


Northern Petroleum Plc

Interim Report 2011

Adding and realising shareholder value

Contents

For more information see our website:
www.northpet.com

The Company

Northern Petroleum is a full cycle oil and gas company; explorer, developer and producer, operating in areas of low risk.

The Company strategy is to obtain and develop concentrated licence positions holding high quality prospects to which it plans to bring identified improved technologies and economics arising since the last exploration efforts and without paying high entry costs.

Through undertaking geological, geophysical and engineering work Northern adds, and then realises, value for shareholders from these licences.

Northern has an established track record with major industry partners and government authorities as a trusted manager of both onshore and offshore projects acting with high integrity and is recognised for the quality of its technical team.

Financial Highlights

	Six months ended 30 June 2011 €'000 (Unaudited)	Six months ended 30 June 2010 €'000 (Unaudited)
Revenue	**13,046**	7,013
Gross profit	**2,789**	4,735
EBITDA(i)	**8,519**	3,208
Adjusted EBITDA(ii)	**8,464**	3,524
Profit for the period	**41**	885
Basic earnings per share on profit for the period	**0.04 cents**	1.11 cents
Diluted earnings per share on profit for the period	**0.04 cents**	1.06 cents
Cash and cash equivalents	**23,930**	25,815
Other working capital	**4,100**	434
Net assets	**85,801**	87,287
Total distributable reserves	**54,945**	55,846
Capital expenditure	**4,475**	6,793
Production (thousand boe)	**331**	214
Average revenue, in currency of receipt, per attributable boe:		
Gas	**€39.36**	€29.57
Oil	**$101.17**	$73.97
Net Commercial Oil & Gas Reserve Quantities – Proven and Probable reserves (million boe)	**88.69**	102.67

(i) Earnings before interest (and other finance income and costs), tax, depreciation, depletion, amortisation and write offs of oil and gas assets.

(ii) In addition to the above, is calculated before share based payments and pre-licence costs.

Highlights

Other financial highlights:

- Dutch gas prices received have averaged €0.253 per normal cubic metre during the period, approximately $9.09 per mscf, up 33% from the comparative period average of €0.19 per normal cubic metre (approximately $6.82 per mscf); and
- The Group remains debt free and had cash on hand of approximately €23.9 million at period end, an increase of €2.5 million since year end.

Production:

- Production volumes for H1 were 331,200 boe (approximately 1,830 boepd), up approximately 55% from the comparative period total of 214,000 boe;
- The Group is on track to meet its June 2011 production forecast of 1,550 to 1,650 boepd; and
- Northern is planning on providing guidance on 2012 production later in 2011 following ongoing re-mapping and forthcoming testing operations.

Outlook by Region:

Guyane:

- Zaedyus-1 well continues drilling to explore deeper units in the fan system after discovery of new oil basin offshore Guyane.

Italy:

- One 2D and two 3D seismic surveys planned before the end of 2011 on Southern Adriatic permits, allowing for the progression of two large potential structures plus Rovesti and Giove discoveries; and
- Preparations underway for the drilling of the 45 Bcf La Tosca prospect in Q1 2012.

Netherlands:

- Extended production testing of the Ottoland oil field side track to shortly commence; and
- Work on oil shale potential in south west Netherlands continues – potential has been analysed as very material by Nu Tech Energy Alliance.

United Kingdom:

- Oil discovery at Markwells Wood prepared for imminent production testing.

Unaudited Statement of Net Commercial Oil & Gas Reserve Quantities – Proven and Probable reserves

at 30 June 2011

Volumes – Group	Oil Million Bbl	**Total** Gas bcf	Petroleum Million boe
At 31 December 2010:	**70.82**	**108.06**	**89.45**
Changes during the period:			
Revisions of previous estimates	**–**	**(2.51)**	**(0.43)**
Production	**(0.02)**	**(1.78)**	**(0.33)**
At 30 June 2011	**70.80**	**103.77**	**88.69**

Volumes and categorisation by location – Group	Oil Million Bbl	**Total** Gas bcf	Petroleum Million boe
At 30 June 2011:			
Proven reserves	**6.50**	**84.28**	**21.03**
Probable reserves	**64.30**	**19.49**	**67.66**
	70.80	**103.77**	**88.69**
At 31 December 2010:			
Proven reserves	6.52	86.10	21.36
Probable reserves	64.30	21.96	68.09
	70.82	108.06	89.45

	United Kingdom			**Netherlands**			**Italy**		
	Oil Million Bbl	Gas bcf	Petroleum Million boe	Oil Million Bbl	Gas bcf	Petroleum Million boe	Oil Million Bbl	Gas bcf	Petroleum Million boe
At 30 June 2011:									
Proven reserves	**0.77**	**–**	**0.77**	**5.73**	**84.28**	**20.26**	**–**	**–**	**–**
Probable reserves	**6.24**	**–**	**6.24**	**4.90**	**19.49**	**8.26**	**53.16**	**–**	**53.16**
	7.01	**–**	**7.01**	**10.63**	**103.77**	**28.52**	**53.16**	**–**	**53.16**
At 31 December 2010:									
Proven reserves	0.77	–	0.77	5.75	86.10	20.59	–	–	–
Probable reserves	6.24	–	6.24	4.90	21.96	8.69	53.16	–	53.16
	7.01	–	7.01	10.65	108.06	29.28	53.16	–	53.16

Notes

1. The Reserve estimates shown in this report are based upon the joint reserve and resource definitions of the Society of Petroleum Engineers, the World Petroleum Congress, and the American Association of Petroleum Geologists.
2. Proven and probable reserves in the UK represent the Group's reserves as determined during 2010 by RPS Energy in an independent valuation of some of the Group's oil and gas assets in the Weald Basin, adjusted for subsequent production where applicable. Further information is given in note 11 to the 2010 Report & Accounts.
3. Proven and probable reserves for Brakel, Ottoland and Papekop represent reserves as determined during 2010 by RPS Energy in an independent valuation of some of the Group's oil and gas assets in The Netherlands, adjusted for subsequent production where applicable. Further information is given in note 11 to the 2010 Report & Accounts. These reserves, other than in respect of Papekop, were originally acquired as a result of the Group's agreements with NAM. The reserves in The Netherlands which are held as a result of the Group's agreements with NAM are subject to a 50% net profit interest after payback of 130% of the Group's capital costs. The Papekop production licence is subject to a 0.6% gross overriding royalty over the Group's interest.
4. Geesbrug, Grolloo and Wijk en Aalburg proven and probable reserves are the Group's most recent estimates as announced on 27 May 2011 (Geesbrug and Grolloo) and 30 September 2011 (Wijk en Aalburg), which supersede reserves as determined during 2010 by RPS Energy in an independent valuation of some of the Group's oil and gas assets in The Netherlands, adjusted for subsequent production where applicable. Further information is given in note 11 to the 2010 Report & Accounts. These reserves were originally acquired as a result of the Group's agreements with NAM and are subject to a 50% net profit interest after payback of 130% of the Group's capital costs.
5. Waalwijk proven and probable reserves are the Group's most recent estimates.
6. P12 reserves are as determined by current operator's most recent estimates.
7. Proven and probable reserves in Italy represent the Group's reserves as determined by Blackwatch Petroleum Services in independent valuations of some of the Group's oil and gas assets in that country during the fourth quarter of 2007.
8. Quantities of oil equivalent are calculated using a gas-to-oil conversion factor of 5,800 scf of gas per boe.

Chairman's Statement

The operating profit for the half year was €8.5million. This is before interest, tax and depreciation, an increase of 165% arising from higher production volumes and continuing good gas prices. We are on-track to achieve the annual average production rate of 1,550–1,650 boepd forecast announced on 7 June 2011.

The Company is cash flow positive, continues to be debt free and has cash in hand of €23.9 million at the end of the half year, and has increased to €26.5 million at 28 September 2011.

A programme of field operations has started in all the Company's areas of activities. In some cases, extended administrative and operational delays had to be overcome. Now is the point in our strategy to operationally move on from the established and expanding production base in The Netherlands to the greater value generating opportunities from a wider asset base.

The first is the on-going drilling of the newly discovered oil basin offshore Guyane. Although already a success, together with our joint venture partners Tullow, Shell and Total the drilling of the Zaedyus well continues to explore deeper units in the fan systems.

It is important to emphasise the presence of many other mapped fans within the basin and the licence. Our net 1.25% interest may seem small but is corporately significant considering the very considerable potential target sizes. Both exploration and eventual development costs are well within our means as a growing company of our size.

The 2010 oil discovery at Markwells Wood has been prepared for oil production testing and pumping will shortly commence.

In Italy, preparations for the drilling of the La Tosca prospect in the onshore Po Valley Longastrino licence are underway. At its closest the prospect is less than 2 km from the large Alfonsine gas field and well defined by a recent 3D seismic survey. Orca Exploration is our farmin partner in the well and will be paying all costs to the budgeted level for our 25% retained interest in this 45 bcf prospect.

Core to our Italian ventures is the high potential of the proven Durres oil and gas basin in the Southern Adriatic Sea. Our first seismic surveys in the area are scheduled before the end of 2011. The surveys, prior to drilling, will better define not only the Rovesti and Giove oil discoveries (53 million barrels of oil probable reserves independently attributed), but also the two larger potential structures mapped from much older surveys. Our geologists and geophysicists have projected and mapped the presence of fan systems within the basin which the surveys may show to be very material sized drilling targets. Eight prospective petroleum play types have also been projected.

In The Netherlands, we are soon to commence the extended production testing of the 2007 side track of the existing well in the Ottoland oil field. This data is not only important for the development into production of Ottoland but also the other oil production and exploration activities in southwest Netherlands such as Papekop and Vlist. The other ongoing activity is the work on understanding our production data to date from the Brakel, Geesbrug, Grolloo and Wijk en Aalburg gas fields to make any new adjustments to our current production and development activities and making future firm production forecasts. At Wijk en Aalburg, having encountered higher than expected levels of water production, a preliminary remapping exercise has been undertaken. The reprocessing and reinterpretation of the 3D seismic is still awaited but the Company feels it to be prudent to make an adjustment to the Wijk en Aalburg reserves of 2.51 Bscf that is 1.5% of the 28.5 million of proven and probable reserves in The Netherlands, and just 0.5% of period end Group proven and probable reserves.

We celebrated in August 2011, 10 years of accident-free operations at the Waalwijk gas field. By any standards this is an outstanding achievement.

Our work on the oil shale potential south western part of The Netherlands continues assisted by NuTech Energy Alliance. In this area the potential has been analysed as being very material and occurring in a richer and thicker formation than in Canada and even the USA. We intend to commit to a study to confirm and quantify the potential and to develop an environmentally satisfactory method of extraction, meeting our own very high standards. It is anticipated that we will seek a partner already actively utilising the new technologies demanded. This is a very exciting project.

During the period, the board has expanded and we have welcomed two new directors, non-executive Rex Gaisford, C.B.E and executive Maurice Le Gai Eaton.

In summary, after putting a period of delays behind us, the Company has embarked upon a period of greater activity to realise more of its considerable and forecasted upside potential.

R H R Latham
Chairman
29 September 2011

"The Company is cash flow positive, continues to be debt free and has cash in hand of €23.9 million at the end of the half year, and has increased to €26.5 million at 28 September 2011."

"We have made significant progress since the beginning of the year in advancing our high impact assets outside of our production base in the Netherlands. We have been involved in discovering a new oil basin offshore Guyane; the Markwells Wood discovery is moving to testing; in Italy we are preparing for the drilling of the La Tosca prospect; and in the Southern Adriatic sea our first seismic surveys are due to commence before the year end".

Consolidated Income Statement

for the six months ended 30 June 2011

	Notes	Six months ended 30 June 2011 (Unaudited) €'000	Six months ended 30 June 2010 (Unaudited) €'000	Year ended 31 December 2010 (Audited) €'000
Revenue		**13,046**	7,013	14,968
Production costs		**(2,749)**	(1,924)	(4,884)
Depletion and amortisation – property, plant & equipment		**(7,508)**	(354)	(3,387)
Cost of sales		**(10,257)**	(2,278)	(8,271)
Gross profit		**2,789**	4,735	6,697
Pre-licence costs		**(87)**	(165)	(593)
Administrative expenses – other		**(1,833)**	(1,565)	(4,246)
Administrative expenses – share incentives		**142**	(151)	(359)
Administrative expenses – total		**(1,691)**	(1,716)	(4,605)
Profit from operations		**1,011**	2,854	1,499
Finance charges	2	**(339)**	(599)	(1,524)
Finance income		**22**	49	17
Share of operating loss of joint ventures & associates		**(5)**	(18)	(8)
Profit / (loss) before tax		**689**	2,286	(16)
Tax expense		**(648)**	(1,401)	(1,139)
Profit / (loss) for the period		**41**	885	(1,155)
Basic earnings per share on profit / (loss) for the period	3	**0.04 cents**	1.1 cents	(1.3) cents
Diluted earnings per share on profit / (loss) for the period	3	**0.04 cents**	1.1 cents	(1.3) cents

All results are from continuing activities and are attributable to equity shareholders of the parent.
Notes 1 to 7 form an integral part of this report.

Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2011

	Six months ended 30 June 2011 (Unaudited) €'000	Six months ended 30 June 2010 (Unaudited) €'000	Year ended 31 December 2010 (Audited) €'000
Profit / (loss) for the period	**41**	885	(1,155)
Exchange differences on translation of foreign operations	**(470)**	539	164
Other comprehensive (loss) / income for the period, net of income tax	**(470)**	539	164
Total comprehensive (loss) / income for the period	**(429)**	1,424	(991)

Consolidated Statement of Financial Position

at 30 June 2011

	Notes	At 30 June 2011 (Unaudited) €'000	At 30 June 2010 (Unaudited) €'000	At 31 December 2010 (Audited) €'000
Assets				
Non-current assets				
Intangible assets	5	**32,746**	29,989	31,810
Property, plant and equipment	4	**52,520**	50,623	58,123
Investments in joint ventures		**1,699**	263	579
Investments in associates		**15**	15	15
Loans and other receivables		**118**	388	129
		87,098	81,278	90,656
Current assets				
Inventories		**111**	90	124
Trade and other receivables		**8,548**	8,319	8,668
Cash and cash equivalents		**23,930**	25,815	21,430
		32,589	34,224	30,222
Total assets		**119,687**	115,502	120,878
Liabilities				
Current liabilities				
Trade and other payables		**4,559**	7,975	6,326
Corporation tax liability		**118**	–	–
		4,677	7,975	6,326
Non-current liabilities				
Trade and other payables		**27**	32	30
Provisions		**16,587**	9,662	16,286
Deferred tax liabilities		**12,595**	10,546	12,865
		29,209	20,240	29,181
Total liabilities		**33,886**	28,215	35,507
Net assets		**85,801**	87,287	85,371
Capital and reserves				
Share capital		**5,830**	5,791	5,768
Share premium		**12,153**	11,393	11,501
Merger reserve		**10,289**	10,289	10,289
Special reserves – distributable		**28,428**	28,415	28,428
Special reserves – undistributable		**155**	168	155
Share incentive plan reserve		**3,244**	3,770	3,964
Foreign currency translation reserve		**(815)**	30	(345)
Retained earnings		**26,517**	27,431	25,611
Total equity		**85,801**	87,287	85,371

All amounts are attributable to equity shareholders of the parent.
Notes 1 to 7 form an integral part of this report.

Consolidated Cash Flow Statement

for the six months ended 30 June 2011

	Six months ended 30 June 2011 (Unaudited) €'000	Six months ended 30 June 2010 (Unaudited) €'000	Year ended 31 December 2010 (Audited) €'000
Cash flows from operating activities			
Profit / (loss) before tax	**689**	2,286	(16)
Depletion and amortisation	**7,508**	354	3,387
Depreciation – non oil and gas property, plant & equipment	**112**	104	205
Loss on disposal of property, plant and equipment	**4**	–	–
Foreign exchange loss / (gain)	**32**	(42)	348
Finance income	**(22)**	(7)	(17)
Finance charges	**307**	599	1,176
Share based payments	**145**	386	799
Expenses settled by issue of shares	**29**	–	65
Share of operating loss of joint ventures & associates	**5**	18	8
Net cash inflow before movements in working capital	**8,809**	3,698	5,955
Decrease / (increase) in inventories	**11**	11	(26)
Decrease in trade and other receivables	**56**	6,079	8,247
(Decrease) / increase in trade and other payables	**(2,524)**	(710)	(2,539)
Net cash (outflow) / inflow from changes in working capital	**(2,457)**	5,380	5,682
Taxes paid	**–**	(2,895)	(2,857)
Net cash inflow from operating activities	**6,352**	6,183	8,780
Cash flows from investing activities			
Interest received	**22**	7	17
Interest paid	**(4)**	(147)	(6)
Purchase of property, plant and equipment	**(2,185)**	(5,132)	(9,526)
Expenditure on exploration and evaluation assets	**(593)**	(1,661)	(2,835)
Purchase of other intangible assets	**(572)**	–	(999)
Investment in joint venture company	**(1,125)**	–	(328)
Loan to joint venture company	**–**	(212)	–
Net cash (outflow) from investing activities	**(4,457)**	(7,145)	(13,677)
Cash flows from financing activities			
Issue of ordinary shares	**–**	11,552	11,464
Proceeds from the exercise of warrants	**685**	161	270
Net cash inflow from financing activities	**685**	11,713	11,734
Net increase in cash and cash equivalents	**2,580**	10,751	6,837
Cash and cash equivalents at start of period	**21,430**	15,002	15,002
Effect of exchange rate movements	**(80)**	62	(409)
Cash and cash equivalents at end of period	**23,930**	25,815	21,430

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2011

	Share capital €'000	Share premium Account €'000	Merger reserve €'000	Special reserves €'000	Share incentive plan reserve €'000	Foreign currency translation reserve €'000	Retained earnings €'000	Total €'000
At 1 January 2010 (audited)	**4,983**	**194**	**10,289**	**28,583**	**3,865**	**(509)**	**26,359**	**73,764**
Total comprehensive income for the period	–	–	–	–	–	539	885	1,424
Issue of shares during the period – warrants and staff bonus	65	390	–	–	(294)	–	–	161
Issue of shares during the period – placing	743	11,482	–	–	–	–	–	12,225
Costs and fees associated with placing	–	(673)	–	–	–	–	–	(673)
Equity share warrants exercised	–	–	–	–	(187)	–	187	–
Share based payments	–	–	–	–	386	–	–	386
At 30 June 2010 (unaudited)	**5,791**	**11,393**	**10,289**	**28,583**	**3,770**	**30**	**27,431**	**87,287**
Total comprehensive income for the period	–	–	–	–	–	(375)	(2,040)	(2,415)
Issue of shares during the period – placing	(28)	(45)	–	–	–	–	–	(73)
Costs and fees associated with placing	–	(15)	–	–	–	–	–	(15)
Issue of shares during the period – warrants and staff bonus	5	168	–	–	–	–	–	173
Equity share warrants exercised	–	–	–	–	(220)	–	220	–
Share based payments	–	–	–	–	414	–	–	414
At 31 December 2010 (audited)	**5,768**	**11,501**	**10,289**	**28,583**	**3,964**	**(345)**	**25,611**	**85,371**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**(470)**	**41**	**(429)**
Issue of shares during the period – warrants and staff bonus	**62**	**652**	**–**	**–**	**–**	**–**	**–**	**714**
Equity share warrants exercised	**–**	**–**	**–**	**–**	**(865)**	**–**	**865**	**–**
Share based payments	**–**	**–**	**–**	**–**	**145**	**–**	**–**	**145**
At 30 June 2011 (unaudited)	**5,830**	**12,153**	**10,289**	**28,583**	**3,244**	**(815)**	**26,517**	**85,801**

All amounts are attributable to equity shareholders of the parent.

Notes to the Interim Results

for the six months ended 30 June 2011

1. Basis of preparation

This unaudited condensed consolidated interim financial information has been prepared using the recognition and measurement principles of International Accounting Standards, International Financial Reporting Standards and Interpretations adopted for use in the European Union (collectively EU IFRSs). The principal accounting policies used in preparing the interim results are unchanged from those disclosed in the Group's Annual Report for the year ended 31 December 2010. These statutory accounts are available on the Company's website (www.northpet.com) or by application to the Company's registered office.

The financial information for the six months ended 30 June 2011 and 30 June 2010 is unaudited and does not constitute statutory financial statements of Northern Petroleum Plc and its subsidiaries. The comparative financial information for the full year ended 31 December 2010 has, however, been derived from the statutory financial statements for that period. A copy of those statutory financial statements has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2)-(3) of the Companies Act 2006.

Changes to Accounting policies

a) In the current period, the following new and revised standards and interpretations are effective and have been adopted but have had no effect on the amounts reported in these financial statements.

IAS 24 – Related Party Disclosures

The changes introduced by IAS 24 made an amendment to the definition of a related party.

b) At the date of approval of this interim report, the following Standards and Interpretations which have not been applied in this interim report were in issue but not yet effective and in some cases not yet adopted by the EU:

IFRS 3 – Business Combinations

In May 2010 further amendments were made to IFRS 3 as follows:

- to limit the accounting policy choice to measure Non-Controlling Interests (NCI) upon initial recognition either at fair value or at the NCI's proportionate share of the acquiree's identifiable net assets to instruments that give rise to a present ownership interest and entitle the holder to a share of net assets in the event of liquidation; and

- to extend the scope of the guidance on how to apportion the market-based measure of an acquirer's share-based payment awards that are issued in exchange for acquiree awards between consideration transferred and post-combination cost when an acquirer is obliged to replace the acquiree's existing awards. IFRS 3 is amended so that the guidance for such awards also applies to voluntarily replaced acquiree awards, and introduces attribution guidance for acquiree awards that are not replaced.

IFRS 7 – Financial Instruments: Disclosures
This standard was amended to:

- include a statement detailing that the interaction between qualitative and quantitative disclosures, better enables users to evaluate an entity's exposure to risks arising from financial statements; and

- require additional disclosures about the transfer of financial assets to enable users to understand the possible effects of any risks that may remain with the transferor.

IAS 1 – Presentation of Financial Statements
In May 2010 an amendment was made to IAS 1 "Presentation of Financial Statements" which stated that for each component of equity a reconciliation from opening to closing balances is required to be presented in the statement of changes in equity. That reconciliation is required to show separately changes arising from items recognised in profit or loss, in other comprehensive income, and from transactions with owners acting in their capacity as owners.

IFRS 9 – Financial Instruments
This standard will replace IAS 39 – Financial Instruments: Recognition and Measurement.

The Directors do not expect that the adoption of these Standards or Interpretations in future periods will have a material impact on the financial statements of the Group.

2. Finance Charges

	Six months ended 30 June 2011 (Unaudited) €'000	Six months ended 30 June 2010 (Unaudited) €'000	Year ended 31 December 2010 (Audited) €'000
Foreign exchange losses	**32**	–	348
Other interest payable	**–**	503	673
Bank interest payable	**4**	–	6
Unwinding of discount on decommissioning provisions	**303**	96	497
	339	599	1,524

3. Earnings per share

Basic earnings per share amounts are calculated by dividing profit or loss for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of shares that would be issued on the conversion of dilutive potential ordinary shares into ordinary shares. The calculation of the dilutive potential ordinary shares related to employee and director share option plans includes only those warrants with exercise prices below the average share trading price for each period.

	Six months ended 30 June 2011 (Unaudited) €'000	Six months ended 30 June 2010 (Unaudited) €'000	Year ended 31 December 2010 (Audited) €'000
Net profit / (loss) attributable to equity holders used in basic calculation	**41**	885	(1,155)
Net profit / (loss) attributable to equity holders used in dilutive calculation	**41**	885	(1,155)
Basic weighted average number of shares	**92,570**	80,059	86,094
Dilutive potential of ordinary shares:			
Warrants exercisable under Company schemes	**2,781**	3,415	–
Diluted weighted average number of shares	**95,351**	83,474	86,094

The calculation of the diluted EPS assumes all criteria giving rise to the dilution of the EPS are achieved and all outstanding share options that are in money at period end are exercised.

4. Property, plant and equipment

	30 June 2011 (Unaudited) €'000	30 June 2010 (Unaudited) €'000	31 December 2010 (Audited) €'000
Oil and gas assets	**52,244**	49,801	57,777
Computer and office equipment and leasehold improvements	**276**	822	346
	52,520	50,623	58,123

Following the decision to revise the Wijk en Aalburg field reserves down by a further 2.51 Bscf, the carrying value of oil and gas assets above includes additional non cash depletion and impairment charges of approximately €4.9 million.

Notes to the Interim Results

for the six months ended 30 June 2011 (continued)

5. Intangible Assets

	30 June 2011 (Unaudited) €'000	30 June 2010 (Unaudited) €'000	31 December 2010 (Audited) €'000
Exploration and evaluation assets	**31,175**	29,989	30,811
IT systems	**1,571**	–	999
	32,746	29,989	31,810

6. Approval by Directors

The interim results for the six months to 30 June 2011 were approved by the Directors on 29 September 2011.

7. Availability of Interim Report

The interim report will be made available in electronic format on the Company's website, www.northpet.com, and will be posted to registered shareholders. Further copies will be available on request by application to the Company Secretary at the Company's registered office being Martin House, 5 Martin Lane, London, EC4R 0DP.

Licences

The Netherlands

Licence	Status	Interest	Operator
Onshore – Exploration			
Engelen	Licence	60.00%	Northern
Oosterwolde	Licence	60.00%	Northern
Utrecht	Licence	60.00%	Northern
Andel III	Licence	22.50%	Northern
Drenthe III (Tiendeveen & Lhee)	Licence	22.50%*	Northern
Onshore – Production / Development			
Papekop	Licence	45.00%	Northern
Drenthe III (Geesbrug)	Licence	45.00%**	Northern
Drenthe IV (Grolloo)	Licence	45.00%**	Northern
Andel III (Brakel, Ottoland & Wijk en Aalburg)	Licence	45.00%**	Northern
Waalwijk:	Licence		Northern
Waalwijk – North		16.67%	
Waalwijk – South 2		50.00%	
Zuid Friesland III	Licence	49.56%^	Northern
Offshore – Production			
P12	Licence	23.61%	Wintershall

* Assuming farmin obligation to NAM is met.
** NAM has a 50% net profits interest after payback of 130% of Northern's development costs.
^ Subject to completion of transfer of interest from Dyas to Northern.

United Kingdom

Licence	Interest	Operator
Onshore – Exploration		
PEDL 069	5.00%	Aurora Exploration
PEDL 098	62.50%	Northern
PEDL 125	50.00%	Northern
PEDL 126	50.00%	Northern
PEDL 155	50.00%	Northern
PEDL 233	50.00%	Providence
PEDL 240	62.50%	Northern
PEDL 256	50.00%	Northern
Onshore – Production		
PL211 (Horndean Oilfield)	10.00%	Star Energy
PEDL 070 (Avington Oilfield)	5.00%	Star Energy

Key:

New licences and applications	**0.00%**	**Operator**
Existing licences	0.00%	Operator

Licences

continued

Italy

Licence	Status	Area	Interest	Operator
Onshore – Exploration				
Savio	Award	Po Valley	80.00%	Northern
Longastrino	Award	Po Valley	30.00%*	Northern
Cascina Alberto	Applicaton	Po Valley	100.00%	Northern
La Sacca	Award	Po Valley	100.00%	Northern
Punta Marina	Award	Po Valley	100.00%	Northern
Offshore – Exploration				
C.R146.NP ††	Award	Sicily Channel	100.00%	Northern
C.R147.NP ††	Award	Sicily Channel	100.00%	Northern
d347C.R-.NP	Applicaton	Sicily Channel	100.00%	Northern
G.R17.NP	Award	Sicily Channel	45.00%**	Shell
G.R18.NP	Award	Sicily Channel	45.00%**	Shell
G.R19.NP	Award	Sicily Channel	45.00%**	Shell
d21G.R-.NP	Applicaton	Sicily Channel	100.00%	Northern
G.R20.NP	Award	Sicily Channel	30.00%**	Shell
G.R21.NP	Award	Sicily Channel	30.00%**	Shell
G.R22.NP	Award	Sicily Channel	30.00%**	Shell
F.R.39.NP	Award	Southern Adriatic	85.00%^	Northern
F.R.40.NP	Award	Southern Adriatic	85.00%^	Northern
d59F.R-.NP	Applicaton	Ionian Sea	100.00%	Northern
d60F.R-.NP	Applicaton	Southern Adriatic	100.00%	Northern
d61F.R-.NP	Applicaton	Southern Adriatic	100.00%	Northern
d149D.R-.NP	Applicaton	Southern Adriatic	100.00%	Northern
d351C.R-.NP ††	Applicaton	Sicily Channel	100.00%	Northern
d63F.R-.NP	Applicaton	Ionian Sea	100.00%	Northern
d64F.R-.NP	Applicaton	Ionian Sea	100.00%	Northern
d25G.R-.NP	Applicaton	Sicily Channel	100.00%	Northern
d26G.R-.NP	Applicaton	Sicily Channel	100.00%	Northern
d65F.R-.NP	Application	Southern Adriatic	100.00%	Northern
d66F.R-.NP	Application	Southern Adriatic	100.00%	Northern
d30G.R-.NP	Application	Sicily Channel	100.00%	Northern
d71F.R-.NP	Application	Southern Adriatic	100.00%	Northern
d72F.R-.NP	Application	Southern Adriatic	100.00%	Northern
d29G.R-.NP	Application	Sicily Channel	50.00%	Northern
d75F.R-.NP	Application†	Ionian Sea	100.00%	Northern
d77F.R-.NP	Application	Ionian Sea	100.00%	Northern
d78F.R-.NP	Application†	Ionian Sea	100.00%	Northern
d362C.R-.NP	Application†	Sicily Channel	100.00%	Northern
d358C.R-.EL	Application	Sicily Channel	50.00%	Petroceltic

* Assuming farmin obligations by Orca Exploration Group Inc. are met.
** Assuming farmin obligations by Shell Italia are met.
^ Assuming farmin obligations by Azimuth Limited are met.
† Application subject to competition.
†† After briefing from UNMIG (Ufficio Nazionale Minerario per gli Idrocarburi e la Geotermia), as far as Northern is aware, the boundaries of these licences/applications (CR146, CR147 & d351) are not subject to the current dispute between Italian and Maltese authorities.

Guyane

Licence	Interest*	Operator
Onshore – Exploration		
Guyane EEL	1.25%	Tullow Oil

* Northern owns a 50% equity interest in Northpet Investments Limited, a company which has a 2.5% interest in the Guyane licence.

Key:

New licences and applications	**0.00%**	**Operator**
Existing licences	0.00%	Operator

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