

Press release

Stockholm, 19 December 2012

New steps in the exploration program in Russia

Shelton Petroleum has commenced an additional 73 kilometer seismic program on Aysky, one of the company's three oil fields forming a continuous block in Bashkiria. The new seismic will be processed and interpreted together with previous seismic data to develop an integrated geological model for the license areas. This will provide valuable information for future drilling.

During 2011, Shelton Petroleum completed a successful 65 kilometer seismic program on Aysky that identified three prospective structures, one of which may be a continuation of the Devonian sandstone formation on Rustamovskoye from which the company produces oil. The independent seismic service company Udmurtgeofizika has previously estimated that Russian C1+C2 reserves and C3 resources on Aysky amount to 12 and 10 million recoverable barrels respectively. If it can be demonstrated that a continuous structure stretches over several of the company's fields, then this will have a positive effect on the company's reserves.

"Our strategy to focus on fields where earlier Soviet drillings have confirmed the presence of oil and gas increases cost-efficiency and reduces geological risk. Seismic and other methods performed by Shelton Petroleum provide a deeper understanding of the extension of the structures and enable us to identify new and improved drilling locations", says Robert Karlsson, CEO of Shelton Petroleum.

As a next step, the company will complete acquisition of field data and process and interpret the new seismic. Following that, all seismic on Aysky (65 + 73 km) and on Rustamovskoye (80 + 87 km) together with comprehensive data from the two producing wells will be analyzed to develop an integrated geological model for the license areas. This is an important step in the future development of the field. New structural maps will enable the company to determine optimal drilling locations on Aysky as well as on Rustamovskoye. The company expects that the work will be completed during the summer of 2013.

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About Shelton Petroleum

Shelton Petroleum is a Swedish company focused on exploring and developing concessions in Russia and the resource-rich basins of Ukraine. The company holds three licenses in the Volga-Urals area 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. Shelton Petroleum is pursuing an integrated business model and holds an equity stake in Pan European Terminals PLC. The Shelton Petroleum share is traded on NASDAQ OMX Stockholm under the symbol SHEL B.