



Press release

Ginger Oil AB (publ)
Stockholm, 2007-11-12

Third Quarter report September 30, 2007

IMPORTANT EVENTS IN THE THIRD QUARTER 2007

- Ginger Oil's net production increase with 45% to 90 bbls of oil equivalent
- Net profit after tax of 1,131 KSEK for the first nine months, net profit for the third quarter was -104 KSEK
- Cash flow of -11 340 KSEK for the first nine months
- Investments for the first nine months were 21,236 KSEK
- Earnings per share of .07 SEK
- Two wells drilled and completed in Arkansas, Hagamann-Smith #1 is pumping oil, Shinn #1 is flowing oil
- Texas Arch well attempting completion as a gas well
- Snow Hill seismic verifies a prospect
- North Branch well was completed in the second quarter as an oil well and waiting for pump

COMMENTS FROM CEO HANS BLIXT

"We have during the quarter drilled two new wells in Arkansas. Several projects in Arkansas are now in the development phase and will be drilled in the near future. We are also attempting a completion in the Texas-Arch well as a gas well. Ginger Oil is in a very exciting period. We have a strong cash flow and cash resources that will be used to further strengthen our company. We are looking forward to, with stronger resources and an increased level of ambition, a fourth quarter with lots of activity. My ambition is to give information on what is happening in Ginger Oil and it is possible that some information also has been given in previous reports."

IF YOU HAVE ANY QUESTIONS; PLEASE CONTACT:

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THE COMPANY

The Ginger Oil Group consists of the Swedish public limited liability mother company, Ginger Oil AB (publ) and the wholly owned US subsidiary, Ginger Oil Company, Inc., based in Texas, USA. Ginger Oil is active in the exploration, exploitation and production of oil and gas. The Company's assets are predominantly located in the USA. The shares in Ginger Oil AB (publ) are listed on the NGM Equity under the symbol GOIL. More information about Ginger Oil can be found on www.gingeroil.com.

MARKET

Crude oil is a world wide commodity and in the USA the oil price is set in relation to West Texas Intermediate Crude (WTI). Ginger receives, as do other companies in Arkansas, approximately three dollars less per barrel than WTI (currently 92.15 USD per barrel). However, in our Hagamann-Smith #1 well in Arkansas we receive 2.50 USD above WTI. This is due to the location of crude stations and transportation costs as well as crude quality. During the third quarter 2007, Ginger received an average price per barrel of \$69.01.

Natural gas is currently not a world wide commodity. However, as the liquefied natural gas market expands, there is reason to believe that it will close in on crude. The heating value for 6 thousand cubic feet of natural gas is approximately equal to one barrel of oil. For example, at a crude oil price of \$80 per barrel, natural gas should be selling for \$13.33 per thousand cubic feet. When Ginger Oil is reporting "barrels of oil equivalent", 6 mcf = 1 bbl is used.

The price Ginger Oil obtained for natural gas during the third quarter averaged \$6.65/mcf.

BUSINESS REVIEW

RESERVES

Proved and Probable reserves (P2) remains essentially unchanged since last quarter and amounts to 11,163,000 barrels equivalent. This represents a decrease since last quarter of 5,000 barrels equivalent and is due to production.

Ginger Oil no longer reports Possible reserves (P3) in its quarterly reports. This is in accordance with the guidelines issued this year by the Oslo Stock Exchange in the disclosure of hydrocarbon reserves.

PRODUCTION

Ginger Oil's current daily net production has increased to about 90 barrels equivalent per day. This is mainly due to the production from two additional wells in Arkansas, the Hagamann-Smith #1 and the Shinn #1. The production cost in Arkansas remains low at between three to five dollars per barrel.

Ginger Oil has eleven producing wells. Six producing wells in Arkansas are producing 95% of total production. Three wells in Arkansas are planned to be drilled during the next three months, two exploratory and one development.

As Ginger Oil has previously reported, the well in Kings Ridge, Louisiana has been tested and is waiting for the completion of a flow line to production facilities.

ACTIVITIES

ARKANSAS

PRODUCTION

Mohawk Project.

The first well has been drilled and is currently producing 47 bopd. Ginger Oil is working on pump efficiency (to increase the production). Ginger Oil is the operator. Ginger Oil held a 23% working interest during the drilling of the well and has a 41% working interest for the casing and completion of the well. The cost of the well was approximately 1.2 million USD to drill and an additional 0.5 million USD to complete. It was a prospect that Ginger Oil developed and promoted to industry partners. After monitoring the well and its performance, Ginger Oil will, if technical data warrants, drill a second well in a unit area that is leased and ready to drill. If warranted, this well will be drilled during 2008.

Lewisville area.(First 3-D shoot)

This is Ginger Oil's first shoot area and the seismic data was acquired in 2004. Since then, Ginger Oil has had five new field discoveries in this area. Drilling has continued according to plan during the third quarter and the

latest well, Dubose #1, in the North Branch prospect was completed as an oil well in July 2007 and is waiting on pump. Additional perforations will be made to maximize total fluid flow. This well is the fifth new field discovery that has resulted from the Lewisville shoot.

Location is being prepared for Bonner #2 in the Thistle project. This is a development well that is being drilled to increase the production from the reservoir.

Three of the five new fields are on production and have additional development drilling planned. For example, a development well, Shinn #1, was drilled in the Cleveland Branch Field in the Lightning prospect. It was completed in September and is currently producing at about 150 bopd. The well is equipped, if warranted in the future, to be transformed into a horizontal well. Ginger Oil has a net revenue interest of 15%.

A fourth field, Northwest Lewisville, in the Sabot prospect is scheduled to be re-drilled higher on structure, in order to expose the well to a larger part of the productive gas column and thus achieve a higher flow rate. The initial well (Montague #1) has been shut in, because it was producing at non-commercial rates. Ginger Oil has between 22% and 27% working interest.

The Lewisville Area is Ginger Oil's core area of oil production and it produces the bulk of the Company's current cash flow. Ginger Oil is trying to duplicate this success in four new 3-D shoot areas on the same geological trend, as detailed below. It is anticipated that a significant number of prospects will result from the acquisition of seismic in these new areas.

PROSPECTING

Stephens area. (Second 3-D shoot)

3-D Seismic acquisition is complete and, after analysis, five drillable prospects have been identified. Ginger Oil was the operator of the shoot for a consortium of companies. The drilling and production phase will be operated by Wiser-Brown Oil Company. This shoot consisted of a 33.5 square mile area. The investment to date amounts to 4.5 million USD and Ginger Oil anticipates additional exploratory drilling will cost 2 million USD. If successful, an additional \$5 million will be spent on development drilling. Ginger Oil has a 36% working interest. Two of these new field prospects are planned for drilling in the fourth quarter this year.

Falcon Area. (Third 3-D shoot)

Actual 3-D acquisition has progressed according to plan and was completed during the third quarter 2007. It is now in data processing that will take about two months to complete. This is a 35 square mile shoot and it adjoins the first shoot, the Lewisville Area. Ginger Oil has a 27% working interest in this area and has six prospective leads that will be evaluated by the seismic.

The seismic acquisition and attendant land and lease activity will cost about 3.5 million USD. The basis for investing in these shoots is that each of the prospects may contain up to four million barrels of oil. These prospects potentially have an ultimate value of 200 million USD each.

Falcon 2 Area (Fourth 3-D shoot)

Further leases and permits for a fourth shoot have been acquired during the second quarter in an area called "Falcon 2". Once leases have been secured, the exact geographical area will be revealed. This shoot comprises 65 square miles and contains nine identified new field leads. Land, lease and permit preparation will take the remainder of the year to complete and actual seismic acquisition will commence in Q1 of 2008. Ginger Oil holds a 22% working interest.

Falcon 3 Area (Fifth 3-D shoot)

Ginger Oil is also acquiring leases in an area that is 36 square miles in extent and has an additional eight leads based on 2-D seismic. It is called "Falcon 3" for competitive reasons. Ginger Oil's consortium will probably vote to acquire 3-D seismic in this area sometime in the second half of 2008. Ginger Oil holds a 22% working interest here and is also the operator of seismic and land for the group.

Louann.

As indicated in the Q1 2007 report, additional 2-D seismic evaluation has been acquired in the western (referred to as "eastern" in last report) 40% of the prospect area. Ginger Oil considers it likely that a viable prospect remains in this area and will use the new seismic to mature this lead. Ginger Oil plans to drill this well in fourth quarter, subject to rig availability. Ginger Oil has increased its working interest to 30 % after location has changed and we have more interest in current leases.

Snow Hill Prospect.

Ginger Oil shot a new 2-D seismic line across the prospect during the 3rd quarter. This is a prospect in which Ginger Oil holds a 90 % interest. The seismic line has solidified an initial location for the first drilling. Ginger Oil intends to farm-out a 50% working interest to other industry participants. Ginger Oil anticipates drilling the well in the first quarter 2008.

OHIO**PROSPECTING**

Ginger Oil has agreed to join forces with a successful local operator in Ohio for the joint development of a portion of the Plymouth prospect in Ashtabula County. Ginger Oil has brought its seismic expertise and evaluation techniques to the table and the local company its lease acquisition, drilling, completion and production abilities. The company currently operates over 600 shallow gas and oil wells in the area.

The initial joint effort of Ginger Oil and the local operator will be to drill three wells early next year. One of these wells is on Ginger Oil's acreage and the other two are on the operator's holdings. The wells will be drilled on an equal basis and the revenues shared equally. Further potential exists in other identified seismic leads, some of which may be available for drilling in 2008. Ginger Oil will have a 50% working interest and an approximate 39% net revenue interest.

Ginger Oil will have the chance to participate with its large Sabrina acreage position in an "Ohio Shale" play. The play is a gas play with lots of industry activity at present.

LOUISIANA**PROSPECTING***Little Village.*

A group, including Ginger Oil, has taken over the well, Bundy Heirs #1, and is looking for a partner to drill a side-track hole from the existing well bore.

Resource Creek.

Resource Creek is a new project located in North Louisiana. This is across an extensive area and is a large gas and condensate prospect. It is a "resource play" that involves known hydrocarbons that are trapped in tight sandstones. By the use of new technology such as staged slick water fracturing and horizontal drilling these sandstones can be unlocked and their hydrocarbons produced. A resource play is defined as an uncomplicated, predictable and repeatable process.

Ginger Oil has begun its leasing effort by applying for leases to the Bureau of Land Management, "BLM", which is a branch of the federal government. These lands comprise approximately 40% of the total potential area and must be obtained before Ginger Oil decides to lease the remainder of the area. The BLM can take a number of months or has the option not to lease to Ginger Oil at all. However, there are some BLM leases that were taken in the general vicinity and Ginger Oil believes it can obtain these crucial leases in Q1 2008. The reason for the delay is mainly due to underestimation of the red tape we have encountered in the application process. The resource potential is estimated at 100 Bcf. Ginger Oil currently owns 95% of the project.

TEXAS**PROSPECTING***South Texas 3-D*

Ginger Oil has access to 300 square miles of 3-D seismic. An analysis of the "micro-radar" survey flown across this data area resulted in a number of radar leads, and also showed anomalies that coincided with several recent deeper gas discoveries. During the second quarter, Ginger Oil has mapped out several prospective areas on the seismic that also have the radar anomalies. Ginger Oil is continuing to evaluate the seismic and hopes to find additional drillable prospects that are open and available.

Texas Arch.

20 miles of 2-D seismic have been shot and analyzed. The prospect has been verified and drilling was started. The first well was spudded in June 2007 but encountered mechanical problems and will be re-drilled after the second prospect is drilled. The second prospect has been drilled and a completion attempt as a gas well will be

made and will be tested after stimulation is applied. The prospect is characterized as high risk but represents a large potential in a new trend. Ginger Oil has a 10% working interest.

NORTH SEA PROSPECTING

Ginger Oil– together with partners – was awarded three blocks totalling 81,419 acres in the first quarter of 2007. Ginger Oil's working interest is 30 %. Phase one technical analysis has been completed with encouraging results. A phase two program is under way and will be completed prior to December 2007. Ginger Oil plans to begin marketing its interest to industry partners at the London trade show in December. The Promote contract expires in April, 2009 when Ginger Oil (or farm in partner), either needs to commit to drilling a well, or drop the blocks. Should a well be committed to, then the license will extend to April 2011.

SHARE DATA

Ginger Oil AB (publ) has traded on NGM Equity since 28 May 2007 and in one share class only.

Ginger Oil AB's registered share capital as of September 30 2007 amounted to SEK 1,712,774 represented by 17,127,741 shares with a quota value of SEK .10 each.

Ginger Oil AB has entered into an agreement with Erik Penser Fondkommission to provide a liquidity guarantee in the Ginger Oil share trade as of August 20, 2007 and until further notice.

NOMINATING COMMITTEE

A nominating committee was elected at the annual meeting April 26 2007. The members are Allan Åkerstedt, Hans Blixt, Roland Sindeby, William D. Neville and Sven-Erik Ahlstedt.

PERSONNEL

The average number of employees in Ginger Oil during the third quarter was four persons. Total number of employees as of Sept 30th, 2007 reached four of which all are in the USA. At the end of the third quarter, Ginger Oil contracted a full time Landman and a part time petroleum engineer.

RISK AND UNCERTAINTIES

Essential risks and uncertainties for Ginger Oil include business risks concerning oil and gas exploration and exploitation (ex. risks concerning reserves, leases and concessions), financial risks (e.g. risks relating to currencies, interest rates, counterparties, future capital requirements), environmental risks, market risks (ex. competition, oil price fluctuations) and risks involving infrastructure
No significant risks, other than those previously described above or in Ginger Oil's latest Prospectus are deemed to have arisen.

DATES FOR FINANCIAL REPORTS

Year-End report 2007

February 25th, 2008

If there are any discrepancies between this and the report published in Swedish, the Swedish version shall prevail.