

# *Ginger Oil AB*

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## Year End Report Dec 31, 2004

### Most important for the year

- **Three wells drilled in "Domino" where we now are producing oil and gas.**
- **New project in Ohio.**
- **Iberia Dome sold.**
- **South Barataria, Bodenger 2-2d producing oil and gas.**
- **Positive operational cash flow from Oct. 2004.**

### Trade with Ginger stock

The stock was listed December 15, 2003 on the Gothenburg's OTC-list that is a part of Nordic OTC's trading system. The trades are reported daily in Swedish newspapers. During 2004 1,053,194 B-shares were traded (11.4 % of the company's B-shares). The trades varied between 2.50 SEK (Jan 27) and 5.00 SEK (Dec 15). The trading is reported in real time at the NORDIC OTC's web page ([www.ngm.se](http://www.ngm.se) where number of shares and order depth can be seen).

### Investments

Ginger has invested in a number of projects where, due to competition, code names have been used. During the last year Ginger Oil Company has invested in the following projects:

- **Project "Domino"**. Gingers working interest is 14.75%. This project is the largest investment and represents a good growth potential for Ginger. Through the use of new techniques in an old producing trend, possibilities for significant new discoveries have been created. Three wells have been drilled, where two encountered oil (the third one will be re-drilled). Additional wells will be drilled this spring. During 2005 significant investments will be made and additional leases will be taken. New 3-D seismic programs are planned. Ginger estimates that an additional \$900,000 will be invested in the Domino area during 2005.
- **Project "Ohio"** – has similarities to "Domino". Both projects are situated in areas where large reserves of oil have already been extracted and additional reserves can be found through new technology. United States Geological Survey has estimated that there are significant amounts of recoverable reserves left in this basin. Ginger has an office in Columbus, Ohio and the work is progressing according to plan. Ginger expects to invest about \$400,000 in the Ohio project during 2005. The first wells can be drilled in early 2006.
- **Project "Little Village"** is situated in south Louisiana. Ginger currently owns 25 % of the project that is being marketed to the industry. Ginger plans to reduce its ownership to around 6 % and in return will be carried in the initial test well.
- **Project "Kings Ridge"** is situated in south Louisiana. Ginger owns 20% of this project and is expected to retain 5% after it has been sold to the industry.
- **Project "Bodenger 2"** is producing 3,450 mcfpd and 80 bopd. Ginger's ownership is 4.01 % before and 6.68 % after payout.
- **Project "Iberia Dome"** has been sold to the Korean company, SK E&P. Ginger will keep 18 % (11.25 % before and 6.75 % after pay out). Two wells will be drilled back-to-back with the first

one estimated in May 2005. The possible reserves in this project are 12 million barrels equivalent. Ginger is investigating the possibility of selling half of its position.

## Discoveries

During the year the following discoveries have been made:

Project ”**Domino, Well #1 and Well #2** were drilled in August 2004 and are currently producing.

Reserves are estimated at 2,000,000 barrels. Gingers working interest is 14.75%.

Project ”**Bodenger 2**” was drilled in May 2004 and production commenced in June 2004. Reserves are approximately 3 Bcf gas and 300,000 barrels of oil. Ginger’s ownership is 4.01 % before and 6.68 % after payout.

## Production

The following wells are producing:

	<b>Bopd</b>	<b>Cfgpd</b>	<b>Ginger’s %</b>
• Harvey Ringer #1	0	100,000	12.50
• Vamos Fleming Plantation #1	150	0	5.75 (11.50 APO*)
• ZTI Fleming Plantation #1	80	0	5.75 (11.50 APO*)
• Main Pass 57	60	400,000	3.00 (Royalty)
• Broyles #1	30	500,000	0.33 (Royalty)
• Bodinger #2	80	3,450,000	4.01(6.68 APO*)
• Searcy #1	200	0	14.75
• Montague #1	10	0	14.75

\* APO = After Pay Out