

Press release  
Stockholm, 13 February 2014

## **Shelton Petroleum presents a geologic update on its Russian oil fields**

**Shelton Petroleum today announces a geologic update on its Russian oil fields. The objective of the update is to present how the company's view on the fields has changed after the positive drilling results of the most recent well. CEO Robert Karlsson will host a webcasted conference call today at 11.00 CET. A presentation of the update is attached to this press release as a pdf file.**

### Combination of proven oil and exploration upside

Shelton Petroleum has since 2007 successfully been pursuing oil exploration and production at the company's three license blocks in the Russian republic of Bashkiria. The company has found oil and commenced production from four out of four drilled wells on the Rustamovskoye field. The most recent well evidences substantial field potential for increased production. In addition, there is significant exploration upside on the company's two adjacent license areas, Aysky and Suyanovskoye, where several wells were drilled and oil was encountered during the Soviet era.

### The most recent #12 well on Rustamovskoye is a possible game changer

As previously announced, the new well encountered significantly higher net pay and has reached substantially higher flow rates compared to the previous wells. In addition, the oil-bearing formation came in deeper and significantly extended the known oil column and size of the reservoir. Information from the #12 well shows that the structure extends to the southeast and into the neighboring Aysky license.

### Significant increase in reserves expected in the next reserves report

The latest independent Western reserves audit for Shelton Petroleum's Russian licenses was completed in September 2009 and does not take into account the recent successful drillings. The findings from well #12 have resulted in a new interpretation of the area as well as the net pay. This may lead to a significant increase in reserves and resources in future audits.

### Investing to increase production

- Shelton Petroleum is planning to include horizontal wells in the next drilling campaign. Industry averages show that these wells provide 85 per cent higher cumulative production than vertical wells. Despite being more expensive, horizontal wells have higher paybacks than vertical wells due to on average 3.5 times higher initial production.
- Shelton Petroleum is currently investing SEK 20 million in scalable oil facilities on the Rustamovskoye field in order to improve efficiency in the handling of current and expected future oil production. The investment includes gathering, measurement, separation and storage of crude oil. Initial capacity is slightly less than 2,000 barrels per day and can be scaled up with minor investments. The facilities will also serve as a hub for future production from the Aysky and Suyanovskoye oil fields.

CEO Robert Karlsson will host a webcasted conference call today at 11.00 CET. Participants will be able to submit questions via the webcast and follow the presentation material live. An on demand version will also be available on the company's website [www.sheltonpetroleum.com](http://www.sheltonpetroleum.com). To participate in the conference call, and thereby be able to ask questions, please call one of the following numbers:

Sweden: +46850598261  
UK: +442033645372

Link to webcast: <http://financialhearings.nu/140212/sheltonpetroleum/>

**Attachment: Shelton Petroleum Geologic Update (pdf)**



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**Facts 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.