16 November 2018

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

Preliminary Results for the year ended 30 June 2018

Parkmead, the UK and Netherlands focused independent energy group, is pleased to report its preliminary results for the year ended 30 June 2018.

HIGHLIGHTS

Parkmead increases revenue by 70% and more than trebles gross profit

- Revenue increased by 70% to £7.0 million (2017: £4.1 million)
- Gross profit for the period of £4.1 million (2017: £1.2 million), an increase of 242%
- Strong total asset base of £78.9 million at 30 June 2018
- Parkmead remains debt-free
- Well capitalised, with cash balances of US$31.0 million (£23.8 million) as at 30 June 2018
- Maintains strict financial discipline
- Low-cost Netherlands gas production provides positive cash flow to Parkmead
- All revenues from Netherlands production received and held in Euros

Achieved a record new high in gas production

- Production at the Diever West gas field was enhanced, and achieved a new gross average monthly high in May 2018 of 56.9 million cubic feet per day ("MMscfd"). This equates to approximately 9,787 barrels of oil equivalent per day ("boepd")
- A change in production tubing was successfully completed on the field, leading to increased potential from the two perforated intervals
- Dynamic reservoir modelling suggests Diever West holds approximately 108 billion cubic feet ("Bcf") of gas-in-place, more than double the previous post-drill static volume estimate of 41 Bcf
- Low-cost onshore gas portfolio in the Netherlands produces from four separate gas fields with an average operating cost of just US$15.6 per barrel of oil equivalent, generating positive cash flows
- Further production enhancement work is planned on Parkmead's Netherlands portfolio, including a new well at the Geesbrug gas field to maximise production, plus development scenario analysis at the Ottoland oil and gas discovery

Major progress on valuable oil development; potential Greater Perth Area tie-back

- Significantly increased equity in the Perth and Dolphin oil fields in the UK Central North Sea, which lie at the core of Parkmead's Greater Perth Area ("GPA") oil hub project
- Increased equity in the Perth and Dolphin fields raises Parkmead's 2P reserves to 46.3 million barrels of oil equivalent ("MMBoe")
- Parkmead now in full control of the GPA project, with operatorship and 100% equity
- Agreed with Nexen Petroleum, a subsidiary of China National Offshore Oil Corporation (CNOOC), to undertake a detailed engineering study for the potential subsea tie-back of the GPA project to the Nexen-operated Scott facilities in the Central North Sea
- Engineering study confirmed the technical feasibility of a tie-back of the GPA project to the Scott facilities
- Parkmead has entered into commercial discussions with the Scott field partnership in order to explore terms for a tie-back of GPA to Scott
- Nexen's Scott facilities lie just 10km southeast of Parkmead's GPA project
- New GPA reservoir study concluded that stimulating the Claymore formation would result in a considerable increase in well productivity and is likely to increase the project's oil recovery factor

Substantial increase in oil and gas reserves and resources

- Net 2P reserves increased by 67% to 46.3 MMBoe as at 30 September 2018 (27.7 MMBoe as at 30 September 2017)

- Net 2C resources of 101.8 MMBoe, a 64% increase from Parkmead's 30 September 2017 resources position of 62.0 MMBoe

Awarded nine new UK oil and gas blocks in 30th Licensing Round

- Awarded nine new UK oil and gas blocks and part blocks spanning five new licences in the 30th Licensing Round
- These blocks contain a range of new exploration prospects and a number of proven discoveries such as the Lowlander field
- The newly awarded licences will all be operated by Parkmead and are located in the Central North Sea, Southern North Sea and West of Shetland areas

Well positioned for further acquisitions and opportunities

- Seven acquisitions, at both asset and corporate level, have been completed to date
- Parkmead is actively evaluating further growth opportunities

Parkmead's Executive Chairman, Tom Cross, commented:

"I am pleased to report an excellent year of progress for Parkmead. The Group has increased revenue by 70% and more than trebled its gross profit, as a result of enhancing its gas production in the Netherlands. This is an outstanding achievement, creating a strong foundation from which to build momentum.

Parkmead benefits from increasing balance within the Group, with four complementary areas of the business: Netherlands Gas, UK Oil and Gas, Benchmarking and Economics, and Future Opportunities. The combination of these components adds strength and quality to Parkmead's operations.

We are delighted to have significantly increased production at the Diever West gas field, which bolsters Parkmead's cash flow. The latest reservoir modelling indicates that Diever West could be more than double the size originally expected.

We are also pleased with the major advances made with the Greater Perth Area project. By increasing our stake in the Perth and Dolphin oil fields, Parkmead's oil and gas reserves have grown by some 67%. The Group is in discussions with leading, international service companies and oil companies in relation to driving forward the GPA project.

The team at Parkmead is working intensively to evaluate and execute further value-adding opportunities, which could provide additional upside to the Company. These are primarily energy-related and include wider opportunities, which could broaden and enhance the Group's asset base and revenue stream.

Parkmead is well positioned for the future. We have excellent UK and Netherlands regional expertise, significant cash resources, and a growing portfolio of assets. The Group will continue to build upon the inherent value in its existing interests with a balanced, acquisition-led growth strategy, securing opportunities that maximise long-term value for our shareholders."

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CHAIRMAN'S STATEMENT

2018 has been an excellent year of progress for Parkmead. Building on the strong foundations established in recent years, the Group significantly increased its revenue by 70% and more than trebled gross profit thanks to outstanding success at the Diever West gas field. This is an important achievement for Parkmead, creating momentum with which to continue its growth.

This year Parkmead secured additional equity in the Greater Perth Area ("GPA") which increased the Group's 2P reserves by 67% to 46.3 million barrels of oil equivalent ("MMBoe"). The Group also won considerable new acreage in the UK 30th Licensing Round through the award of nine new oil and gas blocks. This further expands and diversifies Parkmead's asset portfolio.

Parkmead is currently analysing a number of value-adding opportunities. These are primarily energy-related and include wider opportunities, which could broaden and enhance the Group's asset base and revenue stream.

Operations and Portfolio Growth

Parkmead has continued to make progress towards building a balanced, independent business of breadth and scale, by developing its current portfolio and increasing its asset base through acquisitions.

In February 2018, Parkmead announced that it had significantly increased its equity in the Perth and Dolphin oil fields in the UK Central North Sea from 60.5% to 100%. The Perth and Dolphin fields lie at the core of Parkmead's Greater Perth Area oil hub project.

The Group also signed an agreement with Nexen Petroleum, a subsidiary of the China National Offshore Oil Corporation (CNOOC), to conduct a detailed engineering study in relation to the potential subsea tie-back of the Greater Perth Area project to the Nexen-operated Scott platform and associated facilities in the UK Central North Sea. This engineering study confirmed the technical feasibility of a tie-back of the GPA project to the Scott facilities. Parkmead has entered into commercial discussions with the Scott field partners in order to explore terms for a tie-back of GPA to Scott.

The Scott facilities lie just some 10km southeast of the GPA project and a tie-back could yield a number of mutually beneficial advantages for both the Scott partnership and Parkmead. Utilisation of this export route has the potential to transform the GPA project commercially and economically, by dramatically reducing the capital expenditure required to bring the GPA project onstream and by lowering the operating costs thereafter.

In addition, Parkmead commissioned a new reservoir study with AGR Tracs International in relation to well stimulation, to analyse the effect of stimulation on the GPA sandstones. The Perth reservoir has a substantial gross oil column of around 2,000 feet, making the reservoir ideal for stimulation. The study concluded that stimulating the Claymore formation would result in a considerable increase in well productivity and is likely to increase the overall oil recovery factor. This option will require further well trajectory work to optimise the inflow performance.

Perth and Dolphin are located in the Moray Firth area of the UK Central North Sea, which contains very large oil fields such as Piper, Claymore and Tartan. Through a series of licensing round successes and strategic acquisitions, Parkmead has established a key position in this area of the North Sea. Perth and Dolphin are two substantial Upper Jurassic Claymore sandstone accumulations that have tested 32-38° API oil at production rates of up to 6,000 barrels of oil equivalent per day ("boepd") per well. At Perth, the Claymore Sandstone forms a combined structural-stratigraphic trap, onlapping the Tartan Ridge to the North, with a southward-thickening and dipping sandstone wedge. The sandstones that comprise the accumulation were deposited as deep-water turbidites sourced from the Halibut Horst, with a contribution from the Tartan Ridge.

Parkmead has made a number of important growth steps in relation to the GPA project. An invitation to tender was announced to the service provider market, covering the pre-FEED, FEED and subsequent development phases of the project. Parkmead was pleased to report that 13 alliance submissions were received, comprising 35 companies, across all project components of drilling, subsea construction and export route options. After evaluating the proposals, Parkmead is holding discussions with a number of leading, internationally-renowned service companies.

The majority of the proposals have focused on innovative approaches to the potential development, with significant new work carried out on well planning, timeline to production and financing. A number of the proposals have also offered finance to the Group for key parts of the development, significantly reducing the capital expenditure required to bring the project onstream.

Considerable progress has also been made at Parkmead's Platypus gas field development. Detailed development concept work has found that, by collaborating with other facilities in the area, a minimal platform concept can be adopted, substantially reducing development expenditure. In addition, the field's gas reserves can be efficiently recovered from just two rather than three development wells. This increases the value of the Platypus development. The joint venture partnership is currently working towards optimising the export route for Platypus ahead of an offtake agreement. Various export options are available to the partnership, given the extensive availability of infrastructure in the UK Southern Gas Basin.

In May 2018, Parkmead was awarded nine new UK oil and gas blocks and part blocks spanning five new licences in the UK 30th Licensing Round. These newly awarded licences will all be operated by Parkmead and are located in the Central North Sea, Southern North Sea and West of Shetland areas. Two of the new awards cover the highly prospective Skerryvore area and contain seven new prospects, three of which are stacked. These three stacked prospects have the potential to contain 157 million barrels of recoverable oil equivalent on a P50 basis.

The awards also include acreage containing the Lowlander oil field, in close proximity to Parkmead's GPA project. The addition of these new licences increases the Group's 2C resources to 101.8 MMBoe, a 64% increase from Parkmead's 30 September 2017 resources position of 62.0 MMBoe.

The West of Shetland licence won in the 30th Round, covering Block 205/12, lies adjacent to Parkmead's existing block containing the Sanda prospects. Block 205/12 contains the large Davaar prospect in the Vaila Formation, which has the potential to contain 204 million barrels of recoverable oil on a P50 basis.

These awards include a range of new exploration prospects, in addition to a number of proven discoveries. They follow on from Parkmead securing nine new licences covering a total of 12 offshore blocks in the UK 28th Licensing Round.

Strong Netherlands asset base

The Group substantially increased production from the Diever West gas field during the period. In May 2018, production reached a new gross average monthly high of 56.9 million cubic feet per day ("MMscfd"), which equates to approximately 9,787 barrels of oil equivalent per day ("boepd"). After perforating the Akkrum formation section of the reservoir, a change in production tubing was successfully completed on the field. This intervention has led to the production achieving its full potential from the two perforated intervals.

The Diever West field has performed above expectations since first production. New dynamic reservoir modelling suggests that the field holds approximately 108 billion cubic feet of gross gas-in-place, this is more than double the earlier, post-drill static volume estimate of 41 billion cubic feet.

A number of further exploration opportunities exist within the Drenthe VI concession, which contains the Diever West field. Two of these are the Boergrup and De Mussels prospects, both of which have stacked independent targets in the Vlieland and Rotliegendes (Boergrup) and Rotliegendes and Carboniferous (De Mussels).

The Parkmead portfolio includes producing gas fields with a very low operating cost. This profitable gas production from the Netherlands provides important cash flow to the Group.

Detailed work has begun on the Ottoland oil and gas discovery, located on the same Andel Va block as the Brakel gas field. Seismic interpretation and depth migration studies, followed by structural and static modelling, will refine the volumetrics ahead of a development plan, potentially including a new horizontal well. In addition, seismic reprocessing has been completed on the Andel Vb licence ahead of updating the prospectivity estimates for this area.

At Parkmead's producing Geesbrug gas field, the potential for a new low-cost infill well is being studied in order to maximise production. New structural and static modelling at the Papekop oil and gas discovery has been completed, refining the volume estimates. Further appraisal work would look to confirm the depth of fluid contacts before development planning is undertaken.

Results

The Group's revenue for the year to 30 June 2018 increased substantially to £7.0m (2017: £4.1m), generating a gross profit of £4.1m (2017: £1.2m). This is a significant achievement and is testament to the success of the Group's onshore gas portfolio and careful financial discipline. Parkmead's gas portfolio in the Netherlands ensures the Group is cash flow positive on an operating basis. The Group's four separate gas fields have an average operating cost of just US$15.6 per barrel of oil equivalent. Detailed technical work undertaken across the wider Parkmead portfolio has allowed the Group to release non-core acreage, such as licence P. 1566, considerably reducing licence costs. The release of this acreage led to a non-cash impairment charge of £4.5 million which resulted in a Group operating loss of £5.3 million (2017: £3.8 million).

Administrative expenses were £4.2m (2017: £2.3m), which included a non-cash charge in respect of share based payments of £2.5m (2017: £0.7m). Underlying administrative expenses were just £1.7m (2017: £1.6m).

Parkmead's total assets at 30 June 2018 were £78.9m (2017: £82.2m). Available-for-sale financial assets were £5.7m (2017: £3.2m). Interest bearing loans receivable were £2.9 million (2017: £nil). Cash and cash equivalents at year end were £23.8m (2017: £26.4m). Parkmead is very carefully managed and remains debt free. The Group's net asset value was £64.2m (2017: £68.9m). Parkmead is therefore well positioned for growth. This positive position is a direct result of experienced portfolio management and a strong focus on capital discipline.

The Group's principal available-for-sale investment is its shareholding in Faroe Petroleum plc ("Faroe") (LSE AIM: FPM.L). As at 30 June 2018, the value of this investment had increased to £5.7m (30 June 2017: £3.2m). Faroe's closing share price at 30 June 2018 was 146.60 pence per share.

Due to Parkmead's ongoing growth opportunities and associated investment programme, the Board is not recommending the payment of a dividend in 2018 (2017: £nil).

Outlook

The Directors of Parkmead are pleased with the Group's continuing progress in building a high-quality business of increasing breadth and scale. Parkmead has a strong core of profitable gas production and a balanced portfolio with significant upside. Therefore, we believe Parkmead is well positioned to build further on the progress to date and to capitalise on new opportunities. We are delighted by the operational enhancements achieved at Diever West and the increased stakes we have secured in key assets across the portfolio.

Parkmead clearly benefits from increasing balance within the Group, with four complementary arms of the business: Netherlands Gas, UK Oil and Gas, Benchmarking and Economics, and Future Opportunities. The combination of these components adds strength and value to Parkmead's operations.

As we move towards 2019, Parkmead maintains its appetite for acquisitions and is looking carefully at a number of opportunities. We will also continue to add shareholder value through a dynamic work programme to maximise the inherent value in our existing assets. The Group has built a strong platform from which to grow and we look forward to updating shareholders as we make further progress.

Tom Cross

Executive Chairman

15 November 2018

This announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

Notes:

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 35 years of experience in the oil and gas industry, has reviewed and approved the technical information contained in this announcement. Parkmead's evaluation of reserves and resources was completed in accordance with the 2007 Petroleum Resources Management System prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers and reviewed and jointly sponsored by the World Petroleum Council, the American Association of Petroleum Geologists and the Society of Petroleum Evaluation Engineers.

<u>Glossary of key terms</u>

Oil in place	The total quantity of petroleum that is estimated to exist originally in naturally occurring reservoirs
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent Resources are a class of discovered recoverable resources
Recoverable resources	Those quantities of hydrocarbons that are estimated to be producible from discovered or undiscovered accumulations
Proved and Probable or "2P"	Those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50 per cent. probability that the actual quantities recovered will equal or exceed the 2P estimate
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status
P50	Reflects a volume estimate that, assuming the accumulation is developed, there is a 50% probability that the quantities actually recovered will equal or exceed the estimate. This is therefore a median or best case estimate
2C	Denotes the best estimate scenario, or P50, of Contingent Resources

Group statement of profit or loss

for the year ended 30 June 2018

	Note	2018	2017
		£'000	£'000
Continuing operations			
Revenue		**7,022**	4,137
Cost of sales		**(2,960)**	(2,959)
Gross profit		**4,062**	1,178
Exploration and evaluation expenses		**(5,244)**	(2,669)
Administrative expenses	2	**(4,153)**	(2,344)
Operating loss		**(5,335)**	(3,835)
Finance income		**92**	281
Finance costs		**(645)**	(749)
Loss before taxation		**(5,888)**	(4,303)
Taxation		**(1,259)**	(607)
Loss for the year attributable to the equity holders of the Parent		**(7,147)**	(4,910)
Loss per share (pence)			
Continuing operations			
Basic and diluted	3	**(7.22)**	(4.96)

Group and company statement of profit or loss and other comprehensive income

for the year ended 30 June 2018

	Group		Company	
	2018	2017	**2018**	2017
	£'000	£'000	**£'000**	£'000
Loss for the year	**(7,147)**	(4,910)	**(3,513)**	(1,882)
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Fair value gain on available-for-sale financial assets	**2,473**	583	**2,473**	583
	2,473	583	**2,473**	583
Other comprehensive profit for the year, net of tax	**2,473**	583	**2,473**	583
Total comprehensive loss for the year attributable to the equity holders of the Parent	**(4,674)**	(4,327)	**(1,040)**	(1,299)

Group and company statement of financial position
as at 30 June 2018

	Group		Company	
	2018	2017	**2018**	2017
	£'000	£'000	**£'000**	£'000
Non-current assets				
Property, plant and equipment: development & production	**12,292**	15,993	**-**	-
Property, plant and equipment: other	**38**	55	**30**	52
Goodwill	**2,174**	2,174	**-**	-
Other intangible assets	**-**	-	**-**	-
Exploration and evaluation assets	**30,308**	33,382	**-**	-
Investment in subsidiaries and joint ventures	**-**	-	**23,922**	23,922
Available-for-sale financial assets	**5,700**	3,227	**5,700**	3,227
Interest bearing loans	**2,930**	-	**2,930**	-
Deferred tax assets	**3**	3	**-**	-
Total non-current assets	**53,445**	54,834	**32,582**	27,201
Current assets				
Trade and other receivables	**1,294**	927	**45,388**	47,033
Current tax assets	**343**	-	**-**	-
Cash and cash equivalents	**23,804**	26,396	**10,590**	12,889
Total current assets	**25,441**	27,323	**55,978**	59,922
Total assets	**78,886**	82,157	**88,560**	87,123
Current liabilities				
Trade and other payables	**(5,407)**	(2,364)	**(4,571)**	(2,315)
Current tax liabilities	**(1,279)**	(457)	**-**	-
Total current liabilities	**(6,686)**	(2,821)	**(4,571)**	(2,315)
Non-current liabilities				
Other liabilities	**(275)**	(70)	**(271)**	(68)
Deferred tax liabilities	**(1,284)**	(1,284)	**-**	-
Decommissioning provisions	**(6,417)**	(9,102)	**-**	-
Total non-current liabilities	**(7,976)**	(10,456)	**(271)**	(68)
Total liabilities	**(14,662)**	(13,277)	**(4,842)**	(2,383)
Net assets	**64,224**	68,880	**83,718**	84,740
Equity attributable to equity holders				
Called up share capital	**19,533**	19,533	**19,533**	19,533
Share premium	**87,805**	87,805	**87,805**	87,805
Revaluation reserve	**(325)**	(2,798)	**(325)**	(2,798)
Retained deficit	**(42,789)**	(35,660)	**(23,295)**	(19,800)
Total Equity	**64,224**	68,880	**83,718**	84,740

Group statement of changes in equity
for the year ended 30 June 2018

	Share capital	Share premium	Merger reserve	Revaluation reserve	Retained deficit	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 July 2016	19,533	87,805	27,187	(3,381)	(57,980)	73,164
Loss for the year	-	-	-	-	(4,910)	(4,910)
Fair value gain on available-for-sale financial assets	-	-	-	583	-	583
Total comprehensive loss for the year	-	-	-	583	(4,910)	(4,327)
Transfer merger reserve	-	-	(27,187)	-	27,187	-
Share-based payments	-	-	-	-	43	43
At 30 June 2017	**19,533**	**87,805**	**-**	**(2,798)**	**(35,660)**	**68,880**
Loss for the year	**-**	**-**	**-**	**-**	**(7,147)**	**(7,147)**
Fair value gain on available-for-sale financial assets	**-**	**-**	**-**	**2,473**	**-**	**2,473**
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**2,473**	**(7,147)**	**(4,674)**
Share-based payments	**-**	**-**	**-**	**-**	**18**	**18**
At 30 June 2018	**19,533**	**87,805**	**-**	**(325)**	**(42,789)**	**64,224**

Company statement of changes in equity
for the year ended 30 June 2018

	Share capital	Share premium	Merger reserve	Revaluation reserve	Retained deficit	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 July 2016	19,533	87,805	27,187	(3,381)	(45,148)	**85,996**
Loss for the year	-	-	-	-	(1,882)	(1,882)
Fair value gain on available-for-sale financial assets	-	-	-	583	-	583
Total comprehensive income/(loss) for the year	-	-	-	583	(1,882)	(1,299)
Transfer merger reserve	-	-	(27,187)	-	27,187	-
Share-based payments	-	-	-	-	43	43
At 30 June 2017	**19,533**	**87,805**	**-**	**(2,798)**	**(19,800)**	**84,740**
Loss for the year	**-**	**-**	**-**	**-**	**(3,513)**	**(3,513)**
Fair value gain on available-for-sale financial assets	**-**	**-**	**-**	**2,473**	**-**	**2,473**
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**2,473**	**(3,513)**	**(1,040)**
Share-based payments	**-**	**-**	**-**	**-**	**18**	**18**
At 30 June 2018	**19,533**	**87,805**	**-**	**(325)**	**(23,295)**	**83,718**

Group and company statement of cashflows

for the year ended 30 June 2018

		Group		Company	
		2018	2017	**2018**	2017
	Note	**£'000**	£'000	**£'000**	£'000
Cashflows from operating activities					
Continuing activities	4	**2,973**	(464)	**588**	(2,605)
Taxation credit		**(777)**	56	**-**	-
Net cash generated by / (used in) operating activities		**2,196**	(408)	**588**	(2,605)
Cash flow from investing activities					
Interest received		**62**	271	**28**	24
Acquisition of exploration and evaluation assets		**(1,892)**	(1,164)	**-**	-
Proceeds from available-for-sale financial assets		**-**	10	**-**	10
Acquisition of property, plant and equipment: development and production		**(81)**	(725)	**-**	-
Acquisition of property, plant and equipment: other		**(19)**	(47)	**(12)**	(43)
Advance of loans		**(2,900)**	-	**(2,900)**	-
Net cash used in investing activities		**(4,830)**	(1,655)	**(2,884)**	(9)
Cash flow from financing activities					
Interest paid		**(34)**	(8)	**(1)**	(1)
Net cash used in financing activities		**(34)**	(8)	**(1)**	(1)
Net decrease in cash and cash equivalents		**(2,668)**	(2,071)	**(2,297)**	(2,615)
Cash and cash equivalents at beginning of year		**26,396**	28,288	**12,889**	15,492
Effect of foreign exchange rate differences		**76**	179	**(2)**	12
Cash and cash equivalents at end of year		**23,804**	26,396	**10,590**	12,889

Notes to the financial information for the year ended 30 June 2018

1. Basis of preparation of the financial information

The financial information set out in this announcement does not comprise the Group and Company's statutory accounts for the years ended 30 June 2018 or 30 June 2017.

The financial information has been extracted from the audited statutory accounts for the years ended 30 June 2018 and 30 June 2017. The auditors reported on those accounts; their reports were unqualified and 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 statutory accounts for the year ended 30 June 2017 have been delivered to the Registrar of Companies. The statutory accounts for the year ended 30 June 2018 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

The accounting policies are consistent with those applied in the preparation of the interim results for the period ended 31 December 2017 and the statutory accounts for the year ended 30 June 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

2. Administrative expenses

Administrative expenses include a charge in respect of a non-cash revaluation of share appreciation rights (SARs) and share based payments totalling £2,506,000 (2017: £654,000). The SARs may be settled by cash and are therefore revalued with the movement in share price. The valuation was impacted by the increase in share price between 30 June 2017 and 30 June 2018.

3. Loss per share

Loss per share attributable to equity holders of the Company arising from continuing operations was as follows:

	2018	2017
Loss per 1.5p ordinary share from continuing operations (pence)		
Basic	**(7.22)p**	(4.96)p
Diluted	**(7.22)p**	(4.96)p

The calculations were based on the following information:

	2018 **£'000**	2017 £'000
Loss attributable to ordinary shareholders		
Continuing operations	**(7,147)**	(4,910)
Total	**(7,147)**	(4,910)
Weighted average number of shares in issue		
Basic weighted average number of shares	**98,929,160**	98,929,160
Dilutive potential ordinary shares		
Share options	**-**	-

Loss per share is calculated by dividing the loss for the year by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share

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. When the Group makes a loss the outstanding share options are therefore anti-dilutive and so are not included in dilutive potential ordinary shares.

4. Notes to the statement of cashflows
Reconciliation of operating loss to net cash flow from continuing operations

	Group		**Company**	
	2018	2017	**2018**	2017
	£'000	£'000	**£'000**	£'000
Operating loss	**(5,335)**	(3,835)	**(3,557)**	(1,916)
Depreciation	**536**	667	**34**	66
Amortisation and exploration write off	**4,966**	2,424	**-**	-
Provision for equity settled share based payments	**18**	43	**18**	43
Currency translation adjustments	**(76)**	(179)	**2**	(12)
Decrease / (increase) in receivables	**(368)**	548	**1,339**	(1,480)
(Decrease) / increase in payables	**3,232**	(132)	**2,752**	694
Net cash flow from operations	**2,973**	(464)	**588**	(2,605)

5. Approval of this preliminary announcement
This announcement was approved by the Board of Directors on 15 November 2018.

6. Posting of annual report and accounts
Copies of the Annual Report and Accounts will be posted to shareholders shortly. The Annual Report and Accounts will be made available to download, along with a copy of this announcement, on the investor relations section of the Company's website www.parkmeadgroup.com