

RNS Number : 2332F  
TomCo Energy PLC  
13 June 2012

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**TOMCO ENERGY PLC**  
**("Tomco" or the "Company")**

**UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2012**

TomCo Energy Plc (AIM:TOM), the US focused petroleum exploration and production company, announces its interim results for the six months ended 31 March 2012.

**HIGHLIGHTS:**

- Converted outstanding loans with Kenglo One Ltd into shares.  
Company has no outstanding loans
- Exercise of 34,666,667 warrants raising cash of £520,000
- Invests \$5 million in Red Leaf Resources Inc

**Post Period End Highlights**

- Paul Rankine continues role as CEO on a permanent basis
- SRK Consulting updates Holliday Block to 126 million barrels in the JORC Code Measured category

Paul Rankine, CEO of TomCo, commented "The \$5 million investment in Red Leaf highlights the confidence that we have in Red Leaf and the EcoShale process whilst the conversion of the outstanding loans during the period has further consolidated the company's finances moving forward.

SRK's update on the Company's Holliday Block to a JORC compliant Measured resource of 126 million barrels, combined with Total's commitment of \$320 million for its 50% participation in Red Leaf's Utah assets provides us with further confidence that we have an outstanding, viable asset that will deliver significant shareholder value and we view the future with confidence."

**Enquiries**

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## CHAIRMAN'S STATEMENT & REVIEW OF OPERATIONS

A lot has been achieved since we released our Annual Report and Financial Statements in March this year. We were pleased to disclose that our \$5 million investment in Red Leaf Resources Inc. ("Red Leaf") was part of a \$100 million raising by Red Leaf that created a Joint Venture ("JV") with Total E&P USA Oil Shale, LLC ("Total"), an affiliate of Total SA, the 5<sup>th</sup> largest international integrated oil and gas company. The JV is for the development of the Red Leaf Oil Shale assets in Utah using Red Leaf's proprietary "EcoShale" processing technology to manufacture oil from near surface shale rock. These assets are located close to those of TomCo's Holliday Block in Utah and TomCo has an existing commercial agreement to utilise the EcoShale technology. This is a highly significant development, not only for us but also potentially for energy markets in general. Commercial oil shale mining could unlock one of the world's great oil resources. The deal between Total and Red Leaf has fully funded what is anticipated to be the first commercial scale "EcoShale" process. Total's full commitment of \$320 million for its 50% participation in Red Leaf's Utah assets is a meaningful investment. Red Leaf's Seep Ridge is approximately the same size as our Holliday Block and will have the same target full production rate of 9,800 barrels per day. Red Leaf has now secured the funding and key permits to fully develop the Seep Ridge project and TomCo will continue the process towards production at our Holliday Block.

We were also pleased to announce that SRK Consulting (UK) Limited ("SRK") has reviewed recent work carried out by TomCo on the Company's Holliday Block and has issued an updated JORC Code mineral resource statement. In doing this, SRK has upgraded the 123 million barrels previously reported in the Indicated category to 126 million barrels in the Measured category. The SRK revised mineral resource statement not only gives us increased confidence on the oil contained within our Holliday Block lease up to a JORC compliant Measured Resource, but also increases the resource magnitude from 123 to 126 million barrels. We are now working on providing SRK with the required technical reports to enable this JORC compliant Resource to be upgraded to a JORC compliant Ore Reserve.

Finally, I am delighted that Paul will continue as CEO of TomCo on a permanent basis, effective 1<sup>st</sup> June. Paul has vast experience at board level with AIM-listed mining companies and coupled with his considerable knowledge of the oil shale process I am confident that the company will continue to move forward and deliver on its stated strategy.

Sir Nicholas Bonsor Bt DL



Condensed consolidated statement of comprehensive income  
For the period ended 31 March 2012

		Unaudited Six months ended 31 March 2012	Unaudited Six months ended 31 March 2011	Audited Year ended 30 September 2011
		£'000	£'000	£'000
Revenue		7	8	16
Cost of sales		(2)	(2)	(5)
<b>Gross profit</b>		<b>5</b>	<b>6</b>	<b>11</b>
Administrative expenses	4	(636)	(521)	(1,687)
<b>Operating loss</b>		<b>(631)</b>	<b>(515)</b>	<b>(1,676)</b>
Finance income		1	-	131
Finance costs		-	(209)	(356)
Derivative expense		-	-	(295)
<b>Loss on ordinary activities before taxation</b>		<b>(630)</b>	<b>(724)</b>	<b>(2,196)</b>
Taxation		-	-	-
<b>Loss from continuing operations</b>		<b>(630)</b>	<b>(724)</b>	<b>(2,196)</b>
<b>Loss for the year and total comprehensive income attributable to equity shareholders of the parent</b>		<b>(630)</b>	<b>(724)</b>	<b>(2,196)</b>
	Note	Unaudited Six months ended 31 March 2012	Unaudited Six months ended 31 March 2011	Audited Year ended 30 September 2011
		Pence per share	Pence per share	Pence per share
<b>Loss per share attributable to the equity shareholders of the parent</b>				
Basic & Diluted Loss per share	5	(0.04)	(0.09)	(0.25)



Condensed consolidated statement of financial position  
As at 31 March 2012

	Note	Unaudited Six months ended 31 March 2012 £'000	Unaudited Six months ended 31 March 2011 £'000	Audited Year ended 30 September 2011 £'000
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	6	11,215	7,923	7,945
Property, plant and equipment		11	15	13
		<b>11,226</b>	<b>7,938</b>	<b>7,958</b>
<b>Current assets</b>				
Trade and other receivables		28	38	202
Cash and cash equivalents		905	259	1,363
		<b>933</b>	<b>297</b>	<b>1,565</b>
<b>TOTAL ASSETS</b>		<b>12,159</b>	<b>8,235</b>	<b>9,523</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		(103)	(315)	(327)
Convertible loan		-	(3,865)	(888)
Derivative liability		-	-	(295)
		<b>(103)</b>	<b>(4,180)</b>	<b>(1,510)</b>
<b>Net current assets/(liabilities)</b>		<b>830</b>	<b>(3,883)</b>	<b>55</b>
<b>TOTAL LIABILITIES</b>		<b>(103)</b>	<b>(4,180)</b>	<b>(1,510)</b>
<b>Total net assets</b>		<b>12,056</b>	<b>4,055</b>	<b>8,013</b>
<b>Shareholders' equity</b>				
Share capital	7	8,077	3,798	6,555
Share premium		13,724	7,907	10,573
Warrant reserve		360	928	492
Retained deficit		(10,105)	(8,578)	(9,607)
<b>Total equity</b>		<b>12,056</b>	<b>4,055</b>	<b>8,013</b>

The financial information on pages 3 to 8 was approved and authorised for issue by the Board of Directors on 11 June and were signed on its behalf by:

Paul Rankine  
Director

Miikka Haromo  
Director



Condensed consolidated statement of changes in equity  
For the six months ended 31 March 2012

	Share capital	Share premium	Warrant reserve	Retained deficit	Total
	£'000	£'000	£'000	£'000	£'000
<b>Opening balance at 1 October 2010 (audited)</b>	3,798	7,907	928	(7,854)	4,779
Total comprehensive loss for the period	-	-	-	(724)	(724)
<b>At 31 March 2011 (unaudited)</b>	3,798	7,907	928	(8,578)	4,055
Total comprehensive loss for the period	-	-	-	(1,472)	(1,472)
Issue of warrants	-	-	7	-	7
Expired warrants	-	-	(443)	443	-
Issue of share capital	2,757	2,666	-	-	5,423
<b>At 30 September 2011 (audited)</b>	6,555	10,573	492	(9,607)	8,013
Total comprehensive loss for the period	-	-	-	(630)	(630)
Expired warrants	-	-	(132)	132	-
Issue of share capital	1,522	3,151	-	-	4,673
<b>At 31 March 2012 (unaudited)</b>	<b>8,077</b>	<b>13,724</b>	<b>360</b>	<b>(10,105)</b>	<b>12,056</b>

Condensed consolidated statement of cash flows  
For the period ended 31 March 2012

	Unaudited Six months ended 31 March 2012 £'000	Unaudited Six months ended 31 March 2011 £'000	Audited Year ended 30 September 2011 £'000
<b>Cash flows from operating activities</b>			
Loss after tax	(630)	(724)	(2,196)
Depreciation	2	2	4
Share based payments	-	-	7
Finance income	(1)	-	(131)
Finance costs	-	209	651
(Increase)/decrease in trade and other receivables	174	-	(164)
(Decrease)/increase in trade and other payables	(224)	70	109
<b>Cash used in operations</b>	<b>(679)</b>	<b>(443)</b>	<b>(1,720)</b>
<b>Cash flows from investing activities</b>			
Purchase of technology licence	-	(647)	(647)
Investment in oil & gas assets	(3,213)	(263)	(249)
<b>Net cash used in investing activities</b>	<b>(3,213)</b>	<b>(910)</b>	<b>(896)</b>
<b>Cash flows from financing activities</b>			
Issue of share capital	3,434	-	3,435
Proceeds from issue of loan note	-	1,000	1,000
Loan repayment	-	-	(1,000)
Loan interest paid	-	-	(68)
<b>Net cash generated from financing activities</b>	<b>3,434</b>	<b>1,000</b>	<b>3,367</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(458)</b>	<b>(353)</b>	<b>751</b>
Cash and cash equivalents at beginning of financial period	1,363	612	612
<b>Cash and cash equivalents at end of financial period</b>	<b>905</b>	<b>259</b>	<b>1,363</b>

# UNAUDITED NOTES FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 March 2012

## 1. Accounting Policies

### Basis of Preparation

The condensed interim financial information has been prepared using policies based on International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU. The condensed interim financial information has been prepared using the accounting policies which will be applied in the Group's statutory financial information for the year ended 30 September 2012.

### Going concern

The Directors are confident that the Group has sufficient funds to meet its working capital requirements and commitments for a period of not less than twelve months from the date of signing of these financial statements and as a result the financial statements have been prepared on the going concern basis.

## 2. Financial reporting period

The condensed interim financial information incorporates comparative figures for the interim period 1 October 2010 to 30 September 2011 and the audited financial year to 30 September 2011. The condensed interim financial information for the period 1 October 2011 to 31 March 2012 is unaudited. In the opinion of the Directors the condensed interim financial information for the period presents fairly the financial position, results from operations and cash flows for the period in conformity with the generally accepted accounting principles consistently applied.

The financial information contained in this interim report does not constitute statutory accounts as defined by the Isle of Man Companies Act 2006. The comparatives for the full year ended 30 September 2011 are not the Company's full statutory accounts for that year. A copy of the statutory accounts for the year ended 30 September 2011 has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under the provisions of the Isle of Man Companies Act 2006.

## 3. Revenue

Revenue is attributable to one continuing activity, which is oil production from a wholly-owned subsidiary of the Group, located in the United States.

## 4. Operating Loss

	Unaudited Six months ended 31 March (unaudited) 2012	Unaudited Six months ended 31 March (unaudited) 2011	Audited Year ended 30 September (audited) 2011
<b>The following items have been charged/(credited)in arriving at operating loss:</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Depreciation of property, plant and equipment	2	2	4
Directors' fees	287	139	489

Share-based payments charge - statement of comprehensive income	-	-	7
Auditors' remuneration:			
- audit services	22	30	62
-non audit services	-	6	36
Rentals payable in respect of land and buildings	25	46	60

In relation to his termination of appointment as director in the six months to 31 March 2012, Stephen Komlosy received a compensation payment of £123,693.

## 5. Loss per share

Basic loss per share is calculated by dividing the losses attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Reconciliations of the losses and weighted average number of shares used in the calculations are set out below.

	Losses	Weighted average Number of shares	Per share Amount
Six months ended 31 March 2012	£'000	'000	Pence
<b>Basic and Diluted EPS</b>			
Losses attributable to ordinary shareholders on continuing operations	(630)	1,416,071	(0.04)
Total losses attributable to ordinary shareholders	<b>(630)</b>	<b>1,416,071</b>	<b>(0.04)</b>

	Losses	Weighted average Number of shares	Per share Amount
Six months ended 31 March 2011	£'000	'000	Pence
<b>Basic and Diluted EPS</b>			
Losses attributable to ordinary shareholders on continuing operations	(724)	759,549	(0.09)
Total losses attributable to ordinary shareholders	(724)	759,549	(0.09)

	Losses	Weighted average Number of shares	Per share Amount
Financial year ended 30 September 2011	£'000	'000	Pence

**Basic and Diluted EPS**

Losses attributable to ordinary shareholders on continuing operations	(2,196)	877,371	(0.25)
Total losses attributable to ordinary shareholders	(2,196)	877,371	(0.25)



## 6. Intangible assets

	Oil & Gas Available for sale financial assets £'000	Oil & Gas Exploration and development licence £'000	Oil & Gas Technology licence £'000	Total £'000
<b>Cost</b>				
At 1 October 2010	-	6,382	667	7,049
Additions	-	227	647	874
At 31 March 2011	-	6,609	1,314	7,923
Additions	-	22	-	22
At 30 September 2011	-	6,631	1,314	7,945
Additions	3,148	122	-	3,270
<b>Net book value</b>				
At 31 March 2012	<b>3,148</b>	<b>6,753</b>	<b>1,314</b>	<b>11,215</b>
At 30 September 2011	-	6,631	1,314	7,945
At 31 March 2011	-	6,609	1,314	7,923

On 30 March 2012, the company announced its intention to make a \$5 million investment in Red Leaf Resources Inc. ("Red Leaf") as part of a \$100 million raising from Red Leaf in conjunction with the closing of a Joint Venture ("JV") with Total E&P USA Oil Shale, LLC. The completion of the investment was announced on 2 April 2012. The investment included a £2,957,500 subscription by Altima Global Special Situations Master Fund Ltd ("AGSS"), Dominic Redfern and Mark Donegan with TomCo at 1.75p per ordinary share (the closing mid market price the day prior to the announcement of the investment). The balance of the investment was financed from TomCo's existing cash resources. As a result of the investment, TomCo received 3,333.33 shares in Red Leaf Resources Inc.

## 7. Share Capital

		Six months ended 31 March 2012 (Unaudited) £,000	Six months ended 31 March 2011 (Unaudited) £'000	Year ended 30 September 2011 (Audited) £,000
<b>Issued and fully paid</b>				
At 1 October		<b>6,555</b>	3,798	3,798
Allotted during period:				
July 2011 - placing at 1 pence per share	551,346,803	-	-	2,757
October 2011 - loan conversion at 1 pence per share	100,920,548	<b>504</b>	-	-

January 2012 - conversion of warrants at 1.5 pence per share	34,666,667	<b>173</b>	-	-
March 2012 - subscription at 1.75 pence per share	169,000,000	<b>845</b>	-	-
<hr/>				
1,615,483,169 (March 2011: 759,549,151; September 2011: 1,310,895,954) ordinary shares of £0.005 each		<b>8,077</b>	3,798	6,555
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