SHARE ISSUE AND FINANCING OF THE WORK PROGRAM

Nordic Petroleum AS has completed a capital increase of NOK 3.7 million for the development and operation of the company. The placement is made at NOK 0.05 per share and as a result Commodity Quest AB will become our largest shareholder with just over 10% of the company’s shares when the share issue is finalized.

The company has come far in its efforts to secure a total funding to implement the work program of Norwegian Oil Sands in the Chard area of Athabasca. This consists of upgrading the 300 million barrels of already proven oil resources in the ground by drilling 8-12 core well samples, laboratory testing, third party evaluation and demonstration of economically recoverable resources and reserves. The work program will also involve the design of a field development program for future production of heavy oil.

The duration of the work program will be 13 months with the expected startup Q2 2011. The program has a budget of approximately CAD 2.5 million. The company is engaged in various financing options for this, focusing on partner and/or project financing. The company has received positive interest from a number of potential financial and strategic partners who have the necessary financial resources to ensure the implementation of the work program which is now ready for startup.

The company anticipates that these negotiations will be finalized shortly.

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Nordic Petroleum AS
Contact Arild Tolfsen with enquiries,
Mobil: +47 93 09 98 59,
E-mail: arild.tolfsen@nop.as