

Ginger Oil AB

Statement 3rd Quarter July – Sept 2004

Important events

- **Positive operational cash flow**
- **Several wells drilled in the "Domino" area**
- **Exploration agreement for Iberia Dome**
- **New office opened in Columbus, Ohio**

Listing of Ginger Oil AB shares

Ginger Oil AB shares were listed December 15, 2003 on the Nordic OTC's Gothenburg list. There were no trades during 2003. So far (11/30/04) this year 543,512 shares have been traded. Trades have varied between 2.50 Swedish kronor (01/27/04) to 5.00 kronor. Last trade was Nov 24 at 4.13 kronor.

As of February 9, interested parties can look at order depth etc. in real time at NORDIC OTC's web page www.ngmnordicotc.com. Click on "kurser" and move the cursor over the "i" to the right of GOIL OTCB. Click on GOIL OTCB and a graph will appear. The page can also show trading history, etc.. Your broker can trade the stock as ISIN Code SE0000632663, Symbol GOIL OTCB.

Projects

Ginger has been involved with several projects where the company is bound by confidentiality agreements with its partners. This is necessary due to the competitive nature of our industry. Ginger uses code names where needed.

During the third quarter of 2004 Ginger has invested in the following projects:

- Project "**Domino**". Ginger's interest in the project is 14.75%. It represents the largest endeavor attempted by Ginger. It also represents a great internal growth potential that could continue for several years. A pilot project with 3-D seismic acquisition was initiated to prove a new technology in an old producing trend. This large investment has opened with initial success and has the possibility of substantial expansion. The first three wells have been drilled. Two were successful and are together producing approximately 230 barrels of oil per day. The gross reserves are estimated to be at least two million barrels, possibly larger. Several additional wells will be drilled during next year and new seismic investigations will be added. We consider this trend to be a core area for Ginger for the next three to five years. Horizontal drilling is contemplated in order to increase flow rate and total recovery. Reserve estimates for the whole Domino area are premature at this early stage but we feel that the area has a potential of producing 10 million barrels or more.
- Project "**Iberia Dome, J. Germany #1 et al**", Iberia Parish, Louisiana, earlier called "**Tabasco**". Ginger has signed an exploration agreement with the South Korean Company, "SK". SK plans to drill a 14,000 foot test well in the 2nd quarter of 2005. This is a potentially large prospect (gross 70 BCF gas, future net revenue of \$400 million) and Ginger's share is 11.25% before and 18% after payout.
- Project "**Appalachia**". Ginger has opened an office in Columbus, Ohio. We will explore, like in the Domino area, an old basin with new technology. Gravity and magnetic studies have been acquired and we are implementing a new geochemical survey. After analysis, seismic investigation may be warranted. Leasing could start mid next year and possibly a well drilled by late fall 2005. The potential reserves in the area are hundreds of BCF's.

Existing production

Ginger's net production is currently 122,000 cubic feet of gas and 38 barrels of oil per day.

This news release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Act of 1934. A statement identified by the words "expects," "projects," "plans," and certain of the other foregoing statements may be deemed "forward-looking statements." Although Ginger believes that the expectations reflected in such forward-looking statements are reasonable, these statements involve risks and uncertainties that may cause actual future activities and results to be materially different from those suggested or described in this press release. These include risks inherent in the drilling of oil and natural gas wells, including risks of fire, explosion, blowout, pipe failure, casing collapse, unusual or unexpected formation pressures, environmental hazards, and other operating and production risks inherent in oil and natural gas drilling and production activities, which may temporarily or permanently reduce production or cause initial production or test results to not be indicative of future well performance or delay the timing of sales or completion of drilling operations; risks with respect to oil and natural gas prices, a material decline in which could cause the Company to delay or suspend planned drilling operations or reduce production levels; and risks relating to the availability of capital to fund drilling operations that can be adversely affected by adverse drilling results, production declines and declines in oil and gas prices and other risk factors.

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