

Press release  
Stockholm, 30 October 2014

## Shelton Petroleum increases its Russian oil reserves by a factor of seven

On behalf of Shelton Petroleum, AGR-TRACS has carried out an independent Western reserve update related to two of the company's oil fields in Russia. The oil reserves on the producing field are estimated to amount to approximately 41 million barrels, which corresponds to an increase by seven times compared to the previous study. Furthermore, Shelton Petroleum has been attributed gas reserves of up to 7 million barrels of oil equivalent and oil resources of just under 26 million barrels.

The study, which was carried out in accordance with the industry standard SPE/PRMS methodology, cover Shelton Petroleum's Rustamovskoye and Aysky license fields in Russia. At the producing Rustamovskoye field the total oil reserves have increased with almost 580 per cent, compared to the previous study, to approximately 41 million barrels of oil. Proven and probable reserves (2P) increased 1 460 per cent to over 23 million barrels of oil. The result stems from the successful drillings, which were carried out in the last few years, and which have also significantly increased production in Russia from approximately 120 barrels per day on average in 2010 to approximately 551 barrels per day on average during the first nine months of 2014.

"We are very pleased with the increase in oil reserves in the new reserves audit. It confirms that the field has a huge potential significantly exceeding the reserves in the previous reserves study. We are looking forward to realizing the value in this by drilling new wells", says Robert Karlsson, CEO of Shelton Petroleum.

In the reserves update, gas, which was previously categorized by Shelton Petroleum as resources, has been booked as reserves of up to 7 million barrels of oil equivalent. The study has also estimated resources at Aysky field at approximately 20 million barrels of oil.

In its reserves update AGR-TRACS has also made an economic model which, with a discount factor of 10 %, values the 1P reserves on Rustamovskoye to USD 50 million, 2P to USD 171 million and 3P to USD 284 million.

<b>RESERVES RUSSIA</b>	<b>1P</b>	<b>2P</b>	<b>3P</b>
Rustamovskoye oil	6 964	22 528	40 646
Rustamovskoye gas	916	3 961	7 084
<b>TOTAL (thousand barrels oil equivalent)</b>	<b>7 880</b>	<b>26 489</b>	<b>47 731</b>

<b>RESOURCES RUSSIA</b>	<b>L</b>	<b>M</b>	<b>H</b>
Rustamovskoye oil	569	3 519	5 643
Aysky oil	4 241	13 009	19 900
<b>TOTAL (thousand barrels oil equivalent)</b>	<b>4 811</b>	<b>16 527</b>	<b>25 543</b>

<b>INCREASE IN OIL RESERVES</b>	<b>1P</b>	<b>2P</b>	<b>3P</b>
TRACS Report October 2014	6 964	22 528	40 646
TRACS Report September 2009	750	1 440	6 010
<b>Increase in per cent</b>	<b>829%</b>	<b>1464%</b>	<b>576%</b>



Classification of reserves and resources is based on the 2007 guidelines and classifications in the Petroleum Resources Management System (SPE PRMS 2007). The definitions and abbreviations are available at the company's webpage [www.sheltonpetroleum.com](http://www.sheltonpetroleum.com)

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**About Shelton Petroleum**

Shelton Petroleum is a Swedish company focused on exploring and developing concessions in Russia and 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 Stockholm under the symbol SHEL B.

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