



7 October 2016

TomCo Energy plc (AIM: TOM)

(“TomCo” or the “Company”)

Palm Oil Update

The Company is pleased to provide an update on the proposed palm oil milling operation in the Makeni oil palm belt in Sierra Leone.

Following completion of the equity fundraise announced on 2 September 2016, discussions have been ongoing with potential debt providers with regards to securing a debt facility to part fund and enable the Company to commence procurement and construction of the initial 1 tonne per hour (tph) processing plant. Whilst discussions remain ongoing, the Company has been considering the optimum development plan for the project, given it is the Board’s intention to seek to fund the majority of the project’s capital expenditure from such debt financing.

Accordingly, TomCo is now considering proceeding directly to developing the 2tph palm oil production plant and associated packaging plant, with an expected aggregate capital cost of approximately US\$1.25 million, rather than a phased ramp up from 1tph to 2tph. On securing the necessary debt funding, the Company anticipates that it will take approximately six to nine months to commence commercial operations. The Company proposes that the soap making plant will be brought on stream at a later date, with the estimated cost of US\$275,000 being funded from the anticipated early cash flow from the project.

The Company has also decided to proceed with purchasing the boiler unit for the 2 tph plant at a cost of US\$27,500 from its engineering partner in India. This is largely due to the boiler being a long lead item, which takes approximately four months to

construct. This shall be funded from the Company's available cash reserves, which as at 3 October 2016, was approximately £375,000.

Progress is also being made at the Makarie site despite the waterlogged nature of the ground following Sierra Leone's rainy season (June to September). Drainage ditches are currently being dug in order to redirect any further water runoff from the main access road away from the site allowing work to recommence on clearing the site trees later this month. Other items of equipment and management personnel have already been sourced locally in Sierra Leone and site works will begin in earnest as soon as financing has been obtained.

TomCo has also held preliminary discussions with regards to a potential offshore offtake agreement, pursuant to which the Company would seek to sell palm oil to the offtake partner at the factory gate for overseas exports.

Andrew Jones, Chairman of TomCo Energy said *"I'm delighted to see the progress being made regarding our Palm Oil project as we consider moving straight to the larger scale production plant which will result in an increased return on our investment. We look forward to updating the market going forward."*

Enquiries:

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