

Press release
Stockholm, 9 November 2015

Communiqué from extraordinary general meeting

At the extraordinary general meeting held earlier today in Shelton Petroleum AB the shareholders approved the agreement between Shelton Petroleum and Petrogrand AB which will combine the Russian oil and gas assets of the companies and dissolve the cross ownership. The agreement is available on the company's website.

At the extraordinary general meeting the shareholders unanimously resolved to approve the agreement between Shelton Petroleum and Petrogrand. The agreement is also subject to approval at an extraordinary general meeting in Petrogrand on 9 November 2015. The resolutions made at the general meeting, and which are a part of the agreement, were:

1. *Distribution of Shelton Petroleum's Ukrainian operations*

Shelton Petroleum will transfer its Ukrainian operations to a newly established company, "NewCo", which will be distributed to the shareholders of Shelton Petroleum. One share of series A and one share of series B respectively in Shelton Petroleum will entitle to one share of series A and one share of series B respectively in NewCo. The general meeting approved the distribution and gave a mandate to the Board of Directors to determine the record date for the distribution. The record date shall however not be later than the day before the next annual general meeting.

2. *Acquisition of the shares in Sonoyta Ltd by way of directed share issue of series B*

Shelton Petroleum shall acquire Sonoyta Ltd for a total consideration of 17,500,000 newly issued shares of series B in Shelton Petroleum to Petrogrand. Sonoyta Ltd is a Cypriot holding company holding (i) cash of USD 4 million and (ii) 49% of the shares in Ripiano Holdings Ltd which in turn holds certain Russian oil assets in Komi in Russia. The right to subscribe for the new shares shall be vested in Petrogrand solely. Petrogrand shall subscribe and pay for the new shares no later than 31 December 2015. The Board of Directors shall have the right to extend the subscription and payment period. The general meeting approved the issue of shares for a non-cash consideration.

The issue of new shares (assuming subscription in full) will increase Shelton Petroleum's share capital from SEK 93,306,235 to SEK 180,806,235 and increase the number of outstanding shares from 18,661,247 (divided among 761,900 shares of series A and 17,899,347 shares of series B) to 36,161,247 shares (divided among 761,900 shares of series A and 35,399,347 shares of series B), corresponding to a dilution of 94% in relation to the current number of shares and 69% in relation to the current number of votes, and 48% in relation to the number of shares and 41% in relation to the number of votes after full dilution (calculated as the number of new shares and votes in relation to the number of current together with the number of new shares and votes).

Since the issue of shares above requires an amendment of the articles of association of Shelton Petroleum the general meeting resolved to approve a change of the share capital and number of shares thresholds so that the minimum and maximum share capital shall be SEK 58,500,000 and SEK 234,000,000, respectively, and the minimum and maximum number of shares shall be 9,750,000 and 39,000,000, respectively.

In addition, as the intention is that the name Shelton Petroleum will remain with the Ukrainian operations (see item 1 above) the general meeting resolved to approve to amend the articles of association so that the name of the company shall be Petrosibir AB (publ).

3. A reduction of the share capital with retirement of shares and an increase of the share capital through a bonus issue

In the agreement between the companies Petrogrand has undertaken to distribute all of its shares in Shelton Petroleum to its shareholders. Shelton Petroleum will in relation to the distribution receive 6,387,386 shares of series B in Shelton Petroleum. The general meeting approved that the share capital should be reduced by not more than SEK 31,936,931 by retiring not more than 6,387,386 shares of series B for allocation to non-restricted equity. The general meeting also approved to increase the share capital with not more than SEK 31,936,931 by re-distribution of not more than SEK 31,936,931 from non-restricted equity. The increase of share capital shall be done without issuing new shares.

4. Election of Board of Directors

As a part of the execution of the transaction and the creation of a "New Shelton" the general meeting resolved that the Board of Directors shall consist of five ordinary members: Björn Lindström, Dmitry Zubatyuk, Sven-Erik Zachrisson, David Sturt and Hans Berggren. Björn Lindström shall be the chairman of the Board. The chairman of the Board shall receive an annual remuneration of SEK 200,000 and the other members of the Board, not employed by the Company, shall receive SEK 100,000. An annual remuneration shall be paid with SEK 50,000 for committee work to the chairman of the audit committee. The new Board shall assume its office as soon as the ownership of Sonoyta Ltd (see item 2 above) has been effectively transferred to Shelton Petroleum. If Petrogrand has not effectuated the distribution of all its shares in Shelton Petroleum (see item 3 above) on or before 31 December 2015 the Board of Directors appointed above shall be immediately dismissed and the current board be reinstated.

The minutes of the annual general meeting will be made available on the company's website, 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 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. Shelton Petroleum oil and gas 2P reserves amount to 34 million barrels. The company's share is traded on Nasdaq Stockholm under the symbol SHEL B.

The information provided herein is such that Shelton Petroleum AB is obligated to disclose it pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 12:15 CET on 9 November 2015.

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