MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED

SEPTEMBER 30, 2015

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GENERAL INFORMATION

The following discussion of performance, financial condition and future prospects for Nordic Oil and Gas Ltd. ("Nordic" or "the Company") should be read in conjunction with the Company's financial statements and notes attached thereto for the three and nine months ended September 30, 2015.

This Management Discussion & Analysis was prepared on November 30, 2015.

Forward Looking Statements & Definitions

Certain statements contained in this Management Discussion & Analysis document constitute forward-looking statements. These forward-looking statements can generally be identified as such because of the context of the statements, including such words as "believes", "anticipates", "expects", "plans", "may", "estimates", or words of a similar nature. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from anticipated future results and/or achievements expressed or implied by such forward-looking statements, which speak only as of the date the statements were made. Readers are therefore advised to consider the risks associated with any such forward-looking statements.

In certain parts of this document, the term BOE is used. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Corporate Overview

Nordic Oil and Gas Ltd. is an oil, natural gas and coal bed methane (CBM) exploration, development and production company headquartered in Winnipeg, Manitoba, Canada. The Company is listed on the TSX Venture Exchange under the symbol: NOG.

Nordic Properties

As at November 30, 2015, Nordic had an interest in the following properties:

- A 42.5% - 85% interest in 4,480 Gross acres of P & NG leases in Joffre, Alberta, with 11 wells capable of production;
- An 80% interest in 38,079 gross acres of P&NG leases in the Preeceville/Endeavour region of east-central Saskatchewan with 238 potential drilling locations;
- Nordic holds a 100% interest in 160 acres of P & NG rights at Lloydminster, containing two heavy oils wells;
- Have a 100% ownership position in one section of land consisting of approximately 640 acres, in the Talbot Lake area of the Peace River Arch region of northwestern Alberta;
- Have a farm-in agreement on one section of Petroleum and Natural Gas leases in the area known as Noel, B.C. located in northeastern British Columbia - southeast of Tumbler Ridge - adjacent to the Alberta border;
- Have 1.5 sections of land near Elk Point/St. Paul area of Alberta.
- Have an average of 80% interest in 1,179 hectares of land from a Western Canadian resource company in the Noel, B.C. area.

Accounting Policies

Voluntary changes in accounting policies are permitted only if they result in financial statements which provide more reliable and relevant information. Accounting policy changes are applied retrospectively unless it is impracticable to determine the period or cumulative impact of the change. Corrections of prior period errors are applied retrospectively and changes in accounting estimates are applies prospectively by including the effect of the change in earnings.

The preparation of the Company's financial statements requires management to make estimates and assumptions regarding future events. These estimates and assumptions affect the reported amounts of certain assets and liabilities, and disclosure of contingent liabilities.

Significant areas requiring the use of management estimates include the determination of impairment of equipment, environmental and reclamation obligations, rates for amortization and variables used in determining stock-based compensation. These estimates are based on management's best judgment.

Factors that could affect these estimates include risks inherent in mineral exploration and development, changes in reclamation requirements, changes in government policy and changes in foreign exchange rates.

International Financial Reporting Standards ("IFRS")

The policies applied in these interim financial statements are based on IFRS issued and outstanding when the Board of Directors approved the statements. The financial statements were authorized by the Board of Directors on November 20, 2015.

Internal controls over financial reporting

The Chief Executive Officer and the Treasurer of Nordic Oil and Gas Ltd. are responsible for designating internal controls over financial reporting, or causing them to be designed under their supervision in order to provide reasonable assurance regarding their reliability and the preparation of financial statements for external purposes in accordance with IFRS.

Disclosure Controls and Procedures

Management has established and maintained disclosure controls and procedures for the Company in order to provide reasonable assurance that material information relating to the Company is made known to management in a timely manner and that information required to be disclosed by the Company is reported within time periods prescribed by applicable securities legislation.

ANALYSIS OF REVENUE, ASSETS & LIABILITIES AND CASH FLOWS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015

Revenue

Revenue from oil and natural gas sales (including liquids and transport revenue) during the third quarter of 2015 totaled $14,897 down from the $54,716 reported during Q3 of 2014. The primary reason for the decrease in revenue for the quarter was the fact that the majority of the Company's gas wells at Joffre, Alberta and the oil wells at Lloydminster, Alberta remained shut-in, resulting in the fact that minimal revenue has been forthcoming from that area.

On a year-to-date basis, production revenue for the nine months ended September 30, 2015 totaled $50,239, as opposed to $182,924 for the same period in 2014. Again, the revenue decrease for the year-to-date is due to the facts noted above, thereby significantly depleting revenue for the first three quarters of 2015.

The table below sets out the Company's relevant variables in revenue for the three and nine months ended September 30, 2014 and 2013:

	3 Months Ended September 30		**9 months ended September 30**	
	2015	**2014**	**2015**	**2014**
	$	$	$	$
Production revenue *****	14,897	54,716	50,239	182,924
Interest revenue	Nil	Nil	Nil	Nil
Total Revenue	14,897	54,716	50,239	182,924

***** ***Includes petroleum, natural gas, liquids and transportation revenue***

Assets

Total assets, including cash, short-term investments, accounts receivable, property and equipment and other assets (deposits), for the period ended September 30, 2015 were $8,931,024, down from $9,068,024 at September 30, 2014, and down slightly from the December 31, 2014 total of $8,955,043. The primary reason for the decrease in assets year-over-year was the fact that intangible exploration assets were down approximately $420,000 this year.

The table below sets out the Company's assets for the nine months ended September 30, 2015 and 2014, and the year ended December 31, 2014:

ASSETS

Current Assets	**Sept. 30, 2015**	**Sept. 30, 2014**	**Dec. 31, 2014**
	$	**$**	**$**
Cash & cash equivalents	541	--	19,550
Short term investments	--	--	--
Accounts receivable	139,155	74,621	128,292
Prepaid expenses & deposits	2,548	2,968	2,548
Fixed Assets			
Investment in Associate	1	1	1
Property & equipment	8,482,710	8,259,079	8,498,584
Intangible exploration assets	306,069	727,779	306,069
TOTAL ASSETS	**8,931,024**	**9,068,024**	**8,955,043**

Liabilities

Total liabilities for the period ended September 30, 2015 were $4,468,762, down approximately $1.7 million from the $6,129,357 reported at December 31, 2014. The primary reason for the decrease year to date is the substantial decrease in accounts payable and accrued liabilities to $2,267,321 compared to $3,947,874 as at December 31, 2014; this is due to the fact that the Company has written off aged payables, totaling $1,680,553, over four years old, in accordance with GAAP alternatives.

LIABILITIES & EQUITY

Current liabilities		
Bank indebtedness	-	-
Current portion of convertible debenture	1,238,870	1,238,870
Accounts payable and accrued liabilities	2,267,321	3,947,874
Total current liabilities	**3,506,191**	**5,186,744**
	-	-
Convertible debentures (Note 7)		
Asset retirement obligation (Note 8)	786,946	766,987
Premium liability (Note 12)	75,625	75,625
Note Payable (Note 18)	100,000	100,000
Deferred taxes (Note 9)	-	-
Total non-current liabilities	**962,571**	**942,612**
Total liabilities	**4,468,762**	**6,129,357**
Equity		
Common shares (Note 10)	15,593,711	15,593,711
Warrants (Note 10)	788,043	788,043
Equity portion of convertible debentures (Note 7)	383,164	383,164
Contributed surplus	5,821,045	5,821,045
Deficit	(18,123,701)	(19,760,247)
Total equity	**4,462,262**	**2,825,686**
Total liabilities and equity	**8,931,024**	**8,955,043**

Cash Flow

Net cash from (used in) operating activities for the nine months ended September 30, 2015 totaled $116,699 compared to $210,562 for the same period a year ago. The change is due to the significant change in working capital as discussed above in reviewing the Liabilities section.

Net cash from (used in) investing activities was higher in the first nine months of 2015 versus the first three quarters of 2015, with $97,990 reported this year against $11,505 last year. The increase can be attributed to the change in cash & cash equivalents this year versus 2014.

In accordance with the above. The Company realized a net comprehensive gain for the three months ended September 30, 2015 of $1,844,811, compared to a net loss of $115,210 for the same period last year. This has also resulted in a net gain for the Company on a year-to-date basis of $1,636,546 in 2015 compared to a net loss of $480,244 for the first nine months of 2014.

For the nine months ended September 30,	2015 $	2014 $
Operating activities		
Net comprehensive (loss)/gain	1,636,546	(480,243)
Adjustments for:		
Depletion and amortization (Note 4)	34,013	55,679
Deferred taxes (Note 9)		-
Finance expense (accretion) (Note 14)	137,856	20,239
Gain on settlement of debt with equity	--	--
Stock based compensation	--	60,482
Change in working capital (Note 13)	(1,691,416)	554,405
Net cash used in operating activities	116,699	210,562
Financing activities		
Shares issued net of share issue costs	--	3,000
Sale of royalty on gas property		
Net cash from financing activities	--	3,000
Investing activities		
Expenditures on petroleum and natural gas properties	(97,990)	(11,505)
Net cash used in investing activities	(97,990)	(11,505)
Change in cash and cash equivalents	19,009	202,057
Cash and cash equivalents, beginning of period	19,550	(198,481)
Cash and cash equivalents, end of period	541	3,576

SUMMARY OF QUARTERLY RESULTS

The tables below set out selected quarterly financial results for the past eight quarters:

Three Months Ended	**09/30/15**	**06/30/15**	**3/31/15**	**12/31/14**
Cash & Short-term investments	$ 541	$ 974	$ 8,425	$ 19,550
Revenue	$ 14,897	$12,998	$ 22,434	$ 2,387
Net Gain/(Loss)	$1,844,811	$97,769	($110,495)	($136,193)
Earnings (Loss) per share	$ (0.01)	($0.00)	($0.00)	($0.00)

Three Months Ended	**09/30/14**	**06/30/14**	**3/31/14**	**09/30/13**
Cash & Short-term Investments	$ 3,557	$ 4,491	$202,712	$202,712
Revenue	$54,716	$56,874	$ 71,334	$31,365
Net Income (Loss)	($115,210)	($251,641)	($113,393)	($2,361,708)
Earnings (loss) per share	($0.00)	($0.00)	($0.00)	($0.00)

Revenue for the past eight quarters has been substantially lower than in previous quarters due to the fact that the Company's wells have been shut-in for an extended period. As a result, the net comprehensive losses have also been substantial. Cash and short term investments dropped substantially in the current quarter under review given that revenue has been minimal.

ANALYSIS OF EXPENSES – THREE & NINE MONTHS ENDED SEPT. 30, 2015

Overall expenses for the quarter ended September 30, 2015 totaled $1,876,188 up approximately $1.7 million from the 2014 third quarter total of $106,971. This large increase is due to the Recovery of Debt Forgiveness of ($1,924,522) as discussed previously. Production and operating expenses for the quarter under review were down when compared to the third quarter of 2014: $15,178 this year compared to $36,238 last year. General & Administrative costs - $23,057 in 2015 – were also down from the $47,452 in Q3 2014.

On a year-to-date basis, overall expenses for the first nine months of 2015 totaled ($1,727,819), an increase of more than $1.2 million from the $510,510 for the same period last year. The primary reason for the increase for the year to date was Recovery on Debt Forgiveness as noted above.

	3 Months Ended September 30		**9 Months Ended September 30**	
	2015	**2014**	**2015**	**2014**
Expense	**$**	**$**	**$**	**$**
Depletion, Amortization & Impairment	10,099	23,281	34,013	55,679
Production & Operating Costs	15,178	36,238	62,400	153,419
General & Administration	23,057	47,452	100,290	240,930
Recovery ion Debt Forgiveness	(1,924,522)	--	(1,924,522)	--
Stock Option Expense	--	--	--	60,482
Total	**(1,876,188)**	**106,971**	**(1,727,819)**	**510,510**

Royalty Expenses
Royalties paid in the third quarter 2015 totaled $322, down from the $2,624 paid during the same period last year. This was a result of fewer wells on production this year compared to last. For the nine months ended September 30, 2015, royalties totaled $3,655 versus $8,038 for the same period in 2014, for the same reason as noted above.

Stock Based Compensation

Nordic instituted a stock option plan which provides for the granting of stock options to directors, officers, employees, consultants and other service providers to the Company and its subsidiaries. Compensation expense associated with stock based compensation plans is recognized in profit or loss, within general and administrative expenses, over the vesting period of the plan with a corresponding increase in contributed surplus. Compensation expense is based on the fair value of the stock based compensation at the date of the grant determined using the Black Scholes option pricing model. The amount recognized as an expense is adjusted to reflect the actual number of share options for which the related service conditions are met. Stock options are settled by physical delivery of shares. The amount of non-cash compensation expense for stock based plans is recognized in contributed surplus and is recorded as an increase in shareholders' equity when stock based compensation plans are exercised.

.PRODUCTION HIGHLIGHTS

Product Prices and Production

The following data summarizes certain information in respect of production, product prices received, royalties paid, production costs and resulting netback for each quarter of Nordic's most recently completed financial period.

Natural Gas Production Quarterly Comparisons - last 8 quarters

	2015			2014				2013
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Avg. daily gas Volume GJ/day	50.34	37.30	82.00	71.46	140.69	141.0	151.47	198.0
Volume 10^3M^3/day	1.32	0.98	2.16	1.83	3.66	3.67	3.94	5.15
Avg. BOEs/day	8.34	6.18	13.07	12.15	23.07	22.41	24.85	32.4
Weighted avg. price received per GJ $$	2.51	2.51	$2.79	4.16	4.05	4.43	5.44	1.86

Heavy Oil Production Quarterly Comparison – last 8 quarters

	2015					2014		2013
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Avg. daily heavy oil Production/BBL	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Avg. net price received (10^3M^3/day) $$	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Avg. price received/BBL	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Avg. royalties paid/BBL	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Avg. production costs/BBL	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Avg. resulting netback/BBL	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

LIQUIDITY AND CAPITAL RESOURCES

The Company's ability to continue as a going concern is dependent upon it achieving and maintaining profitable results, receiving support from its lenders and attracting sufficient resources to explore and develop oil and natural gas properties. There is no certainty that management will be able to resolve these matters.

Nordic settles sales receivables and trade payables in accordance with normal industry standards while maintaining working capital liquidity by drawing from and repaying its bank overdraft facility as needed.. The Company utilizes equity flow-through issues and offerings from time to time to finance its capital program.

Private placements

During the year ended December 31, 2014, the Company raised $129,630.00 by issuing 6,481,500 Class A Common Shares, through various Private Placement, Flow-Through Offerings.

The Company has not raised any funds to date this year.

Financial Instruments

Nordic recognizes all financial instruments, including embedded derivatives, on the statement of financial position initially at fair value. Measurement in subsequent periods depends on whether the financial instrument has been classified as "fair value through profit and loss", "available-for-sale", "other accounts receivables or payable" or "held-to-maturity".

Cash and cash equivalents, which consist of cash and short term deposits with original maturities of less than three months, are classified as fair value through profit and loss and are recorded on the statement of financial position at fair value. Transaction costs related to financial instruments which are classified as fair value through profit and loss are recognized in profit or loss when incurred.

All of Nordic's other financial instruments have been designated as other accounts receivable or payable and are measured at amortized cost net of transaction costs using the effective interest method, less any impairment losses.

The nature of these instruments and the Company's operations expose the Company to commodity price, credit and interest rate risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical. The Company does not engage in hedging programs.

A) Commodity Price Risk

The Company will be subject to price risk for the delivery of natural gas and crude oil. The Company may manage and minimize the risk by entering into various joint operating agreements. As at September 30, 2015, the Company has not entered into any commodity contracts.

B) Credit Risk

As at September 30, 2015, substantially all of the Company's trade accounts receivable are from working interest partners and joint operating partners in the oil and gas industry and are subject to all the risks associated with the industry.

Off Balance Sheet Arrangements

The Company has no off balance sheet arrangements.

<u>Related Party Transactions</u>
Except as disclosed elsewhere in these financial statements, the Company had the following related party transactions:

The Company has a joint operating agreement with Desoto Resources Limited whereby it has an 85% interest in certain assets including crown leases, gas line, oil and gas leases, and certain property and equipment. The Company, directors and officers have an interest in Desoto Resources Limited.

The Company has a joint operating agreement with Western Warner Oils Ltd. whereby it has an 80% interest in certain assets including crown leases, gas lines, oil and gas leases, and certain property and equipment. The Company, directors and officers have an interest in Western Warner Oils Ltd.

As described above, substantially all of the Company's activities are undertaken jointly with related parties by joint operating agreement. Nordic Canada Ltd. hires independent consultants to provide specific services to Nordic Oil and Gas Ltd.

The Company had a services agreement established with Nordic Management Ltd. for various services. Nordic Management Ltd. received $13,333 per month for management services. The contract was to expire November 14, 2017, but was cancelled October 15, 2014. A new service agreement with Nordic Canada Ltd., controlled by a director of the Company, was created on November 25, 2014 under the same conditions of the previous agreement for a period of 5 years at $6,000 per month. Management fees for 2015 have been accruing.

At the end of the quarter under review and the year-ended December 31, 2014, the amounts due from (to) related parties are as follows:

	Sept. 30, 2015	**Dec. 31, 2014**
Amounts included in accounts receivable	$159,323	$155,323
Amounts included in accounts payable and accrued liabilities	$241,826	$183,916

The balances included in accounts receivable and accounts payable and accrued liabilities are non-interest bearing, payable on demand arising from product sales and provision of services.

Disclosure Controls and Procedures
Management has established and maintained disclosure controls and procedures for the Company in order to provide reasonable assurance that material information relating to the Company is made known to management in a timely manner and that information required to be disclosed by the Company is reported within time periods prescribed by applicable securities legislation.

Equity Instruments
The authorized capital of the Company is an unlimited number of Class A common shares and an unlimited number of convertible preferred shares. The issued capital is shown in the table below, which continues on the following page:

For the nine months ended September 30,	2015 Number	2015 Amount $	2014 Number	2014 Amount $
Common shares				
Balance, beginning of period	139,274,484	15,593,437	128,292,984	15,398,382
Issued as flow-through units			3,982,000	39,820
Warrants expired				
Issued on exercise of warrants				
Issued on shares for debt				
Share issue costs		274		(36,820)
Balance, end of period	139,274,484	15,593,711	132,274,964	15,401,382
Warrants				
Balance, beginning of period	29,403,487	788,013	26,051,387	692,545
Issued as flow-through units				
Warrants exercised				
Warrants expired				
Balance, end of period	29,403,487	788,013	26,051,387	692,545
Equity portion of convertible debentures (Note 7)				
Balance, beginning and end of period		383,165		383,165
Contributed surplus				
Balance, beginning of period		5,821,045		5,760,563
Stock option exercised				-
Stock option expired				-
Stock options granted				-
Warrants expired				60,482
Balance, end of period		5,821,045		5,821,045
Deficit				
Balance, beginning of period		(19,760,247)		(19,143,810)
Net comprehensive gain		1,636,546		(480,243)
Balance, end of period		(18,123,701)		(19,624,053)
Total equity				
Balance, end of period		4,462,262		2,624,083

Stock Option Plan

Nordic instituted a stock option plan which provides for the granting of stock options to directors, officers, employees, consultants and other service providers to the Company and its subsidiaries.

Outstanding stock options vest immediately and expire after 5 years from the date of issuance. Under the terms of the plan, stock options must be issued with an exercise price of not less than the volume weighted average trading price of common shares for the five trading days prior to the date of the grant. As of the date of this document, the maximum number of shares reserved for issuance under the stock option plan is 13,927,448 (10% of the outstanding common shares). Given that there are 11,727,500 stock currently issued and outstanding, this leaves approximately 2,199,900 available for distribution. The amount recognized as an expense is adjusted to reflect the actual number of share options for which the related service conditions are met.

The table below sets forth a reconciliation of the stock option plan activity:

	For the nine months ended September 30, 2015		For the year ended December 31, 2014	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	11,727,500	$0.06	5,327,500	$0.11
Granted			6,400,000	$0.05
Exercised			-	-
Expired			-	-
Balance, end of period	11,727,500	$0.06	11,727,500	$0.11
Exercisable, end of period	11,727,500	$0.06	11,727,500	$0.11

The key provisions of the Plan are as follows:

1. On the recommendation of the Directors, options may be granted to Directors, Officers, Employees, Consultants and other key personnel of the Company and its subsidiaries. The Plan reserves for the issue of options, a rolling maximum of 10% of the issued shares of the Company at the time of a stock option grant.
2. Not more than 5% of the Common Shares outstanding at the time of the grant may be reserved for issuance to any one individual.

3. The minimum exercise price of an option cannot be less than the fair market value of the Common Shares at the time the Option is granted, less any discount permitted by the Policies of the Exchange.

4. Options may have a maximum exercise precise period of five years and the Directors may establish vesting provisions.

5. Options are non-assignable and non-transferable.

In addition, the Plan is subject to all the provisions of the TSX Venture Exchange Policy 4.4. A copy of the Company's' Stock Option Plan is available upon request from the Corporation.

The fair value of options granted in the period was estimated using the Black-Scholes option pricing model. The weighted average assumptions used in the valuation model are shown in the table below:

	FOR THE QUARTER ENDED SEPTEMBER 30, 2015
Fair value at grant date	$0.10
Exercise price	$0.05
Risk free interest rate	0.97
Expected volatility	95%
Average expected life (years)	10
Dividend rate	--

There were no options exercised during the three month periods ended September 30, 2015 and 2014.

The following table summarizes stock options outstanding at September 30, 2015:

EXERCISE PRICE	OPTIONS OUTSTANDING	REMAINING TERM (YEARS)
$ 0.05	6,400,000	8.60
$ 0.10	5,327,500	2.75
	11,727,500	

Convertible Debentures

	DEBT COMPONENT	EQUITY COMPONENT
Balance, January 1, 2011	310,448	133,957
Issue of Series B convert debenture	353,255	205,083
Issue of Series C convert debenture	80,687	46,820
Redemption	(6,921)	(2,695)
Accretion and amortization	160,703	-
Balance, December 31, 2011	898,172	383,165
Accretion and amortization	224,840	-
Balance December 31, 2012	1,123,012	383,165
Accretion and amortization	155,586	
Less: Current portion of convertible debenture	(1,278,598)	
Balance September 30, 2014	-	383,165

On November 6, 2009, the Company issued convertible debentures in the amount of $497,000 maturing on November 6, 2012 and bearing interest at an annual rate of 10%, payable annually on each anniversary of the initial date of closing. The debenture is collateralized by all the present and future property and assets of the Company. The debentures are convertible, at the option of the holder at any time, into Class A common shares of the Company at the conversion price of $0.15. After one year, the debentures are redeemable at the option of the Company at an amount equal to 105% of the face value of the debentures, plus any accrued interest to that point. Before the maturity date, an extension was granted by the debenture holders and is now scheduled to mature November 6, 2015. The debenture is currently due.

On April, 21, 2011, the Company issued convertible debentures in the amount of $703,000 maturing on April 21, 2014 and bearing interest at an annual rate of 10%, payable annually on each anniversary of the initial date of closing. The debenture is collateralized by all the present and future property and assets of the Company. The debentures are convertible, at the option of the holder at any time, into Class A common shares of the Company at the conversion price of $0.15. After one year, the debentures are redeemable at the option of the Company at an amount equal to 105% of the face value of the debentures, plus any accrued interest to that point. Subsequent to the end of the quarter, the majority of debenture holders approved an extension of the interest payment due on April 21, 2013 to August 21, 2013. As part of the extension, there was an increase in the interest rate from 10% to 12% effective April 21, 2013 to April 21, 2014. Before the maturity date, an extension was granted by the debenture holders and is now scheduled to mature November 27, 2015.

On August 5, 2011, the Company issued convertible debentures in the amount of $150,000 maturing on August 5, 2014 and bearing interest at an annual rate of 10%, payable annually on each anniversary of the initial date of closing. The debenture is collateralized by all the present and future property and assets of the Company. The debentures are convertible, at the option of the holder at any time, into Class A common shares of the Company at the conversion price of $0.15. After one year, the debentures are redeemable at the option of the Company at an amount equal to 105% of the face value of the debentures, plus any accrued interest to that point. . Before the maturity date, an extension was granted by the debenture holders and is now scheduled to mature December 5, 2015.

OPERATIONAL HIGHLIGHTS & KEY EVENTS UP TO NOVEMBER 23, 2015

January 2015
The Company announced the re-completion of the existing well at Noel South in mid-December and the rig was released after eight days. The well was left shut in with the water cushion from the perforations and after several days the well had a pressure reading of 5450 KPA (790 PSI) on the casing.

The Company engaged the surveyors to commence the re-survey of the same Noel south lease for the licensing of the planned Cardium well.

The maturity date of the note was extended until June 30, 2015 on January 15, 2015.

March 2015
The company announced that the re-completed, existing well at Noel south had casing pressure of 6500 KPA and increase of 205 KPA over the January reading.

April 2015
The company announced that it had engaged the services of a new Auditor – ATC Management Group Inc. - to undertake it's Audit for the year ending December 31, 2014.

BUSINESS STRATEGIES, RISK & UNCERTAINTIES

At Nordic Oil and Gas, the goal is to remain committed to the strategy of building a quality company and looking for ways to enhance shareholder value. The Company is committed to exploration and drilling activities that will result in growth and value for its shareholders. Nordic Oil and Gas maintains operatorship control with high working interests in Joffre and Preeceville/Endeavour regions, through its "sister" companies, Western Warner Oils Ltd. and Desoto Resources Limited.

The Company's strategy is to focus on properties that will provide long-term reserves, which, in turn, will generate revenue and cash flow in both the near- and long-term. Since inception, Nordic has focused on low-risk development drilling aimed at increasing production and reserves in core areas. Nordic Oil and Gas will continue to increase its reserves and production base through land acquisitions, exploratory and development drilling, along with corporate mergers and acquisitions that will contribute to the overall growth and development of the Company and enhance shareholder value.

The Company operates on a going concern basis that contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company's ability to continue as a going concern is dependent upon it achieving and maintaining profitable results, receiving support from its lenders and attracting sufficient resources to explore and develop oil and natural gas properties. There is no certainty that management will be able to resolve these matters.

The Company's activities result in exposure to a number of financial risks including market risk (commodity price risk, interest rate risk, and foreign exchange risk), credit risk, and liquidity risk.

The Company's overall risk management program seeks to mitigate these risks and reduce the volatility on the Company's financial performance. Financial risk is managed by senior management under the direction of the Board of Directors.

The Company may enter into various risk management contracts to manage the Company's exposure to commodity price fluctuations. Currently no risk management agreements are in place. The Company does not speculatively trade in risk management contracts. The Company's risk management contracts are entered into to manage the risks relating to commodity prices from its business activities.

Capital Risk Management

The Company's objective is to maintain access to sources of capital with which to finance its operations. The Company maintains a capital structure of equity and convertible debentures.

The Company manages its capital structure and makes changes to it in light of changes in economic conditions and the risk characteristics of the underlying investments. The Company will balance its overall capital structure through new share and convertible debt issues or by undertaking other activities as deemed appropriate in the specific circumstances.

Under the terms of the convertible debenture agreement the Company will not make any capital distributions with respect to any shares, or redeem any other debentures of the Company at any time that the Company is in arrears in payment of any principal or interest on the debentures. At September 30, 2014, the Company was in arrears in payment of any principal or interest on convertible debentures as described in Note 7 of the Financial Statements.

The total capital as at September 30, 2015 and December 31, 2014 was calculated as follows:

	September 30, 2015		**December 31, 2014**	
	Carrying amount	**As a percentage of capital**	**Carrying amount**	**As a percentage of capital**
Convertible debentures	$1,238,870	27.7%	$1,238,870	30.3%
Shareholders' equity	$4,462,262	72.3%	$2,825,686	69.7%
Total capital	$5,701,132	100%	$4,064,556	100.0%

The following section (a) of this note provides a summary of the Company's underlying economic positions as represented by the carrying values and fair values of the Company's financial assets and financial liabilities.

The following section (b) addresses in more detail the key financial risk factors that arise from the Company's activities including its policies for managing these risks.

The following section (c) provides details of the Company's risk management contracts that are used for financial risk management.

a) Financial assets and financial liabilities

The carrying amounts and fair value of the Company's financial assets and liabilities are shown in the table on the following page:

	As at September 30, 2015		As at December 31, 2014	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Financial assets $				
Cash and cash equivalents	541	541	9,550	19,550
Short-term investments	--	--	--	--
Accounts receivable	139,155	139,155	128, 292	128,292
Financial liabilities $				
Bank indebtedness	--	--	--	--
Accounts payable and accrued liabilities	2,267,321	2,267,321	3,947,874	3,947,874
Convertible debentures	1,238,870	1,238,870	1,238,870	1,238,870

Financial instruments consisting of accounts receivable, accounts payable and accrued liabilities and convertible debentures on the statement of financial position are carried at amortized cost. Cash and cash equivalents, short-term investments and bank indebtedness are carried at fair value. All of the fair value items are transacted in active markets. The Company classifies the fair value of these transactions according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The Company's cash and cash equivalents, short-term investments and bank indebtedness have been assessed on the fair value hierarchy described above and are all considered Level 1.

b) Risks and mitigations

Market risk is the risk that the fair value or future cash flow of the Company's financial instruments will fluctuate because of changes in market prices. Components of market risk to which the Company is exposed are discussed below.

<u>Commodity price risk</u>

The Company's principal operation is the production and sale of crude oil, natural gas and natural gas liquids. Fluctuations in prices of these commodities directly impact the Company's performance.

Management, in agreement with the Board of Directors, decided that at least in the near term it will not enter into commodity price agreements. The Company will assume full risk in respect of commodity prices.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that the Company uses. The Company is not exposed to significant interest rate risk as the majority of its financial instruments bear a fixed rate of interest.

Foreign exchange risk

The Company has no foreign operations and currently sells all of its product sales in Canadian currency. The Company however is exposed to currency risk in that crude oil is priced in U.S. currency, then converted to Canadian currency. The Company currently has no outstanding risk management agreements. Management, in agreement with the Board of Directors, decided that at least in the near term it will not use commodity price agreements. The Company will assume full risk in respect of foreign exchange fluctuations.

Credit risk

Credit risk is the risk that a contracting party will not complete its obligations under a financial instrument and cause the Company to incur a financial loss. The Company is exposed to credit risk on all financial assets included on the statement of financial position. To help mitigate this risk:

- The Company only enters into material agreements with credit worthy counterparties. These include major oil and gas companies or major Canadian chartered banks; and

- Agreements for product sales are primarily on 30 day renewal terms;

Of the $139,155 accounts receivable balance at September 30, 2015 (September 30, 2014 - $74,621) over 92% (2014 – 93%) relates to product sales with international oil and gas companies.

The Company assesses quarterly if there has been any impairment of the financial assets of the Company. During the nine months ended September 30, 2015, there was no material impairment provision required on any of the financial assets of the Company due to historical success of realizing financial assets. The Company does have a credit risk exposure as the majority of the Company's accounts receivables are with counterparties having similar characteristics. However, payments from the Company's largest accounts receivable counterparties have consistently been received within 30 days and the sales agreements with these parties are cancellable with 30 days' notice if payments are not received.

At September 30, 2015, approximately $139,155 or 95% of the Company's total accounts receivable are aged over 90 days and considered past due. The majority of these accounts are due from various joint venture partners. The Company actively monitors past due accounts and takes the necessary actions to expedite collection, which can include withholding production or netting payables when the accounts are with joint venture partners. Should the Company determine that the ultimate collection of a receivable is in doubt, it will provide the necessary provision in its allowance for doubtful accounts with a corresponding charge to earnings. If the Company subsequently determines an account is un-collectable, the account is written off with a corresponding charge to the allowance account**.** The Company has determined that no doubtful accounts balance is considered necessary at September 30, 2015 (December 31, 2012 - $nil). There were no accounts written off during the period**.**

The maximum exposure to credit risk is represented by the carrying amount on the statement of financial position. There are no material financial assets that the Company considers past due.

Liquidity risk
Liquidity risk includes the risk that, as a result of the Company's operational liquidity requirements:

- The Company will not have sufficient funds to settle a transaction on the due date;
- The Company will not have sufficient funds to continue with its dividends;
- The Company will be forced to sell assets at a value which is less than what they are worth; or
- The Company may be unable to settle or recover a financial asset at all.

To help reduce these risks the Company maintains a portfolio of high-quality, long reserve life oil and gas assets. The Company has the following maturity schedule for its financial liabilities:

The Company has the following maturity schedule for its financial liabilities:

	Recognized on Financial Statements	**Less than 1 year**	**Over 1 year to 3 years**
Accounts payable and accrued liabilities	Yes – Liability	161,422	2,105,899
Bank indebtedness	Yes - Liability	--	--
Convertible debentures	Yes – Liability	1,350,000	--
Leases and contracts	No	72,000	--
Total		1,583,422	2,105,899

c) Risk management contracts

The Company has no outstanding risk management contracts.

Asset Retirement Obligations
The Company's asset retirement obligation results from ownership interests in petroleum and natural gas assets including well site, gathering systems and processing facilities. The total obligation is estimated based on the Company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities and the estimated timing of the costs to be incurred in future years. asset retirement obligation. The Company estimated the total undiscounted amount required to settle its asset retirement obligation at September 30, 2015 to be approximately $786,946 (December 31, 2014 - $766,987).
The majority of the costs are scheduled to be incurred between 2015 and 2025. A discount rate, being the credit-adjusted risk-free rate related to the liability, of 6.5% percent (2013 – 6.5%) was used to calculate the provision for the asset retirement obligation.

A reconciliation of the asset retirement obligation is provided in the table on the following page:

	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015	FOR THE YEAR ENDED DECEMBER 31, 2014
Balance, beginning of period	766,987	669,875
Additions	--	-
Change in estimate	--	-
Accretion	19,959	97,113
Balance, end of period	786,946	766,987

Legal And Other Contingent Matters

In respect of these matters, the company is required to determine whether a loss is probable based on judgment and interpretation of laws and regulations and determine if such a loss can be estimated. When any such loss is determined, it is charged to earnings.

Management continually monitors known and potential contingent matters and makes appropriate provisions by charges to earnings when warranted by circumstance.

Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is also recognized in equity.

Current tax is the expected tax payable on taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates expected to be applied to temporary differences when they reverse, based on laws enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities when the Company intends to settle current tax liabilities and assets on a net basis, or when the tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Derivative Financial Instruments

We may use derivative financial instruments to manage exposure to market risks relating to commodity prices, foreign currency exchange rates and interest rates. Derivative financial instruments are not used for speculative purposes. We enter into financial transactions to help reduce exposure to price fluctuations with respect to commodity purchase and sale transactions to achieve targeted investment returns and growth objectives, while maintaining prescribed financial metrics. These transactions generally are swaps, collars or options and are generally entered into with major financial institutions or commodities trading institutions as counterparties. We may also use derivative financial instruments, such as interest rate swap agreements, to manage the fixed interest rate debt and related cost of borrowing. Derivative instruments that do not qualify as hedges, or are not designated as hedges, are recorded using the mark-to-market method of accounting whereby instruments are recorded in the Consolidated Balance Sheet as either an asset or liability, with changes in fair value recognized in net earnings. Realized gains or losses from financial derivatives related to crude oil and natural gas prices are recognized in revenues as the related sales occur. Unrealized gains and losses are recognized in revenues at the end of each respective reporting period. The estimate of fair value of all derivative instruments is based on quoted market prices or, in their absence, third-party market indications and forecasts. The estimated fair value of financial assets and liabilities, by their very nature, is subject to measurement uncertainty.

Internal controls over financial reporting

The Chief Executive Officer and the Acting Chief Financial Officer of Nordic Oil and Gas Ltd. are responsible for designating internal controls over financial reporting, or causing them to be designed under their supervision in order to provide reasonable assurance regarding their reliability and the preparation of financial statements for external purposes in accordance with IFRS.

It should be noted that no matter how well conceived, a control system, including the company's disclosure and internal controls and procedures, can provide only reasonable, but not absolute, assurance that the objectives of the control system will be met and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud. In reaching a reasonable level of assurance, management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

CORPORATE INFORMATION

Stock Exchange	TSX Venture Exchange
Trading Symbol	NOG
Officers	Donald P. Benson, President & CEO; Chairman of the Board Keith Peterson, Treasurer & Director Don Bain, Corporate Secretary
Independent Directors	Barry Palka Brahm Silverstone
Auditors	ATC Management Group Inc., Saskatoon, SK
Transfer Agent	Canadian Stock Transfer Company, Calgary, Alberta
Head Office	4727 Roblin Boulevard, Winnipeg, Manitoba R3R 0G2 Tel. 204-318-2357
Alberta Office	73 Woodmark Crescent SW Calgary, Alberta T2W 5Z8 Tel. 403-617-7382
Web site	www.nordicoilandgas.ca
Twitter	www.twitter.com/Nordic_Oil