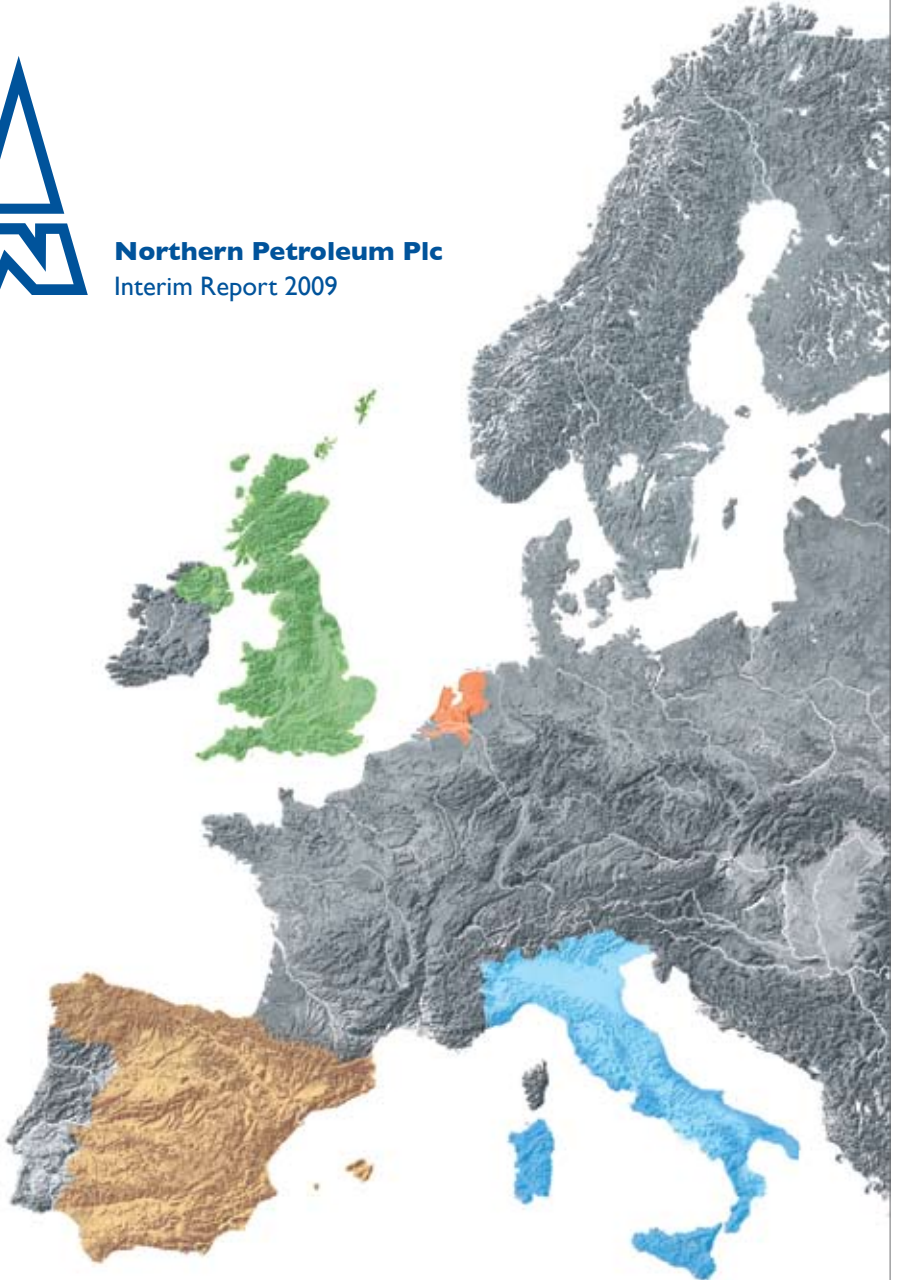




Northern Petroleum Plc
Interim Report 2009



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Netherlands

Licence	Status	Interest	Operator
Onshore – Exploration			
Oosterwolde	Licence	100.00%	Northern
Utrecht	Licence	100.00%	Northern
Andel III	Licence	22.50%	Northern
Drenthe III (Tiendeveen & Lhee)	Licence	22.50%*	Northern
Engelen	Licence	100.00%	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%	
Offshore – Production			
PI2	Licence	23.61%	Wintershall

* Assuming farmin obligations to NAM are met

^ NAM has a 50% net profits interest over half after payback of 130% of Northern's development costs

United Kingdom

Licence	Interest	Operator
Onshore – Exploration		
PEDL 069	5.00%	Sterling Resources
PEDL 089 Area A	70.00%	Northern
PEDL 089 Area B	10.00%	Northern
PEDL 098	62.50%	Northern
PEDL 125	50.00%	Northern
PEDL 126	50.00%	Northern
PEDL 152	62.50%	Northern
PEDL 153	33.34%	Northern
PEDL 154*	30.00%	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
Offshore – Exploration		
PI 153	10.00%	Northern

* Assuming farmin obligations by Encore Oil are met

The Company

Northern, an FTSE AIM UK 50 Index constituent, is an oil and gas production, development, exploration and asset trading company focused on petroleum producing areas of low political risk in Europe. The Company strategy is to obtain significant and concentrated licence positions then add value at reasonable risk utilising new ideas together with new drilling, seismic, completion, field development and computer technologies to establish economic oil and gas production. Northern has a strong balance sheet – cash and working capital of €40.2 million. Its Proven & Probable reserves increased this year by 35% to 103 million barrels of oil equivalence following the acquisition of ATI Oil Plc.

The Company's activities are concentrated in three countries (Netherlands, Italy and England) with the risk spread over more than 50 projects in 12 petroleum systems. It has interests in 4 producing fields, both onshore and offshore, one of which it manages.

Financial Highlights

	Six months ended 30 June 2009 EUR '000 (Unaudited)	Six months ended 30 June 2008 EUR '000 (Unaudited, Restated)
Revenue	2,801	2,856
(Loss) / profit before tax	(531)	1,680
(Loss) / profit for the period	(73)	1,474
Basic (loss) / earnings per share on (loss) / profit for the period	(0.1) cents	2.1 cents
Diluted (loss) / earnings per share on (loss) / profit for the period	(0.1) cents	1.9 cents
Cash and cash equivalents	27,942	31,401
Other working capital	12,275	9,117
Net assets	75,602	56,400
Total distributable reserves	32,950	23,337
Production (million boe)	0.061	0.065
Average revenue, in currency of receipt, per attributable boe:		
Gas	€42.63	€40.66
Oil	\$48.07	\$103.94
Net Commercial Oil & Gas Reserve Quantities – Proven and Probable reserves (million boe)	102.99	76.48

Highlights

Corporate:

- **Strong balance sheet** – cash and working capital of €40.2 million
- Completion of **ATI Oil Plc (ATI) acquisition**
- 35% increase in Proven & Probable reserves to **103 million barrels of oil equivalence**
- **Strong share price performance**
- Northern entered the **FTSE AIM UK 50 Index**

Operations:

- **Hydraulic reservoir fracturing** programme success. Wells flow tested at rates greatly in excess of previous predictions
- **Grolloo and Geesbrug** fields are scheduled for production before year end – first of six fields
- **Tiendeveen** well, close to the Geesbrug gas field, currently drilling
- **Offshore Sicily** 2D seismic surveys completed over seven licences, six in partnership with Shell Italia E&P S.p.A.. 3D scheduled Q1 2010
- Preliminary award of five new **Italian offshore licences**. Licensed area now totals over 15,000km²

Outlook:

- Grolloo, Geesbrug, Brakel and Wijk en Aalburg gas fields **all scheduled for production by early 2010**, with the Ottoland and Papekop oil fields to follow
- **2013 production forecast of 6,000 barrels of oil equivalent per day net to Northern**
- Strong exploration and appraisal drilling programmes in **The Netherlands, Italy, UK and Guyane**

Unaudited Statement of Net Commercial Oil & Gas Reserve Quantities – Proven and Probable reserves at 30 June 2009

	Total		
	Oil	Gas	Petroleum
	Million Bbl	bcf	Million boe
VOLUMES – GROUP			
At 31 December 2008	41.84	200.62	76.43
<i>Changes during the period:</i>			
Acquisitions	26.62	–	26.62
Extensions, discoveries and other additions	–	–	–
Production	–	(0.33)	(0.06)
Disposals	–	–	–
At 30 June 2009	68.46	200.29	102.99

	Total		
	Oil	Gas	Petroleum
	Million Bbl	bcf	Million boe
VOLUMES AND CATEGORISATION BY LOCATION – GROUP			
At 30 June 2009			
Proven reserves	7.43	113.86	26.96
Probable reserves	61.03	86.43	76.03
	68.46	200.29	102.99

At 31 December 2008			
Proven reserves	7.43	114.19	27.02
Probable reserves	34.41	86.43	49.41
	41.84	200.62	76.43

	United Kingdom			Netherlands			Italy		
	Oil	Gas	Petroleum	Oil	Gas	Petroleum	Oil	Gas	Petroleum
	Million Bbl	bcf	Million boe	Million Bbl	bcf	Million boe	Million Bbl	bcf	Million boe
At 30 June 2009									
Proven reserves	1.55	–	1.55	5.78	113.86	25.41	–	–	–
Probable reserves	2.93	–	2.93	4.97	86.43	19.87	53.23	–	53.23
	4.48	–	4.48	10.75	200.29	45.28	53.23	–	53.23

At 31 December 2008									
Proven reserves	1.55	–	1.55	5.78	114.19	25.47	–	–	–
Probable reserves	2.93	–	2.93	4.97	86.43	19.87	26.61	–	26.61
	4.48	–	4.48	10.75	200.62	45.34	26.61	–	26.61

Notes

- 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.
- Proven and probable reserves in the UK represent the Group's reserves as previously determined by ECL in April 2005, and subsequently reconfirmed in June 2007, in an independent valuation of some of the Group's oil and gas assets in the Weald Basin. Further information is given in note 11 to the 2008 Report & Accounts.
- Proven and probable reserves in the Netherlands represent the Group's reserves as determined by RPS Energy in an independent valuation of some of the Group's oil and gas assets in that country in March 2007. Further information is given in note 11 to the 2007 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, which was awarded on 7 June 2007. 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 1% gross overriding royalty over the Group's interest.
- Waalwijk proven reserves as determined by previous operator. Probable reserves are Northern Petroleum estimates.
- P12 reserves as determined by current operator's estimates.
- 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.
- Quantities of oil equivalent are calculated using a gas-to-oil conversion factor of 5,800 scf of gas per boe.

Chairman's Statement

It has been a very important and highly active period that I report upon. Activity has increased and successes achieved as we advance towards new gas production later this year. Oil Reserves have been increased by 26.6 million barrels through the acquisition of ATI Oil Plc ("ATI") bringing fuller control of our tremendous licensing position in Italy that represents so much upside potential for the Company. The processing and mapping of data from this year's offshore Sicily seismic surveys has been very encouraging, including that over the licences in our joint venture with Shell Italia E & P Spa ("Shell Italia").

This high level of activity, with a capital expenditure of almost €10 million in the first half of the year, has been possible as the result of prudence and patience in creating and maintaining a strong cash balance, sufficient until substantive production incomes are achieved. I believe that the relatively early rebound of our share price has been in recognition of this and demonstrated by our entry into the AIM UK top 50 company list.

The most important project has been the five field hydraulic reservoir fracturing programme in The Netherlands. The results, though not all fully analysed, are markedly above our expectations. The current indication is that the initial production from just four fields will exceed that previously forecast from six fields and with considerable potential upside in reserve.

Pipeline trenching and laying work is in progress to tie the Grolloo and Geesbrug gas fields into nearby gas processing facilities with first gas production scheduled before year end at about 15 million scfd combined flow rate with 45% of revenues accruing to Northern. These rates are in the short term limited under the gas processing contracts. I hope that these will be augmented by gas from the Tiendeveen exploration well currently drilling nearby.



Two processing plants for the Brakel and Wijk en Aalburg gas fields have been manufactured in Canada at considerably lower cost than in the EU and will shortly be delivered. Gas production from these fields is scheduled for the early part of next year.

This is just the beginning in The Netherlands. Our focus will move on to the development of the Ottoland and Papekop oilfields with further production drilling in the gas fields and drilling of previous discoveries in the Utrecht licence.



So far this year we have not concluded an asset sale to provide a significant contribution to profits. Even so I can report to you that the Company has essentially achieved a breakeven position, a loss of only €73,000, one tenth of one cent per share, whilst progressing towards substantive levels of production.

Italy remains an area of continuing growth for medium and long term potential. Five more offshore licenses have been awarded as building of our selected four offshore core areas continues. I note that we now manage the largest licensed area in Italy, about 15,000 km². Several further applications have been recently submitted. Discussions with potential new partners continue as interest in oil and gas exploration in Italy increases.

This year we held our Annual General Meeting at the Forestside & Stansted Social club nearby our Markwells Wood drill site in West Sussex which was visited later in the day as was the Horndean oil field production facility. Over 70 guests attended and we were delighted at the opportunity to show shareholders, residents, local representatives and planners the quality of our operations and our determination to be a good neighbour. I now expect our wells at Markwells Wood and Havant to be drilled next year.



Offshore Guyane, I hope that the current 3-D seismic survey being conducted by Tullow Oil Plc will result in identifying drillable significant structures analogous to their recent successes offshore Ghana and even Sierra Leone.

I believe that I can justly ask you to join me in looking to our Company's future with optimism. In a year which started with recession Northern benefited from a strong financial position to continue unchecked towards placing its Netherlands fields on production. The fracturing programme has been a remarkable success. The ATI financing issues have been eliminated and the great potential of the position in Italy is demonstratively emerging. I am confident that our thrust belt venture with Shell Italia will continue further. We now report 2P reserves of 103 million barrels of oil equivalence whilst continuing to maintain a very strong financial position. The achievement of significant levels of production is imminent and the oil price seems to be settling at a satisfactory level as are the European gas prices.

I foresee us entering 2010 as a much stronger company, forecasting significant cash from production. In a world in which political and economic uncertainties may be predicted, we are very well positioned for growth with security.

R H R Latham
Chairman

Consolidated Income Statement

for the six months ended 30 June 2009

	Notes	6 months ended 30 June 2009 (Unaudited) EUR '000	6 months ended 30 June 2008* (Unaudited, restated) EUR '000	Year ended 31 December 2008 (Audited) EUR '000
Revenue		2,801	2,856	6,954
Production costs		(858)	(835)	(1,752)
Depletion and amortisation – property, plant & equipment		(759)	(1,216)	(2,377)
Cost of sales		(1,617)	(2,051)	(4,129)
Gross profit		1,184	805	2,825
Pre-licence costs		(47)	(335)	(463)
Administrative expenses – other		(1,516)	(733)	(1,774)
Administrative expenses – share incentives		(784)	(865)	(137)
Administrative expenses – total		(2,300)	(1,598)	(1,911)
Other operating (expenses) / income		(1)	57	57
(Loss) / profit on disposal of assets	2	(14)	(1)	8,943
Deemed profit on disposal of associate		–	–	1
(Loss) / profit from operations		(1,178)	(1,072)	9,452
Finance charges		(191)	(176)	(711)
Finance income	3	910	3,008	2,959
Share of operating loss of joint ventures & associates		(72)	(80)	(142)
(Loss) / profit before tax		(531)	1,680	11,558
Tax credit / (expense)		458	(206)	(1,644)
(Loss) / profit for the period		(73)	1,474	9,914
Basic (loss) / earnings per share	4	(0.1) cents	2.1 cents	14.0 cents
Diluted (loss) / earnings per share	4	(0.1) cents	1.9 cents	13.4 cents

* Details of changes in presentation to the consolidated income statement and other restatements are given in note 1.

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

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2009

	6 months ended 30 June 2009 (Unaudited) EUR '000	6 months ended 30 June 2008 (Unaudited, restated) EUR '000	Year ended 31 December 2008 (Audited) EUR '000
(Loss) / profit for the period	(73)	1,474	9,914
Exchange differences on translation of foreign operations	411	(571)	(2,187)
Other comprehensive income for the period, net of tax	411	(571)	(2,187)
Total comprehensive income for the period	338	903	7,727

Consolidated Balance Sheet

at 30 June 2009

	Notes	At 30 June 2009 (Unaudited) EUR '000	At 30 June 2008* (Unaudited, restated) EUR '000	At 31 December 2008 (Audited) EUR '000
Assets				
<i>Non-current assets</i>				
Intangible assets		20,475	12,569	12,369
Property, plant and equipment	5	31,390	12,884	12,498
Investments in joint ventures		99	–	70
Investments in associates		15	74	13
Loans and other receivables		103	3,520	5,613
		52,082	29,047	30,563
<i>Current assets</i>				
Inventories		60	48	55
Trade and other receivables		20,183	15,680	21,249
Cash and cash equivalents		27,942	31,401	34,927
Non-current assets classified as held for sale		–	32	–
		48,185	47,161	56,231
Total assets		100,267	76,208	86,794
Liabilities				
<i>Current liabilities</i>				
Trade and other payables		5,272	3,900	5,949
Corporation tax liability		2,696	2,743	3,868
		7,968	6,643	9,817
<i>Non-current liabilities</i>				
Trade and other payables		36	84	74
Provisions		6,813	6,528	6,697
Deferred tax liabilities		9,848	6,553	6,661
		16,697	13,165	13,432
Total liabilities		24,665	19,808	23,249
Net assets		75,602	56,400	63,545
Capital and reserves				
Share capital		4,974	4,477	4,488
Share premium		23,964	23,894	23,964
Merger reserve		10,289	–	–
Special reserves – distributable		4,544	4,544	4,544
Special reserves – undistributable		154	154	154
Share incentive plan reserve		3,328	3,390	2,384
Foreign currency translation reserve		(57)	1,148	(468)
Retained earnings		28,406	18,793	28,479
Total equity		75,602	56,400	63,545

* Details of changes in presentation to the consolidated balance sheet and other restatements are given in note 1.
All amounts are attributable to equity shareholders of the parent.

Consolidated Cash Flow Statement

for the six months ended 30 June 2009

	At 30 June 2009 (Unaudited) EUR '000	At 30 June 2008* (Unaudited, restated) EUR '000	At 31 December 2008 (Audited) EUR '000
Cash flows from operating activities			
(Loss) / profit before tax	(531)	1,680	11,558
Depletion and amortisation	759	1,216	2,377
Depreciation – non oil and gas property, plant & equipment	93	97	204
Loss / (profit) on disposal of property, plant and equipment	–	1	(8,937)
Foreign exchange gain	(151)	(1,970)	(898)
Finance income	(759)	(1,038)	(2,061)
Finance charges	191	176	711
Share based payments	642	202	442
Expenses settled by issue of shares	–	–	64
Share of operating loss in associate	72	80	142
Deemed profit on disposal of associate	–	–	(1)
Net cash inflow before movements in working capital	316	444	3,601
(Increase) / decrease in inventories	(2)	52	45
Decrease / (increase) in trade and other receivables	3,990	2,669	(5,635)
(Decrease) / increase in trade and other payables	(1,026)	(317)	2,064
Net cash inflow / (outflow) from changes in working capital	2,962	2,404	(3,526)
Taxes paid	(964)	–	–
Net cash inflow from operating activities	2,314	2,848	75
Cash flows from investing activities			
Interest received	139	582	1,485
Interest paid	(72)	–	(10)
Purchase of property, plant and equipment	(4,388)	(886)	(1,915)
Sale of property, plant and equipment	–	–	8,989
Expenditure on exploration and evaluation assets	(5,440)	(1,145)	(1,771)
Investment in joint venture company	(33)	–	(87)
Loan to joint ventures and associated companies	–	–	(144)
Cash balance of company acquired (see note 6)	18	–	–
Net cash (outflow) / inflow from investing activities	(9,776)	(1,449)	6,547
Cash flows from financing activities			
Proceeds from the exercise of warrants	–	18	35
Net cash inflow from financing activities	–	18	35
Net (decrease) / increase in cash and cash equivalents	(7,462)	1,417	6,657
Cash and cash equivalents at start of period	34,927	28,929	28,929
Effect of exchange rate movements	477	1,055	(659)
Cash and cash equivalents at end of period	27,942	31,401	34,927

* Details of the restatement of the consolidated cash flow statement are given in note 1.
Other than the acquisition of ATI Oil Plc (see note 6), there have been no significant non-cash transactions during the period.

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2009

	Share capital EUR '000	Share premium Account EUR '000	Merger reserve EUR '000	Special reserves EUR '000	Share incentive plan reserve EUR '000	Foreign currency translation reserve EUR '000	Retained earnings EUR '000	Total* EUR '000
At 1 January 2008 (audited, restated)	4,468	23,885	–	4,698	3,200	1,719	17,307	55,277
Total comprehensive income for the period	–	–	–	–	–	(571)	1,474	903
Issue of shares during the period	9	9	–	–	–	–	–	18
Equity share warrants issued	–	–	–	–	(12)	–	12	–
Share based payments	–	–	–	–	202	–	–	202
At 30 June 2008 (unaudited, restated)	4,477	23,894	–	4,698	3,390	1,148	18,793	56,400
Total comprehensive income for the period	–	–	–	–	–	(1,616)	8,440	6,824
Issue of shares during the period	11	70	–	–	–	–	–	81
Equity share warrants issued	–	–	–	–	(1,246)	–	1,246	–
Share based payments	–	–	–	–	240	–	–	240
At 31 December 2008 (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 (note 6)	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

* Details of changes in presentation to the consolidated statement of changes in equity and other restatements are given in note 1.

The merger reserve includes the premium on shares issued as part of the consideration for the ATI acquisition (note 6).

All amounts are attributable to equity shareholders of the parent.

Notes to the Interim Results

for the six months ended 30 June 2009

I. 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 2008. 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 2009 and 30 June 2008 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 2008 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 237(2)–(3) of the Companies Act 1985.

The following pronouncements from the IASB became effective from 1 January 2009 and have been adopted by the Group:

IFRS 8 'Operating Segments' was issued in October 2006 and defines operating segments as components of an entity about which separate financial information is available and is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The new standard sets out the required disclosures for operating segments and is effective for annual periods beginning on or after 1 January 2009. No segmental information is presented in these condensed interim results. Northern will present segmental information in accordance with the new standard in the 2009 Annual Report and expects no change to its segments that are separately reported. There will be no effect on the Group's reported income or net assets. IFRS 8 has been adopted by the EU.

In September 2007, the IASB issued Amendments to IAS 1 'Presentation of Financial Statements' – A Revised Presentation, which requires separate presentation of owner and non-owner changes in equity by introducing the statement of comprehensive income. The revised standard is effective for annual periods beginning on or after 1 January 2009 and Northern has adopted it from this date. A Statement of Comprehensive Income is presented as part of these condensed interim results. There will be no effect on the Group's reported income or net assets. IAS 1 Revised has been adopted by the EU.

Changes to Accounting policies

Following a review of certain accounting policies by the Board the following changes to accounting policies were made in the 2008 full year accounts:

- The Company changed its functional currency to Euro with effect from 1 July 2008. As such the 2008 comparatives are presented in Euro. These changes reflect the primary economic environment in which the Northern Group now operates.

More extensive information on the reason for the change in functional currency from Sterling to Euro of the Group with effect from 1 July 2008 is detailed in note 2 of the Annual Report 2008.

Notes to the Interim Results

for the six months ended 30 June 2009 (continued)

- B. An amendment to the Group's accounting policy on capitalisation of directly attributable salaries, with salaries capitalised at the subsidiary level no longer to be written back to the income statement to the extent that they have not been recovered from co-venturers. This change brought Northern's policy in line with most of its industry peers and complies with International Financial Reporting Standards.

The net effect of this change is to increase consolidated net assets and increase consolidated retained earnings by €2,551,000 as at 1 January 2008. Details of the impact of the change in policy on the prior period interim results are detailed in the table below:

Increase / (decrease)	30 June 2008 EUR '000	31 December 2007 EUR '000
Income statement :		
– Depreciation, depletion and amortisation property plant & equipment	–	65
– Administrative expenses – other	(623)	(1,650)
– Profit on disposal of tangible assets	–	632
Balance sheet:		
– Property, plant & equipment	1,141	872
– Intangible assets	2,033	1,679
– Currency translation reserve	(71)	(71)
– Retained earnings	3,245	2,622
Earnings per share	0.9 cents	1.3 cents

No taxation adjustment arises on this change in accounting policy.

- C. In accordance with IFRS 2 'Share-based payments' the charge to the income statement is to be spread over the period between award and vesting.

This change has no effect on reported consolidated net assets, but results in an increase in the share incentive plan reserve and a decrease of €2,198,000 in consolidated retained earnings as at 1 January 2008. Details of the impact of the change in policy on the prior period interim results are detailed in the table below:

Increase / (decrease)	30 June 2008 EUR '000	31 December 2007 EUR '000
Income statement :		
– Share incentive charge	(214)	(46)
Balance sheet:		
– Share incentive plan reserve	1,984	2,198
– Retained earnings	(1,984)	(2,198)
Earnings per share	0.3 cents	0.1 cents

No taxation adjustment arises on this change in accounting policy.

Restatement of Comparatives

As described in the Annual Report 2008, the opening balance sheet position of 1 January 2008 has been restated. Details of the restatements are to be found in note 3 on page 47 of the document.

Certain amounts within the Consolidated Income Statement and Consolidated Cash Flow Statement for the six months ended 30 June 2008 have been reclassified where necessary to ensure that their classifications are consistent with those used in the Group's Annual Report for the year ended 31 December 2008.

2. LOSS ON DISPOSAL OF TANGIBLE ASSETS

	6 months ended 30 June 2009 (Unaudited) EUR '000	6 months ended 30 June 2008 (Unaudited, restated) EUR '000	Year ended 31 December 2008 (Audited) EUR '000
Disposal of subsidiaries	–	–	8,953
Disposal of property, plant and equipment	(14)	(1)	(10)
Total (loss) / profit on disposal of tangible assets	(14)	(1)	8,943

It was announced on 14 July 2008 that NP Oil & Gas Holdings Limited ("NPOG") had signed a sale of its entire interests in the Waalwijk underground gas storage projects to Star Energy Group Plc ("Star"), a subsidiary of Petronas International Corporation Limited. The sale involved NPOG selling its entire shareholding in two of its subsidiaries, Gas Storage Limited and Overseas Gas Storage Limited, to Star.

3. FINANCE INCOME

	6 months ended 30 June 2009 (Unaudited) EUR '000	6 months ended 30 June 2008 (Unaudited, restated) EUR '000	Year ended 31 December 2008 (Audited) EUR '000
Interest receivable	139	582	1,485
Foreign exchange gains	151	1,970	898
Unwinding of fair value discount on receivables due in more than one year	620	456	576
	910	3,008	2,959

4. 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.

	6 months ended 30 June 2009 (Unaudited) EUR '000	6 months ended 30 June 2008 (Unaudited, restated) EUR '000	Year ended 31 December 2008 (Audited) EUR '000
Net (loss)/ profit attributable to equity holders used in basic calculation	(73)	1,474	9,914
Net (loss)/ profit attributable to equity holders used in dilutive calculation	(73)	1,474	9,914
Basic weighted average number of shares	71,395	70,843	70,879
<i>Dilutive potential of ordinary shares:</i>			
Warrants exercisable under Company schemes	n/a	5,415	2,963
Diluted weighted average number of shares	71,395	76,258	73,842

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 in are in money at period end are exercised. The warrants were anti-dilutive for the six months ended 30 June 2009 and have been excluded from the diluted loss per share for the period.

5. PROPERTY, PLANT AND EQUIPMENT

	30 June 2009 (Unaudited) EUR '000	30 June 2008 (Unaudited, restated) EUR '000	31 December 2008 (Audited) EUR '000
Oil and gas assets	30,961	12,311	12,013
Computer and office equipment	429	573	485
	31,390	12,884	12,498

6. ATI OIL PLC ACQUISITION

On 24 June 2009 the Company acquired control of all of the ordinary share capital of ATI Oil Plc ("ATI") that the Group did not already own. A total of 7,698,267 new Northern shares were issued fully paid at 120p per share, being the closing market price on 23 June 2009, to ATI shareholders and warrant holders, with trading in the new Northern shares commencing on 25 June 2009.

Due to the inherently uncertain nature of the oil and gas industry, and exploration and evaluation assets in particular, the assumptions underlying the assigned values below are significantly judgemental in nature. The acquisition consideration below is considered equal to the aggregate of the fair values of the assets and liabilities acquired, with fair value adjustments recorded as deemed appropriate. Due to the proximity of the acquisition to the six month period ended 30 June 2009 the fair values attributed to the acquired assets and liabilities are provisional and may be revised. Deferred tax has been recognised, where applicable, in respect of any fair value adjustments made.

Effect of the acquisition Consideration

	24 June 2009 (Unaudited) EUR '000
Ordinary shares	10,775
Replacement share based payment awards – value of past service	302
	11,077
Acquisition costs	960
	12,037

Identifiable assets acquired and liabilities assumed (at fair value)

	24 June 2009 Total assets acquired & liabilities assumed (Unaudited) EUR '000
Intangible exploration and evaluation assets	2,335
Property, plant and equipment – oil & gas assets	16,213
Trade and other receivables	261
Cash and cash equivalents	18
Trade and other payables	(1,008)
Loans (ATI – Northern loan)	(2,333)
	15,486
Deferred tax liability	(3,449)
	12,037

No goodwill has been recognised as a result of the acquisition.

The Group incurred acquisition related costs of €960,000 relating to professional advisors' fees, directly attributable internal costs and fees directly related to the scheme of arrangement under which ATI was acquired. These fees have been included in the cost of the acquisition.

The revenue and expenses incurred from this operation since the date of acquisition (24 June 2009) were €Nil and €Nil respectively. Cash inflow from the operation was €Nil.

Notes to the Interim Results

for the six months ended 30 June 2009 (continued)

7. POST BALANCE SHEET EVENTS

Cancellation of share premium

At the 2008 Annual General Meeting of the Company, the ordinary shareholders, following the passing of Special Resolutions, approved the cancellation of the amount standing to the credit of the share premium account as at 31 December 2007. The High Court of Justice, Chancery Division confirmed the cancellation of the amount standing to the credit of the share premium account of the Company as at 31 December 2007, being £18.923 million (€23.885 million), and the Order of Court was delivered to Companies House on 30 June 2009, an announcement to that effect was made on the same day and was registered by Companies House on 8 July 2009 (the "Effective Date"). The creditors of the Company as at the Effective Date will be protected by the transfer of the applicable balance to the Company's undistributable special reserve. This reserve will be reduced, and the applicable balances transferred to the Company's distributable special reserve, upon settlement of those creditors.

8. APPROVAL BY DIRECTORS

The interim report for the six months to 30 June 2009 was approved by the Directors on 29 September 2009.

9. 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.

Licence	Status	Area	Interest~	Operator
Onshore – Exploration				
Savio	Award	Po Valley	80.00%	Northern
Longastrino	Award	Po Valley	80.00%*	Northern
Cascina Alberto	Preliminary Award	Po Valley	100.00%	Northern
La Sacca	Preliminary Award	Po Valley	100.00%	Northern
Punta Marina	Preliminary Award	Po Valley	100.00%	Northern
Cerasa	Award	Marche Basin	80.00%*	Northern
Offshore – Exploration				
C.R.146.NP	Award	Sicily Channel	100.00%	Northern
C.R.147.NP	Award	Sicily Channel	100.00%	Northern
d347C.R.-NP	Preliminary Award	Sicily Channel	100.00%	Northern
G.R.17.NP	Award	Sicily Channel	45.00%^	Northern
G.R.18.NP	Award	Sicily Channel	45.00%^	Northern
G.R.19.NP	Award	Sicily Channel	45.00%^	Northern
d21G.R.-NP	Preliminary Award	Sicily Channel	100.00%	Northern
G.R.20.NP	Award	Sicily Channel	30.00%^	Northern
G.R.21.NP	Award	Sicily Channel	30.00%^	Northern
G.R.22.NP	Award	Sicily Channel	30.00%^	Northern
FR.39.NP	Award	Southern Adriatic	100.00%	Northern
FR.40.NP	Award	Southern Adriatic	100.00%	Northern
d59FR-.NP	Preliminary Award	Calabrian Coast	100.00%	Northern
d60FR-.NP	Preliminary Award	Southern Adriatic	100.00%	Northern
d61FR-.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
d63FR-.NP	Preliminary Award	Calabrian Coast	100.00%	Northern
d64FR-.NP	Preliminary Award	Calabrian Coast	100.00%	Northern
d25G.R.-NP	Preliminary Award	Sicily Channel	100.00%	Northern
d26G.R.-NP	Preliminary Award	Sicily Channel	100.00%	Northern
d65FR-.NP	Application	Southern Adriatic	100.00%	Northern
d66FR-.NP	Application	Southern Adriatic	100.00%	Northern

* Assuming farmin obligations by Avobone Italy are met
 ^ Assuming farmin obligations by Shell Italia are met
 ~ Interest post acquisition of ATI Oil Plc

Italy

Guyane

Licence	Interest*	Operator
Offshore – 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

Spain

Licence	Interest	Operator
Onshore – Exploration		
Valderredible	1.25%^	Leni Gas & Oil
Huérmeceas	1.25%^	Leni Gas & Oil
Basconillos-H	1.25%^	Leni Gas & Oil

^ This interest represents a gross overriding royalty of 1.25% over all hydrocarbon production from Valderredible, Huérmeceas and Basconillos-H



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