NORDIC PETROLEUM ASA

Public Limited Company
Organization No 976 745 493

THE BOARD OF DIRECTORS REPORT 2009

The nature of the Company's business

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 located and concentrated on Svalbard and Greenland. In recent years the business has been focused more towards the Alberta Province in Canada. The Company's assets and licences on Greenland and Svalbard are divestiture candidates.

Our focus in 2009 has been exploration activities, including drilling and testing, revising work programs, budgeting and preliminary works for the development of the company's licenses or lands. After a review, some licenses in Canada considered to have low potential have been relinquished, but there is also good access to new and exciting areas.

During the year that has past our first well has been drilled and tested in the Carmangay property located south of Calgary. The wholly owned subsidiary Norwegian Petroleum Inc. was operator for the well and has an ownership interest of 40%. In four days the well was drilled down to 1475 m with several promising oil and gas shows. The drilling operation was carried out without accidents or incidents that led to damage to personnel, environment or material values. Comprehensive health, environment and safety plans are in place.

Due to the commodity prices which favor oil above gas, we decided to test out the prospect of getting the well into production of oil. This work took longer than calculated, mainly due to season. The area normally has good access all year round, but in the transition between winter/spring as well as fall/winter the area can, for a short period, be without vehicle access as the well location lies approx. 8 km from the nearest road. After this testing, it was noted that oil zone tested negative for commercial oil as the water penetration in the formation was too high.

During the course of the third quarter the well was tested for possible production of gas from shallower formations. This yielded positive test results with a view towards gas production from coal formations at approximately 600 meters depth. We are the operator for this field and the first well is expected to give a production in excess of 200,000 scf/d. The field is available for development by using the first well as a producer and drilling three more production wells. Development of the field requires NOK 10 million, and the economics for the project are good even with low gas prices (payback within 18-24 months based on net earnings).

The company has created a development plan which covers the Carmangay project, core drilling and analysis for the Chard field and a limited exploration program. The company maintains important expertise and possesses people with extensive knowledge and experience within the field of exploration and production of oil and gas. This was confirmed when it was qualified as an operator Q4 2008. However, it has been proven very difficult to finance such a project at present, and the company's economy is under pressure - in spite of the significant underlying values and potentials. The company's capital situation is a limiting factor.

The following main activities or milestones occurred during the year:

- Qualified as an operator in Alberta, Canada
- Presented the new development program with a focus on Alberta, Canada
- Drilled and tested first Carmangay well (Longco 1625-1422)

Work with financing and capitalization of the company has continued beyond the reporting period, but has so far not yielded expected and wanted results. A well drilled by Statoil on our Chard area to obtain knowledge about underlying water resources is being evaluated, but seems to confirm our understanding of the geology and production possibilities from Chard.

The Company offices are located in Fredrikstad municipality, Norway.

The Company's prospects – True overview of the development and results

Nordic Petroleum ASA has during the course of the year 2009 carried out a renegotiation with a few subcontractor creditors in Alberta, Canada.

We accumulated creditors associated with the Mega Pyramid project that we failed to pay as planned. In connection with the preparatory work that was done on Mega Pyramid for drilling activity Q1 2009 there remains to be carried out reclamation work. This we will get postponed to Q1 2011. This cost amounts to NOK 0.6 mill.
This and other creditors as well as fees to, among others the board of directors and managing director, has made operations and liquidity holdings challenging. Nevertheless, the company has had good co-operation with creditors that have contributed in different ways and this has led the board of directors concluding that continued operations remains prudent.

By year end the Company presents itself according to the Board's assessment with an orderly balance and a book equity of approximately NOK 76 mill. Accrued short-term debt is below NOK 2 mill and is thus limited and manageable, given that the company receives new capital imminent.

The company conducted three different share issues in 2009 and a debt conversion during the new year 2010.

During the course of the year (Q2 and Q4) the company completed two cash issues of altogether NOK 1.9 million to obtain working capital for operations. During the course of the year, we were also paid back VAT of approximately NOK 1.1 million. Altogether, this has transferred to the company a liquidity of approximately NOK 3 mill. This has not been sufficient and for this reason the company incurred an increase in short-term debt. Moreover, the company has carried out two share issues in lieu of payment and settlement in the form of debt converted to share capital.

Available liquidity for the company per the end of year on the overall level for the group constitutes NOK 0,8 mill.

The company's liquidity and financing ability is only sufficient to continue with very low and limited operations.

The Board of Directors, nevertheless, has chosen to be offensive by trying to finance the work programs which consist of:

- Development of discoveries in Carmangay and commercial production of gas from Q4 2010
- Acquisition of new exploration areas in the same trend as Carmangay
- Delineation-, core wells and studies on Chard
- A limited number of new exploration/production wells
- Implementation of limited program for Svalbard in line with license requirements
- Active portfolio management and exploitation of our operator qualification

With a basis in this program the goal is now to raise NOK 20 - 25 million in new equity for the company and thus build up the company and achieve production. This will create a renewed company and give us room to operate in the long term. It is deemed most realistic to do this as a private placement of shares against one or a limited number of investors.

We are actively working to raise more capital for this purpose. There is available a prepared prospectus from the autumn 2008, which describes work programs and the capital investment needs for highlighting potential values in the licenses. This material has continued validity in a large degree.

The solidity on the other hand, is very good and substantially improved during the year as the new equity has considerably improved the Booked Equity.

One implication of this is that market value of the Share Capital will vary up or down, based on the underlying value of the Oil Sand License and other licenses. For the most part, it is the oil price which is the influential factor. In our case, primarily the crude oil price, together with the development of technology within new techniques for oil sand extraction. The marginal production price has dropped the last couple of years and in parallel with this the value of the oil sands in the ground has increased.

In order to obtain more correct figures for our potential resources in the ground, we ordered a geological survey to be carried out by the very reputable engineering company DeGolyer and MacNaughton Canada, who concluded that we, in our field (licensed area) have 92 mill. barrels of Bitumen crude oil in the lower and upper McMurray (formation) with a thicknesses of 10 m or more per layer. Furthermore, it has been calculated to 241 mill barrels within thicknesses of 5 m or more. In all, there is a potential of 296 mill. barrels oil in place. Based on today's technology the potential is at present in the thickest part of our field which justifiably and economically can be retrieved. The engineering consultants at present consider that in a few years it will also be possible to retrieve and convert the resources from oil sand in thicknesses from 5 m or more, into oil with a secure and economic method.

As you may read from both The Prospectus and Company Presentations on our homepage www.nop.as there are in place development programs for all our licenses.

Our main aim is to drill core wells on the Oil Sand area during the year. This will define the quality of our bitumen/heavy oil and so that a conceptual and more detailed development plan can be carried out and be approved. This way we expect to gain a greater knowledge and certainty about our resources, and thus begin to move this asset towards proved and recoverable reserves. This should increase investor confidence and thereby the possibility to raise more capital, so that we can move forward with the current development programs.

Our main objective is to thus to develop these huge resources we have in our possession. At the same time we are also open minded for a sale or a partnership, if the terms are favourable and results in an increase of shareholders' value.

The annual results for the Parent company and the Company Group was NOK +0,8 mill and NOK -6,7 mill respectively. The reason for the difference in the result between Parent and Company Group is caused by investment- and exploration costs charged the Canadian subsidiaries. This is fully accounted for.

All running operation costs regarding the operations in Canada through the daughter companies Norwegian Petroleum Inc. and Norwegian Oil Sand Corp. have now been brought down to an absolute minimum. This includes limited travelling activity, representation of necessary lawyer and consultants that are still ongoing. At the end of the year the Board terminated the majority if agreements with the company's consultants.
The Board still maintains that our licenses represent a large upside and returns potential for our shareholders. The challenge remains to fully finance the work programs, with an upgrading of resources to reserves and/ or come into production and further develop shareholders values.

Currency risk

By the Company's ownership and other assets in Canada we are exposed to the risk of currency transactions. These are long term ownership positions, and in such cases it is not usual to secure against currency fluctuations. Our Company has not taken such precautions.

In the long run and as soon as our daughter companies obtain income, the companies will normally also have expenses in the same currency.

Going concern

The going concern assumption has been applied in preparing the financial statements for 2009.

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 trying to remain in 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 employees as all management and administration is carried out by contracted personnel.

The Company's Board of Directors consists of two women and three men. As The Companies Act requires gender equality this is thus fulfilled.

Shareholders

At present the Company has 1,266 shareholders, of which 40 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.

Yearly Result and Dispositions

The Board proposes the following disposition of the yearly results of the parent company Nordic Petroleum ASA:

Annual results:	NOK	837 269,-
Transferred from other Share Capital:	NOK	837 269,-
Total transferred:	NOK	837 269,-
Annual results for the Group:	NOK	– 6.719.046,-

Fredrikstad/Norway, June 7st, 2010

The Board of Directors for Nordic Petroleum ASA

Øistein Nyberg Chairman (sign)	Kjell Øivind Hansen Deputy Chairman (sign)	Per Gunnar Løge Board member (sign)
Liv-Runi Ekeland Syvertsen Board member (sign)	Marianne Gran Andersen Finsrud Board member (sign)	Arild Tolfsen CEO (sign)

Income statement

Nordic Petroleum ASA

Nordic Petroleum ASA 2008	Nordic Petroleum ASA 2009		Note	Group 2009	Group 2008
0	1 975 154	Revenue		0	0
0	1 975 154	Operating Income		0	0
286 378	392 277	Wages	3	392 277	286 378
4 395 364	449 181	Other operating expenses	4	6 047 448	5 780 942
-4 681 742	1 133 696	Operating profit / -loss		-6 439 724	-6 067 320
98 670	22 140	Other interests income		22 193	120 356
246 961	33 587	Other financial income	10	33 587	246 961
-375	0	Writedown of financial assets		0	0
1 407	3 963	Other interests expenses		3 963	1 407
55 751	348 191	Other financial expenses	10	331 139	70 524
-4 392 894	837 269	Operating loss before tax		-6 719 046	-5 771 933
		Tax on ordinary result	7		
-4 392 894	837 269	Net loss		-6 719 046	-5 771 933
		Transferrals:			
-4 392 894	837 269	Transferred to/from other equity	9		
-4 392 894	837 269	Total allocated loss			

Balance sheet

Nordic Petroleum ASA

Nordic Petroleum ASA				Group	
2008	2009			2009	2008
		Assets			
		Non current assets			
		Intangible assets			
0	0	Investment in oil and gas leases	2	65 986 800	65 986 800
0	0	Total intangible assets		65 986 800	65 986 800
		Financial fixed assets			
67 297 216	67 297 216	Investments in subsidiaries	5	0	0
2 190 558	10 108 940	Loan to group companies	6	0	0
69 487 774	77 406 156	Total financial fixed assets		0	0
69 487 774	77 406 156	Total non current assets		65 986 800	65 986 800
		Current assets			
		Receivables			
79 041	18 943	Other receivables		461 105	117 072
79 041	18 943	Total receivables		461 105	117 072
4 664 628	799 968	Cash and cash equivalents		1 045 896	4 762 431
4 743 669	818 911	Total current assets		1 507 001	4 879 503
74 231 443	78 225 067	Total assets		67 493 801	70 866 303

Balance sheet

Nordic Petroleum ASA

Nordic Petroleum ASA 2008	Nordic Petroleum ASA 2009		Note	Group 2009	Group 2008
		Equity and Liabilities			
		Equity			
11 959 750	12 588 678	Share capital	8, 9	12 588 678	11 959 750
60 748 566	62 314 428	Additional paid in capital	9	52 585 794	57 511 762
0	548 086	Other paid in capital	9	548 086	0
72 708 316	74 903 106	Total equity		65 174 472	69 471 512
		Accumulated profits and loss			
0	837 269	Other equity	9	0	0
0	837 269	Total accumulated profit and loss		0	0
72 708 316	75 740 375	Total equity		65 174 472	69 471 512
		Liabilities			
		Other non current liabilites			
425 000	383 520	Inter-company loans	6	0	0
425 000	383 520	Total other non current liabilities		0	0
		Current liabilites			
1 096 999	1 492 276	Accounts payable		1 710 433	1 223 263
1 128	57 750	Public duties payable		57 750	1 128
0	3 060	Other current liabilities		3 060	170 400
1 098 127	1 553 086	Total current liabilites		1 771 243	1 394 791
1 523 127	1 936 606	Total liabilities		1 771 243	1 394 791
74 231 443	77 676 981	Total equity and liabilities		66 945 715	70 866 303

Fredrikstad, Norway 31.12.2009/07.06.2010

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
Svalbard Oil Company AS	Discovery Point	Bellsund	Svalbard	22	100 %
Svalbard Oil Company AS	Discovery Point	Isfjorden	Svalbard	3	100 %
Svalbard Oil Company AS	Discovery Point	Linnédalen	Svalbard	3	95 %
Svalbard Oil Company AS	Discovery Point	Blåhuken	Svalbard	3	75 %
Northlight Oil AS	Discovery Point	Billefjorden	Svalbard	26	100 %
Norwegian Oil Sand Corp	Oil sand	Athabasca	Canada	81 Kvm2	100 %
Norwegian Petroleum Inc	Discovery Point Gas	Carmangay	Canada	1	41 %
Northlight Oil AS	Prospecting	Blåhuken	Svalbard	3	75 %
Northlight Oil AS	Prospecting	Hopen	Svalbard	3	60 %
Northlight Oil AS	Prospecting	Hopen	Svalbard	3	60 %
Svalbard Oil Company AS	Prospecting	Lågneset	Svalbard	3	100 %

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 2009 and 2008. The management is hired from outside companies for both the parent and subsidiary companies.

Parent Company			Group	
2008	2009	Wages	2009	2008
0	33 060	Wages and remuneration	33 060	0
250 000	310 000	Board member fees	310 000	250 000
36 378	49 217	Social security payments	49 217	36 378
0	0	Pension costs	0	0
0	0	Other	0	0
286 378	392 277	Total wages	392 277	286 378
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	
2008	2009	Honorarer og godtgjørelser	2009	2008
801 250	600 000	Innleiet daglig leder	600 000	801 250
0	0	Subsidiary Directors	165 000	0
1 515 977	826 561	DBA Nyberg Management & Engineering	826 561	1 515 977
336 517	48 779	Kjell Hansen	48 779	336 517
75 000	0	Underwriting fee to directors	0	75 000
2 728 744	1 475 340	Total invoiced	1 640 340	2 728 744

Options, with a strike at NOK 0,60/0,25, equivalent to 42.000.000 shares is granted to the board of directors and members of management; note 8

Auditor
Expensed audit fee for the parent company is kr 143.000. For the Group the audit fee is expensed with is expensed with kr 161.750. All amounts exclusive vat.

Note 4 – Other operating expenses

Parent Company 2008	Parent Company 2009		Group 2009	Group 2008
0	0	Field expeditions and surveys	0	70 712
1 571 578	775 025	Administrative services and legal services	803 086	1 753 527
2 071 228	-224 675	Expenses related to Canada	4 982 154	2 865 458
752 558	-101 169	Other operating expenses	262 208	1 091 245
4 395 364	449 181	Total other operating expenses	6 047 448	5 780 942

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
Grønland Resources Company AS	Fredrikstad	100 %	100 %
Northlight Oil AS	Fredrikstad	100 %	100 %
Svalbard Oil Company AS	Fredrikstad	100 %	100 %
Nordic America's Inc	Canada	100 %	100 %

Note 6 – Intercompany receivables

Parent Company		**2009**	**2008**
Intercompany receivables	Receivables from group companies	10 108 940	2 190 558
	Inter-company loans payable	383 520	425 000

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

Note 7 – Tax

Parent Company 2008	Parent Company 2009		Group 2009	Group 2008
		Income tax expense		
0	0	income tax ordinary result	0	0
		Income Tax payable		
-4 392 894	837 269	Ordinary result pre tax	-6 719 046	-5 771 933
-722 330	-42 820	Permanent differences	-42 820	-722 330
0	0	Endring i midlertidige forskjeller	0	0
0	-794 449	Changes in loss carried forward	0	0
-5 115 224	0	Basis tax payable	-6 761 866	-6 494 263
0	0	Tax 28%	0	0
0	0	Total tax payable	0	0
		Tax payable balance sheet		
0	0	Tax payable on current year result	0	0
0	0	Total tax payable	0	0
		Temporary differences		
		Temporary differences to be off set		
-21 611 295	-20 816 846	Loss carried forward	-39 142 872	-32 381 006
-21 611 295	-20 816 846	Total temporary differences	-39 142 872	-32 381 006
-6 051 163	-5 828 717	Deferred tax asset	-10 050 148	-8 677 675
		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 239.195.000 common shares at a par value of kr 0,05.
The largest shareholders at December 31, 2008

		Number of shares	Ownership share	Voting share
1	Keppoch Energy Ltd.	32 590 000	12,94 %	12,94 %
2	Pan Pacific Land Corp.	21 180 000	8,41 %	8,41 %
3	Kjell Hansen	9 004 521	3,58 %	3,58 %
4	Loge Resources AS	6 766 667	2,69 %	2,69 %
5	Tov Westby	5 631 466	2,24 %	2,24 %
6	Harry Skare	5 050 000	2,01 %	2,01 %
7	Tormod Holst	5 000 000	1,99 %	1,99 %
8	Realium Invest AS	4 996 303	1,98 %	1,98 %
9	Sky High Risk AS	4 494 337	1,79 %	1,79 %
10	Hong Invest AS	4 250 000	1,69 %	1,69 %
11	Årnes Sport AS	4 106 541	1,63 %	1,63 %
12	Jæger Terapi AS	3 134 000	1,24 %	1,24 %
13	Olav Sannes	3 100 000	1,23 %	1,23 %
14	Lars Andersen	2 895 876	1,15 %	1,15 %
15	Advokatfirmaet Skotte	2 305 000	0,92 %	0,92 %
16	PG Medical AB	2 092 000	0,83 %	0,83 %
17	Einar Ianssen	2 074 363	0,82 %	0,82 %
18	Independent Oil & Resources AS	2 035 901	0,81 %	0,81 %
19	Kenneth Granly	2 000 000	0,79 %	0,79 %
20	Rolf Gulbrandsen	2 000 000	0,79 %	0,79 %
21	Truls-Ola Kjenner	2 000 000	0,79 %	0,79 %
22	Linnea Mackenzie	2 000 000	0,79 %	0,79 %
	Other	123 066 587	48,88 %	48,88 %
	Total	251 773 562	100 %	100 %

Shares held by officers of the Company		Own	Related parties	Total
Arild Tolfsen	Managing Director	200 000	5 736 456	5 936 456
Øistein Nyberg	Chairman of the oard of Directors	417 074	0	417 074
Kjell Hansen	Member of the Board of Directors	9 356 521	0	9 356 521
Per Gunnar Løge	Member of the Board of Directors	1 371 765	6 766 667	8 138 432
Liv-Runi Syvertsen	Member of the Board of Directors	173 333	100 000	273 333
Marianne Finsrud	Member of the Board of Directors		250 000	250 000
		11 518 693	**12 853 123**	**24 371 816**

15.000.000 subscribtion rights are issued, price kr 0,60, owned by following at December 31. 2009;

	Number	Due	Position
Øistein Nyberg	3 000 000	08.06.2010	Chairman
Kjell Ø. Hansen	3 000 000	08.06.2010	Boardmember
Realium Invest AS v/Arild Tolfsen	3 000 000	08.06.2010	Boardmember
Loge Resources AS v/Per Gunnar Løge	3 000 000	08.06.2010	Boardmember
AS Invest AS v/Liv-Runi Syvertsen	1 500 000	08.06.2010	Boardmember
Scanmarin AS (nærstående Arild Tolfsen)	1 500 000	08.06.2010	Managing Director
Total	**15 000 000**		

30.000.000 subscribtion rights are issued, price kr 0,25, owned by following at December 31. 2008;

	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	Boardmember
Marianne Gran Andersen Finsrud	2 000 000	19.05.2011	Boardmember
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	
Rolf Gulbrandsen	500 000	19.05.2011	
Open subscribtion rights	1 000 000	19.05.2011	
Total	**30 000 000**		

* 750.000 subscribtion rights for new management

Note 9 – Equity

Parent Company	Share capital	Paid in premium	Paid in, not reg. equity	Other equity	Total
Equity 01.01	11 959 750	60 748 566	0	0	72 708 316
Share issue	628 928	1 613 451	548 086	0	2 790 465
Expenses charge through equity		-47 589			-47 589
Gain/Loss for the year				837 269	837 269
Equity 31.12	12 588 678	62 314 428	548 086	837 269	76 288 461

Group	Share capital	Paid in premium	Paid in, not reg. equity	Other equity	Total
Equity 01.01	11 959 750	57 511 762	0	0	69 471 512
Share issue	628 928	1 613 451	548 086		2 790 465
Expenses charge through equity		-47 589			-47 589
Convertion difference		227 216			227 216
Loss for the year				-6 719 046	-6 719 046
Transferrals		-6 719 046		6 719 046	0
Equity 31.12	12 588 678	52 585 794	548 086	0	65 722 558

Note 10 – Currency

Included in other financial income is exchange gain of kr 33.587, included in other financial expenses is exchange loss of kr 348.191. During 2008, the exchange gain was kr 246.961 and exchange loss kr 55.751. For the Group exchange gain was kr 33.587 in 2008, and exchange loss kr 331.139. For 2008 the exchange gain for the group was kr 246.961 and the exchange loss kr 70.524.

Fredrikstad December 31. 2009
June 7. 2010

Øistein Nyberg, Chairman of the Board	Per Gunnar Løge, styremedlem	Kjell Hansen, Board member
(sign)	(sign)	(sign)
Liv-Runi Syvertsen, Board member	Marianne Finsrud, Board member	Arild Tolfsen, Managing Director
(sign)	(sign)	(sign)

Nordic Petroleum ASA **Cashflow Statement**

	Nordic Petroleum ASA		Nordic Petroleum Group	
	2008	**2009**	**2009**	**2008**
Cash flow from operating activities				
Loss before tax	-4 392 894	837 269	-6 719 046	-5 771 933
- Taxes paid	0	0	0	0
+ Write down of financial assets	-375	0	0	0
+/- Changes in other accruals	366 506	515 057	32 419	313 447
= Net cash flow from operating activities	**-4 026 763**	**1 352 326**	**-6 686 627**	**-5 458 486**
Cash flow from investing activities				
- Other investments	0	0	227 216	-263 281
- Purchase of shares	-2 603 188	0	0	-2 603 188
+ Loan group companies	-945 700	-7 959 862	0	0
= Net cash flow from investing activities	**-3 548 888**	**-7 959 862**	**227 216**	**-2 866 469**
Cash flow from financing activities				
+ increased share capital	9 866 005	2 742 876	2 742 876	9 866 005
= Net cash flow from financing activities	**9 866 005**	**2 742 876**	**2 742 876**	**9 866 005**
Net change in cash and cash equivalents	**2 290 354**	**-3 864 660**	**-3 716 535**	**1 541 050**
Cash and cash equivalents at 01.01	2 374 274	4 664 628	4 762 431	3 221 381
= Cash and cash equivalents at 31.12	**4 664 628**	**799 968**	**1 045 896**	**4 762 431**
Cash and cash equivalents consist of				
Cash and bank deposits at 31.12	4 664 628	799 968	1 045 896	4 762 431
=Total cash and cash equivalents at 31.12	**4 664 628**	**799 968**	**1 045 896**	**4 762 431**

To the Annual Shareholders' Meeting of Nordic Petroleum ASA

AUDITOR'S REPORT FOR 2009

We have audited the annual financial statements of Nordic Petroleum ASA as of 31 December 2009, showing a profit of NOK 837.269 for the parent company and a loss of NOK 6.719.046 for the group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The annual financial statements comprise the parent company's financial statements and the group accounts. The parent company's financial statements comprise the balance sheet, the statements of income and cash flows and the accompanying notes. The group accounts comprise the balance sheet, the statements of income and cash flows and the accompanying notes. The rules of the Norwegian accounting act and good accounting practice in Norway have been applied to produce the financial statements. These financial statements and the Board of Director's report are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on the other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and good auditing practice in Norway, including standards on auditing adopted by the Norwegian Institute of Public Accountants. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and good auditing practice an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the Company and of the Group as of December 31, 2009, and the results of its operations and its cash flows for the year then ended, in accordance with good accounting practice in Norway
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information in accordance with the law and good bookkeeping practice in Norway
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit are consistent with the financial statements and comply with the law and regulations.

Moss, June 15th, 2010
RevisjonsCompagniet AS
Auditor number 936 025 609

Nils-Kristian Krogh
State Authorized Public Accountant (Norway)
Note: The translation to English has been prepared for information purposes only.