

10 August 2016

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

### **Parkmead doubles its stake in two UK oil fields**

Parkmead, the UK and Netherlands focused independent oil and gas group, is delighted to announce that it has 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. Parkmead has acquired a further 50% of Licence P.2218, and now operates the licence with 100% equity. Parkmead initially secured its first 50% interest in these blocks as part of the UK 28th Licensing Round awards, where the Company won a total of nine new oil and gas licences covering 12 offshore blocks.

The Polecat and Marten fields lie approximately 20km east of the significant Buzzard field, and are located close to Parkmead's large Perth-Dolphin-Lowlander (PDL) hub project in the prolific Moray Firth area of the Central North Sea. Polecat and Marten are two sizeable existing Buzzard sandstone oil accumulations, which are jointly estimated to hold over 90 million barrels of oil in place and over 33 million barrels of contingent resources. Through this acquisition, Parkmead has increased the Group's total contingent resources by 39%, from 42.5 to 59.1 million barrels of oil equivalent.

Polecat and Marten could be highly valuable to Parkmead as, given their close proximity to PDL, they could be jointly developed as part of the Greater PDL Area project.

Polecat was discovered in 2005 and appraised in 2010. The 2010 appraisal well was flow tested at 4,373 barrels per day of good quality 32° API oil. The Marten discovery was made in 1984, encountering three oil bearing sandstones of Upper Buzzard age. Parkmead benefits from the large amount of existing data on the block, gathered as a result of wells already drilled in the area.

### **Strong Netherlands gas production**

The Diever West gas field, located onshore in the Netherlands, continues to perform above expectations and gross production in July 2016 averaged 34 million cubic feet per day (approximately 5,850 barrels of oil equivalent per day). 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.

The profitable gas production from Diever West, and Parkmead's wider portfolio of gas fields in the Netherlands, provides important cash flow to the Group. The Company's low-cost onshore portfolio in the Netherlands produces gas from four separate fields with a very low average operating cost of just US\$14 per barrel of oil equivalent.

A number of enhanced production opportunities have been identified within Parkmead's existing Netherlands portfolio, which the Group intends to capitalise on with the aim of further increasing its net gas production. These include a new low-cost infill well at Geesbrug, a sidetrack at Wijk en Aalburg and workovers at Brakel and Grolloo. In addition, a further Rotliegendes exploration target, De Mussels, has been identified. Parkmead's gas production in the Netherlands serves as a natural hedge to low and volatile oil prices.

## Further value-adding opportunities

Parkmead continues to analyse value-adding opportunities, including UK and Netherlands-based acquisitions, and is focused on strengthening its positions in core areas of the Group's portfolio. Parkmead has maintained a strong and clean balance sheet.

### Tom Cross, Executive Chairman, commented:

***"We are delighted to have doubled our stake in these two oil fields, which significantly increases Parkmead's contingent oil and gas resources by some 39%.***

***Polecat and Marten could be highly valuable to Parkmead's PDL project by contributing an additional 90 million barrels of oil in place to the already large oil and gas reserves base at PDL.***

***We are also pleased to report the continued outperformance of the Diever West gas field which has been producing at stable rates of around 30 million cubic feet per day since coming onstream, significantly ahead of expectations.***

***Parkmead is working intensively to evaluate and execute further value-adding opportunities in its core areas of the UK and Netherlands."***

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### 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 30 years of experience in the oil and gas industry, has reviewed and approved the technical information contained in this announcement.
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 2011, Parkmead completed the acquisition of stakes in UK Blocks 48/1a, 47/5b and 48/1c containing the Platypus gas field and the Possum gas prospect. Mapping indicates the potential for Platypus and Possum to contain up to 180 and 100 billion cubic feet of gas in place, respectively.
4. In December 2011, Parkmead agreed to acquire stakes in blocks 47/4d, 47/5d, 47/10c and 48/6c in the UK Southern North Sea, which contained the Pharos gas prospect.

These two gas-basin acquisitions were important steps in the first stage of Parkmead's development as a new independent energy company.

5. In March 2012, Parkmead agreed to acquire a portfolio of Netherlands onshore assets comprising four producing gas fields and two oil fields from Dyas B.V. This acquisition provided the Group with its first producing fields and with future oil developments at Ottoland and Papekop. This acquisition completed in August 2012.
6. In May 2012, Parkmead launched its recommended acquisition of DEO Petroleum plc. As a result, Parkmead now owns 52% and is operator of the UKCS Perth oil field
7. In October 2012, Parkmead was awarded several new licences under the UKCS 27<sup>th</sup> Licensing Round. The six new licences comprise interests in a total of 25 offshore blocks or partial blocks across the Central North Sea, West of Scotland and West of Shetland.
8. In July 2013, Parkmead completed its recommended offer for Lochard Energy Group plc. This gave Parkmead a 10% interest in the producing Athena oil field.
9. In December 2013, in the second tranche of the UKCS 27<sup>th</sup> Licensing Round, Parkmead was awarded a further five UK blocks through two new licences in the UK Southern North Sea. That made a total award to Parkmead of 30 UK blocks across eight licences in the UKCS 27<sup>th</sup> Licensing Round.
10. In January 2014, Parkmead completed a successful oversubscribed placing raising US\$66.0 million which provided the Company with increased financial firepower and balance sheet strength.
11. In April 2014, Parkmead completed the acquisition of a 20 per cent. interest in the Athena oil field from EWE VERTRIEB GmbH, trebling Parkmead's interest in the Athena oil field to 30 per cent.
12. In September 2014, Parkmead discovered a new gas field onshore the Netherlands at Diever West.
13. In November 2014, Parkmead was awarded six new licences in the UKCS 28<sup>th</sup> Licensing Round, all as operator. The six new licences comprise interests in a total of nine offshore blocks located in the Central and Southern North Sea.
14. In May 2015, Parkmead completed a successful placing raising US\$21.1 million to accelerate opportunities.
15. In July 2015, Parkmead was awarded three new licences in the UKCS 28<sup>th</sup> Licensing Round. The three new licences comprise interests in three offshore blocks located in the Southern North Sea and West of Shetland vicinity.
16. 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.
17. 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](http://www.parkmeadgroup.com)