

Press release

Stockholm, 5 March 2014

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Shelton publishes a supplement to prospectus in connection with Shelton's public offer to the shareholders of Petrogrand

Shelton Petroleum AB (publ) ("Shelton") publishes a supplement to the prospectus published on 17 February 2014 (the "Prospectus") in connection with Shelton's public offer ("the Offer") to the shareholders of Petrogrand AB (publ) ("Petrogrand"). The supplement to the prospectus ("the Supplement") has been approved and registered by the Swedish Financial Supervisory Authority.

The Supplement has been prepared in connection with:

- Shelton's announcement on 26 February 2014 to increase in the consideration in the Offer from 0.30 to 0.34 Shelton B shares for each share in Petrogrand and to extend the acceptance period up to and including 12 March 2014.
- Shelton's announcement on 27 February 2014 that Maks Grinfeld and Mats Jansson resign from the Board of Shelton.
- Shelton's announcement on 4 March 2014 regarding Shelton's comment on the fairness opinion published by Petrogrand.
- Comments to the recent developments in Ukraine as it relates to Shelton's operations.

The Supplement can be downloaded in electronic form from Shelton's website www.sheltonpetroleum.com and from Pareto Securities AB's ("Pareto Securities") website www.paretosec.com. A printed version of the Supplement can be obtained at Shelton's and Pareto Securities' offices. The Supplement should be read together with and form an integral part of the Prospectus in all respects.

Shareholders who have accepted the Offer prior to the publication of the Supplement have, under the rules of the Swedish Corporate Governance Board concerning takeover bids for shares in Swedish companies whose shares are traded on certain trading platforms (the "takeover-rules"), the right to withdraw earlier submitted acceptance within five working days from the publication of the Supplement. In all other respects the right to withdraw earlier submitted acceptance of the Offer is in accordance with what is set out in the Prospectus. Withdrawal of earlier submitted acceptance should be made in accordance with the instructions set out in the Prospectus. Shareholders whose shares are registered with a nominee and who wish to withdraw earlier submitted acceptance of the Offer should do this in accordance with instructions from the nominee. Earlier submitted acceptance that is not withdrawn remains binding and shareholders who does not wish to withdraw their acceptance need not take any action.

Stockholm 5 March 2014

Shelton Petroleum AB (publ)

The Board of Directors

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The information provided herein is such that Shelton Petroleum AB is obligated to disclose it pursuant to the Securities Markets Act (2007:528) and the takeover-rules. The information was submitted for publication at 16:30 (CET) on 5 March 2014.

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.

IMPORTANT INFORMATION

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This press release contains forward looking statements which in relation to the Offer means certain risks and uncertainties, including the expected advantages of the acquisition for Shelton and Shelton's strategic and operational expectations. Actual events or results can due to a number of risks and uncertainties significantly differ from what has been described in this press release, including among other things that the Offer cannot be completed or that the completion is delayed and that the expected advantages of the Offer for Shelton cannot be realized.

All information in this press release has been submitted as of 5 March 2014, and Shelton has no intention, and does not undertake to, update the information.

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