



Press release
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Shelton Petroleum expands its oil facilities in Bashkiria

Shelton Petroleum invests SEK 20 million in scalable oil facilities on the Rustamovskoye field in Russia in order to improve efficiency in the handling of current and expected future oil production.

The infrastructure investments will enable a more efficient handling of produced oil from wellhead to point of sale. The investment includes gathering, measurement, separation and storage of crude oil. Initial capacity is slightly less than 2,000 barrels per day, which exceeds the current production of approximately 600 barrels per day. The facilities are scalable and with minor investments the capacity can be further increased to several thousand barrels per day. The design also encompasses tying in future wells from the company's neighboring Aysky and Suyanovskoye licenses. The six hectare infrastructure pad is located 500 meters from the producing wells and only a few hundred meters from the Bashneft pipeline. The company expects to complete the construction of the facilities by the end of the year.

"These investments are very important for the further development of Shelton Petroleum's three oil fields in Bashkiria. The company's successful drillings have provided us with important information on the reservoir's properties and extension, and we are currently preparing a geologic update that will detail this further. We have recently doubled the production of oil on the Rustamovskoye field, and the new investments in infrastructure will enable the company to handle another doubling of production", says Robert Karlsson, CEO of Shelton Petroleum.

Within a month Shelton Petroleum intends to publish a geologic update on the Rustamovskoye field taking into account the results from the recent successful drilling of the #12 well.

For more information, please contact:
Robert Karlsson, CEO, Shelton Petroleum, +46 709 565 141
robert.karlsson@sheltonpetroleum.com
www.sheltonpetroleum.com

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.