24 March 2016

The Parkmead Group plc
("Parkmead", "the Company" or "the Group")

Interim Results for the six-month period ended 31 December 2015

Parkmead, the UK and Netherlands focused oil and gas group, is pleased to report its interim results for the six-month period ended 31 December 2015.

HIGHLIGHTS

Successful fast-track development, substantial increase in gas production

- First commercial gas production achieved at the Diever West gas field in the Netherlands, following a successful fast-track development
- Excellent Diever-2 well is outperforming, averaging approximately 30 million cubic feet per day during February 2016 (approximately 5,100 barrels of oil equivalent per day)
- Diever West field brought onstream within just 14 months of discovery
- Low-cost onshore gas portfolio in the Netherlands produces from four separate gas fields with an average operating cost of US$14 per barrel of oil equivalent
- Further production enhancement work planned on Parkmead's Netherlands portfolio, including new wells at the Geesbrug and Wijk en Aalburg gas fields to maximise production, serving as a natural hedge to the current low oil price environment
- Significant development opportunities exist within Parkmead's Netherlands portfolio, in addition to low-risk exploration upside such as the Rotliegendes De Mussels prospect
- Detailed technical work has allowed Parkmead to high-grade its portfolio and release non-core acreage, significantly reducing licence costs

Significant progress on valuable development projects and additional licence award

- New minimal platform concept at the Platypus gas field further increases the attractiveness of the development
- Awarded a further new UK offshore licence, completing an excellent 28th Round for Parkmead
- Parkmead's new licence is located in the highly prospective West of Shetland area targeting two new prospects (Sanda North and Sanda South) adjacent to existing Parkmead licences

Building substantial oil and gas reserves and resources

- 2P reserves of 23.5 million barrels of oil equivalent as at 31 December 2015
- Contingent resources of 41.9 million barrels of oil equivalent as at 31 December 2015

Well positioned for further acquisitions

- Six acquisitions, at both asset and corporate level, have already been completed since repositioning Parkmead as a new independent oil and gas company
- Parkmead is well capitalised with US$43.8 million (£29.6 million) of cash resources as at 31 December 2015
- The Parkmead team is evaluating further acquisition opportunities to take advantage of the current low oil price environment

Financial strength

- Net assets of £74.6 million at 31 December 2015 (2014: £82.8 million)
- Revenue of £7.0 million (2014: £10.1 million)
- Strong cash position of £29.6 million (US$43.8 million) as at 31 December 2015
- Parkmead operates the majority of assets within its portfolio and therefore controls the timing and quantum of capital expenditure, with low capital commitments in 2016

Tom Cross, Executive Chairman of Parkmead commented:

"I am pleased to report significant progress in the period to 31 December 2015. Parkmead has developed a new gas field at Diever West, in the Netherlands, following its successful discovery. This is delivering profitable gas production and important additional cash flow to the Group. We successfully brought this new gas field onstream within 14 months of discovery, which is an outstanding achievement.

Parkmead is increasing the Group's overall gas production in the Netherlands through a low-cost, onshore work programme. This will act as a natural hedge to the current low global oil prices.

We are delighted with our new additional licence award, in the West of Shetland region, which further increases the scale of Parkmead's oil and gas operations in the UK. West of Shetland is an area we understand well and has the potential to add major value to the Company.

Parkmead is well positioned to take advantage of the lower oil price environment and the opportunities that are arising from this. We have excellent regional expertise, significant cash resources and a growing, low-cost gas portfolio. The Group will continue with its licensing and acquisition-led growth strategy, securing opportunities that maximise long-term value for our shareholders."

For enquiries please contact:

The Parkmead Group plc Tom Cross (Executive Chairman) Ryan Stroulger (Chief Financial Officer)	+44 (0) 1224 622200
Panmure Gordon (UK) Limited (Financial Adviser, NOMAD and Corporate Broker to Parkmead) Adam James Karri Vuori James Greenwood	+44 (0) 20 7886 2500
Instinctif Partners Limited (PR Adviser to Parkmead) David Simonson George Yeomans	+44 (0) 20 7457 2020

Review of Activities

Parkmead has delivered significant growth across its oil and gas operations in the UK and the Netherlands, continuing to build a high quality portfolio at every stage of the asset life cycle.

In July 2015, Parkmead was awarded a new offshore licence in the West of Shetland region under the UK 28th Licensing Round. This newly awarded licence was part of the second tranche of 28th Round awards. This latest award followed Parkmead's award of six licences covering nine offshore blocks in the first tranche of awards. The new licence, operated by Parkmead, is located in the highly prospective West of Shetland area where the Group has a deep technical knowledge of the exploration plays, and a strong track-record of successful discoveries. This new licence completes an excellent 28th Round for Parkmead.

The newly awarded licence, covering Block 205/13, is situated adjacent to some of Parkmead's existing blocks in the West of Shetland area, all of which are operated by Parkmead. Block 205/13 (Parkmead 74% and operator) is located immediately to the east of the Parkmead operated Block 205/12, which contains the important Davaar prospect. The primary play fairway developed on this acreage is the Paleocene Vaila Formation which forms the reservoir in the adjacent Foinaven, Schiehallion and Loyal oil fields, and also in the Laggan and Tormore gas discoveries. Two prospects, Sanda North and Sanda South, have been identified in Block 205/13 and provide material upside to the Davaar prospect. On a P50 pre-drill basis, Davaar has a potential resource of 186 million barrels of recoverable oil. Parkmead has increased its equity interest in Block 205/12, containing Davaar, to 74% and aligned the equity ownership across the two licences.

Parkmead's experienced geoscience team has already initiated a work programme on the new licence, with detailed biostratigraphic work underway. The team will continue to work hard on licensing round applications, both in the UK and Netherlands, and views this as a key component in the Group's strategy to build an attractive and balanced portfolio that offers considerable exploration upside.

In November 2015, first commercial gas production was achieved at the Diever West gas field in the Netherlands. The field was discovered in September 2014 and, under a fast-track and low-cost development programme, was tied into existing production facilities through a new dedicated pipeline with gas extraction via the Garijp treatment system. Parkmead has worked closely with its joint-venture partners on the fast-track development of the Diever West field, and the partnership successfully brought the field onstream within just 14 months of discovery. This is an outstanding achievement.

Diever West is located onshore on the western edge of the Lower Saxony Basin, approximately 10km to the east of the producing Weststellingwerf, Noordwolde, Vinkega and Nijensleek fields, on the Drenthe IIIb Production licence, which also contains Parkmead's producing Geesbrug gas field.

The Diever-2 well was drilled in September 2014 on behalf of the co-venturers by operator Vermilion Energy, and gas was discovered in a good quality Rotliegendes age sandstone reservoir. A 157 foot gas column was encountered, with both net pay and porosity values exceeding pre-drill expectations. The well was flow tested after the successful discovery and recorded an excellent flow rate of 29 million cubic feet of gas per day (approximately 5,000 barrels of oil equivalent per day).

The Lower Permian Rotliegendes sandstone in this area contains three productive formations, and Diever-2 confirmed the presence of all three reservoir sections. The Slochteren Sandstone formation in the vicinity possesses excellent reservoir properties, typically exhibiting a net-to-gross ratio in excess of 90% and porosities of approximately 20%.

The Diever-2 well has performed excellently since first production was achieved. The average field production in February 2016 was approximately 30 million cubic feet per day (approximately 5,100 barrels of oil equivalent per day). The profitable gas production from Diever West, and Parkmead's wider portfolio of gas fields in the Netherlands, provides important additional cash flow to the Group. A number of enhanced production opportunities are available across Parkmead's existing Netherlands portfolio, which the Group intends to capitalise on, with the aim of significantly increasing its net gas production. These include new low-cost infill wells at Geesbrug and Wijk en Aalburg, in addition to a further Rotliegendes exploration target at De Mussels. The new production from Diever West and the additional Geesbrug well are forecast to more than quadruple Parkmead's net gas production in the Netherlands. This will serve as a natural hedge to low and volatile oil prices.

Significant progress was made during the period at Parkmead's Platypus gas field development. Detailed development concept work was undertaken by the joint-venture partners in order to optimise the development of the Platypus field. It was found that by collaborating with other facilities in the area a minimal platform concept can be adopted, substantially reducing development expenditure. In addition, the field's gas reserves can be efficiently recovered from two rather than three development wells. This increases the value of the already economic Platypus development. The Platypus gas field was discovered in 2010 and was successfully appraised with a horizontal well in 2012. Platypus was flow tested at a rate of 27 million cubic feet of gas per day (approximately 4,600 barrels of oil per day on an equivalent basis).

Parkmead has made further progress in the period with the major Perth, Dolphin and Lowlander (PDL) oil hub development. Detailed engineering and commercial work was carried out in addition to working alongside regional partners in line with the Wood Review and Moray Firth area study. Parkmead has continued to make progress towards incorporating other proven oil fields in the wider area into the PDL development. The Group's technical team is studying a number of further oil accumulations in the area, one of which is the Athena oil field to the west of Perth.

PDL is one of the largest undeveloped oil projects in the North Sea. During 2014, a joint development study was carried out to assess the potential of a development of the Lowlander field with Perth and Dolphin. The analysis indicated that a joint development of the three fields could significantly increase the value of the Perth project. This marked an important milestone for Parkmead.

The development of the Perth, Dolphin and Lowlander fields as a single project creates significant economies of scale, by using the same dedicated production facilities, whilst providing a new long-term hub for future projects in the area. The three fields have been fully appraised, with a combined total of 13 wells drilled, and contain oil in place of over 400 million barrels. It is expected that recoverable reserves from the PDL oil hub development will be over 80 million barrels of oil, double the initial recoverable reserves of Perth as a standalone project.

Financial Results

During the six month period to 31 December 2015, the Group generated revenues of £7.0 million (2014: £10.1 million). The reduction in revenues was principally attributable to the global drop in commodity prices with Brent crude oil averaging US$48 per barrel in the second half of 2015 compared to US$91 per barrel in the second half of 2014. The reduction in revenue was partly offset by the increasing contribution from Diever West in the Netherlands following first gas in November 2015.

A significant reduction in operating costs was achieved in the period which, combined with no impairment charge being recorded compared to the corresponding period last year, reduced the Group's post-tax loss substantially to £4.8 million (2014: £14.9 million). The Athena field was shut-in in January 2016 following which the final operating costs will substantially be incurred before the end of Q1 2016. Parkmead's low-cost producing gas fields in the Netherlands (where the four separate gas fields have an average operating cost of US$14 per barrel of oil equivalent) generate positive cash flows despite very low current commodity prices. The new Diever West field in particular has extremely low operating costs in the region of US$12 per barrel of oil equivalent.

Administrative expenses provided a credit of £0.3 million (2014: £1.5 million credit), arising principally from the lower share price impacting the non-cash share based payment charge. In addition to the share-based charges recurring administrative expenses have been reduced and are continually being monitored and challenged to ensure Parkmead maintains a strong balance sheet.

The Group's cash and cash equivalents stood at £29.6 million at 31 December 2015 with nominal debt, reflecting the strength of the Group's balance sheet. Parkmead is well positioned to withstand the unprecedented market conditions, and indeed views the current macro environment as an opportunity for further growth. This position is as a result of careful and experienced portfolio management, with a keen focus on capital discipline. Parkmead operates the majority of assets within its portfolio and therefore controls the timing and quantum of capital expenditure, with low planned capital commitments in 2016.

Total assets were £90.3 million as at 31 December 2015 (£109.6 million as at 31 December 2014). Net assets were £74.6 million as at 31 December 2015 (£82.8 million as at 31 December 2014).

Investments

The Group's largest investment is in Faroe Petroleum plc (LSE AIM: FPM.L). As at 31 December 2015 this investment was carried at a value of £2.1 million.

Outlook

Parkmead has delivered significant growth in its asset base in the six month period to 31 December 2015. This was achieved through a successful fast-track development and new licence award, all within our core areas of the UK and the Netherlands.

The Group is in a strong position, both operationally and financially, at a challenging time in the global oil and gas industry. The Board has positioned Parkmead to take advantage of the lower oil price environment and views this as a good opportunity to continue the Group's strong trajectory. Our acquisition-led growth strategy has resulted in six deals for Parkmead since repositioning the business as an independent oil and gas company in 2011, and we intend to build on this excellent track record. As we look forward into 2016 and beyond, we will continue to keep shareholders informed of our progress across our exploration, appraisal, development and production activities. The Board of Directors is pleased with the Group's progress, and believes that Parkmead is well positioned to drive the business forward and to build upon the achievements already made to date.

Tom Cross
Executive Chairman
24 March 2016

Notes:

1. Dr Colin Percival, Parkmead's Technical Director, who holds a First Class Honours Degree in Geology and a Ph.D in Sedimentology and has over 30 years of experience in the oil and gas industry, has reviewed and approved the technical information contained in this announcement. Reserves and contingent resource estimates are stated as at 31 December 2015. Parkmead's evaluation of reserves and resources was prepared in accordance with the 2007 Petroleum Resources Management System prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers and reviewed and jointly sponsored by the World Petroleum Council, the American Association of Petroleum Geologists and the Society of Petroleum Evaluation Engineers.

Group statement of profit or loss

for the six months ended 31 December 2015

	Notes	Six months to 31 December 2015 (unaudited) £'000	Six months to 31 December 2014 (unaudited) £'000	Twelve months to 30 June 2015 £'000
Continuing operations				
Revenue		6,996	10,118	18,639
Cost of sales		(11,081)	(16,871)	(39,418)
Impairment of property, plant and equipment	2	-	(12,905)	(12,905)
Gross loss		(4,085)	(19,658)	(33,684)
Exploration and evaluation expenses		(550)	(57)	(266)
Administrative credit	3	347	2,282	1,237
Operating loss		(4,288)	(17,433)	(32,713)
Finance income		120	1,487	4,074
Finance costs		(395)	(1,072)	(2,193)
Loss before taxation		(4,563)	(17,018)	(30,832)
Taxation		(192)	2,091	(529)
Loss for the period attributable to the equity holders of the Parent		(4,755)	(14,927)	(31,361)
Loss per share (pence)				
Continuing operations				
Basic	4	(4.81)	(19.59)	(35.22)
Diluted		(4.81)	(19.59)	(35.22)

Group statement of profit or loss and other comprehensive income

for the six months ended 31 December 2015

	Six months to 31 December 2015	**Six months to 31 December 2014**	**Twelve months to 30 June 2015**
	(unaudited)	(unaudited)	
	£'000	**£'000**	**£'000**
Loss for the period	(4,755)	(14,927)	(31,361)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Fair value loss on available-for-sale financial assets	(1,205)	(2,468)	(1,506)
	(1,205)	(2,468)	(1,506)
Income tax relating to components of other comprehensive income	-	-	-
Other comprehensive loss for the period, net of tax	(1,205)	(2,468)	(1,506)
Total comprehensive loss for the period attributable to the equity holders of the Parent	(5,960)	(17,395)	(32,867)

Group statement of financial position

as at 31 December 2015

	At 31 December 2015 (unaudited) £'000	At 31 December 2014 (unaudited) £'000	At 30 June 2015 £'000
Non-current assets			
Property, plant and equipment: development & production	18,493	25,491	18,717
Property, plant and equipment: other	112	156	139
Goodwill	2,174	2,174	2,174
Exploration and evaluation assets	33,675	33,858	33,630
Available-for-sale financial assets	2,109	2,352	3,315
Deferred tax assets	51	2,942	242
Total non-current assets	56,614	66,973	58,217
Current assets			
Trade and other receivables	3,931	3,159	5,978
Current tax asset	173	111	243
Cash and cash equivalents	29,581	39,394	41,121
Total current assets	33,685	42,664	47,342
Total assets	90,299	109,637	105,559
Current liabilities			
Trade and other payables	(4,184)	(6,995)	(14,634)
Interest-bearing loans and borrowings	(67)	(542)	(412)
Other provisions	(64)	(128)	-
Total current liabilities	(4,315)	(7,665)	(15,046)
Non-current liabilities			
Interest-bearing loans and borrowings	-	(4,181)	-
Other liabilities	-	(699)	(278)
Deferred tax liabilities	(1,284)	(1,541)	(1,284)
Decommissioning provisions	(10,121)	(12,770)	(8,482)
Total non-current liabilities	(11,405)	(19,191)	(10,044)
Total liabilities	(15,720)	(26,856)	(25,090)
Net assets	74,579	82,781	80,469
Equity attributable to equity holders			
Called up share capital	19,533	19,365	19,533
Share premium	87,805	74,967	87,805
Merger reserve	27,187	27,187	27,187
Revaluation reserve	(3,915)	(3,672)	(2,710)
Retained deficit	(56,031)	(35,066)	(51,346)
Total equity	74,579	82,781	80,469

Group statement of changes in equity

for the six months ended 31 December 2015

	Share capital	Share premium	Merger reserve	Revaluation reserve	Retained earnings	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 July 2014	19,365	74,967	27,187	(1,204)	(20,599)	99,716
Loss for the period	-	-	-	-	(14,927)	(14,927)
Fair value loss on available-for-sale financial assets	-	-	-	(2,468)	-	(2,468)
Total comprehensive loss for the period	-	-	-	(2,468)	(14,927)	(17,395)
Gains arising on repayment of employee share based loan	-	-	-	-	271	271
Share-based payments	-	-	-	-	189	189
At 31 December 2014	19,365	74,967	27,187	(3,672)	(35,066)	82,781
Loss for the period	-	-	-	-	(16,434)	(16,434)
Fair value gain on available-for-sale financial assets	-	-	-	962	-	962
Total comprehensive gain/(loss) for the period	-	-	-	962	(16,434)	(15,472)
Issue of new ordinary shares	168	12,838	-	-	-	13,006
Share-based payments	-	-	-	-	154	154
At 30 June 2015	19,533	87,805	27,187	(2,710)	(51,346)	80,469
Loss for the period	-	-	-	-	(4,755)	(4,755)
Fair value loss on available-for-sale financial assets	-	-	-	(1,205)	-	(1,205)
Total comprehensive loss for the period	-	-	-	(1,205)	(4,755)	(5,960)
Share-based payments	-	-	-	-	70	70
At 31 December 2015	19,533	87,805	27,187	(3,915)	(56,031)	74,579

Group statement of cashflows

for the six months ended 31 December 2015

	Notes	Six months to 31 December 2015 (unaudited) £'000	Six months to 31 December 2014 (unaudited) £'000	Twelve months to 30 June 2015 £'000
Cashflows from operating activities				
Continuing activities	5	(9,772)	4,977	(1,762)
Taxation received/(paid)		80	(139)	(469)
Net cash (used in)/generated by operating activities		(9,692)	4,838	(2,231)
Cash flow from investing activities				
Interest received		120	92	152
Acquisition of exploration and evaluation assets		(1,005)	(2,685)	(3,485)
Acquisition of property, plant and equipment: development & production		(627)	(8,634)	(9,026)
Acquisition of property, plant and equipment: other		(21)	(25)	(55)
Repayment of employee share based loans		-	271	271
Net cash (used in) investing activities		(1,533)	(10,981)	(12,143)
Cash flow from financing activities				
Issue of ordinary shares		-	-	13,007
Interest paid		(4)	(679)	(1,219)
Repayments of loans and borrowings		(401)	(130)	(2,389)
Net cash (used in)/generated by financing activities		(405)	(809)	9,399
Net decrease in cash and cash equivalents		(11,630)	(6,952)	(4,975)
Cash and cash equivalents at beginning of period		41,121	46,346	46,346
Effect of foreign exchange rate differences		90	-	(250)
Cash and cash equivalents at end of period		29,581	39,394	41,121

Notes to the Interim financial statements

1 Accounting policies

Basis of preparation

The interim financial information in this report has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRS Interpretations Committee (IFRIC) interpretations. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and IFRIC and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the European Union and applicable as at 30 June 2016.

The Group has chosen not to adopt IAS 34 – Interim Financial Statements, in preparing these financial statements.

Non-statutory accounts

The financial information set out in this interim report does not constitute the Group's statutory accounts.

The financial information for the year ended 30 June 2015 has been extracted from the audited statutory accounts. The statutory accounts for the year ended 30 June 2015 have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified, did not contain a statement under either Section 498 (2) or Section 498 (3) of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by way of emphasis.

The financial information for the 6 months ended 31 December 2015 and 31 December 2014 is unaudited.

2 Impairment of property, plant and equipment

The prior year comparative includes an impairment charge of £12,905,000 recorded in respect of the Athena producing asset in accordance with IAS 36 "Impairment of assets". Full details of the impairment were disclosed in the 2015 Annual Report. Further details on the Athena asset are contained within Note 6 below (events after the end of the interim period).

3 Administrative expenses

Administrative expenses include a credit in respect of a non-cash revaluation of share appreciation rights (SARs) totalling £1,428,000 (Six months to 31 December 2014: £3,121,000 credit, Twelve months to 30 June 2015: £4,038,000 credit). The SARs are revalued with the movement in share price. The valuation was impacted by the decline in share price between 30 June 2015 and 31 December 2015.

4 Loss per share

Loss per share attributable to equity holders of the Company arise from continuing operations as follows:

	Six months to 31 December 2015 (unaudited)	**Six months to 31 December 2014** (unaudited)	**Twelve months to 30 June 2015**
Loss per 1.5p ordinary share from continuing operations (pence)			
Basic	(4.81)	(19.59)	(35.22)
Diluted	(4.81)	(19.59)	(35.22)

The calculations were based on the following information:

	Six months to 31 December 2015 (unaudited) £'000	Six months to 31 December 2014 (unaudited) £'000	Twelve months to 30 June 2015 £'000
Loss attributable to ordinary shareholders			
Continuing operations	(4,755)	(14,927)	(31,361)
Total	(4,755)	(14,927)	(31,361)
Weighted average number of shares in issue			
Basic weighted average number of shares	98,929,160	76,215,704	89,048,512
Dilutive potential ordinary shares			
Share options	-	-	-

Profit/(loss) per share is calculated by dividing the profit or loss for the period by the weighted average number of ordinary shares outstanding during the period.

Diluted loss per share

Loss per share requires presentation of diluted loss per share when a company could be called upon to issue shares that would decrease net profit or increase net loss per share. When the Group makes a loss the outstanding share options are therefore anti-dilutive and so are not included in dilutive potential ordinary shares.

5 Notes to the statement of cashflows

Reconciliation of operating loss to net cash flow from operations

	Six months to 31 December 2015 (unaudited) £'000	Six months to 31 December 2014 (unaudited) £'000	Twelve months to 30 June 2015 £'000
Operating loss	(4,288)	(17,433)	(32,713)
Depreciation	2,589	3,169	6,422
Amortisation and exploration write-off	550	51	265
Impairment of property, plant and equipment	-	12,905	12,905
Provision for share based payments	(1,289)	(2,932)	(3,506)
Currency translation adjustments	(77)	-	250
Decrease in receivables	2,048	8,401	5,582
(Decrease)/Increase in payables	(9,369)	795	9,494
Increase/(decrease) in other provisions	64	21	(461)
Net cash flow from operations	(9,772)	4,977	(1,762)

6 Events after the end of the interim period

A decision was made to shut-in the Athena field on 4 January 2016 and the *BW Athena* FPSO has since been moved off-station. This followed a dramatic decline in oil price from mid-2014 which was sustained into 2015. This rendered the offtake solution of a dedicated FPSO servicing the Athena field no longer commercially viable in the current environment. The Company will continue to evaluate an alternative low-cost offtake route, potentially using Parkmead's other assets in the wider area, to extract the proven reserves which exist in the Athena reservoir. The financial impact from the above, all other things being equal, will be a reduction in both revenue and cost of sales in future periods. Due to the nature of the oil price environment during the course of 2015 we anticipate this will have a positive impact on operating results in 2016.