

Jan 14th 2014

Beaufort Securities Breakfast Today W Resources, Nostra Terra Oil & Gas, Tertiary Minerals, Europa Oil & Gas and others

Company News

TomCo Energy (LON:TOM)

TomCo Energy announced the submission of a notice of intention to start large mining operations (LMO) to the Utah Division of Oil, Gas and Mining (DOGM). By mid-2014, DOGM is expected to publish its tentative decision to approve TomCo's application and request a 30-day public comment period. The timing of the final approval for TomCo to start LMO would depend upon the public comments received. Additionally, the company informed that the work on its Groundwater Discharge Permit progressed well, while its submission to the Utah Division of Water Quality is expected in Q1 2014. The company also notified about a 24 month extension in the term of the Liquidity Facility with Windsor Capital Partners Limited, beyond the original expiry date of 24th January 2014.

Our view: TomCo is showing steady progress towards securing all the required permits for starting commercial production at the Holliday Block prospect. Recently, the neighbouring Red Leaf Resources secured its last major permit to move the Seep Ridge project into full construction phase. This is a positive indication for TomCo, which is also eyeing permits for the same purpose. TomCo and Red Leaf, both are targeting to mine shale oil with the use of EcoShale™ In-Capsule Process, an environmentally sensitive and proven technology. TomCo's Holliday Block is expected to hold approximately 126 million barrels of reserves in its main tract. A strong government support for the EcoShale™ technology, a strong resource potential and a rapid progress at the Holiday block, together with a strong financial backing, offer a strong near term upside to TomCo. We retain a Speculative Buy rating on the stock.