

24 May 2018

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

Parkmead awarded nine new UK oil and gas blocks Diever West production reaches record new high

Parkmead, the UK and Netherlands-focused independent energy group, is delighted to announce it has been provisionally awarded nine offshore blocks and part blocks spanning five new licences in the UK 30th Licensing Round.

These newly awarded licences will all be operated by Parkmead and are located in the Central North Sea, Southern North Sea and West of Shetland areas. Two of the new awards cover the highly prospective Skerryvore area and contain seven new prospects, three of which are stacked. The awards also include acreage containing the Lowlander oil field, in close proximity to Parkmead's Greater Perth Area ("GPA") oil hub project. The addition of Lowlander increases Parkmead's 2C resources by 29% to 95.3 million barrels of oil equivalent ("MMBoe").

These awards, which include a range of new exploration prospects, in addition to a number of proven discoveries, follow on from Parkmead securing nine new licences covering a total of 12 offshore blocks in the UK 28th Licensing Round awards.

Diever West gas production reaches record new high

Parkmead is also pleased to report that production at the Diever West gas field in the Netherlands reached a new gross average monthly high in April 2018 of 56.6 million cubic feet per day ("MMscfd"), which equates to approximately 7,833 barrels of oil equivalent per day ("boepd"). After perforating the Akkrum formation section of the field, almost quadrupling the perforated reservoir interval, a change in tubing was successfully completed on the field. This intervention has led to the well producing at its full potential from the two perforated intervals.

The Diever West field has performed above expectations since first production. New dynamic reservoir modelling suggests the field holds approximately 108 billion cubic feet of gross gas-in-place, this is more than double the earlier post-drill static volume estimate of 41 billion cubic feet.

A number of further exploration opportunities exist within the Drenthe VI concession, which contains the Diever West field. Two of these are the Boergrup and De Mussels prospects, both of which have stacked independent targets in the Vlieland and Rotliegendes (Boergrup) and Rotliegendes and Carboniferous (De Mussels).

Tom Cross, Executive Chairman, commented:

"These significant new licence awards further increase the scale of Parkmead's energy operations in the UK. The discoveries and de-risked exploration prospects have the potential to add major value to Parkmead."

"We are delighted to have further increased production at the Diever West gas field, which builds Parkmead's cash flow. New reservoir modelling indicates that Diever West could be more than double the size originally expected."

"The team at Parkmead is working intensively to evaluate and execute significant opportunities which could grow value and provide additional upside to the"

Company. Parkmead is analysing both oil and gas, and wider energy related opportunities, which could broaden and enhance the Group's revenue stream."

30th Licensing Round awards

The following awards have been made to Parkmead and its joint bidding groups:

Central North Sea

Parkmead has been awarded three licences in the Central North Sea area.

Blocks 30/12c, 13c, 17h & 18c (Parkmead 30% and operator) are situated in the prolific Central Graben. Four play fairways are developed on this acreage providing six prospects. Significant prospectivity on the blocks is mapped at Palaeocene Mey Sandstone and Cretaceous Chalk level, with additional prospectivity recognised within the deeper Jurassic Fulmar play. The Palaeocene Mey and Chalk are proven productive reservoirs in the area by fields and discoveries such as Joanne, Judy, Orion and Flyndre.

The Skerryvore Mey prospect overlies two stacked Chalk prospects (Skerryvore Ekofisk and Skerryvore Tor) which are associated with a Zechstein salt diapir called Skerryvore. The Chalk in these prospects is thought to have been re-worked, which significantly improves permeability over conventional Chalk reservoirs. These three stacked prospects have the potential to contain 157 million barrels of recoverable oil equivalent on a P50 basis.

An additional Paleocene Mey prospect (Skerryvore West) and one Chalk prospect (Skerryvore North) are also identified on the blocks. The proposed work programme includes shooting and reprocessing 3D seismic and a contingent well. Parkmead's co-venturers on the licence are Serica Energy, Zennor Petroleum and CalEnergy Gas.

Block 30/19c (Parkmead 30% and operator) lies immediately to the east of the Skerryvore blocks and contains Ruvaal, a Palaeocene Mey combination structural and stratigraphic trap. The work programme includes a drill or drop well. Parkmead's co-venturers on the licence are Serica Energy, Zennor Petroleum and CalEnergy Gas.

Block 14/20f (Parkmead 100% and operator) is situated in the Outer Moray Firth Basin and contains the Lowlander oil discovery. Lowlander lies 17km north west of the Parkmead operated Perth field which is at the centre of the Company's GPA oil hub project. Lowlander is an Upper Jurassic Piper sandstone discovery, appraised by five wells, and contains 2C oil resources of 21.4 million barrels of recoverable oil on a P50 basis. The Lowlander field is important to Parkmead because it could be developed as part of the GPA project. The block also contains an Upper Jurassic turbidite sandstone discovery, Midlander, to the north east of Lowlander that could add to Parkmead's resource base in the area. The work programme consists of obtaining 3D seismic and a drill or drop well.

The addition of the Lowlander field increases Parkmead's 2C resources by 29% to 95.3 MMBoe.

West of Shetland

Parkmead has been awarded one new licence adjacent to an existing block that is already operated by the Group in the West of Shetland area.

Block 205/12 (Parkmead 100% and operator) is situated in the Faroe-Shetland Basin immediately to the west of the Parkmead operated block 205/13, which contains the Sanda prospect. One large prospect, Davaar, has been identified in Block 205/12 and is a combination

structural and stratigraphic trap in the Vaila Formation. The Palaeocene Vaila Formation is the primary play fairway on this acreage and forms the reservoir in the adjacent Foinaven, Schiehallion and Loyal oil fields and the Laggan and Tormore gas fields. Parkmead will undertake to reprocess the existing legacy seismic with a new 3D seismic shoot, contingent on the results, and a drill or drop well. Davaar has the potential to contain 204 million barrels of recoverable oil on a P50 basis.

Southern North Sea

Parkmead has been awarded a new licence in the Southern Gas Basin. This is an area where the Company has a deep technical knowledge of exploration plays and is building a portfolio of targets. Parkmead has already had significant success in the Southern Gas Basin with the gas discovery at Platypus. The field was subsequently appraised with a horizontal well and flow tested at a rate of 27 MMscfd (approximately 4,600 boepd on an equivalent basis).

Blocks 47/10d & 48/6d (Parkmead 75% and operator) contain the Blackadder prospect and Teviot gas discovery. The Permian Rotliegendes Sandstone is the primary play fairway on the acreage and is proven productive by the numerous discoveries in the area including West Sole, Hyde and Amethyst. The proposed award contains a drill or drop work well. Parkmead's co-venturer on this licence is Cluff Natural Resources.

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This announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

Notes to Editors:

1. Dr Colin Percival, Parkmead's Technical Director, who holds a First Class Honours Degree in Geology and a PhD in Sedimentology and has over 35 years of experience in the oil and gas industry, has reviewed and approved the technical information contained in this announcement. 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.
2. Parkmead is an independent upstream oil and gas company that is admitted to trading on AIM on the London Stock Exchange (symbol: PMG). Parkmead is focused on growth in the oil and gas exploration and production sector, targeting transactions at both asset and corporate level.

3. In November 2015, Parkmead achieved first commercial gas production from the Diever West gas field in the Netherlands. Parkmead worked closely with its joint-venture partners on the fast-track development of Diever West, and the partnership successfully brought the field onstream within just 14 months of discovery.
4. In August 2016, Parkmead doubled its stake in the Polecat and Marten oil fields in the UK Central North Sea. The Polecat and Marten fields are located in Blocks 20/3c & 20/4a within Licence P.2218 and Parkmead now operates the licence with 100% equity.
5. In September 2016, Parkmead increased its stake in the Perth and Dolphin oil fields in the UK Central North Sea to 60.05 per cent. The Perth and Dolphin fields, which are both operated by Parkmead, are at the core of Parkmead's major Greater Perth Area oil hub project.
6. In April 2017, Parkmead significantly increased its stake in the major Sanda North and Sanda South prospects in the West of Shetland area of the UK North Sea. Through this accretive step, Parkmead increased its equity in the licence from 56% to 100%.
7. In May 2017, Parkmead announced that it had signed a Sale and Purchase Agreement with Verus Petroleum (SNS) Limited to acquire a 50% interest in UK North Sea Licence P.2209 which contains the Farne Extension prospect and a further four prospective leads.
8. In February 2018, Parkmead announced that it had increased its equity in the Perth and Dolphin fields in the UK Central North Sea from 60.05% to 100%. The Company also announced that it had signed an agreement with Nexen Petroleum, a subsidiary of the China National Offshore Oil Corporation (CNOOC), to conduct an engineering study in relation to the potential tieback of the GPA project to the Nexen operated Scott platform and facilities in the Central North Sea.
9. Through its wholly owned subsidiary, Aupec Limited, The Parkmead Group provides petroleum benchmarking and economics expertise to a wide range of government bodies and international oil and gas companies. Aupec has to date worked with over 100 governments, national oil companies, majors and independents across the world, as well as a number of multi-national agencies such as the European Commission and the World Bank. Aupec is currently undertaking an important benchmarking project for a group of the world's largest super-major oil companies.

For further information please refer to Parkmead's website at www.parkmeadgroup.com

Glossary of key terms

boepd	Barrels of oil equivalent per day
Bcf	Billions of cubic feet of gas
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent Resources are a class of discovered recoverable resources
Gas in place	Is the total quantity of gas that is estimated to exist originally in naturally occurring reservoirs
Recoverable resources	Those quantities of hydrocarbons that are estimated to be producible from discovered or undiscovered accumulations
P50	Reflects a volume estimate that, assuming the accumulation is developed, there is a 50% probability that the quantities actually recovered will equal or exceed the estimate. This is therefore a median or best estimate case
2C	Denotes the best estimate scenario, or P50, of Contingent Resources
2P	Those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual

	<p>remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50 per cent. probability that the actual quantities recovered will equal or exceed the 2P estimate</p>
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