



Press Release

Ginger Oil AB (publ)
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Largest ever drilling program set for 2010

Ginger Oil AB is announcing a preliminary schedule of exploratory drilling and development of production from established fields during 2010.

The objective with this plan is to increase the company's mineral assets in oil and gas reserves, and to increase the company's level of production capacity.

Exploratory Drilling

Ginger Oil plans to drill 10 to 12 prospective wells in 2010. The first drilling was initiated on January 2, 2010. The drilling program reaches maximum level of activity during June-September. The company estimates that prospective drillings will result in the addition of established reserves of 4-6 million BOE, with a net of 700,000-800,000 BOE to Ginger Oil.

In Texas, the company plans exploratory drilling on Ginger Oil's latest acquisition, the NE Clemens Prospect in Jackson County. The four week drilling activity is scheduled to start during the first half of February. The prospect has an estimated potential reserve of 3 million BOE, and Ginger Oil has a net revenue share of 20 %.

In Arkansas, the company plans to drill five exploratory wells in the Willisville area. Willisville is the latest addition to Ginger Oil 3-D seismic areas in Arkansas. Results from an initial exploratory well in July 2009 gave evidence for a more complex than expected geology. The company has reviewed the entire area and provided additional analysis with five newly defined prospects. The first prospect, Wedge#1, is scheduled to be drilled in May.

In the Falcon area, the company plans for two prospective wells. The first, which has been named Esters #1, has been started early January. The preliminary result is very positive. The company expects to make a public announcement revealing detail from testing within a short time.

In the Lewisville area and the Stephens area, the company plans three prospective wells. One prospective drilling in the Lewisville area is of particular interest. Through a review of available 3D seismic data, a possible reef formation has been identified. If the prospective well confirms the existence of the reef formation, it will be the first discovery of its kind in Arkansas. A reef formation may hold large quantities of oil, but Ginger Oil is cautious on probability, which has been estimated at 10 %.

During 2010, Ginger Oil plans to start drilling a series of test wells in the Tiger Creek prospect, Louisiana. Due to the prospect's size, a minimum of three exploratory wells will be drilled before final conclusion of the overall potential of the prospect. Depending on final scheduling, all or part of the prospective drillings will be completed during 2010.

Development of Oil fields

Ginger Oil plans for the development of oil fields in Jackson County (Texas), in Lewisville (Arkansas) and in Barataria (Louisiana) with all seven development wells in proved producing reservoirs. These wells are expected to contribute to a gradually increasing production of oil and natural gas. The expected increases in total production are 700-800 BOE per day. From this, Ginger Oil has a net interest of 80-90 BOE per day.

The first development well to be drilled is located in Jackson County, South LaWard oil field, which was started on January 8th 2010. The well is expected to be completed during the second half of January.

Expected effects on Ginger Oil production

Based only of the successful addition of seven productive development wells, Ginger Oil is expected to double its average daily production compared with results from the fourth quarter 2010. Should the company maintain its historical probabilities when drilling all twelve prospective wells planned for 2010, Ginger Oil expects an additional 80-90 BOE daily production above the increase expected from the development wells.

Three high potential exploratory wells, Tiger Creek (Louisiana), NE Clemens (Texas) and Lewisville Reef (Arkansas) would, if leading to discoveries of productive oil fields, add further to production of oil and natural gas. More importantly, if successful, they will multifold the total asset value of Ginger Oil.

Drilling Program 2010 is subject to continuous review and rescheduling. Ginger Oil will communicate through press releases and through the quarterly reporting.

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Ginger Oil AB (publ) is a US-based oil- and natural gas company focused to prospect with the objective to find new reserves. The company has resources to handle acquisitions, developments, explorations and divestitures of oil- and natural gas reserves. Ginger Oil operations are located in Texas and reaches to Arkansas, Louisiana, and Michigan in United States. The mother company is established in Stockholm, Sweden.

Ginger Oil had revenues of 18 MSEK in 2008. The group is traded on NGM-Equity in Stockholm. For information, please visit www.gingeroil.com

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Planned updates

Unless explicitly expressed otherwise in this press release, it is expected that updates will be issued when Ginger Oil AB considers this necessary due to, for example, considerably changed market conditions, events related to the execution of the company's plans or the acquisition of new information.