Northern Petroleum Plc

Interim Report 2010

Adding and realising shareholder value

Contents

The Company

Northern Petroleum is an oil and gas explorer and producer, operating in areas of low risk. The Company strategy is to obtain and develop concentrated licence positions holding high quality prospects without paying high entry costs.

Through undertaking geological, geophysical and engineering work Northern adds and realises value from these licences for shareholders. 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 its skillful technical team.

Northern is listed on AIM in London.

Financial Highlights

	Six months ended 30 June 2010 (Unaudited) €'000	Six months ended 30 June 2009 (Unaudited) €'000
Revenue	**7,013**	2,801
Profit / (loss) before tax	**2,286**	(531)
Profit / (loss) for the period	**885**	(73)
Basic earnings per share on profit / (loss) for the period	**1.11 cents**	(0.1) cents
Diluted earnings per share on profit / (loss) for the period	**1.06 cents**	(0.1) cents
Cash and cash equivalents	**25,815**	27,942
Other working capital	**434**	12,275
Net assets	**87,287**	75,602
Total distributable reserves	**55,846**	32,950
Capital expenditure	**6,793**	9,083
Average revenue, in currency of receipt, per attributable boe:		
Gas	**€29.57**	€42.63
Oil	**$73.97**	$48.07
Net Commercial Oil & Gas Reserve Quantities		
– Proven and Probable reserves (million boe)	**102.67**	102.99

Highlights

Financial highlights:

- Production revenues increased to €7.01million, up 150% on comparative period, resulting in a pre-tax profit of €2.29million
- €12.2million (£10million) raised during period via a placement of 11,764,706 new shares at 85 pence per share
- Reserve based debt finance discussions to continue now that the Brakel gas field is on stream

Other highlights:

- Production volumes for H1 were 214,000 boe, up 250% from the comparative period in 2009
- Brakel production now commenced, with Wijk en Aalburg to follow; once latter on stream Northern forecast production rate in excess of 2,250 boepd
- Offshore West of Sicily permits in partnership with Shell Italia E&P S.p.A. – fast track 3D volume completed and interpretation commenced to select a drilling location
- UK – Havant well site built, preparing to drill Markwells Wood; sale of non-core UK assets to take place only if it meets corporate objectives and fairly reflects RPS value

Outlook:

- La Tosca prospect (Longastrino permit) is being progressed for drilling in 2011; farmout agreement is likely to be reached shortly
- Drilling of three wells, Geesbrug-2, Papekop-2 and North Ottoland in The Netherlands planned for H2 2011/Q1 2012; The Netherlands development drilling planned for H2 2011 at Geesbrug gas field and from the existing Papekop site, once a new road is built for rig access; testing of Ottoland well planned for H1 2011 subject to planning consents, final design and procurement of equipment
- Portion of June 2010 placing funds principally allocated to date on: seismic re-processing across The Netherlands portfolio; testing and hydraulic fracturing of the Carboniferous at Tiendeveen, planned for late 2010 or early 2011, subject to permits; planning for drilling Ottoland North (47.2bcf) prospect in the Utrecht Licence for Q4 2011/Q1 2012
- Further wells on Oosterwolde and Utrecht (Everdingen South) planned for 2012, alongside EBN (Energie Beheer Nederlandse B.V.), who have elected for the first time in The Netherlands to enter three of NOP's onshore exploration licences
- Northern participating alongside Tullow, Shell and Total in the drilling of an exploration well offshore Guyane with a spud date expected in Q1 2011

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

at 30 June 2010

Volumes – Group	Oil Million Bbl	**Total** Gas bcf	Petroleum Million boe
At 31 December 2009	**70.84**	**185.85**	**102.88**
Changes during the period:			
Acquisitions	–	–	–
Extensions, discoveries and other additions	–	–	–
Production	–	**(1.22)**	**(0.21)**
Disposals	–	–	–
At 30 June 2010	**70.84**	**184.63**	**102.67**

Volumes and categorisation by location – Group	Oil Million Bbl	**Total** Gas bcf	Petroleum Million boe
At 30 June 2010			
Proven reserves	**6.54**	**108.02**	**25.16**
Probable reserves	**64.30**	**76.61**	**77.51**
	70.84	**184.63**	**102.67**
At 31 December 2009			
Proven reserves	6.54	109.24	25.37
Probable reserves	64.30	76.61	77.51
	70.84	**185.85**	**102.88**

	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 2010									
Proven reserves	**0.78**	–	**0.78**	**5.76**	**108.02**	**24.38**	–	–	–
Probable reserves	**6.24**	–	**6.24**	**4.90**	**76.61**	**18.11**	**53.16**	–	**53.16**
	7.02	–	**7.02**	**10.66**	**184.63**	**42.49**	**53.16**	–	**53.16**
At 31 December 2009									
Proven reserves	0.78	–	0.78	5.76	109.24	24.59	–	–	–
Probable reserves	6.24	–	6.24	4.90	76.61	18.11	53.16	–	53.16
	7.02	–	**7.02**	**10.66**	**185.85**	**42.70**	**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 at year end as determined since the year end by RPS Energy in an independent valuation of some of the Group's oil and gas assets in the Weald Basin. Further information is given in note 13 to the 2009 Report & Accounts.
3. Proven and probable reserves in The Netherlands, with the exception of the Waalwijk and P12 gas fields represent the Group's reserves as determined since the year end by RPS Energy in an independent valuation of some of the Group's oil and gas assets in The Netherlands. Further information is given in note 13 to the 2009 Report & Accounts. These reserves were originally acquired as a result of the Group's agreements with NAM and through its application for the Papekop production licence. 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. Waalwijk proven and probable reserves are the Group's most recent estimates.
5. P12 reserves as determined by current operator's most recent estimates.
6. 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 2008.
7. Quantities of oil equivalent are calculated using a gas-to-oil conversion factor of 5,800 scf of gas per boe.

Chairman's Statement

This year has been one of steady progress in continuing the development of new production in The Netherlands. Gas production has started from the Brakel field. Production from Wijk en Aalburg will be next and with that we look forward to a forecasted production rate of 2,265 boepd. These are the third and fourth fields that the Group is developing of the six planned, following the 2005 deal with Nederlandse Aardolie Maatschappij (NAM) which assigned five discoveries to Northern.

There is no doubt that in successfully working to meet the environmental considerations and requirements of our neighbours our corporate timelines have been impacted. However, the Board is proud of the completion of new field developments and remains focused on growing production further in due course.

Throughout this period progress has been made, and thereby value added, through the de-risking of a number of exploration prospects. With its greater potential impact, we have continued our work to develop oil and gas exploration plays and prospects on a regional scale. The definition of drilling prospects in both the Southern Adriatic and, with the benefit of the new 3D seismic, in the Thrust and Fold belt offshore Sicily alongside our partner Shell Italia, are a priority for the next twelve months. New prospect defining work in the Southern Adriatic (Italy), Longastrino (Italy), Utrecht (NL), Oosterwolde (NL) and Guyane Maritime licences has resulted from this regional exploration assessment. The Carboniferous formations in the north of The Netherlands in the Drenthe III Licence contain multiple targets across a series of prospects, and we are proposing to test the suspended Tiendeveen-1 well drilled in the same licence last year.

Sales and farm out discussions continue to make progress. In the La Tosca case agreement is likely to be reached, with drilling of the 44bcf prospect planned for 2011. Offers have been received from third parties to purchase other Italian and UK assets. These offers have not been accepted as the Company continues to seek better value for our shareholders.

Italian Environment Ministry legislation preventing near shore drilling is expected to only have minor effect on our core Southern Adriatic prospects and offshore Sicily areas. Suspension of permits C.R146.NP and C.R147.NP has now been confirmed by the Italian authorities.

The Markwells Wood-1 well is planned for drilling later this year with Havant-1 likely to follow on. Other interesting developments in the UK have been the progress towards drilling a well to appraise the Baxter Copse oil discovery and the identification of a seemingly suitable site to drill a well to test and appraise the Hedge End-1 oil discovery.

The Guyane project has seen the entry of both Shell and Total subsidiaries, and the completion of a 2,500 km^2 3D seismic survey. Tullow's expectation is for a first well to be drilled in Q1 2011. The recent emphasis has been upon identifying structures similar to the Jubilee Field in Ghana where the Operator, Tullow, has been successful.

There has been a substantial increase in revenue to €7.01million, up 150% on comparative period, and the Company consequently reports pre-tax profits of €2.29million compared to losses of €0.53million in the first half of 2009. This improvement was the result of new gas production from the Grolloo and Geesbrug fields in late 2009. Total production for the half year was 214,000 barrels of oil equivalent. In the second quarter production was restricted by annual maintenance programmes at both Grolloo and Geesbrug to coincide with NAM's annual shut downs. We look forward to improving revenue and cash flow profiles in the near term following new gas production from both Brakel and Wijk en Aalburg and given current – August 2010 – gas prices being achieved in excess of €5.60/mcf.

In June 2010 Northern successfully placed 11,764,706 new Ordinary Shares of 5 pence each at 85p per new Ordinary Share (the "Placing Price") and raised £10.0 million (€12.2million) (the "Placing") gross. The net proceeds of the Placing are being used to accelerate the development of the most attractive existing pipeline of projects the Group has in the Netherlands and Italy. These projects include the development of existing discoveries to increase production and the drilling of exploration prospects to maintain and increase reserves. Funds will also be used to acquire seismic data in Italy so as to improve the farmout terms and the potential of the Italian assets in order to bring them closer to drilling. The management of Northern are very focused on this accelerated strategy for the future development of the business.

Discussions in respect of reserve based debt finance secured against new production in the Netherlands are scheduled to continue now the Brakel gas field is on stream.

The Board is committed to continue delivering greater production and increase asset value within the strategy of operating in areas of low risk and obtaining and developing concentrated licence positions gaining high quality prospects without paying high entry costs. It is determined to accelerate growth and delivery of improved value for shareholders. I feel that Northern's strong asset base has, and will continue to be, steadily transformed into production and asset sales income.

After the half year end, Nigel Wright who joined as Finance Director on 12th April 2010 left the Company. Chris Foss has re-assumed these responsibilities providing us with continuity which is much appreciated. The Board considers that this change will have no material impact on the Company.

None of the achievements of the first half would have been possible without the dedicated endeavours of my executive colleagues and staff. I would like to take this opportunity to thank them for their hard work.

R H R Latham
Chairman
29 September 2010

"The Board is committed to continue delivering greater production and increase asset value within the strategy of operating in areas of low risk and obtaining and developing concentrated licence positions gaining high quality prospects without paying high entry costs. It is determined to accelerate growth and delivery of improved value for shareholders. I feel that Northern's strong asset base has, and will continue to be, steadily transformed into production and asset sales income."

Consolidated Income Statement

for the six months ended 30 June 2010

	Notes	Six months ended 30 June 2010 (Unaudited) €'000	Six months ended 30 June 2009 (Unaudited) €'000	Year ended 31 December 2009 (Audited) €'000
Revenue		**7,013**	2,801	5,084
Production costs		**(1,924)**	(858)	(2,077)
Depletion and amortisation – property, plant & equipment		**(354)**	(759)	(1,525)
Cost of sales		**(2,278)**	(1,617)	(3,602)
Gross profit		**4,735**	1,184	1,482
Pre-licence costs		**(165)**	(47)	(847)
Administrative expenses – other		**(1,565)**	(1,516)	(2,565)
Administrative expenses – share incentives		**(151)**	(784)	(1,927)
Administrative expenses – total		**(1,716)**	(2,300)	(4,492)
Other operating expenses		**–**	(1)	–
Loss on disposal of assets		**–**	(14)	–
Profit / (loss) from operations		**2,854**	(1,178)	(3,857)
Finance charges		**(599)**	(191)	(552)
Finance income	**2**	**49**	910	1,365
Share of operating loss of joint ventures & associates		**(18)**	(72)	(80)
Profit / (loss) before tax		**2,286**	(531)	(3,124)
Tax (expense) / credit		**(1,401)**	458	973
Profit / (loss) for the period		**885**	(73)	(2,151)
Basic profit / (loss) / earnings per share	**3**	**1.11 cents**	(0.1) cents	(2.9) cents
Diluted profit / (loss) / earnings per share	**3**	**1.06 cents**	(0.1) cents	(2.9) 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 the report.

Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2010

	Six months ended 30 June 2010 (Unaudited) €'000	Six months ended 30 June 2009 (Unaudited) €'000	Year ended 31 December 2009 (Audited) €'000
Profit / (loss) for the period	**885**	(73)	(2,151)
Exchange differences on translation of foreign operations	**539**	411	(41)
Other comprehensive income for the period, net of tax	**539**	411	(41)
Total comprehensive income / (deficit) for the period	**1,424**	338	(2,192)

Consolidated Statement of Financial Position

at 30 June 2010

	Notes	At 30 June 2010 (Unaudited) €'000	At 30 June 2009 (Unaudited) €'000	At 31 December 2009 (Audited) €'000
Assets				
Non-current assets				
Intangible assets		**29,989**	20,475	27,880
Property, plant and equipment	4	**50,623**	31,390	45,895
Investments in joint ventures		**263**	99	259
Investments in associates		**15**	15	15
Loans and other receivables		**388**	103	118
		81,278	52,082	74,167
Current assets				
Inventories		**90**	60	98
Trade and other receivables		**8,319**	20,183	14,376
Cash and cash equivalents		**25,815**	27,942	15,002
		34,224	48,185	29,476
Total assets		**115,502**	100,267	103,643
Liabilities				
Current liabilities				
Trade and other payables		**7,975**	5,272	8,103
Corporation tax liability		**–**	2,696	2,895
		7,975	7,968	10,998
Non-current liabilities				
Trade and other payables		**32**	36	169
Provisions		**9,662**	6,813	9,564
Deferred tax liabilities		**10,546**	9,848	9,148
		20,240	16,697	18,881
Total liabilities		**28,215**	24,665	29,879
Net assets		**87,287**	75,602	73,764
Capital and reserves				
Share capital	5	**5,763**	4,974	4,983
Share premium		**11,421**	23,964	194
Merger reserve		**10,289**	10,289	10,289
Special reserves – distributable		**28,415**	4,544	28,410
Special reserves – undistributable		**168**	154	173
Share incentive plan reserve		**3,770**	3,328	3,865
Foreign currency translation reserve		**30**	(57)	(509)
Retained earnings		**27,431**	28,406	26,359
Total equity		**87,287**	75,602	73,764

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

Consolidated Cash Flow Statement

for the six months ended 30 June 2010

	Six months ended 30 June 2010 (Unaudited) €'000	Six months ended 30 June 2009 (Unaudited) €'000	Year ended 31 December 2009 (Audited) €'000
Cash flows from operating activities			
Profit / (loss) before tax	**2,286**	(531)	(3,124)
Depletion and amortisation	**354**	759	1,525
Depreciation – non oil and gas property, plant & equipment	**104**	93	181
Foreign exchange gain	**(42)**	(151)	(567)
Finance income	**(7)**	(759)	(798)
Finance charges	**599**	191	552
Share based payments	**386**	642	1,210
Expenses settled by issue of shares	**–**	–	63
Share of operating loss in joint venture & associate	**18**	72	80
Net cash inflow / (outflow) before movements in working capital	**3,698**	316	(878)
Decrease / (increase) in inventories	**11**	(2)	(43)
Decrease in trade and other receivables	**6,079**	3,990	9,831
(Decrease) / increase in trade and other payables	**(710)**	(1,026)	2,127
Net cash inflow from changes in working capital	**5,380**	2,962	11,915
Taxes paid	**(2,895)**	(964)	(964)
Net cash inflow from operating activities	**6,183**	2,314	10,073
Cash flows from investing activities			
Interest received	**7**	139	178
Interest paid	**(147)**	(72)	(69)
Purchase of property, plant and equipment	**(5,132)**	(3,643)	(16,939)
Expenditure on exploration and evaluation assets	**(1,661)**	(5,440)	(12,768)
Investment in joint venture company	**–**	(33)	(183)
Loan to joint venture company	**(212)**	–	–
Acquisition costs of ATI net of cash and cash equivalents acquired	**–**	(727)	(727)
Net cash (outflow) / inflow from investing activities	**(7,145)**	(9,776)	(30,508)
Cash flows from financing activities			
Issue of ordinary shares	**11,552**	–	–
Proceeds from the exercise of warrants	**161**	–	60
Net cash inflow from financing activities	**11,713**	–	60
Net increase / (decrease) in cash and cash equivalents	**10,751**	(7,462)	(20,375)
Cash and cash equivalents at start of period	**15,002**	34,927	34,927
Effect of exchange rate movements	**62**	477	450
Cash and cash equivalents at end of period	**25,815**	27,942	15,002

Consolidated Statement of Changes in Equity

for the six months ended 30 June 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 (audited)	**4,488**	**23,964**	**–**	**4,698**	**2,384**	**(468)**	**28,479**	**63,545**
Total comprehensive income for the period	–	–	–	–	–	411	(73)	**338**
Share based payments	–	–	–	–	642	–	–	**642**
ATI acquisition	486	–	10,289	–	302	–	–	**11,077**
At 30 June 2009 (unaudited)	**4,974**	**23,964**	**10,289**	**4,698**	**3,328**	**(57)**	**28,406**	**75,602**
Total comprehensive income for the period	–	–	–	–	–	(452)	(2,078)	**(2,530)**
Cancellation of share premium account	–	(23,885)	–	23,885	–	–	–	**–**
Issue of shares during the period	9	115	–	–	–	–	–	**124**
Equity share warrants exercised	–	–	–	–	(31)	–	31	**–**
Share based payments	–	–	–	–	568	–	–	**568**
At 31 December 2009 (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	**42**	**119**	**–**	**–**	**–**	**–**	**–**	**161**
Issue of shares during the period – staff bonus	**23**	**271**	**–**	**–**	**(294)**	**–**	**–**	**–**
Issue of shares during the period – placing	**715**	**11,510**	**–**	**–**	**–**	**–**	**–**	**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)	**5,763**	**11,421**	**10,289**	**28,583**	**3,770**	**30**	**27,431**	**87,287**

All amounts are attributable to equity shareholders of the parent.

Notes to the Interim Results

for the six months ended 30 June 2010

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 2009. 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 2010 and 30 June 2009 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 2009 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

Adoption of IFRS 3 (Business Combinations) (revised 2008) ('IFRS 3') and IAS 27 (Consolidated and Separate Financial Statements) (revised 2008) ('IAS 27')

Following their adoption by the EU, the Group has adopted IFRS 3 and IAS 27 in the current year. The revised standards apply 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 these standards. 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;
- any changes in the Group's ownership interest subsequent to the date of obtaining control are recognised directly in equity; 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.

On the adoption of the revised standard there has been no effect on the amounts reported in these financial statements.

Notes to the Interim Results

for the six months ended 30 June 2010 (continued)

2. Finance income

	Six months ended 30 June 2010 (Unaudited) €'000	Six months ended 30 June 2009 (Unaudited) €'000	Year ended 31 December 2009 (Audited) €'000
Interest receivable	**7**	139	178
Foreign exchange gains	**42**	151	567
Unwinding of fair value discount on receivables due in more than one year	**–**	620	620
	49	910	1,365

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 2010 (Unaudited) €'000	Six months ended 30 June 2009 (Unaudited) €'000	Year ended 31 December 2009 (Audited) €'000
Net profit / (loss) attributable to equity holders used in basic calculation	**885**	(73)	(2,151)
Net profit / (loss) attributable to equity holders used in dilutive calculation	**885**	(73)	(2,151)
Basic weighted average number of shares	**80,059**	71,395	75,184
Dilutive potential of ordinary shares:			
Warrants exercisable under Company schemes	**3,415**	–	–
Diluted weighted average number of shares	**83,474**	71,395	75,184

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 2010 (Unaudited) €'000	30 June 2009 (Unaudited) €'000	31 December 2009 (Audited) €'000
Oil and gas assets	**49,801**	30,961	45,527
Computer and office equipment and leasehold improvements	**822**	429	368
	50,623	31,390	45,895

5. Share capital

	30 June 2010 (Unaudited) €'000	30 June 2009 (Unaudited) €'000	31 December 2009 (Audited) €'000
Authorised:			
311,316,404 ordinary shares of 5p each	**19,648**	19,648	19,648
Allotted, issued, called up and fully paid:			
91,812,701 (30 June 2009: 78,840,326, 31 December 2009: 78,987,248) ordinary shares of 5p each	**5,791**	4,974	4,983

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

The following issues of new ordinary shares were made during the period:

	Share capital €'000	**Share Premium €'000**	**Total €'000**
For cash as a result of exercise of warrants:			
642,500 ordinary 5p shares	**42**	**119**	**161**
Issued to staff in settlement of bonus:			
418,247 ordinary 5p shares	**23**	**271**	**294**
Issued as a result of placing:			
11,764,706 ordinary 5p shares	**715**	**10,837**	**11,552**
	780	**11,227**	**12,007**

Notes to the Interim Results

for the six months ended 30 June 2010 (continued)

6. Approval by directors

The interim report for the six months to 30 June 2010 was approved by the Directors on 28 September 2010.

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**	**44.34%^**	**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.
^ Transfer to Northern is subject to the usual Government consents.

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	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	100.00%	Northern
Cascina Alberto	Preliminary Award	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	Preliminary Award	Sicily Channel	100.00%	Northern
G.R17.NP	Award	Sicily Channel	45.00%*	Northern
G.R18.NP	Award	Sicily Channel	45.00%*	Northern
G.R19.NP	Award	Sicily Channel	45.00%*	Northern
d21G.R-.NP	Preliminary Award	Sicily Channel	100.00%	Northern
G.R20.NP	Award	Sicily Channel	30.00%*	Northern
G.R21.NP	Award	Sicily Channel	30.00%*	Northern
G.R22.NP	Award	Sicily Channel	30.00%*	Northern
F.R.39.NP	Award	Southern Adriatic	100.00%	Northern
F.R.40.NP	Award	Southern Adriatic	100.00%	Northern
d59F.R-.NP	Preliminary Award	Ionian Sea	100.00%	Northern
d60F.R-.NP	Preliminary Award	Southern Adriatic	100.00%	Northern
d61F.R-.NP	Preliminary Award	Southern Adriatic	100.00%	Northern
d149D.R-.NP	Preliminary Award	Southern Adriatic	100.00%	Northern
d351C.R-.NP	Preliminary Award	Sicily Channel	100.00%	Northern
d63F.R-.NP	Preliminary Award	Ionian Sea	100.00%	Northern
d64F.R-.NP	Preliminary Award	Ionian Sea	100.00%	Northern
d25G.R-.NP	Preliminary Award	Sicily Channel	100.00%	Northern
d26G.R-.NP	Preliminary Award	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**
d362C.R-NP	**Application**	**Sicily Channel**	**100.00%**	**Northern**
d358C.R-EL	**Application**	**Sicily Channel**	**50.00%**	**Petroceltic**

* Assuming farmin obligations by Shell Italia are met.

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 EEL.

Key:

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

Produced by SampsonMay Design
www.sampsonmay.com

Northern Petroleum Plc
Martin House
5 Martin Lane
London EC4R 0DP
Telephone: 020 7469 2900
Facsimile: 020 7469 2901
E-mail: info@northpet.com
Website: www.northpet.com