



6 July 2016

**TomCo Energy plc (AIM: TOM)
("TomCo" or the "Company")**

New Palm Oil Division

Highlights

- Completion of corporate due diligence on a new palm oil milling project in the Makeni oil palm belt in Sierra Leone;
- Delivery of an independent report by Astratec Africa Limited that examines the oil palm industry in Sierra Leone, and assesses the proposed corporate plan and commercial potential;
- In the process of finalising the formation of TomCo Palm Oil Ltd in Sierra Leone; and
- The Company is reviewing finance options in the form of debt and a small amount of equity, to fund the development costs of this project.

Further to the announcement made by TomCo on 19 May 2016, the Company is pleased to announce the go ahead of a new palm oil division, subject to financing.

Background

The Company has completed its due diligence work on a new palm oil milling project located in the Makeni oil palm belt in Sierra Leone. The Directors identified around 1,845Ha of existing oil palm plantations owned by 33 villages west of Makeni. Preliminary discussions with the respective farmers yielded overwhelming support to the Company's proposed processing plant and confirmed their willingness to supply Fresh Fruit Bunches (FFB - locally known as banga) for the Company to convert into unrefined crude palm oil palm kernels for sale in Sierra Leone.

The support from the local communities was further demonstrated when the village chief of Makarie, Pa Abdulai Conteh, offered to provide to TomCo the freehold land it required to build a processing plant on at no cost.

Astratec Report

As part of the due diligence process, TomCo also engaged an independent palm oil expert, Stuart Honeysett from Astratec Africa Limited (“Astratec”), to help select a site, and examine the economics of building a 1tph FFB plant at Makarie, 10km west of Makeni in Sierra Leone, with the capability of expanding this plant to 2tph to take advantage of the abundance of nearby plantations in the area surrounding Makarie, provided the economics of the expansion are sufficiently attractive. The processing equipment is expected to be sourced from India and is a simple and robust design with a central boiler rather than open fires to provide steam for the processing of the FFB. The report is available on the Company’s website at www.tomcoenergy.uk.com and contains information on the oil palm industry in Sierra Leone, and details about the specific project plan and its costs, benefits, and likely commercial potential for the Company.

Infrastructure

The location of the 1Ha processing plant site was determined by Astratec, and is about 300m north of the Makarie village, 200m NW of the Bumbuna Hydroelectric Transmission Line, 400m NW of the Makeni-Lunsar Highway, and about 10km by road from the centre of Makeni, the fourth largest city in Sierra Leone. The combination of these factors provide the site with great logistical advantages and is also within a 12km radius of the identified palm plantations.

Permitting

The Company has sought to ensure that the acquisition and development of the land are in full compliance with all applicable Sierra Leonean laws. The plant site has been officially surveyed and a legal title has been granted by the Ministry of Lands. Attention now turns to land preparation, including building an access road to one side of the property. A concrete-lined water well has been built at one corner of the site. The Environmental Protection Agency (“EPA”) and the Electricity Distribution Supply Authority have both been notified about the project and the Company’s development plans. An EPA licence will be applied for at the appropriate time.

Funding

The expected capital expenditure required to deliver the 1tpa FFB processing plant project through to commissioning is approximately US\$500,000. TomCo is reviewing finance options to secure up to 70% of these costs by way of debt funding, with the balance being financed through its cash reserves and proceeds from a future equity placing.

The upgrade to 2tpa is expected to cost about US\$400,000, the packaging plant will be about US\$150,000 and the soap plant US\$275,000, to be funded out of debt and operational cashflows.

TomCo is currently reviewing debt and equity financing options, to fund the initial 1tpa FFB processing plant and to provide further working capital for the Company.

Andrew Jones, Chairman of TomCo, said *“We believe this is a particularly attractive project in that it will allow us to get a foothold in the palm oil industry in a socially beneficial way. The local village benefits from direct and in-direct employment, the oil palm farmers benefit from having a dependable off-take partner, the regional traders’ markets will benefit from buying a reliable supply of palm oil from the factory gate, and TomCo benefits from a low capital cost project that it expects to be partially debt financed and produce positive cash flows in the near-term. This project is a win-win for all stakeholders”.*

Enquiries

For further information, please visit www.tomcoenergy.uk.com or contact:

TomCo Energy plc

Telephone +44 (0) 20 3823 3635

Chris Brown (CEO)

chris@tomcoenergy.uk.com

Andrew Jones (Chairman)

andrew@tomcoenergy.uk.com

SP Angel Corporate Finance LLP (Nomad & Broker)

Telephone +44 (0) 20 3470 0470

Stuart Gledhill

stuart.gledhill@spangel.co.uk

Richard Hail

richard.hail@spangel.co.uk

Tavistock (Financial PR)

Telephone +44 (0) 20 7920 3150

Ed Portman/Jos Simson

eportman@tavistock.co.uk

Note: This announcement contains inside information which is disclosed in accordance with the Market Abuse Regulation.

-ENDS-