

20 November 2015

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

First gas production from the Diever West gas field

Parkmead, the UK and Netherlands focused independent oil and gas group, is delighted to announce that first commercial gas production has been achieved at the Diever West gas field in the Netherlands. The field was discovered in September 2014 and, under a fast-track and low-cost development programme, has been tied into existing production facilities through a new dedicated pipeline with gas extraction via the Garijp treatment system.

Parkmead has worked closely with its joint-venture partners on the fast-track development of the Diever West field, and the partnership has successfully brought the field onstream within just 14 months of discovery. This is an outstanding achievement.

Diever West is located onshore on the western edge of the Lower Saxony Basin, approximately 10km to the east of the producing Weststellingwerf, Noordwolde, Vinkega and Nijensleek fields, on the Drenthe IIIB Production licence, which also contains Parkmead's producing Geesbrug gas field.

The Diever-2 well was drilled in September 2014 on behalf of the co-venturers by operator Vermilion Energy, and gas was discovered in a good quality Rotliegendes age sandstone reservoir. A 157 foot gas column was encountered, with both net pay and porosity values exceeding pre-drill expectations. The well was flow tested after the successful discovery and recorded an excellent flow rate of 29 million cubic feet per day (approximately 5,000 barrels of oil equivalent per day).

The Lower Permian Rotliegend sandstone in this area contains three productive formations, and Diever-2 confirmed the presence of all three reservoir sections. The Slochteren Sandstone formation in the vicinity possesses excellent reservoir properties, typically exhibiting a net-to-gross ratio in excess of 90% and porosities of approximately 20%.

Parkmead's gas assets in the Netherlands continue to provide a robust revenue stream and important net cash flows to the Company. A number of enhanced production opportunities are available across Parkmead's existing Netherlands portfolio, which the Company intends to capitalise on, with the aim of significantly increasing its net gas production. These include a new low-cost infill well at Geesbrug and a further exploration target at De Mussels. The new production from Diever West and the additional Geesbrug well are forecast to more than treble Parkmead's net gas production in the Netherlands. This will serve as a natural hedge against low and volatile oil prices.

Tom Cross, Executive Chairman, commented:

"We are delighted to achieve first gas from the Diever West field in the Netherlands, which provides an important additional revenue stream for Parkmead. The Company has already received revenues from the first gas sales from the field."

Parkmead has worked closely with its joint-venture partners on the fast-track development of Diever West. We have successfully brought this new gas field onstream within just 14 months of discovery. This is an outstanding achievement."

The new gas production from Diever West will act as a natural hedge to the low oil price environment at this key stage in Parkmead's growth."

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Notes to Editors:

1. Dr Colin Percival, Parkmead's Technical Director, who holds a First Class Honours Degree in Geology and a Ph.D in Sedimentology and has over 30 years of experience in the oil and gas industry, has reviewed and approved the technical information contained in this announcement.
2. Parkmead is an independent, upstream oil and gas company that is admitted to trading on AIM on the London Stock Exchange (symbol: PMG). Parkmead is focused on growth in the oil and gas exploration and production sector, targeting transactions at both asset and corporate levels.
3. In November 2011, Parkmead completed the acquisition of stakes in UK Blocks 48/1a, 47/5b and 48/1c containing the Platypus gas field and the Possum gas prospect. Mapping indicates the potential for Platypus and Possum to contain up to 180 and 100 billion cubic feet of gas in place, respectively.
4. In December 2011, Parkmead agreed to acquire stakes in blocks 47/4d, 47/5d, 47/10c and 48/6c in the UK Southern North Sea, which contained the Pharos gas prospect. These two gas-basin acquisitions were important steps in the first stage of Parkmead's development as a new independent energy company.
5. In March 2012, Parkmead agreed to acquire a portfolio of Netherlands onshore assets comprising four producing gas fields and two oil fields from Dyas B.V. This acquisition provided the Group with its first producing fields and with future oil developments at Ottoland and Papekop. This acquisition completed in August 2012.
6. In May 2012, Parkmead launched its recommended acquisition of DEO Petroleum plc. As a result, Parkmead now owns 52% and is operator of the UKCS Perth oil field
7. In October 2012, Parkmead was awarded several new licences under the UKCS 27th Licensing Round. The six new licences comprise interests in a total of 25 offshore blocks or partial blocks across the Central North Sea, West of Scotland and West of Shetland.
8. In July 2013, Parkmead completed its recommended offer for Lochard Energy Group plc. This gave Parkmead a 10% interest in the producing Athena oil field.
9. In December 2013, in the second tranche of the UKCS 27th Licensing Round, Parkmead was awarded a further five UK blocks through two new licences in the UK Southern North Sea. That made a total award to Parkmead of 30 UK blocks across eight licences within the UKCS 27th Licensing Round.
10. In January 2014, Parkmead completed a successful oversubscribed placing raising US\$66.0 million which provided the Company with increased financial firepower and balance sheet strength.
11. In April 2014, Parkmead completed the acquisition of a 20 per cent. interest in the Athena oil field from EWE VERTRIEB GmbH, trebling Parkmead's interest in the Athena oil field to 30 per cent.

12. In September 2014, Parkmead discovered a new gas field onshore the Netherlands at Diever West.
13. In November 2014, Parkmead was awarded six new licences in the UKCS 28th Licensing Round, all as operator. The six new licences comprise interests in a total of nine offshore blocks located in the Central and Southern North Sea.
14. In May 2015, Parkmead completed a successful placing raising US\$21.1 million to accelerate opportunities.
15. In July 2015, Parkmead was awarded three new licences in the UKCS 28th Licensing Round. The three new licences comprise interest in three offshore blocks located in the Southern North Sea and West of Shetland vicinity.
16. Through its wholly owned subsidiary, Aupec Limited, The Parkmead Group provides petroleum benchmarking and economics expertise to a wide range of government bodies and international oil and gas companies. Aupec has to date worked with over 100 governments, national oil companies, majors and independents, across the world, as well as a number of multi-national agencies such as the European Commission and the World Bank. Aupec is currently undertaking an important benchmarking project for a group of the world's largest super-major oil companies.

For further information please refer to Parkmead's website at www.parkmeadgroup.com