



Ginger Oil AB (publ)
Stockholm, 2006-05-15

Quarterly report March 31, 2006

Activity

Ginger Oil AB (publ) is a Swedish public company and is listed on the Gothenburg OTC-list. Our stock can be traded through brokers authorized to trade on this exchange. The stock price is listed in the Swedish press and on the Internet. More information can be found on www.gingeroil.com. Ginger Oil Company is a wholly owned subsidiary of Ginger Oil AB. It is the business unit under which all business activity occurs. Ginger Oil Company is active in the exploration, exploitation and production of oil and gas.

Annual meeting 2006

Ginger Oil AB had its annual meeting on April 4, 2006 at the Royal Mint in Stockholm, Sweden. 71.82 % of the voting shares were represented at the meeting. The following issues were settled during the meeting:

- 1) The Shareholders decided to ratify the 2006 annual report.
- 2) The current auditor, PriceWaterhouseCoopers, was elected for an additional period of four years.
- 3) The Shareholders authorized the Board of Directors to issue up to 2 500 000 new B-shares. This authorization was granted for a limited period of time, which expires at the 2007 annual meeting. This authorization is valid for new emissions with or without preferential right to existing shareholders. Payment for shares issued can be made with cash or with property.
- 4) The Shareholders also decided to authorize the issuance of 750 000 options that would expire at the end of 2008. The BOD will be able to distribute the options to board members and to key personnel. The option owners will have the right to exercise the options from Nov 1, 2008 – Dec 31, 2008 at 25 SEK per B-share. The price for the option has been determined by the "Black & Scholes model".

Ginger Oil AB (publ) är det Svenska moderbolag som är helägare av det amerikanska dotterbolaget Ginger Oil Company Inc, där all rörelsedrivande verksamhet i koncernen bedrivs. Bolaget är verksamt inom prospektering och exploatering utav olja och naturgas i främst Nordamerika. Ginger Oil AB är listade på Göteborgs OTC-lista och handlas på sedvanligt vis via banker och fondkommissionärer. Kursen kan följas i affärspress, text-tv samt på Internet. Mer information om bolaget finns på www.gingeroil.com

Important activities of the first quarter 2006

Arkansas

Since Arkansas represents a large portion of Ginger Oil Company's value, we commissioned an independent consulting firm to review our reserves located within this state. The opinion was rendered by Ralph E. Davis & Associates. The evaluation consisted of an opinion of Ginger's internally generated Proved and Probable reserves. No opinion was issued for Possible reserves.

With confirmation from the evaluation of our Arkansas reserves, Ginger Oil Company can now report our total net reserves to be:

:

- Proved reserves: 1,355,000 bblseq (of which 1,283,000 are in Arkansas)
- Probable reserves: 12,025,000 bblseq (of which 10,889,000 are in Arkansas)
- Possible reserves (no opinion issued): 12,882,000 bblseq (of which 4,686,000 are in Arkansas)

The reserves presented above are net to Ginger Oil Company after landowners etc. have received their share. Leasing is continually being done in the core areas of Arkansas and permitting for next 3-d shoot over some of these areas is almost complete.

The price Ginger receives in Arkansas for each barrel of oil produced is approximately West Texas Intermediate (WTI) minus 3 \$/bbl due to adjustments for quality and distance to markets.

The Searcy #2 and Ledbetter#2 are being studied by the Operator. The Operator will then make a recommendation for the completion method to be used.

Louisiana

The Mestayer #1 well has now been tested. Several zones tested with initially good rates but depleted quickly indicating limited reservoir size. They are currently proposing to farm the project out to industry. If a second well were drilled, it would most likely be drilled before the leases expire in February 2007. The Operator is currently studying its options. Even if this prospect had been completely successful it would have represented only 4% of Gingers reserves.

The Little Village Prospect will most likely be drilled this summer, according to the operator. The location is currently being prepared.

Ginger Oil AB (publ) är det Svenska moderbolag som är helägare av det amerikanska dotterbolaget Ginger Oil Company Inc, där all rörelsedrivande verksamhet i koncernen bedrivs. Bolaget är verksamt inom prospektering och exploatering utav olja och naturgas i främst Nordamerika. Ginger Oil AB är listade på Göteborgs OTC-lista och handlas på sedvanligt vis via banker och fondkommissionärer. Kursen kan följas i affärspress, text-tv samt på Internet. Mer information om bolaget finns på www.gingeroil.com

The **Kings Ridge** Prospect is ready to be drilled, but is currently waiting on a rig to commence operations. No date for drilling has been announced by the operator.

Ohio

Several seismic lines have been shot and analysed. The results have been promising and we have started a comprehensive leasing program.

North Sea

Several studies have been conducted and, together with our partners, we will apply for licenses at the 24th bid round June 16, 2006. We are concurrently reviewing fallow block opportunities as part of the evaluation process. The awards are expected August/September 2006.

Other

The company stock was listed December 15, 2003 on the Gothenburg OTC-exchange that belongs to the Nordic OTC trading system. This year (May 5, 2006) 3,155,267 shares have been traded between 11,90 SEK (01/03/06) and 34,90 SEK (04/20/06).

For questions please contact:

Hans Blixt 281 681 8600 x 205 e-mail hblixt@gingeroil.com or Don Neville 281 681 8600 x 206 e-mail dneville@gingeroil.com

Ginger Oil AB (publ) är det Svenska moderbolag som är helägare av det amerikanska dotterbolaget Ginger Oil Company Inc, där all rörelsedrivande verksamhet i koncernen bedrivs. Bolaget är verksamt inom prospektering och exploatering utav olja och naturgas i främst Nordamerika. Ginger Oil AB är listade på Göteborgs OTC-lista och handlas på sedvanligt vis via banker och fondkommissionärer. Kursen kan följas i affärspress, text-tv samt på Internet. Mer information om bolaget finns på www.gingeroil.com