Embargoed for release: 1400 on 8 June 2011

Following Northern Petroleum Plc's announcement as of 07.00am, Wednesday 8 June 2011, the issuer wishes to advise that the announcement has been corrected to replace "£610 million" in the Chairman's quote on the fifth page with "$610 million".

The full revised announcement is as follows:

Northern Petroleum Plc

("Northern", "the Group", or "the Company")

Audited Results for the Year Ended 31 December 2010

Northern Petroleum Plc, an independent oil and gas exploration, development and production company announces its audited results for the year ended 31 December 2010.

HIGHLIGHTS:

Operational:

- **Average production for the year increased to 1,195 barrels of oil equivalent per day ("boepd") compared to a 2009 average of 365 boepd;**
- **At 31 December 2010 the Group had 89.4 million barrels of oil equivalent ("boe") of net proven and probable reserves (approximately 89.2 million boe of which is independently assessed by RPS Energy and Blackwatch Petroleum);**
- **Two further gas fields placed on production in the Netherlands in 2010, bringing total fields in production to six;**
- **Completion of 1,520 km2 3D seismic survey, and processing and interpretation thereof, over four permits in partnership with Shell Italia covering the Thrust and Fold Belt offshore Sicily;**
- **Shell Italia appointed as "Rappresentante Unico" (the sole representative with respect to the Italian authorities), while Northern remains Operator, allowing Shell Italia to advance discussion with the Italian authorities concerning future activities on the Thrust and Fold Belt permits;**
- **New partner, Azimuth Limited, in southern Adriatic permits containing 53.2 million barrels of probable reserves;**
- **Farmout to Orca Exploration Group Inc. of La Tosca prospect in the Po Valley; and**
- **Oil discovery announced at Markwells Wood, soon to be tested.**

Financial:

- **The Group achieved record revenues of €15 million;**
- **Northern made a pre tax loss of €0.02 million for the year, as a consequence of additional non cash depletion and impairment charges of approximately €3 million;**
- **The Group made capital investments of €13.7 million to develop its reserves and resources; and**
- **At the end of 2010 Northern had €21.4 million of cash, plus €2.4 million of working capital; and**
- **As at 3 June 2011 Northern had €23 million of cash.**

OUTLOOK:

- **The forecasted range for 2011 Group production is 1,550 to 1,650 boepd, given the assumption of approximately three months of downtime to allow for remedial action at Wijk en Aalburg;**
- **As 2012 production depends on outcome of Wijk en Aalburg remedial action and future testing and drilling operations, Northern is planning on providing guidance later in 2011;**
- **One 2D and two 3D seismic surveys planned in 2011 on Southern Adriatic permits, allowing for the progression of Rovesti and Giove discoveries alongside our new partner Azimuth;**
- **Northern is planning the Papekop-2 and Geesbrug-2 wells for drilling late 2011 / early 2012;**
- **Long term testing of Ottoland and Markwells Wood discoveries in planning for summer 2011;**
- **Result from Tullow operated Guyane well likely in August;**
- **Drilling of the La Tosca prospect in late 2011; and**
- **Ongoing investigation of considerable potential for oil shales identified in southwest of The Netherlands.**

RESULTS SUMMARY

	Year ended 31 December 2010 €'000	Year ended 31 December 2009 €'000
Revenue	**14,968**	5,084
Gross profit	**6,697**	1,482
EBITDA (i)	**5,083**	(2,231)
Adjusted EBITDA (ii)	**6,475**	(174)
Loss for the year	**(1,155)**	(2,151)
Basic loss per share on result for the year	**(1.3) € cents**	(2.9) € cents
Capital expenditure	**13,688**	29,707
Cash and cash equivalents	**21,430**	15,002
Other working capital	**2,466**	3,476
Net assets	**85,371**	73,764
Total Group distributable reserves	**54,039**	54,769
Production (million boe)	**0.44**	0.13
Average revenue, in currency of receipt, per boe:		
Gas	**€32.69**	€33.45
Oil	**$73.58**	$56.43
Unaudited Net Commercial Oil & Gas Reserve Quantities – Proven and Probable reserves (million boe)	**89.45**	102.88

(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.

Richard Latham commented:

“I report a year of progress. We have moved forward delivering on our strategy in Italy to develop two oil discoveries and progress the drilling of our substantial high impact exploration wells without further recourse to dilution of shareholders equity. In the UK we have made an oil discovery at Markwells Wood which is soon to be tested, and are alongside Tullow, Shell and Total drilling the first well in a potential new petroleum province offshore Guyane.

“We have delivered increased gas production and since January 2011 have a positive cash flow, our Group cash increasing to €23 million at 3 June 2011 from €21.4 million at the end of 2010. Recently you have been advised that we are revising our 2011 production forecasts and have made changes to reserves estimates in The Netherlands that were first reported upon by RPS Energy in 2006 and reviewed by them in February 2010. This 2011 revision amounts to a reduction of 13% in previously reported Group proven and probable reserves to 89 million barrels of oil equivalent, which is approximately one barrel per share at 31 December 2010, after production of 0.44 million barrels of oil equivalent during 2010.

“In the year there was a significant increase in revenue to €15 million (2009: €5.1 million). As a consequence of the additional non cash depletion and impairment charges of approximately €3 million arising from the reserves revision, I report a small pre tax loss of €0.02 million (2009: €3.12 million loss).

“At the end of 2010 the cash position was €21.4 million (2009: €15 million), the increase year on year arising from increased cash flow from record production, as well as a €11.5 million equity fund raising in June 2010, more than offsetting capital investment of €13.7 million during the year. Gas prices received during 2010 averaged €32.69 per barrel of oil equivalent (2009: €33.45 per barrel of oil equivalent), and have increased by approximately 13% over the first four months of 2011. The Group has no external debt but has the production and reserve base to obtain debt and the Board is highly likely to seek to make use of this capacity in due course.

“To date we have placed into production four of the six planned oil and gas field developments following our contract with NAM in 2005. With Waalwijk and P12 included, we now generate production from six fields. Average production for the first four months of 2011 has been just over 1,900 barrels oil equivalent per day. However following the reserves revisions, our forecasted range for Group production for 2011 is now 1,550 to 1,650 barrels of oil equivalent per day.

“The revisions to reserves follow an ongoing economic and technical evaluation. Reprocessing of the 3D seismic data over Geesbrug and Wijk en Aalburg fields, plus much of the rest of the Netherlands acreage has been underway for some time. When it has been received and interpreted, the static and dynamic field models will be updated with the production data later this year, it will then be possible to make a further assessment of the reserves.

“The overall plan remains to sustain and increase production from the existing one well fields in The Netherlands through undertaking new drilling and completions on the larger fields, the first of which will be the Papekop-2 and Geesbrug-2 wells, once the current reprocessing of the 3D seismic data and mapping has been concluded. Currently we are moving forward on the production testing of the Markwells Wood and Ottoland oil discoveries.

“The exciting and higher potential activities will, however, be in Italy, as we continue in discussion with existing and potential future new partners to explore and drill our large licence position containing significant prospects with highly material potential, as well as moving forward the developments of the Rovesti and Giove oil fields with 53 million barrels of proven and probable oil reserves. Even allowing for new partners providing the required finance our interests in these projects should remain substantial.

“Together with our partner, Shell Italia, we have mapped and interpreted our 2010 3D seismic survey on four permits in the Thrust and Fold Belt offshore Sicily. This is clearly an area with substantial potential. Drilling success could establish a new oil or gas province. Northern continues to be the Operator of the joint-venture. In April 2011 Northern assigned to Shell Italia the role of "Rappresentante Unico" (the sole representative with respect to the Italian authorities of those permits) to advance discussion with the Italian authorities concerning future activities.

"Azimuth Limited joined us in the southern Adriatic Sea on the two permits containing the Giove and Rovesti oil discoveries and the large Cygnus prospect. Adjustments to the booked reserves in Italy of approximately 8 million barrels of oil equivalent should be expected during 2011 to reflect this welcomed arrival of Azimuth as a new 15% partner in our moves to further explore these permits, as well as to drill and develop the Rovesti and Giove oil discoveries. Subject to governmental consents, we will be acquiring one 2D and two 3D seismic surveys in 2011.

"With the advantage of 3D seismic coverage, we will be better placed to attract additional partners for the drilling of larger exploration targets, and to make progress towards the development of the two oil fields. Our interest in the Rovesti and Giove oil discoveries has been highlighted by the 2007 report of Blackwatch Petroleum Services, which assigned a Net Present Value (NPV@10%) of $610 million after tax assuming a $70 oil price and initial production rates of 9,000 and 20,000 barrels of oil per day from Rovesti and Giove respectively. That report assumed that two new build Floating Production and Storage Offloading vessels ("FPSO") would be purchased rather than leased. Interest in our permits will no doubt be enhanced by the recent news that, in an adjacent production concession, Eni will redevelop the Aquila oil field this year with a new build FPSO, and have announced plans for eight years of additional production with an initial rate of 9,000 barrels of oil per day.

"Also in the southern Adriatic Sea, we have seven applications which can no longer be applied for by others. These contain a significant number of additional exploration prospects. We look forward to the important award of these further permits and embarking upon the exploration of the wider area in this proven petroleum province. Increasing recognition by the oil industry of the exploration potential in the Adriatic is also demonstrated by our and other significant companies' expressions of interest in the announced Montenegro licensing round.

"Within the Longastrino permit in the Po Valley, our new partner is Orca Exploration Group Inc. The drilling of the La Tosca prospect is scheduled for later this year. Orca will be funding all costs to the budgeted level for drilling and testing at which point Northern will retain a minimum 25% interest in this permit. A site has been selected and we now await governmental authorisations to proceed to drilling.

"In the Sicily Channel, whilst some secondary prospects in C.R147.NP offshore of Pantelleria are located within an area that has been banned from drilling under the 2010 Environmental Act, the primary prospects to the north lie outside the 12 nautical mile zone covered by that Act and therefore unaffected. The outlook for these prospects has been improved by the Lambouka gas discovery made by ADX Energy in 2010 nearby and down dip in Tunisian waters. We are putting a drilling programme together to cover two C.R147.NP prospects and the larger Vesta prospect in C.R146.NP adjacent to the boundary with Malta. The timing is a matter of some difficulty in the contracting of rigs, which will need to undertake modifications to satisfy EU standards, that are primarily deployed in the Eastern Mediterranean.

"I believe that the upside potential and value of our Italian projects is significant, and of a different order of magnitude to the ventures in The Netherlands, so increasingly our focus and priorities will be aimed towards them. Importantly as previously mentioned the majority of our projects lie beyond the 12 nautical mile limit that is the subject of the 2010 new Law as advised to you on 2 July 2010.

"Of interest to shareholders is our participation, albeit a small 1.25% net beneficial interest, in the Tullow, Shell, and Total well offshore Guyane, currently drilling the Zaedyus prospect, a 300–700 million barrel target. Although not in a core area, this well represents another good exploration project for Northern. If successful, there is the possibility that a new petroleum province will be opened up and at least six further similar structures have been mapped. The Zaedyus prospect alone offers an attractive upside, which if within the target range, offers a finding cost considerably under $1 per barrel to Northern.

“The projects in the south of England have been reviewed. Three oil discoveries are involved, as well as a small level of oil production from the Horndean and Avington fields. At current oil prices the oil discoveries are potentially valuable assets as summarised in an RPS Energy report of April 2010. Whilst we stated a willingness to sell these assets to a buyer finding them more strategically interesting, Northern remains steadfast in its intent on realising an appropriate value for shareholders.

“The values of these projects have been enhanced by the rise in oil prices and would be even further so by the successful testing of oil this summer at Markwells Wood in West Sussex following the December 2010 discovery. Detailed analysis of the core taken in the Great Oolite reservoir is ongoing to determine the details of the programme and in particular the reservoir completion treatments.

“As the Markwells Wood, Baxter Copse and Hedge End oil discoveries offer a good profit potential it is in shareholders' interests that these projects continue. We expect that progress will be made through 2011 and into 2012.

“The Markwells Wood operation was a great example of Northern's ability to work with the local community in deploying best practices of the modern oil industry. The Company's targets are second to none in being a good corporate neighbour with a very high level of respect for the total environment. I am grateful for all the kind words and accolades on the Markwells Wood operations, and thank the Northern team for their deep seated commitment to best practice – just as they also achieved favourable comment among the local communities in The Netherlands. Northern takes great pride in its performance during the drilling operations, and its ability to conduct this with a very low level of impact on the local community, the constructive interaction with whom enabled a reduced disruption from our operations.

“A degree of optimism can be taken from the results of a study initiated with the encouragement of EBN, The Netherlands state oil company. In recent months NuTech Energy Alliance, a firm of US consultants expert in the field of oil and gas shale investigation, conducted an examination of the potential of shales in the southwest of the Netherlands. The view of the chosen US expert consultants is very encouraging and shareholders should find the description in the Operations Report to be of interest.

“For the year 2010 the Board is continuing the practice of not recommending payment of a dividend. The Company's financial resources will be committed to investing in the Company's assets.

“We have come a long way since the 1999 reorganisation of an ailing Russian orientated company. We are now in areas of low political risk and we are in production from six gas fields and two oil fields.

“In The Netherlands we have proven ourselves to be a good corporate citizen and a full cycle company capable of drilling wells and placing fields into production and have the opportunity and plans to expand upon this base. We have made an oil discovery in our UK onshore portfolio. In Italy we have assembled, and are exploring, a large licence position, predominantly offshore, and continue to introduce new partners in conformity with our strategy. We have pride and distinction in that we remain Operator in our six licence venture with Shell Italia. I await with interest the results of the well currently drilling the Zaedyus prospect offshore Guyane.

“Shareholders will recognise that, for the foreseeable future, we will continue to be a project rich company. That fortunate position leads us to continue a strategy of seeking, through trading and farmouts, to realise an early value from some assets to fund the growth plans of the Group.

“On this basis I can advise that your Board looks to the future with confidence as it increases the pace of activities as swiftly as possible within the constraint of avoiding further dilution of shareholders' equity. The next 18 months will prove to be a critical period of potential value creation for the Company as the high impact Italian assets are de-risked and further explored.

"Vital to Northern's success are the people who help us to unlock the potential within the portfolio. On behalf of the Board I thank them all for their continued commitment and the achievements of the last year."

R H R Latham
Chairman of the Board

7 June 2011

Operations Review

A more detailed review of Northern's extensive portfolio of assets is included in the Review of Operations within the 2010 Annual Report.

Production, Reserve and Capex Guidance

On 27 May 2011, Northern announced that it would be revising its 2011 production forecasts and is making changes to reserve estimates in the Netherlands. The adjustments concern three of the five gas fields operated by Northern. Following the update, the Group has 89.4 million barrels of oil equivalent of net proven and probable reserves.

The revisions to reserves follow an ongoing economic and technical evaluation. Reprocessing of the 3D seismic data over Geesbrug and Wijk en Aalburg fields, plus much of the rest of the Netherlands acreage has been underway for some time. When it has been received and interpreted, the static and dynamic field models will be updated with the production data later this year, it will then be possible to make a further assessment of the reserves.

The revisions were as follows:

Fields	Previous 1P Gas (Bscf)	Revised 1P Gas (Bscf)	Previous 2P Gas (Bscf)	Revised 2P Gas (Bscf)
Geesbrug	73.63	60.22	137.85	72.79
Grolloo	6.44	2.29	10.52	3.00
Wijk en Aalburg	3.82	0.36	5.49	2.83

The above revisions reduce the Group's 2P reserves by 75.24 Bscf, which is the equivalent of 12.97 million barrels of oil equivalent (13%), to 89.4mboe of net 2P reserves.

The forecasted range for 2011 Group production is now 1,550 to 1,650 boepd.

Average production for the first four months of 2011 has been just over 1,900 barrels oil equivalence per day. The difference between this and the above production guidance for 2011 is largely down to Northern's expectation of significant downtime at Wijk en Aalburg in the second half of 2011 while we seek to address and hopefully resolve the issues causing the increasing quantities of oil, followed by increasing quantities of water, which have affected production levels. As a first step in the determination of possible interventions down-hole gauges were placed in the well on 25 May, which was thereafter shut in to allow for pressure build up.

The carrying value of the Wijk en Aalburg field as at 31 December 2010 is approximately €8 million. If the well interventions are ultimately unsuccessful, then Northern would expect to see significant non cash depletion and impairment charges to the income statement within the results for the year ending 31 December 2011, the exact quantum of which would depend on, inter alia, future field performance and gas prices.

Northern expects to make capital investments of approximately €15 million in 2011 developing its reserves and resources.

In accordance with the AIM Rules – Guidance for Mining and Oil & Gas Companies, the information contained in this announcement has been reviewed and signed off by the Exploration and Technical Director of Northern, Mr Graham Heard CGeol FGS, who has over 35 years experience as a petroleum geologist.

- Ends -

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Notes to Editors:

Further information on Northern is available at www.northpet.com

Consolidated Income Statement

For the year ended 31 December 2010

	Notes	Year ended 31 December 2010 €'000	Year ended 31 December 2009 €'000
Revenue		**14,968**	5,084
Production costs		**(4,884)**	(2,077)
Depletion and amortisation – property, plant & equipment		**(3,387)**	(1,525)
Cost of sales		**(8,271)**	(3,602)
Gross profit		**6,697**	1,482
Pre-licence costs		**(593)**	(847)
Administrative expenses – other		**(4,246)**	(2,565)
Administrative expenses – share incentives		**(359)**	(1,927)
Administrative expenses – total		**(4,605)**	(4,492)
Profit / (loss) from operations		**1,499**	(3,857)
Finance costs		**(1,524)**	(552)
Finance income		**17**	1,365
Share of operating loss of joint ventures & associates		**(8)**	(80)
Loss before tax		**(16)**	(3,124)
Tax (expense) / credit		**(1,139)**	973
Loss for the year		**(1,155)**	(2,151)
Basic earnings per share on loss for the year	**3**	**(1.3) cents**	(2.9) cents
Diluted earnings per share on loss for the year	**3**	**(1.3) cents**	(2.9) cents

All results are from continuing activities and are attributable to equity shareholders of the parent.

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2010

	Year ended 31 December 2010 €'000	Year ended 31 December 2009 €'000
Loss for the year	**(1,155)**	(2,151)
Exchange differences on translation of foreign operations	**164**	(41)
Other comprehensive income/(loss) for the year, net of income tax	**164**	(41)
Total comprehensive loss for the year	**(991)**	(2,192)

All amounts are attributable to equity shareholders of the parent.

Consolidated Statement of Financial Position

at 31 December 2010

	Notes	2010 €'000	2009 €'000
Assets			
Non-current assets			
Intangible assets	**4**	**31,810**	27,880
Property, plant and equipment	**5**	**58,123**	45,895
Investments in joint ventures		**579**	259
Investments in associates		**15**	15
Loans and other receivables	**6**	**129**	118
		90,656	74,167
Current assets			
Inventories		**124**	98
Trade and other receivables	**6**	**8,668**	14,376
Cash and cash equivalents		**21,430**	15,002
		30,222	29,476
Total assets		**120,878**	103,643
Liabilities			
Current liabilities			
Trade and other payables		**6,326**	8,103
Corporation tax liability		**-**	2,895
		6,326	10,998
Non-current liabilities			
Trade and other payables		**30**	169
Provisions		**16,286**	9,564
Deferred tax liabilities		**12,865**	9,148
		29,181	18,881
Total liabilities		**35,507**	29,879
Net assets		**85,371**	73,764
Capital and reserves			
Share capital	**7**	**5,768**	4,983
Share premium		**11,501**	194
Merger reserve		**10,289**	10,289
Special reserve (Distributable)		**28,428**	28,410
Special reserve (Un-distributable)		**155**	173
Share incentive plan reserve		**3,964**	3,865
Foreign currency translation reserve		**(345)**	(509)
Retained earnings		**25,611**	26,359
Total equity		**85,371**	73,764

All amounts are attributable to equity shareholders of the parent.

Consolidated Statement of Cash Flows
for the year ended 31 December 2010

	Year ended 31 December 2010 €'000	Year ended 31 December 2009 €'000
Cash flows from operating activities		
Loss before tax	**(16)**	(3,124)
Depletion and amortisation	**3,387**	1,525
Depreciation – non oil and gas property, plant and equipment	**205**	181
Foreign exchange loss / (gain)	**348**	(567)
Finance income	**(17)**	(798)
Finance charges	**1,176**	552
Share based payments	**799**	1,210
Expenses settled by issue of shares	**65**	63
Share of operating loss in associate	**8**	80
Net cash inflow / (outflow) before movements in working capital	**5,955**	(878)
Increase in inventories	**(26)**	(43)
Decrease in trade and other receivables	**8,247**	9,831
(Decrease) / increase in trade and other payables	**(2,539)**	2,127
Net cash inflow from changes in working capital	**5,682**	11,915
Taxes paid	**(2,857)**	(964)
Net cash inflow from operating activities	**8,780**	10,073
Cash flows from investing activities		
Interest received	**17**	178
Interest paid	**(6)**	(69)
Purchase of property, plant and equipment	**(9,526)**	(16,939)
Expenditure on exploration and evaluation assets	**(2,835)**	(12,768)
Purchase of other intangible assets	**(999)**	-
Investment in joint venture company	**(328)**	(183)
Acquisition costs of ATI net of cash and cash equivalents acquired	**-**	(727)
Net cash outflow from investing activities	**(13,677)**	(30,508)
Cash flows from financing activities		
Issue of ordinary shares net of fees associated with placing	**11,464**	-
Proceeds from the exercise of equity warrants	**270**	60
Net cash inflow from financing activities	**11,734**	60
Net increase / (decrease) in cash and cash equivalents	**6,837**	(20,375)
Cash and cash equivalents at start of year	**15,002**	34,927
Effect of exchange rate movements	**(409)**	450
Cash and cash equivalents at end of year	**21,430**	15,002

Other than the ATI acquisition in 2009 there have been no significant non-cash transactions during either year.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2010

	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 2009	4,488	23,964	-	4,698	2,384	(468)	28,479	63,545
Total comprehensive loss for the year	-	-	-	-	-	(41)	(2,151)	(2,192)
Cancellation of share premium account	-	(23,885)	-	23,885	-	-	-	-
Issue of shares during the year	8	115	-	-	-	-	-	123
ATI acquisition	487	-	10,289	-	302	-	-	11,078
Equity share warrants exercised	-	-	-	-	(31)	-	31	-
Share based payments	-	-	-	-	1,210	-	-	1,210
At 31 December 2009	**4,983**	**194**	**10,289**	**28,583**	**3,865**	**(509)**	**26,359**	**73,764**
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**-**	**164**	**(1,155)**	**(991)**
Issue of shares during the year - placing	**715**	**11,437**	**-**	**-**	**-**	**-**	**-**	**12,152**
Costs and fees associated with share placing	**-**	**(688)**	**-**	**-**	**-**	**-**	**-**	**(688)**
Issue of shares during the year - warrants and staff bonus	**70**	**558**	**-**	**-**	**(293)**	**-**	**-**	**335**
Equity share warrants exercised	**-**	**-**	**-**	**-**	**(407)**	**-**	**407**	**-**
Share based payments	**-**	**-**	**-**	**-**	**799**	**-**	**-**	**799**
At 31 December 2010	**5,768**	**11,501**	**10,289**	**28,583**	**3,964**	**(345)**	**25,611**	**85,371**

All amounts are attributable to equity shareholders of the parent.

Notes to the Group Financial Statements

at 31 December 2010

1. BASIS OF PREPARATION

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2010 or 2009 but is derived from those accounts. Statutory accounts for 2009 have been delivered to the Registrar of Companies, and those for 2010 will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006 in respect of the accounts for 2009 and 2010.

Going concern basis of preparation

After consideration of the guidance provided to company directors by the Financial Reporting Council (FRC) in the document "Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009" the Directors consider the use of the going concern basis of accounting is appropriate for the Company because no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors.

The Company has processes in place in order to ensure a reasonable cash balance is maintained at all times. The Company continually monitors its cash balances and these are reported to the Board at least weekly. The Board also reviews the forecast cash balance at the end of each of the next twelve months on a rolling basis. Before making a decision to add new commitments the Board considers the risks to the delivery of these cash forecasts.

The Group has created a substantial range of projects and opportunities many of which are described in this Annual Report and Accounts. It is clear that the Group can only fund a very small portion of these opportunities, and clearly not the capital intensive offshore projects, from its current cash balances. Some projects will be funded from cash flow from production, whilst others will have to wait on cash created by trading of assets and other projects will require farming out before they can progress. The Group has no external debt but now has the production and reserve base to obtain debt and the Board is highly likely to seek to use this capacity to fund some projects. In addition the Company has authority from its shareholders to raise cash by the issue of new shares to fund its programmes.

After making appropriate enquiries, the Directors have a reasonable expectation that the Group has adequate resources to meet all its commitments and to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

2. ACCOUNTING POLICIES

The financial information presented in this results announcement for the year ended 31 December 2010 has been prepared in accordance with International Accounting Standards and International Financial Reporting Standards as adopted by the European Union at 31 December 2010.

The principal accounting policies applied in the preparation of these consolidated group financial statements are set out in the 2009 Annual Report. These policies have been consistently applied to all the years presented, unless otherwise stated.

Changes in accounting policies

In the current year, the following new and revised standards and Interpretations have been adopted but have had no effect on the amounts reported in these group financial statements.

(i) Standards affecting the reported results and financial position

Revised IFRS 3 - Business Combinations

The revised standard applies prospectively to business combinations made after 1 January 2010. Business combinations which took place before 1 January 2010 do not need to be restated as a result of the adoption of this standard. The most significant changes to the Group's previous accounting policies for business combinations are as follows:

- all transaction costs which previously could be capitalised are now expensed as they are incurred;
- any pre-existing equity interest in the entity acquired is re-measured to fair value at the date of obtaining control, with any resulting gain or loss recognised in the income statement; and
- any changes to the cost of an acquisition, including contingent consideration, resulting from events after the date of acquisition are recognised in the income statement.

IAS 38 – Intangible Assets

The IASB issued amendments to IAS 38 in April 2009, which clarifies the description of valuation techniques commonly used to measure the fair value of intangible assets acquired in a business combination for which no active market exists.

IAS 27 – Consolidated and Separate Financial Statements
The amendments to IAS 27 (2008), arising due to the amendments to IFRS 3, reflect changes to the accounting for non-controlling (minority) interest and deal primarily with the accounting for changes in ownership interests in subsidiaries after control is obtained, the accounting for the loss of control of subsidiaries, and the allocation of profit or loss to controlling and non-controlling interests in a subsidiary.

IFRS 2 – Share based payments
In June 2009 IFRS 2 was amended to clarify the scope and accounting for group cash-settled share based payment transactions in the separate financial statements of the entity receiving the goods or services, when that entity has no obligation to settle the share based transaction.

IAS 36 – Impairment of assets
In April 2009 IAS 36 was amended to state that the largest unit to which goodwill is allocated is operating segment level as defined in IFRS 8 before applying the aggregation criteria of IFRS 8.12.

(ii) Standards affecting presentation and disclosure

IAS 1 – Presentation of Financial Statements
In April 2009 IAS 1 "Presentation of Financial Statements" was amended to state that the classification of the liability component of a convertible instrument as current or non-current is not affected by terms that, at the option of the holder, result in settlement of the liability through issue of equity instruments.

IAS 7 – Statement of Cash Flows
In April 2009 the IASB issued amendments to IAS 7 "Statement of Cash Flows" which requires that only expenditure that results initially in the recognition of an asset may be classified as a cash flow from investing activities.

3. LOSS PER SHARE
Basic earnings or losses per share amounts are calculated by dividing the 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.

	2010	2009
	€'000	€'000
Net loss attributable to equity holders used in basic calculation	**1,155**	2,151
Net loss attributable to equity holders used in dilutive calculation	**1,155**	2,151

	Number	Number
	'000	'000
Basic weighted average number of shares	**86,094**	75,184
Dilutive potential of ordinary shares:		
Warrants exercisable under Company schemes	**-**	-
Diluted weighted average number of shares	**86,094**	75,184

The calculation of the diluted EPS assumes all criteria giving rise to the dilution of the EPS are achieved.

4. INTANGIBLE ASSETS

a) Exploration and Evaluation Assets

Intangible assets consist of the Group's exploration projects which are pending determination of technical feasibility and commercial viability of extracting a mineral resource.

	United Kingdom €'000	Italy €'000	Netherlands €'000	Other EU €'000	Total €'000
Cost:					
At 1 January 2010	**4,479**	**9,629**	**13,753**	**188**	**28,049**
Additions	**718**	**589**	**1,527**	**1**	**2,835**
Transfers	**-**	**-**	**(44)**	**-**	**(44)**
Exchange movement	**138**	**-**	**-**	**2**	**140**
At 31 December 2010	**5,335**	**10,218**	**15,236**	**191**	**30,980**
Exploration expenditure written off:					
At 1 January 2010	**42**	**-**	**99**	**28**	**169**
Exchange movement	**-**	**-**	**-**	**-**	**-**
At 31 December 2010	**42**	**-**	**99**	**28**	**169**
Net book value:					
At 31 December 2010	**5,293**	**10,218**	**15,137**	**163**	**30,811**

b) IT systems

	Computer software €'000
Cost:	
At 1 January 2010	**-**
Additions	**999**
At 31 December 2010	**999**
Depreciation:	
At 1 January 2010	**-**
Charge for the year	**-**
At 31 December 2010	**-**
Net book value:	
At 31 December 2010	**999**

The additions of €999,000 above comprise software and implementation costs for a new IT system. The IT system is due to go live in 2011 and no depreciation has been charged in 2010 (2009: Nil).

5. PROPERTY, PLANT AND EQUIPMENT

a) Oil and Gas Assets

	Oil and Gas Assets (Netherlands) - Developed	Oil and Gas Assets (Netherlands) -Undeveloped	Oil and Gas Assets (UK) - Developed	Oil and Gas Assets (UK) - Undeveloped	Oil and Gas Assets (Italy) - Undeveloped	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Cost:						
At 1 January 2010	**22,043**	**12,810**	**745**	**778**	**16,352**	**52,728**
Additions	**8,476**	**5,519**	**16**	**1,066**	**258**	**15,335**
Disposal	**(119)**	**-**	**-**	**(25)**	**-**	**(144)**
Transfers	**10,952**	**(10,908)**	**-**	**-**	**-**	**44**
Adjustments	**231**	**-**	**-**	**-**	**-**	**231**
Exchange movement	**-**	**-**	**20**	**20**	**-**	**40**
At 31 December 2010	**41,583**	**7,421**	**781**	**1,839**	**16,610**	**68,234**
Depletion and amortisation:						
At 1 January 2010	**6,735**	**-**	**466**	**-**	**-**	**7,201**
Charge for the year	**2,738**	**-**	**72**	**-**	**-**	**2,810**
Impairment loss	**577**	**-**	**-**	**-**	**-**	**577**
Disposal	**(119)**	**-**	**(25)**	**-**	**-**	**(144)**
Exchange movement	**-**	**-**	**13**	**-**	**-**	**13**
At 31 December 2010	**9,931**	**-**	**526**	**-**	**-**	**10,457**
Net book value:						
At 31 December 2010	**31,652**	**7,421**	**255**	**1,839**	**16,610**	**57,777**

b) Non Oil and Gas Assets

	Leasehold improvements	Computer and office equipment	Motor vehicles	Total
	€'000	€'000	€'000	€'000
Cost:				
At 1 January 2010	**303**	**601**	**-**	**904**
Additions	**-**	**147**	**36**	**183**
At 31 December 2010	**303**	**748**	**36**	**1,087**
Depreciation:				
At 1 January 2010	**178**	**358**	**-**	**536**
Charge for the year	**76**	**126**	**3**	**205**
At 31 December 2010	**254**	**484**	**3**	**741**

Net book value:

At 31 December 2010	**49**	**264**	**33**	**346**

6. TRADE AND OTHER RECEIVABLES

	2010 €'000	2009 €'000
Non-current assets		
Loans	**129**	118
	129	118
Current assets		
Trade receivables	**1,833**	1,590
Other receivables	**95**	4,208
Corporation tax	**2,540**	144
VAT recoverable	**347**	3,530
Prepayments and accrued income	**3,853**	4,904
Total trade and other receivables	**8,797**	14,494

7. SHARE CAPITAL

	2010 €'000	2009 €'000
Authorised:		
311,316,404 (2009: 311,316,404) ordinary shares of 5p each	**19,648**	19,648
Allotted, issued, called up and fully paid:		
91,987,445 (2009: 78,987,248) ordinary shares of 5p each	**5,768**	4,983

The ordinary shares above all hold the same voting rights and there are no restrictions on the distribution of dividends.

8. APPROVAL BY DIRECTORS

The results for the year ended 31 December 2010 were approved by the Directors on 7 June 2011.

9. ANNUAL REPORT AND ACCOUNTS

The Annual Report and Accounts will today be made available in electronic format on the Company's website, www.northpet.com, and will shortly be posted to shareholders. Following posting, the Annual Report will also be available free of charge for a period of not less than one month by application to the Company Secretary at the Company's registered office being Martin House, 5 Martin Lane, London, EC4R 0DP.