

Year-end Report January – December 2015

Petrogrand AB (publ)

11 March 2016

Fourth quarter of 2015

- During the 4th quarter, the Group had no operating income (-). The operating result for the fourth quarter amounted to TSEK -3 964 (-6 589).
- Net financial items in the 4th quarter amounted to TSEK -143 841 (13 848), including result from of sale of subsidiary (Sonoyta Ltd) TSEK -84 979, and realised change in value of Petrosibir AB (earlier Shelton Petroleum AB) shares TSEK -69 985. Currency effects amounted to TSEK 197 (15 953) in the 4th quarter 2015.
- Net result after tax for the 4th quarter amounted to TSEK -147 804 (7 259).
- Earnings per share for the 4th quarter amounted to SEK -3.67 (0.18).

January - December 2015

- During 2015, the Group had no operating income (-). The operating result for the period amounted to TSEK -23 638 (-33 531).
- Net financial items in the period amounted to TSEK -214 739 (20 542), including sale of subsidiary (Sonoyta Ltd) -179 003, and the realised change in value of Petrosibir shares TSEK -71 875. Currency effects amounted TSEK 23 125 (20 792) in 2015.
- Net result after tax for the period amounted to TSEK -238 376 (-12 989).
- On 22 December 2015 the Group has distributed 22 200 000 shares in Petrosibir as dividend to its shareholders. Shareholders in Petrogrand have thus acquired about 53% share in Petrosibir's equity. Petrosibir is the owner of merged oil assets of both companies.
- Earnings per share for the period amounted to SEK -5.92 (-0.32).

The figures in brackets represent the corresponding period 2014

CEO's report

Dear Shareholders,

As you are aware, on 9 November 2015 the Extraordinary General Meeting of Petrogrand AB (Petrogrand) approved the board of directors' proposal to enter into a business combination with Petrosibir AB (formerly Shelton Petroleum AB) (Petrosibir), and on 16 December 2015 the deal was completed. This ended the long-lasting cross-ownership issue between Petrogrand and Petrosibir and most importantly provided the shareholders of Petrogrand with an opportunity to participate in a larger oil company with substantial production in Komi and good reserves upside in Bashkiria. As a result of the transaction Petrogrand's shareholders received 22 200 000 B shares of Petrosibir and 53% of the new company.

I believe that Petrosibir has a great potential to grow value to all shareholders including those of Petrogrand and wish good luck to the management team of the new company.

Unfortunately, in spite of Petrogrand addressing the issues raised by the Disciplinary Committee of NASDAQ Stockholm, the Disciplinary Committee on 4 December 2015 made a decision to delist the shares of Petrogrand from trading on First North on 4 February 2016. This was particularly disappointing because the decision was based on historical events, which principally took place during 2013 and 2014, before the new Board of Directors and management were appointed. We believe that the Disciplinary Committee should have taken into consideration that the breaches took place a long time ago, that the new Board of Directors and management of Petrogrand worked hard to comply with the rules of First North and that such delisting would benefit neither the Stock Exchange, not Petrogrand's shareholders. However, the decision was made, and the Board of Directors and I are actively considering alternative trading solution that would benefit all of Petrogrand's shareholders.

The new Board of Directors appointed by the Extraordinary General Meeting on 15 February 2016 and myself, the new CEO appointed on 26 February 2016, are now reviewing all available options for further development of Petrogrand and are planning to present the new strategy and rigorous business plan to the Annual General Meeting of shareholders to be held in May-June 2016. We encourage all shareholders to share their vision and ideas for the future of Petrogrand. In the meantime, we will be continuing the cutting costs regime in Petrogrand.

I appreciate your patience and support through this period and look forward to meeting you at the next Annual General Meeting so we can discuss how to grow shareholder value.

Yours sincerely,

Pavel Tetyakov,

Chief Executive Officer

Comments on the Group's result and financial position as per 31 December 2015.

Turnover and result

The Group had no operating income during the period January-December 2015 (-) and did not have any production related operating expenses (-).

The Group did not have any costs for sales and distribution during the period (-). Administration costs, which consist of personnel related expenses, professional consultancy services and other operational charges, amounted to TSEK -23 638 (-33 531).

Financial income amounted to TSEK 2 964 (3 412). On 12 December 2015, Petrogrand received 25% of the shares in Zhoda Petroleum at a value of TSEK 10 786, reported as dividend from associated company in "*Consolidated income Statement*". As Petrogrand has an obligation to sell or distribute these shares in the short term, the shares are reported as "Assets Held for Sale" on the Group's "*Consolidated Balance Sheet*".

Net financial items amounted to TSEK -214 739 (20 542), including effect of sale of Petrogrand subsidiary Sonoyta Ltd for 17 500 000 Shares in Petrosibir AB (publ) ("**Petrosibir**", former Shelton Petroleum AB (publ)). The shares of Petrosibir were valued per 16 December 2015 at SEK 2.26 per Share. Total result of sale amounted to TSEK -179 003, and is reported as "Profit/loss from sale of subsidiary" in the Group's Consolidated income statement (see page 8).

The Group has also realised loss from holding the shares of Petrosibir. On 22 December 2015 the Group has distributed 22 200 000 Shares in Petrosibir AB (publ) as dividend to its shareholders, at 2.6 SEK per share. On the group level the total realised loss amounted to TSEK -71 875. This effect is reported as "result from sale of financial assets that can be sold" in "*Consolidated Income Statement*", see page 8. As TSEK 33 954 of unrealised change in value have been accrued in 2014, the total effect on the equity caused by holding the Petrosibir shares in 2015 amounted to TSEK -37 921. Please see "*Consolidated statement of profit or loss and other comprehensive income*" on page 9 and "*Statement of Changes in Equity*" on page 12 for further details.

On 22 December 2015 the total value of dividend has amounted to TSEK -59 940. Subsequent to the distribution of shares in Petrosibir the shareholders in Petrogrand have acquired about 53% share in Petrosibir's equity. Among other, Petrosibir's assets include assets sold by Petrogrand during December 2015.

The Group reports currency effects of TSEK 23 125 (20 792) for January- December 2015.

Result before tax amounted to TSEK -238 376 (-12 989). There was no tax charged for the period.

Total Net result after tax amounted to TSEK -238 376 (-12 989).

Earnings per share for the period amounted to SEK -5.92 (-0.32).

Investment in Ripiano Holdings Ltd

Petrogrand in April 2015 acquired a 49% interest in the Cyprus Company Ripiano Holdings Ltd. The total acquisition price amounted to MUSD 21.5 and the final payment was made on 9 April 2015. Petrogrand's interest in Ripiano was held through the Cyprus subsidiary Sonoyta Ltd. Ripiano Holdings, through subsidiaries fully owns and operates three producing oil fields in Russia

The interest was held during the period 9 April 2015 – 16 December 2015 and the holding was not consolidated into the Petrogrand group.

During the Extraordinary General Meeting in Petrogrand, held on 9 November 2015, the shareholders approved the agreement with Petrosibir. The agreement involved the divestment of the interest in Ripiano Holdings.

The divestment of the interest in Ripiano Holdings was finalized on 16 December 2015, and thus “result from participation in associated company” is not included in the report. The interest was divested through the sale of subsidiary company Sonoyta Ltd to Petrosibir. As a consideration Petrogrand subscribed for 17 500 000 newly issued shares in Petrosibir. The subscription occurred on 16 December 2015.

Distribution of shareholding in Petrosibir AB

Following the agreement with Petrosibir with subsequent subscription of shares Petrogrand held a total of 22 200 000 class B shares in Petrosibir. On 22 December 2015, as a part of the agreement, all of the shares were distributed to the shareholders of Petrogrand AB.

Shareholding in Zhoda Petroleum Ukraine AB

On 11 December 2015 Petrosibir performed a dividend of their subsidiary company Zhoda Petroleum Ukraine AB to their shareholders, including Petrogrand. At the time of distribution Petrogrand AB held 4 700 000 shares in Petrosibir. After the performed dividend Petrogrand received 4 700 000 shares in Zhoda Petroleum Ukraine AB. These shares are reported as “Assets Held for Sale” in the group’s “*Consolidated Balance Sheet*” at total value of TSEK 10 786, page 9.

Delisting from NASDAQ First North

The Disciplinary Committee of NASDAQ Stockholm has resolved in a decision dated 4 December 2015 that the Petrogrand shares shall be delisted from trading on First North on 4 February 2016. The Disciplinary Committee has also decided that Petrogrand shall pay a fine in the amount of SEK 50,000 for having breached the takeover-rules applying to the marketplace.

The decision by the Disciplinary Committee deals with events that principally took place during 2013 and 2014. The Committee holds that Petrogrand regarding the circumstances reported by the marketplace has — with one exception — breached the disclosure and information requirements in the First North rulebook and the takeover rules of the marketplace. The breaches have occurred in connection with the disclosure of information pertaining to the cross takeover bids between Petrogrand and Petrosibir.

Investments

Investments during the period amounted to 21 500 TUSD and consist of the acquired interest in Cyprus Company Ripiano Holdings Ltd.

Financing and liquidity

As of 31 December 2015 the Group’s available liquid assets in total amounted to TSEK 35 632 (158 708)

Operations

As described under *Investments* above, Petrogrand acquired a 49% interest in Ripiano Holdings Ltd in early April 2015. On 16 December 2015 the 49% interest was formally divested and from that time onwards Petrogrand no longer has any operations associated with Ripiano Holdings Ltd.

Petrogrand held two licence areas in the Tomsk region in Russia. The exploration work performed on both these licence blocks in 2012 was not successful and one of the licenses, Muromsky- 2 was relinquished in December 2015. The other license, Nizhnepaninsky, has been on offer to potentially interested parties and is expected to be sold as soon as a reasonable agreement is achieved, or otherwise relinquished.

Organisation

The number of employees and consultants in the Group at the end of the period was 11 (12), whereof women 2 (6) and men 9 (6).

A new board of directors in Petrogrand AB was elected at an Extraordinary General Meeting on 10 April 2015. Cheddi Liljeström, Dmitry Zubatyuk, Sven-Erik Zachrisson, Torbjörn Ranta and David Sturt were elected as ordinary Board Members. Cheddi Liljeström was elected as Chairman of the board of directors. Following the EGM, the board of directors resolved to replace Maks Grinfeld with Dmitry Zubatyuk as new managing director and Sven-Erik Zachrisson as deputy managing director.

At the AGM held on 23 June 2015, the Board of Directors was re-elected. At the AGM, Maks Grinfeld, a member of the board and CEO of the Company in 2014, was not discharged from liability against the Company for the past financial year.

In the second quarter, Pavel Tetyakov was hired as general director of all Petrogrand's Russian subsidiaries and Lars Vilhelmson was appointed acting CFO in May 2015. In the third quarter, Alexey Kuznetsov was hired as deputy CFO under a consultancy agreement.

Comments on the Parent Company

The Parent Company income statement during 2015 includes a write-down of loans of TSEK -7 577 given to Russian subsidiaries to cover their Administration costs. Previous loans were written down before the start of the year, thus the value of loans in the balance sheet of the Parent Company is equal to SEK 0.

As of 1 of January 2015 Petrogrand AB held 4 900 563 shares in Petrosibir. The total value of shares amounted then to TSEK 60 277. During 2015 the shares were sold and distributed generating a total change in value of TSEK -59 835, of which TSEK -33 954 have accrued under 2014.

The dividend to the shareholders has amounted to TSEK -71 980, the divergence from the Group's report is due to differences in accounting approach. However, the net effect is the same for the Parent Company and the Group.

Transactions with related parties during the report period

James Smith, a member of the Board up to 10 April 2015, had a consultant agreement with Petrogrand regarding geologic services. This agreement has been terminated.

During 2015 Sven-Erik Zachrisson, a member of the Board, had a consultant agreement with Petrogrand for his role as the deputy managing director.

Disputes

The dispute between Petrogrand and the company's former CEO about the right to severance payment has been settled by arbitration. Former CEO's claims on Petrogrand for 24 month severance have been dismissed by the Arbitration Institute.

Share data

As of 31 December 2015 the share capital of Petrogrand AB amounted to SEK 40 265 898 with each share having a par value of SEK 1.

Events after the report period

Delisting from NASDAQ First North

On 4 February 2016 the shares of Petrogrand were in accordance to the decision of The Disciplinary Committee of NASDAQ Stockholm delisted from trading on NASDAQ First North. The evaluation of possible trading options is in process, and Petrogrand will inform the shareholders as soon as progress has been made.

Following the delisting the agreement with Company's Certified Adviser Aqurat Fondkommission AB was formally terminated, as having a Certified Advisor is a requirement only for companies listed on First North.

Extra General Meeting in Petrogrand AB (publ)

At the Extra General Meeting (the "EGM") in Petrogrand AB (publ) (the "Company") held on 15 February 2016 the following was resolved:

The proposal of change the articles of association with regards to the business of the company in accordance with the board's proposal was rejected.

It was resolved that the Board of Directors shall consist of three (3) ordinary members for the period until the end of the next Annual General Meeting. It was resolved that the yearly fees to the Board Members would be paid with SEK 100,000 to the Chairman and SEK 80,000 to each of the other board members who are not employed by the Company.

The EGM resolved to appoint Richard Cowie, Alexander Ulanovskiy and Timofey Kotenev as the Board Members.

It was resolved on a change of the articles of association with regards to the share capital. The share capital shall amount to minimum of SEK 10,000,000 and a maximum of SEK 40,000,000.

The previous board consisting of Cheddi Liljeström (Chairman), Sven-Erik Zachrisson, Torbjörn Ranta, Dmitry Zubatyuk and David Sturt have as a result of the EGM resigned from their positions.

CONSOLIDATED INCOME STATEMENT

| (All amounts in TSEK) | October-December | | January-December | |
|--|------------------|---------------|------------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| Continuing Operations | | | | |
| Operating income | | | | |
| Net sales of oil | - | - | - | - |
| Other operating income | - | - | - | - |
| Total operating income | - | - | - | - |
| Cost of sales | | | | |
| Production costs | - | - | - | - |
| Amortization/depreciation of fixed assets | - | - | - | - |
| Gross result | - | - | - | - |
| Selling and distribution expenses | - | - | - | - |
| Administration costs | -3 964 | -6 589 | -23 638 | -33 531 |
| Other operating expenses | - | - | - | - |
| Intangible assets impairment | - | - | - | - |
| Operating result | -3 964 | -6 589 | -23 638 | -33 531 |
| Financial result | | | | |
| Financial income | 59 | 1 476 | 2 964 | 3 412 |
| Dividend from associated company | 10 786 | - | 10 786 | - |
| Result from sale of financial asset that can be sold | -69 985 | - | -71 875 | - |
| Change in real value of assets through profit and loss | - | -3 187 | -527 | -3 197 |
| Profit/Loss from sale of subsidiary | -84 979 | - | -179 003 | - |
| Exchange rate effects | 197 | 15 952 | 23 125 | 20 792 |
| Other financial costs | 81 | -395 | -209 | -465 |
| Result before tax | -147 804 | 7 259 | -238 376 | -12 989 |
| Tax on the period's result | - | - | - | - |
| Net result | -147 804 | 7 259 | -238 376 | -12 989 |
| Whereof attributable to the shareholders of the parent company | -147 804 | 7 259 | -238 376 | -12 989 |
| Earnings per share, SEK | -3.67 | 0.18 | -5.92 | -0.32 |
| Earnings per share after dilution, SEK | -3.67 | 0.18 | -5.92 | -0.32 |
| Number of shares issued at end of period) | 40 265 898 | 40 265 898 | 40 265 898 | 40 265 898 |
| Average number of shares outstanding for the period) | 40 265 898 | 40 265 898 | 40 265 898 | 40 265 898 |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| (All amounts in TSEK) | October-December | | January-December | |
|---|------------------|----------------|------------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| Income for the period | -147 804 | 7 259 | -238 376 | -12 989 |
| Items that may be subsequently reclassified to profit and loss | | | | |
| Currency translation difference | 3 443 | -771 | -720 | 2 286 |
| Change in value financial assets that can be sold | 59 569 | -28 828 | 33 954 | -39 954 |
| Other comprehensive income for the period, net of taxes | -84 792 | -22 341 | -205 142 | -50 657 |
| Total result attributable to: | | | | |
| Parent company shareholders | -84 792 | -22 341 | -205 142 | -50 657 |

CONSOLIDATED BALANCE SHEET

| (All amounts in TSEK) | 2015-12-31 | 2014-12-31 |
|--|-------------------|-------------------|
| ASSETS | | |
| FIXED ASSETS | | |
| Investment in associated companies | - | - |
| Financial assets that can be sold | - | 60 277 |
| Tangible fixed assets | 17 | 326 |
| Total fixed assets | 17 | 60 603 |
| CURRENT ASSETS | | |
| Inventories | 801 | 1 440 |
| Other current receivables | 942 | 1 965 |
| Financial assets at fair value through profit and loss | - | 91 794 |
| Cash and bank | 35 632 | 158 708 |
| Total current assets | 37 375 | 253 907 |
| Assets held for sale | 10 786 | - |
| TOTAL ASSETS | 48 178 | 314 510 |
| EQUITY AND LIABILITIES | | |
| TOTAL EQUITY | 45 848 | 310 930 |
| LONG-TERM LIABILITIES | 226 | 1 253 |
| SHORT-TERM LIABILITIES | | |
| Accounts payable | 524 | 224 |
| Other short-term liabilities | 24 | 40 |
| Accrued costs and prepaid income | 1 558 | 2 064 |
| Total short-term liabilities | 2 105 | 2 328 |
| TOTAL EQUITY AND LIABILITIES | 48 178 | 314 510 |

CONSOLIDATED CASH FLOW STATEMENT

| (All amounts in TSEK) | Full year 2015 | Full year 2014 |
|--|-------------------|-------------------|
| Cash flow from current operations | | |
| Operating result | -23 638 | -33 531 |
| Adjustment for items not included in cash flow | 29 | 2 662 |
| Interest received | 2 963 | 3 412 |
| Interest paid | - | -2 |
| Cash flow from current operations before changes in working capital | -20 645 | -27 459 |
| Cash flow from changes in working capital | | |
| Decrease(+)/increase(-) in inventory | 639 | 798 |
| Decrease(+)/increase(-) in receivables | 92 741 | 51 371 |
| Decrease(-)/increase(+) in liabilities | -1 250 | -3 094 |
| Total changes in working capital | 92 130 | 49 075 |
| Cash flow from current operations | 71 485 | 21 616 |
| Investment operations | | |
| Investment in associated companies | -218 553 | - |
| Dividend from associated company | 10 786 | - |
| Investment in / Repayment of Short financial loan | - | 185 811 |
| Change in financial assets | 60 586 | -157 361 |
| Cash flow from investment operations | -147 181 | 28 450 |
| Financing operations | | |
| Dividends | -59 940 | - |
| Cash flow from financing operations | -59 940 | - |
| Decrease(-)/increase(+) in liquid assets | -135 636 | 50 066 |
| Liquid assets at beginning of period | 158 708 | 93 034 |
| Exchange rate differences in liquid assets | 12 561 | 15 608 |
| Liquid assets at end of period | 35 632 | 158 708 |

STATEMENT OF CHANGES IN EQUITY

Attributable to shareholders of the Parent company

| (All amounts in TSEK) | Share capital | Additional paid in capital | Other reserves | Retained earnings | Total equity capital |
|---|---------------|----------------------------|-----------------|-------------------|----------------------|
| Incoming equity on 1 January 2014 | 40 266 | 1 432 114 | -98 087 | -1 012 706 | 361 589 |
| Result for the period | - | - | -37 668 | -12 990 | -50 659 |
| Balance on 31 December 2014 | 40 266 | 1 432 114 | -135 755 | -1 025 695 | 310 930 |
| Result for the period | - | - | 33 234 | -238 376 | -205 142 |
| Dividend | - | - | - | -59 940 | -59 940 |
| Outgoing balance on 31 December 2015 | 40 266 | 1 432 114 | -102 521 | -1 324 011 | 45 848 |

KEY RATIOS

| | 12 months 2015-12-31 | 12 months 2014-12-31 |
|-----------------------------|-------------------------|-------------------------|
| Group | | |
| Total assets, TSEK | 48 178 | 314 510 |
| Total equity, TSEK | 45 848 | 310 930 |
| Equity ratio (%) | 95.2% | 98.9% |
| Interest bearing debt, TSEK | - | - |
| Return on equity (%) | -133.63% | -3.86% |
| Per share data | | |
| Earnings per share, SEK | -5.92 | -0.32 |
| Equity per share, SEK | 1.14 | 7.72 |

Key ratio definitions

| | |
|-----------------------------|--|
| Total assets, TSEK | Total assets at end of period |
| Total equity, TSEK | Total equity at end of period |
| Equity ratio (%) | Total equity according to above divided by total assets expressed as a percentage |
| Interest bearing debt, TSEK | Total interest bearing debt at end of period |
| Earnings per share, SEK | Net result after tax for the period divided by the average number of outstanding shares for the period before dilution |
| Equity per share, SEK | Total equity according to above at end of period divided by the total number of shares outstanding at end of period |
| Return on equity (%) | Net result after tax for the period divided by the average equity for the same period |

PARENT COMPANY INCOME STATEMENT

January- December

| (All amounts in TSEK) | Full Year 2015 | Full year 2014 |
|---|-------------------|-------------------|
| Operating income | | |
| Other operating income | - | - |
| Total operating income | - | - |
| Cost of sales | - | - |
| Gross result | - | - |
| Administration costs | -17 482 | -23 176 |
| Other operating expenses | - | - |
| Operating result | -17 482 | -23 176 |
| Result from financial investments | | |
| Financial income | 2 964 | 3 411 |
| Dividend from associated company | 10 786 | - |
| Profit/Loss from sale of subsidiary | -179 003 | - |
| Result from sale of financial assets that can be sold | -59 835 | - |
| Change in fair value of assets through profit and loss | -527 | -3 197 |
| Exchange rate effects | 23 125 | 20 792 |
| Other financial costs | -8 517 | -10 615 |
| Result before tax | -228 489 | -12 785 |
| Tax on the period's result | - | - |
| The period's Net result | -228 489 | -12 785 |

PARENT COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| (All amounts in TSEK) | Full Year 2015 | Full year 2014 |
|---|-------------------|-------------------|
| Income for the period | -228 489 | -12 785 |
| Items that may be subsequently reclassified to profit and loss | | |
| Change in value of available for sale financial assets | 33 954 | -39 954 |
| Other comprehensive income for the period, net of taxes | -194 535 | -52 739 |
| Total result attributable to: | | |
| Parent company shareholders | -194 535 | -52 739 |

PARENT COMPANY BALANCE SHEET

| (All amounts in TSEK) | 2015-12-31 | 2014-12-31 |
|--|---------------|----------------|
| ASSETS | | |
| FIXED ASSETS | | |
| Shares in Subsidiaries | - | - |
| Tangible fixed assets | 8 | 26 |
| Financial fixed assets | 585 | 585 |
| Financial assets that can be sold | - | 60 277 |
| Total fixed assets | 593 | 60 888 |
| CURRENT ASSETS | | |
| Other current receivables | 740 | 1 294 |
| Financial assets at fair value through profit and loss | - | 91 794 |
| Cash and bank | 34 257 | 158 219 |
| Total current assets | 34 996 | 251 307 |
| Assets held for sale | 10 786 | - |
| TOTAL ASSETS | 46 376 | 312 195 |
| EQUITY AND LIABILITIES | | |
| TOTAL EQUITY | 42 337 | 308 852 |
| LONG-TERM LIABILITIES | - | - |
| SHORT-TERM LIABILITIES | | |
| Accounts payable | 473 | 177 |
| Other short-term liabilities | 2 008 | 2 083 |
| Accrued costs and prepaid income | 1 558 | 1 083 |
| Total short-term liabilities | 4 038 | 3 343 |
| TOTAL EQUITY AND LIABILITIES | 46 376 | 312 195 |

STATEMENT OF CHANGES IN EQUITY (PARENT COMPANY)

| (All amounts in TSEK) | Share capital | Additional paid in capital | Retained earnings | Year's result | Total equity capital |
|--|---------------|----------------------------|-------------------|-----------------|----------------------|
| Incoming equity on 1 January 2014 | 40 266 | 1 343 165 | -782 540 | -239 299 | 361 592 |
| Reallocation | - | - | -239 299 | 239 299 | - |
| Result for the Period | - | - | - | -12 785 | -12 785 |
| Change in Value of assets that can be sold | - | - | - | -39 954 | -39 954 |
| Balance on 31 December 2014 | 40 266 | 1 343 165 | -1 021 839 | -52 739 | 308 852 |
| Reallocation | - | - | -52 739 | 52 739 | - |
| Result for the period | - | - | - | -228 489 | -228 489 |
| Change in Value of financial assets that can be sold | - | - | - | 33 954 | 33 954 |
| Dividend | - | - | -71 980 | - | -71 980 |
| Balance on 31 December 2015 | 40 266 | 1 343 165 | -1 146 558 | -194 535 | 42 337 |

Accounting policy

Basis for the preparation of the interim report

This interim report has been prepared in accordance with IAS 34, Interim reporting. The consolidated group accounting has been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by EU and the Annual Accounts Act.

The interim report does not include all the information and notes included in the annual report.

Parent company

The interim report for the parent company has been prepared in accordance with the Annual Accounts Act and the Securities Market Act, which is in accordance with the rules in RFR 2 Accounting for Legal Entities.

Company information

The full name of the parent company is Petrogrand AB (publ). It is a public limited liability company with head offices in Stockholm and the corporate registration number 556615-2350. The address of the parent company is Birger Jarlsgatan 41A, SE-111 45 Stockholm. Phone: +46 8 5000 7810
Web site: www.petrogrand.se

This report has not been subject to review by the company's auditors.

Stockholm, 11 March 2016

The Board of Petrogrand AB (publ)

For further information, please contact:

Pavel Tetyakov, CEO,
Richard Cowie, Chairman of the board,
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For further information on Petrogrand AB, see the website www.petrogrand.se

Financial calendar

Quarterly reports

Three month report (January – March 2016) is due on 13 May 2016.

Six month report (January – June 2016) is due on 26 August 2016.

Nine month report (January – September 2016) is due on 25 November 2016.

Annual Report 2015 is planned to be published 26 April 2016.

Annual General Meeting 2016 is planned to be held on 18 May 2016 in Stockholm.

Reasonable caution notice: The statement and assumptions made in the company's information regarding Petrogrand AB's ("Petrogrand") current plans, prognoses, strategies, concepts and other statements that are not historical facts are estimations or "forward looking statements" concerning Petrogrand's future activities. Such future estimations comprise but are not limited to statements that include words such as "may occur", "concerning", "plans", "expects", "estimates", "believes", "evaluates", "prognosticates" or similar expressions. Such expressions reflect the management of Petrogrand's expectations and assumptions made on the basis of information available at that time.

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.

This report has been prepared both in Swedish and English. In case of any divergence in the content of the two versions, the Swedish version shall have precedence.