



# Western Plains Petroleum Ltd.

## Western Plains Petroleum Enters into Formal Asset Purchase Agreement with Nordic

For Immediate Release

May 26, 2010

CALGARY, ALBERTA – Western Plains Petroleum Ltd. (TSXV:WPP) (“**Western Plains**” or the “**Company**”) further to its previously announced proposed acquisition of a 50% working interest in certain heavy oil assets in the Lloydminster area of eastern Alberta (the “**Acquisition**”) from Nordic Oil and Gas Ltd. (“**Nordic**”), the Company is pleased to announce it has entered into a formal purchase and sale agreement with Nordic (the “**Agreement**”).

Under the terms of the Agreement, Western Plains will acquire a 50% interest in Nordic’s 26 LSDs (net 1060 acres) of land in Lloydminster including nine heavy oil wells currently capable of production, plus an additional five recently drilled wells (the “**Assets**”). Since being engaged as contract field operator of the Assets in mid-April 2010, Western Plains has re-activated eight of Nordic’s shut-in heavy oil wells, which are now producing approximately 85 to 90 bbls/d. All production from the Assets has been, or is expected to be, from the Sparky formation. The Acquisition is expected to add approximately 300 Mbbls (net) of total proved plus probable reserves to Western Plains, based upon Nordic’s independent reserve evaluation dated March 9, 2010, prepared by Chapman Petroleum Engineering Ltd. (“**Chapman**”) in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* (“**NI 51-101**”) for the year ended December 31, 2009, as summarized in Nordic’s Statement Of Reserves Data And Other Oil And Gas Information (Form 51-101F1) available on [www.sedar.com](http://www.sedar.com).

Under the terms of the Agreement, the Company is to acquire its 50% participating interest in the Assets for an aggregate consideration of \$2.2 million, payable by the payment and/or assumption of approximately \$1.25 million of Nordic’s outstanding trade payables, the cash payment of approximately \$545,000, the issuance to Nordic of up to 2,000,000 common shares at a price of \$0.15 per share for \$300,000, and a \$100,000 non-refundable cash deposit. The effective date of the Acquisition is April 12, 2010, with closing anticipated to occur no earlier than June 15, 2010, and in any event, no later than July 31, 2010. On completion of the Acquisition, Western Plains will be operator of Assets in accordance with an industry standard joint operating agreement to be entered into with Nordic at closing.

In addition to industry standard closing conditions and regulatory approvals, closing of the Acquisition is subject to Western Plains completing a financing of \$1,500,000, either through a debt or equity financing (or a combination thereof). The equity portion of the financing is expected to be a non-brokered private placement of up to a maximum of 10,000,000 common shares at a price of \$0.15 per share. The equity financing will be subject to acceptance by the TSX Venture Exchange (the “**Exchange**”) and will be conducted on a private placement basis in accordance with registration and prospectus exemptions under applicable securities laws. In connection with the equity financing, the Company may pay cash finder’s fees to arm’s length finders on a portion, or all, of the gross proceeds raised thereunder, subject to the approval of the Exchange. A further news release will be issued if a finder’s fee is payable. Any common shares issued under the equity financing will be subject to a four month hold period from the date of issuance, in accordance with Exchange policies and applicable securities laws.

## **About Western Plains Petroleum Ltd.**

Western Plains is a Lloydminster, Alberta, based junior heavy oil producer with interests located in the Lloydminster area in both Saskatchewan and Alberta. The common shares of the Company trade on the TSX Venture Exchange under the symbol WPP.

For more information, please contact:

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***Neither the TSX Venture Exchange nor its Regulation Services Provider (as the term is defined in the Policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.***

## **Reader Advisory**

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Certain information in this Press Release is forward-looking within the meaning of certain securities laws, and is subject to important risks, uncertainties and assumptions. This forward-looking information includes, among other things, information with respect to Western Plains' beliefs, plans, expectations, anticipations, estimates and intentions, including the completion of Western Plains' acquisition of certain petroleum and natural gas interests, the closing of a debt and/or equity financing, the success of future drilling and development activities, the performance of existing wells, the performance of new wells, general economic conditions, availability of required equipment and services and prevailing commodity prices. The words "may", "could", "should", "would", "suspect", "outlook", "believe", "anticipate", "estimate", "expect", "intend", "plan", "target" and similar words and expressions are used to identify forward-looking information. The forward-looking information in this Press Release describes Western Plains' expectations as of the date of this Press Release.

Material factors which could cause actual results or events to differ materially from such forward-looking information include, among others, risks arising from general economic conditions and adverse industry events, risks arising from operations generally, changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations; reliance on contractual rights such as licenses and leases in the conduct of its business, reliance on third parties, reliance on key personnel, possible failure of the business model or business plan or the inability to implement the business model or business plan as planned, competition, environmental matters, and insurance or lack thereof.

Western Plains cautions that the foregoing list of material factors is not exhaustive, is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. When relying on Western Plains forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Western Plains has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events.

The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

The common shares proposed to be issued have not been registered under the U.S. Securities Act of 1933 as amended or any state securities laws, and may not be offered or sold in the United States absent registration or an exemption from the registration requirements. This Press Release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.