

Press release

Stockholm, April 14, 2014

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Shelton Petroleum closes the public offer to the shareholders of Petrogrand. Shelton Petroleum holds approximately 28.8% of Petrogrand

- Shelton Petroleum closes the public offer to the shareholders of Petrogrand
- The Offer has been accepted in the extended acceptance period which expired April 11, 2014 by owners holding in total 135,422 shares in Petrogrand, corresponding to approximately 0.3 % of the shares in Petrogrand
- In total, Shelton holds 11,585,308 shares in Petrogrand, corresponding to approximately 28.8 % of the shares in Petrogrand

Shelton Petroleum AB (publ) ("Shelton") announced on January 22, 2014 an offer to the shareholders of Petrogrand AB (publ) ("Petrogrand") to acquire all outstanding shares in Petrogrand (the "Offer"). On February 26, 2014, Shelton announced an increase of the consideration offered from 0.30 to 0.34 Shelton B shares for each Petrogrand share and an extension of the acceptance period up to and including March 12, 2014. On March 14, 2014, Shelton announced a completion of the Offer, an increase of the consideration offered from 0.34 to 0.44 Shelton B shares for each Petrogrand share and an extension of the acceptance period up to and including March 28, 2014. The Swedish Securities Council (*Sw Aktiemarknadsnämnden*) has in AMN 2014:19 made a statement concerning the circumstances around the above increase (the statement is available on www.aktiemarknadsnamnden.se). On April 3, 2014, Shelton announced an extension of the acceptance period up to and including April 11, 2014.

The Board of Directors of Shelton has resolved to close the public offer to the shareholders of Petrogrand.

The Offer has been accepted in the extended acceptance period which expired April 11, 2014, by owners holding in total 135,422 shares in Petrogrand, corresponding to approximately 0.3 % of the shares and votes in Petrogrand.

Settlement of consideration for the shares that have been submitted in the Offer's extended acceptance period which expired on April 11, 2014 is expected to commence on or about April 17, 2014. Thus, Shelton will within the limits of the resolution to issue new shares that the company announced on April 3, 2014, issue an additional 59,585 B shares with payment in kind consisting of shares in Petrogrand, resulting in that after subscription and allocation of these shares, a total of 674,693 B shares will have been issued in accordance with the above mentioned resolution to issue new shares (the issue is thus not fully subscribed). Consideration will initially consist of Shelton interim shares (*Sw Shelton BTA*), and transfer of interim shares to subscribers' vp accounts will be notified through vp notices. There will be no notification of the transfer of Petrogrand shares from reservation accounts. Shelton interim shares will be exchanged for Shelton B shares as soon as possible after the issue has been registered with the Swedish Companies Registration Office. Exchange of interim shares to common shares is expected to take place during week 18 without separate notification. No trading in interim shares will be facilitated.

Shelton has not purchased any shares in Petrogrand outside the Offer. As of April 14, 2014, Shelton owns in total 11,585,308 shares, corresponding to approximately 28.8 % of the shares and votes in Petrogrand.

Stockholm April 14, 2014
Shelton Petroleum AB (publ)
The Board of Directors

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The information provided herein is such that Shelton Petroleum AB is obligated to disclose it pursuant to the Securities Markets Act (2007:528) and the Takeover rules. The information was submitted for publication at 08:50 (CET) on April 14, 2014.

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.

IMPORTANT INFORMATION

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This press release contains forward looking statements which in relation to the Offer means certain risks and uncertainties, including the expected advantages of the acquisition for Shelton and Shelton's strategic and operational expectations. Actual events or results can due to a number of risks and uncertainties significantly differ from what has been described in this press release, including among other things that the Offer cannot be completed or that the completion is delayed and that the expected advantages of the Offer for Shelton cannot be realized.

All information in this press release has been submitted as of April 14, 2014, and Shelton has no intention, and does not undertake to, update the information.

This is an English translation of the Swedish original. In case of discrepancies, the Swedish original shall prevail.