

Interim Report January - September 2009

- Excellent oil flow rates from the second exploration well
- Two new licenses increase company's license area by a factor of ten
- Option to acquire significant equity interest in Tomsk Refining AB
- The merger with Shelton estimated to be completed in December 2009
- The company is in an exploration phase, and oil and gas sales have not yet begun
- Result for the period after tax: SEK -11 (-6) million
- Result per share before and after dilution: SEK -0.08 (-0.04)

Statement from the CEO

Petrosibir is in the midst of a positive spiral. The company is in the final stages of its exploration program on Rustamovskoye. We have found gas and oil with commercial flow rates and calculate that we will commence oil extraction in 2010.

Petrosibir has been awarded two new licenses, Aysky and Suyanovskoye. In less than a month, the company has increased its original total license area by a factor of ten, resulting in a continuous block of 540 square kilometers. Bashneft, the leading oil company in Bashkiria, currently produces oil from analogue, neighboring fields.

Petrosibir has taken an important step in line with the company's growth strategy by obtaining an option to acquire a significant equity interest in Tomsk Refining AB. Tomsk has a completely newly-built refinery in one of the most important oil regions in Russia. Petrosibir is planning to initiate discussions with the other shareholders in Tomsk Refining about potentially combining the two companies.

Since the announcement concerning the intended business combination, Petrosibir and Shelton have conducted visits of each other's operations in Russia and Ukraine, respectively, and taken several steps to complete the merger this year. Petrosibir and Shelton are very satisfied with the increased knowledge that has been gathered about the companies' licenses and operations.

The Petrosibir exploration program

Petrosibir has completed the drilling of the second of two exploration wells on the Rustamovskoye field in the Russian republic of Bashkiria. Oil and gas have been intercepted in both wells. The second well was drilled to a final depth of 2,440 meters. Core samples and an extensive program of logs have confirmed the presence of one gas interval and multiple oil intervals. An extrapolation of a recently completed shorter open hole drill stem test indicated a well flow rate corresponding to 700 barrels of oil per day from the Kynovsko-Pashysky horizon of the Devonian period. The well has now been cased, and Petrosibir will commence with a test program during 2009. The tests will provide additional information about the flow rates and the characteristics of the reservoir.

Following the success of its exploration program, Petrosibir has now registered its first reserves from the Rustamovskoye license block with the Russian state reserves committee. Registered proven and probable reserves (C1 + C2 in the Russian classification system) amount to approx. 10 million barrels of oil. The reserve calculation covers only the northern part of the Rustamovskoye license block and is based solely on the first well. Petrosibir anticipates a gradual increase in reserves as the exploration program progresses.

Petrosibir is in the final phase of the Rustamovskoye exploration program and estimates that it will commence oil extraction in 2010. Once production has begun, the company will have a balanced portfolio of cash flow-generating oil production from Rustamovskoye and exploration operations in the recently-awarded license blocks Aysky and Suyanovskoye. The Aysky license block was awarded to the company in September 2009, and the Suyanovskoye was awarded after the end of the reporting period in October 2009. The license blocks neighbor one another and comprise, respectively, 52 square kilometers (Rustamovskoye), 187 sq km (Aysky) and 300 sq km (Suyanovskoye), and are surrounded by other producing oil fields.

January-September 2009

Investments in oil and gas assets for the period amounted to SEK 14 (20) million and pertains mainly to drilling of the second well. The company is currently in a phase of exploration, and there has yet to be any sale of oil or gas. Operating expenses amounted to SEK 12 (7) million and consist primarily of personnel costs and expenses incurred during the merger between Temporär Förvaltning i Stockholm AB (TFS) and Petrosibir AB. The result for the period amounted to SEK -11 (-6) million. Included in this result is the change in deferred tax, given the change in the tax rate in Russia. To the total result, SEK -9 (0) million was charged in exchange rate differentials not affecting cash flow on the internal group loan in foreign currency. Cash flow for the first nine months of the year was SEK 7 (-38) million, including the funds arising from the reverse takeover of TFS.

The group has 15 employees, of which two are employed with the parent company Petrosibir AB. The group had SEK 13 million in cash and cash equivalents at the end of the period. Equity per share as at 30 September 2009 was SEK 0.46.

The extraordinary meeting of shareholders on 9 July 2009 voted to change the company's name to Petrosibir AB. Furthermore, a resolution was passed to reduce the company's share capital to SEK 20,824,381.20. The shareholder's proposal was approved on a share option program for select board members that comprised a total of 8,676,812 share options. By selling the share options, the company received SEK 0.5 million in paid option premiums. A resolution was also passed that grants the board an authority to decide on a new share issuance totaling a maximum of 200,000,000 new B-shares,

corresponding to a dilution of approx. 49 per cent of the company's share capital and approx. 41 per cent of the total number of votes. The purpose of granting the authority and the departure from shareholders' preferential rights is to speed up the company's rate of expansion and, when necessary, to be able to strengthen the company's financial position.

In August the company recruited Joakim Hedlund to the role of CFO. Joakim has worked at Carnegie Investment Bank for the past nine years and has broad experience of mergers and acquisitions and equity funding.

In September Petrosibir was awarded an additional exploration license. The new license area, Aysky, is 187 square kilometers and lies directly to the east of the company's first license area, Rustamovskoye. The license gives Petrosibir the right to explore for oil and gas over a period of five years and, in accordance with the terms of the license, Petrosibir will begin drilling one exploration well within four years. Over ten wells were drilled in the Aysky area during the Soviet era, and oil was found in horizons from the Devonian period. Bashneft, the leading Bashkirian oil company, produces oil from the bordering Metelinskoye field. Furthermore, seismic collected on Petrosibir's Rustamovskoye field show that its structures continue into the Aysky block. Petrosibir will initially conduct seismic investigations to increase its understanding of the extent of the field's structure.

Major events occurring after the reporting period

In October Petrosibir was awarded a neighboring license block, Suyanovskoye, with an area of 300 sq km. The Suyanovskoye license is a combined exploration and production license valid through 31 December 2035. Petrosibir was awarded the license at auction. Bashneft, the leading oil company in Bashkiria, currently produces oil from the neighboring fields Shimskoye, Kungakskoye and Islamovskoye. Around 15 wells were drilled in the license area during the Soviet era, and oil was intercepted in horizons from the geological Carboniferous period. None of the Soviet wells were drilled as far down as the Devonian period, where Petrosibir recently measured excellent oil flow rates in the neighboring Rustamovskoye block, indicating further potential. In keeping with the terms of the Suyanovskoye license, Petrosibir will initiate drilling the first of three exploration wells within three years.

In November Petrosibir reached an agreement with Mr. Michail Malyarenko, one of the largest shareholders in the Swedish registered refinery Tomsk Refining. The agreement gives Petrosibir the right to grant a loan to Mr. Malyarenko. The loan has a term of 240 days. Until 30 days before the loan is due, the agreement gives Petrosibir the right to acquire all Mr. Malyarenko's shares in Tomsk Refining, equal to 17.5 per cent of the outstanding shares. Consideration consists of the loan amount and an additional payment in either B-shares of Petrosibir or cash. Petrosibir intends to initiate discussions with the other shareholders in Tomsk Refining about potentially combining the two companies.

Work is progressing on Petrosibir's merger with Shelton Canada Corp. The merger is conditional upon the approval by Shelton Canada Corp. shareholders. A shareholders' meeting is planned for December 2009.

The parent company

The parent company's balance sheet total as at the end of September amounted to SEK 110 (35) million. Cash and cash equivalents amounted to SEK 0.3 (35) million. During the first nine months of the year, the company has made investments totaling SEK 109 (0) million, pertaining to a subsidiary's acquisition as well as a loan to the subsidiary. The result after tax for the period amounted to SEK -1 (-37) million.

Risk factors and uncertainties

A detailed account of the risks facing the company appears in the management's report in the 2008 annual report of Petrosibir Exploration. There has been no major change in material risk factors or uncertainties during the period. Risks include exploration risk, exchange rate risk, liquidity risk, credit risk, interest rate risk and political risk, among others.

Upcoming financial reporting

Year-End Report 2009
Annual General Meeting

25 February 2010
April 2010

Publication under Swedish law

Petrosibir is publishing this information in accordance with the Swedish Financial Markets Act (Sw. *Lag om värdepappersmarknaden*) and/or the Swedish Financial Trading Act (Sw. *Lag om handel med finansiella instrument*). This information was released for publication on 12 November 2009.

The company's auditor has conducted a general review of the interim comprehensive financial information (interim report) for Petrosibir AB (publ) as of the 30 September 2009 and for the nine-month period ending thereon.

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About Petrosibir

Petrosibir is a Swedish company focused on oil and gas exploration. The company holds three licenses in the Russian republic of Bashkiria, located southwest of the Ural Mountains. The license blocks, which border one another, are 52 square km (Rustamovskoye), 187 square km (Aysky) and 300 square km (Suyanovskoye) and are surrounded by other producing oil fields. Petrosibir has found oil in its first two wells and measured commercial flow rates. The Petrosibir share is traded on the NGM stock exchange under the symbol PETS. In July 2009 Petrosibir announced that it had entered into a merger agreement with Shelton Canada Corp, a Canadian company that has oil and gas assets in Ukraine and is listed on the Toronto Venture Exchange.

GROUP STATEMENT OF COMPREHENSIVE INCOME

SEK thousand	Jul-Sep 2009	Jul-Sep 2008	Jan-Sep 2009	Jan-Sep 2008
Net revenue	0	0	0	0
Total revenue	0	0	0	0
Work performed by the company for its own use and capitalized	196	489	856	998
Personnel costs	-848	-1 396	-3 195	-3 304
Other external expenses	-1 749	-1 304	-8 706	-3 507
Depreciation	-68	-27	-217	-83
Operating expenses	-2 665	-2 727	-12 118	-6 894
Operating result	-2 469	-2 238	-11 262	-5 896
Financial items	-274	18	-350	145
Result before tax	-2 743	-2 220	-11 612	-5 751
Income tax	886	0	886	0
Result for the period	-1 857	-2 220	-10 726	-5 751
Other comprehensive income				
Exchange differences	-4 214	2 518	-8 779	438
Total other comprehensive income	-4 214	2 518	-8 779	438
Total comprehensive income for the period	-6 071	298	-19 505	-5 313
Earnings per share for the period before/after dilution	-0,01	-0,02	-0,08	-0,04

GROUP COMPREHENSIVE BALANCE SHEET

SEK thousand	30 Sep 2009	31 Dec 2008
ASSETS		
Non-current assets		
Oil and gas assets	77 650	67 598
Goodwill	6 807	0
Machinery and inventories	1 347	705
Other long-term receivables	8 039	8 712
Total non-current assets	93 843	77 015
Current assets		
Other short-term receivables	1 200	3 617
Cash and cash equivalents	12 811	5 517
Total current assets	14 011	9 134
Total ASSETS	107 854	86 149
EQUITY AND LIABILITIES		
Equity	97 683	78 773
Provisions		
Deferred income tax liabilities	4 429	6 002
Short-term liabilities		
Accounts payable	756	16
Other current liabilities	4 986	1 358
Total current liabilities	5 742	1 374
Total EQUITY AND LIABILITIES	107 854	86 149

GROUP COMPREHENSIVE CASH FLOW STATEMENT

SEK thousand	Note	Jul-Sep 2009	Jul-Sep 2008	Jan-Sep 2009	Jan-Sep 2008
Cash flow from operating activities		-4 265	-3 721	-5 343	-14 253
Cash flow from investing activities	3	-4 960	-12 166	12 184	-23 653
Cash flow from financing activities		468	0	468	0
Cash flow for the period		-8 757	-15 887	7 309	-37 906
Cash and cash equivalents at beginning of the period		21 578	27 332	5 517	49 339
Exchange differences in cash and cash equivalents		-10	7	-15	19
Cash and cash equivalents at end of the period		12 811	11 452	12 811	11 452

GROUP COMPREHENSIVE STATEMENT OF CHANGES IN EQUITY

SEK thousand	2009	2008
Opening balance 1 January	78 772	86 626
Total comprehensive income	-19 505	-5 313
Share issue	37 948	0
Option premiums	468	0
Closing balance September 30	97 683 (1)	81 313

PARENT COMPANY COMPREHENSIVE INCOME STATEMENT

SEK thousand	Jul-Sep 2009	Jul-Sep 2008	Jan-Sep 2009	Jan-Sep 2008
Net revenue	0	0	0	0
Other revenues	1	0	1	0
Total revenues	1	0	1	0
Personnel costs	-118	-61	-710	-270
Other external expenses	-369	-691	-1 099	-1 432
Depreciation	0	3	0	0
Operating results	-487	-749	-1 809	-1 702
Financial items*	303	-35 000	700	-34 992
Result before tax	-184	-35 749	-1 109	-36 694
Income tax	0	0	0	0
Result for the period	-184	-35 749	-1 109	-36 694

PARENT COMPANY COMPREHENSIVE BALANCE SHEET

SEK thousand	30 Sep 2009	31 Dec 2008
ASSETS		
Non-current assets		
Financial non-current assets	109 116	0
Total non-current assets	109 116	0
Current assets		
Other receivables	898	135
Cash and cash equivalents	318	35 281
Total current assets	1 216	35 416
Total ASSETS	110 332	35 416
EQUITY AND LIABILITIES		
Equity	109 908	33 963
Liabilities		
Other liabilities	424	1 453
Total liabilities	424	1 453
Total EQUITY AND LIABILITIES	110 332	35 416

* During a large portion of 2008, the parent company Petrosibir AB, formerly NGM Holding AB, was the owner of the NGM stock exchange in Stockholm and had operations which were completely separate from Petrosibir's current operations. The financial item regarding SEK -35 million during Q3 2008 refers to a write-down of the value of the stock exchange operations.

Notes to the financial statements

Note 1. Information about the company

Petrosibir AB (publ) (formerly Temporär Förvaltning i Stockholm AB), with Swedish corporate identity number 556468-1491 and registered office in Stockholm, Sweden, is listed on the NGM stock exchange under the ticker PETS. The company's and its subsidiaries' operations are described under "About Petrosibir" herein.

Note 2. Accounting principles

The interim report for the period ended 30 September 2009 has been prepared in accordance with IAS 34 and the Swedish Annual Reports Act (Sw. *Årsredovisningslagen*). The group financial statements have been prepared, just as in the year-end accounts for 2008, in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and by the Swedish Annual Reports Act. The parent company's financial statements have been prepared in accordance with the Swedish Annual Reports Act and the recommendations "RFR 2.2 on Financial Reporting for Legal Entities" issued by the Swedish Financial Reporting Board (Sw. *Rådet för finansiell rapportering*).

The same accounting principles have been applied during the period as were applied during the financial year 2008 and in the manner in which they were described in the 2008 annual report, with certain exceptions (listed below) on account of new or revised standards, interpretations or amendments adopted by the EU to be applied starting 1 January 2009. Only those new or revised standards that have had an effect on the group are described below.

The interim report does not contain the entirety of the information that appears in the annual report and, accordingly, the interim report should be read in conjunction with the 2008 annual report.

New or revised standards

IAS 1 Presentation of financial statements (revised)

The revised standard divides up changes in equity as a result of transactions with owners and other changes. The presentation of changes in equity will only contain details regarding transactions with owners. Changes other than those in transactions with owners are to be presented in one row in the presentation of changes in equity. In addition, the standard introduces the concept of "Group statement of comprehensive income," which shows all items pertaining to revenues and costs, either in one separate presentation or in two related presentations. The group has chosen to present all revenues and costs separately in the item "Group statement of comprehensive income."

Note 3. Acquisition of subsidiaries

On 20 May 2009, Petrosibir AB ("Petrosibir", formerly Temporär Förvaltning i Stockholm AB) acquired Petrosibir Exploration AB ("Exploration", formerly Petrosibir AB). The acquisition was effected via a directed issuance of new shares to the existing shareholders of Exploration. As a result of the issue, the previous shareholders in Exploration became the major shareholders in Petrosibir, and the surviving business and operations are in all material senses a continuation of Exploration's business and operations. The transaction has therefore been accounted for as a so-called reverse takeover in accordance with IFRS 3 "Business combinations", which means that a reevaluation of Exploration's assets and liabilities has not been carried out; rather, the group financial statements have been prepared as though Exploration had acquired Petrosibir.

The number of shares issued amounted to 139,246,835, with an estimated value of SEK 0.55 per share. To this can be added acquisition costs of SEK 1,840 thousand. This is reflected in the parent company's equity. Meanwhile, in the group financial statements, the acquisition value has been calculated in acc. with IFRS 3 based on the number of shares outstanding in Petrosibir immediately prior to the acquisition: 68,996,997 shares, with an estimated value of SEK 0.55.

Following the transaction, Petrosibir's ownership stake in Exploration amounted to 100%.

Petrosibir's contribution to the group's net result for the period 20 May to 30 September amounted to SEK -428 thousand.

Below is a presentation of the estimated fair values of the acquired assets and liabilities as at the time of acquisition. These correspond with the values entered into the accounts:

	SEK th
Non-current financial assets	12 000
Current assets	1 992
Cash and cash equivalents	20 013
Current liabilities	<u>- 1 023</u>
Net assets	32 982
Goodwill	<u>6 807</u>
Purchase price	<u>39 78</u>

As noted above, the acquisition was carried out via a non-cash issuance of new shares.

The acquired non-current financial assets referred to a loan granted by Petrosibir to Exploration prior to the acquisition. In the cash flow analysis, this loan has been presented together with the acquired cash and cash equivalents as a positive item in the investing activities.

Note 4. Related party transactions

In 2008 Petrosibir signed a financial advisory and equity funding agreement with Alpcot Capital Management Ltd ("ACM"). The contract is results-based and entails no running monthly expense. A fee to ACM of SEK 3,275 thousand was charged to the second quarter. ACM is controlled by a number of shareholders of Petrosibir, two of whom are members of Petrosibir's board of directors.

Auditor's Review Report

Introduction

We have performed a review of the condensed interim financial statements for Petrosibir AB (publ) at 30 September 2009 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of these Interim financial statements in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on the condensed interim financial statements based on our review.

Scope of Review

We have conducted our review in accordance with the Standard on Review Engagements, SÖG 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity", issued by the Swedish Federation of Authorized Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different purpose and a substantially less scope than an audit conducted in accordance with the Standards on Auditing in Sweden (RS) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain such a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, an opinion based on a review does not constitute the same level of assurance as an opinion based on an audit.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material aspects, for the group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the parent company in accordance with the Swedish Annual Accounts Act.

Stockholm, November 12, 2009

Ernst & Young AB

Per Hedström
Authorized Public Accountant