



11 April 2018

**TomCo Energy plc (AIM: TOM)**

**("TomCo" or the "Company")**

### **TurboShale Update and Restructuring**

TomCo, the oil shale exploration and development company focused on using innovative technology to unlock unconventional hydrocarbon resources, is pleased to announce, further to the Company's announcements of 11 January and 9 April 2018, details of a corporate restructuring of TomCo's subsidiary, TurboShale Inc. ("TurboShale") (the "TurboShale Restructuring").

As part of the TurboShale Restructuring, TomCo and TurboShale have agreed that TomCo shall provide the necessary funding to take TurboShale through to the completion of the proposed field test programme (the "Field Test Programme"), estimated to cost approximately £500,000 (the "Field Test Programme Funding"). The Company is in discussions with regards to securing the Field Test Programme Funding and further announcements will be made as appropriate. Whilst the Directors are confident of securing the requisite funding, there is no guarantee that the Company will be successful in its efforts to raise the Field Test Programme Funding or as to the terms of such funding.

As set out in the Company's announcement of 9 April 2018, the Field Test Programme is expected to take four to six-months to complete following securing the requisite funding and will comprise, *inter alia*, re-running the historical test programme in order to obtain data to confirm the validity and efficacy of TurboShale's technology in the Company's Holliday Block for extracting oil shale on a commercial basis, based on a historical programme conducted by a group of oil majors in the early 1980s, with the ultimate goal of moving towards production on the Company's Holliday Block leases.

Following the Company agreeing in principle to provide the Field Test Programme Funding, as part of the TurboShale Restructuring, Venture Development Partners Ltd ("VDP") and JRT Technologies LLC ("JRT") have entered into agreements resulting in TomCo increasing its holding in TurboShale to 80%, which are summarised below.

## **Summary of the TurboShale Restructuring**

As announced by the Company on 2 June 2017, a binding framework agreement was entered into between TomCo, TurboShale, JRT, VDP and The Oil Mining Company Inc. ("OMC") (OMC is the Company's wholly owned subsidiary through which its oil shale assets, including its Holliday Block leases, are held) (together the "Parties") (the "Framework Agreement"), pursuant to which the following binding agreements were entered into:

- Patent Purchase and Development Agreement between TurboShale and JRT (the "Patent Purchase Agreement");
- Management Agreement between TurboShale and TomCo;
- Participation Agreement between TurboShale and OMC; and
- Marketing and Investor Relations Agreement between VDP and TurboShale (the "Marketing Agreement").

### *Settlement Agreement and Warrant issue*

The Company, VDP and TurboShale have entered into a settlement agreement (the "Settlement Agreement"), whereby VDP has agreed to the cancellation of the 62,500 vested common shares in TurboShale, which were issued to it pursuant to both the Framework Agreement and the Marketing Agreement, along with all other unvested shares in TurboShale.

In addition, pursuant to the Settlement Agreement, VDP and its legal representatives have agreed to resign from all positions within TurboShale effective immediately and TomCo has agreed to issue to VDP 100,000 warrants to subscribe for ordinary shares of nil par value in TomCo ("TomCo Shares") exercisable at 10 pence per TomCo Share within two years from the date of the Settlement Agreement, to pay VDP any nominal outstanding monies owed to it pursuant to the Framework Agreement and the Marketing Agreement, which is expected to be £1,500, to waive any breach of the Framework Agreement and the Marketing Agreement and to pay VDP commission on investments introduced by it or its legal representatives.

### *Share Cancellation Agreement*

JRT and TurboShale have entered into a share cancellation agreement, amending certain terms of the Patent Purchase and Development Agreement (the "Share Cancellation Agreement"), pursuant to which JRT has agreed to the cancellation of 125,000 of general common stock in TurboShale, originally issued to it under the Framework Agreement and Patent Purchase Agreement.

Accordingly, TomCo will now have an 80% interest in TurboShale's issued share capital and JRT will hold the remaining 20%. In addition, TomCo currently has a loan of approximately US\$180,000 outstanding to TurboShale and pursuant to the Management Agreement, should be receiving a monthly management fee, which will accrue beginning from 1 May 2018. On securing the Field Test Programme Funding, which TomCo will likely provide to TurboShale via a further loan, TomCo does not anticipate that its current loan will be repaid or that the management fee will become payable until further funding has been secured by TurboShale. The Share Cancellation Agreement will not fall away should TomCo not raise the requisite funding for the Field Test Programme.

## **Related Party Transaction**

The entry into the Share Cancellation Agreement will constitute a related party transaction for the purposes of Rule 13 of the AIM Rules for Companies, as JRT is an associate of Ray Kasevich, a director of TurboShale. Accordingly, the Directors of the Company, having consulted with Strand Hanson Limited, the Company's Nominated Adviser, consider the terms of the Share Cancellation Agreement to be fair and reasonable insofar as the Company's shareholders are concerned.

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For further information, please visit [www.tomcoenergy.uk.com](http://www.tomcoenergy.uk.com)

*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014.*

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