29 March 2018

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

Interim Results for the six-month period ended 31 December 2017

Parkmead, the UK and Netherlands-focused independent energy group, is pleased to report its interim results for the six-month period ended 31 December 2017.

HIGHLIGHTS

Parkmead doubles gross profit and demonstrates financial strength

- Gross profit for the period of £1.4 million (2016: £0.7 million)
- Parkmead is cash flow positive on an operating basis
- Strong total asset base of £75.8 million at 31 December 2017
- Strict financial discipline maintained
- Well capitalised, with cash balances of US$33.0 million (£24.4 million) at 31 December 2017
- Debt free
- Increased volumes at the Diever West gas field
- Low-cost Netherlands gas production provides positive cash flow growth

67% increase in oil and gas reserves

- 2P reserves of 46.3 million barrels of oil equivalent ("MMBoe") at 1 March 2018, a 67% increase from Parkmead's 1 March 2017 reserves position of 27.8 MMBoe
- 2C resources increased by 25% to 73.9 MMBoe at 1 March 2018 (59.1 MMBoe at 1 March 2017)

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

- Significantly increased equity in the Perth and Dolphin oil fields in UK Central North Sea in February 2018, 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 MMBoe
- Parkmead now in full control of the GPA oil hub project with operatorship and 100% equity
- Agreement signed 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
- Nexen's Scott facilities lie approximately 10km southeast of Parkmead's GPA project
- New reservoir study commissioned with AGR Tracs International in relation to well stimulation, which could lead to increasing oil flow rates and oil reserves recovery from the two fields by analysing the effect of fracture stimulation on the reservoir

Doubled gas volumes at Diever West. Gross production reaches 45 MMscfd

- New dynamic reservoir modelling suggests Diever West has approximately 108 billion cubic feet ("Bcf") of gas-in-place volumes, more than double the post drill static volume estimate of 41 Bcf
- The Group has substantially increased production from its Diever West gas field by perforating the Akkrum reservoir formation
- Average gross production during February 2018 at Diever West was 45.5 million cubic feet per day ("MMscfd"), approximately 7,833 barrels of oil equivalent per day ("boepd")
- Low-cost onshore gas portfolio in the Netherlands produces from four separate gas fields with an average operating cost of just US$10 per barrel of oil equivalent, generating positive cash flows
- Further production enhancement work planned on Parkmead's Netherlands portfolio, including a new well at the Geesbrug gas field to maximise production and early development planning at the Ottoland discovery

- Production at the Brakel field has recommenced following compression work

Well positioned for further acquisitions

- Seven acquisitions, at both an asset and corporate level, have been completed to date
- Parkmead evaluating further acquisition opportunities and prioritising those that provide growth
- Current oil and gas environment provides a good opportunity to continue the Group's growth trajectory

Parkmead's Executive Chairman, Tom Cross, commented:

"I am pleased to report excellent progress in the period to 31 December 2017. The Group has doubled gross profit, through a combination of Parkmead's increased gas production in the Netherlands and the proactive cost reduction programme in the UK.

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

We are also pleased with the major progress made with the Greater Perth Area project. By increasing our stake in the Perth and Dolphin oil fields, Parkmead's oil and gas reserves grow by some 67%.

The study with Nexen will examine one path to potentially unlock the substantial value of the GPA project for the benefit of the UK and Parkmead shareholders, as well as providing further value for the existing infrastructure partners.

The team at Parkmead is working intensively to evaluate and execute further opportunities which could build value and provide additional upside to the Company. Parkmead is analysing both oil and gas, and wider energy related opportunities, which could broaden and enhance the Group's revenue stream.

Parkmead is well positioned for the future. We have excellent regional expertise, significant cash resources, and a growing, low-cost gas portfolio. 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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Review of Activities

Parkmead has delivered significant growth across its oil and gas operations in the UK and the Netherlands, continuing to build a high quality portfolio across each stage of the asset life cycle.

In August 2017, the Company completed the acquisition of a 50% interest in UK North Sea Licence P.2209 from Verus Petroleum (SNS) Limited, which contains the Farne Extension prospect and a further four prospective leads. This acquisition doubled Parkmead's equity in the licence to 100%. Licence P.2209 comprises two adjacent blocks, Block 42/19 and Block 42/20b. The range of prospects and leads within this licence, which is operated by Parkmead, have the potential to contain 175 billion cubic feet of gas initially in place on a most likely, P50 basis.

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 ("GPA") oil hub project.

The Company has 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. The Scott facilities lie just some 10km southeast of Parkmead's GPA project.

In addition, Parkmead has commissioned a new reservoir study with AGR Tracs International in relation to well stimulation, which could lead to increasing oil flow rates and oil reserves recovery from the two fields by analysing the effect of fracture stimulation on the reservoir.

A tie-back of the GPA project to the Scott facilities 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.

The new reservoir study with AGR Tracs in relation to well stimulation could substantially increase the predicted recovery factor of the two fields by analysing the effect of fracture stimulation on the reservoir. The Perth field benefits from having a very large volume of oil-in-place, which stands at 197 million barrels of oil ("MMBbls") for core Perth, and 498 MMBbls when including the northern areas of the field. The Perth reservoir has a gross oil column of around 2,000 feet, making the reservoir ideal for fracture stimulation.

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 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 minor contribution from the Tartan Ridge.

Parkmead made a number of important growth steps during 2017 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 major parts of the development, further reducing the capital expenditure required to bring the project onstream.

Detailed technical work undertaken across the wider Parkmead portfolio has allowed the company to release non-core acreage, such as licence P.1566, considerably reducing licence costs.

Strong Netherlands asset base

The Group has substantially increased production from the Diever West gas field over the last few months. The Akkrum formation section of the field has been perforated, almost quadrupling the perforated reservoir interval. Gross production during February 2018 at Diever West averaged 45.5 million cubic feet per day (approximately 7,833 boepd, Parkmead 7.5%).

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

The Parkmead portfolio includes four separate producing gas fields with a very low average operating cost of just US$10 per barrel of oil equivalent. This profitable gas production from the Netherlands provides important cash flow to the Group. This is valuable income for Parkmead, particularly given the oil price environment.

A number of enhanced production opportunities have been identified within Parkmead's existing Netherlands portfolio, which the Group intends to capitalise on with the aim of further increasing its gas production. Production at the Brakel field has recommenced following compression work to optimise gas flows. Production on the field is gradually being increased and is expected to reach a gross rate of 1.85 million cubic feet per day (approximately 318 boepd, Parkmead 15%).

Detailed work has begun on the Ottoland 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 will be carried out on the Andel Vb licence ahead of updating the prospectivity estimates for this area. This extensive new work will be conducted throughout 2018.

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 work is also being undertaken on the Papekop onshore oil and gas discovery. Previous evaluation of the discovery by the joint venture partnership indicates that Papekop contains gross unrisked oil-in-place of 40 million barrels and gas-in-place of 24 billion cubic feet on a most likely, P50 case. New structural and static modelling will look to refine the volume estimates at Papekop, after which development scenarios will be analysed and planned.

Results

During the six-month period to 31 December 2017, the Group generated revenues of £2.7 million (2016: £2.7 million). Parkmead doubled gross profit for the period to £1.4 million (2016: £0.7 million profit). This is a significant achievement and is testament to the success of the Group's onshore gas portfolio and strict financial discipline. The Group's gas portfolio in the Netherlands generates positive cash flows and Parkmead's four separate gas fields have an average operating cost of just US$10 per barrel of oil equivalent. Detailed technical work undertaken across the wider Parkmead portfolio has allowed the company to release non-core acreage, such as licence P. 1566, considerably reducing licence costs. This has resulted in an impairment charge of £4.5 million.

Administrative expenses were £0.3 million (2016: £2.4 million). Underlying administrative expenses (not including non-cash share based payment charges) have been reduced and are continually being monitored and reviewed to ensure that Parkmead maintains a strong balance sheet.

Parkmead's total assets at 31 December 2017 were £75.8m (2016: £84.0m). Available-for-sale financial assets were £4.1m (2016: £4.0m). Cash and cash equivalents at year end were £24.4m (2016: £26.7m). Parkmead is very carefully managed and remains debt free. Loans issued during the period were £1.7m (2016: £nil). The Group's net asset value was £65.2m (2016: £70.1m). 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.

Investments

The Group's largest investment is in Faroe Petroleum plc (LSE AIM: FPM.L). As at 31 December 2017, this investment was carried at a value of £4.1 million.

Outlook

Parkmead has delivered considerable growth in both its asset base and financial position in the period to 31 December 2017. This was achieved through increasing the Group's equity in core assets of the portfolio, doubling Parkmead's gross profit and increasing gas production from the low-cost onshore Netherlands portfolio.

The Group is in an excellent position, both operationally and financially, and is well placed for growth. The Board has positioned Parkmead to take advantage of the changing energy environment and views this as a good opportunity to continue the Group's positive trajectory. Our acquisition-led growth strategy has resulted in seven deals being completed by Parkmead since repositioning the business as an independent energy company in 2011, and we intend to build on this track record. As we look forward into 2018, we will continue to keep shareholders informed of the steps being taken across our exploration, appraisal, development and production activities. The Board of Directors is pleased with the Group's progress, and believes that the Parkmead team is well positioned to drive the business forward and to build upon the achievements made to date.

Tom Cross

Executive Chairman

29 March 2018

This announcement contains inside information for the purposes of Article 7 of Regulation 596/2014. Upon the publication of this announcement, the information contained herein is now considered to be in the public domain.

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. Reserves and contingent resource estimates are stated as at 1 March 2018. Parkmead's evaluation of reserves and resources was prepared 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.

Glossary of key terms

boped	Barrels of oil equivalent per day
Bcf	Billions of cubic feet of gas
Gas in place	The total quantity of gas that is estimated to exist originally in naturally occurring reservoirs
Oil in place	The total quantity of oil 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
FEED	Front End Engineering Design

Group statement of profit or loss

for the six months ended 31 December 2017

	Notes	Six months to 31 December 2017 (unaudited) £'000	Six months to 31 December 2016 (unaudited) £'000	Twelve months to 30 June 2017 £'000
Revenue		2,707	2,707	4,137
Cost of sales		(1,339)	(2,035)	(2,959)
Gross profit		1,368	672	1,178
Exploration and evaluation expenses	2	(4,815)	(2,412)	(2,669)
Administrative expenses	3	(301)	(2,408)	(2,344)
Operating loss		(3,748)	(4,148)	(3,835)
Finance income		19	28	281
Finance costs		(352)	(391)	(749)
Loss before taxation		(4,081)	(4,511)	(4,303)
Taxation		(437)	-	(607)
Loss for the period attributable to the equity holders of the Parent		(4,518)	(4,511)	(4,910)
Loss per share (pence)				
Basic	5	(4.57)	(4.56)	(4.96)
Diluted		(4.57)	(4.56)	(4.96)

Group statement of profit or loss and other comprehensive income

for the six months ended 31 December 2017

	Six months to 31 December 2017 (unaudited) £'000	Six months to 31 December 2016 (unaudited) £'000	Twelve months to 30 June 2017 £'000
Loss for the period	(4,518)	(4,511)	(4,910)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Fair value gain on available-for-sale financial assets	855	1,380	583
	855	1,380	583
Income tax relating to components of other comprehensive income	-	-	-
Other comprehensive income for the period, net of tax	855	1,380	583
Total comprehensive loss for the period attributable to the equity holders of the Parent	(3,663)	(3,131)	(4,327)

Group statement of financial position

as at 31 December 2017

	At 31 December 2017	At 31 December 2016	At 30 June 2017
	(unaudited)	(unaudited)	
	£'000	**£'000**	**£'000**
Non-current assets			
Property, plant and equipment: development & production	12,850	16,454	15,993
Property, plant and equipment: other	39	81	55
Goodwill	2,174	2,174	2,174
Exploration and evaluation assets	29,360	32,307	33,382
Available-for-sale financial assets	4,082	4,024	3,227
Interest bearing loans	1,711	-	-
Deferred tax assets	3	3	3
Total non-current assets	50,219	55,043	54,834
Current assets			
Trade and other receivables	1,168	2,043	927
Current tax asset	-	158	-
Cash and cash equivalents	24,415	26,727	26,396
Total current assets	25,583	28,928	27,323
Total assets	75,802	83,971	82,157
Current liabilities			
Trade and other payables	(2,608)	(3,893)	(2,364)
Current tax liabilities	(440)	-	(457)
Total current liabilities	(3,048)	(3,893)	(2,821)
Non-current liabilities			
Other liabilities	(82)	(64)	(70)
Deferred tax liabilities	(1,284)	(1,284)	(1,284)
Decommissioning provisions	(6,171)	(8,605)	(9,102)
Total non-current liabilities	(7,537)	(9,953)	(10,456)
Total liabilities	(10,585)	(13,846)	(13,277)
Net assets	65,217	70,125	68,880
Equity attributable to equity holders			
Called up share capital	19,533	19,533	19,533
Share premium	87,805	87,805	87,805
Merger reserve	-	27,187	-
Revaluation reserve	(1,943)	(2,001)	(2,798)
Retained deficit	(40,178)	(62,399)	(35,660)
Total equity	65,217	70,125	68,880

Group statement of changes in equity

for the six months ended 31 December 2017

	Share capital	Share premium	Merger reserve	Revaluation reserve	Retained earnings	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 period	-	-	-	-	(4,511)	(4,511)
Fair value gain on available-for-sale financial assets	-	-	-	1,380	-	1,380
Total comprehensive income / (loss) for the period	-	-	-	1,380	(4,511)	(3,131)
Share-based payments	-	-	-	-	92	92
At 31 December 2016	19,533	87,805	27,187	(2,001)	(62,399)	70,125
Loss for the period	-	-	-	-	(399)	(399)
Fair value loss on available-for-sale financial assets	-	-	-	(797)	-	(797)
Total comprehensive loss for the period	-	-	-	(797)	(399)	(1,196)
Transfer merger reserve	-	-	(27,187)	-	27,187	-
Share-based payments	-	-	-	-	(49)	(49)
At 30 June 2017	19,533	87,805	-	(2,798)	(35,660)	68,880
Loss for the period	-	-	-	-	(4,518)	(4,518)
Fair value gain on available-for-sale financial assets	-	-	-	855	-	855
Total comprehensive income / (loss) for the period	-	-	-	855	(4,518)	(3,663)
Share-based payments	-	-	-	-	-	-
At 31 December 2017	19,533	87,805	-	(1,943)	(40,178)	65,217

Group statement of cashflows

for the six months ended 31 December 2017

	Notes	Six months to 31 December 2017 (unaudited) £'000	Six months to 31 December 2016 (unaudited) £'000	Twelve months to 30 June 2017 £'000
Cashflows from operating activities				
Cashflows from operations	6	1,077	(700)	(464)
Taxation (paid)/received		(457)	46	56
Net cash generated from / (used in) operating activities		620	(654)	(408)
Cash flow from investing activities				
Interest received		19	16	271
Acquisition of exploration and evaluation assets		(895)	(484)	(1,164)
Acquisition of property, plant and equipment: development & production		(74)	(530)	(725)
Acquisition of property, plant and equipment: other		(4)	(38)	(47)
Proceeds from available-for-sale financial assets		-	10	10
Loans issued		(1,711)	-	-
Net cash (used in) investing activities		(2,665)	(1,026)	(1,655)
Cash flow from financing activities				
Interest paid		(1)	-	(8)
Net cash (used in) financing activities		(1)	-	(8)
Net decrease in cash and cash equivalents		(2,046)	(1,680)	(2,071)
Cash and cash equivalents at beginning of period		26,396	28,288	28,288
Effect of foreign exchange rate differences		65	119	179
Cash and cash equivalents at end of period		24,415	26,727	26,396

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 2018.

The Group has chosen not to adopt IAS 34 – Interim Financial Statements, in preparing these financial statements.

The accounting policies applied in this report are the same as those applied in the consolidated financial statements for the year ended 30 June 2017.

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 2017 has been extracted from the audited statutory accounts. The statutory accounts for the year ended 30 June 2017 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 2017 and 31 December 2016 is unaudited.

2 Impairment of exploration and evaluation assets

Exploration and evaluation expenses includes impairment charges of £4,508,000 recorded in respect of exploration licences relinquished in the period. (Six months to 31 December 2016: £2,409,000, Twelve months to 30 June 2017: £2,424,000).

3 Administrative expenses

Administrative expenses include a credit in respect of a non-cash revaluation of share appreciation rights (SARs) totalling £345,000 (Six months to 31 December 2016: £1,551,000 debit, Twelve months to 30 June 2017: £611,000 debit). The SARs may be settled by cash or shares and are therefore revalued with the movement in share price. The valuation was impacted by the decrease in The Parkmead Group plc share price between 30 June 2017 and 31 December 2017.

4 Interest bearing loans

During the period, The Parkmead Group plc entered into a credit facility with Energy Management Associates Limited, whereby Parkmead agreed to lend up to £2,900,000 to Energy Management Associates Limited. £1,700,000 of this credit facility was issued during the period.

Through this facility, The Parkmead Group plc has been granted an exclusive option to join Energy Management Associates Limited in new ventures being evaluated by the company, including interalia potential opportunities relating to renewable energies.

5 Loss per share

Loss per share attributable to equity holders of the Company arise as follows:

	Six months to 31 December 2017 (unaudited)	**Six months to 31 December 2016** (unaudited)	**Twelve months to 30 June 2017**
Loss per 1.5p ordinary share (pence)			
Basic	(4.57)	(4.56)	(4.96)
Diluted	(4.57)	(4.56)	(4.96)

Notes to the Interim financial statements

The calculations were based on the following information:

	Six months to 31 December 2017	Six months to 31 December 2016	Twelve months to 30 June 2017
	(unaudited)	(unaudited)	
	£'000	**£'000**	**£'000**
Loss attributable to ordinary shareholders	(4,518)	(4,511)	(4,910)
Weighted average number of shares in issue			
Basic weighted average number of shares	98,929,160	98,929,160	98,929,160
Dilutive potential ordinary shares			
Share options	-	-	-

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

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.

6 Notes to the statement of cashflows

Reconciliation of operating loss to net cash flow from operations

	Six months to 31 December 2017	Six months to 31 December 2016	Twelve months to 30 June 2017
	(unaudited)	(unaudited)	
	£'000	**£'000**	**£'000**
Operating loss	(3,748)	(4,148)	(3,835)
Depreciation	364	388	667
Amortisation and exploration write-off	4,508	2,409	2,424
Provision for share based payments	(333)	1,679	43
Currency translation adjustments	(65)	(119)	(179)
(Increase)/decrease in receivables	(241)	(568)	548
Increase/(decrease) in payables	592	(194)	(132)
Increase/(decrease) in other provisions	-	(147)	-
Net cash flow from operations	1,077	(700)	(464)