



ZAURALNEFTEGAZ TO COMMENCE DRILLING OF UP TO FOUR EXPLORATION WELLS

New York, NY – 11/06/06 – OOO Zauralneftegaz (ZNG), the 50/50 Joint Venture between Siberian Energy Group Inc. (OTCBB: SIBN) (the Company) and Baltic Petroleum (E&P) Limited (BP), and operated by BP, has determined to drill up to four exploration wells in ZNG's blocks in the Kurgan region of Western Siberia. The exploratory drilling is expected to commence in December 2006.

The decision to drill the four exploration wells follows previous announcements of the encouraging results of gas seismotomographic and geochemical surveys conducted by Exotrad on the Privolny and Mokrousovsky license blocks, as well as a high definition 2D seismic programme acquired by Bashneftegeofizika and processed and interpreted by RPS Energy PLC in the United Kingdom.

Two of the four exploration wells are to be drilled in northern locations in the Privolny block, while another two wells are likely to be drilled on the Mokrousovsky block. The first well will be drilled on the Privolny block to a maximum depth of 2000 metres, with logging and coring undertaken in accordance with a programme designed by RPS Energy PLC and the Tyumen State Oil and Gas Institute. ZNG has contracted Spets UBR UVAT, a highly experienced Russian contractor, to drill the wells using an Uralmash 3000 rig.

The total budget for the drilling programme and further seismic analysis, which ZNG proposes to conduct on its Lebyazhevsky block, amounts to approximately \$15 million. ZNG is entering into a financing agreement with Caspian Finance Limited, and a gross override royalty agreement with BP.

About Siberian Energy Group

Siberian Energy is one of the few U.S.-based public oil and gas exploration companies with 100% of its assets located in West Siberia, Russia. The Company evaluates investment and acquisition opportunities in Russia and Eastern Europe with the goal of bringing a portfolio of natural resource licenses and operating companies to Western investors. Siberian Energy strives to provide an attractive return on investment to shareholders by pursuing high-yield investment projects, reducing costs, and adhering to strict principles of transparency, disclosure and environmental consciousness. Additional information can be found at www.siberianenergy.com.

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