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- **MAY 2008 PRODUCTION: 2,081 BARRELS PER DAY**

**Malka Oil's total production of oil and condensate for the month of May amounted to 64,507 barrels, compared with April when the production was 58,804 barrels. On average the production was 2,081 barrels per day, compared with 1,960 barrels per day during April.**

"As previously announced, we didn't reach our production target of 4,500 barrels per day at the end of May due to limitations in the delivery system and we are now addressing these problems step by step. The goal of 8,000 barrels per day at the year-end still remains and our interim targets are moved forward two months" says Malka's Managing Director Fredrik Svinhufvud.

Malka Oil predicts that the production will increase to around 4,500 barrels per day before the end of July and further up to 6,000 barrels per day by the end of August.

During May Malka Oil produced oil and condensate from 13 wells, compared to 12 wells in April.

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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 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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