



# Tomco Energy

May 17<sup>th</sup> 2012

## TomCo Energy shares should be boosted by neighbour's activities, says broker

Shares in oil shale firm TomCo Energy (LON:TOM) should be boosted by the activities of Red Leaf Resources - its neighbouring firm in Utah, according to broker Optiva Securities.

Analyst Jason Robertson highlighted global oil giant Total's US\$320 mln investment for a 50 per cent participating interest in Red Leaf's Seep Ridge project, which lies just 15 km away from TomCo's Holliday block.

This investment is a "significant" event for TomCo and other firms advancing oil shale projects, he said.

Both firm's plan to use the same "in capsule" technology called EcoShale to extract the oil.

"Once Red Leaf moves into commercial production, which is anticipated in 2014, TomCo is expected to then move its project forward into production with output of 9,800 bopd.

"Seep Ridge is similar in resource size at 90 to 120m barrels to Holiday Block, which has a JORC indicated resource of 123 million barrels."

Robertson noted that, given Total's investment, the total value of the Seep Ridge project is around US\$640 million, meaning that Holliday would be worth a similar amount, once a capital expenditure commitment is made.

TomCo has a 100 per cent interest in two oil shale leases - covering around 3,000 acres in the Beehive state, Utah - but the 123 million barrel indicated resource is part of its 1,000 acre Holliday block.

The firm's plans for this block were outlined by TomCo chief executive last summer.

The firm has a commercial agreement to use the EcoShale process, which has already been tried and tested on a pilot scale by Red Leaf.

The method, which is cost effective and minimally environmentally invasive, leads to the production of two synthetic oil shales - one is called "prompt" oil with a 29 API gravity and there's a condensate oil of around 39 API.

Robertson, which rates the TomCo shares a 'buy', also pointed out that as the process and technology behind oil shale extraction matures, he believes that the capex requirement of TomCo's project could drop, which may also lead to lower operational costs.

On the back of further calculations, he has also upped his price target on the stock to 11.2 pence a share, from 10 pence previously.

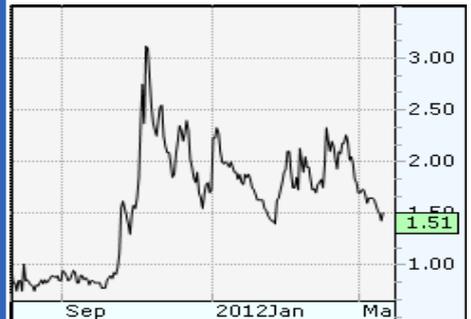
"With TomCo's project continuing to be de-risked by the activities of neighbouring Red Leaf and the prospect of further newsflow from TomCo itself over the course of this year as it moves its JORC resource to an anticipated Measured' and then Probable' reserve status, the shares should continue their upward trend," he added.

TomCo shares are currently trading at 1.53 pence each.

**Price:** 1.51p

**Market Cap:** £21.84M

### 1 Year Share Price Graph



### Share Information

**Code:** TOM

**Listing:** AIM

**Sector:** Energy

**Website:** [www.tomcoenergy.com](http://www.tomcoenergy.com)

### Company Synopsis:

*TomCo Energy Plc is a London based, public company with oil shale assets in the State of Utah, USA. TomCo holds a 100% interest in two oil shale leases, comprising 7 blocks covering 2,918 acres (4.6 square miles) in the Uinta Basin, Utah. These are Utah State 'School Leases' rather than Federal (Bureau of Land Management) properties, and are considered more likely to receive development approval.*

action@proactiveinvestors.com



Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

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

## No investment advice

Proactive Investors is a publisher and is not registered with or authorised by the Financial Services Authority (FSA). You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including company related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.