10 March 2010

The Parkmead Group plc (the "Group")

Interim Results for the 6 months ended 31 December 2009

Interim results summary

- Acquisition of Aupec Limited (announced 3 November 2009)
- Operating loss reduced to £800K (31 December 2008: loss £1,114K and year ended 30 June 2009: loss £2,543K)
- Loss before taxation down to £218K (31 December 2008: loss £4,273K and year ended 30 June 2009: loss £6,327K)
- Total comprehensive income for the period of £1,486K (31 December 2008: expense £9,041K and year ended 30 June 2009: expense £10,757K)
- Net cash of £3,212K (£3,846K as at 31 December 2008 and £2,517K as at 30 June 2009)

The Group's Chairman, Colin Goodall commented, "I am pleased to report a much improved position for the six months to 31 December 2009. The Group acquired Aupec Limited in November 2009 and since then the enlarged group has been actively pursuing a number of opportunities leveraging off the combined relationships of the enlarged group. Furthermore, the technical skills acquired through the combination with Aupec have allowed the Group to undertake asset evaluation work in house which we believe will assist us to more effectively source and execute investments in the energy sector.

In financial terms, the Group's turnover, cash and net assets have all improved during the six months to 31 December 2009. Our net assets per share improved to 1.64 pence (30 June 2009: 1.52 pence). The Group's total reported comprehensive income was £1,486K helped by the improvement in market sentiment surrounding the Group's major asset, its investment in Faroe Petroleum and a return to more stable global equity and commodity markets.

We continue to seek investment opportunities in the energy sector at both the asset and corporate levels and will update shareholders as we make progress towards this"

Ends

Enquiries

The Parkmead Group plc
Niall Doran (Chief Executive) 020 7494 5770
Donald MacKay (Chief Financial Officer) 01224 853 700

Charles Stanley Securities (NOMAD and broker) 020 7149 6000
Ben Johnston

Financial Review

Performance of the Group in the six months ended 31 December 2009 has been much improved through the acquisition of Aupec Limited ("Aupec") on 3 November 2009. Aupec provides energy advisory and consulting services and has an enviable global client list. In the six months trading to 31 December 2009, in to which two months of Aupec trading have been consolidated, turnover increased to £859K, an increase of £760K over the comparative 2008 period. After administrative expenses of £1,659k (2008: £1,213K) the operating loss for the period amounted to £800K (31 December 2008: £1,114K loss). Financial income was boosted by the returns from our investment in Transeuro rising to £512K (31 December 2008: £170K). After profits on the sale of investments and in the absence of amounts written off available for sale financial assets the Group made a loss before tax of £218K (31 December 2008: loss £4,273K).

The improvement in trading has helped reduce the Group's loss per share from 1.281 pence for the six month period ending 31 December 2008 to 0.085 pence for the six month period ending 31 December 2009.

The Consolidated statement of comprehensive income reported an improvement in the value of our primary investment, Faroe Petroleum plc, by £1,863K. Overall therefore the Group is able to report an increase in net assets per share to 1.64 pence (31 December 2008: 1.52 pence).

We remain debt free and with cash balances improving since 30 June 2009 aided by cash acquired with Aupec.

Investments

The Group's investment portfolio performed well in the period as equity markets improved. As noted, the Group's principal investment is in Faroe Petroleum plc ("Faroe") (LSE AIM: FPM.L). As at 31 December 2009 this investment was carried at £3,845K (30 June 2009: £2,050K, 31 December 2008: £1,518K).

Our investment in Transeuro has now matured. This debenture was due to have been repaid in mid December 2009, however, the Group elected to roll the investment forward one month to 29 January 2010 in return for an interest income of 18 per cent. per annum for that period. This debenture has subsequently been repaid in full.

The Board continues to see upside potential in its holding in Faroe. Faroe has announced a number of commercial discoveries in the past 12 months and the Board continues to monitor Faroe's value and capital growth potential based on its ongoing drilling and appraisal programme and license portfolio.

Outlook

Following the acquisition of Aupec the Group's outlook has much improved. Aupec has ongoing contracts to provide petroleum economics consultancy services to the Government of Angola and is providing benchmarking services to the 'super major' oil and gas companies on a global basis. The enlarged group is focused on growing the Aupec business by pursuing opportunities in North and West Africa and in the Middle East. The skill sets of the Aupec team lend themselves well to the Group's investing activities in terms of financial and economic appraisal of energy assets. We will continue to look for investment opportunities at the corporate and asset level. Additionally we continue to seek and implement cost efficiencies across the enlarged Group with particular regard to central administrative and overhead costs.

Niall Doran
Chief Executive Officer

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	NOTES	At 31 December 2009	At 31 December 2008 RESTATED	At 30 June 2009
		(unaudited)	(unaudited)	
		£	£	£
Assets				
Non-current assets				
Property, plant and equipment		71,597	201,369	166,850
Intangible assets - Goodwill		2,342,557	-	-
Intangible assets - Others		191,505	-	-
Available-for-sale financial assets		4,681,428	3,013,209	2,983,951
Trade and other receivables		81,862	389,097	-
Deferred tax assets		103,782	-	-
Total non-current assets		7,472,731	3,603,675	3,150,801
Current assets				
Trade and other receivables		2,082,382	535,643	674,762
Other financial assets at fair value through profit or loss		11,594	65,130	2,673
Cash and cash equivalents		3,212,441	3,846,329	2,516,892
Total current assets		5,306,417	4,447,102	3,194,327
Total assets		12,779,148	8,050,777	6,345,128
Current liabilities				
Current portion of capital lease obligations		(7,304)	(12,521)	(12,521)
Trade and other payables		(2,743,806)	(782,198)	(734,689)
Provisions		(1,910)	(4,985)	(3,619)
Total current liabilities		(2,753,020)	(799,704)	(750,829)
Non-current liabilities				
Capital lease obligations		-	(7,305)	(1,044)
Deferred tax liabilities		(156,155)	-	-
Total non-current liabilities		(156,155)	(7,305)	(1,044)
Total liabilities		(2,909,175)	(807,009)	(751,873)
Net assets		9,869,973	7,243,768	5,593,255
Equity				
Called up share capital		18,652,383	18,417,089	18,417,089
Share premium		2,647,059	-	-
Merger reserve		(952,109)	(952,109)	(952,109)
Employee benefit trust reserve		(1,128,008)	(1,128,008)	(1,128,008)
Foreign exchange reserve		7,377	160,275	157,382
Revaluation reserve		(1,035,853)	(3,357,217)	(2,892,904)
Retained deficit		(8,320,876)	(5,896,262)	(8,008,195)
Equity shareholders' funds		9,869,973	7,243,768	5,593,255

CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2009

	NOTES	Six months to 31 December 2009 (unaudited) £	Six months to 31 December 2008 (unaudited) £	Twelve months to 30 June 2009 £
Revenue		858,728	98,999	161,498
Administrative expenses		(1,659,131)	(1,212,707)	(2,704,221)
Operating loss		(800,403)	(1,113,708)	(2,542,723)
Finance income		511,928	169,905	399,901
Finance costs		(11,584)	(439)	(803)
Profit on sale of available-for-sale financial assets		80,614	-	-
Amounts written off available-for-sale financial assets and loans		-	(2,707,537)	(3,493,967)
Other gains / (losses) on financial assets at fair value through profit or loss		1,774	(621,395)	(689,130)
Loss before tax		(217,671)	(4,273,174)	(6,326,722)
Taxation		(56,732)	-	-
Loss after tax- continuing operations		(274,403)	(4,273,174)	(6,326,722)
Loss after tax- discontinued operations	2	(103,339)	(445,110)	(569,652)
Loss after tax		(377,742)	(4,718,284)	(6,896,374)
Loss per 0.1 pence new ordinary share (pence)				
Continuing operations – basic and diluted	3	(0.062)	(1.160)	(1.718)
Total – basic and diluted	3	(0.085)	(1.281)	(1.872)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2009

	NOTES	Six months to 31 December 2009 (unaudited) £	Six months to 31 December 2008 (unaudited) £	Twelve months to 30 June 2009 £
Movement in fair value of available-for-sale financial assets in quoted companies		1,863,278	(4,086,307)	(3,624,887)
Movement in fair value of available-for-sale financial assets in unquoted companies		-	(235,943)	(235,943)
Other comprehensive income recognised directly in equity		1,863,278	(4,322,250)	(3,860,830)
Loss for the financial period		(377,742)	(4,718,284)	(6,896,374)
Total comprehensive income for the period		1,485,536	(9,040,534)	(10,757,204)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2009

	NOTES	Six months to 31 December 2009 (unaudited) £	Six months to 31 December 2008 RESTATED (unaudited) £	Twelve months to 30 June 2009 £
Cash flows from operating activities				
Continuing activities	4	(1,184,953)	(122,112)	(1,405,380)
Taxation paid		(5,610)	-	-
Net used in operating activities		(1,190,563)	(122,112)	(1,405,380)
Cash flows from investing activities				
Interest received		19,870	110,244	136,836
Sale of investments		417,774	280,000	280,000
Acquisition of subsidiary net of cash acquired		1,558,808	-	-
Acquisition of investments		(93,985)	(650,000)	(716,500)
Acquisition of intangible assets		(7,834)	-	-
Acquisition of property, plant and equipment		(2,081)	(9,233)	(9,233)
Net cash generated by / (used in) investing activities		1,892,552	(268,989)	(308,897)
Cash flows from financing activities				
Interest paid		(179)	-	-
Finance lease principal payments		(6,261)	(6,260)	(12,521)
Net cash used in financing activities		(6,440)	(6,260)	(12,521)
Net increase / (decrease) in cash and cash equivalents		695,549	(397,361)	(1,726,798)
Cash and cash equivalents at beginning of period		2,516,892	4,243,690	4,243,690
Net increase / (decrease) in cash and cash equivalents		695,549	(397,361)	(1,726,798)
Cash and cash equivalents at end of period		3,212,441	3,846,329	2,516,892

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2009

	Share capital	Share premium	Merger reserve	Other reserve	Foreign exchange reserve	Revaluation reserve	Retained earnings	Total
	£	£	£	£	£	£	£	£
At 1 July 2008	18,417,089	-	(952,109)	(1,128,008)	159,149	966,159	(1,248,288)	16,213,992
Retained loss for the period	-	-	-	-	-	-	(4,718,284)	(4,718,284)
Revaluation of available-for-sale investments	-	-	-	-	1,126	(4,323,376)	-	(4,322,250)
Total comprehensive income for the period	-	-	-	-	1,126	(4,323,376)	(4,718,284)	(9,040,534)
Share-based payments	-	-	-	-	-	-	70,310	70,310
At 31 December 2008	18,417,089	-	(952,109)	(1,128,008)	160,275	(3,357,217)	(5,896,262)	7,243,768
Retained loss for the period	-	-	-	-	-	-	(2,178,090)	(2,178,090)
Revaluation of available-for-sale investments	-	-	-	-	(2,893)	464,313	-	461,420
Total comprehensive income for the period	-	-	-	-	(2,893)	464,313	(2,178,090)	(1,716,670)
Share-based payments	-	-	-	-	-	-	66,157	66,157
At 30 June 2009	18,417,089	-	(952,109)	(1,128,008)	157,382	(2,892,904)	(8,008,195)	5,593,255
Retained loss for the period	-	-	-	-	-	-	(377,742)	(377,742)
Revaluation of available-for-sale investments	-	-	-	-	6,227	1,857,051	-	1,863,278
Total comprehensive income for the period	-	-	-	-	6,227	1,857,051	(377,742)	1,485,536
Foreign exchange gain on available-for-sale financial asset recognised in profit or loss on derecognition	-	-	-	-	(156,232)	-	-	(156,232)
Issue of new ordinary shares	235,294	2,647,059	-	-	-	-	-	2,882,353
Share-based payments	-	-	-	-	-	-	65,061	65,061
At 31 December 2009	18,652,383	2,647,059	(952,109)	(1,128,008)	7,377	(1,035,853)	(8,320,876)	9,869,973

1 Accounting policies

Basis of preparation

The interim financial information in this report has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) as adopted by the European Union. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the European Union and applicable as at 30 June 2010.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2009.

The presentation of the primary financial statements has been modified in order to comply with IAS 1 (revised). However the revised standard has no impact on the reported results or financial position of the Group.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Non-statutory accounts

The financial information for the year ended 30 June 2009 set out in this interim report does not constitute the Group’s statutory accounts for that period. The statutory accounts for the year ended 30 June 2009 have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified, did not contain a statement under either Section 498 (2) or Section 498 (3) of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by way of emphasis.

The financial information for the 6 months ended 31 December 2009 and 31 December 2008 is unaudited.

2 Discontinued operations

The results of discontinued operations were as follows:

	Six months to 31 December 2009 (unaudited) **£**	**Six months to 31 December 2008** (unaudited) **£**	**Twelve months to 30 June 2009** **£**
Profit after tax from operations	-	-	-
Loss on disposal	(103,339)	(445,110)	(569,652)
Loss after tax- discontinued operations	(103,339)	(445,110)	(569,652)

3 Loss per share

	Six months to 31 December 2009 (unaudited)	Six months to 31 December 2008 (unaudited)	Twelve months to 30 June 2009
Earnings (£)			
Earnings for the purposes of basic and diluted earnings per share being net loss attributable to equity shareholders			
- continuing operations	(274,403)	(4,273,174)	(6,326,722)
- discontinued operations	(103,339)	(445,110)	(569,652)
- continuing and discontinued operations	(377,742)	(4,718,284)	(6,896,374)
Number of shares			
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	442,510,578	368,341,780	368,341,780
Earnings per share (pence)			
- continuing operations (basic and diluted)	(0.062)	(1.160)	(1.718)
- discontinued operations (basic and diluted)	(0.023)	(0.121)	(0.155)
- continuing and discontinued operations (basic and diluted)	(0.085)	(1.281)	(1.872)

Diluted loss per share

Earnings per share requires presentation of diluted loss per share when a company could be called upon to issue shares that would decrease net profit or increase net loss per share. For a loss making company with outstanding share options, net loss per share would only be decreased by the exercise of out-of-the-money share options. No adjustment has been made to diluted loss per share for out-of-the-money share options and there are no other diluting future share issues which were not included in the calculation for the period presented.

4 Reconciliation of operating profit to net cash from operating activities

	Six months to 31 December 2009 (unaudited) £	Six months to 31 December 2008 (unaudited) £	Twelve months to 30 June 2009 £
Operating loss	(800,403)	(1,113,708)	(2,542,723)
Depreciation	136,330	36,505	71,024
Amortisation	31,676	-	-
Provision for share based payments	65,061	70,310	136,467
(Increase) / Decrease in debtors	(937,049)	1,124,044	1,214,775
Increase / (Decrease) in creditors	321,141	(225,412)	(269,706)
Decrease in other provisions	(1,709)	(13,851)	(15,217)
Net cash from operations- continuing activities	(1,184,953)	(122,112)	(1,405,380)

5 Business acquisition

On 3 November 2009, the Group acquired the entire share capital of Aupec Limited an energy sector consultancy based in Aberdeen.

The fair value of the identifiable, acquired assets and liabilities of the company at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were:

	Provisional Fair value recognised on acquisition (unaudited) **£**	**Previous carrying value** (unaudited) **£**
Assets		
Non-current assets		
Property, plant and equipment	38,996	38,996
Intangible assets	215,347	3,773
Deferred tax assets	67,636	-
Total non-current assets	321,979	42,769
Current assets		
Work in progress	-	22,033
Trade and other receivables	421,039	424,699
Cash at bank and in hand	2,558,808	2,558,808
Total current assets	2,979,847	3,005,540
Total assets	3,301,826	3,048,309
Liabilities		
Current liabilities		
Trade and other payables	(1,628,384)	(1,718,542)
Total current liabilities	(1,628,384)	(1,718,542)
Non-current liabilities		
Deferred tax liabilities	(133,646)	-
Total non-current liabilities	(133,646)	-
Total liabilities	(1,762,030)	(1,718,542)
Net assets	1,539,796	1,329,767
Goodwill arising on acquisition	2,342,557	
Total consideration	3,882,353	
Settled by:		
Cash consideration	1,000,000	
Share consideration	2,882,353	
	3,882,353	
Acquisition costs	255,298	

Goodwill represents the value of the assembled professional team in place acquired with this business as well as the company's relationships with a number of developing world government ministries.

6 Share capital

	Six months to 31 December 2009 (unaudited)	Six months to 31 December 2008 (unaudited)	Twelve months to 30 June 2009
Authorised shares			
Ordinary shares of £0.05 each (no.)	-	450,000,000	450,000,000
Ordinary shares of £0.05 each (£)	-	22,500,000	22,500,000
New Ordinary shares of £0.001 each (no.)	4,451,252,780	-	-
New Ordinary shares of £0.001 each (£)	4,451,253	-	-
Deferred shares of £0.049 each (no.)	368,341,780	-	-
Deferred shares of £0.049 each (£)	18,048,747	-	-
Allotted, Called Up and Paid Up shares			
Ordinary shares of £0.05 each (no.)	-	368,341,780	368,341,780
Ordinary shares of £0.05 each (£)	-	18,417,089	18,417,089
New Ordinary shares of £0.001 each (no.)	603,635,898	-	-
New Ordinary shares of £0.001 each (£)	603,636	-	-
Deferred shares of £0.049 each (no.)	368,341,780	-	-
Deferred shares of £0.049 each (£)	18,048,747	-	-

On 9 October 2009 the Group entered into an agreement to acquire the entire shareholding of Aupec Limited. Consideration for the acquisition was £3.882 million, satisfied by the issue of 235.3 million New Ordinary Shares and £1.0 million in cash.

As a part of the transaction noted above the Company implemented a capital reorganisation whereby each of its Ordinary Shares of 5 pence each was split in to one New Ordinary Share of 0.1 pence and one Deferred Share of 4.9 pence. The 2006 Companies Act provides that a company may not lawfully issue a share for a subscription price which is less than its nominal value. The current market price of the Company's shares is below their nominal value. Accordingly, the capital reorganisation, has put the Company into a position whereby it can use its shares to allot for cash or as consideration for use on the acquisition of Aupec Limited and for future transactions.

Deferred shares have no voting rights and no rights to distributions and therefore have been excluded from the calculations of Earnings Per Share.

7 Prior period restatement

The prior year adjustment to the unaudited financial statements for the six months ended 31 December 2008 relates to the reclassification of the deferred consideration arising on the sale of Quayside Corporate Services Limited following the adoption of IFRS 3 (revised) 'Business Combinations', as explained in the audited financial statements for the year ended 30 June 2009. The impact of the change in accounting policy was to reclassify the deferred consideration from 'Trade and other receivables' to 'Available-for-sale financial assets'. The change of accounting policy had no effect on the loss for the year, the cash flows, or the net assets of the Group.