28 March 2025

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU No. 596/2014) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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

Interim Results for the six-month period ended 31 December 2024

Parkmead, the independent energy group focused on growth through gas, oil and renewable energy projects, is pleased to report its interim results for the six-month period ended 31 December 2024.

HIGHLIGHTS

Sale of UK North Sea Licences

- Parkmead announced the signing of an agreement to sell its wholly owned subsidiary, Parkmead (E&P) Ltd to Serica Energy (UK) Ltd in December 2024
- Completion of the transaction is anticipated to occur in the second quarter of 2025, at which point the first £7 million of the £14 million of firm cash consideration will be received
- Up to a further £120 million of contingent cash consideration could become payable, subject to the approval of future developments on the Skerryvore and Fynn Beauly licences
- Parkmead has retained 100% of its cash producing assets, namely its interests in the gas fields in the Netherlands and its wholly owned UK wind farm in Scotland

Public consultation launched at Glenskinnan Renewable Energy Park

- Parkmead's owned land at Pitreadie is a centrally located, core part of the site of the potential Glenskinnan Renewable Energy Park being developed in conjunction with Galileo Empower, a leading European renewable energy developer
- Pre-application public consultations have now been launched for this major integrated project consisting of up to 98 MW in generating capacity across 14 wind turbines, 20 MW in solar photovoltaic arrays and 30 MW in battery storage
- Parkmead is working with Galileo to finalise commercial arrangements ahead of the submission of a Section 36 planning application to the Scottish Government later in 2025

High quality drilling targets identified across the Netherlands gas fields

- Average gross production for the period across the Group's Netherlands assets was 12.7 million cubic feet per day ("MMscfd"), approximately 2,194 barrels of oil equivalent per day ("boepd")
- The joint venture partnership is progressing several attractive, high return targets
- Extensive subsurface scoping exercise completed in 2024, delivering potential for sanction of up to four wells in 2025
- The Group recently agreed the unitisation of the VDW-A prospect, which sits partially on its Drenthe VI concession

Focused strategy – actively reviewing further acquisitions

- Parkmead is well positioned to pursue value-adding acquisitions and has a number of growth opportunities that are being evaluated
- The team is focused on targeting further cashflow generating renewable energy assets onshore UK and on international E&P opportunities

Financial Summary

- Revenue for the six-month period was £2.1 million (1H FY24: £3.4 million) in line with internal estimates reflecting reduced net production of 181boepd (1H FY24: 269boepd) following the benefit of LDS-01 in the prior period
- Dutch TTF gas prices have remained at healthy levels, broadly in line with the prior period at €38.16/MWh (1H FY24: €38.56/MWh)
- Improved operational performance at Kempstone Hill, with uptime increasing to 99% (1H FY24: 91%) as a result of maintenance on Turbine 1 in the prior period
- Significant reduction in cost of sales to £0.9 million (1H FY24: £1.5 million) due to reduced sales volumes in the Netherlands
- Dutch operating costs have remained closely controlled at just £18.6 per barrel of oil equivalent
- Parkmead has made several cost cutting measures to drive efficiency at the Company following the pending sale of its operated UK offshore portfolio, including reducing some staff positions and office space. These one-off items together with certain non-cash, share valuation type costs outwith the Group's control led to Administrative Expenses of £2.2 million (1H FY24 £0.9 million)
- As a result of these one-off exceptional items, cashflow from operations in the period saw a net cash outflow of £0.1 million (1H FY24: £2.0 million inflow), and the Group recognised a net loss for the period of £1.2 million (1H FY24: £0.7 million profit)
- Total assets were £23.7 million at 31 December 2024, equal to 21.7 pence per share (30 June 2024: £27.3 million)
- The Company maintained healthy cash balances of £6.8 million at 31 December 2024, equal to 6.3 pence per share (30 June 2024: £9.5 million)

Parkmead's Executive Chairman, Tom Cross, commented:

"I am pleased to report on an important period for Parkmead. The Company has made excellent progress towards finalising the sale of Parkmead (E&P) Limited. Parkmead and Serica are on schedule to achieve completion before mid-year, unlocking £14 million in firm cash for Parkmead. This places the Group in a strong position to pursue value adding acquisitions and make further investments in our existing gas and renewable energy projects.

The launch of the Glenskinnan Renewable Energy Park consultation is the culmination of several years of work for Parkmead. We are excited by the potential value that can be created for shareholders as we progress the project with Galileo."

The Parkmead Group plc +44 (0) 1224 622200
Tom Cross (Executive Chairman)
Andrew Smith (Executive Director – Business Development)

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Marc Milmo / Seamus Fricker – Corporate Finance
Iain MacArthur – Sales

Financial Overview

During the six-month period to 31 December 2024, the Group generated total revenue of £2.1 million (1H FY24: £3.4 million). Parkmead's Netherlands gas portfolio delivered gas and condensate sales of £1.8 million (1H FY24: £3.1 million). Net to Parkmead, the assets produced 181boepd (1H FY24: 289 boepd), with the reduction from the prior period being expected due to the gas reserves of LDS-01 now being fully recovered. European gas prices continue to remain at elevated levels, with average realised prices during the period of €38.16/MWh (1H FY24: €38.56/MWh).

Parkmead's 100% owned and operated Kempstone Hill Wind Farm has continued to perform strongly, generating electricity sales of £0.3 million (1H FY24: £0.3 million) and achieving an increase in average operational uptime of over 99% in the period (1H FY24: 91%).

Overall, Cost of sales was £0.9 million (1H FY24: £1.5 million), with the improvement primarily attributable to lower variable costs associated with lower production in the Netherlands. On a relative basis, operating costs for the Dutch producing assets remained at an attractive level of just £18.6/boe in the period.

During the period the Group recognised several non-cash charges, including a non-cash share appreciation rights "cost" of £0.3 million (1H FY24: £0.3 million credit) and unrealised FX losses of £0.1 million (1H FY24: £0.0 million credit). The Company also incurred one-off transaction expenditure of £0.2 million relating to the sale of Parkmead E&P Ltd. As part of the strategy to reshape the Group following the disposal of its operated UK offshore assets, the Directors have taken steps to reduce costs in a number of areas and make Parkmead stronger for the future. As a result of these cost reduction initiatives and associated one-off costs, administrative expenses increased to £2.2 million (1H FY24: £0.9 million).

These factors created an operating loss for the period of £1.0 million (1H FY24: £0.9 million profit), and cash outflow from operations of £0.1 million (1H FY24: £2.0 million inflow). Tax charge for the period was £0.1 million (1H FY24: £0.2 million). Overall, the Group generated an accounting loss of £1.2 million in the period (1H FY24: £0.7 million profit).

Parkmead continues to maintain a strong balance sheet with total assets as at 31 December 2024 of £23.7 million (30 June 2024: £27.3 million). Cash and cash equivalents at 31 December 2024 were £6.8 million (30 June 2024: £9.5 million), equivalent to 6.3 pence per share, reflecting the impact of payments of £2.2 million paid to the Dutch Tax Authorities in the six months to 31 December 2024, all of which related to the settlement of certain historic tax liabilities, such as the 2022 Dutch windfall tax. The Group's debt has continued to reduce with only £0.7 million outstanding at the period end (30 June 2024: £0.8 million). The Company's small debt facility is due for renewal later in 2025 and the Board is currently assessing its options with regards to a potential re-financing or repayment to extinguish this loan.

Review of Activities

UK Renewable Energy

Glenskinnan Renewable Energy Park

The Company's strategic land at Pitreadie forms a central and core part of the potential Glenskinnan Renewable Energy Park in Aberdeenshire. Galileo Empower is leading this major development and Parkmead is working closely with its partner to progress the physical and commercial plans for this exciting project.

The current development concept at Glenskinnan is for 14 wind turbines with energy generating capacity of 98 MW, with potential for a further 20 MW solar PV array and a Battery Energy Storage System (BESS) of up to 30 MW. The Pre-application public consultations have commenced and are currently ongoing, with a view to submitting the Section 36 planning application to the Scottish Government before the end of this year.

Kempstone Hill

Parkmead's operated Kempstone Hill wind farm continued to perform strongly in the period. Uptime increased to 99% (1H FY24: 91%) primarily due to a blade repair and some maintenance on Turbine 1 in the prior year. Revenues from Kempstone Hill in the period were £0.3 million (1H FY24: £0.3 million).

Additional Future Projects

With excellent progress being made in driving forward Pitreadie, through the collaboration with Galileo, Parkmead is continuing to assess acquisition opportunities which are immediately accretive to its cashflows or have potential for material value creation through asset management and development. Amongst a number of other opportunities, the Company is evaluating the potential for a 30MW solar farm at another site in Aberdeenshire, known as Brachmont.

Netherlands Onshore Gas

The joint venture achieved strong operational performance across its Dutch assets during the period. The outlook for the portfolio is exciting with a number of highly attractive drilling targets being actively progressed.

The Drenthe VI concession contains a diverse portfolio of several low cost, high return exploration prospects which are currently being progressed through the permitting and well design processes. In October 2024, Parkmead agreed the unitisation of the VDW-A prospect which sits partially on its Drenthe VI concession. The JV partnership is working toward a potential Final Investment Decision in 2025 to enable drilling in 2026. VDW-A is only 3km from the Diever production facility which, in the event of a commercial discovery, would allow it to be brought onstream quickly.

Geesbrug continues to be Parkmead's biggest producer outside of the prolific Drenthe VI concession. Completion of an integrated subsurface study across the field area in 2024 has identified two potential well locations. These are infill well GSB-02 on the main structure and exploration well GSB-03 which will target Geesbrug West, which may hold additional gas reserves which are not connected to the rest of the field. The operator is currently undertaking permitting and planning for these wells with potential for a Final Investment Decision in late 2025.

As referred to in the Group's 2024 Annual Report, the late life Grolloo field continues to produce economically, with COP anticipated in late 2025. Work continues on the Brakel field to assess the potential to restart production or for further infill drilling on the Andel Va licence.

UK Oil and Gas – Parkmead (E&P) Limited

Sale of Parkmead (E&P) Limited

On 12th December 2024, the Group announced the disposal of Parkmead (E&P) Limited to Serica Energy plc. The consideration being received for the shares in the subsidiary consists of a series of firm cash payments totalling £14 million and deferred contingent cash consideration of up to £120 million, subject to the approval of Field Development Plans on licences P2400 and P2634.

The transaction is on schedule to be completed within the first half of 2025, at which point the first £7 million of the £14 million firm cash consideration will be received. Excellent progress has been made toward the satisfaction of the various conditions detailed within the transaction documents, including the carve out of Parkmead's Netherlands assets into another Parkmead Group wholly owned subsidiary company.

Skerryvore

Prior to the announced sale of Parkmead (E&P) Limited, the Group had progressed the planned 30/13c-M (Skerryvore) well to a drill-ready state. Parkmead will remain as licence operator until completion of the sale to Serica.

Due to the severe challenges in the North Sea supply chain and the backdrop of political and fiscal uncertainty, it became clear to the partners in licence P2400 that it would not be operationally feasible or economically prudent to begin drilling this year. Given the licence expiry in September 2025, the joint venture has formally written to the NSTA to request an extension to the licence period. This will allow for the safe execution of the drilling programme, subsequent analysis of the well results and potential appraisal planning.

Fynn Beauly

Parkmead, together with its partner Orcadian Energy, has continued to progress priority work programme elements to understand in-situ oil properties and establish the best means to mobilise and recover Fynn Beauly crude. The work scopes completed to date indicate that a combination of heat and viscous water flood has the potential to deliver an economic development. Ongoing technical studies are focused on establishing whether attractive recovery factors can be achieved, the potential for commercial initial production rates and to identify valid sources of thermal input.

Outlook

Parkmead has an exciting opportunity to re-shape itself following the sale of its two UK North Sea licences to Serica. At completion of this transaction, the Group expects to recognise a significant accounting gain due to the relatively low book value of these two exploration licences of just £1.2 million versus the firm cash consideration being received of £14 million.

The year ahead is expected to see multiple growth catalysts to increase value for shareholders. The submission of a Section 36 application to the Scottish Government in conjunction with Galileo is a key milestone as we move forward with our renewable energy projects, and we anticipate making a final investment decision with our Dutch partners on several high-value drilling targets across our Netherlands asset portfolio.

The Company continues to review accretive acquisition targets, particularly those which would add immediate cashflow or where we can create significant value by leveraging our proven in-house energy expertise. The Parkmead team is very well positioned to drive the business forward and to build upon the achievements already made to date.

Tom Cross
Executive Chairman

28 March 2025

A glossary of key terms can be found at https://www.nstauthority.co.uk/site-tools/glossary-of-terms/

Condensed Consolidated statement of profit and loss and other comprehensive income

for the six months ended 31 December 2024

	Notes	**Six months to 31 December 2024** (unaudited) **£'000**	Six months to 31 December 2023 (unaudited) £'000	Twelve months to 30 June 2024 (audited) £'000
Continuous operations				
Revenue		**2,102**	3,426	5,720
Cost of sales		**(868)**	(1,530)	(2,302)
Gross profit		**1,234**	1,896	3,418
Exploration and evaluation expenses	2	**(31)**	(88)	(300)
Gain / (loss) on sale of assets		**-**	-	(2)
Administrative expenses	3	**(2,244)**	(876)	(1,780)
Operating (loss) / profit		**(1,041)**	932	1,336
Finance income		**57**	85	148
Finance costs		**(121)**	(106)	(412)
(Loss) / profit before taxation	6	**(1,105)**	911	1,072
Taxation		**(87)**	(163)	3,870
(Loss) / profit for the period attributable to the equity holders of the Parent		**(1,192)**	748	4,942
(Loss) / profit per share (pence)				
Basic	5	**(1.09)**	0.68	4.52
Diluted		**(1.09)**	0.62	4.07

For the period ending 31 December 2024, Parkmead E&P Limited (excluding the retained Netherlands assets) contributed a loss before taxation of £32,000, this has been included in the (loss) / profit before taxation stated above.

Condensed Consolidated statement of financial position

as at 31 December 2024

	Notes	**31 December 2024** (unaudited) **£'000**	31 December 2023 (unaudited) £'000	30 June 2024 (audited) £'000
Non-current assets				
Property, plant and equipment: development & production		**4,008**	4,349	4,049
Property, plant and equipment: other		**5,723**	5,879	5,603
Goodwill		**1,084**	1,084	1,084
Exploration and evaluation assets		**1,414**	2,267	2,481
Exploration and evaluation assets – held for sale	6	**1,176**	-	-
Total non-current assets		**13,405**	13,579	13,217
Current assets				
Trade and other receivables		**777**	1,330	1,632
Interest bearing loans	4	**2,704**	2,937	2,936
Inventory		**-**	5	-
Cash and cash equivalents		**6,847**	9,204	9,486
Total current assets		**10,328**	13,476	14,054
Total assets		**23,733**	27,055	27,271
Current liabilities				
Trade and other payables		**(2,613)**	(3,568)	(1,877)
Current tax liabilities		**(74)**	(4,207)	(3,053)
Total current liabilities		**(2,687)**	(7,775)	(4,930)
Non-current liabilities				
Other liabilities		**(1,290)**	(893)	(760)
Loan		**-**	(718)	(668)
Deferred tax liabilities		**-**	(641)	-
Decommissioning provisions		**(1,283)**	(1,590)	(1,269)
Total non-current liabilities		**(2,573)**	(3,842)	(2,697)
Total liabilities		**(5,260)**	(11,617)	(7,627)
Net assets		**18,473**	15,438	19,644
Equity attributable to equity holders				
Called up share capital		**19,688**	19,688	19,688
Share premium		**83,625**	83,625	83,625
Merger reserve		**3,376**	3,376	3,376
Retained deficit		**(88,216)**	(91,251)	(87,045)
Total equity		**18,473**	15,438	19,644

Condensed Consolidated statement of changes in equity

for the six months ended 31 December 2024

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained deficit £'000	Total £'000
At 30 June 2023	**19,688**	**83,625**	**3,376**	**(92,029)**	**14,660**
Profit for the period	-	-	-	748	748
Total comprehensive income for the period	-	-	-	748	748
Share-based payments	-	-	-	30	30
At 31 December 2023	**19,688**	**83,625**	**3,376**	**(91,251)**	**15,438**
Profit for the period	-	-	-	4,194	4,194
Total comprehensive income for the period	-	-	-	4,194	4,194
Share-based payments	-	-	-	12	12
At 30 June 2024	**19,688**	**83,625**	**3,376**	**(87,045)**	**19,644**
Loss for the period	-	-	-	(1,192)	(1,192)
Total comprehensive loss for the period	-	-	-	(1,192)	(1,192)
Share-based payments	-	-	-	21	21
At 31 December 2024	**19,688**	**83,625**	**3,376**	**(88,216)**	**18,473**

Condensed Consolidated statement of cashflows

for the six months ended 31 December 2024

	Six months to 31 December 2024 (unaudited)	Six months to 31 December 2023 (unaudited)	Twelve months to 30 June 2024 (audited)
	£'000	£'000	£'000
Cashflows from operating activities			
Cashflows (used in) / generated from operations	**(55)**	2,044	1,516
Taxation (paid) / received	**(2,210)**	(645)	753
Net cash (used in) / generated from operating activities	**(2,265)**	1,399	2,269
Cash flow from investing activities			
Interest received	**60**	85	109
Acquisition of exploration and evaluation assets	**(110)**	(301)	(414)
Acquisition of property, plant and equipment: development and production	**(120)**	(122)	(187)
Acquisition of property, plant and equipment: other	**-**	(461)	(549)
Decommissioning expenditure	**(37)**	(2,773)	(2,809)
Interest bearing loans	**230**	-	-
Net cash generated from / (used in) investing activities	**23**	(3,572)	(3,850)
Cash flow from financing activities			
Lease payments	**(183)**	(88)	(180)
Interest paid	**(43)**	(54)	(239)
Repayment of loans and borrowings	**(49)**	(47)	(99)
Net cash used in financing activities	**(275)**	(189)	(518)
Net increase / (decrease) in cash and cash equivalents	**(2,517)**	(2,362)	(2,099)
Cash and cash equivalents at beginning of period	**9,486**	11,576	11,576
Effect of foreign exchange rate differences	**(122)**	(10)	9
Cash and cash equivalents at end of period	**6,847**	9,204	9,486

Notes to the Interim financial statements

1. Accounting policies

General Information

These condensed consolidated interim financial statements of The Parkmead Group plc and its subsidiaries (the "Group") were approved by the Board of Directors on 28 March 2025. The Parkmead Group plc is the parent company of the Group. Its shares are quoted on AIM, part of the London Stock Exchange. The registered office is located at One Angel Court, 13th Floor, London, England, EC2R 7HJ.

The condensed consolidated interim financial statements for the period 1 July 2024 to 31 December 2024 are unaudited. In the opinion of the Directors, the condensed consolidated interim financial statements for the period presents fairly the financial position, and results from operations and cash flows for the period in conformity with the generally accepted accounting principles consistently applied. The condensed consolidated interim financial statements incorporate unaudited comparative figures for the interim period 1 July 2023 to 31 December 2023 and the audited financial year ended 30 June 2024.

The financial information set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory accounts for the year ended 30 June 2024 which were prepared under UK-adopted International Accounting Standards ("IFRS") were filed with the Registrar of Companies. The auditors reported on those accounts and their report was unqualified and 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.

Basis of preparation

The interim financial information in this report has been prepared under the historical cost convention using accounting policies consistent with UK-adopted International Accounting Standards (IFRS) 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 UK. The financial information has been prepared on the basis of UK-adopted international accounting standards that the Directors expect to be adopted and applicable as at 30 June 2024.

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

The accounting policies applied in this report are the same as those applied in the consolidated financial statements for the year ended 30 June 2024.

Going concern

The Directors have made an assessment of the Group's ability to continue as a going concern. As at 31 December 2024 the Group had £18.5 million of net assets of which £6.8 million is held in cash, of which £0.1 million is held as restricted cash.

The Group's current cash reserves are the principal source of funding and are expected to more than exceed its estimated liabilities. Based on these circumstances, the Directors have considered it appropriate to adopt the going concern basis of accounting in preparing these interim results.

2. Exploration and evaluation expenses

Exploration and evaluation expenses includes impairment charges of £nil recorded in respect of exploration licences relinquished in the period (Six months to 31 December 2023: £nil, Twelve months to 30 June 2024: £nil).

3. Administrative expenses

Administrative expenses include a charge in respect of a non-cash revaluation of share appreciation rights (SARs) totalling £269,000 (Six months to 31 December 2023: £306,000 credit, Twelve months to 30 June 2024: £593,000 credit). The SARs may be settled by cash or shares and are therefore revalued with the movement in share price.

Administrative expenses also include a non-cash share based payment charge of £21,000 due to options which have been granted, lapsed or forfeited (Six months to 31 December 2023: £30,000, Twelve months to 30 June 2024: £42,000).

Administrative expenses also include a foreign exchange expense of £122,000 (Six months to 31 December 2023: £10,000 expense, Twelve months to 30 June 2024: £9,000 credit).

4. Interest bearing loans

On 22 July 2024, The Parkmead Group plc entered into a 12-month extension of the interest-bearing loan to EMAL of £2,670,000 after receiving a repayment of £230,000 on the 19 July 2024. Interest charged by Parkmead during the period amounted to £34,000 (Six months to 31 December 2023: £37,000, Twelve months to 30 June 2024: £73,000).

5. (Loss) / profit per share

(Loss) / profit per share attributable to equity holders of the Company arise as follows:

	Six months to 31 December 2024 (unaudited)	Six months to 31 December 2023 (unaudited)	Twelve months to 30 June 2024 (audited)
(Loss) / profit per 1.5p ordinary share (pence)			
Basic	(1.09)	0.68	4.52
Diluted	(1.09)	0.62	4.07

The calculations were based on the following information:

	Six months to 31 December 2024 (unaudited) £'000	Six months to 31 December 2023 (unaudited) £'000	Twelve months to 30 June 2024 (audited) £'000
Profit /(loss) attributable to ordinary shareholders	(1,192)	748	4,942
Weighted average number of shares in issue			
Basic weighted average number of shares	109,266,931	109,266,931	109,266,931
Dilutive potential ordinary shares			
Share options	12,072,297	11,951,345	12,072,297

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

Diluted earnings per share is calculated by dividing the (Loss) / profit for the period by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Diluted (Loss) / profit per share

(Loss) / profit 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 net loss per share. When the Group makes a loss the outstanding share options are anti-dilutive and so are not included in dilutive potential ordinary shares.

6. Sale of Parkmead E&P Limited

On 12 December 2024, Parkmead, announced the signing of an agreement to effect the sale (the "Sale") of its wholly owned subsidiary, Parkmead (E&P) Ltd (the "Subsidiary"), to Serica Energy (UK) Ltd ("Serica").

The Subsidiary currently holds Parkmead's UK offshore oil licences together with its Netherlands onshore gas licences. The Netherlands asset portfolio is excluded from the scope of the transaction and will be retained by the Group. Therefore, Parkmead is retaining 100% of its revenue producing assets, which comprise its Dutch natural gas fields and its UK wind farm, all of which are onshore.

The consideration for the Sale being received by Parkmead consists of £14 million of firm cash consideration and up to £120 million of additional contingent cash consideration, payable as follows:

- An initial payment of £5 million, payable at completion of the Sale ("Completion");
- Three further deferred payments totalling £9 million, payable in instalments of £2.0 million, £3.1 million and £3.9 million on the 27th of February 2025 (or at Completion, if later), 27th of February 2026 and 27th of February 2027 respectively. These future payments are firm and not subject to any conditions; and
- Two contingent payments, payable upon receipt by Serica of approval by the North Sea Transition Authority ("NSTA") for any field development plan ("FDP") relating to any development on licence P2400 (containing the Skerryvore prospect) or licence P2634 (containing the Fynn Beauly oil discovery). These payments are to be calculated based on £0.8/bbl of the 2P reserves contained within the respective FDP net to the Subsidiary's current 50% working interest in each licence, subject to caps of £30 million (in relation to licence P2400) and £90 million (in relation to licence P2634).

Completion is subject to the fulfilment of certain conditions, including the receipt of NSTA approval to the change of control of the Subsidiary, and the completion of a Parkmead intragroup transfer of the Company's licence interests in the Netherlands between two Parkmead subsidiaries. These conditions are anticipated to be satisfied in the first half of 2025.

For the period ending 31 December 2024, the Subsidiary (excluding the retained Netherlands assets) contributed a loss before taxation of £32,000 (30 June 24: profit before tax £6,000). As at 30 December 2024, the net assets of the Subsidiary (excluding the retained Netherlands assets) was £1,209,000 (30 June 24: net assets £1,063,000).

7. Notes to the statement of cashflows

Reconciliation of operating (loss) / profit to net cash flow from operations

	Six months to 31 December 2024	Six months to 31 December 2023	Twelve months to 30 June 2024
	£'000	£'000	£'000
Operating (loss) / profit	**(1,041)**	932	1,336
Depreciation	**838**	458	1,027
Profit/(loss) on sale of property, plant and equipment	**-**	-	2
Provision for share based payments	**21**	30	42
Currency translation adjustments	**122**	10	(9)
(Increase) in receivables	**(56)**	(389)	(691)
Decrease in stock	**-**	11	16
Increase /(decrease) in payables	**61**	992	(207)
Net cash flow from operations	**(55)**	2,044	1,516