

5 April 2011

## Northern Petroleum

Year End	Revenue (€m)	PBT* (€m)	EPS* (c)	DPS (c)	P/E (x)	Yield (%)
12/08	7.0	1.7	0.0	0.0	N/A	N/A
12/09	5.1	(3.7)	(3.4)	0.0	N/A	N/A
12/10e	16.9	7.3	6.0	0.0	25.1	N/A
12/11e	34.5	21.8	16.6	0.0	9.1	N/A

Note: \*PBT and EPS are normalised, excluding intangible amortisation and exceptional items. Assumes €1.15/£.

## Investment summary: Shell takes up the reins

Northern Petroleum announced today it has applied to transfer six of its Sicily Channel permits to joint-venture partner, Shell. The transfer of operatorship allows Shell to directly progress the work required to apply for drilling approvals in advance of a final exploration drill decision. It also indicates the joint-venture partners are moving into the drilling phase of the farm-out agreement. Subsurface evaluation is being finalised and, with Shell at the helm, we would expect a drill announcement in the near term.

Northern and Shell Italia E&P S.p.A (Shell) have worked closely together since 2008 when Northern farmed out interests in six of its Sicily Channel permits to Shell. As part of the agreement Northern was carried for back-costs, seismic reprocessing, a further 2D seismic programme and, most recently, a 3D seismic survey across four of the six permits in Q110. Northern has retained operatorship during the seismic phases with Shell expected to assume operatorship for the drilling phase. Today's announcement indicates the partners are moving into the drilling phase.

The six permits contain multiple targets with high prospectivity. The 2010 3D seismic acquired high grade definition over two structures across these permits with estimated combined mean prospective resource of 1.75 billion barrels. Northern's Sicily Channel assets remain unaffected by the near-shore drilling moratorium in Italy, although recent press reports indicate authorities may now be considering lifting this ban.

Price 131p  
Market Cap £121m

## Share price graph



## Share details

Code NOP  
Listing AIM  
Sector Oil & Gas  
Shares in issue 92.0m

## Price

52 week High Low  
140p 84p

## Business

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

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