

TomCo Energy plc
("TomCo" or "the Company")

Acquisition of Heletz-Blur-Kokhav and Iris Oil Field Licenses in Israel

TomCo (AIM:TOM) is pleased to announce that on 1 April 2008 TomCo and its wholly owned Israeli subsidiary, Luton-Kennedy Limited ("LKL") completed the acquisition of interests in two onshore petroleum licenses in Israel from Avenue Group Inc (AVNU.OB), a New York based US listed Oil & Gas Company, and its wholly-owned subsidiary Avenue Energy Israel Limited (together referred to as "AEI") (the "Acquisition"). The interests acquired are a 50% interest in the Heletz-Blur-Kokhav Licence and a 25% interest in the integral Iris License (the "Licenses"), which include the original Heletz-Blur-Kokhav oilfield ("Heletz"). The concessions, covering over 68,000 gross acres, were recently awarded to AEI by the Israel Petroleum Commission and are 3-year production and development licenses which can be extended to 30-year production leases upon a significant increase in the production from its current capability of 60 barrels of oil per day ("bopd").

The Heletz field, located 55km south of Tel Aviv and 12km east of the Mediterranean coast, is Israel's only onshore producing oil field. The field has produced in excess of 17 million barrels of oil to date from Cretaceous sands, with peak production of 4,000 bopd in the mid 1960's. The Israeli Government estimates the original oil-in-place (OOIP) for the field to be 50.7 million bbls with 2 million bbls of primary recoverable oil remaining, and studies suggest over 5 million bbls of secondary recovery potential may exist. A number of undrilled, deeper exploration prospects on the licenses have estimated potential in excess of 100 million bbls.

AEI and LKL are commissioning an independent determination of the remaining reserves for the Heletz field as one of the first steps in an active technical programme designed to identify well re-completion and infill well drilling targets, and to examine secondary recovery options. Production from the field had declined to around 60 bpd by 2007, although TomCo expects that the implementation of modern production and recovery methods and selected infill drilling will significantly increase production over the next 24 months, resulting in the granting of a 30-year production lease.

The terms of the Acquisition are as follows:

1. At completion TomCo paid a US\$1 million fee to Avenue Group Inc. ("Avenue") in respect of the transfer of the 50% and 25% interests in the Heletz oil fields from Avenue to TomCo. Avenue and TomCo will now seek approval of this transfer to TomCo from the Israeli Authorities with a formula to provide TomCo with the effective benefit of the transfer in the event that no such approval is forthcoming;
2. TomCo has issued to AEI 12,618,615 million ordinary shares of 0.5 pence each in the Company ("Ordinary Shares") valued at approximately US\$500,000 at a price of 2p per share with a one year sale restriction ("Consideration Shares");
3. TomCo has paid to AEI US\$107,000 representing 50% of AEI costs incurred to date in relation to the Licenses;
4. Over the three year Phase 1 period of the Licenses, TomCo and LKL will pay up to a maximum US\$4.5 million of oil field development costs;

5. TomCo and LKL will pay a further US\$1.5 million fee to AEI at the time at which a 30-year production lease is issued, which is expected to be at the time production at the fields reaches 300 bopd; and
6. TomCo and LKL will pay a further US\$5 million fee to AEI in the event that gross recoverable reserves on the Licenses are declared by a recognized independent, qualified assessor to be more than 10 million barrels.

To finance the Acquisition, TomCo has recently placed, in aggregate, 80,399,999, shares ("Placing Shares") at a price of 1.5p per share raising a total of approximately £1.2m before expenses. Each two shares placed had an attached warrant to subscribe for one new Ordinary Share at a strike price of 2.5p per share with a 13 month term and a further Warrant to subscribe for one new Ordinary Share at a strike price of 5p exercisable within 13 months of the date of exercise of the first warrant. Application was made for 67,066,666 of the Placing Shares to be admitted to AIM, and trading in these shares commenced 27 March 2008. Application has also been made for the remaining 13,333,333 Placing Shares to be admitted to AIM and trading in these shares is expected to commence on 3 April 2008.

Additionally, at completion of the Acquisition the Company issued a 24 month 8% Convertible Loan Note to Trafalgar Capital Specialized Investment Fund ("Trafalgar") for €1,000,000 with a minimum convertibility at 2p per share. The Company has also issued to Trafalgar 7,000,000 warrants with a three year term with an exercise price calculated by means of a formula based around 90% of the price at completion, and a fee of €25,000 which is satisfied by the issue of 1,179,562 shares at a price of 1.66p per share ("Trafalgar Shares"). In addition to the Consideration Shares and Trafalgar Shares, the Company has issued 400,001 new Ordinary Shares in relation to the above placing on identical terms to the aforementioned Placing Shares ("Fee Shares"). Accordingly, application has been made for the Consideration Shares, Trafalgar Shares and the Fee Shares representing, in aggregate 14,198,178 shares, to be admitted to AIM. Admission is expected to become effective and dealings in the Consideration Shares, Trafalgar Shares and Fee Shares to commence on 8 April 2008. Following the issue of these shares the Company's issued share capital now consists of 538,049,151 ordinary shares with voting rights.

Howard Crosby, TomCo's Chief Executive Officer, commented:

"We are extremely pleased to be able to join with the US public company, Avenue Group, to re-develop the highly potential Heletz-Blur-Kokhav and Iris oil fields in Israel. To have the potential for in excess of 100 million bbls at deeper levels is truly exciting and would, on its own, transform your company into a serious E&P player within the oil & gas sector.

Whilst we believe that this acquisition creates major new horizons for your company, we will continue to expand our portfolio, both in the USA and internationally, in order to build your company into an oil company with both significant production and an aggressive exploration programme."

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Notes for Editors

TomCo Energy Plc is an AIM listed Oil company with conventional oil investments in the USA and an estimated 230m bbls of oil equivalent in Utah oil shale leases. The CEO, Howard Crosby is a successful serial oil and resources entrepreneur.