

29 July 2022

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

## **Launch of Greater Perth Area farm-out**

Parkmead, the independent energy group, provides the following update on its interest in the Greater Perth Area.

### **Greater Perth Area farm-out process**

Parkmead is pleased to announce that it has engaged a leading energy corporate finance advisory firm, Gneiss Energy Limited, to manage the process to find a suitable partner (or partners) in relation to the Company's 100% interest in the Greater Perth Area ("GPA") development project.

The core Perth field holds approximately 55 million barrels of recoverable oil equivalent ("MMBoe") on a most likely, P50 basis. The wider GPA project has the potential to deliver between 75 and 130 MMBoe on a P50 basis and could provide material value-adding volumes to surrounding infrastructure through field life extension.

GPA is one of the North Sea's largest undeveloped oil projects and has been fully appraised, so no further appraisal drilling is needed. The constituent fields have been flow tested at rates of up to 6,000 barrels of oil per day and have produced good quality, light crude oil of between 37° and 32° API.

Parkmead has had recent dialogue on commercial terms with the nearby Scott field partnership for the potential tie-back of the GPA project to Scott. Scott lies just 6 miles southeast of the GPA project and a tie-back could yield a number of mutually beneficial advantages for both the Scott partnership and the Perth owners.

Transportation studies for the base case GPA development concept have been completed. These have confirmed there are no technical issues that would prevent the transportation and processing of fluids from the Perth producing wells, all the way through the offshore infrastructure to the onshore facilities. Parkmead continues to engage with leading supply chain companies in order to maximise the production of oil, and is in the process of initiating a net zero study to meet regulatory requirements.

Following the excellent progress to date, Parkmead is now in a position to launch this farm-out process to seek an industry partner (or partners) for the GPA Project.

The Board of Parkmead believes that projects like GPA play an important role in underpinning the supply of energy that the UK needs during its transition to net zero. As a fuel that is primarily used for transportation, manufacturing and petrochemicals, oil will continue to feature as a vital commodity in the UK over the coming years. Therefore, it is very important that the UK continues to develop projects such as GPA in order to reduce the UK's reliance on less-regulated, more carbon-intensive imports. Parkmead believes that production of hydrocarbons from GPA can be done in a sustainable fashion in alignment with the UK Government's most recent targets on carbon emissions.

### **The oil and gas investment environment is improving significantly**

Parkmead recognises that there have been significant global changes which have improved the investment environment for projects such as GPA. Russia's invasion of Ukraine has

increased the UK Government's focus on energy security and confirmed the importance of having sizeable and robust UK domestic energy production. The rise in international oil and gas prices has also strengthened investment appetite through enhanced economics. Parkmead has also seen a positive investment sentiment emanating from the introduction of the new UK Energy Profits Levy, whereby the associated investment allowance of up to 91% has created a powerful incentive for major producers to invest in new UK North Sea developments.

**Tom Cross, Executive Chairman, commented:**

*"Parkmead has formally begun a farm-out of the GPA project following the extensive technical and commercial work our team has successfully completed to date. We have secured 100% of the GPA project and delivered a commercial export solution, so now is the right time to drive the project forward with a complementary industry partner.*

*GPA is one of the North Sea's largest undeveloped oil projects and its development would serve to increase the UK's energy security once onstream."*

**Enquiries:**

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**Notes**

Tim Coxe, Parkmead Group's Managing Director, North Sea, who holds a First-Class Master's Degree in Engineering and over 30 years of experience in the oil and gas industry, has overseen the review and approval of the technical information contained in this announcement. Tim is accountable for the company's HSE, Subsurface, Drilling, Production Operations and Development Project functions. Reserves and contingent resource estimates set out in this announcement have been produced by Parkmead's subsurface team and are stated as of 1 March 2022. 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.

**About Parkmead**

The Parkmead Group is an independent, UK and Netherlands focused energy business. Its shares are listed on the AIM market of the London Stock Exchange (AIM: PMG). Parkmead currently produces natural gas from a portfolio of four fields across the Netherlands and the Group holds a balanced portfolio of significant additional oil and gas interests across the UK and Dutch sectors. Parkmead also 100% owns and operates the Kempstone Hill wind energy company, producing electricity directly to the UK grid, as part of the Company's developing renewable energy portfolio.

For further information please refer to Parkmead's website at [www.parkmeadgroup.com](http://www.parkmeadgroup.com)