

14 September 2016

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

Parkmead increases its stake in major UK oil project

Parkmead, the UK and Netherlands focused independent oil and gas group, is delighted to announce that it has increased its stake in the Perth and Dolphin oil fields in the UK Central North Sea. The Perth and Dolphin fields are located across Blocks 15/21a, b, c and f & 14/25a in Licences P.218, P.588 and P.2154. Through this growth step, Parkmead has increased its equity in these licences to 60.05%. The Perth and Dolphin fields, which are both operated by Parkmead, are at the core of Parkmead's major Perth-Dolphin-Lowlander (PDL) oil hub project.

Perth and Dolphin are located in the prolific Moray Firth area of the UK Central North Sea, which contains significant oil fields such as Piper, Claymore and Tartan. Through a series of licensing round successes and strategic acquisitions, Parkmead has established an important position for itself in this area of the North Sea. Perth and Dolphin are two sizeable Upper Jurassic Claymore sandstone accumulations that have tested 32-38° API oil at production rates of up to 6,000 bopd per well. As a result of this latest move, Parkmead has increased the Group's total proved and probable (2P) reserves by 19% from 23.5 to 27.9 million barrels of oil equivalent.

This transaction follows Parkmead's recent acquisition of an additional 50% equity in the Polecat and Marten fields, announced on 10 August 2016. Polecat and Marten have the potential to 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.

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 area project.

The development of the Perth, Dolphin and Lowlander fields as a single project would create valuable economies of scale, by using the same dedicated production facilities, whilst providing a new long-term hub for other 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, which is double the initial recoverable reserves of the Perth field as a standalone project.

Further value-adding opportunities

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

Tom Cross, Executive Chairman, commented:

"We are delighted to have increased our stake in the Perth and Dolphin oil fields, which significantly increases Parkmead's oil reserves by some 19%.

This growth step strengthens Parkmead's asset base in the centre of the Company's major PDL oil hub project, which is one of the largest undeveloped oil projects in the North Sea.

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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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 30 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 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 27th 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 27th 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 27th 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 28th 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 28th 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. In August 2016, Parkmead increased 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.
18. 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

Oil in place	the total quantity of petroleum 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.
Proved and Probable or "2P"	Those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserve but more certain to be recovered than Possible Reserves. It is equally likely that actual 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
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered,

recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status