



Tomco Energy

Sep 11th 2014

UPDATE - Tomco Energy sees important milestone for oil shale project

--ADDS CEO COMMENTS AND BACKGROUND--

With the submission of documents to the state regulator Tomco Energy (LON:TOM) has reached an important milestone for its Holliday unconventional hydrocarbon project in Utah.

It has submitted the final details required by the Utah authorities concerning the company's intention to commence large mining operations' (or LMO).

Now the authorities are able to consider making a decision to tentatively approve the LMO and begin a 30 day public consultation.

At the same time, another part of the permitting process will be the securing of a ground water discharge permit (GWDP).

Tomco said it is progressing the application for this second vital permit and it expects to make the final submission during the fourth quarter.

City broker SP Angel in a note said: "News that permitting is progressing is good news all round, but the key to investors seeing the value unlocked still reside in the proving of the Eco-shale technology, which is currently underway."

The Holliday project aims to unlock an estimated 126mln barrels of shale oil using a new extraction technology called EcoShale, which was designed to address environmental challenges associated with shale developments.

The process involves the extraction (or mining) of oil bearing shale in capsule', with the oil subsequently separated via a heating process.

The oil and gas junior, valued today at £20mln, is retracing the steps of its innovative neighbour Red Leaf Resources, which has teamed up with French major Total.

It is now in the process of executing a commercial proof-of-concept pilot on EcoShale, which it developed.

Speaking with Proactive Investors, Tomco chief executive Paul Rankine explained that the Utah state authorities had requested additional details for the application as a result of matters raised during Red Leaf's public consultation process.

"It is taking a little bit longer than we had expected, but we are getting there," Rankine said.

"We've had to add in further detail over and above that accepted by both departments for Red Leaf."

"It limits the ability for the public consultations to be problematic."

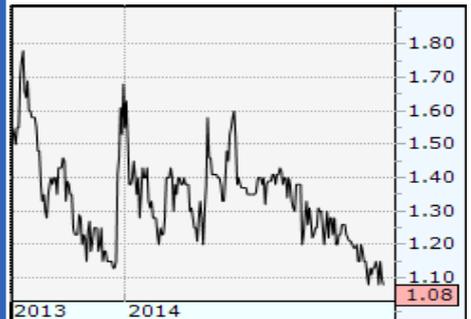
Rankine believes the LMO application will be accepted shortly - possibly next week - with the water in just over a month's time.

Without direct operational activity the AIM share could appear to be something of a sleeper stock, but there are few

Price: 1.08p

Market Cap: £20.19M

1 Year Share Price Graph



Share Information

Code: TOM

Listing: AIM

Sector: Energy

Website: www.tomcoenergy.uk.com

Company Synopsis:

TomCo Energy plc is a UK based company quoted on the AIM Market of the London Stock Exchange. The Company is focused on the development of its substantial 100% owned oil shale assets located in the prospective Green River Formation in the US state of Utah.

action@proactiveinvestors.com



other small caps with as clear a path to value creation as Tomco.

And while investors may first have to be patient, once the big valuation catalysts arrive it may be a case of blink and you'll miss it'.

The initial mining phase of Red Leaf's pilot, at Seep Ridge, is now nearing completion and the capsule' will soon be created.

Thereafter the oil extraction process will begin; first oil is forecast in the second half of 2015.

When oil recovery begins at Seep Ridge is when things should quickly get interesting for Tomco as the Holliday Block is just 15 miles from Seep Ridge.

If EcoShale is proved to be commercially viable and with permits in hand, Tomco will be able secure project funding or seek an alternative transaction.

Indeed, that could see Total emerge as a partner or even buyer of the venture.

"We want to be in a position where we have the exact same permits as Red Leaf, when Red Leaf progresses Seep Ridge, so that we can follow them very quickly into production," Rankine said.

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Contact us ■ +44 (0)207 989 0813 ■ action@proactiveinvestors.com

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