

**APPENDICES TO THE SUMMONS TO THE ORDINARY GENERAL MEETING IN
PETROLIA DRILLING ASA ON 28 JUNE 2010**

Appendix no. 1

Item No. 4: *Approval of the Financial Statements and the Annual Report for 2009*

The Board of Directors' Annual Report and proposal for Profit and Loss Account and Balance Sheet, and the Auditors' Report are described in the Annual Report and are accessible on the company's web site.

The Board proposes that the general meeting resolves as follows:

"The annual report and profit and losses account for 2009 are approved".

Item No. 5: *Disposal of the results in Petrolia Drilling ASA*

The Board proposes that the annual results for Petrolia Drilling ASA of - TUSD 27 767 are disposed as follows:

TUSD 27 767: Covered by share premium account

It is proposed not to pay out dividend.

The board proposes that the general meeting resolves as follows:

"The board's proposal is approved".

Item No. 6: Determination of remuneration to the Board of Directors

The Board of Directors' remuneration is proposed to NOK 1.000.000 as follows:

NOK 166.700 to Klaus P. Tollefsen, chairman until 19 April 2010
NOK 166.700 to Leif Holst, Board member until 19 April 2010
NOK 166.700 to Terje O. Hellebø, Board member until 19 April 2010
NOK 166.700 to Gunn Marit Stenersen, Board member until 19 April 2010
NOK 33.300 to Berge Gerdt Larsen, chairman since 20 April 2010
NOK 33.300 to Erik Johan Frydenbø, Board member since 20 April 2010
NOK 200 000 to Unni Fossberg Tefre, Board member throughout the period

Item No. 7: Approval of remuneration to the Auditor

The Auditor's fee of TUSD 466 for audit during 2009 is proposed approved.

An additional compensation of TUSD 82 for audit related assistance is proposed approved.

The Board proposes that the general meeting resolves as follows:

"The General Meeting approves the auditor's fee of TUSD 466 and in addition remuneration of TUSD 82 for related services."

Item No. 8: Reverse split of shares

The Board proposes a reverse split of shares 1:10. Reference is made to the rules of the Oslo Stock Exchange clause 2.4 to the effect that the price for the shares in trade shall not be less than NOK 1. It is furthermore assumed that a reduced number of shares may stabilize the price of the shares and also facilitate that additional institutional investors and investors with a long term horizon will invest in the shares.

The accomplish this, the Board proposes the following:

- (i) perform a capital increase in order to obtain a number of shares that can be divided by 10, with corresponding adjustments to the Articles.
- (ii) a reverse split 10 shares to 1, with corresponding adjustments to the Articles.
- (iii) transfer of shares to shareholders who at the time of the reverse split do not have a number of shares that can be divided by 10.

(i) Capital increase

The company's share capital is NOK 506 298 372,50 divided on 1 012 596 745 shares, each with a par value of NOK 0,50. It is proposed to increase the share capital by NOK 2,50 to NOK 506 298 375 by issuing five new shares through a private placement against the shareholder Independent Oil & Resources ASA. The subscription price is set at NOK 0,50, and subscription shall be done by signing the minutes from the general meeting. The company's total number of shares will then be 1 012 596 750 and thereby divisible by 10. Other shareholders' preference is set aside due to the low number of shares.

The new shares shall have common rights in the company, including dividend rights, from the registration date.

As a consequence of the above, it is proposed to amend § 4 of the Articles as described below.

It is proposed that the general meeting resolve as follows:

- 1) *The share capital of the company is increased by NOK 2,50 from NOK 506 298 372,50 to NOK 506 298 375 through the emission of five new share with par value NOK 0,50. Subscription price is set at par value.*
- 2) *Shareholders' preference is set aside, cf. the PLC Act Section 10-4. The placement is directed against Independent Oil & Resources ASA.*
- 3) *The shares are subscribed by signing the minutes of this general meeting.*
- 4) *The subscription price shall be settled immediately in cash to the company.*
- 5) *The decision shall be registered with the Company Register (Foretaksregisteret). The cash deposit shall be available to the company*

before the capital increase has been registered with the Company Register, cf. the PLC Act 10-13 second sentence.

- 6) *The new shares shall have common rights in the company, including the right to dividends, from the time of registration.*
- 7) *The company's articles § 4 shall have the following new wording:
"The company's share capital is NOK 506 298 375 divided on 1 012 596 750 shares each with a par value of NOK 0,50. The company's shares are registered with the Norwegian Securities Depository."*

(ii) Reverse split of shares

It is proposed that 10 shares are joined to 1. The reverse split shall take place on 29 June 2010 or immediately thereafter based on a transcript from the SD on 28 June 2010. The share capital will change from 1 012 596 750 shares at NOK 0,50 to 101 259 675 shares at NOK 5. § 4 of the Articles is proposed amended from

The company's share capital is NOK 506 298 375 divided on 1 012 596 750 shares each with a par value of NOK 0,50. The company's shares are registered with the Norwegian Securities Depository.

to:

The company's share capital is NOK 506 298 375 divided on 101 259 675 shares each with a par value of NOK 5. The company's shares are registered with the Norwegian Securities Depository.

The Board proposes that the general meeting resolve as follows:

- 1) *A reverse split of the company's shares is to be performed so that 10 shares at NOK 0,50 are combined to 1 share at NOK 5, and the composition of the share capital of the company shall be changed from 1 012 596 750 shares at NOK 0,50 to 101 259 675 shares at NOK 5.*
- 2) *The reverse split shall be completed on 29 June 2010 or immediately thereafter based on SD transcripts of 28 June 2010.*
- 3) *§ 4 of the Articles shall have the following new wording:

The company's share capital is NOK 506 298 375 divided on 101 259 675 shares each with a par value of NOK 5. The company's shares are registered with the Norwegian Securities Depository.*

(iii) Even out shares

Shareholders who at the time of the reverse split have a number of shares which is not divisible with 10, will in connection with the reverse split receive shares from Independent Oil & Resources ASA so that all shareholders have a number of shares that is divisible by 10. These shares are transferred free of charge.

Item No. 9: Renewal of Authority to the Board of Directors regarding increase of the share capital

The background for granting the Board of Directors authorisation to increase the share capital and to issue convertible loans is to facilitate a possible increase of capital for the purpose of acquiring companies, assets or shares, if necessary through a merger. Furthermore to establish financial flexibility for purchase of new assets, hereunder entering into new construction contracts and purchase of rigs or other assets. The authority shall include capital increase against non-cash contribution. The Board of Directors shall be authorised to set aside the existing shareholders pre-emptive rights to subscribe for new shares.

The Board of Directors proposes that the general meeting resolves as follows:

1. *The Board of Directors is granted an Authority to increase the company's share capital once or several times in the total maximum amount of NOK 253.149.185,- by the issuance of up to 50.629.837 shares each with par value of NOK 5 per share at market rate.*
2. *The Authority expires at the company's Annual General Meeting in 2011, but no later than on 30 June 2011, and replaces previous authorities to the Board of Directors.*
3. *The shareholders' preferential rights according to the Public Limited Liability Companies Act § 10-4 may be set aside.*
4. *The Power of Attorney embraces the increase of share capital against non-cash contributions and the right to incur special obligations for the company cf. § 10-2, together with the power to merge.*

Item No. 10: Renewal of the Authority to the Board of Directors, raising of convertible loan

Reference is made to explanations in Item 9 above.

The Board of Directors proposes that the general meeting resolves as follows:

1. *The Board of Directors is granted an Authorisation to raise one or several convertible bond loans with a right for the creditors to demand issuance of shares against a cash contribution or against a set off of the loan. The total amount of the convertible loans issued under the Authority is NOK 253.149.185.*
2. *The share capital may be increased with NOK 253.149.185 in the maximum.*
3. *The Authority expires at the company's Annual General Meeting in 2011, but not later than on 30 June 2011, and replaces previous authorities to the Board of Directors.*
4. *The shareholders' preferential rights may be waived of the Public Limited Liability Companies Act § 11-4 cf § 10.4.*

Item No. 11: Renewal of the Authority to the Board of Directors and acquisition of own shares

The background for granting the Board of Directors authority to acquire and sell own shares is to optimize the liquidity of the shares, the Company's equity and the Company's value for the shareholders together with the use of own shares in possible incentive programmes for employees and similar arrangements for Board Members to the extent possible under applicable regulation.

The Board of Directors proposes that the general meeting resolves as follows:

1. *The Authority expires at the Company's Annual General Meeting 2011, but no later than on 30 June 2011, and replaces previous granted authorities.*
2. *The Authority covers the acquisition of up to 10.125.967 shares, each with a par value of NOK 5, the total par value being NOK 50.629.835,-.*
3. *The minimum amount to be paid for each share is NOK 5. The maximum amount to be paid for each share is NOK 300,-. The Board of Directors has full discretion as to the methods of acquisition and as to the later sale of the shares, yet such that the general principle of equal rights for the shareholders must be complied with.*

Item No. 12: The board of directors' statement on remuneration of leading employees

The company has entered into a business manager agreement with Larsen Oil & Gas AS and does not have any administrative personnel IN 2009. The Public Limited Liability Company Act § 6-16 a will not apply, since the senior employees are employed by the business manager and their salary is covered by the business manager.

The business manager agreement was terminated in January 2010 and expires in July. Management will hereafter be employed directly by the company.

The Board of Directors is of the opinion that the terms of employment for the Managing Director shall be competitive. No incentive payments have been agreed. The new Board of Directors has not granted any bonus or additional fee. Reference is further made to the comments to the agreements in the notes to the Profit and Loss accounts.

It is proposed that the general meeting as an advisory decision resolves as follows:

The Board of Directors' guidelines are approved.

Item No. 13: Discharge of board members and management

The board proposes the following resolution:

The Board members and top management of the company shall be indemnified by the company to the extent possible under applicable regulation for liability and expenses of any kind in connection with all civil, criminal and administrative proceedings, including preparation and approval of the annual accounts, when such persons are made subject to said proceedings in connection with their services of the company, including liability towards the company.

Item no. 14: Election of new members of the Board

The Board proposes that two new Board members are elected in addition to the current Board members, so that the Board will consist of a total of five members. The proposed candidates will be independent, and they will qualify to serve in the company's audit committee.

The Board will publicise the proposal for new Board member prior to the general meeting. The newly elected board members will in the following Board meeting be elected to the audit committee.

Item no. 15: Nomination committeeAmendments to the Articles – establishment of a nomination committee

The Board has received a proposal from a shareholder regarding the establishment of a nomination committee, cf. Appendix 7a.

The Board supports the proposal by and large, also since it recommended in the Norwegian Corporate Governance rules to have a nomination committee elected by the general meeting. The Board therefore presents its own proposal for an amendment to the Articles to this effect.

The principal task of the committee will be to propose candidates for election as board members and the remuneration to the board members.

The Board proposes that the general meeting resolves as follows:

The general meeting approves the Board's proposal to establish a nomination committee. A new § 7 shall be included in the Articles with the following wording:

“The Company shall have a nomination committee. The committee shall present to the general meeting a proposal for candidates to be elected as members of the Board. The committee shall also propose to the general meeting the board members' remuneration.

The nomination committee shall consist of three members. The members of the nomination committee shall be elected by the company's general meeting. The committee shall be independent of the Board and the management of the Company. The general meeting shall set the committee members' remuneration. The general meeting may adopt instructions for the nomination committee. The costs of the nomination committee shall be covered by the Company.”

Suggested amendments to the Articles

It is requested that the Articles are amended with the purpose of establishing a nomination committee.

The reasons behind the proposal are the following:

1.

The proposer recalls having attended a general meeting where the Board itself proposed to establish a nomination committee, and the reason was that this is required by the Limited Companies Act. The proposer has so far not been able to confirm whether this is correct, but regardless of this, the proposer is of the opinion that Petrolia Drilling is best served by having such committee with responsibility for the elections and remuneration to Board members.

2.

The proposal will provide a more unbiased selection of persons to be given seats in the Board and their remuneration.

3.

A possible requirement in the Articles of a nomination committee will secure that attending shareholders are given access to a written overview of the proposed candidates and their remuneration together with the summons to the general meeting.

4.

It was advised at the extraordinary general meeting on 20 April 2010 that the company did not have a nomination committee. This is confirmed by the most updated available Articles attached to the annual report of 2007. Despite the fact that § 7 of the Articles of the annual report in question explains why it has been chosen not to have an election committee, the proposer is of the opinion that it will be in the interest of the company to have such committee.

The proposal is as follows:

The general meeting resolves to establish a nomination committee.

Election of nomination committee:

§7.

The nomination committee shall consist of 3 to 5 members representing broad shareholder interest and shall propose to the general meeting candidates for chairman of the board, deputy chairman and other board members and their remuneration.

The nomination committee shall also propose the auditor's remuneration.

The reasoning behind the proposal shall be included in the summons to the general meeting.

It is recommended that the chairman of the Board is a member of the committee. The other two to four members of the election committee shall be elected by the general meeting.

In addition up to two alternate members may be elected to the committee who may step in in situations where it is no longer natural that the elected ordinary members serve in the committee or if they for other reasons are prevented from service.

Best regards
Herbjørn Skretting