

ISSUER DETAILS

NAME OF ISSUER	FOR PERIOD ENDED	DATE OF REPORT
NORDIC OIL AND GAS LTD.	September 30, 2006	November 28, 2006

ISSUER ADDRESS

4727 ROBLIN BOULEVARD

CITY	PROVINCE	POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO.
WINNIPEG	MANITOBA	R3R 0G2	(204) 897-7154	(204) 956-5042

CONTACT NAME	CONTACT POSITION	CONTACT TELEPHONE NO.
DONALD P. BENSON	PRESIDENT	(204) 956-5042

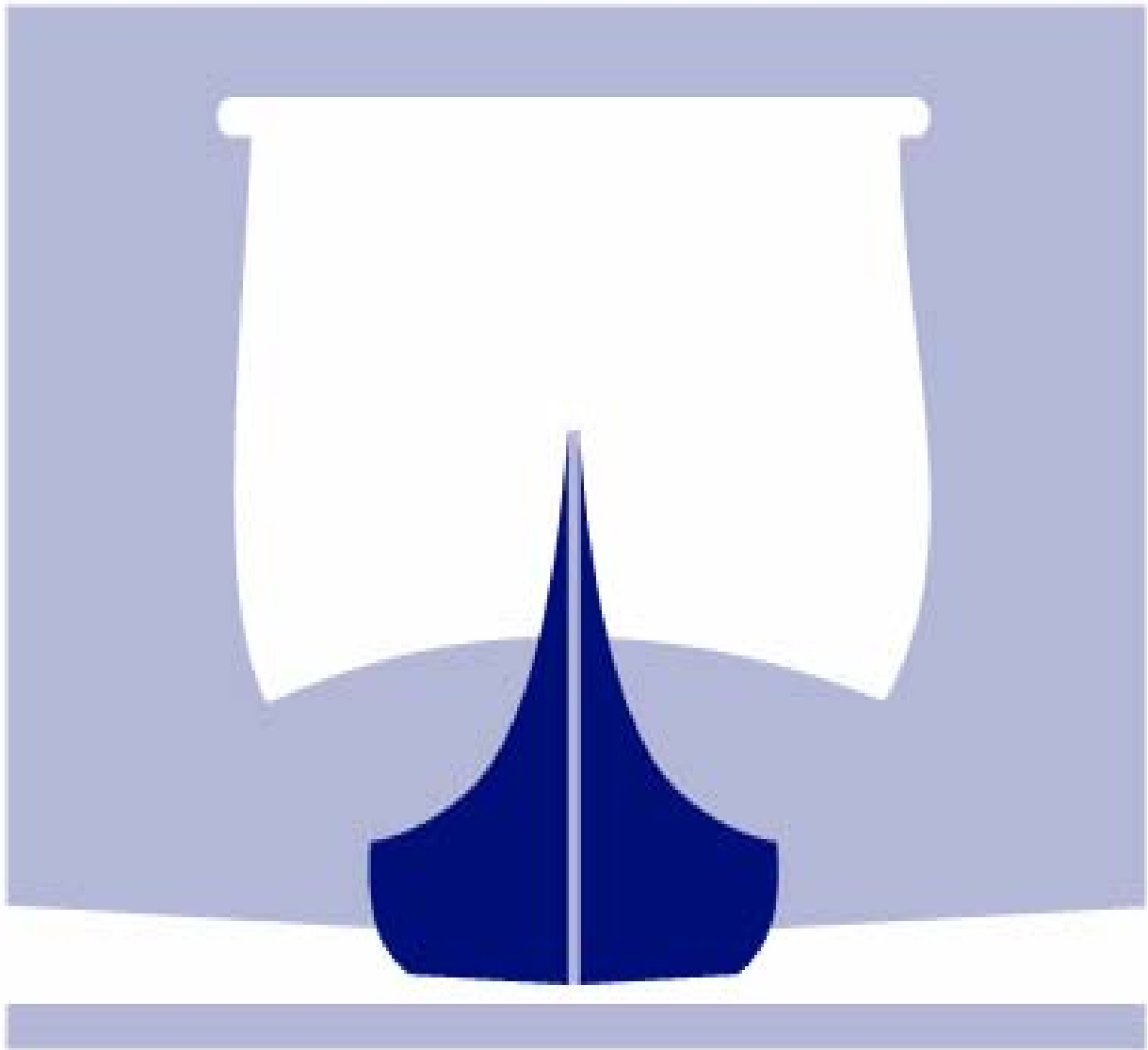
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CERTIFICATE

THE THREE SCHEDULES REQUIRED TO COMPLETE THIS REPORT ARE ATTACHED AND THE DISCLOSURE CONTAINED THEREIN HAS BEEN APPROVED BY THE BOARD OF DIRECTORS. A COPY OF THIS REPORT WILL BE PROVIDED TO ANY SHAREHOLDER WHO REQUESTS IT.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED
"Donald Benson"	DONALD P. BENSON	11/28/2006

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED
"Keith Peterson"	KEITH PETERSON	11/28/2006



NORDIC
OIL AND GAS LTD

Notice of No Auditor Review

NORDIC OIL AND GAS LTD.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these consolidated financial statements in accordance with the established standards by the Canadian Institute of Chartered Accountants for a review of interim financial statements by the entity's auditors.

Nordic Oil and Gas Ltd.
Financial Statements
For the period ended September 30, 2006

Balance Sheet
As at September 30, 2006
(Unaudited)

ASSETS	Period ended <u>September 30, 2006</u>	Period ended <u>September 30, 2005</u>
Current Assets		
Cash	(41,035)	(124,465)
Term Deposits	310,576	500,945
Accounts Receivable	184,737	422,669
Prepaid Expenses	15,850	40,382
Fixed Assets		
Oil and Gas Interest (note 2)	3,292,422	2,187,380
Capital Asset (note 3)	14,676	5,372
Total Assets	<u>\$ 3,777,225</u>	<u>\$ 3,032,283</u>

Liabilities and Shareholders' Equity

Accounts Payable	410,257	234,545
Site Reclamation Costs	151,944	89,911
Future Tax Liability (note 1)	367,885	624,083
Total Liabilities	<u>930,086</u>	<u>948,539</u>

Shareholders' Equity

Capital Stock Authorized:		
Unlimited number of common shares without par value		
Issued and outstanding (note 4)	\$ 3,331,776	2,323,427
Contributed Surplus (note 5)	760,564	446,054
	<u>4,092,340</u>	<u>2,769,481</u>
Retained Earnings (Deficit)	(916,222)	(639,297)
Current Earnings (Deficit)	(328,990)	(46,440)
Total Retained Earnings (Deficit)	<u>(1,245,201)</u>	<u>(685,737)</u>
Total Shareholders' Equity	2,847,139	2,083,744
Total Liabilities & Equity	<u>\$ 3,777,225</u>	<u>\$ 3,032,283</u>

Nordic Oil and Gas Ltd.
Financial Statements
For the period ended September 30, 2006

Statement of Income and Deficit
For the period ended September 30, 2006
(Unaudited)

REVENUE	Period ended <u>September 30, 2006</u>	Period ended <u>September 30, 2005</u>
Oil and Gas Revenue	\$ 484,009	\$ 936,938
Liquids Revenue	12,067	50,076
Transport Revenue	13,413	35,700
Interest Revenue	11,228	5,796
	<u>520,717</u>	<u>1,028,509</u>
 PRODUCTION COSTS		
Operating Costs	159,236	158,602
Royalties Costs	118,063	255,065
Total Production Costs (note 6)	<u>277,298</u>	<u>413,668</u>
 EXPENSES		
Depletion and Amortization Expense	194,138	313,026
General and Administration Expenses	118,967	105,841
Geological Services	35,661	19,009
Management Fees	90,000	90,000
Professional Fees	20,404	45,754
Regulatory Fees	18,746	9,900
Stock Option Expense	94,492	77,752
Total Expenses (note 6)	<u>572,408</u>	<u>661,281</u>
 Total Product Costs and Expenses	 <u>849,706</u>	 <u>1,074,949</u>
 NET INCOME (LOSS)	 <u>(328,990)</u>	 <u>(46,440)</u>
 Retained Earnings (Deficit), beginning		
	(916,222)	(639,297)
 Current Earnings (Loss)		
	(328,990)	(46,440)
 Retained Earnings (Deficit), ending		
	<u>(1,245,201)</u>	<u>(685,737)</u>
 Earnings per share (Loss)	 \$ (.0213)	 \$ (.0039)

Nordic Oil and Gas Ltd.
Financial Statements
For the period ended September 30, 2006

Statement of Cash Flow
For the period ended September 30, 2006
(Unaudited)

Cash Flow from	Period ended	Period ended
Operating Activities	<u>September 30, 2006</u>	<u>September 30, 2005</u>
Net Loss for period	(328,990)	(46,440)
Adjustments for		
Depletion and amortization	180,646	313,026
Stock based compensation	94,492	77,752
Asset Retirement Obligation	33,656	5,068
Changes in non-cash working capital		
Accounts receivable	3,030	(436,272)
Accounts payable	(893,127)	(100,733)
Prepaid expense, increase	11,782	(28,750)
Total	<u>(898,511)</u>	<u>(216,349)</u>
Investing Activities		
Property and equipment acquisitions	(289,550)	(342,061)
Financing Activities		
Share capital issued net of issue costs	-	-
Increase (Decrease) in cash and equivalents, during the year	<u>(1,188,061)</u>	<u>(558,410)</u>
Cash and cash equivalents, beginning	<u>1,457,601</u>	<u>934,890</u>
Cash and cash equivalents, ending	<u><u>269,540</u></u>	<u><u>376,480</u></u>
Cash and cash equivalents:		
Cash	(41,036)	(124,465)
Term Deposits due within 30 days	310,576	500,945
	<u><u>\$ 269,540</u></u>	<u><u>\$ 376,480</u></u>

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES:

a) Incorporation

Nordic Oil and Gas Ltd., (the "Company") was incorporated under The Corporations Acts (Manitoba). The Company was originally classified as a venture capital pool corporation under the rules of the Toronto Venture Exchange ("TSX", formerly the Canadian Venture Exchange). Under such rules, to meet the initial listings requirements of a publicly traded company, the Company was required to complete a Qualifying Transaction. The Company completed a Qualifying Transaction on November 14, 2002, and is now listed on the TSX (see note 2).

b) Financial Instruments

Financial instruments included cash and term deposits, accounts and GST receivable, accounts payable and accrued liabilities. The estimated fair value of such financial instruments approximates their carrying values. A \$200,000 bank line is secured with a term deposit.

c) Future Income Taxes

The company follows the liability method of accounting for income taxes. Under this method, income taxes are recognized for the future income tax consequences attributable to differences between the carrying value and the tax bases of assets and liabilities. The components of the future income tax liability are as follows:

Property and equipment	\$ (477,288)
Flow-through share renouncement to be incurred	
Non-Capital Losses	-
Share Issue Costs	109,403
Future Tax Liability	<u>\$ (367,885)</u>

In assessing the realizability of future tax assets, management considers whether or not it is more likely than not that some portion or all of the future tax assets will be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income during periods in which those temporary differences become deductible. Management considers the schedule reversal of projected future taxable income, and tax planning strategies in making this assessment. The amount of future tax asset considered realizable could change materially in the near term, based upon future taxable income during the carry-forward period.

d) Oil & Gas Interest and Depletion

The company follows the full cost method of accounting for oil and gas properties whereby all costs relating to acquisition, exploration and development of oil and gas reserves are capitalized. Such costs include land acquisitions costs, geological and geophysical costs, drilling and other costs related to exploration and development activities. Proceeds from the disposal of oil and gas properties are applied against the capitalized costs of the related property.

The Company annually applies a ceiling test to capitalized costs, net of accumulated depletion and depreciation, to ensure they do not exceed the estimated undiscounted value of future net revenues from proven oil and gas reserves, based on year-end prices and costs, adjusted for estimated future general and administrative expenses, abandonment and site restoration costs, financing costs, and income taxes. Upon commencement of production, capitalized costs are depleted using the unit-of-production method, based on estimated provable oil and gas reserves determined by independent engineering.

At present, a substantial portion of the company's activities are conducted with others. These financial statements reflect only the Company's proportionate interest in joint ventures.

e) Stock Based Compensation

The Company has a stock option plan for its directors, officers and employees. Any compensation paid by option holders on the exercise of stock options is credited to share capital.

Commencing November 1, 2002, the company adopted the new Canadian accounting standard for stock based compensation and other stock-based payments which requires that all stock-based awards granted to non-employees be accounted for at fair market value.

f) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles require management to make estimates and assumptions that affect the reporting amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

g) Measurement Uncertainty

The amounts recorded for depletion, depreciation and amortization of oil and gas interests and property and equipment are based on estimates. The ceiling test is based on estimates of proven reserves, production rates, oil price, future costs and other relevant assumptions. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

h) Statement Format

The company will now present the Statement of Cash Flows using the indirect method. This will allow users a straightforward means to compare the company's financial statements.

2. OIL AND GAS INTERESTS

The following is a summary of the oil and gas interests owned by the Company, their depletion using the units-of-production method, their cost, accumulated depletion and resulting net book value:

	<u>2006</u>		<u>2005</u>	
	Cost	Ac. Depletion	Cost	Ac. Depletion
Oil and gas	2,279,442	\$ 1,648,388	1,624,952	1,163,009
Net book value	-	631,054		461,943

The remaining value of the Oil and Gas Asset is comprised of costs that were unrealized at statement date. During the year the Company completed three wells in the Joffre area of Alberta. Drilling in the Preeceville area was completed during the previous year and is yet to be realized.

3. FIXED ASSETS

The following is a summary of the fixed assets owned by the Company, their rates of amortization using declining balance method, their cost, accumulated amortization and resulting net book value:

	Rate	<u>2006</u>		<u>2005</u>	
		Cost	Acc. Amort.	Cost	Acc. Amort.
Computer	30%	11,098	2,629	6,724	1,352
Equipment	30%	7,271	1,064		
Net book value			14,676		5,372

4. Equity Instruments

The authorized capital of the Company is an unlimited number of Class A common shares.

The issued capital is as follows:

	<u>2006</u>		<u>2005</u>	
	Shares	Amounts	Shares	Amounts
Class A Common Shares	15,418,480	3,112,236	11,919,305	2,107,415
Warrants as flow through	1,712,088	164,859	2,399,769	216,032
Warrants as agent warrants	333,934	54,681		
Balance of all equity instruments		\$ 3,331,776		\$ 2,323,447

Each unit of the Company sold as flow through common shares entitled the purchaser to one half share warrant, which can be purchased for \$.60-\$.80. In conjunction with placement the previous year, 333,394 broker warrants were issued. One brokers warrant entitles the holder to purchase one class A common share at a price of \$.40 and \$.80. The warrants expire in May and June 2007. At the date of the statement there were 2,046,022 warrants outstanding. The fair value of the warrants was estimated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	3.00%
Expected life (years)	1 to 1.5
Expected volatility	101.50%
Expected dividend yield	0%

The Company has established a stock option plan for its directors, officers, key employees, agents, and consultants. The total number of authorized and unissued common shares allocated to, and made available to, such participants under the plan, shall not exceed 10% of the issued and outstanding Class A Common Shares at the time of the granting of the option. At the balance sheet date there were 1,420,000 options outstanding. The fair value of the options was estimated using the Black-Scholes option-pricing model with the following assumptions:

Risk-free interest rate	5.00%
Expected life (years)	5
Expected volatility	82.00%
Expected dividend yield	0%

<u>Issued</u>	<u>Option Price</u>	<u>Expire</u>
525,000	\$ 0.40	1/17/2008
50,000	\$ 0.40	5/21/2008
50,000	\$ 0.40	9/22/2008
25,000	\$ 0.40	10/9/2008
160,000	\$ 0.40	2/12/2009
260,000	\$ 0.45	1/31/2010
350,000	\$ 0.40	1/22/2011

5. CONTRIBUTED SURPLUS

	<u>2006</u>	<u>2005</u>
Balance, beginning of period	662,386	368,302
Stock based compensation	94,492	77,752
Warrants expired	-	-
Balance, end of period	<u>756,878</u>	<u>446,054</u>

6. EXPENSES

	<u>September 30, 2006</u>	<u>September 30, 2005</u>
Rent	\$ 5,012	\$ 3,560
Banking and Interest	3,137	3,080
Office Administration	43,155	33,031
Corporate Relations	13,136	11,155
Other	30,997	37,975
Accounting/Audit Fees	29,989	24,668
Total General and Administration	125,427	113,469
Legal fees	13,944	38,126
Total Professional Fees	13,944	38,126
Management Fees	90,000	90,000
Regulatory Costs	18,746	9,900
Geological Services	35,661	19,009
Stock Option Expense	94,492	77,752
Amortization	13,492	12,419
Depletion Costs	180,646	300,607

Production Costs:

Operating Costs	159,236	158,602
Royalties Costs	118,063	255,065
Total	\$ 849,706	\$ 1,074,949

7. Product Prices and Production

Our results of operations and financial condition are significantly affected by natural gas commodity prices, which can fluctuate dramatically. The commodity prices are beyond the company's control and are difficult to predict. Gas volume and price realization comparisons for the indicated periods are set forth below. The company does not hedge any of its production.

	Nine Months Ended Sept 30	
	<u>2006</u>	<u>2005</u>
Gas(103M3)	2,140	3,578
Prices (GJ)	6.0102	7.5883

	Three Months Ended Sept 30	
	<u>2006</u>	<u>2005</u>
Gas(103M3)	679	1,005
Prices (GJ)	5.2933	8.6936

8. CORPORATE OFFICERS AND BOARD OF DIRECTORS

Donald P Benson (1)
Chairman & Chief Executive Officer

Keith Peterson
Secretary-Treasurer & Director

Michael Mann, Geologist (1)
Director

Barry Palka (1)
Director

Brahm Silverstone, Geophysicist
Director

(1) is a member of audit committee

9. CORPORATE INFORMATION

HEAD OFFICE:
4727 Roblin Boulevard
Winnipeg, Manitoba, Canada R3R 0G2
Telephone: 204-956-5042
Fax: 204-897-7154

GENERAL INFORMATION:

Number of Shares Outstanding:15,418,480

Stock Exchange Listing: TSXV:NOG

Fiscal Year-End: December 31

Transfer Agent: CIBC Mellon Trust, Winnipeg

Auditor: BDO Dunwoody

Reporting Jurisdictions: Alberta; Manitoba; Saskatchewan; British Columbia

**Schedule B
Supplementary Information**

	Period ended <u>September 30, 2006</u>	Period ended <u>September 30, 2005</u>
1. Expenses -		
General and Administration:		
Rent	\$ 5,012	\$ 3,560
Banking and Interest	3,137	3,080
Office Administration	43,155	33,031
Corporate Meetings	13,136	11,155
Other	30,997	37,975
Legal fees	13,944	38,126
Accounting Fees	29,989	24,668
Management Fees	90,000	90,000
Regulatory Costs	18,746	9,900
Geological Services	35,661	19,009
Stock Option Expense	94,492	77,752
Amortization	13,492	12,419
Production Costs:		
Depletion Costs	180,646	300,607
Operating Costs	159,236	158,602
Royalties Costs	118,063	255,065
Totals	\$ 849,706	\$ 1,074,949
2. Flow Through Expenses-		
Flow through expenses	407,203	81,966
3. Related Party Transactions - none		
4. Summary of Securities Issued During Period.		
5. Summary of Securities as at September 30, 2006:		
a) Authorized: Unlimited Class A Common		
b) Issued: 15,418,480 Class A Common		
c) Options Issued:		
525,000 \$.40 expire Jan 7, 2008,no par value		
50,000 \$.40 expire May 21, 2008,no par value		
50,000 \$.40 expire September 22, 2008,no par value		
25,000 \$.40 expire October 9, 2008,no par value		
160,000 \$.40 expire February 12, 2009,no par value		
260,000 \$.45 expire January 30, 2010,no par value		
350,000 \$.40 expire January 22, 2011,no par value		
6. Officers and Directors:		
Donald P. Benson, President and Chairman		
Keith A. Peterson, Secretary Treasurer and Director		
Barry Palka, Director		
Michael Mann, Geologist and Director		
Brahm Siverstone, Geophysicist and Director		