Oil and gas firm Parkmead hails 'excellent' year

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Oil and gas group Parkmead has reported "an excellent year of progress" after reducing its operating losses and boosting its portfolio.

The Aberdeen-based explorer and producer said revenues fell from £18.6m to £10.4m in the year to 30 June as a result of lower oil prices.

But cost-cutting measures helped the company reduce its operating losses from £32.7m to £5.8m.

Parkmead said its assets had also been strengthened by new licence awards.

They include a new oil and gas licence in the West of Shetland area which will target prospects Sanda North and Sanda South. Parkmead said they had "the potential to contain 280 million barrels of recoverable oil".

During the summer, the group doubled its stake in North Sea oil fields Polecat and Marten, which are jointly estimated to hold more than 90 million barrels of oil.

It also **increased its stake in the Perth and Dolphin fields** in the Moray Firth area of the North Sea to just over 60%.

The two fields lie at the core of Parkmead's Perth-Dolphin-Lowlander (PDL) oil hub project which has expected recoverable reserves of about 80 million barrels of oil.

'Well positioned'

The group also reported a surge in production from its gas portfolio in the Netherlands, with its new field at Diever West averaging about 34 million cubic feet - 5,850 barrels of oil equivalent - per day in June.

Executive chairman Tom Cross said: "Parkmead is well positioned to take advantage of the ongoing 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 to build upon the inherent value in its existing interests with a licensing and acquisition-led growth strategy, securing opportunities that maximise long-term value for our shareholders."