



PETROGRAND

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PETROGRAND CLARIFIES AND POSTNOTES THE TIME SCHEDULE IN THE PUBLIC CASH OFFER TO SHELTON PETROLEUM'S SHAREHOLDERS

Petrogrand AB (publ) ("Petrogrand") announced on 21 March 2014 at 16:05 CET a public cash offer to the owners of shares, convertible bonds and warrants in Shelton Petroleum AB (publ) ("Shelton Petroleum") ("the Offer").

In the light of the recommendation by the Securities Council, as well as new information regarding the number of shares in Shelton Petroleum, Petrogrand has decided the following:

- 1) To withdraw the proposal for election of a board of directors in Petrogrand's request for an Extraordinary General Meeting in Shelton Petroleum dated 28 March 2014 Proposal for minority auditor remains. In addition, Petrogrand will instead propose a new board at the Annual General Meeting of Shelton Petroleum 20 May 2014;
- 2) To postpone the previously announced tentative timetable for the Offer. The reasons for the postponement include providing the shareholders in Shelton Petroleum and Petrogrand the opportunity to take part of the annual report and information from the period from January to March 2014 that Shelton Petroleum, according to their calendar, will publish in April.

The new estimated time schedule is as follows:

Publication of the Offer document	17 April 2014
Acceptance period	22 April 2014 – 13 May 2014
Settlement	22 May 2014

3) To clarify that the Offer is not conditional upon that an independent due diligence of Shelton Petroleum may be made. Due to a clerical error the summary of the press release regarding the publication of the Offer included a writing from an early draft that the completion of the Offer would be subject to Petrogrand completing a due diligence of Shelton Petroleum. Petrogrand will withdraw its request for due diligence and await the audited Annual Report or other public information, to remove the uncertainty surrounding Shelton Petroleum's short-term receivables and other assets, and therefore the value of Shelton Petroleum.

4) Petrogrand also makes a clarification in relation to the conditions of the Offer in respect to Petrogrand reserving the right to restate compensation per A-share, B-Share, convertible bond and / or warrant in the event that the number of outstanding shares, convertible bonds or warrants would be subject to change until the end of the acceptance period. Petrogrand clarifies that such a conversion will only occur in the event that such a change in the number of outstanding shares, convertible bonds or warrants would result in the value per share of Shelton Petroleum decreasing.

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.

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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.