



# PETROGRAND

PRESS RELEASE 2015-04-27

## **The new board of Petrogrand AB makes an operational update**

The new board of Petrogrand AB (“Petrogrand”) appointed at an extraordinary general meeting on 10 April 2015 hereby provides after today’s board meeting a general update on the situation in the Company:

The board has so far had a limited amount of time to get acquainted with the Company’s situation. The first measure was however to ensure that a new chief executive officer, Dmitry Zubatjuk, was appointed and replaced the former chief executive officer Maks Grinfeld. At the same time Sven-Erik Zachrisson assumed the position as the deputy chief executive officer. The reason hereto is that the board is of the opinion that a fresh start is required for Petrogrand, and for that new faces are needed on both the board and the management levels. Dmitry Zubatyuk, based in Moscow, is considered suitable to handle the investigation and implementation of the changes in the Russian operations that shall be handled. Sven-Erik Zachrisson has long experience from the international oil industry and is based in Stockholm.

The board has also looked into the issues connected to the domestic company administration and the status of the cross-ownership of shares in and with Shelton Petroleum. These matters are important as the joint cross-ownership is a substantial asset in both companies’ balance sheets. An effective dialogue is established with Shelton Petroleum, and the board deems that a solution will be presented in the longer term.

As regards the Company’s earlier press releases regarding divestment and reversal of the Shelton Petroleum shares, it has now been shown that the transfer of shares was not formally completed, and therefore the shares during the entire time have remained in the ownership of Petrogrand’s subsidiary. The settlement agreement that was later entered into provides that either party finally shall refrain from claiming the other party. The matter is thus finally settled.

With regard to corporate disclosure and the periodic reporting, potential for improvement has been identified. Not least the Stockholm Stock Exchange’s decision to temporarily put the Company under observations status has made the issue more urgent. For that purpose a new chief financial officer (CFO) shall be contracted. The Company’s ambition is to be able to present this person shortly. The CFO shall among other handle production of reports and corporate disclosure in Petrogrand.

The Company’s board has also initiated a thorough due diligence-study of the financial and legal issues in the group as a whole in order to highlight important circumstances in the Company. This also applies to the recently made 49% acquisition of the Cyprus company Ripiano Holdings Ltd with oil assets in northern Russia. The acquired share interest is large for Petrogrand and therefore important for the future development of the Company. The board deems that the share interest in Ripiano will be assessed as an associated company share and not as a consolidated subsidiary.

The interim report for the quarter January – March 2015 will be published on Friday 29 May 2015 and the general annual meeting will be held on Tuesday 23 June 2015 beginning at 15:00. A separate notice will be sent in due course.

The remaining report days for 2015 have been set in the following manner:

The half-year report for January – June 2015: will be published on Friday 28 August 2015.

The nine-month report for January – September 2015: will be published on Friday 27 November 2015.

For and on behalf of the board of Petrogrand AB

Cheddi Liljeström

Chairman of the Board

Dmitry Zubatyuk

Member of the Board and CEO

#### **Other**

This press release contains information that the company is obliged to publish according to the Financial Instruments Trading Act (1991:980) and/or the Securities Markets Act (2007:528). This information was sent for publishing at 6.35 pm on 27 April 2015.

#### **For further information**

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#### **About Petrogrand**

Petrogrand's overall business concept is to conduct oil production through acquired Russian subsidiaries and oil licenses. The company is also to manage and refine Russian oil resources and, when favorable, dives assets and licenses.

The shares in Petrogrand are listed at Nasdaq OMX First North, an alternative market place (i.e. not a regulated market) and the company's Certified Adviser is Mangold Fondkommission AB. For more information visit our webpage [www.petrogrand.com](http://www.petrogrand.com).

**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.

