

**Pressmeddelande**

Ginger Oil AB (publ)

Stockholm, 2008-05-14

**Joint Venture to drill two wells in Jackson County, Texas**

Ginger Oil has on May 9<sup>th</sup>, committed to drill two 8,000' depth wells in a joint venture with two partnering Houston E&P companies. The agreement is in line with Ginger Oil's 2008 drilling schedule.

Ginger Oil has contracted a drilling rig to begin operations in June 2008 drilling "Top of the Hill" and continue with "L Ranch C-1" immediately thereafter. "Top of the Hill" is contracted on a "turnkey contract", and "L-Ranch Hill" is on a "day rate contract".

Both prospects are based on reprocessed, 3-D seismic survey data that extends across a large area in the Jackson County, Texas.

"Top of the Hill" is a new prospect with potential resources estimated at 691 000 barrels of oil and 1,117 Bcf gas. It carries up to "casing point" costs estimated at \$700,000. These costs are considered the risk costs for the venture. If commercially attractive zones are indicated in the well at this point, the well will be completed. Completion costs are estimated to be an additional \$283,000.

Ginger Oil has a 37.5% working interest and will operate "Top of the Hill" for the group.

The "L Ranch C-1" prospect is a re-entry and a sidetrack of an earlier well that was drilled in 2007. The original well contains four oil and gas zones, but they were believed to be too thin to complete. The seismic data over the area has been reprocessed after the drilling of this well, and the new interpretation indicates there are potential resources in the proposed sidetrack of 393,000 barrels of oil equivalent.

Cost of this well to casing point is estimated at \$367,000. Completion cost is estimated at \$240,000. It will be contracted on a "day rate" basis.

Ginger currently holds a 56.25% working interest, but may sell down to a 37.5% interest.

Each well, if confirming the potential, is estimated to be produced at 150 Bopd.

**FOR FURTHER INFORMATION PLEASE CONTACT:****Magnus Stuart**

VD Ginger Oil AB

Tel: +46 706 21 13 50

E-post: [mstuart@gingeroil.com](mailto:mstuart@gingeroil.com)