

MALKA OIL

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- **AUGUST 2008 PRODUCTION: 2,503 BARRELS PER DAY**
- **PIPELINE CONNECTION TO TOMSKAYANEFT IN PRODUCTION**

Malka Oil's total production of oil and condensate for the month of August 2008 amounted to 77,584 barrels, compared with July when the production was 72,076 barrels. On average the production was 2,503 barrels per day, compared with 2,325 barrels per day during July.

"With the pipeline to Tomskayaneft in operation we will achieve a better stability in our oil deliveries. We can therefore foresee a production increase step by step to the next intermediary target of 4,000 barrels per day before the end of the year." says Fredrik Svinhufvud, Managing Director Malka Oil.

During July Malka Oil produced oil and condensate from 18 wells, compared to 17 wells in July.

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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 De Golyer 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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