



Press release

Ginger Oil AB (publ)

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EFFECTS OF HURRICANE KATRINA

ADDITIONAL INTEREST AND INCREASED PRODUCTION IN TEXAS GAS WELLS

Hurricane Katrina has caused some changes in the drilling schedule for our Little Village prospect (Barataria area). Although we are hopeful that this prospect will be drilled in the fourth quarter of this year, it may not be drilled until the first quarter of 2006.

Oil and gas production in our Barataria area wells, Vamos- Fleming #1, ZTI - Fleming #1 and Alpine-Bodenger #2 are interrupted due to the storm. During an aerial inspection yesterday, no harm to our facilities was discovered.

We have no information on our offshore Main Pass Block 57 well, but we anticipate interrupted production there also.

On a brighter note;

- The other five wells planned for this year are on schedule.
- Ginger has increased its share of Harvey Ringer #1 gas well, located in Lavaca County, Texas. In anticipation of an increase in production due to a near future workover we have more than doubled our ownership interest in this well. We have acquired an additional 19.3% working interest from partners, so that Ginger now owns a total of 31.8% working interest. Our revenue interest is now 23.85%. Initial production in the new producing zone is anticipated to be approximately 500 Mcf per day when it is recompleted later this year. This should result in additional income of \$33,000 per month.
- There is a work over underway by the operator to recomplete to a shallower productive zone in the Broyles # 1, located in Colorado County, Texas. This action should increase the production rate almost tenfold to around 2,000 Mcf per day. Ginger has a 1.86% revenue interest in this well. This should result in additional income of \$13,000 per month.
- The current gas price as quoted on the NYMEX futures is around \$11 to \$12 per Mcf as compared to half of that last year at this time.

Questions regarding this press release will be answered by:

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