



PETROGRAND

PRESS RELEASE DATED 2014-03-10

Statement from the new elected Board of Petrogrand AB

On 22 January 2014, Shelton Petroleum AB (publ) ("Shelton") made a public offer to acquire all outstanding shares in Petrogrand AB (publ) ("Petrogrand"), offering 0,30 B shares in Shelton for each share in Petrogrand. On 24 February 2014 commented the Board of Petrogrand on Shelton's offer and recommended Petrogrand's shareholders not to accept the bid.

On 26 February 2014 Shelton has updated its offer to 0,34 B shares in Shelton for each share in Petrogrand. The Board again recommended Petrogrand's shareholders not to accept the updated bid.

On 21 February 2014 communicated to Petrogrand concluded a cooperation agreement with Gazprom Neft. On 24 February 2014 Petrogrand has published a correction of that press release in which it was stated that neither the contractual negotiations with Gazprom Neft, the agreement itself nor the press release had been firmly authorized or approved by the Board.

The Petrogrand extraordinary general meeting on March 7 2014 resolved that the Board of Directors shall consist of five Board members in accordance with proposal 1, stated in the Notice to EGM.

The EGM resolved, in accordance with the proposal 1, to re-elect Maks Grinfeld and Mikael Wallgren as Board members. Lars Jacobsson was elected as a new member of the Board. Timur Rodionov and James Smith previous deputy directors were elected as Board members. Mikael Wallgren was appointed by the EGM to serve as chairman of the Board.

The new Board has today 10 March 2014 decided to endorse the previous Board's recommendation to its shareholders not to accept the Shelton bid. Furthermore the new board decided to give Petrogrand's management a mandate to continue negotiations with Gazprom Neft regarding the cooperation agreement about joint work in Muromsky 2 and Nizhnepaninsky licence areas.

The Board of Directors

This is a translation of the Swedish version. In case of any discrepancy between the English and the Swedish version, the Swedish version shall take precedence.

For further information, please contact:

Maks Grinfeld, CEO, phone: +46 8 5000 7810
Mikael Wallgren, Chairman, phone: +46 8 5000 7810
Certified Adviser First North: Mangold Fondkommission AB

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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.