



# PETROGRAND

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## **THE 2014:24 RECOMMENDATION FROM THE SWEDISH SECURITIES COUNCIL REGARDING PETROGRAND'S PUBLIC CASH OFFER**

Petrogrand AB's ("Petrogrand") request for an Extraordinary General Meeting in Shelton Petroleum AB (publ) ("Shelton Petroleum") on 18 March, 2014 to elect new a Board of Directors in Shelton Petroleum has been found to violate to good practice on the stock market by the Swedish Securities Council. Petrogrand thereby complies with the recommendation from the Swedish Securities Council and withdraws the proposal to change the Board of Directors in Shelton Petroleum. Petrogrand will also immediately withdraw the request for the Extraordinary General Meeting in Shelton Petroleum with the proposal to appoint a minority auditor, as a minority auditor with the support of more than 82 percent of the company shares represented was appointed at the Extraordinary General Meeting in Shelton Petroleum on 2 May, 2014. The Extraordinary General Meeting in Shelton Petroleum on 13 May, 2014 will thereby not take place.

Furthermore, the Swedish Securities Council declared that it would be contrary to good practice on the stock market if Petrogrand would vote in the election of Board of Directors at the Extraordinary General Meeting of Shelton Petroleum as long as Petrogrand's takeover offer is ongoing and the current Board of Directors has not made a statement regarding the Offer. Similar restrictions have been expressed with regard to the exercise of voting rights at the Annual General Meeting.

In the Swedish Securities Council 's statement, it was clear that the Council perceived a letter from Mangold Fondkommission AB ("Mangold") as a letter from Petrogrand itself. The letter was sent to the shareholders of Petrogrand approximately on April 23, 2014 with respect to the Extraordinary General Meeting in Petrogrand on May 14, 2014 and also contained a proxy form with voting instructions. The Swedish Securities Council interprets that Petrogrand has been ultimately responsible for the solicitation of proxies, thereby violating good practice on the stock market. According to the Swedish Securities Council's decision, Mangold has to, on Petrogrands request, actively taken measures to correct the proxy collection. As of today, a written notice has been sent to all shareholders that submitted a proxy, as to the proxy Lars Lundmark, with information that these proxies will not be used at the Extraordinary General Meeting of Petrogrand on May 14, 2014.

Petrogrand will comply unconditionally with the recommandation from the Swedish Securities Council and is taking immediate actions that are called for.

This is a translation of the Swedish version. In case of any discrepancy between the English and the Swedish version, the Swedish version shall take precedence.

**For further information, please contact:**

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**Reasonable caution notice:** The statement and assumptions made in the company's information regarding Petrogrand AB's ("Petrogrand") current plans, prognoses, strategies, concepts and other statements that are not historical facts are estimations or "forward looking statements" concerning Petrogrand's future activities. Such future estimations comprise but are not limited to statements that include words such as "may occur", "concerning", "plans", "expects", "estimates", "believes", "evaluates", "prognosticates" or similar expressions. Such expressions reflect the management of Petrogrand's expectations and assumptions made on the basis of information available at that time.

These statements and assumptions are subject to a large number of risks and uncertainties. These, in their turn, comprise but are not limited to I) changes in the financial, legal and political environment of the countries in which Petrogrand conducts business, II) changes in the available geological information concerning the company's projects in operation, III) Petrogrand's capacity to continuously guarantee sufficient financing to perform their activities as a "going concern", IV) the success of all participants in the group, or of the various interested companies, joint ventures or secondary alliances, V) changes in currency exchange rates, in particular those relating to the RUB/USD rate. Due to the background of the many risks and uncertainties that exist for any oil-prospecting venture and oil production company in its initial stage, Petrogrand's actual future development may significantly deviate from that indicated in the company's informative statements.