

MALKA OIL

August 28, 2009

INTERIM REPORT JANUARY- JUNE 2009

MALKA OIL AB (publ)

- Turnover for the 2nd quarter amounted to TSEK 38,525 (TSEK 45,351)
- Operating profit for the 2nd quarter amounted to TSEK -28,225 (TSEK -10,106)
- Result after financial items adjusted for cost due to conversion of convertible bonds amounted to TSEK -29,848 (TSEK -33,928) for the 2nd quarter
- The net result after tax for the 2nd quarter amounted to TSEK -268,593 (TSEK -34,004)
- Turnover for the January-June period amounted to TSEK 60,014 (TSEK 71,930)
- Operating profit for the January-June period amounted to TSEK -56,603 (TSEK -23,499)
- The net result after tax for the January-June period amounted to TSEK -387,041 (TSEK -34,816)
- Earnings Per Share for the January-June period was SEK -0.23 (SEK -0.13)

MD's Report

Dear Shareholders,

The first half of 2009 was a very turbulent half year for Malka Oil. I took up my position as of July 1st and I have to conclude that the previous management handled many problems in a way that disturbed the operative work of producing oil.

The large loss after tax during the first half year is mainly a result of currency exchange rate losses and especially a result of an accounting cost without impact on cash flow or on the equity capital as a result of the early conversion of the outstanding convertible bonds. At the same time, the conversion has led to a considerable strengthening of the balance sheet and the company no longer has any outstanding long-term interest bearing debt.

But I have to admit that the operating loss of 56 million SEK is a large loss and it is a sign of the difficulties that the company's management has had during the past year.

The lower turnover during the first half year is mainly a result of the loss of production in May when oil transportation through the pipeline was stopped.

Our focus is now on decreasing production costs and to make production more efficient and more profitable. The technological revision of all wells is on-going so that we can optimize our investments even more.

As of today, we are involved only in two legal disputes and we are working to solve them. With all other suppliers we have reached settlement agreements and we are strictly following agreed payment schedules. We are also working to obtain all necessary approvals and permits related to our pipeline in line with a set plan.

I begin to feel more optimism as regards the future of Malka Oil even if I want to stress that we still have a heavy work load up ahead. We have already now started to see the result of our focused work in the form of a positive cash flow from our oil production. With the profound competence of the new board of directors and management we will step by step move towards a profitable and stable Malka Oil.

Maks Grinfeld
Managing Director Malka Oil AB

Comment on the Group's result and financial position

Turnover and result

Turnover for the January-June period amounted to TSEK 60,014 (TSEK 71,930), of which revenues from oil sales were TSEK 59,995 (TSEK 69,467).

Gross profit amounted to TSEK -137 (TSEK 5,285). This amount includes an amortization charge of TSEK 9,115 (TSEK 6,007).

Selling and distribution expenses were TSEK -2,605 TSEK (TSEK -11,286). These expenses have decreased significantly compared to earlier report periods following the conclusion in early 2009 of a new more advantageous contract with Tomskayanefit for treatment and pumping of produced oil into Transneft's system.

Other operating expenses amounting to -34 062 TSEK (-2 378 TSEK) of which TSEK 18,780 were damages and fees resulting from the company's financial problems and the debt restructuring process.

Operating profit for the half year amounted to TSEK -56,603 (TSEK -23,499).

Net financial items for the January-June period amounted to TSEK -305,255 (TSEK -8,998). Part of this amount is a financial cost of TSEK -225,549 which has arisen in the accounts as a result of the revised terms for early conversion of the convertible bond loans. . This cost is shown as a separate financial cost and does not have any impact on the cash flow. This cost also does not impact the reported equity capital of the company. The predominant proportion of the remaining financial costs amounting to TSEK 80,386 consists of currency exchange rate losses with no impact on cash flow. These costs arose already during the first quarter when the depreciation of SEK versus USD as well as the depreciation of RUR versus USD had a negative impact on net financial items.

The tax cost for the period amounted to TSEK -25,182 (TSEK -2,319). This amount includes a dissolution of deferred tax assets in the Russian subsidiaries of TSEK 25,763 which has impacted the Group's result negatively. This dissolution does not have any impact on cash flow.

The Group reports a net result after tax for the period 1 January-30 June 2009 of TSEK -387,041 (TSEK -34,816), equivalent to an earnings per share of SEK -0.23 (SEK -0.13).

Investments

Investments in tangible and intangible fixed assets in the Group during the period January – June 2009 amounted to TSEK 9,181 (224,196 TSEK), of which investments in intangible fixed assets represented TSEK 8,389 (TSEK 219,870). The limited investment activity reflects the company's difficult financial situation during the period.

Financing and liquidity

In the beginning of 2009, the company's financial situation was very difficult and the board of directors made a proposal for a financial restructuring as a way to solve the financing requirements.

The proposal consisted of two parts:

- an offer to holders of convertible bonds of early conversion into shares of the two outstanding convertible bond loans of nominally MUSD 80;
- a new rights issue under the special condition that the convertible bond owners must accept their offer in full for the rights issue to go through.

The proposal was accepted by the convertible bond holders and shareholders and the conversion of the convertible bond loan and the rights issue were according to the decisions executed in April 2009 which led to a reduction of the company's interest bearing debt of approximately 640 million SEK. As a result of these actions, the Group balance sheet has

been significantly strengthened and the Group does not as of 30 June have any outstanding long- term interest bearing debt.

The new board of directors immediately started a process to determine the long-term financing needs of the company. This work is still on-going.

Cash balances in the Group amounted to TSEK 11,267 (TSEK 16,169) as of June 30, 2009.

Legal disputes

Malka Oil's Russian subsidiary, OOO STS-Service, is as of today involved in legal disputes with two local suppliers: OOO "Kupir" concerning construction work and OOO "EERB" concerning drilling work. The company in its annual report for 2008 made a provision concerning its total outstanding receivable on "EERB" amounting to approximately 270 million RUR corresponding to approximately 70 million SEK. The group balance sheet as of today includes a receivable on "Kupir" of an amount of 75 million RUR or approximately 19 million SEK. The board sees no need for a provision for this receivable at the present time.

Legal disputes with other suppliers are regulated by settlement agreements and the board of directors in Malka Oil sees no need for further provisions due to these disputes.

Employees

The number of employees in Group companies at the end of the report period was 222 (232) persons, of which 47 (25) were women and 175 (207) were men. The comparative figures from the previous year include personnel working for Group companies but formally employed in Management company Malca.

Major events during the report period

Early conversion of all outstanding convertible bonds and the rights issue has been executed. Malka Oil's rights issue was fully subscribed and the Company received proceeds of approximately SEK 141 million before issue expenses. At the same time the convertible bond debt of USD million has ceased to exist and been converted into 1,678,000,000 new shares.

New seismic data confirmed 11 potentially oil bearing structures

According to new seismic data covering the North and Central part of Malka Oil's license block eleven potential oil bearing structures have been identified including earlier mentioned seven undrilled structures and four new. The report is based upon more than 1,000 km of 2D-seismic that has been shot during the winter seasons 2006-2007 and 2007-2008 as well as on 6,000 km of 2D-seismic lines from previous year's surveys within the license block and adjacent areas. The report indicates additional potential resources of 673 million barrels.

Jan-Olov Olsson was appointed as new CFO

Jan-Olov Olsson has been appointed as new CFO at Malka Oil effective from April 22, 2009. Jan-Olov has long experience of working with Russian markets and Russian businesses.

Debt to EERB was settled

On Monday June 8, a court in Tomsk rejected a bankruptcy petition from EERB towards Malka Oil's Russian subsidiary STS-Service as Malka's entire debt of 273 MRUR to EERB already had been settled.

Renaissance Capital was appointed as exclusive financial advisor for Malka Oil AB

Malka Oil AB appointed Renaissance Capital as its exclusive financial advisor for the purposes of exploring the Company's strategic options.

The new Board of Directors and CEO for Malka Oil

The new Board of Directors including Sven-Erik Zachrisson, Maks Grinfeld, Johan Hessius, Mats Jansson, Colin Jones and Håkan Zadler was elected by the continued annual general meeting which was held on July 15, 2009. Sven-Erik Zachrisson was elected as the Chairman of the Board. The Board of Directors appointed Maks Grinfeld as new CEO at Malka Oil effective from July 1, 2009.

Operations

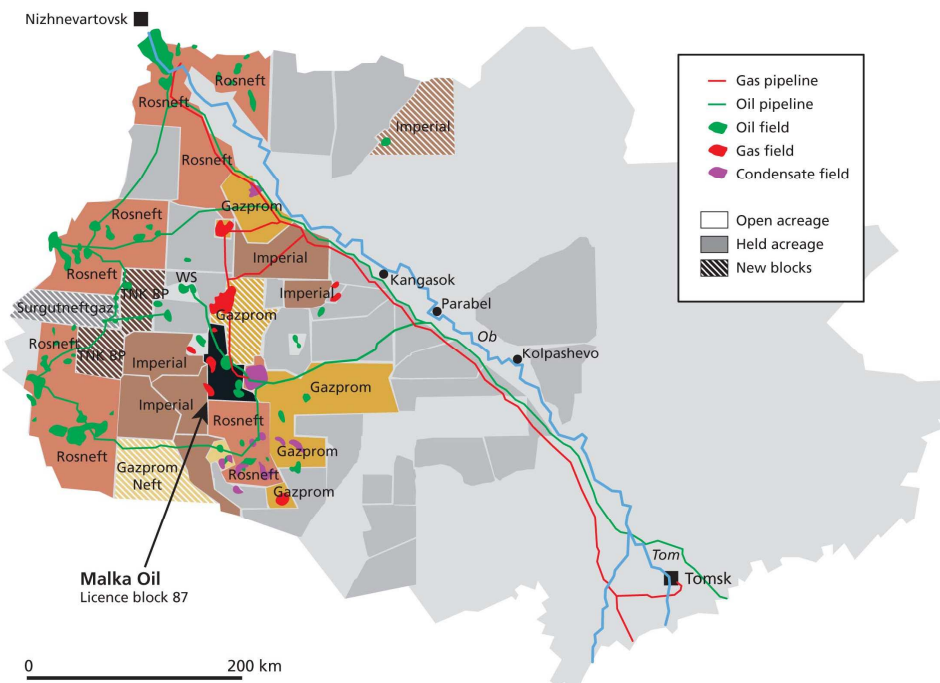
Summary

Malka Oil AB is an independent Swedish oil company within exploration and production active in Tomsk region in western Siberia in Russia. The subsidiary OOO STS-Service owns an oil licence valid for 25 years as from April 2005, which gives the company the right to extract all hydrocarbons found within the Tomsk licence block during the licence period. The licence block measures just over 1,803 square kilometres, corresponding to an area of approximately 30 times 60 kilometres and is located in the very active oil and gas producing north-western part of the Tomsk region. The licence block is surrounded by a large number of established producing oil and gas fields.

Drilling on the licence block commenced during the Soviet era. The Soviet authorities drilled four boreholes, three of which were discovered to produce hydrocarbons, i.e. oil, gas and gas condensate. A vast amount of 2D seismic data was collected which indicated a volume of approximately one million tons (which is about eight million barrels) of recoverable oil reserves classified in accordance with Russian categories "Proven" (C1) and "Probable" (C2).

Besides the three oilfields that are currently establish in the licence block, Malka Oil has, based on existing seismic data, identified another seven structures, i.e. potential oil fields. A further important dimension that indicates additional potential in Malka Oil's licence block is that there was no seismic data for approximately a third of the licence block and the data acquisition for this area was completed during spring 2008. After two seasons of seismic data gathering and interpretation, Sibneftegeofizika, a reputable Siberian oil service company has presented a seismic report covering Malka Oil's license block nr 87 in the Tomsk region. This new report demonstrates four new potential oil bearing structures in addition to the seven communicated earlier. These will be subject to exploration drilling over the next few years.

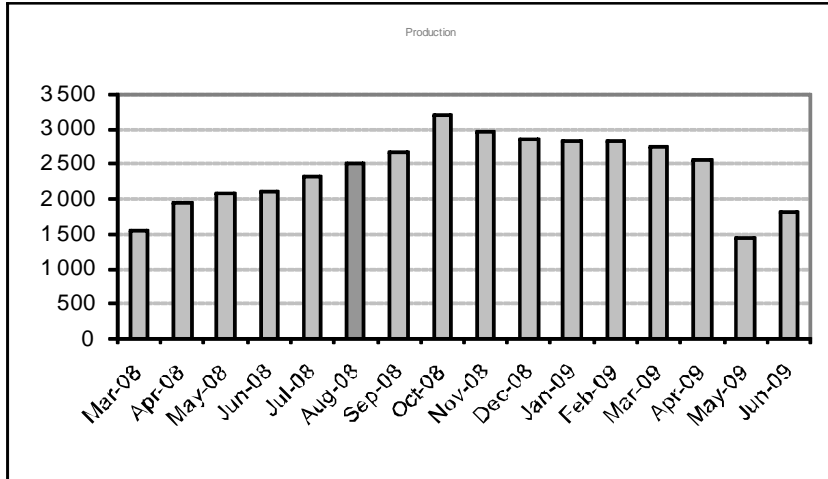
Tomsk region



Malka Oils licence block 87 is surrounded by a large number of productive oil and gas fields.

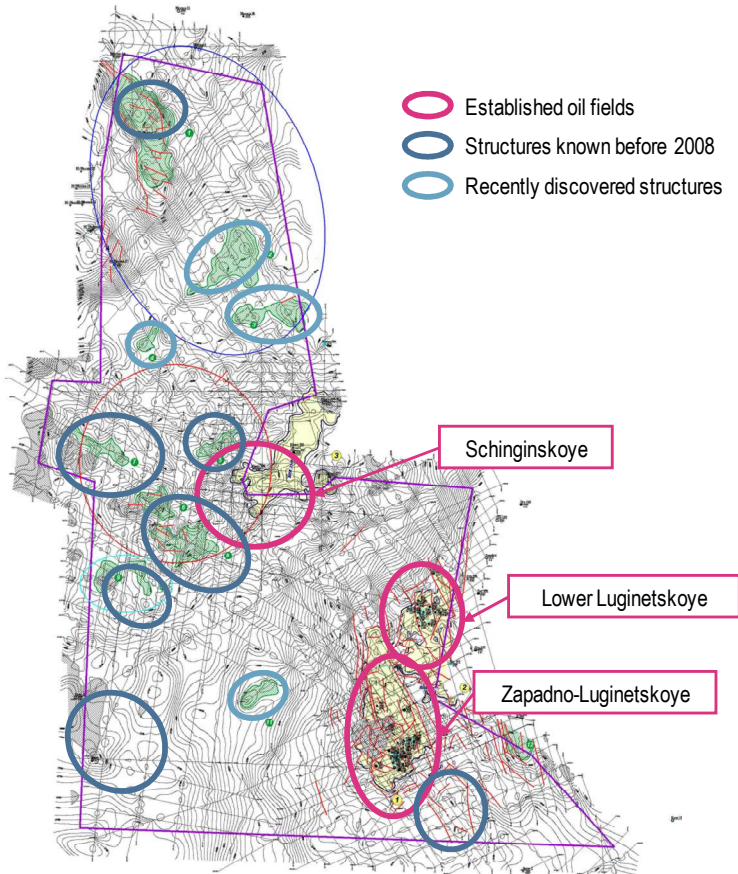
Production status as of June 30, 2009

As of June 30, 2009, on Malka Oil’s license block there were 30 wells in total. The company has completed 26 of these under its own management while the other four were drilled during the Soviet era. There are nine wells producing oil and gas condensate, 20 under testing or inactive and one older well from the Soviet era that has not been reopened. Wells 210 and 580 are exploration wells of which well 580 started to produce while well 210 is still under testing. These two wells are situated outside the established oil fields. Malka Oil’s production of oil and gas condensate for the first half year 2009 amounted to 429,441 barrels which corresponds to an average daily production of 2,378 barrels per day.



Malka Oil fields, status

Malka’s licence block 87



Licence block 87 comprised the number of identified structures besides the three established oil fields, Zapadno-Luginetskoye, Lower Luginetskoye and Shinginskoye

Estimation of reserves on Malka's three existing oil fields

As of June 30, 2009 the Russian State Reserve Committee's estimation of extractable reserves on Malka's three existing oil fields amounts to 97 million barrels. Based on drillings to date, the Company estimates that oil reserves in the identified oilfield may be significantly larger than previous estimations made by GKZ, inter alia, due to higher net pay, higher extraction coefficient and the fact that the oilfield's area may be larger and that significant reserves may be found in other geological layers. Finally, new seismic tests in October 2007 and the results of drilling of the borehole 580 in February 2008 indicate that the two oilfields of Lower Luginetskoye and Zapadno-Luginetskoye are connected and thereby that they are one and the same oilfield. The company thus estimates that the recoverable oil and condensate reserves for the three identified oilfields to be in the region of 140 to 190 million barrels.

Estimation of reserves according to Western (SPE) and Russian (GKZ) standards as of June 30, 2009

000 bbl		SPE classification (as of 30.04.08)					Russian classification (GKZ) (as of 31.12.08)		
		Proved	Probable	Total 2P	Possible	Total 3P	ABC1	C2	Total ABC1+C2
Lower Luginetskoye	Oil	5 676	15 464	21 140	20 933	42 073	19 635	50 633	70 268
	Gas condensate	-	-	-	-	-	0	0	0
Zapadno-Luginetskoye	Oil	2 071	20 388	22 459	18 010	40 469	3 533	13 688	17 220
	Gas condensate	-	-	-	-	-	450	2 588	3 038
Schinginskoye	Oil	0	0	0	8 031	8 031	0	6 278	6 278
	Gas condensate	-	-	-	-	-	0	0	0
Total	Oil	7 747	35 852	43 599	46 974	90 573	23 168	70 598	93 765
	Gas condensate	-	-	-	-	-	450	2 588	3 038
Production	Oil	1 063	-	-	-	-	429	-	-
Total (30.06.09)	Oil and gas condensate	6 684	35 852	42 536	46 974	89 510	23 188	73 185	96 373

Zapadno-Luginetskoye (ZL)

Description

As of June 30, 2009 there are 21 wells in total and two of these wells are permanently producing wells at the Zapadno-Luginetskoye field. 10 wells are temporary in production and 8 drilled boreholes are undergoing tests or are inactive at present. The Zapadno-Luginetskoye field also contains one borehole that has been sealed in the Soviet era and that has currently not been reopened but which in the future can be used as a production well for the production of gas condensate. Until the end of the year 2009 it is planned to install the Reservoir pressure maintenance system on Zapadno-Luginetskoye oil field where one borehole will be used as a water-supply well and another as an injection well.

Estimated reserves

The compulsory review and registration of reserves conducted by the Russian State Reserves Committee GKZ in February 2007 indicated that the field contained recoverable reserves of 2.7 million tonnes of oil and gas condensate which corresponds to 20 million barrels. However, Malka Oil estimates that the probable oil reserves are significantly higher since the GKZ reserve classification only considered the areas traditional productive geological upper sandstone layers (named as Jurassic 1.1 and Jurassic 1.2) and a thickness of the reservoir of two metres, which according to new boreholes data may indeed be significantly thicker. DeGolyer and MacNaughton reported in July 2008 that there are 40.469 million barrels 3P and 22.459 million barrels 2P oil reserves.

Lower Luginetskoye (LL)

Description

This oilfield is situated between the Schinginskoye and Zapadno-Luginetskoye oilfields on the western border of the large Luginetskoye oilfield that is owned by the Tomskneft oil company. Malka Oil currently has 9 oil producing wells on this field. 5 of these are permanently producing wells and others are in the testing phase or are inactive at present. Lower Luginetskoye was originally opened by Malka Oil through drilling of the borehole 200 in autumn 2006. This borehole reached stable production with spontaneous flow from up to 400 barrels oil per day. This borehole was taken out of production and was converted into a water injection well in order to maintain the pressure in the reservoir. Boreholes that entered production thereafter have provided good results and the company regards that it has an excellent foundation for its continued expansion of the Lower Luginetskoye field.

Estimated reserves

In November 2007 Malka received an official opinion on the reserves from GKZ based on data from our drilled wells which stated the extractable reserves to 71 million barrels whereof 26 million barrels are categorised as "proven" (C1) and 45 million barrels as "probable" (C2). New seismic tests in October 2007 and the results from borehole 580 in February 2008 indicate that the two oilfields Lower Luginetskoye and Zapadno-Luginetskoye are connected in the Jurassic 1.1 and 1.2 layers. This may mean that there are one and the same oilfield, something that can lead to a significant increase in estimated reserves. Malka Oil shall strive to validate this new finding during the drilling programme 2009/2010. DeGolyer and MacNaughton reported in August 2008 that there are 8.031 million barrels 3P oil reserves.

Schinginskoye (SK)

Description

Schinginskoye, the third oilfield, partly extends into Malka Oil's licence block. It is though to a larger extent owned by the Sibneft-Gazprom oil company. This particular part of the Schinginskoye oil field has been assigned to Malka Oil with the right to explore and produce hydrocarbons during the license period. As for today there is no drilling work carried out on Shinginskoye oilfield.

Estimated reserves

Operational calculation of reserves undertaken by Sibneft-Gazprom at the close of 2006 attributed Malka with approximately 16 million barrels of geological oil reserves, corresponding to about six million barrels of recoverable reserves in the C2 category. These figures have been reviewed and approved by GKZ. DeGolyer and MacNaughton reported in August 2008 that there are 8.031 million barrels 3P oil reserves.

Major events following the end of the report period

CEO-letter to shareholders was published on July 10, 2009

Newly appointed CEO together with the Board of Directors conducting an audit of the company's reserves, production targets and the future organization. Sergey Sedunov is re-employed as CEO for Malka Oils subsidiary "STS Management" and Elena Alatartseva is appointed as vice president of "STS Management". A constructive dialogue with authorities and creditors is entered and the new management goes through existing disputes and debts in order to regulate these.

Production July 2009: 1,610 barrels per day

Malka Oil's total production of oil for the month of July 2009 amounted to 49,920 barrels compared to June when the production was 54,132 barrels. On average the production was 1,610 barrels per day compared to 1,804 barrels per day during June.

The lower production can be explained by the fact that the production well number 200 on the Lower Luginetskoye oil field was converted into a water injection well in order to maintain the pressure in the reservoir.

CEO-letter to shareholders was published on August 17, 2009

The Board of Directors and management in Tomsk continue to strengthen the company's position. The company is working on obtaining all necessary permits for the pipeline that was built for connection to Tomskayanefit without necessary authorization. Meanwhile the technical inspection of the pipeline was carried out in order to prepare it for operation, which is expected to occur during the middle of September. A new contract was renegotiated and signed with SIBNINP (The governmental engineering office in Tyumen) on the amount of 89 million rubles, which corresponds to approximately 20 million SEK according to the today exchange rate. 31 million rubles of this amount are already paid. Their work is expected to be complete by the year-end 2009.

Ministry of Natural Resources conducted an audit of all licenses issued in Tomsk region which is used to happen every six months and no objections were noted on STS-service license.

During autumn it is planned to complete the work on well 210 which is located between Zapadno-Luginetskoye and Lower Luginetskoye (ZL and LL) oil fields in order to confirm that

these two fields are connected into one large oil deposit which would lead to higher reserve estimates for these two fields.

The company is currently producing oil from 10 wells, of which seven are equipped with submersible electric pumps and three are working under self-pressure that must be built up intermittently. It is not a profitable way to extract oil, therefore it has been invested into three new land located pumps. These pumps and other equipment will be delivered during the autumn and then installed. Oil production in total is estimated to 2,300 barrels per day by the year-end 2009.

Malka Oil's subsidiary, STS-Service engaged a law firm in Tomsk to assist with legal expertise. Their work aims to review all agreements with two key suppliers "EERB" and "Kupir". Other suppliers have signed new contracts with and STS-Service completes the instalment plan without any delay.

Share data

As of June 30, 2009, the share capital in Malka Oil amounted to SEK 268,410,272 divided into 4,026,589,880 outstanding shares, each with a par value of SEK 0.0667.

The Extraordinary General Meeting of shareholders decided on March 17, 2009 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 therefore decided to reduce the share capital by SEK 0.45 per share, which meant 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 was 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 also 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.

It was further 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. The issue price shall be SEK 0.07 per share.

Lastly 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.

On April 21, 2009 the rights issue was fully subscribed and through the rights issue the Company received proceeds of approximately SEK 141 million before issue expenses. As a result of the rights issue, the number of shares in Malka Oil was increased by 2,013,077,040 and the share capital was increased by SEK 100,653,852. On April 27, 2009 the early conversion of all outstanding convertible bonds has been executed. By this, Malka Oil's convertible bond debt of USD 80 million ceased to exist and was converted into 1,678,000,000 new shares. On August 28, 2009 the total number of outstanding shares in Malka Oil amounts to 4,026,589,880 each with a quotient value of SEK 0.0667.

Malka Oil AB (publ)

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GROUP INCOME STATEMENT

(All amounts in TSEK)	2009-01-01 - 2009-06-30	2008-01-01 - 2008-06-30	2009-04-01 - 2009-06-30	2008-04-01 - 2008-06-30	2008-01-01 - 2008-12-31
Operating income					
Net sales of oil	59 995	69 467	38 525	45 312	155 863
Other operating income	19	2 463	0	39	2 730
Total operating income	60 014	71 930	38 525	45 351	158 593
Cost of sales					
Production costs	-51 036	-60 638	-27 342	-36 013	-149 411
Amortization	-9 115	-6 007	-2 732	-3 730	-18 616
Gross profit	-137	5 285	8 451	5 608	-9 434
Selling and distribution expenses	-2 605	-11 286	-1 639	-5 408	-26 100
Administration costs	-19 799	-15 120	-9 055	-8 496	-32 971
Other operating expenses	-34 062	-2 378	-25 982	-1 810	-86 192
Operating profit	-56 603	-23 499	-28 225	-10 106	-154 697
Result from financial investments					
Financial income	680	38 973	-320	1 222	44 415
Financial costs	-80 386	-47 971	-1 302	-25 044	-235 525
Cost due to conversion of convertible bonds	-225 549	0	-225 549	0	0
Fair value gain/loss	0	0	0	0	51 116
Result before tax	-361 859	-32 497	-255 397	-33 928	-294 691
Tax on the period's result	-25 182	-2 319	-13 196	-76	21 940
The period's net result	-387 041	-34 816	-268 593	-34 004	-272 751
Whereof attributable to the minority	0	0	0	0	0
Whereof attributable to the shareholders of the parent company	-387 041	-34 816	-268 593	-34 004	-272 751
Earnings per share before dilution, SEK	-0,23	-0,13	-0,09	-0,12	-0,90
Earnings per share after dilution, SEK	-0,23	-0,13	-0,09	-0,12	-0,90
Number of shares issued at end of period	4 026 589 880	281 112 840	4 026 589 880	281 112 840	335 512 840
Average number of shares outstanding for the period	1 649 759 748	274 285 062	2 964 006 656	277 290 618	302 620 896
Average number of shares outstanding for the period after dilution*)	1 649 759 748**	274 285 062**	2 964 006 656**	277 290 618**	302 656 896**
Number of additional shares being added after conversion of convertible bonds	0	66 934 017	0	66 934 017	66 934 017
Outstanding number of warrants at end of period (each corresponding to one share)	6 000 000**	6 000 000**	6 000 000**	6 000 000**	6 000 000**

*) In the dilution calculations, the convertible bonds are not included since the conversion prices exceeded the current share prices on the respective dates

**) In the dilution calculation, the new options programme approved by the Annual General Meeting of shareholders on 11 June 2008 are also not included since the options have not yet been allocated

Malka Oil AB (publ)*Org nr 556615-2350***GROUP TOTAL RESULT REPORT**

(All amounts in TSEK)	2009-01-01 - 2009-06-30	2008-01-01 - 2008-12-31
The period's Net result	-387 041	-272 751
Translation difference	-58 009	20 120
The period's Total result	-445 050	-252 631
Total result attributable to:		
Parent company shareholders	-445 050	-252 631
Minority interest	0	0

Malka Oil AB (publ)
Org nr 556615-2350
GROUP BALANCE SHEET

(All amounts in TSEK)	2009-06-30	2008-12-31
ASSETS		
FIXED ASSETS		
Intangible fixed assets	1 226 944	1 276 341
Tangible fixed assets	22 626	23 453
Financial fixed assets	8 044	16 325
Total fixed assets	1 257 614	1 316 119
CURRENT ASSETS		
Inventories	52 594	56 490
Current receivables	62 534	112 772
Cash and bank	11 267	42 011
Total current assets	126 394	211 273
TOTAL ASSETS	1 384 009	1 527 392
EQUITY AND LIABILITIES		
Total equity	1 192 755	635 225
Minority interest	0	0
Provisions	75 121	70 322
Long term liabilities	0	569 914
Current liabilities	116 133	251 931
TOTAL EQUITY AND LIABILITIES	1 384 009	1 527 392

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GROUP CASHFLOW ANALYSIS

(All amounts in TSEK)	2009-01-01 - 2009-06-30	2008-01-01 - 2008-06-30	2008-01-01 - 2008-12-31
Cashflow from current operations			
Operating result	-56 603	-23 499	-86 697
Adjustment for items not included in cashflow	6 484	6 007	18 995
Interest received	311	6 359	9 836
Interest paid	-9 579	-25 274	-58 560
Income tax paid	0	0	0
Cashflow from current operations before changes in operating capital	-59 387	-36 407	-116 426
Cashflow from changes in operating capital			
Decrease(+)/increase(-) in inventory	3 896	1 356	16 582
Decrease(+)/increase(-) in receivables	50 201	-34 331	16 008
Decrease(-)/increase(+) in liabilities	-140 495	122 935	44 075
Total changes in operating capital	-86 398	89 960	76 665
Cashflow from current operations	-145 785	53 553	-39 761
Investment operations			
Investment in intangible fixed assets	-8 389	-219 870	-322 886
Investment in tangible fixed assets	-792	-2 999	-15 379
Decrease(+)/increase(-) in long-term receivables	0	-1 327	0
Cashflow from investment operations	-9 181	-224 196	-338 265
Financing operations			
New issues, adjusted for issue costs	124 547	14 575	245 644
Change in convertible bond	0	115 758	114 983
Decrease(-)/increase(+) in overdraft facility	0	0	0
Cashflow from financing operations	124 547	130 333	360 627
Decrease(-)/increase(+) in liquid assets	-30 419	-40 310	-17 399
Liquid assets at beginning of period	42 011	58 739	58 739
Exchange rate differences in liquid assets	-326	-2 260	671
Liquid assets at end of period	11 267	16 169	42 011

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STATEMENT OF CHANGES IN EQUITY (GROUP)

(All amounts in TSEK)	Attributable to shareholders of the Parent company				Total	Minority interest	Total equity capital
	Share capital	Additional paid in capital	Other reserves	Retained earnings			
Incoming equity on Jan 1, 2008	135 056	512 218	-12 110	-22 533	612 631	2558	615 189
Total result for the period			20 120	-272 751	-252 631		-252 631
New share issue	32 700	267 688			300 388	-2558	297 830
New issue costs		-25 164			-25 164		-25 164
Outgoing equity on Dec 31, 2008	167 756	754 742	8 010	-295 283	635 225	0	635 225
Total result for the period			-58 009	-387 041	-445 050		-445 050
New share issue	100 654	40 262			140 915		140 915
New issue costs		-16 368			-16 368		-16 368
Reduction in share capital	-150 981	150 981			0		0
Bonus issue	67 081	-67 081			0		0
Conversion of convertible bonds	83 900	568 583		225 549	878 033		878 033
Outgoing equity on June 30, 2009	268 410	1 431 119	-49 999	-456 775	1 192 755	0	1 192 755

Malka Oil AB (publ)
Org nr 556615-2350
KEY RATIOS GROUP

	6 months 2009-06-30	6 months 2008-06-30	12 months 2008-12-31
Group			
Total assets, TSEK	1 384 009	1 567 402	1 527 392
Total equity, TSEK	1 192 755	659 004	635 225
Equity ratio (%)	86,2%	42,0%	41,6%
Interest bearing debt, TSEK	2 999	496 788	584 672
Employees at end of period	222	232	227
Return on equity (%)	-42,35%	-5,31%	-43,60%
Per share data			
Earnings per share, SEK	-0,23	-0,13	-0,90
Equity per share, SEK	0,30	2,34	1,89

Key ratio definitions

Total assets, TSEK	Total assets at end of period
Total equity, TSEK	Total equity at end of period including minority interest
Equity ratio (%)	Total equity according to above divided by total assets expressed as a percentage
Interest bearing debt, TSEK	Total interest bearing debt at end of period
Earnings per share, SEK	Net result after tax for the period divided by the average number of outstanding shares for the period before dilution
Equity per share, SEK	Total equity according to above at end of period divided by the total number of shares outstanding at end of period
Return on equity (%)	Net result after tax for the period divided by the average equity for the same period
Employees at end of period	The figure of 232 for June 30, 2008 includes personnel working for Group companies but formally employed in Management company Malca

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PARENT COMPANY INCOME STATEMENT

	2009-01-01	2008-01-01	2008-01-01
(All amounts in TSEK)	- 2009-06-30	- 2008-06-30	- 2008-12-31
<i>Operating income</i>			
Net sales of oil	0	0	0
Other operating income	0	0	0
Total operating income	0	0	0
<i>Cost of sales</i>			
Production costs	0	0	0
Amortization	0	0	0
Gross profit	0	0	0
Selling and distribution expenses	0	0	0
Administration costs	-8 957	-9 790	-18 486
Other operating expenses	-15 067	0	0
Operating profit	-24 024	-9 790	-18 486
<i>Result from financial investments</i>			
Financial income	28 016	34 578	112 366
Financial costs	-58 958	-40 659	-213 920
Cost due to conversion of convertible bonds	-225 549	0	0
Result before tax	-280 515	-15 872	-120 040
Tax on the period's result	0	0	0
The period's net result	-280 515	-15 872	-120 040

Malka Oil AB (publ)
Org nr 556615-2350
PARENT COMPANY BALANCE SHEET

(All amounts in TSEK)	2009-06-30	2008-12-31
ASSETS		
FIXED ASSETS		
Intangible fixed assets	0	0
Tangible fixed assets	91	109
Financial fixed assets	1 518 184	1 381 911
Total fixed assets	1 518 275	1 382 020
CURRENT ASSETS		
Inventories	0	0
Current receivables	1 055	400
Cash and bank	6 564	30 626
Total current assets	7 618	31 026
TOTAL ASSETS	1 525 894	1 413 046
EQUITY AND LIABILITIES		
Total equity	1 523 480	777 028
Minority interest	0	0
Long term liabilities	0	569 914
Current liabilities	2 414	66 104
TOTAL EQUITY AND LIABILITIES	1 525 894	1 413 046

Accounting policy

Basis for the preparation of the interim report

This interim report has been prepared in accordance with the Annual Accounts Act and IAS 34, Interim reporting. The interim report is abridged and does not contain all the information and data that is included in the annual report. The interim report should therefore be read together with the 2008 annual report.

Future reporting dates

January – September interim report: To be published November 30, 2009

Company information

The full name of the parent company is Malka Oil AB (publ). It is a public limited company with head offices in Stockholm and the corporate registration number 556615-2350. The address of the parent company is Birger Jarlsgatan 33, 111 45 Stockholm. Its telephone number is +46 8 5000 7810 and fax number is +46 8 5000 7815. Internet web site: www.malkaoil.se

This report has not been subject to review by the company's auditors.

Stockholm, August 28, 2009

The Board of Malka Oil AB (publ)

For further information, please contact:

Maks Grinfeld, MD, tel; +46 768 077 614

Sven-Erik Zachrisson, Chairman of the Board of Directors, tel: +46 8 41 05 45 96

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

Malka Oil AB (publ) is an independent oil production company operating in the Tomsk region in western Siberia. Their 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.

Reasonable caution notice: The statement and assumptions made in the company's information regarding Malka Oil AB's ("Malka") current plans, prognoses, strategies, concepts and other statements that are not historical facts are estimations or "forward looking statements" concerning Malka's future activities. Such future estimations comprise but are not

limited to statements that include words such as "may occur", "concerning", "plans", "expects", "estimates", "believes", "evaluates", "prognosticates" or similar expressions. Such expressions reflect the management of Malka's expectations and assumptions made on the basis of information available at that time. These statements and assumptions are subject to a large number of risks and uncertainties. These, in their turn, comprise but are not limited to i) changes in the financial, legal and political environment of the countries in which Malka conducts business, ii) changes in the available geological information concerning the company's projects in operation, iii) Malka's capacity to continuously guarantee sufficient financing to perform their activities as a "going concern", iv) the success of all participants in the group, or of the various interested companies, joint ventures or secondary alliances, v) changes in currency exchange rates, in particular those relating to the RUR/USD rate. Due to the background of the many risks and uncertainties that exist for any oil-prospecting venture and oil production company in its initial stage, Malka's actual future development may significantly deviate from that indicated in the company's informative statements. Malka assumes no implicit liability to immediately update any such future evaluations.