

## **Quarterly report March 31, 2007**

### **Overview**

Ginger Oil AB (publ) is a Swedish public company and is listed on the NGM MTF 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](http://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.

### **Reserves**

Proved and Probable reserves (P2): 11,611,000 barrels equivalent. This represents a decrease since year-end of 324,000 barrels equivalent and is mainly due to a planned reduction of interest in the Mohawk project. The selling down of this interest is part of Ginger's portfolio risk management and has also attracted additional strategic partners.

### **Production**

Ginger's daily net production is 53 barrels and 73 thousand cubic feet of gas per day. Delays of up to six months have been experienced concerning exploration and development drilling.

This is due to extreme weather conditions in Arkansas and also due to lack of drilling rigs.

The rig situation is getting better.

### **Activities**

- **Arkansas.** A lot has happened in the seismic arena. The second 3-D seismic shoot in the Stephens area is complete and the data is currently being processed and analyzed. The first drilling in Stephens, assuming a positive analysis, could begin as early as Q3, 2007. The third seismic shoot, "Falcon" is now permitted and drilling of shot holes is under way. Work on our fourth 3-d seismic area (Falcon II) has also begun.
- **Louann.** The first well on the prospect was a dry hole. The experience from this well has shown that additional seismic is needed. The prospect is still viable and will be re-drilled.
- **Ohio.** A ten-mile 2-D seismic line has been shot and analyzed on the Ashtabula County project. Ginger is negotiating with local operators in hopes of developing cooperative relationships in both drilling and land related issues.
- **Little Village, Louisiana.** Activity at the Bundy Heirs #1 well in South Louisiana is ongoing. After strong initial flow water penetrated the apparent productive zone, the pressure rapidly decreased. This could indicate that reserves might be encountered up dip in the reservoir. A group, including Ginger Oil, has taken over the well and is seeking a partner to drill a sidetrack in to the reservoir that initially tested 5 mmcf and 70 bbls of condensate per day.
- **Kings Ridge, Louisiana.** This well was drilled in August 2006 and tested in March 2007. Beryl Oil & Gas has tested the well at 3.9 mmcf and 67 barrels of oil per day. No water was produced. The plan is to complete the well for production. This work could take up to nine months to finish.

- **South Texas 3-D.** Microradar has revealed fourteen anomalies for potential hydrocarbon. The lease check has shown that the land is 90% open. We are continuing with electro magnetic investigations and will thereafter work the existing 3-D seismic in the area.
- **North Sea, British Sector.** Ginger Oil together with partners was awarded three blocks in two concessions. Analysis is ongoing. A report by the operator, Sterling Resources, is estimated to be ready by mid-year.
- **Bandera Arch, Texas.** 20 miles of 2-D seismic has been shot and analyzed. A prospect has been verified and we expect that two wells will be drilled by year-end. The first well should be drilled before the end of July. If these two wells are successful, we expect a larger drilling program will be proposed.
- **Resource Creek, Louisiana.** Ginger Oil has entered into an agreement with B&S Exploration regarding this new project. The work on leasing has begun.