

# **MALKA OIL**

PRESS RELEASE DATERAD 2008-12-18

## **New reserve study raises Malka's oil assets 30 %**

**An updated independent Western reserve study raises Malka Oil's oil assets, "Oil in place", to 332 million barrels on its two largest oil fields compared to 255 million barrels in the previous report. This can be read in an update from DeGolyer and MacNaughton (D&M) and is an increase of 30% compared to the previous reserve study. The updated study includes field data from the new exploration wells 580 and 210. The full report with classification in 2P and 3P reserves is expected in February and Malka expects an equivalent increase of 30 percent in these reserves as well.**

The American petroleum consultancy company DeGolyer and MacNaughton (D&M) is conducting this study as well as the previous in accordance with the internationally recognized Petroleum Resources Management System that has been approved among others by Society of Petroleum Engineers (SPE). Malka has asked D&M to develop an audited reserve report that is expected to be ready by February 2009.

"The result of this update is encouraging and step by step we are getting in line with Malka's own expectations. The previous report showed lower values than expected but with this update we are getting closer to where we want to be. The study confirms the potential in the licence block and we are continuing to develop our operations including further increase of the proportion of SPE classified reserves" says Fredrik Svinhufvud, MD, Malka Oil.

The study does not include gas and condensate and it only encompasses the three existing oil fields but not the unexplored structures on the block.

**For further information, please contact:**

Fredrik Svinhufvud, Managing Director Malka Oil, tel +46 8 5000 7811, mobile +46 708 708 708  
Richard Tejme, CFO, tel +46 8 5000 7812 mobile +46 707 31 52 17

For further information on Malka Oil AB, see the website [www.malkaoil.se](http://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.

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.