

Press release

Stockholm, March 14, 2014

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Shelton Petroleum completes the public offer to the shareholders of Petrogrand. Shelton Petroleum increases the bid for Petrogrand to 0.44 Shelton B shares for each Petrogrand share and extends the acceptance period

- Shelton Petroleum declares the Offer unconditional and completes the Offer.
 - The Offer is increased to 0.44 Shelton B shares for each Petrogrand share, corresponding to a bid premium of approximately 53 % based on yesterday's closing prices.
 - The Offer has been accepted by owners holding in total 5,028,420 shares in Petrogrand, corresponding to approximately 12.5 % of the shares in Petrogrand.
 - Metroland, one of Petrogrand's largest shareholders, together with a group of private investors, who in total own 12.5 % of the shares in Petrogrand, have undertaken to accept the increased Offer. In total, owners holding 25.0 % of the shares in Petrogrand have accepted or agreed to accept the Offer.
 - The acceptance period is extended up to and including March 28, 2014.
- Shelton Petroleum completes the Offer and becomes the largest shareholder in Petrogrand. In order to make the offer attractive to even more shareholders we have increased and extended the Offer. We look forward to creating new value for the shareholders of both Shelton and Petrogrand, says Robert Karlsson, CEO of Shelton Petroleum.

Shelton Petroleum AB (publ) ("Shelton") announced on January 22, 2014 an offer to the shareholders of Petrogrand AB (publ) ("Petrogrand") to acquire all outstanding shares in Petrogrand (the "Offer"). On February 26, 2014, Shelton announced an increase of the consideration offered from 0.30 to 0.34 Shelton B shares for each Petrogrand share and an extension of the acceptance period up to and including March 12, 2014.

Shelton has decided to increase the consideration of the Offer to 0.44 Shelton B shares for each Petrogrand share. Shareholders who have accepted the lower Offer will automatically be entitled to the higher Offer without taking any action. At full acceptance of the Offer approximately 17,716,995 new B shares in Shelton will be issued in the Offer, which is equivalent to a dilution of 59.3 % for the existing shareholders of Shelton.

The Offer has been accepted by owners holding in total 5,028,420 shares in Petrogrand, corresponding to approximately 12.4 % of the shares in Petrogrand. Shelton has decided to waive the condition of receiving acceptances amounting to at least 50% of the shares in Petrogrand. All of the conditions of the Offer have thereby been fulfilled or waived. Shelton declares the Offer unconditional and completes the Offer.

Settlement of consideration for the shares that have been submitted in the Offer is expected to commence on or about March 17, 2014. The Board of Shelton has resolved on a new issue of a

maximum of 4,422,841 B shares with payment in kind consisting of shares in Petrogrand. Consideration will initially consist of Shelton interim shares (*Sw Shelton BTA*), and transfer of interim shares to subscribers' vp accounts will be notified through vp notices. There will be no notification of the transfer of Petrogrand shares from reservation accounts. Shelton interim shares will be exchanged for Shelton B shares as soon as possible after the issue has been registered with the Swedish Companies Registration Office. Exchange of interim shares to common shares is expected to take place during week 12 without separate notification. No trading in interim shares will be facilitated.

Due to the increased Offer, Shelton has decided to extend the acceptance period up to and including March 28, 2017 CET 17.00 to allow shareholders who have not yet accepted the Offer to accept it. Settlement of consideration to shareholders who accept the Offer during the extended acceptance period may be effected continuously. However, final settlement is expected to take place on April 4, 2014. As the Offer is unconditional, shareholders who accept the Offer during the extended acceptance period do not have the right to withdraw their acceptances.

The increased Offer constitutes a premium of approximately 52.7 % based on the last closing price on March 13, 2014 (the last trading day prior to the increase of the Offer) on NASDAQ OMX Main Market of 23.60 SEK for Shelton and 6.80 SEK for Petrogrand on NASDAQ OMX First North and a premium of approximately 63 % based on the volume weighted share price for each respective share during the last 30 trading days up until and including March 13, 2014. The increased Offer corresponds to a value of 10.38 SEK per Petrogrand share (compared to 9.72 SEK per Petrogrand share in the Offer announced on January 22, 2014). The increased Offer values Petrogrand at approximately 418 MSEK.

Metroland, one of Petrogrand's largest shareholders, and a group of private investors who in total own 5,023,492 shares, corresponding to 12.5 % of the shares in Petrogrand, have in agreements with Shelton on March 13, 2014 among other things, undertaken to accept the increased Offer. Furthermore, the agreements include undertakings not to take any actions which may negatively affect Shelton's possibilities to complete the Offer.

Shelton has not purchased any shares in Petrogrand outside the Offer. As a result of the completion of the Offer and the above undertakings to accept the Offer, Shelton will own or control in total 10,051,912 shares, corresponding to approximately 25.0 % of the shares in Petrogrand.

Due to the above, Shelton Petroleum will as soon as possible prepare and publish a supplementary prospectus. Shelton keeps the right to extend the acceptance period. For other terms and conditions of the Offer please refer to the prospectus and supplements thereto that have or will be prepared in connection with the Offer and which can be downloaded in electronic form from Shelton's website www.sheltonpetroleum.com and from Pareto Securities AB's website www.paretosec.com. Printed version of the documents can be obtained from Shelton's and Pareto Securities' offices.

Stockholm March 14, 2014

Shelton Petroleum AB (publ)

The Board of Directors

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The information provided herein is such that Shelton Petroleum AB is obligated to disclose it pursuant to the Securities Markets Act (2007:528) and the Takeover rules. The information was submitted for publication at 12.30 (CET) on March 14, 2014.

About Shelton Petroleum

Shelton Petroleum is a Swedish company focused on exploring and developing concessions in Russia and the resource-rich basins of Ukraine. In Russia, the company holds three licenses in the Volga-Urals area in Bashkiria and has commenced production on the Rustamovskoye field after a successful exploration program. In Ukraine, Shelton Petroleum's wholly owned subsidiary has a joint venture with Ukrnafta and Chornomornaftogaz, two leading Ukrainian oil and gas companies. The Shelton Petroleum share is traded on NASDAQ OMX Stockholm under the symbol SHEL B.

IMPORTANT INFORMATION

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This press release contains forward looking statements which in relation to the Offer means certain risks and uncertainties, including the expected advantages of the acquisition for Shelton and Shelton's strategic and operational expectations. Actual events or results can due to a number of risks and uncertainties significantly differ from what has been described in this press release, including among other things that the Offer cannot be completed or that the completion is delayed and that the expected advantages of the Offer for Shelton cannot be realized.

All information in this press release has been submitted as of March 14, 2014, and Shelton has no intention, and does not undertake to, update the information.

This is an English translation of the Swedish original. In case of discrepancies, the Swedish original shall prevail.