

# **MALKA OIL**

PRESS RELEASE DATED 2008-08-08

- **JULY 2008 PRODUCTION: 2,325 BARRELS PER DAY**
- **PRODUCTION TARGETS AND DEVELOPMENT PLANS TO BE REVISED**

**Malka Oil's total production of oil and condensate for the month of July 2008 amounted to 72,076 barrels, compared with June when the production was 63,085 barrels. On average the production was 2,325 barrels per day, compared with 2,103 barrels per day during June.**

"Although we have had an increase in production of oil month by month it is of course not satisfactory that targets have not been achieved. We will reach these targets but must now review our plans based upon achieved results" says Malka's Managing Director Fredrik Svinhufvud.

"Malka's oil production has not progressed as expected due to limitations in the infrastructure. The connection to Tomskayaneft is progressing and is expected to be completed in the near future. This will result in an increased logistics capacity up to approximately 4,000 barrels per day and after the completed connection the production will increase step by step to reach this level during the year" Fredrik Svinhufvud continues.

The continued expansion of the pipeline into Transneft will commence immediately after the Tomskayaneft connection is ready and is estimated to be operational within 6-8 months. This will eliminate all present logistical bottlenecks.

The September and year-end targets are estimated to be reached later in time. Malka is now together with Western expertise conducting a review of the field development plans for the three existing oil fields on the license block and will return with a revised plan later this autumn.

During July Malka Oil produced oil and condensate from 17 wells, compared to 13 wells in June.

**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. Their current position consists of oil and gas assets for license 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 license 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 field have also went through reserve classification by the Russian State Committee of Reserves (GKZ). A considerable drilling programme was carried out in 2007. 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 in the three existing oil fields on license block number 87 is currently 140-190 million barrels.

Malka Oil's license 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.