors are shown on pages 4 to 5.

Directors' interests in shares

Directors' interests in the shares of the Group, including family interests, were as follows:

	30 September 2007		30 September 2006	
	Ordinary 0.5 pence shares	Share warrants	Ordinary 0.5 pence shares	Share warrants
J Ryan	46,000,000	7,386,692	—	—
H Crosby	41,780,632	7,386,692	—	—
G M Thompson*	21,344,059	7,386,692	594,059	—
S A Komlósy	20,750,000	7,386,692	—	—
J J May FCA	20,750,000	7,386,692	—	—
P M Hughes	—	—	—	—

* These shareholdings include 594,059 ordinary shares held through HSBC Global Custody Nominee (UK) Limited.

Details of the share warrants can be found in note 19.

Substantial shareholdings

The Directors have been notified of the following substantial interests at 10 March 2008 including the shareholdings listed under Directors' interests in shares:

	Number of ordinary shares of 0.5p each	Percentage of issued share capital
J Ryan	46,000,000	10.37%
H Crosby	41,655,632	9.32%
G M Thompson	21,344,059	4.81%
S A Komlósy	20,750,000	4.68%
J J May FCA	20,750,000	4.68%
Baysville International Ltd	20,750,001	4.68%
Road Holdings	18,750,000	4.22%
Creek Holdings	18,750,000	4.22%
Meadow Holdings	18,750,000	4.22%
D G Wright	17,775,000	4.01%

Payments of creditors

The Company's policy is to negotiate payment terms with its suppliers in all sectors to ensure that they know the terms on which payment will take place when the business is agreed and to abide by those terms of payment.

The Company's creditor payment days as at 30 September 2007 for trade creditors were 13 days (2006: 53 days).

Directors' report continued

Going concern

The Directors consider, after making appropriate enquiries, that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Insurance of key management

The Group maintains Directors' and officers' liability insurance cover for TomCo Energy Plc's Directors in respect of their duties as Directors of the Group.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations adopted by the European Union ("EU") and with those parts of the Companies Acts 1931 to 2004 applicable to companies reporting under IFRS. The Directors are required by Isle of Man company law to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Group as at the end of the financial year and of the Group's profit, or loss for the year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Isle of Man Companies Acts 1931 to 2004. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for preventing and detecting fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdiction.

Auditors

The auditors, Milsted Langdon have indicated their willingness to continue in office in accordance with Section 12(2) of the Companies Acts 1982.

By order of the Board

John May
Company Secretary
31 March 2008

Independent auditors' report

to the members of TomCo Energy Plc

We have audited the Group and parent company financial statements (the "financial statements") of TomCo Energy Plc for the year ended 30 September 2007, which comprise the Group income statement, the Group statement of changes in equity, the statement of total recognised income and expense, the balance sheets, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 15(1) of the Companies Acts 1982. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As described in the statement of Directors' responsibilities, the Company's Directors are responsible for the preparation of the Annual Report and financial statements in accordance with applicable law and International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Isle of Man Companies Acts 1931 to 2004 and whether in our opinion the information given in the Directors' report is consistent with the financial statements.

We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' report and the Chairman's statement.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group and Company's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the Group and parent company financial statements give a true and fair view in accordance with IFRS as adopted by the European Union of the state of the affairs of the Group and parent company as at 30 September 2007 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Isle of Man Companies Acts 1931 to 2004.

The information given in the Directors' report is consistent with the financial statements.

Milsted Langdon

Chartered Accountants and Registered Auditors, Taunton

31 March 2008

Consolidated income statement

for the financial year ended 30 September 2007

	Note	2007 £'000	2006 £'000
Continuing operations			
Revenue	2	68	—
Cost of sales		(36)	—
Gross profit		32	—
Administrative expenses	2	(1,274)	(131)
Operating loss		(1,242)	(131)
Financial income	3	30	4
Loss before taxation	4	(1,212)	(127)
Taxation	5	—	—
Loss for the year attributable to equity shareholders		(1,212)	(127)
Earnings per share			
		2007 Pence per share	2006 Pence per share
Loss per share	7	(0.34)	(0.09)
Fully diluted loss per share	7	(0.34)	(0.09)

All amounts derive wholly from continuing activities. The financial information above may not be representative of future results.

The Company has elected to take exemption under the Companies Act 1931–2004 to not present the parent company's income statement. The loss for the parent company for the year was £549,302 (2006: £127,443).

Balance sheets

as at 30 September 2007

	Note	Group 2007 £'000	Company 2007 £'000	Group 2006 £'000	Company 2006 £'000
Assets					
Non-current assets					
Property, plant and equipment	8/9	6	6	2	2
Oil properties	8	5,892	—	—	—
Investment in subsidiaries	11	—	5,572	—	—
Available-for-sale financial assets	12	49	49	94	94
		5,947	5,627	96	96
Current assets					
Trade and other receivables	13	54	1,118	86	86
Cash and cash equivalents	14	136	101	83	83
		190	1,219	169	169
Liabilities					
Current liabilities					
Trade and other payables	15	(93)	(115)	(47)	(47)
		(93)	(115)	(47)	(47)
Net current assets		97	1,104	122	122
Net assets		6,044	6,731	218	218
Shareholders' equity					
Share capital	17	2,217	2,217	832	832
Share premium	18	5,593	5,593	188	188
Warrant reserve	19	272	272	—	—
Retained earnings		(2,038)	(1,351)	(802)	(802)
Total equity		6,044	6,731	218	218

The accounts on pages 10 to 27 were approved by the Board of Directors on 31 March 2008.

Stephen Komlósy
Chairman

John May
Finance Director

Consolidated statement of changes in equity

for the financial year ended 30 September 2007

	Share capital £'000	Share premium £'000	Warrant reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 October 2006	832	188	—	(802)	218
Recognition of share-based payments	—	—	272	—	272
Loss for the financial year	—	—	—	(1,212)	(1,212)
Issue of share capital	1,385	5,405	—	—	6,790
Exchange differences	—	—	—	(24)	(24)
At 30 September 2007	2,217	5,593	272	(2,038)	6,044

Consolidated statement of recognised income and expense

for the financial year ended 30 September 2007

	2007 £'000	2006 £'000
Currency translation differences	(24)	—
Net losses recognised directly in equity	(24)	—
Loss for the financial period	(1,212)	(127)
Total recognised expense for the year	(1,236)	(127)
Attributable to the equity shareholders of the Company	(1,236)	(127)

Consolidated cash flow statements

for the financial year ended 30 September 2007

	Note	Group 2007 £'000	Company 2006 £'000
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Cash flows from operating activities			
Cash generated from operations	20	(540)	(99)
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Net cash used in operating activities		(540)	(99)
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Cash flows from investing activities			
Purchase of equipment		(5)	(2)
Purchase of oil leases		(703)	—
Purchase of available for sale financial assets		(49)	(94)
Financial income	3	30	4
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Net cash used in investing activities		(727)	(92)
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Cash flows from financing activities			
Net proceeds from issue of share capital		1,320	271
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Net increase in cash and cash equivalents		53	80
Cash and cash equivalents at beginning of financial period		83	3
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Cash and cash equivalents at end of financial period	14	136	83
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Notes to the financial statements

for the financial year ended 30 September 2007

1. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

1.1 Basis of preparation

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations endorsed by the European Union ("EU") and with those parts of the Companies Acts 1931 to 2004 applicable to companies reporting under IFRS. The financial statements have been prepared under the historic cost convention modified by the revaluation of certain fixed assets.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reporting amounts of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The Group has consistently applied all applicable accounting standards.

The financial information for the year ended 30 September 2007 has been prepared on the going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future.

1.2 Basis of consolidation

The Group accounts consolidate the accounts of the parent company, TomCo Energy Plc, and all its subsidiary undertakings drawn up to 30 September 2007. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The acquisition of subsidiaries is accounted for on the purchase basis. On acquisition all the subsidiary's assets and liabilities which existed at the date of acquisition are recorded at their fair values reflecting their condition at the time. If, after re-assessment, the Group's interest in the net fair value of the identifiable assets liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the income statement.

1.3 Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and rewards that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and reward that are different from those of segments operating in other economic environments.

1.4 Revenue

Turnover represents the Group's share of sales of oil during the year, excluding sales tax and royalties. All income arises from the US.

1.5 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

1.6 Property, plant and equipment

Oil and gas lease costs comprise the cost or fair value of the oil and gas leases acquired by the Group. Development costs comprise reworking and other costs. Plant and equipment is stated at cost of purchase.

1.7 Exploration and evaluation assets

Costs of acquiring rights to explore are capitalised within oil and gas leases and reviewed annually for impairment. Costs of exploration and evaluation are written off as incurred until such time as a discovery is made, after which costs will be treated as development expenditure.

1.8 Decommissioning

Provision for plug and abandonment costs is recognised in full at the commencement of drilling. The amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. A corresponding fixed asset of an amount equivalent to the provision is also created. This is subsequently depreciated as part of the capital costs of the production. Any change in the present value of the estimated expenditure is reflected as an adjustment to the provision and the fixed asset.

1.9 Depreciation

The Group follows the full cost method of accounting for expenditure on oil and gas properties. Depreciation of oil and gas leases, development costs and fixtures, fittings and equipment is provided on a unit of production basis based on the reserves estimated to be recoverable from existing leases and including the estimated future costs to develop those reserves. Such depreciation is included as an operating cost in the profit and loss account.

Depreciation of office fixtures and fittings is provided at 33.3% per annum on cost.

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

1. Accounting policies continued

1.10 Joint interests in leases

The Group owns joint shares in certain leases. Revenues and costs relating to those leases are included in the income statement at the Group's net share of those revenues or costs. The oil and gas lease assets are also included in the consolidated balance sheet at the Group's net share of the asset.

1.11 Taxation

Taxation expense represents the sum of current tax and deferred tax.

Current tax is based on taxable profits for the financial period using tax rates that have been enacted or substantially enacted by the balance sheet date. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. If deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Deferred tax is determined using tax rates that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversals of the temporary differences is controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.12 Foreign currencies

The accounts have been prepared in pounds sterling being the functional currency of the holding Company. Assets and liabilities held in the overseas subsidiaries in US dollars are translated into pounds sterling at the rate of exchange ruling at the balance sheet date and income statement items are translated at the average rate for the year. The exchange difference arising on the retranslation of the opening capital and reserves are recognised as a separate component of equity.

Exchange differences arising from the settlement of monetary items are included in the income statement for that period.

1.13 Operating leases

Rentals payable under operating leases, net of lease incentives, are charged to the income statement on a straight-line basis over the period of the lease.

1.14 Available-for-sale financial assets

The Group classifies its investments as available-for-sale financial assets.

Available-for-sale financial investments are non-derivative assets. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the balance sheet date. Investments are initially recognised at cost plus any transaction costs and are subsequently carried at fair value.

Quoted investments held as fixed assets are stated at market value at the balance sheet date. Market value is stated at purchase cost. Where the Directors consider that the market for an investment is not liquid, or that price fluctuations within the market deem the current market value inappropriate, the investment is listed at cost with an appropriate adjustment to reflect these perceptions.

Gains and losses arising on the revaluation of an investment where there is a facility for the disposal of shares is transferred to the revaluation reserve. Any deficit arising on revaluation which is deemed to represent an impairment in value is charged to the income statement unless it related to an investment whose value had been increased in a previous period in which case the deficit is netted off against that investment's revaluation reserve before any excess is charged to the income statement.

An impairment test is performed annually on the carrying value of the investment. An impairment loss is recognised for the amount by which the assets carrying value exceeds its recoverable amount.

Notes to the financial statements continued

for the financial year ended 30 September 2007

1. Accounting policies continued

1.15 Trade receivables

Trade receivables, defined as loans and receivables in accordance with IAS 39, are recorded initially at fair value and subsequently measured at amortised cost using the effective interest method for any doubtful amounts. A provision for impairment of trade receivables is established when there is evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the assets carrying amount and the present value of future cash flows discounted at the effective interest rate. The movement in the provision is recognised in the income statement.

Any other trade receivables are recognised at their original amount less an allowance for any doubtful amounts. An allowance is made when collection of the full amount is no longer considered probable.

1.16 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at the bank and other short term liquid investments with original maturities of three months or less.

1.17 Trade payables

Trade payables, defined as financial liabilities in accordance with IAS 39, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Any other trade payables are stated at cost.

All of the trade payables are non-interest bearing.

1.18 Share capital

Ordinary shares are classified as equity.

1.19 Share-based payments

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each balance sheet date. For equity-settled share-based payments, the fair value determined at the date of grant is expensed on a straight-line basis over the vesting period. Fair value is measured by use of the Black-Scholes model. The calculation of this fair value is detailed in note 19.

1.20 Financial risk management

Financial risk factors

The Group has investments in equity instruments that operate primarily outside of the UK. This together with receivables expose the Group to a variety of financial risks that include the effects of changes in debt market prices, foreign currency exchange rates, credit, equity securities prices, liquidity and interest rates.

The size of the Group makes it impractical for the Board of Directors to delegate responsibility for the management of financial risk and the Executive Directors, as a body, keep aware of the issues that affect their financial instruments to enable prompt identification of financial risks so that appropriate actions may be taken. The Directors have not set out procedures to deal with foreign exchange risk, interest rate risk, credit risk, liquidity risk and price risk.

a) Foreign exchange risk

The Group has financial instruments in the US. The Group is exposed to foreign exchange risks primarily to the US dollar. The Group holds equity investments that are either US companies or have US operations. In addition the Group holds cash in US dollar bank accounts.

b) Interest rate risk

The Group has no interest bearing assets.

c) Credit risk

The Group has no significant concentrations of credit risk as a result of its limited operations.

d) Liquidity risk

The Group holds a significant proportion of its available assets in immediate access bank accounts. The Group does not hold any facilities available for draw down with the exception of its cash resources.

e) Price risk

The Group is exposed to equity securities price risk on investments held by the Group. The Group is exposed to commodity price risk on its income from oil production.

2. Segmental reporting

Analysis by geographical segment

The whole of the Group's revenue arises within the US. The loss before taxation arises within the UK and the US. Net assets are in the UK and the US.

Year ended 30 September	United States 2007 £'000	United Kingdom 2007 £'000	Total 2007 £'000	United Kingdom 2006 £'000
Continuing activities				
Revenue	68	—	68	—
Cost of sales	(36)	—	(36)	—
Gross profit	32	—	32	—
Administrative expenses	(708)	(566)	(1,274)	(131)
Operating loss	(676)	(566)	(1,242)	(131)
Financial income	—	30	30	4
Loss for the year	(676)	(536)	(1,212)	(127)
Year ended 30 September	United States 2007 £'000	United Kingdom 2007 £'000	Total 2007 £'000	United Kingdom 2006 £'000
Financial assets				
– property, plant and equipment	—	6	6	2
– oil properties	5,892	—	5,892	—
– available-for-sale financial assets	49	—	49	94
Trade and other receivables	15	39	54	86
Cash and cash equivalents	13	123	136	83
Total assets	5,969	168	6,137	265
Financial liabilities				
Trade and other payables	—	(93)	(93)	—
Total liabilities	—	(93)	(93)	—

Notes to the financial statements continued

for the financial year ended 30 September 2007

2. Segmental reporting continued

Analysis by business segment

Based on an analysis of risks and returns, the Directors consider that the Group has two main identifiable business segments; oil production and investing activities. The Directors consider that no further segmentation is appropriate.

Year ended 30 September 2007	Oil production activities £'000	Investing activities £'000	Central costs £'000	Total £'000
Continuing activities				
Revenue	68	—	—	68
Cost of sales	(36)	—	—	(36)
Gross profit	32	—	—	32
Administrative expenses	(708)	—	(566)	(1,274)
Operating loss	(676)	—	(566)	(1,242)
Financial income	—	—	30	30
Loss for the year	(676)	—	(536)	(1,212)
Financial assets				
– property, plant and equipment	—	—	6	6
– oil properties	5,892	—	—	5,892
– available-for-sale financial assets	—	49	—	49
Trade and other receivables	15	—	39	54
Cash and cash equivalents	13	—	123	136
Total assets	5,920	49	168	6,137
Financial liabilities				
Trade and other payables	—	—	(93)	(93)
Total liabilities	—	—	(93)	(93)

2. Segmental reporting continued

Analysis by business segment continued

Year ended 30 September 2006	Oil production activities £'000	Investing activities £'000	Central costs £'000	Total £'000
Continuing activities				
Revenue	—	—	—	—
Administrative expenses	—	—	(131)	(131)
Operating loss	—	—	(131)	(131)
Financial income	—	—	4	4
Loss for the year	—	—	(127)	(127)
Financial assets				
– property, plant and equipment	—	—	2	2
– available-for-sale financial assets	—	94	—	94
Trade and other receivables	—	—	86	86
Cash and cash equivalents	—	—	83	83
Total assets	—	94	171	265
Financial liabilities				
Trade and other payables	—	—	(47)	(47)
Total liabilities	—	—	(47)	(47)

3. Financial income

	2007 £'000	2006 £'000
Interest on bank deposits	8	2
Dividends received	22	—
Interest on loans	—	2
	30	4

4. Loss before taxation

The following items have been included in arriving at operating loss:	2007 £'000	2006 £'000
Depreciation of property, plant and equipment	1	—
Amortisation	40	—
Oil lease impairment	337	—
Investment impairment	94	—
Directors' fees	137	—
Recognition of share-based payments	176	—
Employee benefit expense	—	18
Auditors' remuneration:		
– audit services	9	7
– non-audit services	14	—
Rentals payable in respect of land and buildings	52	—
Net foreign exchange loss	24	—

Remuneration of the Company's auditors for provision of non-audit services to the Company includes accountancy, taxation and other advice. It is cost effective for the Company that such services are provided by its auditors in view of their knowledge of the Company's affairs going back a number of years.

Notes to the financial statements continued

for the financial year ended 30 September 2007

5. Taxation

There is no tax charge in the year due to the loss for the year.

Factors affecting the tax credit:

	2007 £'000	2006 £'000
Loss on ordinary activities before tax	(549)	(127)
Loss on ordinary activities at standard rate of corporation tax in the UK of 30%	(165)	(38)
Effects of:		
Excess management expenses carried forward	127	36
Expenses not deductible for tax purposes	38	2
Tax charge for the financial year	—	—

The Company has tax losses in respect of excess management expenses of £1,342,566 (2006: £1,095,541) available for offset against future Company income. No deferred tax asset has been recognised in respect of the tax losses carried forward as they do not meet the recognition criteria of International Accounting Standard 12.

6. Employees and Directors

Employment costs

Key management and Directors' emoluments

Key management for the purposes of this disclosure comprise the Directors of the Company. These Directors perform the following functions for the Company:

Function	Position representative	
	2007	2006
Chairman	S A Komlósy	S A Komlósy
Chief executive	H Crosby	H Crosby
Commercial Director	J Ryan	—
Director	G M Thompson	G M Thompson
Finance Director	J J May FCA	J J May FCA
Non-executive Director	P M Hughes	P M Hughes
Non-executive Director	—	E Mond

Directors' emoluments comprise fees paid to the Directors for the Directors' services. Share-based payments relate to warrants issued in the year, further details of which are in note 19. The amounts paid for their services are detailed below:

	Share-based		Total 2007 £'000	Share-based		Total 2006 £'000
	Fees 2007 £'000	payments 2007 £'000		Fees 2006 £'000	payments 2006 £'000	
S A Komlósy	23	70	93	—	—	—
H Crosby	23	70	93	2	—	2
J Ryan	23	70	93	—	—	—
G M Thompson	23	70	93	—	—	—
J J May FCA	23	70	93	—	—	—
P Hughes	24	—	24	11	—	11
E Mond	—	—	—	5	—	5
Total employment costs	139	350	489	18	—	18

7. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. Share warrants do not have a dilutive effect.

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below.

	Earnings £'000	Weighted average number of shares '000	Per share amount pence
Financial year ended 30 September 2007			
Basic EPS			
Earnings attributable to ordinary shareholders	(1,212)	359,746	(0.34)
Effect of dilutive securities	—	—	—
Diluted EPS			
Adjusted earnings	(1,212)	359,746	(0.34)
Financial year ended 30 September 2006			
Basic EPS			
Earnings attributable to ordinary shareholders	(127)	149,227	(0.09)
Effect of dilutive securities	—	—	—
Diluted EPS			
Adjusted earnings	(127)	149,227	(0.09)

8. Group properties, plant and equipment

Cost or valuation	Oil and gas properties £'000	Fixtures, fittings and equipment £'000	Total £'000
At 1 October 2006	—	2	2
Acquisition	5,565	—	5,565
Additions	729	5	734
Impairment	(119)	—	(119)
Exchange difference	(24)	—	(24)
At 30 September 2007	6,151	7	6,158
Depreciation			
At 1 October 2006	—	—	—
Charge in year	(259)	(1)	(260)
At 30 September 2007	(259)	(1)	(260)
Net book value			
At 30 September 2007	5,892	6	5,898
At 30 September 2006	—	2	2

During the year some of the oil leases were impaired in full. The £119,000 is included in the administrative expenses within the income statement for the year.

Notes to the financial statements continued

for the financial year ended 30 September 2007

9. Company properties, plant and equipment

Cost or valuation	Fixtures, fittings and equipment £'000	Total £'000
At 1 October 2006	2	2
Additions	5	5
At 30 September 2007	7	7
At 1 October 2006		
Depreciation	(1)	(1)
At 30 September 2007	(1)	(1)
Net book value		
At 30 September 2007	6	6
At 30 September 2006	2	2

10. Acquisition

On 16 January 2007, Netcentric Systems plc acquired the entire issued share capital of The Oil Mining Company Inc. through the issue of 200,000,000 new Ordinary Shares at a price of 2.5 pence. The fair value price has been calculated with reference to the placing price at the time of the acquisition. Costs associated with the acquisition amounted to £551,622, resulting in a total purchase consideration of £5,551,622. The acquired business contributed revenues of nil and net profit of nil to the Group for the period from 16 January 2007 to 30 September 2007. If the acquisition had occurred on 1 October 2006, group revenue would have increased by nil and group losses would have increased by approximately £2,000. There were no acquisitions in the year ended 30 September 2006.

The assets and liabilities as of 16 January 2007 arising from the acquisition are as follows:

	Book value at acquisition £'000	Fair value adjustments £'000	Fair value at acquisition £'000
Assets			
Non-current	—	5,565	5,565
Liabilities			
Current	(13)	—	(13)
Net assets/(liabilities)	(13)	5,565	5,552
Consideration	—	—	5,552

The adjustments relate to the revaluation of the oil shale leases.

The Oil Mining Company Inc, was a company incorporated in Utah, United States, which held two State of Utah oil shale leases comprising approximately 2,918 acres and estimated to contain some 230 million barrels of oil in the Green River shale formation. The claim areas, and the Group's interest in them is:

Asset	Per cent interest	Status	Expiry date	Licence area (acres)	Annual rental
ML 49570	100	Prospect	31/12/2024	1,638.84	\$1,600
ML 49571	100	Prospect	31/12/2024	1,280.00	\$1,400

11. Company investment in subsidiaries

Shares in Group undertakings

Cost or valuation	Total £'000
At 1 October 2006	—
Additions	5,572
At 30 September 2007	5,572

TomCo Energy Plc held 100% of the ordinary shares and voting rights of Manx Kitchens Limited, a Company incorporated in the Isle of Man.

TomCo Energy Plc held 100% of The Oil Mining Company Inc, a Company incorporated in the State of Utah, US.

TomCo Energy Plc held 100% of the units of TomCo I LLC, a Company incorporated in the State of Delaware, United States. These units have a nil par value. TomCo I acts as a holding Company of TomCo II LLC and is the sole member of TomCo II, holding 100% of the units of TomCo II LLC at a par value of nil. TomCo II LLC is a Company incorporated in the State of Delaware, US. TomCo II LLC is engaged in the exploration for and extraction of oil and gas through joint investment in operating leases.

12. Company available-for-sale financial assets

Cost or valuation	Unlisted investments £'000	Total £'000
At 1 October 2006	124	124
Additions	50	50
Exchange difference	(1)	(1)
At 30 September 2007	173	173
Provisions		
At 1 October 2006	30	30
Provided in year	94	94
At 30 September 2007	124	124
Net book value		
At 30 September 2007	49	49
At 30 September 2006	94	94

Details of unlisted investments

Name	Shares held number	Percentage holding %	Average cost per share pence	Cost £'000
Equity securities US ⁽¹⁾	9,751	0.78	31	30
Equity securities UK	471,070	3.47	20	94
Equity securities US ⁽²⁾	1,000,000	8.12	5	49

The Directors have provided in full for the investment in equity securities in the US ⁽¹⁾ due to the uncertain future of the Company. The Equity securities UK are classed as investing activities within note 2 and are also provided in full.

Notes to the financial statements continued

for the financial year ended 30 September 2007

13. Trade and other receivables

	Group 2007 £'000	Company 2007 £'000	Group 2006 £'000	Company 2006 £'000
Amounts owed by Group undertakings	—	1,080	—	—
Amounts owed by related parties	—	—	14	14
Other receivables	11	9	4	4
Prepayments and accrued income	43	29	68	68
	54	1,118	86	86

Details of amounts owed by related parties are set out in note 22.

14. Cash and cash equivalents

	Group 2007 £'000	Company 2007 £'000	Group 2006 £'000	Company 2006 £'000
Cash at bank and in hand	136	101	83	83
			2007	2006
Effective interest rate on short term bank deposits (%)			5.88	0.95

Cash includes the following for the purposes of the cash flow statement:

	Group 2007 £'000	Company 2007 £'000	Group 2006 £'000	Company 2006 £'000
Cash and cash equivalents	136	101	83	83

15. Trade and other payables

	Group 2007 £'000	Company 2007 £'000	Group 2006 £'000	Company 2006 £'000
Current				
Amount owed to Group undertaking	—	20	—	—
Trade payables	30	30	27	27
Other payables	12	12	12	12
Accruals	51	53	8	8
	93	115	47	47

Other payables relates to dividends payable on ordinary shares.

16. Deferred tax assets and liabilities

Unrecognised losses

The Company has not provided deferred tax for excess management expenses. These remain un-provided as it is not anticipated that the Company will make qualifying profits against which these may be offset in the foreseeable future but they are available indefinitely for offset against future taxable income.

	2007 £'000	2006 £'000
Excess management expenses	1,343	1,096

17. Share capital

	2007 £	2006 £
Authorised		
1,000,000,000 ordinary shares of £0.005 each	5,000,000	2,500,000
	5,000,000	2,500,000
Issued and fully paid		
At 1 October 2006	831,673	698,673
Allotted for cash during the year	1,385,582	133,000
443,450,974 ordinary shares of £0.005 each	2,217,255	831,673

At the EGM on 15 January 2007, the Company increased the authorised share capital to £3,000,000. At the AGM on 21 March 2007, this was increased further to £5,000,000.

18. Share premium

	2007 £000	2006 £000
At 1 October	188	50
Premium on shares issued in the year	5,514	162
Expenses of issue	(109)	(24)
At 30 September	5,593	188

19. Share-based payments

Details of warrants outstanding during the year are as follows:

	2007 number	2007 Weighted average exercise price pence	2006 number	2006 Weighted average exercise price pence
Outstanding at 1 October	2,868,372	0.817	20,078,604	25.0
Granted during the year	45,802,479	2.5	—	—
Surrendered during the year	(2,868,372)	0.817	(17,210,232)	25.0
Outstanding at 30 September	45,802,479	2.5	2,868,372	0.817
Exercisable at 30 September	45,802,479	2.5	2,868,372	0.817

The warrants outstanding at 30 September 2007 had a weighted average exercise price of 2.5 pence and a weighted average remaining contractual life of 3.8 years. The estimated fair value of the warrants granted during the year totalled £271,955.

Notes to the financial statements continued

for the financial year ended 30 September 2007

19. Share-based payments continued

The inputs into the Black-Scholes model for calculating estimated fair value were:

	2007
Weighted average share price (pence)	2.6
Weighted average exercise price (pence)	2.5
Expected volatility	40%
Risk-free rate	5.5%
Expected dividends	—
Weighted average remaining contractual life (years)	3.8

Expected volatility was determined by calculating the historical volatility of the Company's share price using Bloomberg 1 year volatility curve. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

20. Cash flows from operating activities

	2007 £'000	2006 £'000
Operating loss	(1,212)	(127)
Impairment of oil leases	337	—
Impairment of investments	94	—
Amortisation of oil leases	40	—
Depreciation	1	—
Share-based payments	176	—
Finance income	(30)	(4)
Decrease in trade and other receivables	32	13
Increase in trade and other payables	46	19
Currency translation differences	(24)	—
Cash generated from continuing operations	(540)	(99)
Cash generated from operations	(540)	(99)

21. Ultimate controlling undertaking

There is no ultimate controlling undertaking.

22. Related party disclosures

Information in respect of key management is given in note 6.

Financial year ended 30 September 2007

S A Komlósy, J J May and G Thompson, Directors of the Company, were also directors of Coolcharm Gold Mining Company Ltd. ("Coolcharm") during the year ended 30 September 2007. During the year ended 30 September 2005 the Company made a loan to Coolcharm of £88,699 to earn interest on Company cash. On 20 March 2006, following the appointment of H Crosby to the Board as an Executive Director, the Company received 471,070, 0.0001p ordinary shares in Coolcharm Gold Mining Company Ltd in settlement of its debt from that company of £94,167. A condition of the original loan was that the Company had the right to convert into Coolcharm shares. The Company made a further advance to Coolcharm of £13,122 to earn interest on Company cash. This unsecured loan is repayable on demand and interest is charged at 6% per annum.

During the year ended 30 September 2007, the Company has made full provision for the £94,167 shareholding in Coolcharm due to a restructuring within that Company. The loan amount of £13,122 has been written off against reserves.

23. Net commercial oil and gas reserve quantities

During the year ended 30 September 2007, the Group purchased interests in seven leases containing 15 wells. Gross production in the period between purchase and year-end from the producing wells amounted to 4,544 barrels. The Group share of which, under the terms of the leases, was 2,097 barrels.

The Group had independent calculation of proved developed producing commercial reserve estimates undertaken on 30 January 2008. This calculation estimates that proved developed producing reserves on three of its leases at 30 September 2007 amount to 38,368 barrels. This estimate was not subject to full technical evaluation and does not include all lease interest and all wells. The estimate was arrived at using well production decline curves and does not include any potential reserves that may be produced from new in-fill wells on currently producing oil-bearing reservoirs or that might be produced through recompletions into currently non-producing oil-bearing reservoirs.

24. Post balance sheet events

On 16 January 2008, TomCo announced that it had signed a letter of intent regarding the acquisition of interests in two petroleum licenses onshore Israel.

To finance the Acquisition, TomCo has placed 67,066,666 shares ("Placing Shares") at 1.5p per share raising a total of £1 million before expenses. Each two shares placed has an attached warrant to subscribe for one new ordinary TomCo share at a strike price of 2.5p per share with a 13 months term and a further Warrant for one share at a strike price of 5p exercisable within 13 months of the date of exercise of the first warrant. Application has been made for the Placing Shares to be admitted to AIM, and trading is expected to commence on 25 March 2008.

Notice of Annual General Meeting

(Incorporated in the Isle of Man with registered number 36210C)

Notice is given that an annual general meeting of the members of the company will be held at 5 p.m. on 16 June 2008 at 26 Mount Row, London W1K 3SQ for the purpose of considering and, if thought fit, passing the following resolutions:

Ordinary resolutions

1. To receive the Company's annual accounts for the financial year ended 30 September 2007 together with the last Directors' report, and the auditors' report on those accounts.
2. To re-appoint as a director of the Company Gerard Thompson who retires by rotation.
3. To re-appoint as a director of the Company John May who retires by rotation.

Special resolutions

4. That the articles of association of the Company be amended as follows:

The following words in Article 3.2(a) be deleted:

"the earlier of the conclusion of the Annual General Meeting of the Company in 2009 or the date falling 15 months from the date of the passing of the Resolution to amend these Articles".

And the following words be substituted for them:

"the earlier of the conclusion of the Annual General Meeting of the Company in 2010 or the date falling 15 months from the date of the passing of the Resolution to amend these Articles".

John May

Secretary

31 March 2008

Registered office
2nd Floor
Sixty Circular Road
Douglas
Isle of Man IM1 1SA

Notes:

1. A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the company.
2. The instrument appointing a proxy and (in the case of an instrument signed by an agent of the member who is not a corporation) the authority under which such an instrument is signed or an office copy or duly certified copy must be deposited at the offices of Computershare Investor Services PLC, Registrars, not less than 48 hours before the time appointed for the meeting or any adjourned meeting. A prepaid form of proxy for use in respect of the meeting is enclosed.
3. Completion of a form of proxy will not prevent a member from attending and voting in person.
4. Members will be entitled to attend and vote at the meeting if they are registered on the company's register of members 48 hours before the time appointed for the meeting or any adjourned meeting.

TomCo Energy Plc
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