



Northern Petroleum

Jun 26th 2013

Northern Petroleum excited about its positive changes

Northern Petroleum (LON:NOP) is looking forward with excitement to positive changes that will benefit the company over the next three years, chairman Richard Latham said at Wednesday's annual general meeting.

Latham says the company's realignment will include managed changes at board level, which will conclude in the second half of the year.

"Over the last half year the efforts of realignment of the company, started in 2012, have become more visible to the company's shareholders.

"The company has made a number of moves, in line with our well-developed strategy to improve the growth of our business and achieve a better share price performance.

"This is currently dominated by a reaction to the results of the wildcat exploration wells in French Guiana and the increase in understanding of the Netherlands producing fields that has led to a reserves reduction."

According to Latham, Northern Petroleum (NOP) will continue to fund work to mature high risk - high reward projects with the aim on establishing production or an asset trade.

Making low cost entries into new projects remains a strategic requirement, he adds.

In recent months two such opportunities have been pursued; one in Alberta, Canada, and the other in southern Australia where it is targeting unconventional hydrocarbons.

At the Canadian project the AIM is to redevelop existing fields and fund higher risk prospects in the area.

NOP believes it can get exposure to material upside' following its low-cost entry via a proof of concept programme, being carried out this summer. It hopes to unlock value from the asset, which has a large volume of oil in place, but recoveries have been low and enhanced oil recovery techniques have not been deployed.

Meanwhile, in Australia, NOP has secured interests in early stage shale plays.

"There has been a large change in the understanding of unconventional plays around the world and notably Australia has emerged as an important new area for this," Latham said.

"Evidence of this is clear, with major companies recently taking key shale play stakes in the country.

"As a result of the licence round application made by the company, shareholders now have exposure to a very prospective area onshore in South Australia."

In reference to the group's other assets Latham said that a farm-out partner is being sought for the Italian projects, to contain capital costs and help pay for 3D seismic on the Cygnus prospect, and he said the drilling of the high profile third well in French Guiana is now approaching the interesting phase'.

Price: 33.63p

Market Cap: £32.07M

1 Year Share Price Graph



Share Information

Code: NOP

Listing: AIM

Sector: Energy

Website: www.northpet.com

Company Synopsis:

Northern Petroleum Plc is an EU oil company that acquires low entry cost exploration, production and development assets and is committed to adding high value to shareholders from production and asset sales.

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NOP remains very excited about the potential of French Guiana and is looking forward to seeing the results for the well, he adds.

"To summarise, over the last year, the company has been actively working to its strategy in order to be in a good position for future growth.

"Much of this work needs to remain commercially confidential to ensure that the best opportunities are realised. Some of the results of this work are now becoming evident to the shareholder; however there are more interesting and significant opportunities that continue to be progressed.

"I am confident that with the managed changes happening to both the asset base and the company's management, the company will be in an extremely good position over the next months and years to grow and return the share price to the level expected by the shareholders."

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