

NORDIC OIL AND GAS

Gearing Up For Saskatchewan Drilling Program

Written By Don Bain of Nordic Oil & Gas

Photo: Drilling for oil at Preeceville.
Left Page Photo: Members of the drilling crew on
Nordic's first well at Preeceville in 2008.

When Nordic Oil and Gas Ltd. undertook its initial activities in the Preeceville area of east-central Saskatchewan back in December 2002 - it completed a 14 kilometre seismic survey which identified five distinct formations on the Nordic lands – Company President and CEO, Donald Benson, felt back then that this was an area of great promise.

Now, nearly seven years later, the entire east-central region of the province has become one of Western Canada's most exciting, with reports of an abundance of shale gas along with the potential for both heavy and light crude oil in the area. Nordic was the first company to get into the region back in 2002 and, as Mr. Benson states, "we paved the way for others to enter the area."

"Today there are at least half-a-dozen other companies undertaking exploration in the Preeceville/Foam Lake area, due in no small part to our initiatives and belief in the region," he adds.

During 2008, Nordic's primary focus in the area was on exploration for oil, "because our findings indicate that there are major oil anomalies on our lands," notes Mr. Benson.

The Company's belief that there is oil in the Preeceville area dates back to October 2007, when Petro-Find Geochem Ltd., a consultant to the Company discovered evidence of some 34 oil seeps.

Last summer, the Company drilled two exploratory wells in Preeceville in search of oil. The first well showed strong

indications of the presence of oil during the drilling - an oil film and droplets in the drilling fluid coming over the shaker were found, and some oil staining was seen on some samples that were taken. However, due to the intersection of faults, the well deviated and the drilling tools became lodged in the hole and could not be dislodged. As a result, the well was abandoned.

A second well was drilled nearby and the Company again discovered oil in two formations. Unfortunately, following the completion of the perforating and testing, it was determined that the well does not have any production capabilities.

"While we were disappointed that we were unable to bring either of these wells into commercial production, we nevertheless remain undeterred about the potential for a major oil discovery in the region," says Mr. Benson.

The data acquired from the well logs provided Nordic with key 'pieces of the puzzle'. This was combined that with the information secured from the analysis of the two wells, along with the data from the 3-D seismic work completed earlier this year, and together, this will assist the Company in identifying new drilling locations. Nordic plans to drill up to five new exploratory wells at Preeceville by the end of 2009.

The Company's interests in the area are not solely on oil exploration. Unconventional gas sources are becoming a primary target for exploration within the Western Canadian Sedimentary Basin (WCSB), including Nordic's Preeceville lands. This region

is now being heavily explored and Nordic is right in the middle of it all.

Nordic's land is on the northeastern flank of the WCSB where it is believed that there is an abundance of Shale Gas. The Gas Technology Institute has concluded that the WCSB contains large resource potential for Shale Gas and has estimated the hydrocarbon volume for these shales to be in the order of 86 Trillion Cubic Feet (TCF).

In 2007, a major reservoir engineering firm prepared a report for a neighbouring oil and gas Company, which controls 1,689 square miles (i.1 million acres) of land in central Saskatchewan in close proximity to the Nordic property. The Report stated that this Company has Gas-In-Place Potential of 63 Trillion Cubic Feet on its lands.

"Clearly, this is very significant for Nordic Oil and Gas, given that our lands are in such close proximity to the lands that were assessed and reported on," says Mr. Benson. "

With this in mind, Nordic announced recently that survey work has been completed for a multi-gas well drilling program in Preeceville. Nordic believes that with new drilling technology available, it will be successful in unlocking the enormous reserves of shale and natural gas that consultants have confirmed is in the region. Drilling is expected to begin in September of this year.

While the current trending of natural gas prices may slow

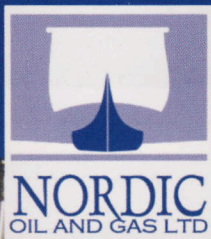
exploration for shale gas, going forward, the long-term outlook is very positive. The demand for natural gas will result in shale gas becoming a major

contributor to the overall supply requirements, just as with Coal Bed Methane a few years ago, which has become an important contributor to natural gas production in Canada.

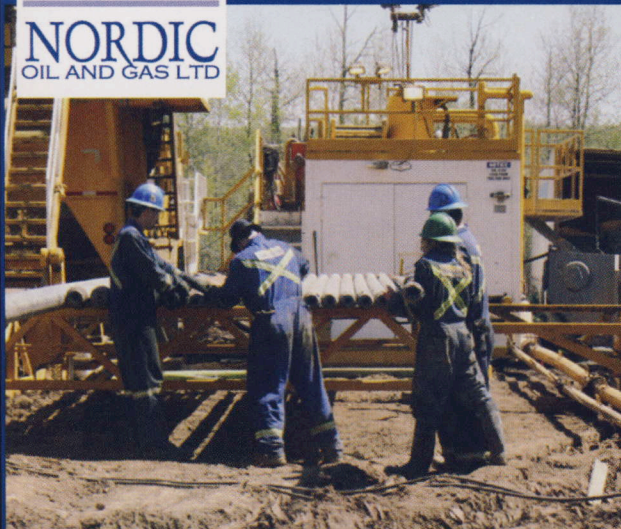
In addition to all of this, in August of this year, Nordic Oil and Gas and its joint venture partner, Western Warner Oils Ltd., entered into an agreement with a major international oil company, whereby Nordic has the opportunity to earn an interest in that company's land, also located in the Preeceville area. The company owns approximately 153,600 acres of land situated a few miles southeast of the Nordic lands.

The agreement between the two companies gives Nordic the opportunity to earn an interest in the other's land. The ensuing exploration work on the lands will result in the company having the option to participate on a 50-50 go forward basis with Nordic, or allow Nordic to retain a 100% interest in the land with the other company earning a Gross Overriding Royalty.

No timetable on that work has been established as yet.●



Growth Through Successful Exploration & Drilling Strategies



- 80% interest in 32,000 gross acres of P & NG leases in Preeceville
- 34 shows from oil seeps in two TWP's in Preeceville
- Oil film and droplets found in drilling fluid at first well drilled in 2008
- Oil discovered in two formations at 2nd well drilled; live oil also found on shaker
- 3-D Seismic completed – new drilling locations to be identified
- Survey work completed for multi-well drilling program this Fall
- New drilling technology to help unlock enormous reserves of shale gas that have been confirmed in the region.
- New strategic alliance with major international oil company in the area

Nordic Oil and Gas Ltd. is a junior oil and gas company listed on the TSX Venture Exchange. It trades under the symbol NOG.

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