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EXTRAORDINARY GENERAL MEETING IN MALKA OIL AB APPROVES THE BOARD OF DIRECTORS DECISION FOR A RIGHTS ISSUE AND A EARLY CONVERSION OF THE CONVERTIBLE BONDS

An Extraordinary General Meeting of shareholders in Malka Oil AB (publ) was held in Stockholm today. The agenda was mainly to decide upon the Board of Directors in Malka Oils proposal for a rights issue and the proposal for early conversion of the company's convertible debts into shares.

It was decided to change the Company's articles of association. The wording in § 5 is changed from "The number of shares shall be no less than 200 000 000 and no more than 800 000 000" to "The number of shares shall be no less than 2 000 000 000 and no more than 8 000 000 000".

It was decided to reduce the share capital by SEK 0.45 per share, which means a total of SEK 150 980 778, to be placed in a fund to be used in accordance with a resolution of a general meeting. The reduction means that a corresponding amount is transferred to the Company's equity. It is proposed that the reduction will be carried out without cancelling shares, whereupon the share's quotient value will decrease from SEK 0.5 to SEK 0.05 per share.

It was decided to change the time period for converting the bonds and instead offer the holders to call for conversion of their claims, within a time period stated in the detailed proposal, into a total of 1 678 000 000 new shares in the Company, at a changed conversion price of approximately USD 0.0447 per share (however not to a price below the quotient value), increasing the Company's share capital with SEK 83 900 000, which equals a dilution of approximately 83 per cent of the Company's share capital and total number of votes. This dilution has been calculated as the number of shares and votes, which at the most can be converted, divided by the total number of shares and votes after such a conversion. The calculation of the dilution does not include those 6 000 000 warrants issued by the annual general meeting 2008.

It was decided on a new share issue, without derogation from the shareholders' pre-emptive rights, of no more than 2 013 077 040 shares, increasing the Company's share capital with no more than SEK 100 653 852, which equals a dilution of approximately 86 per cent of the Company's share capital and total number of votes. This dilution has been calculated as the number of shares and votes, which at the most can be issued, divided by the total number of shares and votes after such an issue. The calculation of the dilution does not include those

6 000 000 warrants issued by the annual general meeting 2008. Neither does the calculation include those shares and votes that will follow as a result of a resolution in accordance with item 9 above. The issue price shall be SEK 0.07 per share.

It was decided on a bonus issue, without issuing new shares, increasing the share capital with no more than SEK 67 080 778, to be transferred from the unrestricted equity.

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For further information on Malka Oil AB, see the website www.malkaoil.se

Malka Oil AB (publ) is an independent oil and gas production company operating in the Tomsk region in western Siberia. Its current position consists of oil and gas assets for licence block number 87 in the said region. The block has a surface of 1,800 square kilometres. There are currently three oil fields at the licence block, namely Zapadno-Luginetskoye ("ZL"), Lower Luginetskoye ("LL") and the Schinginskoye oil field, and a large quantity of other not yet drilled oil structures.

The ZL and LL oil fields are in production and these two oil fields have during 2007 went through reserve classification by the Russian State Committee of Reserves (GKZ) and during spring 2008 a Western reserve study made by DeGolyer and MacNaughton. The GKZ registered extractable oil and condensate reserves in the categories C1 and C2 amounted to 97 million barrels at the end of 2007. The company's own estimate of its extractable oil and condensate reserves, C1+ C2, in the three existing oil fields on licence block number 87 is currently 140-190 million barrels. The Western reserve study estimation as of April 30, 2008 amounted to 43.5 million barrels 2P and 90.6 million barrels 3P oil reserves.

Malka Oil's licence block is surrounded by a large number of producing oil and gas fields.

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