30 March 2012

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

Interim Results for the 6 month period ended 31 December 2011

The Parkmead Group plc, an emerging independent oil and gas company, is pleased to report its interim results for the six month period ended 31 December 2011.

Highlights

- First UK North Sea acquisition completed in November 2011 acquiring stakes in the Platypus gas field and Possum gas prospect with near term appraisal drilling
- Second North Sea deal agreed in December 2011, acquiring stakes in the Pharos gas prospect and four UKCS gas basin blocks
- Total assets rose by 8% in the six month period to £13.4 million at 31 December 2011
- Third oil and gas deal agreed in March 2012 (post period end). This will achieve first production for Parkmead through the acquisition of a portfolio of Netherlands onshore assets comprising four producing gas fields and two oil fields
- The Group is now fully funded for its future programme of appraisal and drilling, following the provision of a shareholder loan facility for £8 million and a successful equity share placing raising £8.53 million in March 2012

Tom Cross, Executive Chairman of Parkmead commented:

"I am delighted to report significant progress towards building a new independent oil and gas company. This period has seen the delivery of strong commercial activity for the Group with the acquisition of assets well known to the Parkmead team in the UK North Sea. As we enter the second half of the financial year we have continued this momentum with the acquisition of the Company's first producing assets in the Netherlands, a very important milestone for the Group. In addition, Parkmead's technical team is well advanced with a number of applications for the ongoing UKCS 27th Licensing Round.

Parkmead's financial performance reflects the Group's transition into a new independent exploration and production company from its heritage as an investment company. During 2011 the Group invested in recruiting an experienced and proven team of exploration and production specialists to deliver the Group's growth plans. This investment in the team together with the securing of an £8 million shareholder loan facility in November 2011, and the recent successful share placing raising a further £8.53 million in March 2012, positions the Group very well for future growth.

Parkmead is now entering an exciting phase of its development, with near term appraisal drilling at the Platypus gas field and exploration drilling at the Pharos gas prospect. In particular, the ENSCO 80 drilling rig is due to spud at the Platypus gas field, located in the Southern North Sea, in early April 2012. We look forward to updating our shareholders with news on these projects and with our progress towards further commercial transactions."

For further information:

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Nick Elwes	

Growth in Oil and Gas Asset Portfolio

Parkmead's stated strategy of building a significant new independent oil and gas company, with a focus on the Group's known and preferred areas of Europe and Africa, has continued to gather momentum in the six month period to 31 December 2011. In November 2011, the Group completed the acquisition of three stakes of 15% interest each in Blocks 48/1a, 47/5b and 48/1c in the UK Southern North Sea containing the Platypus gas field and the Possum gas prospect. The following month saw Parkmead announce that it had signed an agreement to acquire four stakes of 20% interest each in Blocks 47/4d, 47/5d, 47/10c and 48/6c. These four blocks, which lie adjacent to the Group's existing acreage, contain the 47/10-8 gas discovery as well as the large Pharos gas prospect. Parkmead's technical and commercial teams have a detailed working knowledge of these assets and surrounding areas, and therefore these acquisitions are an ideal fit for the Group's growth strategy.

As we enter the second half of the financial year, the Group has continued to deliver success in its expansion plans, with the successful acquisition of a portfolio of Netherlands Onshore Assets, discussed in further detail below.

Financial Results

Performance of the Group over the six month period ending 31 December 2011 reflects the investment made in the Company as it evolves into a new independent oil and gas company.

During this period, turnover was £1.3 million, with Aupec continuing to perform well and capitalising on its reputation as a leading global authority on energy economics. The Group generated an operating loss of £2.5 million reflecting an increase in administrative expenses following the up-front investment in a proven, experienced oil and gas team and the necessary associated infrastructure.

Total assets rose by 8% in the six month period to £13.4 million at 31 December 2011.

During the six month period ending 31 December 2011 the Group announced the provision of a loan facility of £8 million by Tom Cross, Executive Chairman of the Group, and entities affiliated to him. This loan was vital to satisfy the consideration for the acquisitions made by the Group and will be further utilised for the ongoing development of the assets, including drilling, working capital purposes and further acquisitions completed following the end of the period.

Investments

The Group's largest investment is in Faroe Petroleum plc ("Faroe") (LSE AIM: FPM.L). As at 31 December 2011 this investment was carried at £6.8 million.

The Board sees considerable upside potential relating to its holding in Faroe. Faroe has continued a successful track record of oil and gas discoveries and the Board regularly monitors Faroe's value and capital growth potential, based on its ongoing drilling and appraisal programme and licence portfolio.

Post Balance Sheet Events

During the 6 month period to 31 December 2011, the Group announced the acquisition of four stakes of 20% each in Blocks 47/4d, 47/5d, 47/10c and 48/6c in the UK Southern North Sea. The acquisition, which was signed and announced on 19 December 2011, was completed on 27 February 2012.

The Group also announced that it has signed an agreement to acquire a portfolio of Netherlands onshore assets from Dyas B.V. for a total consideration of €7.5 million on 8 March 2012. The assets specifically comprise:

- A 15 per cent interest in the Andel V Production Licence, including the two producing gas fields at Wijk en Aalburg and Brakel, as well as the Ottoland oil field development;
- A 15 per cent interest in the Papekop Production Licence, including the Papekop oil field development; and

- A 15 per cent interest in the Drenthe III Production Licence (excluding Vinkega) and the Drenthe IV Production Licence, which together include the two producing gas fields at Geesbrug and Grolloo.

The acquisition of these assets provides the Group with its first producing assets. At the effective date of the acquisition, 1 January 2012, these assets were producing at a rate of approximately 2,000 boepd, being 300 boepd net to Parkmead. In addition, the portfolio being acquired provides the Group with near term oil developments at Ottoland and Papekop with the former forecast to come onstream later in 2012 or in 2013.

The Group also raised approximately £8.53 million through a placing of 60,960,182 new ordinary shares announced on 8 March 2012. The shares were placed with certain institutional and other investors including Tom Cross (together with entities affiliated with him) who subscribed for 40.5 per cent of the total placing shares issued. In addition to Mr Cross' participation, Donald MacKay, Chief Financial Officer and Philip Dayer, Non Executive Director, each subscribed for 152,445 and 357,142 Ordinary Shares respectively in the placing.

The proceeds of the placing, when added to the existing resources available to the Group, including the shareholder loan facility of £8 million secured during the 6 month period to 31 December 2011, will be used to finance the various capital commitments of the Group and position Parkmead for growth.

Outlook

Parkmead has gained significant momentum in building a portfolio of exploration and production assets in the six month period to 31 December 2011, with the acquisition of stakes in seven blocks across the UK North Sea, providing near term drilling opportunities. Progress is also being made in the ongoing UKCS 27th Licensing Round with the Group's technical team, which has a long technical history in the bidding regions, being well advanced on a number of applications. In addition, Parkmead was delighted to announce the acquisition of its first producing assets in the Netherlands during March 2012. The Directors of Parkmead are pleased with the Company's progress and believe that the recent successful equity fund raising puts the Group in an excellent position to take advantage of further attractive acquisition opportunities.

Thomas P Cross
Executive Chairman
29 March 2012

Group income statement

for the six months ended 31 December 2011

	Notes	Six months to 31 December 2011 (unaudited)	Six months to 31 December 2010 (unaudited)	Twelve months to 30 June 2011
		£	£	£
Continuing operations				
Revenue		1,333,176	2,117,475	3,745,565
Cost of sales		(761,103)	(1,080,740)	(2,016,418)
Gross profit		572,073	1,036,735	1,729,147
Other operating income		-	7,951	7,951
Administrative expenses		(3,073,211)	(1,577,193)	(5,310,345)
Operating loss		(2,501,138)	(532,507)	(3,573,247)
Finance income		876	8,317	12,417
Finance costs		(143,883)	-	(797)
Profit on sale of available-for-sale financial assets		-	113,907	112,388
Other losses on financial assets at fair value through profit or loss		-	-	(927)
Loss before taxation		(2,644,145)	(410,283)	(3,450,166)
Taxation		2,897	(67,718)	(139,470)
Loss for the period from continuing operations		(2,641,248)	(478,001)	(3,589,636)
Discontinued operations				
Gain for the period from discontinued operations		-	1,732,247	1,732,247
Profit/(loss) for the period attributable to the equity holders of the Parent		(2,641,248)	1,254,246	(1,857,389)
Profit/(loss) per share (pence)				
Continuing operations				
Basic and diluted	2	(0.43)	(0.08)	(0.59)
Continuing and discontinued operations				
Basic and diluted	2	(0.43)	0.21	(0.31)

Group statement of comprehensive income

for the six months ended 31 December 2011

	Six months to 31 December 2011 (unaudited) £	Six months to 31 December 2010 (unaudited) £	Twelve months to 30 June 2011 £
Profit/(loss) for the period	(2,641,248)	1,254,246	(1,857,389)
Other comprehensive income			
Available-for-sale financial assets			
Fair value gain/(loss) on available-for-sale financial assets	(262,622)	2,724,707	1,892,634
	(262,622)	2,724,707	1,892,634
Income tax relating to components of other comprehensive income	-	-	-
Other comprehensive income/(loss) for the period, net of tax	(262,622)	2,724,707	1,892,634
Total comprehensive income/(loss) for the period attributable to the equity holders of the Parent	(2,903,870)	3,978,953	35,245

Group statement of financial position

as at 31 December 2011

	Notes	At 31 December 2011	At 31 December 2010	At 30 June 2011
		(unaudited)	(unaudited)	
		£	£	£
Non-current assets				
Exploration and evaluation assets		932,952	-	-
Property, plant and equipment		248,382	59,303	128,557
Goodwill		2,173,532	2,173,532	2,173,532
Other intangible assets		34,413	8,027	43,657
Available-for-sale financial assets		6,796,083	9,865,534	7,064,017
Trade and other receivables		-	30,913	-
Deferred tax assets		-	75,540	-
Total non-current assets		10,185,362	12,212,849	9,409,763
Current assets				
Inventories		5,937	-	-
Trade and other receivables		1,437,095	1,728,983	1,650,105
Other financial assets		-	2,446	-
Cash and cash equivalents		1,767,524	1,098,967	1,274,198
Total current assets		3,210,556	2,830,396	2,924,303
Total assets		13,395,918	15,043,245	12,334,066
Current liabilities				
Trade and other payables		(559,783)	(1,922,200)	(761,570)
Current tax liabilities		-	(4,688)	-
Provisions		(81,428)	(555,346)	(338,089)
Total current liabilities		(641,211)	(2,482,234)	(1,099,659)
Non-current liabilities				
Interest-bearing loans and borrowings		(2,301,819)	-	-
Other liabilities		(4,120,731)	-	(2,219,226)
Deferred tax liabilities		(7,038)	(1,966)	(7,924)
Total non-current liabilities		(6,429,588)	(1,966)	(2,227,150)
Total liabilities		(7,070,799)	(2,484,200)	(3,326,809)
Net assets		6,325,119	12,559,045	9,007,257
Equity attributable to equity holders				
Called up share capital		18,660,349	18,652,383	18,658,349
Share premium		3,005,986	2,647,059	2,907,986
Merger reserve		-	(952,109)	-
Employee benefit trust reserve		(1,128,008)	(1,128,008)	(1,128,008)
Foreign exchange reserve		-	7,377	-
Revaluation reserve		2,058	1,542,068	264,680
Retained deficit		(14,215,266)	(8,209,725)	(11,695,750)
Total Equity		6,325,119	12,559,045	9,007,257

Group statement of changes in equity

for the six months ended 31 December 2011

	Share capital	Share premium	Merger reserve	Other reserve	Foreign exchange reserve	Revaluation reserve	Retained earnings	Total
	£	£	£	£	£	£	£	£
At 1 July 2010	18,652,383	2,647,059	(952,109)	(1,128,008)	7,377	(1,182,639)	(9,533,454)	8,510,609
Profit for the period	-	-	-	-	-	-	1,254,246	1,254,246
Fair value gain on available-for-sale financial assets	-	-	-	-	-	2,724,707	-	2,724,707
Total comprehensive income for the period	-	-	-	-	-	2,724,707	1,254,246	3,978,953
Share-based payments	-	-	-	-	-	-	69,483	69,483
At 31 December 2010	18,652,383	2,647,059	(952,109)	(1,128,008)	7,377	1,542,068	(8,209,725)	12,559,045
Loss for the period	-	-	-	-	-	-	(3,111,635)	(3,111,635)
Fair value loss on available-for-sale financial assets	-	-	-	-	-	(832,073)	-	(832,073)
Total comprehensive income for the period	-	-	-	-	-	(832,073)	(3,111,635)	(3,943,708)
Transfer of reserves on impaired available-for-sale financial assets	-	-	-	-	(7,377)	(445,315)	453,127	435
Transfer of reserves on discontinued activities	-	-	952,109	-	-	-	(952,109)	-
Issue of new ordinary shares	5,966	260,927	-	-	-	-	-	266,893
Share-based payments	-	-	-	-	-	-	124,592	124,592
At 30 June 2011	18,658,349	2,907,986	-	(1,128,008)	-	264,680	(11,695,750)	9,007,257
Loss for the period	-	-	-	-	-	-	(2,641,248)	(2,641,248)
Fair value loss on available-for-sale financial assets	-	-	-	-	-	(262,622)	-	(262,622)
Total comprehensive income for the period	-	-	-	-	-	(262,622)	(2,641,248)	(2,903,870)
Issue of new ordinary shares	2,000	98,000	-	-	-	-	-	100,000
Share-based payments	-	-	-	-	-	-	121,732	121,732
At 31 December 2011	18,660,349	3,005,986	-	(1,128,008)	-	2,058	(14,215,266)	6,325,119

Group statement of cashflows

for the six months ended 31 December 2011

	Notes	Six months to 31 December 2011 (unaudited) £	Six months to 31 December 2010 (unaudited) £	Twelve months to 30 June 2011 £
Cashflows from operating activities				
Continuing activities	3	(831,996)	834,333	(1,091,202)
Taxation paid		1,367	(109,100)	(121,560)
Net cash generated by/(used in) operating activities		(830,629)	725,233	(1,212,762)
Cash flow from investing activities				
Interest received		876	86	3,422
Proceeds from sale of subsidiary		-	-	1,969,449
Proceeds from sale of investments		5,312	96,481	94,968
Investment in exploration and evaluation assets		(932,952)	-	-
Acquisition of intangible assets		-	-	(34,223)
Acquisition of property, plant and equipment		(151,100)	(13,658)	(108,909)
Proceeds from sale of property, plant and equipment		-	-	5,331
Net cash generated by/(used in) investing activities		(1,077,864)	82,909	1,930,038
Cash flow from financing activities				
Issue of ordinary shares		100,000	-	266,893
Interest paid		-	-	(797)
Proceeds from loans and borrowings		2,301,819	-	-
Finance lease principal payments		-	(1,044)	(1,043)
Net cash generated by/(used in) financing activities		2,401,819	(1,044)	265,053
Net increase in cash and cash equivalents		493,326	807,098	982,329
Cash and cash equivalents at beginning of period		1,274,198	291,869	291,869
Cash and cash equivalents at end of period		1,767,524	1,098,967	1,274,198

Notes to the Interim financial statements

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 and IFRS Interpretations Committee (IFRIC) interpretations. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and 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 2012.

The Group has chosen not to adopt IAS34 – Interim Financial Statements, in preparing these financial statements.

Non-statutory accounts

The financial information set out in this interim report does not constitute the Group’s statutory accounts.

The financial information for the year ended 30 June 2011 has been extracted from the audited statutory accounts. The statutory accounts for the year ended 30 June 2011 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 2011 and 31 December 2010 is unaudited.

2 Profit/(loss) per share

Profit/(loss) per share attributable to equity holders of the Company arise from continuing and discontinued operations as follows:

	Six months to 31 December 2011 (unaudited) £	Six months to 31 December 2010 (unaudited) £	Twelve months to 30 June 2011 £
Loss per 0.01p ordinary share from continuing operations (pence)			
Basic and diluted	(0.43)	(0.08)	(0.59)
Profit/(loss) per 0.01p ordinary share from discontinued operations (pence)			
Basic	-	0.29	0.28
Diluted	-	-	0.26
Profit/(loss) per 0.01p ordinary share from total operations (pence)			
Basic and diluted	(0.43)	0.21	(0.31)

The calculations were based on the following information:

	Six months to 31 December 2011 (unaudited)	Six months to 31 December 2010 (unaudited)	Twelve months to 30 June 2011
(Loss)/profit attributable to ordinary shareholders			
Continuing operations	(2,641,248)	(478,001)	(3,589,636)
Discontinued operations	-	1,732,247	1,732,247
Total	(2,641,248)	1,254,246	(1,857,389)
Weighted average number of shares in issue			
Basic weighted average number of shares	610,148,019	603,635,898	605,525,848
Dilutive potential ordinary shares			
Share options	46,727,769	51,992,257	55,939,513

Profit/(loss) per share is calculated by dividing the profit/(loss) for the period by the weighted average number of ordinary shares outstanding during the period.

Diluted loss per share

Profit/(loss) 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 share options.

3 Notes to the statement of cashflows

Reconciliation of operating loss to net cash from continuing operations

	Six months to 31 December 2011	Six months to 31 December 2010	Twelve months to 30 June 2011
	(unaudited)	(unaudited)	
	£	£	£
Operating loss	(2,501,138)	(532,507)	(3,573,247)
Depreciation	31,274	15,134	37,119
Amortisation	9,244	91,079	89,672
Impairment of loans/investments	-	-	96,467
Foreign exchange on receivables	-	-	435
Gain on disposal of fixed assets	-	-	(1,318)
Provision for share based payments	121,732	69,483	2,144,186
(Increase)/decrease in inventories	(5,937)	-	-
(Increase)/decrease in receivables	1,279,781	1,419,485	1,508,140
Increase/(decrease) in payables	489,709	(781,728)	(1,728,786)
Increase / (Decrease) in other provisions	(256,661)	553,387	336,130
Net cash flow from operations	(831,996)	834,333	(1,091,202)

4 Post balance sheet events

During the 6 month period to 31 December 2011, the Group announced the acquisition of four stakes of 20% each in Blocks 47/4d, 47/5d, 47/10c and 48/6c in the UK Southern North Sea containing the 47/10-8 gas discovery and large Pharos gas prospect. The acquisition, which was signed and announced on 19 December 2011, was completed on 27 February 2012.

The Group announced that it has signed an agreement to acquire a portfolio of Netherlands onshore assets from Dyas B.V. for a total consideration of €7.5 million on 8 March 2012. The assets specifically comprise:

- A 15 per cent interest in the Andel V Production Licence, including the two producing gas fields at Wijk en Aalburg and Brakel, as well as the Ottoland oil field development;
- A 15 per cent interest in the Papekop Production Licence, including the Papekop oil field development; and
- A 15 per cent interest in the Drenthe III Production Licence (excluding Vinkega) and the Drenthe IV Production Licence, which together include the two producing gas fields at Geesbrug and Grolloo.

The acquisition of these assets provides the Group with its first producing assets. At the effective date of the acquisition, 1 January 2012, these assets were producing at a rate of approximately 2,000 boepd, being 300 boepd net to Parkmead. In addition, the portfolio being acquired provides the Group with near term oil developments at Ottoland and Papekop with the former forecast to come onstream later in 2012 or in 2013.

The Group also raised approximately £8.53 million through a placing of 60,960,182 new ordinary shares at 14p per share. The shares were placed with certain institutional and other investors including Tom Cross (together with entities affiliated with him) who subscribed for 40.5 per cent of the total placing shares issued. In addition to Mr Cross' participation, Donald MacKay, Chief Financial Officer and Philip Dayer, Non Executive Director, each subscribed for 152,445 and 357,142 Ordinary Shares respectively in the placing.

The proceeds of the placing, when added to the existing resources available to the Group, including the shareholder loan facility of £8 million secured during the 6 month period to 31 December 2011, will be used to finance the various capital commitments of the Group and position Parkmead for growth.