

14 July 2011

Northern Petroleum

Year End	Revenue (€m)	PBT* (€m)	EPS* (c)	DPS (c)	P/E (x)	Yield (%)
12/09	5.1	(3.6)	(2.7)	0.0	N/A	N/A
12/10	15.0	(0.0)	(1.3)	0.0	N/A	N/A
12/11e	22.5	10.2	7.7	0.0	12.0	N/A
12/12e	24.0	8.4	5.8	0.0	16.0	N/A

Note: *PBT and EPS are normalised, excluding intangible amortisation and exceptional items.

P/E calculated based on € 1.15/£.

Investment summary: Italian permit update

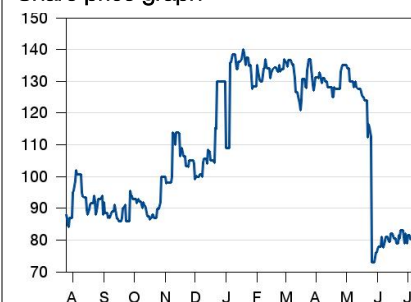
Northern has issued an update on its portfolio of offshore Italian permits following the August 2010 legislative decree affecting offshore exploration. Although getting clarity from authorities remains difficult, we are encouraged with Northern's progress to date, both to agree boundary limits for marginally impacted permits, and to protect mature permits from expiry while commercial negotiations are ongoing. The main takeaway, though, is that key projects remain unaffected, with particular focus remaining on post farm-out net reserves of 45mmbbls and multi-billion barrel resources in the Southern Adriatic, along with high-impact exploration potential both West of Sicily and in the Sicily Channel.

Northern has successfully applied for reshaping of permits both in the Southern Adriatic (d149D.R-.NP) and West of Sicily (d25G.R-.NP) where there is only minor aerial impact based on the exploration decree. This removes considerable uncertainty around these permits. Additionally the company has successfully suspended five mature permits West of Sicily and in the Sicily Channel, protecting them from expiring while both potential farm-out agreements and rig contracts can be negotiated.

Italian focus now turns to exploration activities. Seismic surveys over uncontested permits in the Southern Adriatic are now key as Northern seeks to develop post farm-out 2P reserves of 45mmbbls while de-risking the surrounding area. Meanwhile technical and commercial activities continue West of Sicily and in the Sicily Channel.

Price 80.5p
Market Cap £75m

Share price graph



Share details

Code NOP
Listing AIM
Sector Oil & Gas
Shares in issue 93.2m

Price

52 week High 140.0p Low 73.0p

Business

Northern Petroleum is an oil and gas production, development, exploration and asset trading company with political exposure limited to countries in the European Union.

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