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18 May 2015

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

Parkmead raises US\$21.1 million to accelerate opportunities

Parkmead, the UK and Netherlands focused independent oil and gas group, is delighted to announce that it has raised approximately US\$21.1 million (£13.44 million) through a placing of 11,200,000 new Ordinary Shares (the "**Placing Shares**") at 120 pence per share (the "**Placing Price**"). The Placing Shares have been placed with certain institutional and other investors (the "**Placing**").

The Placing, which has been undertaken by Charles Stanley Securities, is conditional, inter alia, on admission to trading on AIM of the Placing Shares ("Admission").

Background to and Reasons for the Placing

The Company has built a strong platform for future growth and has been actively executing its accelerated strategy to become a key E&P player in the North Sea.

The last 18 months have proved to be an excellent period for Parkmead, one which saw strong progress across the Group's growing oil and gas portfolio. In the Netherlands, a new onshore gas field was discovered at Diever West and the discovery is expected to be tied into existing facilities by the end of 2015 under a fast track development programme. 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.

In November 2014, Parkmead was awarded six new licences covering a total of nine offshore blocks in the UK 28th Licensing Round, which meant that Parkmead ranked fourth in the total number of licenses awarded by DECC in the first tranche of this licensing round. These new licences contain opportunities across the Central and Southern North Sea areas and will all be operated by Parkmead. The awards, which include new exploration prospects as well as proven discoveries, built upon Parkmead securing eight new licences covering a total of 30 offshore blocks in the UK 27th Licensing Round awards. The latest licence awards take Parkmead's total number of oil and gas blocks across the UK and the Netherlands to 61, with 48 of those operated by the Group. These new licences complement Parkmead's strong existing asset base of oil and gas production, exciting exploration prospects and the major Perth, Dolphin and Lowlander ("PDL") oil development.

Three of the new 28th Round licence awards significantly increase Parkmead's asset base in the vicinity of the Company's wider Perth area project and the work carried out by the Parkmead team on the Dolphin oil discovery has confirmed that this discovery can be included in the PDL project. Following the signing of Heads of Agreement in August 2014, Parkmead and its partners in the PDL project have been actively working together to realise the opportunity from this area to maximise oil reserves and financial returns from PDL and the wider regional area. The fully appraised PDL fields currently have a total of 13 wells drilled and are estimated to contain approximately 80 million barrels of recoverable oil. In addition, there are a number of satellite fields in the vicinity which could be tied into PDL and the Company is engaging with field operators in the area.

Good progress has also been made on the Company's interest in the producing Athena field where Parkmead is the largest shareholder. The P4 well workover was successfully completed in late 2014 and, in March 2015, Parkmead and its partners on the Athena field entered into an amended FPSO contract with BW Offshore (UK) Limited ("BW Offshore"), the provider and operator of the Athena FPSO vessel. The net effect of the new agreement was a significant reduction in the field operating costs, which increases the cash flow generated from the field in the current oil price environment.

Capital requirements and financial strength are key topics for companies in the oil and gas sector, especially those with a high level of licence commitments and/or large debt repayments. The Parkmead management team has taken a disciplined approach to guard its financial strength and this has meant that it is funded to meet its current capital commitments and therefore in a good position to capitalise on opportunities that are becoming available as a result of lower oil prices.

The current environment in the oil & gas sector is undoubtedly generating significant corporate opportunities. There has already been active consolidation in the sector as companies seek to benefit from scale (with one of the largest transactions being Royal Dutch Shell plc's recommended offer for BG Group plc) and a number of divestments and asset sales as companies are actively reviewing their portfolios and considering exits for their non-core assets. In addition, a number of companies are finding themselves in a distressed situation given capital structures that are not suited to the current oil price environment.

The Board of Parkmead believes that through its management team's track record of acquisitive growth, it is well positioned to capitalise on these opportunities in the sector because of:

- Its extensive industry knowledge and in-depth expertise in the North Sea;
- Its strong industry relationships, both corporately and politically; and
- The strength of the Company's balance sheet.

Given Parkmead's track record and its stated strategy of continued acquisitive growth, the Board of Directors believe that by adding cash to its balance sheet, Parkmead will strengthen its ability to act expeditiously as and when opportunities arise over the next few months.

Use of Proceeds

The proceeds of the Placing will be employed to give the Company greater flexibility to take advantage of the current M&A environment in the oil and gas sector. The Board of Directors is aware of a number of potential opportunities that will complement the Company's existing portfolio of assets and continue to deliver against the Board's stated strategy of creating a balanced portfolio of oil & gas assets with material production in the UK and Netherlands.

Details of the Placing

The Placing will raise gross proceeds of approximately US\$21.1 million (£13.44 million) through the issue by the Company of 11,200,000 new Ordinary Shares at a price of 120 pence per share.

The Placing Price represents a discount of just 1.4 per cent. to the closing mid market price of 121.75 pence per share on 15 May 2015, being the last practicable date prior to the announcement of the Placing.

The Placing is conditional upon:

- the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms; and
- Admission.

The Placing Shares represent, in aggregate, approximately 12.8 per cent. of the Company's existing issued share capital and approximately 11.3 per cent. of the issued share capital of the Company immediately following completion of the Placing (assuming that prior to Admission there is no exercise of options or conversion of SARs under the Company's existing equity incentive schemes).

Application has been made for the 11,200,000 Placing Shares to be admitted to trading on AIM and it is expected that Admission will take place on Thursday 21 May 2015. The Placing Shares will rank pari passu with the existing Ordinary Shares.

Following Admission of the new Ordinary Shares, the total issued share capital of Parkmead will comprise 98,929,160 Ordinary Shares. The figure of 98,929,160 Ordinary Shares may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, Parkmead under the Disclosure and Transparency Rules.

Tom Cross, Executive Chairman, Ryan Stroulger, Finance Director and Philip Dayer, Non-Executive Director, will subscribe for 83,333, 20,833 and 33,333 Ordinary Shares, respectively, in the Placing.

Following these subscriptions, the beneficial holdings of Tom Cross, Ryan Stroulger and Philip Dayer will be as follows:

	Current Shareholding	Placing subscription	Shareholding following Placing	% of enlarged issued share capital
Tom Cross	18,767,446	83,333	18,850,779	19.05%
Ryan Stroulger	137,724	20,833	158,557	0.16%
Philip Dayer	110,627	33,333	143,960	0.15%

Tom Cross, Executive Chairman of Parkmead, commented:

"The current climate in the oil & gas sector is creating a significant number of opportunities, both at an asset and corporate level. This successful placing has put Parkmead in an excellent position to capitalise on these opportunities."

For enquiries please contact:

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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, Parkmead agreed to acquire a further 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.
10. Also in December 2013, in the second tranche of the UKCS 27th Licensing Round, Parkmead was provisionally 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.
11. 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.
12. 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.
13. In September 2014, Parkmead discovered a new gas field onshore the Netherlands at Diever West.
14. In November 2014, Parkmead was provisionally 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.
15. 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

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Certain statements in this announcement are forward-looking statements which are based on the Company's expectations, intentions and projections regarding its future performance, anticipated events or trends and other matters that are not historical facts. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Factors that would cause actual results or events to differ from current expectations, intentions or projections might include, amongst other things, changes in oil prices, changes in equity markets, failure to establish estimated petroleum reserves, political risks, changes to regulations affecting the Company's activities, delays in obtaining or failure to obtain any required regulatory approval, failure of equipment, uncertainties relating to the availability and costs of financing needed in the future, the uncertainties involved in interpreting drilling results and other geological, geophysical and engineering data, delays in obtaining geological results, the success of future explorations, acquisitions and other strategic transactions and other risks associated with offshore exploration, development and production. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements, which are not guarantees of future performance. Forward-looking statements speak only as of the date of such statements and, except as required by the FCA, the London Stock Exchange or applicable law, each of the Company and Charles Stanley expressly disclaims any obligation or undertaking to review, revise or release publicly any updates to any forward-looking statements to reflect any changes in Parkmead's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based, whether as a result of new information, future events or otherwise.

This announcement shall not constitute an offer to buy, sell, issue or subscribe for any securities in, nor the solicitation of an offer to buy, sell, issue or subscribe for any securities in, nor shall there be any sale of securities on the basis of this announcement in, any jurisdiction in which such offer, solicitation or sale would be unlawful. This announcement has been issued by and is the sole responsibility of Parkmead.

No representation or warranty, express or implied, is or will be made by Charles Stanley or by any of its affiliates or agents as to, or in relation to, and no responsibility or liability is or will be accepted by Charles Stanley or by any of its affiliates or agents as to, or in relation to, the accuracy or completeness of this announcement, including the Appendix, or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefor is expressly disclaimed.

Charles Stanley, which is authorised and regulated in the United Kingdom by the FCA, is acting for Parkmead and for no-one else in connection with the Placing, and will not be responsible to anyone other than Parkmead for providing the protections afforded to customers of Charles Stanley nor for providing advice to any other person in relation to the Placing or any other matter referred to herein.

The distribution of this announcement and the offering of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by Parkmead or Charles Stanley that would permit an offering of such shares or possession or distribution of this announcement or any other

offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by Parkmead and Charles Stanley to inform themselves about, and to observe, such restrictions.

The price of shares and the income from them may go down as well as up and investors may not get back the full amount invested on a disposal of shares.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT IN THIS ANNOUNCEMENT ARE DIRECTED ONLY AT PERSONS WHO ARE: (A) (I) INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER"), OR (II) PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC) OF THE ORDER, OR (III) PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED; AND (B) (I) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE QUALIFIED INVESTORS (AS DEFINED IN ARTICLE 2(1)(E) OF EU DIRECTIVE 2003/71/EC (AS AMENDED) (THE "PROSPECTUS DIRECTIVE")), AND/OR (II) PERSONS IN THE UNITED KINGDOM WHO ARE QUALIFIED INVESTORS (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT IN THIS ANNOUNCEMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT IN THIS ANNOUNCEMENT RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE PARKMEAD GROUP PLC.

Persons (including individuals, funds or otherwise) by whom or on whose behalf a commitment to acquire Placing Shares has been given ("Placees") will be deemed to have read and understood this announcement, including the Appendix, in its entirety and to be making such offer on the terms and conditions, and to be providing the representations, warranties, acknowledgements and undertakings, contained in the Appendix (subject as otherwise provided). In particular (and subject as aforesaid), each such Placee represents, warrants and acknowledges that it is: (i) a Relevant Person (as defined above); (ii) not within the United States; (iii) not within Canada, Australia, Japan, South Africa, New Zealand, the Republic of Ireland or any other jurisdiction in which it is unlawful to make or accept an offer to acquire the Placing Shares; (iv) not acquiring the Placing Shares for the account of any person who is located in the United States unless the instruction to acquire was received from a person outside the United States and the person giving such instruction has confirmed that it has the authority to give such instruction, and that either (a) it has investment discretion over such account or (b) it is an investment manager or investment company and, in the case of each of (a) and (b), that it is acquiring the Placing Shares in an "offshore transaction" (within the meaning of Regulation S under the United States Securities Act of 1933, as amended ("Securities Act")); and (v) it is not acquiring the Placing Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Placing Shares into the United States or any other jurisdiction referred to in (iii) above and each Placee undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business.

This announcement, including the Appendix, is not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia), Canada, Australia, Japan, South Africa, New Zealand, the Republic of Ireland or any jurisdiction into which the same would be unlawful. This announcement is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration. No offering of securities will be made in the United States by Parkmead in connection with the Placing.

This announcement does not constitute or form part of an offer or solicitation to purchase or subscribe for shares in the capital of Parkmead in the United States, Canada, Australia, Japan, South Africa, New Zealand, the Republic of Ireland or any jurisdiction in which such an offer or solicitation is unlawful. No public offering of securities of Parkmead will be made in connection with the Placing in the United Kingdom or elsewhere.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this announcement. Any representation to the contrary is unlawful.

The relevant clearances have not been, and nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the Placing Shares have not been, and nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Canada, Australia, Japan, South Africa, New Zealand or the Republic of Ireland. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into the United States, Canada, Australia, Japan, South Africa, New Zealand, the Republic of Ireland or any other jurisdiction outside the United Kingdom.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of the Appendix or this announcement should seek appropriate advice before taking any action.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than the AIM market of the London Stock Exchange. Neither the content of Parkmead's website nor any website accessible by hyperlinks on Parkmead's website is incorporated in, or forms part of, this announcement.

**APPENDIX
TERMS AND CONDITIONS OF THE PLACING**

For Invited Placees Only

Important Information

1. Eligible participants

This Appendix, including the terms and conditions of the Placing set out herein, is directed only at persons who are Relevant Persons, as defined in this announcement.

In this Appendix:

- a. **"you"** or **"Placee"** means any person who is, or becomes, committed to subscribe for Placing Shares under the Placing pursuant to a legally binding commitment given to Charles Stanley acting as agent and broker for the Company; and
- b. terms defined elsewhere in this announcement (in particular in the Definitions at the end of this announcement) have the same meanings, unless the context requires otherwise.

Members of the public are not eligible to take part in the Placing.

2. Overseas jurisdictions

The distribution of this announcement and the Placing and/or the issue of Placing Shares pursuant to the Placing in certain jurisdictions may be restricted by law. FSMA Qualified Investors who seek to participate in the Placing must inform themselves about and observe any such restrictions. In particular, this announcement and the information contained herein is not for publication or distribution, directly or indirectly, to persons in the United States, Canada, Australia, New Zealand, Japan, South Africa or the Republic of Ireland or in any jurisdiction in which such publication or distribution is or may be unlawful. Furthermore, this announcement does not constitute an offer or invitation (or a solicitation of any offer or invitation) to subscribe for or acquire, sell or purchase or otherwise deal in Placing Shares in the United States, Canada, Australia, Japan, South Africa, New Zealand or the Republic of Ireland or in any other jurisdiction in which any such offer, invitation or solicitation is or would be unlawful. No public offer of securities of the Company is being made in the United Kingdom, United States or elsewhere.

The Placing Shares have not been and will not be registered under the US Securities Act of 1933 (as amended) (the **"Securities Act"**) or with any securities regulatory authority of any state or other jurisdiction of the United States, and accordingly may not be offered, sold or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, registration under the Securities Act.

3. Placing

Charles Stanley is arranging the Placing as agent for and on behalf of the Company. Charles Stanley will determine the extent of each Placee's participation in the Placing, which will not necessarily be the same for each Placee. The placing obligations of Charles Stanley in connection with the Placing are set out in the Placing Agreement (further details of which are described in paragraphs 7 and 8 of this

Appendix). No commissions will be paid to or by Placees in respect of their agreement to subscribe for any Placing Shares.

Each Placee will be required to pay to Charles Stanley, on the Company's behalf, the Placing Price as the subscription sum for each Placing Share agreed to be subscribed by it under the Placing in accordance with the terms and conditions set out in or referred to in this Appendix. Each Placee's obligation to subscribe and pay for Placing Shares under the Placing will be owed to each of the Company and Charles Stanley. Each Placee will be deemed to have read and understood this announcement in its entirety. To the fullest extent permitted by law and applicable FCA rules, neither Charles Stanley nor any other Charles Stanley Person will have any liability to Placees or to any person other than the Company in respect of the Placing.

Various dates referred to in this announcement are stated on the basis of the expected timetable for the Placing. It is possible that some of these dates may be changed. The expected date for Admission is currently 21 May 2015 and, in any event, the latest date for Admission is 29 May 2015 (the "Long-Stop Date").

4. Participation and settlement

Participation in the Placing is only available to persons who are invited to participate in it by Charles Stanley.

A Placee's commitment to subscribe for a fixed number of Placing Shares at the Placing Price under the Placing will be agreed orally or in writing with Charles Stanley. Such agreement will constitute a legally binding and irrevocable commitment on the Placee's part to subscribe for that number of Placing Shares at the Placing Price on the terms and conditions set out or referred to in this Appendix and subject to the Company's constitution; such legally binding and irrevocable commitment is subject only to the Placing conditions set out or referred to in paragraph 8 of this Appendix.

The expected timetable for settlement will be as follows:

Trade Date	20 May 2015
Settlement Date	21 May 2015
ISIN Code	GB00BGCYZL73
SEDOL	BGCYZL7
Deadline for input instruction into CREST	3.00p.m. 20 May 2015
CREST ID for Charles Stanley	698

At such point, each Placee will have an immediate, separate, irrevocable and legally binding obligation, owed to the Company and to Charles Stanley, to pay to Charles Stanley (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and such number of Placing Shares that such Placee has agreed to acquire.

Settlement of transactions in the Placing Shares will take place within the CREST system, subject to certain exceptions, on a "**delivery versus payment**" (or "**DVP**") basis. Charles Stanley reserves the right to require settlement for and/or delivery to any Placee of any Placing Shares by such other means as it may deem appropriate if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this announcement or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

If a Placee's Placing Shares are to be delivered to a custodian or settlement agent, such Placee should ensure that the settlement instructions are copied and delivered immediately to the appropriate person within that organisation.

5. No Prospectus

No prospectus has been or will be submitted for approval by the FCA in relation to the Placing or the Placing Shares. Placees' commitments in respect of Placing Shares will be made solely on the basis of the information contained in this announcement.

6. Placing Shares

The Placing Shares will, when issued, be credited as fully paid and will rank in full for all dividends declared, made or paid after their issue and otherwise will rank *pari passu* in all respects with the existing issued Ordinary Shares.

Application will be made for the Admission of the Placing Shares to trading on AIM. It is expected that Admission will take place, and dealings in the Placing Shares will commence, on 21 May 2015.

7. Placing Agreement

Charles Stanley has today entered into the Placing Agreement with the Company under which it has agreed, on a conditional basis, to use its reasonable endeavours as agent of the Company to procure subscribers for Placing Shares. The Placing is not being underwritten.

8. Placing conditions

The Placing Agreement contains various conditions in respect of the Placing. The Placing is conditional, inter alia, on: (i) Admission occurring and having become effective at or before 8.00am on 21 May 2015 (or such later time as Charles Stanley may agree with the Company in writing, being not later than 8.00am on 29 May 2015); and (ii) the Placing Agreement having become unconditional in all respects and not having been terminated at any time prior to Admission in accordance with its terms.

Certain conditions may be waived, in whole or in part, and the time for satisfaction of such conditions may be extended, by Charles Stanley (acting in its absolute discretion and without any obligation to make any such waiver or extension) by express written notice to the Company.

If any condition is not fulfilled or waived by Charles Stanley by the relevant time, the Placing will lapse and the rights and obligations of Placees in respect of the Placing will cease and terminate at such time.

Charles Stanley has rights, at any time prior to Admission, to terminate its obligations under the Placing Agreement in certain limited circumstances. Such circumstances include, inter alia, material breach by the Company of the provisions of the Placing Agreement or any warranty therein being or becoming untrue, inaccurate or misleading in any material respect, or the occurrence of certain specified material events or changes in the financial position of the Company or of certain events of force majeure. The exercise of any right of termination of the Placing Agreement or waiver of any condition to the Placing Agreement or the extension of the time for fulfilment of any such condition is

within the absolute discretion of Charles Stanley and Charles Stanley shall have no liability to any Placee whatsoever in respect of any decision as to the exercise of any such right of termination or any decision to waive any such condition or to extend the time for satisfaction of any such condition.

9. Payment default

A Placee's entitlement to receive Placing Shares will be conditional on Charles Stanley's receipt of payment in full for such Placing Shares by 21 May 2015 (***settlement date***), or by such later time and date as Charles Stanley may in its absolute discretion determine. Charles Stanley may, in its absolute discretion, waive such condition and will not be liable to any Placee for any decision to waive or not to waive such condition.

If any Placee fails to make such payment by the required time for any Placing Shares: (i) the Company may release itself, and (if at its absolute discretion it decides to do so) will be released from, all obligations it may have to allot and/or issue any such Placing Shares to, or at the direction of, such Placee which are then unallotted and/or unissued; (ii) the Company may exercise all rights of lien, forfeiture and set-off over and in respect of any such Placing Shares to the full extent permitted under its constitution or otherwise by law and to the extent that such Placee then has any interest in or rights in respect of any such shares; (iii) the Company or, as applicable, Charles Stanley may sell (and each of them is irrevocably authorised by such Placee to do so) all or any such Placing Shares on behalf of such Placee and then retain from the proceeds of such sale, for the account and benefit of the Company or, where applicable, Charles Stanley: (a) any amount up to the total amount due to it as, or in respect of, subscription monies, or as interest on such monies, for any Placing Shares; (b) any amount required to cover any stamp duty or stamp duty reserve tax arising on the sale; and (c) any amount required to cover dealing costs and/or commissions necessarily or reasonably incurred by it in respect of such sale; and (iv) such Placee will remain liable to the Company and to Charles Stanley for the full amount of any losses and of any costs which either of them may suffer or incur as a result of: (a) not receiving payment in full for such Placing Shares by the required time; and/or (b) the sale of any such Placing Shares to any other person at whatever price and on whatever terms are actually obtained for such sale by or for it. Interest may be charged in respect of payments not received by Charles Stanley for value by the required time referred to above at the rate of two percentage points above LIBOR (as determined by Charles Stanley).

10. Placees' representations, warranties and undertakings to the Company and Charles Stanley

By agreeing with Charles Stanley to subscribe for Placing Shares under the Placing each Placee (referred to in this paragraph 10 as "you") irrevocably acknowledges, represents, confirms, warrants and undertakes to, and agrees with each of the Company and Charles Stanley, in each case as a fundamental term of your application for Placing Shares and of the Company's obligation to allot and/or issue any Placing Shares to you or at your direction, that:

- a) you have read this announcement and agree to and accept all of the terms and conditions set out in this announcement (including, but not limited to, this Appendix);
- b) no prospectus, admission document or other offering document has been or will be prepared in connection with the Placing and you have not received a prospectus, admission document or other offering document in connection with the Placing and/or the Placing Shares;

- c) the Ordinary Shares are admitted to trading on AIM, and the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules, which includes a description of the nature of the Company's business and the Company's most recent AIM admission document and financial statements and you are able to obtain or access such information, and are able to obtain access to the Company's published financial statements or comparable information concerning any other publicly traded company;
- d) your rights and obligations in respect of the Placing will terminate only in the circumstances referred to in this announcement and will not be subject to rescission or termination by you in any circumstances;
- e) this announcement, which has been issued by the Company, is the sole responsibility of the Company and neither Charles Stanley nor any of its affiliates nor any person acting on its behalf or any of their affiliates have, or shall have, any liability for any information, representation or statement contained in this announcement or any information previously published by or on behalf of the Company in connection with the Placing;
- f) you have not been, and will not be, given any warranty or representation in relation to the Placing Shares or to the Company or to any other member of its Group in connection with the Placing;
- g) you have not relied on any representation or warranty in reaching your decision to subscribe for Placing Shares under the Placing;
- h) you are not a client of Charles Stanley in relation to the Placing and Charles Stanley is not acting for you in connection with the Placing and it will not be responsible to you in respect of the Placing for providing protections afforded to its clients;
- i) you have not been, and will not be, given any warranty or representation by any Charles Stanley Person in relation to any Placing Shares, the Company or any other member of its Group and no Charles Stanley Person will have any liability to you for any information contained in this announcement or which has been published by the Company or for any decision by you to participate in the Placing based on any such information or on any other information provided to you;
- j) in making your decision to acquire any Placing Shares, you: (i) have not relied on any investigation that Charles Stanley or any person acting on its behalf may have conducted with respect to the Placing Shares or the Company; (ii) have made your own investment decision regarding the Placing Shares based on your own knowledge (and information you may have or which is publicly available) with respect to the Placing Shares and the Company; (iii) have had access to such information as you deem necessary or appropriate in connection with your acquisition of any Placing Shares; and (iv) have sufficient knowledge and experience in financial and business matters and expertise in assessing credit, market and all other relevant risk and are capable of evaluating, and have evaluated, independently, the merits, risks and suitability of purchasing the Placing Shares;
- k) you understand that by your acquisition or holding of any Placing Shares you are assuming, and are capable of bearing, the risk of loss that may occur with respect to the Placing Shares, including the possibility that you may lose all or a substantial portion of your investment in

any Placing Shares, and you will not look to the Company or any Charles Stanley Person for all or part of any such loss or losses you may suffer;

- l) you have neither received nor relied on any confidential price-sensitive information concerning the Company in accepting this invitation to participate in the Placing;
- m) you will pay the full subscription amount as and when required in respect of all Placing Shares allocated to you and will do all things necessary on your part to ensure that payment for such Placing Shares and their delivery to you or at your direction is completed in accordance with the standing CREST instructions (or, where applicable, standing certificated settlement instructions) that you have in place with Charles Stanley or put in place with Charles Stanley with its agreement;
- n) you are entitled to subscribe for Placing Shares under the laws of all relevant jurisdictions which apply to you and you have fully complied, and will fully comply, with all such laws (including, where applicable, the Anti-Terrorism, Crime and Security Act 2001, the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007) and have obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such subscription, and you will provide promptly to Charles Stanley such evidence, if any, as to the identity or location or legal status of any person which Charles Stanley may request from you in connection with the Placing (for the purpose of its complying with any such laws or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by Charles Stanley on the basis that any failure by you to do so may result in the number of Placing Shares that are to be allotted and/or issued to you or at your direction pursuant to the Placing being reduced to such number, or to nil, as Charles Stanley may decide at its sole discretion;
- o) you, and, if different, the beneficial owner of the Placing Shares, are not and, at the time the Placing Shares are acquired, will not be residents of the United States, Canada, Australia, Japan, South Africa, New Zealand, the Republic of Ireland or any other jurisdiction in which the Placing or any connected offer, invitation or solicitation is or would be unlawful;
- p) you have complied and will comply with all applicable provisions of FSMA with respect to anything done or to be done by you in relation to any Placing Shares in, from or otherwise involving the United Kingdom and you have not made or communicated or caused to be made or communicated, and you will not make or communicate or cause to be made or communicated, any "**financial promotion**" in relation to Placing Shares in contravention of section 21 of FSMA;
- q) you or your agent who manages investments on your behalf on a discretionary basis are a FSMA Qualified Investor;
- r) you are acting as principal only in respect of the Placing or, if you are acting for any other person: (i) you are duly authorised to do so; (ii) you are and will remain liable to the Company and/or Charles Stanley for the performance of all your obligations as a Placee in respect of the Placing (regardless of the fact that you are acting for another person); (iii) you are both an "**authorised person**" for the purposes of FSMA and a "**qualified investor**" as defined at Article 2.1(e) of Directive 2003/71/EC (as amended) (known as the Prospectus Directive) acting as agent for such person; and (iv) such person is either: (a) a FSMA Qualified Investor; or (b) a "**client**" (as defined in section 86(2) of FSMA) of yours that has

engaged you to act as his agent on terms which enable you to make decisions concerning the Placing or any other offers of transferable securities on his behalf without reference to him;

- s) nothing has been done or will be done by you in relation to the Placing or to any Placing Shares that has resulted or will result in any person being required to publish a prospectus in relation to the Company or to any Ordinary Shares or Placing Shares in accordance with FSMA or the Prospectus Rules or in accordance with any other laws applicable in any part of the European Union or the European Economic Area;
- t) (i) you are not, and are not acting in relation to the Placing as nominee or agent for, a person who is or may be liable to stamp duty or stamp duty reserve tax in respect of any agreement to acquire (or any acquisition of) shares or other securities (including, without limitation, under sections 67, 70, 93 or 96 of the Finance Act 1986 concerning depositary receipts and clearance services), and the allocation, allotment, issue and/or delivery to you, or any person specified by you for registration as holder, of Placing Shares will not give rise to a liability under any such section; (ii) the person whom you specify for registration as holder of Placing Shares will be you or your nominee or (as applicable) the person for whom you are acting or its nominee; (iii) you and any person for whom you are acting will acquire Placing Shares on the basis that they will be allotted to the CREST stock account of Charles Stanley and that Charles Stanley will then hold them as settlement agent and as nominee for you or such person until settlement in accordance with Charles Stanley's settlement instructions; (iv) payment for Placing Shares will be made simultaneously on their receipt in your stock account on a **"delivery versus payment"** (or **"DVP"**) basis; and (v) neither Charles Stanley nor the Company will be responsible to you or anyone else for any liability to pay stamp duty or stamp duty reserve tax resulting from any breach of, or non-compliance, with this paragraph;
- u) you will not treat any Placing Shares in any manner that would contravene any legislation applicable in any territory or jurisdiction and no aspect of your participation in the Placing will contravene any legislation applicable in any territory or jurisdiction in any respect or cause the Company or Charles Stanley to contravene any such legislation in any respect;
- v) you understand and acknowledge that no steps have been taken to enable any of the Placing Shares to be acquired by persons outside the United Kingdom and accordingly:
 - (1) you were outside the United States at the time your subscription was originated and you were not at such time, and are not, a US Person (and were not, and are not, acquiring on behalf of, or purchasing for the account or benefit of, a US Person) within the meaning of Regulation S promulgated under the Securities Act and you will not offer, sell or deliver directly or indirectly any of the Placing Shares in the United States;
 - (2) you acknowledge and agree that none of the Placing Shares have been or will be registered under the Securities Act or under the securities laws of any state of the United States and neither you, your affiliates nor any person acting on your behalf has knowingly engaged or will engage in any directed selling efforts in the United States of America with respect to the Placing Shares (terms in this paragraph have meanings ascribed to them by Regulation S under the Securities Act);
 - (3) you acknowledge that none of the Placing Shares have been or will be registered under the relevant securities laws of Canada, Australia, Japan, South Africa, New Zealand or the Republic of Ireland;

- (4) you are not a national or resident of Canada, Australia, Japan, South Africa, New Zealand or the Republic of Ireland, or a corporation, partnership or other entity organised under the laws of Canada (or any political sub-division thereof), Australia, Japan, South Africa, New Zealand or the Republic of Ireland and that you will not offer, sell or deliver, directly or indirectly, as principal or agent any of the Placing Shares in Canada, Australia, Japan, South Africa, New Zealand or the Republic of Ireland or to or for the benefit of any person resident in Canada, Australia, Japan, South Africa, New Zealand or the Republic of Ireland, or to any person purchasing such shares for re-offer, sale or transfer in Canada, Australia, Japan, South Africa, New Zealand or the Republic of Ireland and you are not acting for any such national or resident or with a view to resale to any overseas person (whether resident in Canada, Australia, Japan, South Africa, New Zealand or the Republic of Ireland or otherwise); and
 - (5) you are not in or a national or resident of any other territory in which it is unlawful to make an offer to subscribe for Placing Shares or to reply to this announcement;
- w) Charles Stanley is entitled, but shall be under no obligation to, satisfy its obligations to use its reasonable endeavours to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any other Charles Stanley Person or any person associated with any Charles Stanley Person to do so;
- x) time is of the essence as regards your obligations under this Appendix;
- y) this Appendix and any contract (whether oral or written) which may be entered into between you and Charles Stanley and/or the Company, and all non-contractual obligations arising between you and Charles Stanley and/or the Company, pursuant to or in connection with it or the Placing, will be governed by and construed in accordance with the laws of England, for which purpose you submit (for yourself and on behalf of any person on whose behalf you are acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute, or matter arising out of or relating to this Appendix or such contract, except that each of the Company and Charles Stanley will have the right to bring enforcement proceedings in respect of any judgment obtained against you in the English courts or in the courts of any other relevant jurisdiction;
- z) each right or remedy of the Company or Charles Stanley provided for in this Appendix is in addition to any other right or remedy which is available to such person and the exercise of any such right or remedy in whole or in part will not preclude the subsequent exercise of any such right or remedy;
- aa) any document that is to be sent to you in connection with the Placing will be sent at your risk and may be sent to you at any address provided by you to Charles Stanley;
- bb) you shall indemnify and hold each of the Company and Charles Stanley harmless, on an after tax basis, from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach by you of the terms in this Appendix;

- cc) your commitment to acquire Placing Shares on the terms set out in this announcement will continue notwithstanding any amendment that may in future be made to the terms of the Placing and you will have no right to be consulted or require that your consent be obtained with respect to the Company's conduct of the Placing.
- dd) it is a term of your placing participation that, to ensure compliance with the Money Laundering Regulations 2007, the Anti-Terrorism Crime and Security Act 2001 and the Proceeds of Crime Act 2002 (the "Regulations"), Charles Stanley may, in its absolute discretion, require verification of your identity. Pending the provision to Charles Stanley of evidence of identity, definitive certificates in respect of Placing Shares or, where appropriate, delivery of the Placing Shares to you in uncertificated form may be retained or withheld;
- ee) nothing in this Appendix will exclude any liability of any person for fraud on its part, and all times and dates in this announcement are subject to amendment at the discretion of Charles Stanley, except that in no circumstances will the date scheduled for Admission be later than the Long-Stop Date;
- ff) none of your rights or obligations in respect of the Placing is conditional on any other person agreeing to subscribe for any Placing Shares under the Placing and no failure by any other Placee to meet any of its obligations in respect of the Placing will affect any of your obligations in respect of the Placing;
- gg) you are:
- (1) an investment professional falling within Article 19(5) of the Order; or
 - (2) a person following within Article 49(2)(a) to (d) of the Order; or
 - (3) a person to whom this announcement (including this Appendix) may otherwise be communicated without breach of section 21 of FSMA; and
- hh) the foregoing acknowledgements, representations, warranties, undertakings and confirmations are given for the benefit of the Company as well as Charles Stanley.

DEFINITIONS

The following definitions apply throughout this announcement and in the terms and conditions to the Placing set out in the Appendix to this announcement unless the context otherwise requires:

"Act"	the Companies Act 2006 (as amended)
"Admission"	the admission of the Placing Shares to trading on AIM becoming effective in accordance with rule 6 of the AIM Rules expected on or around 21 May 2015
"AIM"	the AIM market of the London Stock Exchange
"AIM Rules"	the London Stock Exchange's rules for companies relating to AIM titled "AIM Rules for Companies"
"Charles Stanley"	Charles Stanley Securities, a trading division of Charles Stanley & Co. Limited, the Company's nominated adviser, broker and sole bookrunner

	to the Placing
"Charles Stanley Person"	any person being (i) Charles Stanley, (ii) an undertaking which is a subsidiary undertaking of Charles Stanley, (iii) a parent undertaking of Charles Stanley or (other than Charles Stanley) a subsidiary undertaking of any such parent undertaking or (iv) a director, officer, agent or employee of any such person
"Company" or "Parkmead"	The Parkmead Group plc
"CREST"	the electronic systems for the holding and transfer of shares in dematerialised form operated by Euroclear UK & Ireland Limited
"Directors" or "the Board"	the directors of the Company
"existing Ordinary Shares"	the Ordinary Shares in issue at the date of this announcement
"FCA"	the Financial Conduct Authority
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"FSMA Qualified Investor"	A person who is a "qualified investor" as referred to at section 86(7) of FSMA and at or to whom any private communication relating to the Company that is a "financial promotion" (as such term is used in relation to FSMA) may lawfully be issued, directed or otherwise communicated without the need for it to be approved, made or directed by an "authorised person" as referred to in FSMA
"Group"	the group of which the Company and its subsidiary undertakings are members
"LIBOR"	the London Interbank Offered Rate
"Long-Stop Date"	29 May 2015
"London Stock Exchange"	London Stock Exchange plc
"Ordinary Shares"	the ordinary shares of 1.5 pence each in the capital of the Company
"Placing"	the conditional placing by Charles Stanley of the Placing Shares pursuant to the Placing Agreement
"Placing Agreement"	the conditional agreement dated 18 May 2015 between the Company and Charles Stanley in connection with the Placing
"Placing Price"	120 pence per Placing Share
"Placing Shares"	11,200,000 new Ordinary Shares to be conditionally placed for cash pursuant to the Placing Agreement
"SARs"	the share appreciation rights granted to certain management which can be settled in cash or, at the Company's discretion, converted into equity of the Company

"Shareholder"

a holder of Ordinary Shares

"United States"

the United States of America, its territories and possessions, any State of the United States and the District of Columbia