

To the shareholders in Discover Petroleum AS

CALLING NOTICE FOR EXTRAORDINARY GENERAL MEETING

The Board of Directors hereby calls for an Extraordinary General Meeting to be held in Discover Petroleum AS on 27 November 2009 at 11:00 at the Company's offices, Roald Amundsens Plass 1, Tromsø, Norway.

The following items are on the agenda:

1. Opening of the meeting by the chairman of the board and registration of attending shareholders
2. Election of chairman of the meeting and a person to countersign the minutes of meeting together with the chairman
3. Approval of the calling notice and the agenda
4. Proposal to increase share capital by private placement against cash contribution
5. Proposal to increase share capital by private placement against set off in debt
6. Proposal to change the Articles of Association
7. Proposal to authorize the Board of Directors to increase the share capital by issue of new shares
8. Proposal to authorize the Board of Directors to purchase own shares
9. Cancellation of subscription rights

Registration

Shareholders wishing to participate in the Extraordinary General Meeting either personally or by proxy are kindly requested to complete the registration form or the proxy form, as applicable, and send the completed form to Discover Petroleum AS, Roald Amundsens Plass 1, Postbox 600, 9257 Tromsø, Norway, telefax 77 69 06 91 or by e-mail to dp@discoverpetroleum.com.

Tromsø, 20 November 2009

On behalf of the Board of Directors at Discover Petroleum AS

Tor Læg Reid

Chairman of the Board of Directors

Attachments:

- Attachment 1: the Board of Director's proposal for resolution on increase of share capital under item no. 4
- Attachment 2: the Board of Director's proposal for resolution on increase of share capital under item no. 5
- Attachment 3: the Board of Director's statement with regard to payment of share capital by set off in debt and accountant's confirmation, c.f. item no. 5
- Attachment 4: the Board of Director's proposal for change in articles of association with regard to increase in share capital, c.f. item no. 6
- Attachment 5: the Board of Director's proposal for authorization to increase the share capital by issue of new shares, c.f. item no. 7
- Attachment 6: The Board of Director's proposal for authorization to purchase own shares
- Attachment 7: Call for bond and warrant holder meeting dated 23 June 2009 and notice of concluded bond and warrant holder meeting dated 29 June 2009, c.f. item no 8
- Attachment 8: registration form
- Attachment 9: proxy form

Attachment 1

Item 4) Proposal to increase share capital by private placement against cash contribution

The Board of Directors proposes that that the general meeting makes the following resolution:

1. *The share capital of the Company is increased from NOK 43,150,842.91 by a minimum of NOK 0.01 and maximum of NOK 40,000,000 by the issuance of minimum 1 and maximum 4,000,000,000 new shares, each with a face value of NOK 0.01. The number of shares in the Company is thereby increased to minimum 4,315,084,292 and maximum 8,315,084,291 shares.*
2. *The subscription price is NOK 0.01 for each share making the total subscription amount minimum NOK 0.01 and maximum NOK 40,000,000.*
3. *The existing shareholders pre-emption rights pursuant to the Limited Liability Companies Act Section 10-4 are set aside, c.f. Section 10-5 of the same. This deemed necessary to achieve a satisfactorily financing.*
4. *The increase in share capital is in its entirety aimed at persons according to attached list.*
5. *The shares shall be subscribed for in the protocol of the general meeting.*
6. *The total subscription amount, minimum NOK 0.01 and maximum NOK 40,000,000 shall be settled by cash payment to the Company's bank account no. 3201 38 46870 at the latest 3 days subsequent to the subscription.*
7. *The share capital contributions may be used by the Company prior to the registration of the increase in capital in the Register of Business Enterprises, c.f. Section 10-13 (2) of the Limited Liability Companies Act.*
8. *Expenses related to the increase in capital shall be covered by the Company's share premium reserve, c.f. Section 10-12 (2), c.f. Section 3-2 of the Limited Liability Companies Act.*

9. *The new shares are vested with rights in the Company as of registration of the capital increase in the Register of Business Enterprises. The new shares shall entitle dividend from the accounting year 2009.*

The reason for the Board of Director's proposal:

During the second half of 2009, the Company has participated in 1 exploration well and shall participate in 1 more exploration well on the Norwegian continental shelf in production license 469, which is operated by Gaz de France Suez and in which the Company holds a participating interest of 17.5 %, and in production license 483S, which is operated by Det Norske and in which the Company holds a participating interest of 30 %. During 2010 or 2011 there will also be drilled an exploration well in production license 536 awarded in the 20th licensing round. Gaz de France Suez is operator and the Company holds a participating interest of 20 %.

The Company shall also carry out a survey for the collection of electro magnetic data pursuant to agreement with PetroMarker. There is scheduled a program for up to 15 days in 2010.

The Company's business is financed through equity, a bond loan with security in the license portfolio and through a loan facility in Sparebank1 SR Bank and Sparebank1 Nord-Norge. This lending facility has an upward limit of NOK 600 millions and is secured in the Company's claims for reimbursement of tax refunds from exploration costs. The Norwegian petroleum tax regime allows for companies that are not in a tax position to claim refund of 78 % of their incurred exploration costs, equivalent to the tax rate in the petroleum tax regime.

To complete the planned program for the current year and the next year, there is a need for further equity financing. A private placement towards certain shareholders of the Company was carried out on 19 November 2009. The Board of Directors has in the prolongation of said private placement resolved to propose a private placement towards the other shareholders in the Company which did not subscribe in said share issue.

The Board of Directors considers this solution as necessary for the continuation of the business of the Company and as a solution which is possible to achieve.

The Board of Directors would like to call attention to the fact that the general manager of the subsidiary Discover Petroleum International AS has been suspected for and charged with legal offences related to the company's business in Peru, c.f. inter alia the Company's press release dated 29 November 2008. An agreement for the sale of all shares in Discover Petroleum International AS was entered into on 9 November 2009.

The company has been notified in letters from the Oil Taxation Office of 16 September 2009 and 9 October 2009 that the office will suggest amendments to the tax assessment in the years 2006 and 2007 and deviations to the tax assessment for 2008 with regard to

rights to the EM technology and amendments to the tax assessment for 008 with regard to the bases for the refund claim pursuant to the Petroleum Tax Act Section 3 c fifth paragraph. If the amendments and deviations were to be implemented it could lead to a total reduction in the basis for such tax refund claim of NOK 107 million divided over three years from 2008 to 2010. The company is at present in negotiations with the banks concerning the continuation of the above mentioned bank loan facility with Sparebank1 SR Bank and Sparebank1 Nord-Norge.

Furthermore, the Board of Directors would like to call the attention of the subscribers to the fact that subscription of shares is accompanied with risk. The subscribers must make their own risk assessments in relation to the subscription. Enquiries with regard to financial statements and other documents or information that may be of interest for the risk assessments of the subscribers can be directed to the Company's administration.

The Company's annual accounts, annual report and the audit report for 2008 is available at the Company's business address and has also previously been sent to all shareholders. The end-of-year report for 2008 and the interim reports for 2009 are also available on the Company's webpage; www.discoverpetroleum.com. The Company was in December 2008 awarded interest in two new production licenses through the TFO 2008, and was awarded interest in three new production licenses in 2009 through the 20th concession round.

[OFFICE TRANSLATION]

Enclosure

LIST OF PERSONS TO WHOM THE INCREASE IN SHARE CAPITAL IS DIRECTED

Attachment 2

Item 5) Proposal to increase share capital by private placement against set off in debt

The Board of Directors proposes that that the general meeting makes the following resolution:

1. *The share capital of the Company is increased from NOK 43,150,842.91 by a minimum of NOK 0.01 and maximum of NOK 37,647,300 by the issuance of minimum 1 and maximum 3,764,730,000 new shares, each with a face value of NOK 0.01. The number of shares in the Company is thereby increased to minimum 4.315.084.292 and maximum 8.079.814.291 shares.*
2. *The subscription price is NOK 0.01 for each share making the gross issue amount in all minimum NOK 0.01 and maximum NOK 37,647,300.*
3. *The increase in share capital is in its entirety aimed at the bondholders under the Bond Loan (as further defined below) and each of the following bondholders have a right to subscribe for a number of shares/portion of this capital increase according to its portion of the Bond Loan pursuant to decision made in bondholders' meeting and regulated in the Bond Loan:*
 - 1) *Aker Capital AS*
 - 2) *Montrica Global Opportunities Master Fund*
 - 3) *Sparebank 1 Nord-Norge Invest AS*
 - 4) *Tromsø Skotøimagasinet AS*
 - 5) *Petroadviser AS*
 - 6) *MP Pensjon PK*
4. *The shares shall be subscribed for in the protocol of the general meeting or in separate subscription document which restates the resolution on increase in capital, c.f. Section 10-7 of the Limited Liability Companies Act. Subscriptions must be made no later than 2 March 2010.*
5. *Share deposits for persons/companies referred to in item 3 shall be settled by set off in bond loan dated 9 July 2008 between the Company and Norsk Tillitsmann ASA on behalf*

of the bondholders (the "Bond Loan"). By 11 October 2009 the loan including accrued interest was USD 13,412,214.38 which is equivalent to NOK 75,363,233 on the basis of an exchange rate per 9 November 2009 of 5.6190. By settlement of the payment for shares the nominal value of the loan is decreased by an amount in USD equivalent to a maximum of NOK 37,647,300 at an exchange rate (based on the rates of Norges Bank) on the conversion day. The payment shall be settled by Norsk Tillitsmann ASA on behalf of the bondholders or the individual bondholder pursuant to the Bond Loan or separate agreement, immediately following the subscription declare set off towards the Company by an amount that in USD equals up to NOK 37,647,300 (at an exchange rate based on the rates of the conversion day) outstanding under the Bond Loan, and as described in the statement prepared by the Board of Directors pursuant to Section 10-2 (3) of the Limited Liability Companies Act, c.f. Section 2-6 of the same.

- 6. The set off shall take place simultaneously with the due day for payment of the share capital as set out above, i.e. no later than 3 days subsequent to the subscription.*
- 7. Expenses related to the increase in capital shall be covered by the Company's share premium reserve, c.f. Section 10-12 (2), c.f. Section 3-2 of the Limited Liability Companies Act.*
- 8. The new shares are provided with rights in the Company as of registration of the share capital in the Register of Business Enterprises. The new shares shall entitle dividend from the accounting year 2009.*

The reason for the Board of Director's proposal:

During the second half of 2009, the Company has participated in 1 exploration well and shall participate in 1 more exploration well on the Norwegian continental shelf in production license 469, which is operated by Gaz de France Suez and in which the Company holds a participating interest of 17.5 %, and in production license 483S, which is operated by Det Norske and in which the Company holds a participating interest of 30 %. During 2010 or 2011 there will also be drilled an exploration well in production license 536 awarded in the 20th licensing round. Gaz de France Suez is operator and the Company holds a participating interest of 20 %.

The Company shall also carry out a survey for the collection of electro magnetic data pursuant to agreement with PetroMarker. There is scheduled a program for up to 15 days in 2010.

The Company's business is financed through equity, a bond loan with security in the license portfolio and through a loan facility in Sparebank1 SR Bank and Sparebank1 Nord-Norge. This lending facility has an upward limit of NOK 600 millions and is secured in the Company's claims for reimbursement of tax refunds from exploration costs. The Norwegian petroleum tax regime allows for companies that are not in a tax position to claim refund of 78 % of their incurred exploration costs, equivalent to the tax rate in the petroleum tax regime.

To complete the planned program for the current year and the next year, there is a need for further equity financing. The Board of Directors has during 2009 worked on different solutions for equity financing. The proposed solutions have, however, not been considered as favorable for the shareholders in the Company. Hence, the Board of Directors has resolved to propose a private placement towards the shareholders of the Company in accordance with the proposal set out above.

The Board of Directors considers this solution as necessary for the continuation of the business of the Company and as a solution which is possible to achieve.

The Board of Directors would like to call attention to the fact that the general manager of the subsidiary Discover Petroleum International AS has been suspected for and charged with legal offences related to the company's business in Peru, c.f. inter alia the Company's press release dated 29 November 2008. An agreement for the sale of all shares in Discover Petroleum International AS was entered into on 9 November 2009.

The company has been notified in letters from the Oil Taxation Office of 16 September 2009 and 9 October 2009 that the office will suggest amendments to the tax assessment in the years 2006 and 2007 and deviations to the tax assessment for 2008 with regard to rights to the EM technology and amendments to the tax assessment for 2008 with regard to the bases for the refund claim pursuant to the Petroleum Tax Act Section 3 c fifth paragraph. If the amendments and deviations were to be implemented it could lead to a total reduction in the basis for such tax refund claim of NOK 107 million divided over three years from 2008 to 2010. The company is at present in negotiations with the banks concerning the continuation of the above mentioned bank loan facility with Sparebank1 SR Bank and Sparebank1 Nord-Norge.

Furthermore, the Board of Directors would like to call the attention of the subscribers to the fact that subscription of shares is accompanied with risk. The subscribers must make their own risk assessments in relation to the subscription. Enquiries with regard to financial statements and other documents or information that may be of interest for the risk assessments of the subscribers can be directed to the Company's administration.

The Company's annual accounts, annual report and the audit report for 2008 is available at the Company's business address and has also previously been sent to all shareholders. The end-of-year report for 2008 and the interim reports for 2009 are also available on the Company's webpage; www.discoverpetroleum.com. The Company was in December

2008 awarded interest in two new production licenses through the TFO 2008, and was awarded interest in three new production licenses in 2009 through the 20th concession round.

Attachment 3

Item 5)

(The Board of Director's statement with regard to payment of share capital by set off in debt, c.f. Section 10-2 of the Limited Liability Companies Act., confirmed by accountant.)

Attachment 4

Item 6) Proposal to change the Articles of Association

In accordance with the resolution on capital increase, Section 5 of the articles of association of the Company should be amended.

The general meeting resolved the following amendment to the articles in accordance with the proposal of the Board of Directors, provided subscription of shares as proposed:

Section 5 of the articles of association shall read:

“Selskapets aksjekapital er NOK [] fordelt på [] aksjer, hver pålydende NOK 0,01.”

Attachment 5

Item 7) Proposal to authorize the Board of Directors to increase the share capital by issue of new shares

In accordance with the Company's needs, the Board of Directors is considering the possibilities for increasing the Company's equity. In consideration of the timing aspect and the need for flexibility with regard to terms of settlement, it is desirable that the Board of Directors by proxy from the general meeting is provided with the ability to increase the equity by issue of new shares against settlement in cash.

On this basis the Board of Directors proposes that the general meeting makes the following resolution:

- (a) The Board of Directors is authorized to increase the share capital of the Company with up to NOK 60,000,000 through one or more issuances of a total of up to 6,000,000,000 new shares, each with a face value of NOK 0.01. The subscription price and other subscription terms are to be determined by the Board of Directors. The above mentioned limitations with regard to amounts shall be adjusted in accordance with any future splits and/or merges of the nominal value of the shares in the company.*
- (b) The authorization shall include increase of the share capital towards contribution in other assets than cash or the rights to have the company incur special obligations.*
- (c) The existing shareholders pre-emption rights pursuant to the Limited Liability Companies Act Section 10-4 may be set aside by the Board of Directors..*
- (d) The authorization does not include decisions to merge pursuant to the Limited Liability Companies Act Section 13-5.*
- (e) The authorization is valid as of Registration in the Register of Business Enterprises and until 30 June 2010. the authorization does not replace former authorizations.*

Attachment 6

Item 8) Proposal to authorize the Board of Directors to purchase own shares

Employees in Discover Petroleum AS have as a result of the company's option and pension program subscribed for shares in the company. Some of these employees will as a result of the reorganization process in the company leave the company, and it may for these employees also be seen as natural that they terminate their ownership to shares in the company in this connection.

On this basis the Board of Directors proposes the following resolution authorizing the Board of Directors to purchase own shares:

- (a) *The Board is authorized in accordance with the Limited Liability Companies Act Section 9-4 to purchase up to 200,000,000 shares in Discover Petroleum AS for a total amount of maximum NOK 4,000,000 for minimum NOK 0.01 a share and maximum NOK 0.02 a share. The above mentioned limitations with regard to amounts shall be adjusted in accordance with any future splits and/or merges of the nominal value of the shares in the company.*
- (b) *The authorization shall be effective upon registration in the Register of Business Enterprises and until 30 June 2009. The authorization shall be registered in the Register of Business Enterprises as soon as possible following the resolution in the general meeting.*
- (c) *The Board is free to decide how the purchase and sale of shares in the company shall be carried out.*

Attachment 7

Item 9) Cancellation of subscription rights

(Copy of call for bond- and subscription rights holder meeting dated 23 June 2009 and Copy of notice from arranged bond- and subscription rights holder meeting dated 29 June 2009.)

Attachment 8

**Discover Petroleum AS
Registration Form**

Name/Company
Contact person
Address
E-Mail

The undersigned will participate in the extraordinary general meeting in Discover Petroleum AS, 27 November 2009 at 11:00 and vote for:

.....	Own shares
.....	Others' shares pursuant to proxy
In total Shares

[Place and date]

[Signature]

Name in block letters:

.....

Copy of proxies, if any, must be enclosed to this form. The original proxy must be brought along to the general meeting.

Attachment 9

**Discover Petroleum AS
Proxy Form**

Name/Company

Contact person

Address

E-Mail

The undersigned is hereby granting proxy to meet and vote at the extraordinary general meeting in Discover Petroleum AS, 27 November 2009 at 11:00 to:

[Name of proxy in block letters]

For my/our shares
[number]

[Place and date]

[Signature]

Name in block letters:

.....

Proxy may, if desirable, be given to Managing Director Yngve Vassmyr.