



SIBERIAN ENERGY PURCHASES KONDANEFTEGAZ FROM KEY BROKERAGE, INC.

New York, NY – 12/22/06 – Siberian Energy Group, Inc. (OTCBB: SIBN), a U.S.-based oil and gas exploration company, has entered into an Interest Purchase Agreement with Key Brokerage, Inc., a Delaware corporation, the sole owner of Kondaneftegaz, LLC, a Russian limited liability company. Pursuant to the agreement, Siberian Energy is purchasing 100% of Kondaneftegaz's stock. As a result, Kondaneftegaz will become a wholly owned subsidiary of Siberian Energy.

Kondaneftegaz, located in the heart of the major Russian oil-producing region in Western Siberia, Khanty-Mansiysk, has applied for an exploration and production license on the Krasnoleninski parcel in the Khanty-Mansiysk district, as well as exploration and production licenses on nine other parcels in Western Siberia.

The Purchase Agreement consummated the transactions contemplated by the Option Agreement that Siberian Energy entered into with Key Brokerage in September 2006. Under the terms of the agreement, Siberian Energy granted Key Brokerage 250,000 warrants to purchase shares of its common stock at an exercise price of \$2.20 per share, exercisable for up to two years from the date of the Option Agreement in September 2006. Siberian Energy has also agreed to issue Key Brokerage an aggregate of 1,900,000 restricted shares of its common stock. The closing date of the Purchase Agreement is anticipated to occur on or around December 31, 2006.

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 ROI 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.

Siberian Energy Group, Inc.
David Zaikin
Chief Executive Officer
212-828-3011
or
The Investor Relations Group
Katrine Winther-Olesen/Jordan Silverstein/Phil Carlson
Investor Relations
212-825-3210

FORWARD-LOOKING STATEMENTS: The forward-looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect

management's analysis only as of the date hereof. The company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date thereof. Readers should carefully review the risks described in other documents the company files from time to time with the Securities and Exchange Commission, including Annual Reports, Quarterly Reports and Current Reports on Form 8-K.