

MALKA OIL

May 29, 2009

INTERIM REPORT JANUARY- MARCH 2009

MALKA OIL AB (publ)

- **Income from oil sales amounted to TSEK 21,470 (24,155)**
- **The net result after tax for the period was TSEK –118,448 (-812)**
- **EPS was SEK -0.35 (-0.00) for the report period**
- **Malka Oil proposes and carries out the financial restructuring**
- **Convertible bond holders accept a proposal for early conversion and an Extraordinary general meeting in Malka Oil AB approves the board of director´s decision for a rights issue and an early conversion of the convertible bonds which were executed at the end of April**

MD's Report

Dear Shareholders,

Please allow me to start with mentioning two circumstances that are both positive for Malka. Firstly, after having completed a financial reconstruction and a subsequent rights issue our interest bearing debt burden has decreased significantly and resulted in a high solidity which, if we act wisely, can give the Company larger freedom of action for the future. Secondly, the ongoing operational efficiency program has resulted in that we for the first time in April and under normal operational conditions, i.e. before the recent disturbing actions in the oil fields and an international oil price above USD 45 per barrel, have a positive cash flow in the Company.

However, on the other side the inflamed owner conflict that has been going on lately has consumed significant resources and a lot of management focus which has been diverted from running the business. The non-sanctioned actions that have been conducted on the oil fields have also disturbed production which has fallen to around 1,000 barrels per day from earlier 2,500. Intensive work is being made to reach a solution that enables a normalisation of the business.

The main reason behind this unfortunate development is related to the largely completed debt restructuring in Russia. Provocative and destructive actions have caused Malka damage and are not, according to our opinion, in conjunction with good business practices. Instead, the negotiation table would have been a better arena to establish a constructive solution. Malka is, as earlier communicated, in progress of fulfilling its part of an already concluded agreement. This is now happening step by step and depending on the reactions from other parties involved, it is our wish to return to "business as usual" as soon as possible.

On a macro level, there are also external lights in the dark, primarily the recovery of the oil price and to a certain extent of the Russian financial markets. These two factors were against us during the second half of last year and even as late as in January this year we experienced a negative contribution per barrel as a consequence of a domestic Russian oil price at around USD 10 per barrel. The price of oil has since then gradually increased during the spring and Brent was traded at levels above USD 60 per barrel in May. This development is of course both unsure and volatile and therefore it is fundamentally important to continue to focus on increasing the efficiency of the production and the activities in the oil fields and on cost control throughout the Company.

Unfortunately we also have to accept that the production and the increase of reserves have not met our earlier established targets. With an increasing oil price it will be a priority to increase production from existing wells. We are continuously monitoring the profitability of each well. Currently, nine wells are producing and the others put into conservation.

With existing wells we have a technical capacity of up to 4,000 barrels per day when all wells are performing and producing. For further production increases we need to drill new wells and therefore the drilling program is being reviewed. Important factors in this review are the new seismic report from the north and middle part of the license block as well as the knowledge we have gained through existing drilled wells and production data.

An updated independent western reserve report by the American petroleum consulting company DeGolyer and MacNaughton (D&M) which is taking into account these new factors is planned to be produced latest during the third quarter this year.

Due to the delays in both production and reserve development since spring 2008 in combination with new data, we are also planning to review the long term targets of the Company both related to production and reserves and their timing.

Our earlier communicated operational plan is still valid – as we await higher oil prices we will minimise exploration drilling and optimize production to levels that still comply with license obligations. The aim is to maximize the existing positive cash flow based on existing production and connect more wells step by step when profitability can be shown.

Generally speaking we also see a big value in doing what has to be done to achieve normal and peaceful working conditions in the Company. At times this can seem complex but also necessary to be able to focus all resources on what is beneficial for us all – to find, produce and sell oil.

Stockholm May 29, 2009

Fredrik Svinhufvud
Managing Director Malka Oil AB

Comment on the Group's result and financial position

Turnover and result

Operating income for the report period amounted to TSEK 21,489 (TSEK 26,579), of which revenues from oil sales were TSEK 21,470 (TSEK 24,155).

Gross profit amounted to TSEK -8,588 (TSEK -323). This amount includes an amortization charge of TSEK 6,383 (TSEK 2,277).

Selling and distribution expenses were TSEK -966 TSEK (TSEK -5,878). These expenses have decreased significantly compared to earlier report periods following the conclusion in early 2009 of a new contract with Tomskayaneft for treatment and pumping of produced oil into Transneft's system. As a result of the new contract, the volume based charge paid to Tomskayaneft has been significantly decreased.

Operating profit for the quarter amounted to TSEK -28,378 (TSEK -13,393).

Transaction costs of TSEK -1,429 (TSEK -450) relating to new share issues in previous report periods have been booked directly against equity.

Net financial items for the period January-March 2009 were TSEK -78,084 (TSEK 14,824). The predominant proportion of the calculated net financial items amount consists of currency exchange rate losses with no impact on cash flow. Exchange rate developments have had a negative impact on net financial items during the period both as a result of the depreciation of SEK versus USD and as a result of the depreciation of RUR versus USD. Exchange rate losses have arisen on the outstanding USD denominated convertible loans due to the depreciation of SEK versus USD. Exchange rate losses have also arisen on the USD lending to the Group's Russian subsidiaries due to the exchange of these loans into RUR whose depreciation versus the USD has been even larger than the depreciation of SEK versus USD. During the quarter, the SEK depreciated versus the USD by approximately 4.5 % while the RUR depreciated versus the USD by approximately 11.1 %.

The tax cost for the period amounted to TSEK -11,986 (TSEK -2,243). This amount includes a dissolution of deferred tax assets in the Russian subsidiaries of TSEK 12,527 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 1 January – 31 March 2009 period of TSEK -118,448 (TSEK -812), equivalent to an earnings per share of SEK -0.35 (SEK 0,00).

Investments

Investments in tangible and intangible fixed assets in the Group during the period January – March 2009 amounted to TSEK 9 271 (122 579 TSEK), of which investments in intangible fixed assets represented TSEK 6 268 (TSEK 119 580 TSEK). The limited investment activity during the quarter reflects the company's difficult financial situation during the period as a result of the dramatic fall in the oil price and the problems in the financial markets in Russia and globally.

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 of the Group.

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 convertible bond holders accepted the offer of early conversion at the convertible bond holders' meeting on February 27. This meant that Malka Oil's outstanding convertible bond debt of a total amount of MUS\$ 80 would be converted into Malka Oil shares conditional of an approval of the proposal at an extraordinary general meeting of shareholders and under the condition that the upcoming rights issue would be fully subscribed.

At an extraordinary general meeting of shareholders on March 17, the proposal regarding early conversion of the company's convertible bond debt into shares was approved. In addition, it was decided to execute a rights issue which would provide the company with an amount of approximately MSEK 141 before issue expenses.

The conversion of the convertible bond loan and the rights issue would according to the decisions be executed in April 2009.

See further below in "Major business events following the end of the report period".

Cash balances in the Group amounted to TSEK 5,377 (TSEK 57,124) as of March 31, 2009.

Legal disputes

Malka Oil's Russian subsidiary, OOO STS-Service, is involved in legal disputes with local suppliers. Negotiations regarding these disputes are going on between the parties 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 223 (99) persons, of which 35 (11) were women and 188 (88) were men.

Operations

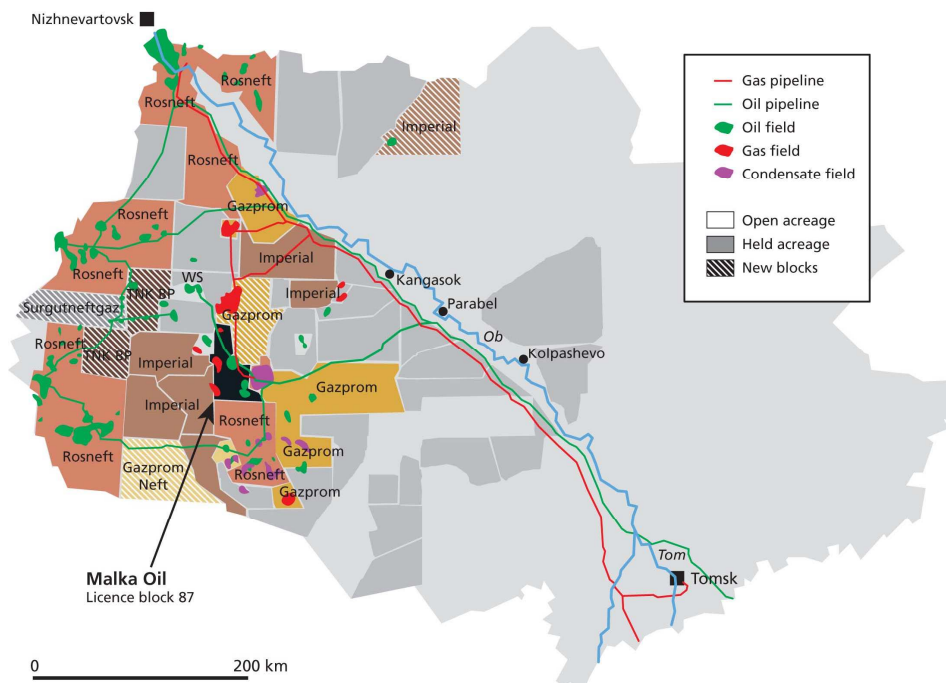
Summary

Malka Oil AB is an independent Swedish oil and gas 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.

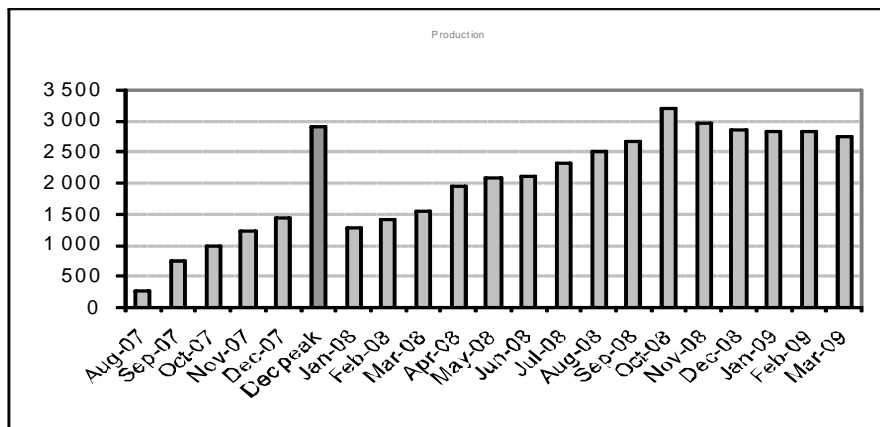
Tomsk region



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

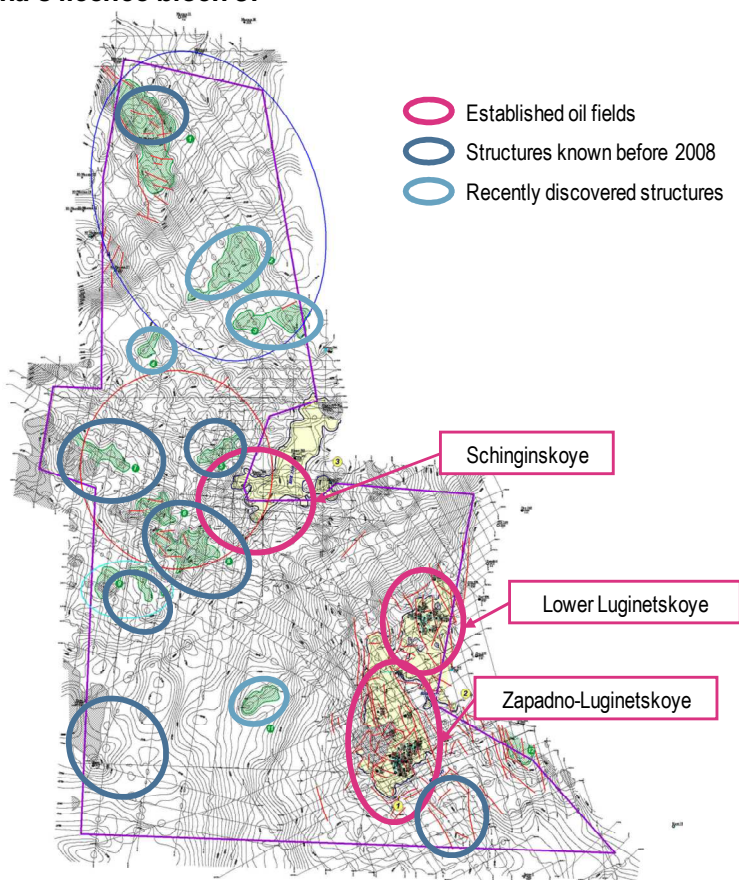
Production status as of March 31, 2009

As of March 31, 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 quarter 2009 amounted to 253,280 barrels which corresponds to an average daily production of 2,815 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 March 31, 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

000 bbl		SPE classification					Russian classification (GKZ)		
		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
Total	Oil and gas condensate	7 747	35 852	43 599	46 974	90 573	23 618	73 185	96 803

Zapadno-Luginetskoye (ZL)

Description

As of March 31, 2009 there are two wells that produce oil and gas condensate at the Zapadno-Luginetskoye field. In addition there are 17 drilled boreholes which 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 for water injection which is a production boosting measure.

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 six oil producing wells on this field. In addition, there are two boreholes in the testing phase. 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. 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 without any drilling being undertaken from our side.

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 business events following the end of the report period

New seismic data confirms 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. 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. This new object includes earlier mentioned seven undrilled structures and four new. The report indicates additional potential resources of 673 million barrels.

Early conversion of all outstanding convertible bonds and the rights issue has been executed.

Malka Oil's rights issue was fully subscribed and the guarantor undertakings did not need to be utilised. Through the rights issue Malka Oil received proceeds of approximately SEK 141 million before issue expenses. Since the rights issue was fully subscribed, the final condition for early conversion of the entire outstanding convertible bond debts was fulfilled. Trading in the new shares commenced on NASDAQ OMX First North on Thursday April 30, 2009.

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. The shares have been forwarded to previous convertible bond holders as interim shares, which were exchanged for ordinary shares on or about April 30, 2009, after the registration has been finalised by the Swedish Companies Registration Office. After the rights issue and the early conversion, the total number of outstanding shares in Malka Oil amounts to 4,026,589,880 each with a quotient value of SEK 0.0667.

Jan-Olov Olsson 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, lately as manager for Russian mutual equity funds at Alfred Berg/ABN AMRO Asset Management.

Company belonging to vice chairman occupied oil field with armed forces and the production was running at reduced level.

Oil fields belonging to Malka Oil were occupied on Friday May 8 by armed personnel from the security company Shjit-West which is controlled by Malka's vice chairman, Michail Malyarenko. The security company force consisting of 22 men whereof the majority were armed flew into Malka Oils oil fields in the Tomsk region in Western Siberia. Russian police from the region has thereafter disarmed the force. No personnel have been hurt in the upcoming situation and the infrastructure was intact. On May 15, 2009 informed Malka Oil that production on the oil fields Zapadno-Luginetskoye and Lower Luginetskoye has

continued albeit at reduced level of approximately 40% compared to last month's production and was estimated to increase to around 50% within one to two days. The Company estimated that production will reach full capacity within a near future.

The annual general meeting of shareholders in Malka Oil AB (publ) was held on May 19, 2009 in Stockholm

It was unanimously decided that submission and approval of the profit and loss account, the balance sheet, the consolidated profit and loss account, the consolidated balance sheet, establishment of allocation of the Company's profits and losses in accordance with the adopted balance sheet and discharge from liability for the members of the board of directors and the managing director, as well as questions regarding determination of the number of members of the board of directors and, if applicable, deputy directors, of the number of auditors and, if applicable, deputy auditors, determination of the fees payable to the board of directors and the auditors and election of members of the board of directors and, if applicable, deputy directors as well as of auditors and, if applicable, deputy auditors, should be approved during the continued general meeting which will be held at 1.00 p.m. on June 15, 2009 at the offices of the law firm Delphi on Regeringsgatan 30-32 in Stockholm, Sweden.

It was further decided to dismiss Michail Malyarenko and Alexander Merko from their positions as members of the board of directors and decided that the board of directors until the continued general meeting is held should be represented by Mats Gabriëlsson as the chairman of the board, Thomas Lifvendahl, Peter Lindh, Nils Nilsson and Torbjörn Ranta.

The majority of the shareholders represented at the annual general meeting decided to approve the Board of Directors' proposal regarding guidelines on compensation to the company management with the adjustment that the variable salary shall amount to a maximum of one time the annual basic salary.

Lastly, the Annual General Meeting approved the resolution to establish a nomination committee for the annual general meeting of 2010. The nomination committee shall consist of the chairman of the board and one (1) representative of each of the three (3) shareholders with the largest voting rights at the end of the third quarter 2009. The nomination committee shall perform those duties to be performed by a nomination committee according to the Swedish Code of Corporate Governance.

Share data

As of March 31, 2009, the share capital in Malka Oil amounted to SEK 167,756,420 divided into 335,512,840 outstanding shares, each with a par value of SEK 0.50. No changes in the share capital or the number of outstanding shares have been made during the report period.

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.

After the end of the report period 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 May 29, 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 (publ)

Org nr 556615-2350

INCOME STATEMENT

	2009-01-01	2008-01-01	2008-01-01
	- 2009-03-31	- 2008-03-31	- 2008-12-31
(all amounts in TSEK)		GROUP	GROUP
Operating income			
Net sales of oil	21 470	24 155	155 863
Other operating income	19	2 424	2 730
Total operating income	21 489	26 579	158 593
Cost of sales			
Production costs	-23 694	-24 625	-149 411
Amortization	-6 383	-2 277	-18 616
Gross profit	-8 588	-323	-9 434
Selling and distribution expenses	-966	-5 878	-26 100
Administration costs	-10 744	-6 624	-32 971
Other operating expenses	-8 080	-568	-18 192
Operating profit	-28 378	-13 393	-86 697
<i>Result from financial investments</i>			
Financial income	1 000	37 751	44 415
Financial costs	-79 084	-22 927	-235 525
Fair value gain/loss	0	0	51 116
Result before tax	-106 462	1 431	-226 691
Tax on the period's result	-11 986	-2 243	5 620
The period's net result	-118 448	-812	-221 071
Whereof attributable to the minority	0	0	0
Whereof attributable to the shareholders of the parent company	-118 448	-812	-221 071
Earnings per share before dilution, SEK	-0,35	0,00	-0,73
Earnings per share after dilution, SEK	-0,35	0,00	-0,73
Number of shares issued at period end	335 512 840	271 612 840	335 512 840
Average number of shares outstanding for the period	335 512 840	271 362 840	302 620 896
Average number of shares outstanding for the period after dilution*)	335 512 840	273 693 883	302 656 896
Number of additional shares being added after conversion of convertible bonds	66 934 017	66 934 017	66 934 017
Outstanding number of warrants at period end (each corresponding to one share)	6 000 000	10 900 000	6 000 000

*) In the dilution calculation, the convertible bonds are not included since the conversion prices (approximately SEK 10:30 and SEK 8:70 as of 31 March 2009) exceeds the current share price (SEK 0:16 as of 31 March 2009). 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)	3 months 2009-01-01 - 2009-03-31	12 months 2008-01-01 - 2008-12-31
The period's Net result	-118 448	-221 071
Translation difference	-46 468	20 120
The period's Total result	-164 916	-200 951
Total result attributable to:		
Parent company shareholders	-164 916	-200 951
Minority interest	0	0

Malka Oil AB (publ)

Org nr 556615-2350

GROUP BALANCE SHEET	2009-03-31	2008-12-31
(all amounts in TSEK)	GROUP	GROUP
ASSETS		
FIXED ASSETS		
Intangible fixed assets	1 203 868	1 276 341
Tangible fixed assets	19 441	23 453
Financial fixed assets	0	5
Total fixed assets	1 223 309	1 299 799
CURRENT ASSETS		
Inventories	54 374	56 490
Current receivables	52 377	85 886
Cash and bank	5 377	42 011
Total current assets	112 128	184 387
TOTAL ASSETS	1 335 437	1 484 186
EQUITY AND LIABILITIES		
Total equity	520 559	686 905
Minority interest	0	0
Provisions	85 723	70 323
Long term liabilities	614 618	569 914
Current Liabilities	114 537	157 044
TOTAL EQUITY AND LIABILITIES	1 335 437	1 484 186

CASHFLOW ANALYSIS	3 months 2009-01-01 - 2009-03-31	3 months 2008-01-01 - 2008-03-31	12 months 2008-01-01 - 2008-12-31
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(All figures in TSEK)

Cashflow from current operations			
Operating result	-28 378	-13 393	-86 697
Adjustment for items not included in cashflow	6 382	2 380	18 995
Interest received	36	6 582	9 836
Interest paid	-3 261	-13 065	-58 560
Cashflow from current operations before changes to operating capital	-25 221	-17 496	-116 426
Cashflow from changes to operating capital			
Decrease(+)/increase(-)in inventory	2 116	2 111	16 582
Decrease(+)/increase(-)in receivables	33 396	-25 943	16 008
Decrease(-)/increase(+in liabilities	-35 929	37 289	44 075
Total changes to operating capital	-417	13 457	76 665
Cashflow from current operations	-25 638	-4 039	-39 761
Investment operations			
Investment in intangible fixed assets	-6 268	-119 580	-322 886
Investment in tangible fixed assets	-3 003	-2 999	-15 379
Decrease(+)/increase(-) in long-term receivables	0	1 771	0
Cashflow from investment operations	-9 271	-120 808	-338 265
Financing operations			
New issues, adjusted after issue costs	-1 429	9 660	245 644
Change in convertible bond	0	115 941	114 983
Cashflow from financing operations	-1 429	125 601	360 627
Decrease(-)/increase(+in liquid assets	-36 338	754	-17 399
Liquid assets at beginning of period	42 011	58 739	58 739
Exchange rate differences in liquid assets	-296	-2 369	671
Liquid assets at end of period	5 377	57 124	42 011

STATEMENT OF CHANGES IN EQUITY (GROUP)

(All amounts in TSEK)	Attributable to shareholders of the Parent company					Minority interest	Total equity capital
	Share capital	Additional paid in capital	Other reserves	Retained earnings	Total		
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	-221 071	-200 951		-200 951
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	-243 604	686 905	0	686 905
Total result for the period			-46 468	-118 448	-164 916		-164 916
New issue costs		-1 429			-1 429		-1 429
Outgoing equity on March 31, 2009	167 756	753 313	-38 458	-362 052	520 559	0	520 559

Malka Oil AB (publ)
Org nr 556615-2350

KEY RATIOS	3 months 2009-03-31	3 months 2008-03-31	12 months 2008-12-31
Group			
Total assets, TSEK	1 335 437	1 462 789	1 484 186
Total equity, TSEK	520 559	651 400	686 905
Equity ratio, %	39,0%	44,5%	46,3%
Interest bearing debt, TSEK	614 618	415 971	584 672
Employees at period end	223	99	227
Return on equity (%)	-19,62%	-0,13%	-33,96%
Per share data			
Earnings per share, SEK	-0,35	0,00	-0,73
Equity per share (SEK)	1,55	2,40	2,05

Key ratio definitions

Total assets, TSEK	Total assets at period end
Total equity, TSEK	Total equity at period end 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 the period end
Earnings per share	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 the period end divided by the total number of shares outstanding at the period end
Return on equity (%)	Net result after tax for the period divided by the average equity for the same period

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.

New income statement format

The classification of the income statement for the period January 1- December 31, 2008 has been changed from by nature to by function. In the board of directors' and managing director's view, the income statement by function better describes the company and the development of the company as it has entered into commercial production. Income statement by function is also the standard within the oil and gas industry.

Future reporting dates

The Continued Annual General Meeting 2009: To be held on June 15, 2009

January – June interim report: To be published August 28, 2009

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, May 29, 2009

The Board of Malka Oil AB (publ)

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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.

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.