NORDIC PETROLEUM AS

Organization No 976 745 493

ANNUAL REPORT 2010

The nature of the company's business and location

The company's business consists of prospecting and exploration within oil and gas development with a goal towards achieving future production.

The company was established in 1996, and originally the company business was geographically concentrated on Svalbard and Greenland. In recent years the business has been focused more towards the Alberta Province in Canada. An important reason for this shift is that the threshold for getting started with operational activities is significantly lower. Consequently, the company completed a sale of the licenses and rights in Greenland and Svalbard, consisting of some cash payments and share of production or gross sales, in 2010, and Canada is now the company's focus area.

The company's activities and operations in 2010

The business in 2010 has generally been limited by the company's financial position. Activity has been concentrated on the continuation of the company's rights and licenses that are considered to have commercial potential. After a review, some licenses in Canada considered to have low potential have been relinquished, but it is also noted that there are opportunities to acquire new areas.

The goal remains to establish the company's values through the further development of the licenses by upgrading resources and reserves, prepare for future production and to establish collaborations with strategic partners that will ensure future commercial realization of the resource potential.

During the year we have seen a significant strengthening of interest in oil resources and an improvement in the transaction market in Alberta for oil sands licenses. This trend has continued and strengthened further in 2011. This is important for the company, as our main value lies in the Athabasca oil sands area. The Chard license contains about 300 million barrels of oil in the ground (in-situ deposits) in the form of proven resources, based on well log data, that are verified by a third party evaluation.

By prior agreement, Statoil was able to drill a core well in our Chard leases in the spring of 2010. The agreement ensures full access to all data from the well. The main purpose of the well was to provide data on water availability and quality for any use of this water in the future production of steam for heavy oil recovery. Since our rights do not include water in the license area, any use of the water resources by Statoil will not yield income, but since we have a similar interest in future use of the water the well is also important for us. And the conclusion is positive with respect to water supply and - quality. Nordic maintains a priority in the use of the water from our Chard licenses.

It has been assumed that the oil zone does not cover the area where the Statoil's well was drilled, but the well showed some surprising traces of oil. It may have a positive impact on resource estimates in the licenses, but the existing information is insufficient to draw conclusions at this time.

The licenses we have in this area (Chard) are exclusive for oil, and the license will remain in force for another 10 years, until 2021.

During the course of 2010, and so far in 2011, a considerable effort has been made in finding a partner for further development of the Chard license. The company has negotiated with various other companies on agreements that will ensure the financing of the work program to upgrade resources in the license by ceding percentages of ownership in return for having all costs of the work covered by a partner. At present we do have a letter of intent, but not a binding agreement between the parties. The negotiations are underway in earnest.

The company also has earned rights for conventional oil and gas in the Carmangay area. As announced, it was during the spring of 2009 that we drilled a well down to 1475 meters, and it was showed several promising layers containing both oil and gas. The operator is our wholly owned subsidiary Norwegian Petroleum Inc.

The market prices favor oil rather than gas, and thus it was decided to test the possibilities to put the well into oil production. A simple testing of the well's oil production potential revealed a very unfavorable ratio between the volumes of water and oil. Both conditions within this license and financial considerations limited further opportunity at the time. We still consider the possibility very high that a new and expanded horizontal testing of the well can show probable profitable oil production from the discovery's dolomite layers.

In addition, the well has a proven potential for profitable production of gas (Coal Bed Methane), but it requires further development of the license with a number of wells, which the company has not succeeded in funding so far.

The company's capital position has been critical, and it is still a clear limiting factor.
In 2010, two debt conversions of approximately NOK 0.3 million and an equity share issue of approximately NOK 3.7 million were completed, which together have ensured the operation of the company. During the spring of 2010 we started work on a larger share issue - up to NOK 20 million. This was completed at the end of March 2011, but with a result of NOK 3.3 million. In total these share issues raised NOK 7 million.

The Company offices are located in Fredrikstad municipality, Norway.

The company's plans and outlook

The Board's assessment at the end of year, is however, that the company stands with a firm balance sheet and a book equity of NOK 73 million. Accrued liabilities were reduced from NOK 2 million in 2009 to less than NOK 0.6 million at the end of 2010. Only some minor and disputed creditors in Canada remain at the end of year. Current assets including bank deposits of NOK 0.6 million thus cover the short-term obligations.

Strategy for 2011

The Board will continue the on-going strategy of actively seeking financing for the work programs which the company has prepared for our licenses. They consist of the following, listed in order of priority:

- Appraisal, core drilling and surveys in Chard
- Development of Carmangay discoveries (2009) and commercial production of gas
- Acquisition of new exploration areas in the same trend as Carmangay
- A limited number of new exploration and production wells

In addition, an active portfolio management is important, and we see a positive value in our operator status and our own expertise in Alberta.

The work program has a budget of NOK 20 - 25 million, but can be carried out in order of priority without significant costly items.

Chard remains the greatest core asset for the company, and we now regard it as likely that we can enter into a farm-out agreement covering the outlined work program. At best, this can also free up some capital that can be used in other areas. Sale or farm-out agreements seem less likely for the Carmangay license, and use of our own limited funds could ultimately be needed to further develop this discovery.

The company's governing bodies

The company's board performs an especially important function in the light of limited administration. The Board also devotes a significant amount of effort to the company, and has in 2010 held 15 meetings and an expanded strategy meeting.

In connection with the Annual General Meeting, all shareholders are invited to a comprehensive presentation of the company's operations and plans - followed by an opportunity for questions and discussion.

Currency risk

With our interests and assets in Canada, we are exposed to currency risk. These are long-term ownership positions, and in such cases it is not normal practice to carry out currency hedging measures. Our company has not taken such precautions.

In the long run and as soon as the subsidiaries get into a revenue position, the companies normally will also have costs in the same currency.

Going concern assumption

The going concern assumption is present and accounts for 2010 have been prepared on this assumption.

External environment

At present the Company is not operating in a manner which might be polluting to the global or local environment.

Research and development

Within the oil sand business very active research work is carried out, both by the Authorities and the companies themselves. This is however, capital- and resource demanding, and is mostly carried out primarily by the large companies. We are in these matters maintaining close contact with a couple of the larger companies, which are doing extensive work in this field. The company as such is not conducting any R&D work ourselves.

Working environment – equality work

The company has no discriminatory practices or policies. Since the company has no employees in the legal sense, there are no further comments on this point.

Shareholders

At present the company has 1,247 shareholders, of which 52 are of foreign origin. The shares are listed on the OTC List of the Stocks and Bonds Brokers' Union (Norwegian Securities Dealers Association) under the ticker NOPE. The shares are regularly traded.

Annual results and allocations

Annual result for the parent and group was respectively NOK - 6,998,076 and NOK – 6,913,519. The bulk of the loss is due to depreciation, write off and losses on shares that were sold during the year, to the sum of NOK 5,895,289.

The Board proposes the following allocation of the annual results of the parent company Nordic Petroleum AS:

Annual results:	NOK - 6,998,076,-
Transferred from other Share Capital:	NOK - 6,998,076,-
Total transferred:	NOK - 6,998,076,-

Going concern

The Board maintains that the company's licenses represent a great upside and potential gains for shareholders. By virtue of the company's balance sheet at year end and the activities carried out it is a good basis for further operations.

Fredrikstad/Norway, April 28th 2011

The Board of Directors for Nordic Petroleum AS

Øistein Nyberg
Chairman

---------------------------	----------------------------	------------------------
Kjell Øivind Hansen	**Svein Ove Bjørnestad**	**Per Gunnar Løge**
Board Member	**Board Member**	**Board Member**

Arild Tolfsen
CEO

Income statement

Nordic Petroleum AS

Nordic Petroleum AS				Group	
2009	2010		Note	2010	2009
1 975 154	891 000	Revenue		0	0
1 975 154	891 000	Operating Income		0	0
392 277	609 037	Wages	3	885 037	392 277
449 181	2 006 584	Other operating expenses	4	5 878 699	6 047 448
1 133 696	-1 724 621	Operating profit / -loss		-6 763 736	-6 439 724
22 140	20 836	Other interests income		20 836	22 193
33 587	600 998	Other financial income	10	1 794	33 587
3 963	170 925	Other interests expenses		170 925	3 963
348 191	5 724 364	Other financial expenses	10	1 488	331 139
837 269	-6 998 076	Operating loss before tax		-6 913 519	-6 719 046
837 269	-6 998 076	Net loss		-6 913 519	-6 719 046
		Transferrals:			
837 269	-6 998 076	Transferred to/from other equity	9		
837 269	-6 998 076	Total allocated loss			

Balance sheet

Nordic Petroleum AS

Nordic Petroleum AS 2009	Nordic Petroleum AS 2010		Note	Group 2010	Group 2009
		Assets			
		Non current assets			
		Intangible assets			
0	0	Investment in oil and gas leases	2	62 331 216	65 986 800
0	0	Total intangible assets		62 331 216	65 986 800
		Financial fixed assets			
67 297 216	62 331 216	Investments in subsidiaries	5	0	0
10 108 940	10 665 567	Loan to group companies	6	0	0
0	120 000	Investments in shares		120 000	0
77 406 156	73 116 783	Total financial fixed assets		120 000	0
77 406 156	73 116 783	Total non current assets		62 451 216	65 986 800
		Current assets			
		Receivables			
18 943	162 271	Other receivables		865 339	461 105
18 943	162 271	Total receivables		865 339	461 105
799 968	477 749	Cash and cash equivalents		703 503	1 045 896
818 911	640 020	Total current assets		1 568 842	1 507 001
78 225 067	73 756 802	Total assets		64 020 058	67 493 801

Balance sheet

Nordic Petroleum AS

Nordic Petroleum AS				Group	
2009	2010		Note	2010	2009
		Equity and Liabilities			
		Equity			
12 588 678	16 583 458	Share capital	8, 9	16 583 458	12 588 678
62 314 428	56 745 395	Additional paid in capital	9	46 589 117	52 585 794
548 086	0	Other paid in capital	9	0	548 086
75 451 192	73 328 853	Total equity		63 172 575	65 722 558
		Accumulated profits and loss			
837 269	0	Other equity	9	0	0
837 269	0	Total accumulated profit and loss		0	0
76 288 461	73 328 853	Total equity		63 172 575	65 722 558
		Liabilities			
		Other non current liabilites			
383 520	0	Inter-company loans	6	0	0
383 520	0	Total other non current liabilities		0	0
		Current liabilites			
1 492 276	356 511	Accounts payable		500 044	1 710 433
57 750	30 942	Public duties payable		30 942	57 750
3 060	40 496	Other current liabilities		316 496	3 060
1 553 086	427 949	Total current liabilites		847 482	1 771 243
1 936 606	427 949	Total liabilities		847 482	1 771 243
78 225 067	73 756 802	Total equity and liabilities		64 020 058	67 493 801

Fredrikstad, Norway 31.12.2010/28.04.2011

Note 1 – Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway

Consolidated accounts

The consolidated accounts show the Group's loss and financial position as one legal entity and they are a collective statement of all the companies in the Group. Subsidiaries are defined as companies wher the parent company direct or indirect owns more than 50% of the shares, or exercises control over the company through shareholder agreements.

Basis for consolidation

The consolidated accounts includs the parent and all of its subsidiaries. The consolidated accounts are based on consistent accounting principles. Subsidiaries are translated to Norwegian GAAP prior to consolidation. Intercompany transactions, receivables and debt are eliminated.By purchase of companies, the purchase price is eliminated against the equity in the purchased company. The excess value at the time of purchase is allocated to the items to which the excess value relates.

Classification

Assets and liabilities relating to the normal operating cycle are classified as current assets and current liabilities. Other assets and liabilities are classifies as non-current. Current assets are valued at lowest of cost or market value. Current debt is vauled at nominal value. Non-current assets are valued at original cost, less accumulated depreciation and write-downs. When there are indications of impairment, non-current assets are written down to a recoverable value. Non-current debt is valued at nominal value. Dividend from subsidiaries is recognized as income when paid.

Receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessments of the different receivables.

Foreign currency translation

Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date

Property, plant and equipment

Property, plant and equipment is capitalized and depreciated over the estimated useful life, if estimated liftime exceeds three years and the original cost is more than NOK 15 000. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset.

Tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 28 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized.

Exploration of oil and gas reserves

Expenses related to exploration, other than expenses relating to wells and purchase of land leases and rights, are expensed. Exploration expenses, except expenses related to exploration wells and purchase of exploration licenses, are currently expensed. Drilling expenses connected to exploration wells are capitalized when the results of the drilling are available. If profitable reserves of oil and/or gas occurrences are not found, the drilling costs will be expensed. Purchased exploration licenses are transported to the area covered by the license, and are expensed if no profitable reserves of oil or gas have been found in the area covered by the license.

Shares in subsidiaries

Investments in subsidiaries are valued at cost

Note 2 – Land rights and leases

Group

Company	Kind	Field	Geographic	Number of sections	Part
Norwegian Oil Sand Corp	Oil sand	Athabasca	Canada	81 Kvm2	100 %
Norwegian Petroleum Inc	Discovery Point Gas	Carmangay	Canada	1	41 %

For further description of the fields, we refer to the Board of Directors report

Note 3 – Salary and personell costs, number of employees, loans to employees etc

The Company had no employees during 2010 and 2009. The management is hired from outside companies for both the parent and subsidiary companies.

Parent Company			Group	
2009	2010	Wages	2010	2009
33 060	100 000	Wages and remuneration	100 000	33 060
310 000	335 000	Board member fees	611 000	310 000
49 217	63 646	Social security payments	63 646	49 217
0	0	Pension costs	0	0
0	110 391	Other	110 391	0
392 277	609 037	Total wages	885 037	392 277
0	0	Man-years	0	0

As the Company has no employees, the Company is not obliged to have a pension plan in accordance with the Act relating to Mandatory occupational pensions

Parent Company			Group	
2009	2010	Honorarer og godtgjørelser	2010	2009
600 000	600 000	Managing director, hired	600 000	600 000
0	100 000	Subsidiary Directors	100 000	165 000
826 561	640 426	DBA Nyberg Management & Engineering	640 426	826 561
48 779	0	Kjell Hansen	0	48 779
1 475 340	1 340 426	Total invoiced	1 340 426	1 640 340

Options, with a strike at NOK 0,25, equivalent to 30.000.000 shares is granted to the board of directors and members of management; note 8

Auditor

Expensed audit fee for the parent company is kr 72.500. For the Group the audit fee is expensed with is expensed with kr 72.500. All amounts exclusive vat.

Note 4 – Other operating expenses

Parent Company			Group	
2009	2010		2010	2009
775 025	185 749	Administrative services and legal services	185 749	803 086
-224 675	810 625	Expenses related to Canada	826 510	4 982 154
0	0	Loss on disposal of assets	3 654 642	0
-101 169	1 010 210	Other operating expenses	1 211 798	262 208
449 181	2 006 584	Total other operating expenses	5 878 699	6 047 448

Due to vat-registration of parent company in 2009, other operating expenses in both parent company and group ar kr 904.000,- less than real cost, in 2009.

Note 5 – Subsidiaries and associated companies

Company	Location	Ownership share	Share of votes
Nordic America's Inc	Canada	100 %	100 %

Note 6 – Intercompany receivables

Parent Company		2010	2009
Intercompany receivables	Receivables from group companies	10 665 567	10 108 940
	Inter-company loans payable	0	383 520

No guaranties or bailments are issued in favour of the subsidiaries.

Note 7 – Tax

Parent Company 2009	Parent Company 2010		Group 2010	Group 2009
		Income tax expense		
0	0	income tax ordinary result	0	0
		Income Tax payable		
837 269	-6 998 076	Ordinary result pre tax	-6 913 519	-6 719 046
-42 820	5 615 396	Permanent differences	3 589 162	-42 820
-794 449	0	Changes in loss carried forward	0	0
0	-1 382 680	Basis tax payable	-3 324 357	-6 761 866
		Temporary differences		
		Temporary differences to be off set		
-20 816 846	-22 199 526	Loss carried forward	-36 030 497	-39 142 872
-20 816 846	-22 199 526	Total temporary differences	-36 030 497	-39 142 872
-5 828 717	-6 215 867	Deferred tax asset	-9 081 367	-10 050 148
		based on 28% tax rate in Norway and 21% tax rate in canada		

Due to uncertaincy related to future utilization of the loss carried forward, the tax asset is not included in the balance sheet

Note 8 – Share capital, shareholdes and options

The share capital of the Parent Comany consist of 331.669.166 common shares at a par value of kr 0,05.
The largest shareholders at December 31.:

		Number of shares	Ownership share	Voting share
1	Keppoch Energy Ltd.	32 590 000	9,83 %	9,83 %
2	Pan Pacific Land Corp.	21 180 000	6,39 %	6,39 %
3	Hong Invest AS	15 000 000	4,52 %	4,52 %
4	Tormod Holst	10 000 000	3,02 %	3,02 %
5	Kjell Hansen	8 759 854	2,64 %	2,64 %
6	Harry Skare	8 050 000	2,43 %	2,43 %
7	Loge Resources AS	7 481 167	2,26 %	2,26 %
8	Rolf Gulbrandsen	6 000 000	1,81 %	1,81 %
9	Tov Westby	5 631 466	1,70 %	1,70 %
10	Årnes Sport AS	5 316 541	1,60 %	1,60 %
	Other	211 660 138	63,82 %	63,82 %
	Totalt	331 669 166	100 %	100 %

Shares held by officers of the Company		Own	Related parties	Total
Arild Tolfsen	Managing Director	2 214 823	4 886 456	7 101 279
Øistein Nyberg	Chairman of the oard of Directors	2 417 074	0	2 417 074
Kjell Hansen	Member of the Board of Directors	8 759 854	0	8 759 854
Per Gunnar Løge	Member of the Board of Directors	1 371 765	8 050 000	9 421 765
Svein Ove Bjørnestad	Member of the Board of Directors	0	15 000 000	15 000 000
		14 763 516	**27 936 456**	**42 699 972**

30.000.000 subscribtion rights are issued, price kr 0,25, owned by following at December 31.;

	Number	Due	Position
Øistein Nyberg	2 000 000	19.05.2011	Chairman
Kjell Ø. Hansen	4 000 000	19.05.2011	Boardmember
Realium Invest AS v/Arild Tolfsen	2 000 000	19.05.2011	Managing Director
Loge Resources AS v/Per Gunnar Løge	10 000 000	19.05.2011	Boardmember
Knut Jæger Hansen	2 000 000	19.05.2011	
Liv Runi Ekeland Syvertsen	1 000 000	19.05.2011	
Marianne Gran Andersen Finsrud	2 000 000	19.05.2011	
Dan Horner	1 500 000	19.05.2011	Managing Director Canada
Orest Senkiw	1 000 000	19.05.2011	COO Canada
James Dick	1 000 000	19.05.2011	
Lars Sigvart Gran Andersen	500 000	19.05.2011	
Johs Jamne	500 000	19.05.2011	
Torbjørn Holt	500 000	19.05.2011	
Svein Ove Bjørnestad	500 000	19.05.2011	Boardmember
Rolf Gulbrandsen	500 000	19.05.2011	
Open subscribtion rights	1 000 000	19.05.2011	
Total	**30 000 000**		

Note 9 – Equity

Parent Company

	Share capital	Paid in premium	Paid in, not reg. equity	Other equity	Total
Equity 01.01	12 588 678	62 314 428	548 086	837 269	76 288 461
Share issue	3 994 780	662 774	-548 086	0	4 109 468
Expenses charge through equity		-71 000			-71 000
Gain/Loss for the year				-6 998 076	-6 998 076
Transferrals		-6 160 807		6 160 807	0
Equity 31.12	16 583 458	56 745 395	0	0	73 328 853

Group

	Share capital	Paid in premium	Paid in, not reg. equity	Other equity	Total
Equity 01.01	12 588 678	52 585 794	548 086	0	65 722 558
Share issue	3 994 780	662 774	-548 086		4 109 468
Expenses charge through equity		-71 000			-71 000
Convertion difference		325 068			325 068
Loss for the year				-6 913 519	-6 913 519
Transferrals		-6 913 519		6 913 519	0
Equity 31.12	16 583 458	46 589 117	0	0	63 172 575

Note 10 – Currency

Included in other financial income is exchange gain of kr 599.205, included in other financial expenses is exchange loss of kr 43.488. During 2009, the exchange gain was kr 33.587 and exchange loss kr 348.191. For the Group exchange loss is kr 1.488. For 2009 the exchange gain for the group was kr 33.587 and the exchange loss kr 331.139.

Fredrikstad December 31. 2010
April 28. 2011

Øistein Nyberg, Chairman of the Board	Kjell Hansen, Board member	Per Gunnar Løge, Board member
(sign)	(sign)	(sign)

Svein O. Bjørnestad, Board member	Arild Tolfsen, Managing Director
(sign)	(sign)

Nordic Petroleum AS **Cashflow statement**

	Nordic Petroleum AS		Nordic Petroleum Group	
	2009	**2010**	**2010**	**2009**
Cash flow from operating activities				
Loss before tax	837 269	-6 998 076	-6 913 519	-6 719 046
- Taxes paid	0	0	0	0
+ Loss financial assets	0	4 596 001	3 654 642	0
+/- Changes in other accruals	515 057	-1 268 465	-1 327 995	32 419
= Net cash flow from operating activities	**1 352 326**	**-3 670 540**	**-4 586 872**	**-6 686 627**
Cash flow from investing activities				
- Other investments	0		-43 989	227 216
+ Sale of shares	0	370 000	370 000	0
- Purchase of shares	0	-120 000	-120 000	0
+ Loan group companies	-7 959 862	-940 147	0	0
= Net cash flow from investing activities	**-7 959 862**	**-690 147**	**206 011**	**227 216**
Cash flow from financing activities				
+ increased share capital	2 742 876	4 038 468	4 038 468	2 742 876
= Net cash flow from financing activities	**2 742 876**	**4 038 468**	**4 038 468**	**2 742 876**
Net change in cash and cash equivalents	**-3 864 660**	**-322 219**	**-342 393**	**-3 716 535**
Cash and cash equivalents at 01.01	4 664 628	799 968	1 045 896	4 762 431
= Cash and cash equivalents at 31.12	**799 968**	**477 749**	**703 503**	**1 045 896**
Cash and cash equivalents consist of				
Cash and bank deposits at 31.12	799 968	477 749	703 503	1 045 896
=Total cash and cash equivalents at 31.12	**799 968**	**477 749**	**703 503**	**1 045 896**

Revisjons Compagniet

To the Annual Shareholders' Meeting of
Nordic Petroleum AS

AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Nordic Petroleum AS, comprising the financial statements for the Parent Company, showing a loss of NOK 6 998 076, and the Group, showing a loss of NOK 6 913 519. The financial statements for the Parent Company and the Group comprise the balance sheet as at December 31, 2010, the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Chief Executive Officers' responsibility for the financial statements

The Board of Directors and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as the Board of Directors and the Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations and auditing standards and practicies generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures thar are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used an the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nordic Petroleum AS and the Group as of December 31, 2010 and their financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the coverage of the loss is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, "Assurance engagements other than audits or reviews of historical financial information", it is our opinion that the Board of Directors and Chief Executive Officer have fulfilled their duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Moss, May 13th, 2011
RevisjonsCompagniet AS

Nils-Kristian Krogh
State Authorized Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only.)