

MALKA OIL

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MALKA OIL DENIES OIL ACCIDENT

Malka Oil denies accusations that environmental damage has occurred on its oil fields. A smaller quantity of oil has leaked within a smaller perimeter in a working area and has been sanitized. In spite of solid working routines and good discipline, this is something that can occur within the frames for normal operations.

On May 3rd there was a spill of 120 liters of oil on a surface of 2 square meters approximately 50 meters away from the drilling area on one of Malka Oil's oil fields. The spill was sanitized within six hours. Russian authorities were notified about the incident.

The oil spill has occurred within a "technical area" and has not had any effect on the surrounding nature. Before this there has not been any such incident during the last working year" says Fredrik Svinhufvud, MD Malka Oil.

The photographs that have been shown regarding oil spill are not connected to the recent incident. They show parts of the working area where daily operations are conducted on the oil fields. Specifically they show specially prepared reservoirs which are aimed for collecting environmentally hazardous liquids, which are an integral part of the oil production process. These reservoirs are emptied and cleaned with regular intervals. The photos in question are shot within the working area which is adapted to accommodate the daily operations under controlled circumstances.

For more photos from the oil fields please go to our homepage:
www.malkaoil.se/photo_gallery.php

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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. 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.

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