

## **Northern Petroleum Plc**

("Northern Petroleum" or "the Company")

### **Canadian winter work programme**

#### **Cash and production update**

Northern Petroleum (AIM: NOP), the AIM quoted oil company focusing on production led growth, announces that the winter work programme in Canada has now started.

#### **Winter work programme**

- Approximately 20 wells that have been shut in for up to 18 years will be returned to production
- The programme is expected to take two months and cost approximately US\$2.5 million gross (the Company has a 75 per cent. working interest)
- The intervention work is focused on straightforward well operations, including the replacement of downhole pumps and rods, tubing upgrades and the re-perforation of existing zones
- Two further wells have been chosen as recompletion candidates for the reinjection of produced water
- Well stimulation using Blue Spark Energy WASP<sup>®</sup> technology to improve production rates will be performed on selected wells
- The work programme is expected to add more than 300 barrels of oil per day ("bopd") gross of production
- The work programme may also be expanded, depending on the timing of the arrival of warmer weather

#### **Production**

- Average production last year more than doubled following the 2016 winter work programme:
  - average production during the last quarter of 2015 was approximately 150 bopd
  - average production from March to December 2016, following investment was approximately 310 bopd
- Current production is approximately 325 bopd gross with five wells shut in for maintenance

#### **Cash**

- The Company's cash balance as at 31 January 2017 was US\$8.1 million
- Following regulatory approval of the sale of 10 per cent. of the Company's southern Adriatic permits to High Power Petroleum ("H2P"), expected in the second quarter this year, an additional US\$0.5 million will be paid to the Company

Keith Bush, Chief Executive Officer of Northern Petroleum, commented:

"The winter work programme, the first of this year's planned capital investments, is designed to increase production and cashflow in Canada to a more material level. In line with our production led growth strategy, the work adds production that reduces the overall production cost per barrel while minimising the capital outlay through simple operations.

“Evaluating the performance of the Blue Spark technology will allow us to understand how it can benefit our asset portfolio. In conjunction with our new partner H2P, the work we have planned in both Canada and across the Company should provide for a significant improvement in Company performance and makes for an exciting 2017.”

### **Blue Spark Energy**

In December 2016 H2P, a subsidiary of I-Pulse Inc. acquired 25% of Northern Petroleum’s assets in Alberta, Canada. As part of the acquisition consideration, US\$0.25 million of well stimulation services from Blue Spark Energy Inc, also a subsidiary of I-Pulse Inc., were committed by H2P. The Company consider that the Rainbow and Virgo assets may provide an excellent opportunity to show the benefit in production that WASP® technology can provide. This work will be included as part of the winter work programme. More information on the technology can be found on the Blue Spark Energy Inc. website [www.bluesparkenergy.net/wasp/](http://www.bluesparkenergy.net/wasp/)

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### **Note to Editors:**

Northern Petroleum is an oil and gas company focused on production led growth. The Company is undertaking a redevelopment and production project in north west Alberta and has a broader portfolio of exploration and appraisal opportunities in countries of relatively low political risk, primarily Italy. Comprehensive information on Northern Petroleum and its oil and gas operations, including press releases, annual reports and interim reports are available from Northern Petroleum’s website: [www.northernpetroleum.com](http://www.northernpetroleum.com)