



PETROGRAND

PRESS RELEASE 21 January 2016

Update on Petrogrand's business

Following the Extraordinary Shareholders' Meetings in Petrogrand AB and Shelton Petroleum AB (currently Petrosibir AB) on 9 November 2015, the business combination of the two entities was completed in late December 2015. Shortly after the EGM, the Disciplinary Committee of Nasdaq Stockholm decided to delist both companies' shares as of early February 2016 (Petrogrand's last day of listing on Nasdaq First North Stockholm is 4 February 2016).

Following the transaction, Petrogrand only owns certain cash, exploration licenses in Russia and shares of Zhoda Petroleum received as dividends from Shelton Petroleum (Petrosibir), while all oil production assets in Russia belong to Petrosibir. On 18 January 2016 the Board of Directors of Petrogrand published a notice for a new EGM, scheduled on 15 February 2016, where it is expected that (i) a new Board of Directors is appointed, (ii) the share capital is lowered and (iii) the Company's business objective is widened (amendment of Articles of Association). Following the EGM, the new Board of Directors will appoint a new management and start developing a new business plan for Petrogrand, which is expected to change its name in the future.

The Board of Directors resigning at the forthcoming EGM has asked the current management to arrange for a new trading platform as soon as practically possible, so that the existing shareholders of Petrogrand had a possibility to buy and sell their shares. The evaluation of possible trading options is in process. However, it has been resolved that the decision to list Petrogrand on an alternative market or not, will be made by the new Board of Directors and management; ergo, the current Board of Directors cannot provide any guarantees that a new listing will take place. Petrogrand will inform the shareholders about the decision as soon as it is taken.

As regards Petrogrand's possession of Zhoda Petroleum shares, the new Board of Directors will decide on how to get the best value out of these securities.

Finally, as for the two oil exploration licenses in Tomsk region, the Muromsky- 2 license was relinquished in December 2015 and the Nizhnepaninsky license has been on offer to potentially interested parties and is expected to be sold as soon as a reasonable agreement is achieved.

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About Petrogrand

The shares in Petrogrand are listed at Nasdaq First North Stockholm, an alternative market place (i.e. not a regulated market), up to 4 February 2016. The company's Certified Adviser is Aqurat Fondkommission AB. For more information visit the company's webpage www.petrogrand.se.