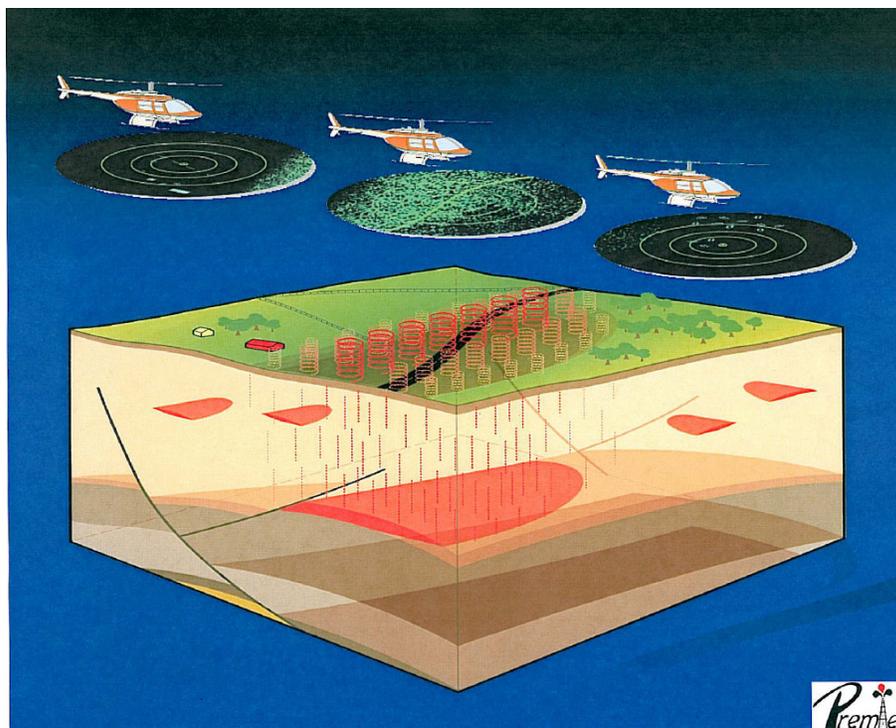


## Nine month Report Sept 30, 2006



Micro radar, a technique that investigates large areas for the presence of hydrocarbon. It is being used in our Texas 3-d area. See the description below.

Ginger Oil AB (publ) är det Svenska moderbolag som är helägare av det amerikanska dotterbolaget Ginger Oil Company Inc, där all rörelsedrivande verksamhet i koncernen bedrivs. Bolaget är verksamt inom prospektering och exploatering utav olja och naturgas i främst Nordamerika. Ginger Oil AB är listade på Göteborgs OTC-lista och handlas på sedvanligt vis via banker och fondkommissionärer. Kursen kan följas i affärspress, text-tv samt på Internet. Mer information om bolaget finns på [www.gingeroil.com](http://www.gingeroil.com)

## Activity

Ginger Oil AB (publ) is a Swedish public company and is listed on the Gothenburg OTC-list. Our stock can be traded through brokers authorized to trade on this exchange. The stock price is listed in the Swedish press and on the Internet. More information can be found on [www.gingeroil.com](http://www.gingeroil.com). Ginger Oil Company is a wholly owned subsidiary of Ginger Oil AB. It is the business unit under which all business activity occurs. Ginger Oil Company is active in the exploration, exploitation and production of oil and gas.

## Important activities during the first half of 2006

### Reserves

Proved and Probable reserves (P1+P2): 12,872,000 barrels equivalent. This represents an increase of 573,000 barrels during the third quarter and is mainly due to reclassification of reserves from possible to probable in Little Village and Kings Ridge.

Possible reserves (P3): 20,769,000 barrels equivalent. This is an increase of 1,928,000 mainly due to our high risk exploration additions in Texas.

The reserves are net to Ginger Oil Company after landowners, etc. have received their share.

### Arkansas

Searcy #3 has been drilled and been put on pump. It is currently producing about 100 barrels of oil per day.

Treat #1, Windmill prospect was drilled and has been plugged.

Louann prospect has experienced delays but is expected to begin drilling November 2006. Potential net reserves for the prospect area are 749 mbbblseq. Follow up drilling will be done in case of a discovery.

Stephens 3-d seismic acquisition. The work has started and results from the seismic are expected at year end. Potential net reserves are 6,155 mbbblseq.

Area three. 3-D seismic acquisition will commence immediately after Stephens shoot. Potential net reserves are 1,568 mbbblseq.

Area four. 3-D seismic acquisitions will be done during 2007. Potential net reserves are 4,662 mbbblseq.

Ginger Oil AB (publ) är det Svenska moderbolag som är helägare av det amerikanska dotterbolaget Ginger Oil Company Inc, där all rörelsedrivande verksamhet i koncernen bedrivs. Bolaget är verksamt inom prospektering och exploatering utav olja och naturgas i främst Nordamerika. Ginger Oil AB är listade på Göteborgs OTC-lista och handlas på sedvanligt vis via banker och fondkommissionärer. Kursen kan följas i affärspress, text-tv samt på Internet. Mer information om bolaget finns på [www.gingeroil.com](http://www.gingeroil.com)

## Louisiana

**The Kings Ridge Prospect** has been drilled and three promising zones have been discovered. We are waiting on a completion rig.

**The Mestayer #1 well** has been sold to a smaller operator. Ginger has a “back in” interest remaining in this well and it could take some time to realize income.

**The Little Village Prospect** has been drilled and several formations have been discovered. The well is being completed.

## Ohio

The results from EM (surface electro-magnetic) and seismic investigations are promising and we are engaged in a comprehensive leasing program. Discussions with larger landowners are under way.

New areas in Ohio are being investigated with EM (surface electro-magnetic) with promising results. Existing seismic has been bought and additional seismic over these new areas will be shot in the near future.

## Texas

**Premier E&P.** Ginger has entered into an agreement with Premier E&P ([www.PremierE-P.com](http://www.PremierE-P.com)) where-in a 300 square miles 3-d survey in the Texas Gulf Coast will be investigated using Micro-Radar and Electromagnetic tools. The primary target is the prolific Wilcox formation. The Micro-Radar work started November 11 and first prospects could be drilled in 2<sup>nd</sup> Q 2007. It is expected that five or more prospects will be drilled annually for several years as a result of this work.

**Bandera.** Ginger has joined a high- risk exploration play in the Bandera Arch area in West Texas. The prospects cover over 15,000 acres and were developed by First Place Energy. Three wells will be drilled based on 2-D seismic. The prospect, if successful, could contain 50-80 million barrels of oil. Ginger will have 10% of the total project.

## North Sea

Several studies have been conducted and, together with our partners, we applied for licenses at the 24th bid round June 16, 2006. The awards are expected in November 2006. The five tranches bid on vary in size from 150-300 Bcf each. Ginger has 30% interest in the bidding consortium.

Ginger Oil AB (publ) är det Svenska moderbolag som är helägare av det amerikanska dotterbolaget Ginger Oil Company Inc, där all rörelsedrivande verksamhet i koncernen bedrivs. Bolaget är verksamt inom prospektering och exploatering utav olja och naturgas i främst Nordamerika. Ginger Oil AB är listade på Göteborgs OTC-lista och handlas på sedvanligt vis via banker och fondkommissionärer. Kursen kan följas i affärspress, text-tv samt på Internet. Mer information om bolaget finns på [www.gingeroil.com](http://www.gingeroil.com)

## Shares

The company stock was listed December 15, 2003 on the Gothenburg OTC-exchange. This exchange is a part of the Nordic OTC trading system. So far this year (August 17, 2006) 4,139,133 shares have been traded between 11.90 SEK (01/03/06) and 35.20 SEK (05/15/06). Last trade (August 17, 2006) was at 22.50 SEK. Interested parties can follow the trading at THENBERG & KINDE's or NORDIC OTC's web page ([www.thenberg.se](http://www.thenberg.se) or [www.ngm.se](http://www.ngm.se) Nordic OTC/kurser).

## Emissions

Ginger has an agreement with the Norwegian firm, CAR to advise and assist the company to enter the Oslo stock exchange. CAR has also assisted Ginger in a private placement that was completed July 21, 2006 for 11,5 MMSEK. It was directed to a Norwegian fund and several private investors. Ginger had a second emission in September 2006 in which 1,164,668 shares were issued and which added 31,446,036 in additional capital. Ginger now has a total of 14,559,397 shares outstanding.

For questions please contact:

Hans Blixt 281 681 8600 x 205 e-mail [hblixt@gingeroil.com](mailto:hblixt@gingeroil.com) or Don Neville 281 681 8600 x 206 e-mail [dneville@gingeroil.com](mailto:dneville@gingeroil.com)

Ginger Oil AB (publ) är det Svenska moderbolag som är helägare av det amerikanska dotterbolaget Ginger Oil Company Inc, där all rörelsedrivande verksamhet i koncernen bedrivs. Bolaget är verksamt inom prospektering och exploatering utav olja och naturgas i främst Nordamerika. Ginger Oil AB är listade på Göteborgs OTC-lista och handlas på sedvanligt vis via banker och fondkommissionärer. Kursen kan följas i affärspress, text-tv samt på Internet. Mer information om bolaget finns på [www.gingeroil.com](http://www.gingeroil.com)