

SEARCY #3 OIL WELL COMPLETED

The development well, Searcy #3 was swab tested at the rate of 128 barrels of oil in a 12-hour period. A rod pump will be installed and the well will be on production in two weeks. This well is an offset to the discovery well for the Lewisville Northeast Field, the Searcy #1. The field is located in southwestern Arkansas and was the first of four new fields discovered as a result of our 3-D seismic acquisition there. The Searcy #1 was completed in September 2004 and is currently pumping at the rate of approximately 115 BOPD. Ginger Oil has a 16% net revenue interest in these wells.

The Searcy #3 is significant in that it is 71 feet higher structurally in the oil reservoir than the Searcy #1 and it has an additional 7 feet thickness of exceptionally permeable rock at the top of the reservoir that was not developed in the Searcy #1. The total oil column in the field is now proven to be 130 feet high, based on well control. The elevation of a well within the reservoir is important because this field, like many other oil fields, derives its energy to produce from the underlying water layer pushing the oil into the high well, thus draining the maximum oil possible from the field.

Ginger Oil is continuing to drill and explore in the southwestern Arkansas area. We are currently acquiring a second "3-D seismic" survey over a 30 square mile area and have plans for at least two more surveys of similar or larger areal size in this trend.

Ginger Oil AB is trading on the Nordic OTC market under the symbol GOIL OTCB.

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