

Press release
Stockholm 9 June 2014

Independent fairness opinion on Shelton Petroleum's settlement proposal

The Board of Directors of Shelton Petroleum has assigned Birger Jarl Fondkommission to provide a fairness opinion on the share swap to dissolve the cross-ownership with Petrogrand. The fairness opinion states that the proposal is fair from a financial point of view.

Shelton Petroleum has presented a settlement proposal that will dissolve the cross-ownership between Shelton Petroleum and Petrogrand. The proposal, which has been put forward for resolution at general meetings in both companies, has been designed to give the companies the necessary conditions to develop their respective license portfolios on their own. The disputes and the strained relationship between the companies affect the companies and their shareholders negatively. It is therefore the opinion of Shelton Petroleum that it would be better for the companies to go their separate ways rather than to deepen the relationship by further joint operational activities.

Since Shelton Petroleum's proposal involves a transaction with one of the major shareholders in the company, the Board of Directors has arranged for an independent assessment of the proposal. According to Birger Jarl Fondkommission's fairness opinion, the settlement proposal is fair to the shareholders of Shelton Petroleum from a financial point of view. The fairness opinion is available in Swedish at Shelton Petroleum's website

<http://www.sheltonpetroleum.com/index.php?page=annual-general-meeting-2&hl=eng>.

The Board of Director's proposal for an agreement with Petrogrand AB is subject to resolution on the annual general meeting in Shelton Petroleum on 30 June 2014. Shelton Petroleum has also requested that the proposal is presented and resolved on at a general meeting in Petrogrand AB on 27 June 2014.

For more information, please contact:

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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. 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.

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