



PETROGRAND

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Petrogrand AB statement

The Board of Petrogrand AB has unanimously decided to evaluate Shelton's share offer to Petrogrand's shareholders. An independent external analysis company, specialising in the oil and gas industry, will be hired to ensure that all aspects are taken into account. Petrogrand's Board of Directors will submit its recommendation on the bid to the shareholders as soon as possible, though not later than by the Extraordinary General Meeting on Friday 7 March 2014.

In the notice to the Extraordinary General Meeting on March 7 there were submitted two suggestions to a new Board of Directors. Each proposed new Board will present a statement on the EGM, which will inform the shareholders the detail of the proposed business direction of the respective new Boards.

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.