



Press release

Ginger Oil AB (publ)

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Operative update from Ginger Oil AB

Ginger Oil's development continues at one of our prime areas of focus. Two new wells have now been completed and production has commenced on both the Hagamann-Smith #1 (Mohawk area) and the Shinn #1 well (Cleveland area).

The Company previously reported positive "swab-test" results from its Hagamann-Smith #1 well in southern Arkansas. The well has now been placed on pump and is producing at a rate of 47 BOPD. This well is part of the Mohawk Field in Columbia County. The field was placed on production by Amoco in 1973 and has produced a cumulative of 2.6 million barrels of oil from eight wells. Our well performance will be monitored for approximately six months before a decision can be made to drill a second well. Ginger has a 31% net revenue interest in this and a second well.

Ginger reported in a September 19th press release the test results of its Shinn #1, located in southern Arkansas. It tested at a rate of 167 BOPD. It was placed on production on September 26 and has been producing an average of 150 BOPD. The top allowable production for this well has been set by the state of Arkansas at 150 BOPD. Ginger has a 15% net revenue interest in this well.

The combined net production rate to Ginger Oil for these two wells is approximately 37 BOPD. This new production will increase our daily rate of production to about 90 BOPD. At current product prices this production translates to a monthly gross income of approximately \$180,000.

Ginger has signed the AFE (authority for expenditure) for the Bonner #2 well and it should be drilled this year. This is a development well in our recently discovered Big Branch East Field in southern Arkansas. This was one of the fields discovered as a result of our initial 3-D survey in Arkansas. The Bonner #1 discovery well has been flowing at a rate of 70 BOPD and has produced over 48,000 barrels of oil since being placed on production in January 2006. It is now being placed on pump. Ginger has a 10% revenue interest in this field.

Our group has completed its second 3-D seismic acquisition in our Stephens area. It took approximately one year to complete the process. Based on the results of the seismic, it appears we have at least five new prospects. Ginger and partners are making preparations to drill the first two of these, possibly late this year. Ginger has a 25% net revenue in these wells.

Ginger has completed the seismic acquisition phase of a third area, called Falcon. Processing and mapping of the data are continuing according to plan and will take an additional six months before results are known. It is similar to our first two areas and it has six leads. Ginger has a 19% net revenue in this shoot.

Ginger is making preparations for a fourth shoot in the southern Arkansas area. The leasing and permitting effort for one of these shoots can take up to one year to complete. This area will total more than sixty-five square miles and is the largest acquisition area to date. We anticipate it to be underway in mid 2008. Ginger has a 10 % net revenue interest.

Ginger has a fifth shoot area defined and the group has given the OK for us to start assembling leases in the "core areas" within the shoot area. Ginger will have 16% net revenue in these leases.

Our 3-D seismic activity in southern Arkansas stems from Ginger's strategy of applying advanced technology in mature producing areas. In 2004, we were the first company to acquire 3-D seismic in southern Arkansas for the purpose of oil exploration. As a result, we have had the advantage of dominating exploration in this 90-mile

long trend. We have made five new field discoveries from that first shoot, Lewisville, in 2004 and will be actively exploiting in it for several years to come. We anticipate similar success to come from shoot areas two (Stephens), three (Falcon), four (Falcon II) and five (Falcon III).

Ginger is drilling a test well in its Texas Arch Area of Central Texas. Casing has been set at 3,785 feet and total depth is projected to be 7,600 feet. The prospect is deemed to have large potential oil reserves, but carries attendant high risk. We are not revealing the well name at this time for competitive reasons.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

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