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SEK 250 MILLION (41.9 MUSD) DIRECTED SHARE ISSUE COMPLETED

Malka Oil has raised SEK 250 million in a new share issue directed towards Swedish and International investors. Among the new shareholders are the Swedish 2nd AP Fund, Norwegian State Pension Fund and The Norwegian Petroleum Fund. In total 50 million shares were issued at a price per share of SEK 5, representing a discount of 6.5 % compared to the volume weighted average price the last five trading days. The share issue will finance the ongoing drilling programme for 2008 and the completion of the company's own Transneft connection. The western reserve study is delayed and the result is expected in the latter part of July.

The Board of Directors opinion is that it is important to guarantee a continued expansion for Malka Oil and to create the action scope in order to take care of the company's positive possibilities. In light of this, the new share issue has been executed without preferential rights for existing shareholders in accordance with the authorization given by the general meeting on June 11, 2008.

The new issue will increase the number of shares by 50,000,000 from 281,112,840 to 331,112,840, of which the new issued shares represent 15.1%.

The motives for issuing shares without preferential rights for shareholders are to broaden and strengthen the institutional ownership in Malka Oil, promote trading liquidity and to promptly secure financing for the continued expansion of the company's operations in the Tomsk region, including the Exploration & Production programme for 2008 and the direct connection to Transneft.

SEB Enskilda AS has acted as Sole Lead Manager to Malka Oil in connection with the new share issue.

The shares offered and subscribed in the private placement will be settled immediately by way of transfer to the subscribers upon payment of already listed shares made available for SEB Enskilda AS by existing shareholders, including the primary insider Mats Gabriellsson and/or companies controlled by him, (the Lenders) based on a standardized Stock Lending Agreement between SEB Enskilda AS and the Lenders, under which the Lenders receive no compensation. Accordingly, all shares offered in the private placement are tradable

immediately after delivery to the investors. The shares borrowed from the Lenders will be returned to the Lenders by and upon the issue of new shares have been registered.

The western reserve study of the company's oil reserves is delayed and the result is now expected in the latter part of July instead as earlier communicated during the month of June.

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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 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.

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