



Press release

Ginger Oil AB (publ)
Stockholm, 2007-08-28

Half Year report June 30, 2007

IMPORTANT EVENTS IN THE SECOND QUARTER 2007

- Net profit of 1,236 KSEK for the half year, net profit for the quarter was 2,110 KSEK
- Cash flow of 6,764 KSEK for the half year
- Earnings per share of .08 SEK
- Listing on the authorized exchange Nordic Growth Market NGM in Stockholm
- 24,9 MSEK of new capital raised through an oversubscribed rights issue to existing shareholders
- Establishment of one share class only
- Two wells drilled and completed in Arkansas
- Additional staff hired in Ginger Oil Inc., in order to strengthen the research and analysis resources

COMMENTS FROM CEO SVEN ERIK AHLSTEDT

“A very important event during the quarter was Ginger Oil’s listing on the Nordic Growth Market (NGM). We are very happy and enthusiastic to have so many shareholders that share our strong belief in the oil and gas business. We have during this quarter completed drilling two wells and are eagerly awaiting the results of the testing. Two additional wells are drilling. The rest of our drilling program is largely on track with some minor delays.

We are now looking forward to a very busy third and fourth quarter 2007 with new projects and wells to be drilled”.

IF YOU HAVE ANY QUESTIONS; PLEASE CONTACT:

Sven-Erik Ahlstedt

CEO, Ginger Oil AB

Telephone: +46 706 721 942

E-mail: seahlstedt@gingeroil.com

Allan Åkerstedt

Chairman of the board, Ginger Oil AB

Telephone: +46 704 284 480

Hans Blixt

Member of the board, Ginger Oil AB and CEO Ginger Oil Inc.

Telephone: +1 281 6818600

E-mail: hblixt@gingeroil.com

THE COMPANY

The Ginger Oil Group consists of the Swedish public limited liability mother company Ginger Oil AB (publ) and the wholly owned US subsidiary Ginger Oil Company, Inc., based in Texas, USA. Ginger Oil is active in the exploration, exploitation and production of oil and gas. The Company's assets are predominantly located in the USA. The shares in Ginger Oil AB (publ) are listed on the NGM Equity under the symbol GOIL. More information about Ginger Oil can be found on www.gingeroil.com.

MARKET

Crude oil is a world wide commodity and in the USA the oil price is set in relation to West Texas Intermediate Crude (WTI). Ginger receives, as do other companies in Arkansas, approximately three dollars less per barrel than WTI. This is due to the location of the crude station and transportation costs. During the second quarter 2007 Ginger received between 59 and 67 \$/bbl. WTI has historically traded at a higher price than for example Brent (the crude normally used to set price for the North Sea), but lately a reversed trend has been noticed by the analysts who cover the commodity markets.

The natural gas price is more dependent on domestic conditions because it is more difficult to transport outside the local market. The price Ginger Oil obtained on natural gas during the second quarter averaged 7\$/mcf

BUSINESS REVIEW

RESERVES

Proved and Probable reserves (P2) amount to 11,168,000 barrels equivalent. This represents a decrease since last quarter of 443,000 barrels equivalent and is mainly due to revised estimates in connection with the reserve revision in connection with the Louann project (reported in Q1 2007) and an additional reduction in interest in our Mohawk project by promoting the risk drilling cost portion to industry.

The Company has decided to discontinue reporting Possible reserves (P3) in its quarterly reports. This is in accordance with the guidelines issued this year by the Oslo Stock Exchange in the disclosure of hydrocarbon reserves. Due to their nature, Possible reserves (P3) are very subjective and experts often disagree widely about their quantity and value. Ginger Oil wants its public statements to contain relevant information that its current shareholders and potential investors can use effectively when making their financial decisions.

PRODUCTION

Ginger Oil's current daily net production remains roughly unchanged at 51 barrels and 68 thousand cubic feet of gas per day. The production cost in Arkansas is three to five dollars per barrel. The work on increasing production has continued in the second quarter and so far two wells in Arkansas have been completed and are waiting for final test and hook up. A third well in Kings Ridge, Louisiana has been tested and is waiting for a planned pipeline to be completed. Consequently, Ginger Oil's production rates are expected to increase in the near future.

ACTIVITIES

ARKANSAS

PRODUCTION

Lewisville area. (First 3-D shoot)

This is Ginger Oil's first shoot area and the seismic data was acquired in 2004. Since then, Ginger Oil has had five new field discoveries in this area. Drilling has continued according to plan during the second quarter and the latest well in the North Branch prospect was completed as an oil well in July 2007. Additional perforations will be made to maximize total fluid flow. This well is the fifth new field discovery that has resulted from the Lewisville shoot.

Three of the five new fields are on production and have additional development drilling planned. For example, a development well will be drilled in the Cleveland Branch Field in the Lightning prospect commencing in August 2007. The well will be a conventional vertical well, then cored and logged. If it is successful, the well will then be sidetracked and completed in a 500 foot horizontal hole. The reason for this is to substantially increase the rate of oil flow over that of a conventional vertical completion. This is a current leading edge technology that is also being applied by Ginger Oil.

A fourth field, Northwest Lewisville, in the Sabot prospect is scheduled to be re-drilled higher on structure in order to expose the well to a larger part of the formation and thus achieve a higher flow rate. Ginger Oil has between 22% and 27% working interest.

The Lewisville Area is Ginger Oil's core area of oil production and it produces the bulk of the Company's current cash flow. Ginger Oil is trying to duplicate this success in four new 3-D shoot areas on the same geological trend, as detailed below. It is anticipated that a significant number of prospects will result from the acquisition of seismic in these new areas.

PROSPECTING

Stephens area. (Second 3-D shoot)

3-D Seismic acquisition has continued during the second quarter in southern Arkansas, Ginger Oil's core area of operation. Ginger Oil is the operator of the shoot for a consortium of companies. This shoot consists of a 33.5 square mile area and is now proceeding through final processing. The investment amounts to \$ 4.5 million of which Ginger Oil has a 36% working interest. The early analysis of the data looks quite encouraging for at least four drillable prospects. Two of these new field prospects are planned for drilling later this year.

Falcon Area. (Third 3-D shoot)

Actual 3-D acquisition has progressed according to plan and should be completed during the third and fourth quarter 2007. This is a 35 square mile shoot and it adjoins the first shoot, the Lewisville Area. Ginger Oil has a 27% working interest in this area and has six prospective leads that will be evaluated by the seismic. The seismic acquisition and attendant land and lease activity will cost about \$3.5 million. The basis for investing in these shoots is that each of the prospects may contain from one to four million barrels of oil. These prospects potentially have an ultimate value of \$50 million to \$200 million each.

Falcon 2 Area (Fourth 3-D shoot)

Further leases and permits for a fourth shoot have been acquired during the second quarter in an area called "Falcon 2". Once leases have been secured, the exact geographical area will be revealed. This shoot comprises 65 square miles and contains nine identified new field prospects. Land, lease and permit preparation will take the remainder of the year to complete and actual seismic acquisition will commence in Q1 of 2008. Ginger Oil holds a 23% working interest.

Falcon 3 Area (Fifth 3-D shoot)

Ginger Oil is also acquiring leases in an area that is 36 square miles in extent and has an additional eight leads based on 2D seismic. It is called "Falcon 3" for competitive reasons. Ginger Oil's consortium will probably vote to acquire 3-D seismic in this area sometime in the second half of 2008. Ginger Oil holds a 22% working interest here and is also the operator of seismic and land for the group.

Louann.

As indicated in the Q1 2007 report, additional seismic evaluation has been procured, at the initiative of Ginger Oil, in the eastern 40% of the prospect area. As a result additional 2-D seismic will be shot on the remainder of the prospect. Ginger Oil considers it likely that a viable prospect remains in this area and will use the new seismic to mature this lead. Ginger Oil plans to drill this well in fourth quarter 2007 subject to rig availability. Ginger Oil has a 22% working interest.

Mohawk Prospect.

The first well has been drilled, casing has been set at 10,615 feet depth and now Ginger Oil is waiting on a completion rig. This is a development well and is a significant well for Ginger Oil in that it is the first well where Ginger Oil is the operator. It is an indicated oil discovery, based on the open-hole log analysis but testing is necessary to confirm if there is a discovery. Ginger Oil held a 23% working interest during the drilling of the well and has a 41% working interest for the casing and completion of the well. The cost of the well is approximately \$1.2 million to drill and an additional \$ 0.5 million to complete. It is a prospect that Ginger Oil has developed and promoted to industry partners. If this well proves to be successful, Ginger Oil has a second unit area that is leased and ready to drill.

Snow Hill Prospect.

Plans are now underway to shoot a 2-D seismic line in this area. This is a prospect in which Ginger Oil holds a 90 % interest. The seismic line should solidify an initial location for the first drilling. If it does, Ginger Oil intends to farm-out a 50% working interest to other industry participants. Ginger Oil anticipates drilling the well in the fourth quarter 2007 or the first quarter 2008.

OHIO*PROSPECTING*

Ginger Oil has agreed to join forces with a successful local operator in Ohio for the joint development of a portion of the Plymouth project in Ashtabula County. Ginger Oil has brought its seismic expertise and evaluation techniques to the table and the local company its lease acquisition, drilling, completion and production abilities. The company currently operates over 600 shallow gas and oil wells in the area.

The initial joint effort of Ginger Oil and the local operator will be to drill three wells this fall. One of these wells is on Ginger Oil's acreage and the other two are on the operator's holdings. The wells will be drilled on an equal basis and the revenues shared equally. Further potential exists in other identified seismic prospects, some of which should be available for drilling in 2008. Ginger Oil will have a 50% working interest and an approximate 39% net revenue interest.

One of Ginger Oil's four prospects in Ohio, the "Sabrina" prospect, was evaluated in the second quarter with a 12-mile long, 2-D reconnaissance seismic line. The prospect had been classified as high risk. The line revealed that structures exist but not the large continuous structure that Ginger Oil had expected based on airborne magnetic data. There is oil and gas industry activity in the area and the play that is being explored is the "Ohio Shale" which is a proven gas play. Ginger Oil may have a chance to participate in these plays or may decide to sell the Sabrina prospect leases and recover sunk costs.

LOUISIANA*PROSPECTING**Little Village.*

No significant change since last quarter. A group, including Ginger Oil, has taken over the well, Bundy Heirs #1 in South Barataria, and is looking for a partner for additional drilling

Kings Ridge.

This well was drilled in August 2006 and tested in March 2007. Beryl Oil & Gas has tested the well at 3.9 mmcf and 67 barrels of oil per day. No water was produced. The plan is to complete the well for production. The well is expected to be hooked up as soon as a pipeline is built, possibly in Q 4 this year. Ginger Oil holds a 1.3% revenue interest increasing to 3.7% .

Resource Creek.

Resource Creek is a new project located in North Louisiana. This is a large area and a is a large gas and condensate prospect. It is a "resource play" that involves known hydrocarbons that are trapped in tight sandstones. By the use of new technology like staged slick water fracturing and horizontal drilling these sandstones can be unlocked and their hydrocarbons produced. A resource play is defined as an uncomplicated, predictable and repeatable process.

Ginger Oil has begun its leasing effort by applying for leases to the Bureau of Land Management, "BLM", which is a branch of the federal government. These lands comprise approximately 40% of the total potential area and must be obtained before Ginger Oil decides to lease the remainder of the area. The BLM can take a number of months or has the option to not lease to Ginger Oil at all. However, there are some BLM leases that were taken in the general vicinity and Ginger Oil believes it can obtain these crucial leases in December 2007 or Q1 2008. The resource potential is estimated at 100 Bcf. Ginger Oil currently owns 95% of the project.

SOUTH TEXAS, 3-D*PROSPECTING*

Ginger Oil has access to 300 square miles of 3-D seismic. An analysis of the "micro-radar" survey flown across this data area resulted in a number of radar leads, and also showed anomalies that coincided with several recent deeper gas discoveries. During the second quarter, Ginger Oil has mapped out several prospective areas on the

seismic that also have the radar anomalies. Parts of the investigated area are still available for leasing. Ginger Oil is continuing to evaluate the seismic and expects to find additional drillable prospects that are open and available.

Texas Arch.

20 miles of 2-D seismic has been shot and analyzed. The prospect has been verified and drilling was started. The first well was spudded in June 2007 but encountered mechanical problems and will be re-drilled beginning Sept. 1. The second prospect will be drilled and tested immediately after the first one. If any of these two prospects are successful, a larger drilling program will be undertaken. The prospect is characterized as high risk but represents a large potential in a new trend. Ginger Oil has a 10% working interest.

NORTH SEA PROSPECTING

Ginger Oil– together with partners – was awarded three blocks totalling 81,419 acres in the first quarter of 2007. Ginger Oil's working interest is 30 %. Phase one technical analysis has been completed with encouraging results. A phase two program is under way and will be completed prior to December 2007. Ginger Oil plans to begin marketing its interest to industry partners at the London trade show in December. The Promote contract expires in April, 2009 when Ginger Oil (or farm in partner) either needs to commit to drilling a well or drop the blocks. Should a well be approved, then the license will extend to April 2011.

SHARE DATA

Ginger Oil AB (publ) is since 28 May 2007 traded on NGM Equity and in one share class only.

By virtue of a rights issue of 1 557 067 shares directed to the existing shareholders of the Ginger Oil AB (publ), the share capital of Ginger Oil AB (publ) was increased with SEK 155 706, 70, with a share premium of SEK 24 757 366,30.

Ginger Oil AB's registered share capital as of 30 June 2007 amounted to SEK 1,557,067 represented by 15,570,674 shares with a quota value of SEK .10 each.

Ginger Oil AB has entered into an agreement with Erik Penser Fondkommission to provide a liquidity guarantee in the Ginger Oil share trade from August 20, 2007 and until further notice.

PERSONNEL

The average number of employees in Ginger Oil during the second quarter was four persons. Total number of employees as of June 30th, 2007 reached five of which all in the USA. Ginger has at the end of the second quarter hired a full time Geotech.

RISK AND UNCERTAINTIES

Essential risks and uncertainties for Ginger Oil includes business risks concerning oil and gas exploration and exploitation (ex. risks concerning reserves, leases and concessions), financial risks (e.g. risks relating to currencies, interest rates, counterparties, future capital requirements), environmental risks, market risks (ex. competition, oil price fluctuations) and risks involving infrastructure
No significant risks, other than those previously described above or in Ginger Oil's latest Prospectus are deemed to have arisen.

DATES FOR FINANCIAL REPORTS

Interim report Jan-Sep 2007	November 12th, 2007
Year-End report 2007	February 25th, 2008

If there are any discrepancies between this and the report published in Swedish, the Swedish version shall prevail.