



## **Siberian Energy Group Inc. (SIBN) Applied for 7 New Oil & Gas Licenses in Western Siberia**

NEW YORK, NY – 10/12/2005 – Siberian Energy Group Inc. (OTC BB: SIBN), a development-stage oil and gas exploration company, announced today that its subsidiary, Zauralneftegaz Ltd. ("ZNG"), has applied for 7 new licenses in the Kurgan province of Russia, in addition to the four licenses it currently holds. The new licensed areas were strategically chosen as being in the immediate proximity of its four existing licenses, so as to share the same commercial infrastructure.

Having submitted the applications together with complimentary documentation and project outlines to the federal Ministry of Natural Resources, the company's directors believe that exploration activity will sustain the company's overall profitability and competitive advantage over the long run.

The new blocks were selected and put forward by the Russian Ministry of Natural Resources on the basis of studies conducted between 2001-04 by the West Siberian Institute of Oil and Gas Geology (Tyumen city). The new fields present significant commercial interest and allow further exploration of preliminarily mapped structures.

Overall, the additional licenses cover 700,000 acres of exploration territory and potentially would double ZNG's current holdings.

In light of the Kremlin's pledge to relieve the tax burden on petroleum producers so as to stimulate the export of refined products, securing more license blocks is strategically advantageous in an increasingly lucrative marketplace. The anticipated tax revision is scheduled for October of this year.

"We are not running out of oil... we are running out of cheap oil," states Siberian Energy's CEO David Zaikin in an interview with Forbes ([www.forbes.com/video](http://www.forbes.com/video) then search for "Zaikin"). "We have to develop new territories to get more oil." These new licenses continue the company's commitment to addressing global energy needs.

### **About Siberian Energy Group**

Siberian Energy Group Inc. is a fully registered U.S. oil and gas exploration company. The company's oil exploration licenses are located in Western Siberia, Russia, a region that currently accounts for 70% of Russia's production and 4% of world output.

At present, Siberian Energy Group's focus is on developing its West Siberian properties covering 635,000 acres, which were acquired through government auctions. Furthermore, Siberian Energy Group is

constantly evaluating new mineral resource assets, both explored and unexplored, as part of its growth strategy.

For more information, visit [www.siberianenergy.com](http://www.siberianenergy.com)  
(OTC BB: SIBN)

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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 Quarterly Reports and Current Reports on Form 8-K.