

Ginger Oil AB

Statement – first half of 2004

Important items during the period

- **First well in “Domino” drilled**
- **Iberia Dome is being marketed**
- **South Barataria, Bodenger #2 is producing**

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 (8/17/04) this year 390,162 shares have been traded. Trades have varied between 2.50 Swedish kronor (01/27/04) to 5.00 kronor. Last trade was Aug. 20 at 5.00 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 first half 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. This pilot project 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 well has been drilled and has tested 170 barrels of oil per day. Production is expected to start on Sept. 15, 2004. The gross reserves are estimated conservatively to be one half million barrels, possibly larger. At least two additional wells will be drilled this year. If the results from these wells are promising, additional seismic investigations in the area could be warranted. We hope this trend will promise to be a core area for Ginger for the next three to five years. If the next two wells are as successful as the first one we anticipate the drilling of many wells in the area.
- Project “**Iberia Dome, J. Germany #1 etal**”, Iberia Parish, Louisiana, earlier called “**Tabasco**”. Leasing has been completed and marketing of this project is under way. This is a potentially large prospect (70 BCF gas) and Ginger owns a 100% interest. After the project is sold to industry for drilling the initial well, we expect Ginger to retain about 25%.
- Project “**3-D library**”. Several projects are being analyzed of which one or two could be drilled this year.
- Project “**South Barataria, Bodenger #2**”, Jefferson Parish Louisiana, earlier called “**TW**”. This well is producing 3.8 million cubic feet of gas and 120 barrels of oil per day. Ginger's ownership is 4.01% before and 6.72% after payout.

Discoveries

Since January 2004 the following discoveries have been made:

- Project ”**Domino**, Well #1 was drilled in August 2004 and production is estimated to commence in September. The discovery is estimated to contain 500,000 barrels of oil. Ginger’s ownership is 14.75%.
- Project ”**Bodenger 2**” was drilled in May 2004 and production began in June. The well is estimated to hold 3 Bcf gas and 300,000 barrels of oil. Ginger’s ownership is 4.01% before and 6.72% after payout.

Existing production

Ginger’s net production is currently 125,000 cubic feet of gas and 15 barrels of oil per day (excluding the first well at Domino).

Stockholm August 24, 2004

Sven-Erik Ahlstedt
/CEO GOILAB/

Questions can be directed to:

Don Neville (President GOIL) 713 739 1777 x 205 or e-mail dneville@gingeroil.com

Hans Blixt (CEO GOIL) tel. 713 739 1777 x 205 e-post hblixt@gingeroil.com

Sven-Erik Ahlstedt (CEO GOILAB) 011 0706 721942 e-mail seahlstedt@gingeroil.com