



WAITING GAME: Aberdeen-based Parkmead Group is awaiting a go-ahead for its flagship North Sea oil project.

Firm hoping green light is on horizon

MARK LAMMEY

Parkmead Group boss Tom Cross hopes a final decision on developing the Aberdeen-based energy firm's flagship UK North Sea oil project will be made next year.

He revealed yesterday the company had completed "major studies" showing oil from its Greater Perth Area (GPA) could be taken ashore via Chinese firm Cnooc's Scott platform and Ineos' Forties pipeline without any "technical hurdles".

Parkmead has been in commercial discussions with Cnooc about tying GPA back to Scott, six miles away in the outer Moray Firth, for well over a year.

Mr Cross, executive chairman, said the firm was still mulling over alternatives, including a standalone floating production vessel and tie-backs to other platforms in the area, but Scott was in "pole position" to host oil from the development.

The GPA is thought to be capable of producing up to 130 million barrels of oil equivalent (boe).

Technical and support studies conducted with Cnooc and Ineos have convinced Mr Cross the project is "robust" and "bona fide".

He was speaking after Parkmead published results for the 12 months to June 30 2020, showing pre-tax losses of £792,000, against profits in 2018-19 of £4.8 million.

Figures were dented by a £1.6m non-cash impairment related to the release of non-core acreage from Parkmead's portfolio.

Gross profits totalled £1.3m, down 78% year-on-year, while revenue was halved to £4m as oversupply into the European market and Covid's impact on demand sparked a slump in gas prices.

Parkmead's current production comes from four onshore gas fields in

the Netherlands, where further development opportunities are being weighed up.

The company is also assessing several acquisition and investment opportunities in upstream natural gas in the Netherlands and UK North Sea, as well as in the renewables sector.

Last year, Parkmead bought farmland in Aberdeenshire from a company majority-owned by Mr Cross' family as part of its expansion into green power.

Studies are now being carried out to gauge the potential for a large wind farm on acreage owned by Parkmead near Stonehaven.

The site is next to Fred Olsen Renewables' 33-turbine Mid Hill wind farm and Mr Cross would like to construct a project of a similar scale. He revealed Parkmead had been approached by "major wind power companies" keen to help develop the

project as partners, but said Parkmead already had the expertise required to handle the project in-house.

Mr Cross's team at Parkmead is the same one that helped him build up Dana Petroleum before it was bought out by South Korea's national oil firm in a hostile takeover in 2010.

Building an onshore wind farm would be a "piece of cake" compared to constructing and operating major offshore facilities, he said, adding: "When you've built steel cities 200-300 miles offshore in the North Sea, that's a lot more complicated than putting up 30 turbines onshore."

Jonathan Wright, research director at stockbroker finnCap, described Parkmead as an exploration and production company "for all seasons", while its diversification into renewables offered some "future proofing" and opened up a new "investor-friendly" avenue of growth.



Emec's mobile hydrogen refuelling solution.

Orkney team's HyFlyer refuelling truck takes historic bow in Europe

The European Marine Energy Centre (Emec) in Orkney said yesterday it had put a hydrogen refuelling truck on the road in Europe for the first time.

Able to hold up to around 120lbs of gas, the mobile refuelling facility is supporting hydrogen-powered test flights from Cranfield, Bedfordshire.

The three-part vehicle is the result of a partnership between Emec and sub-contractor Fuel Cell Systems, of Hungerford, Berkshire.

Emec said it was a "key milestone" in the Aerospace Technology Institute and Innovate UK-funded HyFlyer project, which is led by US company ZeroAvia - supported by Emec and fuel cell company Intelligent Energy - and aimed at developing carbon emissions-free air travel.

ZeroAvia recently carried out the world's first hydrogen-electric flight of a commercial-scale aircraft.

It is currently working on the next phase of a technology integration and testing programme, using the mobile refuelling facility to support a 250-300 nautical mile demonstration flight, expected to be the longest hydrogen-powered flight on record.

Emec managing director Neil Kermod said: "We're delighted to be supporting ZeroAvia's test flight programme and developing our hydrogen capabilities."

"The HyFlyer truck can provide hydrogen fuelling service to locations with no existing or fixed hydrogen infrastructure, which is enabling the solution to be used in an airport setting."

Taqa reveals £339m hit to North Sea assets

Middle Eastern firm Taqa has taken a £339 million write-down in the value of its North Sea assets as a result of Covid-19 and the oil downturn.

The company, which has several platforms in the region, disclosed the impairment in the latest set of accounts for its UK oil and gas subsidiary, Taqa Bratani.

In March 2020, a falling oil price, caused by the global Covid-19 pandemic was considered an "impairment trigger" Taqa said, adding: "An

impairment to the value of \$451m (£339m) (pre-tax) was posted to reduce the value of the assets on the balance sheet."

Taqa revealed the hit as a post-period event to its 2019 financial year accounts and it is not yet clear what the impairment will mean for its bottom line for 2020.

The firm said its cash balance at the end of 2019 was £485.1m, while annual pre-tax profits totalled £80.5m on revenue of £632.7m.