31 March 2023

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

Interim Results for the six-month period ended 31 December 2022

Parkmead, the independent energy group focused on growth through gas, oil and renewable energy projects, is pleased to report its interim results for the six-month period ended 31 December 2022.

HIGHLIGHTS

Strong operating cashflow, delivered through low-cost onshore gas production

- Revenue more than doubled to £11.1 million for the period (2021: £4.6 million) as the Company benefited from robust production through a sustained period of high gas prices
- Net cash generated from operating activities rose strongly, by over 400% to £8.6 million (2021: £1.7 million) equivalent to 8.0 pence per share
- Gross profit increased to £9.8 million (2021: £3.8 million) generating a gross margin of 89%
- Strong gross profits were nevertheless offset by a £4.8 million tax charge, principally arising from Netherlands operations, and a £4.0 million windfall tax charge expensed during the period but due for payment in May 2024
- Average realised gas price throughout the period of €153.04/MWh
- Average field operating cost in the period of just US$8.6 per barrel of oil equivalent, generating strong operating cash flows
- Strong balance sheet with cash balances of £19.2 million (2021: £24.1 million) as at 31 December 2022, equal to 17.6 pence per share
- An impairment of £12.7 million was recorded during the period relating to licence P1293, following the decommissioning of the Athena field
- Net loss before impairment charge of £1.2 million (2021: £0.4 million)
- Total assets of £70.3 million at 31 December 2022 (2021: £80.5 million)

Successful exploration drilling campaign and robust production in the Netherlands

- LDS-01 successfully encountered new commercial gas columns in the primary target horizons
- Tie-in of LDS-01 is complete with first gas expected imminently
- Both LDS-01 and LDS-02 were drilled safely, on time and under budget
- LDS-02 did not encounter commercial volumes of hydrocarbons in the targeted intervals however the well has been suspended and is being assessed for reuse as a side-track into nearby targets
- Average gross production for the period across the Group's Netherlands assets was 18.0 MMscfd, approximately 3,205 barrels of oil equivalent per day ("boepd")
- Papekop field development has made significant progress in recent months, as the joint venture aims to accelerate the project

Well planning activities underway on the exciting Skerryvore exploration targets

- Well and site survey planning work has commenced with a rig tendering process due to start in Q2 2023
- An extensive tender process was completed in January 2023 for the well management services and the contract was awarded to Exceed Energy, an industry-leader in well management and performance solutions
- Parkmead increased its equity in Skerryvore to 50%, and progressed the project to Phase C as Licence Exploration Operator with strong industry partners
- Skerryvore consists of stacked light oil prospects at Mey and Tor intervals

UKCS 33rd Offshore Oil & Gas Licensing Round

- Parkmead, as one of the leading UK independents, remains committed to the UKCS oil and gas industry and made selective applications in the UKCS 33rd Offshore Oil and Gas Licensing Round, the outcome of which will be known later in 2023

Record revenue delivered from Kempstone Hill Wind Farm

- Revenue of £343,000 in the six months to 31 December 2022
- 245% increase in average exported power price realised
- Over 95% uptime achieved during the period
- Greencat Renewables have been appointed to review methods of increasing electricity generation and utilising spare generation capacity at the Kempstone Hill
- Kempstone Hill Wind Farm provides power for up to 1,000 homes and has an attractive inflation-linked, Feed-in Tariff through until 2036
- Electricity is sold through a power purchase agreement which provides valuable upside through strong wholesale electricity prices

Multiple new renewable energy projects under consideration

- Environmental studies are ongoing at Pitreadie which are expected to form part of a major wind farm planning application
- Parkmead is also conducting a scoping study on a new site in Scotland which has the potential for a solar farm

Substantial oil and gas reserves

- 2P reserves of 45.5 MMBoe as at 1 March 2023 (45.6 MMBoe as at 1 March 2022)

Well positioned for further acquisitions and opportunities

- Parkmead is actively evaluating further acquisition opportunities in each of its areas of activity - renewables, gas and oil

Parkmead's Executive Chairman, Tom Cross, commented:

"I am pleased to report that strong operating performance has been achieved by Parkmead in the six-month period to 31 December 2022.

In line with our strategy, Parkmead now benefits from stable revenue generated by clean, renewable sources, onshore Scotland. This is in addition to our high-quality onshore gas assets across the Netherlands.

The Group has achieved an increase in revenue of over 140% on the prior year period, and outstanding growth in net cash generated from operating activities of over 400%.

Parkmead's successful drilling campaign in the Netherlands has resulted in the LDS-01 well encountering new commercial gas volumes. This well has been swiftly tied into production infrastructure, with first gas due imminently.

We continue to maintain strict financial discipline across all our existing energy projects. This is in addition to the ongoing evaluation of acquisition opportunities that will complement the Group and maximise shareholder value."

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Financial Performance

During the six-month period to 31 December 2022, the Group increased its revenue by over 140% to £11.1 million (2021: £4.6 million) as Dutch TTF gas prices continued to remain above historical averages. The Group's high-quality onshore asset base in the Netherlands, as well as the addition of renewable wind energy production in Scotland, has provided a strong underlying operating profit margin.

Net cash generated from operating activities rose strongly by over 400% to £8.6 million (2021: £1.7 million). Parkmead delivered an operating profit before non-cash impairments of £7.6 million for the half year (2021: £1.8 million), or 7.0p on a per share basis. An impairment of £12.7 million was recorded during the period relating to licence P1293, following the decommissioning of the Athena field. Administrative expenses amounted to £2.0 million (2021: £1.5 million) which included a non-cash expense of £0.8 million in respect of a revaluation of share appreciation rights. The Group realised a loss before tax of £5.2 million (2021: £1.3 million profit before tax). Taxation for the period, excluding windfall tax, was £4.8 million (2021: £1.7 million) due to high average gas prices achieved and the low-cost nature of our onshore assets. The loss after taxation, excluding the Athena impairment charge, was £1.2 million (2021: £0.4 million).

Due to a windfall tax imposed by the Dutch Government, levied retrospectively on Parkmead's 2022 gas production, the Group suffered a non-current tax liability of £4.0m which relates to the whole of the calendar year 2022. This tax is not payable until May 2024. Whilst frustrating, we understand that this windfall tax will aid the Netherlands population in accessing lower-cost, low-carbon energy – an ultimate goal for Parkmead, and why we aim to increase our domestic natural gas output in the region.

Parkmead continues to maintain a strong balance sheet with total assets at 31 December 2022 of £70.3 million (2021: £80.5 million). There was a £12.7 million cash spend on decommissioning activities in the six month period to 31 December 2022. After this spend, cash and cash equivalents at 31 December 2022 were £19.2 million (2021: £24.1 million), equivalent to 17.6 pence per share. Short term decommissioning provisions were £4.6 million (2021: £13.5 million). Interest bearing loans receivable were £2.9 million (2021: £2.9 million). Debt was strictly maintained at the low level of just £0.9 million (2021: £0.5 million). This debt was inherited as a result of the acquisition of Kempstone Hill Wind Energy Limited.

Review of Activities

Onshore Netherlands

Our Netherlands production remains some of the most efficient and profitable in Europe, on a per-barrel basis. Production across the fields continues to decline at slower rates than expected. Across the six months to 31 December 2022 gross production averaged 18.0 MMscfd, approximately 3,205 barrels of oil equivalent per day ("boepd").

In December, Parkmead announced the spudding of the 'LDS' two-well drilling campaign in the Netherlands. The LDS wells were drilled from the existing Diever well site, reducing cost and expediting the tie-in process in a success case. We are pleased to report that both wells were drilled safely, on time and under budget. LDS-01 successfully encountered commercial gas columns in the primary target horizons. The well was completed and has been tied in, with first gas expected imminently. LDS-02 was unfortunately unsuccessful in encountering commercial volumes of gas however it has greatly helped the joint venture's understanding of the regional geology for follow-on prospects. LDS-02 has therefore been suspended and is currently being assessed for potential re-entry and sidetrack to other nearby prospects.

The operating cost of the combined fields is very low at just $8.6 per barrel of oil equivalent. These high-quality assets underpin our Group's outstanding gross profit margin of 89% and allows for the company to reinvest in further opportunities. Onshore gas production is considered to play an important role in a just transition, and we continue to progress further projects on our licences, in line with government strategy.

Furthermore, excellent progress continues to be made on the Papekop development. The permitting process is underway, with commercial discussions progressing around transportation and offtake. A potential development of the Papekop field would target 35.6 Bcf of gross gas reserves, with potential for upside through oil production.

UK Oil and Gas

Greater Perth Area ("GPA")

During the period, Parkmead has completed phase one of a Net Zero feasibility study with the Scott Area partners, and leading engineering consultancy, Worley. We are pleased to report that the tie back of the GPA through Scott provides several viable options for reinjection of the associated Perth gas, post-processing on Scott. This represents a significant step forward that aligns with the NSTA strategy for reduced flaring and Net Zero developments. The Scott platform lies just 10km southeast of the GPA project and a tie-back would yield a number of mutually beneficial advantages for both the Scott partnership and Parkmead. Significant efforts continue into aligning suitable partners for the possible development of GPA and the potential life extension of neighbouring infrastructure through which GPA could be developed.

The GPA forms part of a portfolio of opportunities. Transportation studies for our base case development concept were previously completed. These have confirmed there are no technical hurdles associated with the transportation and processing of fluids from the Perth producing wells all the way through the offshore infrastructure to the onshore facilities.

The GPA project has the potential to deliver 100 million barrels recoverable on a P50 basis. Projects like GPA play an important role in underpinning the security of energy supply that the UK requires in its transition to net zero. As a fuel that is primarily used for transportation, manufacturing and petrochemicals, oil will continue to feature as a vital commodity in the UK over the coming years. Therefore, it is very important that the UK continues to develop such projects in order to reduce reliance on less-regulated, more carbon-intensive imports. Parkmead believes that production of hydrocarbons from GPA can be done in a sustainable fashion in alignment with the UK government's most recent targets on carbon emissions.

Skerryvore

During the period, Parkmead increased its stake in the high-impact Skerryvore project from 30% to 50% and gained regulatory approval to progress into the next phase of the licence. Parkmead will continue as operator in this current phase, which is testament to the efforts and capability of the project team. Skerryvore will be Parkmead's first operated exploration well. Parkmead's joint venture partners on the licence are Serica Energy (UK) Limited (20%) and CalEnergy (Gas) Limited (30%).

The Company's detailed technical work programme has confirmed the considerable multi-interval potential of Skerryvore. The planned well will target the main stacked exploration prospects, at Mey and Chalk intervals, which studies indicate could contain significant volumes of light oil. The licence also contains additional prospectivity at the Ekofisk and Jurassic levels. A successful discovery will result in a tie back to nearby infrastructure in line with the NSTA's MER and Hub Strategy for new developments.

The area around Skerryvore is currently seeing important activity on several fronts, with Harbour Energy now in the execute phase of the adjacent Talbot development project, and NEO Energy proceeding with the redevelopment of Affleck. Activity is also ongoing on the Isabella discovery by TotalEnergies. Further development activity is also taking place in the Norwegian sector in close proximity to Skerryvore at Tommeliten A, a licence operated by ConocoPhillips.

Fynn

Parkmead (50% and operator) continues to progress the technical work on the two undeveloped discoveries at Fynn Beauly and Fynn Andrew ("Fynn") situated in the Central North Sea, plus additional prospectivity in the Piper formation.

Fynn Beauly is a very large heavy oil discovery with an estimated in-place volume of up to 1,343 million barrels across several blocks. Fynn Andrew, is wholly contained on the offered blocks and holds 49.5 million barrels of oil-in-place on a P50 basis. Parkmead's partner on the offered blocks is Orcadian Energy (50% working interest).

UKCS 33rd Offshore Oil and Gas Licensing Round

Despite industry concerns over the imposition of the Energy Profits Levy, Parkmead remains committed to the UKCS oil and gas industry. Parkmead has therefore made selective applications in the UKCS 33rd Offshore Oil and Gas Licensing Round, the outcome of which will be known later in 2023.

UK Renewable Energy Portfolio

The acquisition of producing renewable energy assets in February 2022 was a complementary addition to our organic renewable energy projects at Pitreadie. Since the integration of Kempstone Hill, we have achieved outstanding uptime of 98%, as well as benefiting from a large increase in wholesale electricity export prices. This has resulted in record revenue from the wind farm of £343,000 in the six months to 31 December 2022.

Kempstone Hill is a 1.5MW onshore wind farm in Scotland which benefits from an attractive inflation-linked, Feed-in Tariff through to 2036. Electricity is sold through a power purchase agreement which provides exposure to strong wholesale electricity prices. We anticipate that a tendering process for a new PPA, effective Q3 2023, will provide another year of strong revenues from the asset.

At Pitreadie, commercial discussions continue to progress with potential joint venture partners. Following positive results of initial studies, further environmental surveys and planning work are ongoing in support of a major wind farm planning application.

Parkmead will continue to add to its renewable energy portfolio through further acquisitions of producing assets as well as progressing existing organic projects.

Decommissioning

As mentioned in our FY2022 results, Parkmead decided to progress legacy decommissioning activities on the UKCS in order to capitalise on lower supply chain costs, agreed before the significant inflation in the offshore market. The Company is pleased to report wells across P218 and P1293 have successfully been decommissioned safely, on time and on budget. P&A activities across the P1242 licence are ongoing and a number of techniques have been successfully implemented, reducing time and cost across this abandonment programme. The completion of this work on the UKCS will leave Parkmead with no major abandonment liabilities going forward.

Outlook

Parkmead has delivered significant results at operating level from its diversified energy portfolio in the six-month period to 31 December 2022, and through the three months post period end. There are obvious concerns in the upstream industry about the high and increasing levels of taxation on primary energy production across Europe, and how that may impact future investment. Despite this higher taxation, Parkmead has the benefit of having built multiple opportunities to create additional value, such as those across the Netherlands, as well as the progression of our Skerryvore project in the UK Central North Sea. This is in addition to actively reviewing acquisition opportunities internationally, which would complement our existing portfolio of assets. The Board is confident that the Parkmead team is well positioned to drive the business forward and to build upon the achievements already made to date.

Tom Cross
Executive Chairman

31 March 2023

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. Tim Coxe, Parkmead Group's Managing Director, North Sea, who holds a First-Class Master's Degree in Engineering and over 30 years of experience in the oil and gas industry, has overseen the review and approval of the technical information contained in this announcement. Tim is accountable for the company's HSE, Subsurface, Drilling, Production Operations and Development Project functions. Reserves and contingent resource estimates have been produced by Parkmead's subsurface team and are stated as of 1 March 2023. 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.

A glossary of key terms can be found at https://www.nstauthority.co.uk/site-tools/glossary-of-terms/

Condensed Consolidated statement of profit and loss and other comprehensive income

for the six months ended 31 December 2022

	Notes	Six months to 31 December 2022 (unaudited) £'000	Six months to 31 December 2021 (unaudited) £'000	Twelve months to 30 June 2022 (audited) £'000
Continuous operations				
Revenue		11,124	4,633	12,129
Cost of sales		(1,331)	(837)	(1,370)
Gross profit		9,793	3,796	10,759
Exploration and evaluation expenses	2	(153)	(465)	(1,116)
Impairment of goodwill		-	-	(2,174)
Impairment of property, plant and equipment: development & production		(12,733)	-	-
Gain / (loss) on sale of assets		10	-	(31)
Administrative expenses	3	(2,049)	(1,457)	(2,231)
Operating profit		(5,132)	1,874	5,207
Finance income		81	37	73
Finance costs		(113)	(625)	(1,317)
(Loss) / profit before taxation		(5,164)	1,286	3,963
Taxation		(4,770)	(1,697)	(4,777)
Windfall taxation		(4,044)	-	-
Loss for the period attributable to the equity holders of the Parent		(13,978)	(411)	(814)
Loss Per share (pence)				
Basic	5	(12.79)	(0.38)	(0.75)
Diluted		(12.79)	(0.38)	(0.75)

Condensed Consolidated statement of financial position

as at 31 December 2022

	Notes	31 December 2022 (unaudited) £'000	31 December 2021 (unaudited) £'000	30 June 2022 (audited) £'000
Non-current assets				
Property, plant and equipment: development & production		4,370	14,613	15,843
Property, plant and equipment: other		6,200	4,391	6,636
Goodwill		1,084	2,174	1,084
Exploration and evaluation assets		34,369	30,685	34,346
Interest bearing loans	4	-	2,900	2,900
Deferred tax assets		187	-	187
Total non-current assets		46,210	54,763	60,996
Current assets				
Trade and other receivables		1,973	1,597	2,018
Interest bearing loans	4	2,937	-	-
Inventory		17	46	42
Cash and cash equivalents		19,179	24,128	23,263
Total current assets		24,106	25,771	25,323
Total assets		70,316	80,534	86,319
Current liabilities				
Trade and other payables		(10,666)	(2,975)	(3,545)
Decommissioning provisions		(4,562)	(13,498)	(19,228)
Current tax liabilities		(2,848)	(1,219)	(1,432)
Total current liabilities		(18,076)	(17,692)	(24,205)
Non-current liabilities				
Other liabilities		(1,242)	(903)	(1,181)
Loan		(905)	(500)	(948)
Deferred tax liabilities		(1,925)	(1,339)	(1,925)
Windfall taxes		(4,044)	-	-
Decommissioning provisions		(1,108)	(2,739)	(1,066)
Total non-current liabilities		(9,224)	(5,481)	(5,120)
Total liabilities		(27,300)	(23,173)	(29,325)
Net assets		43,016	57,361	56,994
Equity attributable to equity holders				
Called up share capital		19,688	19,688	19,688
Share premium		88,017	88,017	88,017
Merger reserve		3,376	3,376	3,376
Retained deficit		(68,065)	(53,720)	(54,087)
Total equity		43,016	57,361	56,994

Condensed Consolidated statement of changes in equity

for the six months ended 31 December 2022

	Share capital	**Share premium**	**Merger reserve**	**Retained deficit**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
At 30 June 2021	**19,688**	**88,017**	**3,376**	**(53,360)**	**57,721**
Loss for the period	-	-	-	(411)	(411)
Total comprehensive loss for the year	-	-	-	(411)	(411)
Share-based payments	-	-	-	51	51
At 31 December 2021	**19,688**	**88,017**	**3,376**	**(53,720)**	**57,361**
Loss for the period	-	-	-	(403)	(403)
Total comprehensive loss for the year	-	-	-	(403)	(403)
Share-based payments	-	-	-	36	36
At 30 June 2022	**19,688**	**88,017**	**3,376**	**(54,087)**	**56,994**
Loss for the period	-	-	-	(13,978)	(13,978)
Total comprehensive loss for the year	-	-	-	(13,978)	(13,978)
At 31 December 2022	**19,688**	**88,017**	**3,376**	**(68,065)**	**43,016**

Condensed Consolidated statement of cashflows

for the six months ended 31 December 2022

	Six months to 31 December 2022 (unaudited) £'000	Six months to 31 December 2021 (unaudited) £'000	Twelve months to 30 June 2022 (audited) £'000
Cashflows from operating activities			
Cashflows from operations	11,779	2,474	8,038
Taxation paid	(3,203)	(770)	(3,508)
Net cash generated from operating activities	8,576	1,704	4,530
Cash flow from investing activities			
Interest received	81	37	73
Acquisition of exploration and evaluation assets	(253)	(360)	(548)
Proceeds from sale of property, plant and equipment	163	-	874
Acquisition of property, plant and equipment: development and production	(275)	(46)	(123)
Acquisition of property, plant and equipment: other	-	(1)	(3,114)
Decommissioning expenditure	(12,754)	(233)	(1,667)
Net cash on acquisition of Kempstone Hill	-	-	360
Net cash used in investing activities	(13,038)	(603)	(4,145)
Cash flow from financing activities			
Lease payments	(168)	(162)	(375)
Interest paid	(31)	(24)	(45)
Repayment of loans and borrowings	(43)	-	(542)
Net cash used in financing activities	(242)	(186)	(962)
Net increase / (decrease) in cash and cash equivalents	(4,704)	915	(577)
Cash and cash equivalents at beginning of period	23,263	23,378	23,378
Effect of foreign exchange rate differences	620	(165)	462
Cash and cash equivalents at end of period	19,179	24,128	23,263

Notes to the Interim financial statements

1. Accounting policies

General Information

These condensed consolidated interim financial statements of The Parkmead Group plc and its subsidiaries (the "Group") were approved by the Board of Directors on 30 March 2023. The Parkmead Group plc is the parent company of the Group. Its shares are quoted on AIM, part of the London Stock Exchange. The registered office is located at 20 Farringdon Street, 8th Floor, London, England, EC4A 4AB.

The condensed consolidated interim financial statements for the period 1 July 2022 to 31 December 2022 are unaudited. In the opinion of the Directors, the condensed consolidated interim financial statements for the period presents fairly the financial position, and results from operations and cash flows for the period in conformity with the generally accepted accounting principles consistently applied. The condensed consolidated interim financial statements incorporate unaudited comparative figures for the interim period 1 July 2021 to 31 December 2021 and the audited financial year ended 30 June 2022.

The financial information set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory accounts for the year ended 30 June 2022 which were prepared under International Financial Reporting Standards ("IFRS") as adopted for use in the UK were filed with the Registrar of Companies. The auditors reported on those accounts and their report was 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.

Basis of preparation

The interim financial information in this report has been prepared under the historical cost convention using accounting policies consistent with International Financial Reporting Standards (IFRS) as adopted by the UK 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 UK. The financial information has been prepared on the basis of UK-adopted international accounting standards that the Directors expect to be adopted and applicable as at 30 June 2022.

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 2022.

Going concern

The Directors have made an assessment of the Group's ability to continue as a going concern. As at 31 December 2022 the Group had £43.0 million of net assets of which £19.2 million is held in cash, of which £4.7 million is held as restricted cash.

The Group's production in the Netherlands has been uninterrupted by COVID-19 and the Group and Company employees have utilised technology to work remotely where required. The Group's current cash reserves are the principal source of funding and are expected to more than exceed its estimated liabilities. Based on these circumstances, the Directors have considered it appropriate to adopt the going concern basis of accounting in preparing these interim results.

2. Exploration and evaluation expenses

Exploration and evaluation expenses includes impairment charges of £18,000 recorded in respect of exploration licences relinquished in the period (Six months to 31 December 2021: £318,000, Twelve months to 30 June 2022: £860,000).

3. Administrative expenses

Administrative expenses include an expense in respect of a non-cash revaluation of share appreciation rights (SARs) totalling £800,000 (Six months to 31 December 2021: £238,000 charge, 12 months to 30 June 2022: £418,000 charge). The SARs may be settled by cash or shares and are therefore revalued with the movement in share price.

Administrative expenses also includes a non-cash share based payment charge of £Nil due to options which have been granted, lapsed or forfeited (Six months to 31 December 2021: £51,000, 12 months to 30 June 2022: £87,000 credit).

Administrative expenses also include a foreign exchange gain of £620,000 (Six months to 31 December 2021: £165,000 expense, 12 months to 30 June 2022: £462,000 gain).

4. Interest bearing loans

On 27 July 2017, 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.

The loan has a period of two years, with a fixed interest rate of 2.5 per cent. Interest charged by Parkmead during the period amounted to £37,000 (Six months to 31 December 2021: £37,000, Twelve months to 30 June 2022: £73,000).

On 26 July 2021, The Parkmead Group plc entered into a 24-month extension of the loan.

5. Loss per share

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

	Six months to 31 December 2022 (unaudited)	**Six months to 31 December 2021** (unaudited)	**Twelve months to 30 June 2022** (audited)
Loss per 1.5p ordinary share (pence)			
Basic	(12.79)	(0.38)	(0.75)
Diluted	(12,79)	(0.38)	(0.75)

The calculations were based on the following information:

	Six months to 31 December 2022 (unaudited) £'000	**Six months to 31 December 2021** (unaudited) £'000	**Twelve months to 30 June 2022** (audited) £'000
Loss attributable to ordinary shareholders	(13,978)	(411)	(814)
Weighted average number of shares in issue			
Basic weighted average number of shares	109,266,931	109,266,931	109,266,931
Dilutive potential ordinary shares			
Share options	10,778,154	10,778,154	10,778,154

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

Diluted earnings per share is calculated by dividing the loss for the period by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

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

6. Notes to the statement of cashflows

Reconciliation of operating (loss) / profit to net cash flow from operations

	Six months to 31 December 2022 £'000	Six months to 31 December 2021 £'000	Twelve months to 30 June 2022 £'000
Operating (loss) / profit	(5,132)	1,874	5,207
Depreciation	326	341	726
Amortisation and exploration write-off	18	318	860
(Gain) / loss on sale of property, plant and equipment	(10)	-	31
Provision for share based payments	-	51	87
Currency translation adjustments	(620)	165	(462)
Impairment of Goodwill	-	-	2,174
Impairment of property, plant and equipment: development & production	12,733	-	-
Decreases / (increase) in receivables	45	(359)	(667)
Decrease in stock	25	20	24
Increase in payables	4,394	64	58
Net cash flow from operations	11,779	2,474	8,038

7. Post balance sheet events

In January 2023 Parkmead E&P and joint venture partners completed a six-well decommissioning campaign across the P1293 licence (former Athena wells). The final remaining subsea infrastructure will be removed, and recycled where possible, throughout Q2 2023.

Decommissioning activities on the P1242 licence (former Platypus wells) commenced in March 2023.

The two-well LDS drilling campaign in the Netherlands was completed safely, on time and under budget between November 2022 and February 2023. LDS-01 will be used as a gas-producing well and has already been successfully tied in to surrounding infrastructure. The LDS-02 well did not encounter a sufficient hydrocarbon column and has been suspended for potential re-entry.

A former subsidiary, Deo Petroleum Limited, has been restored to the Register of Companies. This is in relation to ongoing work across the Greater Perth Area licences.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU No. 596/2014) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain.