

**Press release**

Ginger Oil AB (publ)

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## ANNOUNCEMENT OF PRODUCTION TESTING OF SECOND WELL IN TEXAS ARCH AREA

- Second Texas Arch Well Drilled and Casing Run
- Logs Are Positive For Potential Gas Pays

**A second well in Texas Arch indicates two potential gas formations. Testing will be performed to evaluate commerciality. Results should be known within four to six weeks. The first well is a gas discovery and this well is also in the same new area which has potential for gas reserves. Ginger Oil has lease positions to explore additional structures within this area.**

Ginger Oil's previous press release described the successful testing of a new gas well, the Texas Arch #2. We have now completed the drilling of a second well, the Texas Arch #1 on a separate structural feature. This well was drilled to granite basement to a total depth of 8,550 feet. A suite of "open-hole logs" was run as a first step to evaluate the well. These logs indicate the presence of approximately 140 net feet of possible gas pay in Pennsylvanian age sand at a depth of 4225 feet to 4633 feet.

Also, the Ellenberger formation at a depth of 5,450 feet has similar log character to the logs in the gas zone in the initial discovery. This well has been plugged back to a depth of 6,000 feet, casing has been run and the drilling rig will be released shortly.

Further evaluation will be conducted with a "work over rig" that will be moved here in the near future. The zones in question will be "production tested" to determine their economic viability. This operation will be completed within the next four to six weeks. At that time Ginger Oil will release the test results.

The significance of these two wells is that they are in an area that has not been productive to date. Ginger and partners have a strong lease position on the two structural features that have been tested and on three additional structures that are on trend. Each of the structures has the potential for additional development wells, should the initial wells be proven successful producers.

Ginger Oil has a 10% working interest and a 7.5% revenue interest in these wells and in the surrounding 15,000 plus acres of leases. The actual locations and well names have not been released at this time for competitive reasons.

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