

Parkmead shares rise as it steps-up Greater Perth Area oil hub

Share

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Parkmead shares gained 8.8%

The Parkmead Group Plc ([LON:PMG](#)) shares advanced on Wednesday after the North Sea oiler told investors that it has agreed to take full ownership of the Perth and Dolphin fields.

The companies stake increases from 60.05%, and it sees the group's proved and probable reserves (2P) at the project rise to 46.3mIn barrels of oil equivalent.

Perth and Dolphin are located at the centre of the group's Greater Perth Area (GPA) oil hub project.

At the same time, the company has signed an agreement with Nexen Petroleum, a subsidiary of the China National Offshore Oil Corporation (CNOOC), for an engineering study for a potential tie-back of the GPA to Nexen's Scott platform and facilities which are located 10 kilometres apart.

Parkmead has also launched a new reservoir study for the GPA, to be produced by consultant AGR Tracs International, which will look at well stimulation and the potential for increasing oil flow rates as well as reserves recovery.

There's some 197mIn barrels of oil-in-place at the core Perth field while the GPA hosts an estimated 498mIn barrels. The reservoir study aims to identify how much of that crude could be recovered with stimulation.

"We are delighted with the significant progress we have achieved with the Greater Perth Area project. By increasing our stake in the Perth and Dolphin oil fields, Parkmead's oil and gas reserves grow by some 63%," said Tom Cross, Parkmead chairman.

"The study with Nexen will examine one path to potentially unlock the substantial value of the GPA project for the benefit of the UK and Parkmead shareholders, as well as providing further value for the existing infrastructure partners."

Parkmead shares were up 3.51p or 8.8% changing hands at 42.96p.