

Shelton Petroleum



AKTIESPARARNA

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Shelton Petroleum overview

Market capitalization fully diluted
SEK 270 million

Shares outstanding: 18.7 million

Trading at NASDAQ OMX Stockholm

- Oil and gas exploration and production company founded in 2007
- Operations in Russia and Ukraine
- Producing 860 barrels per day
- 55 million barrels of 3P oil and gas reserves and large resource potential
- Significant management ownership with vast sector experience

Highlights Q3 2014

Daily production of over 860 barrels

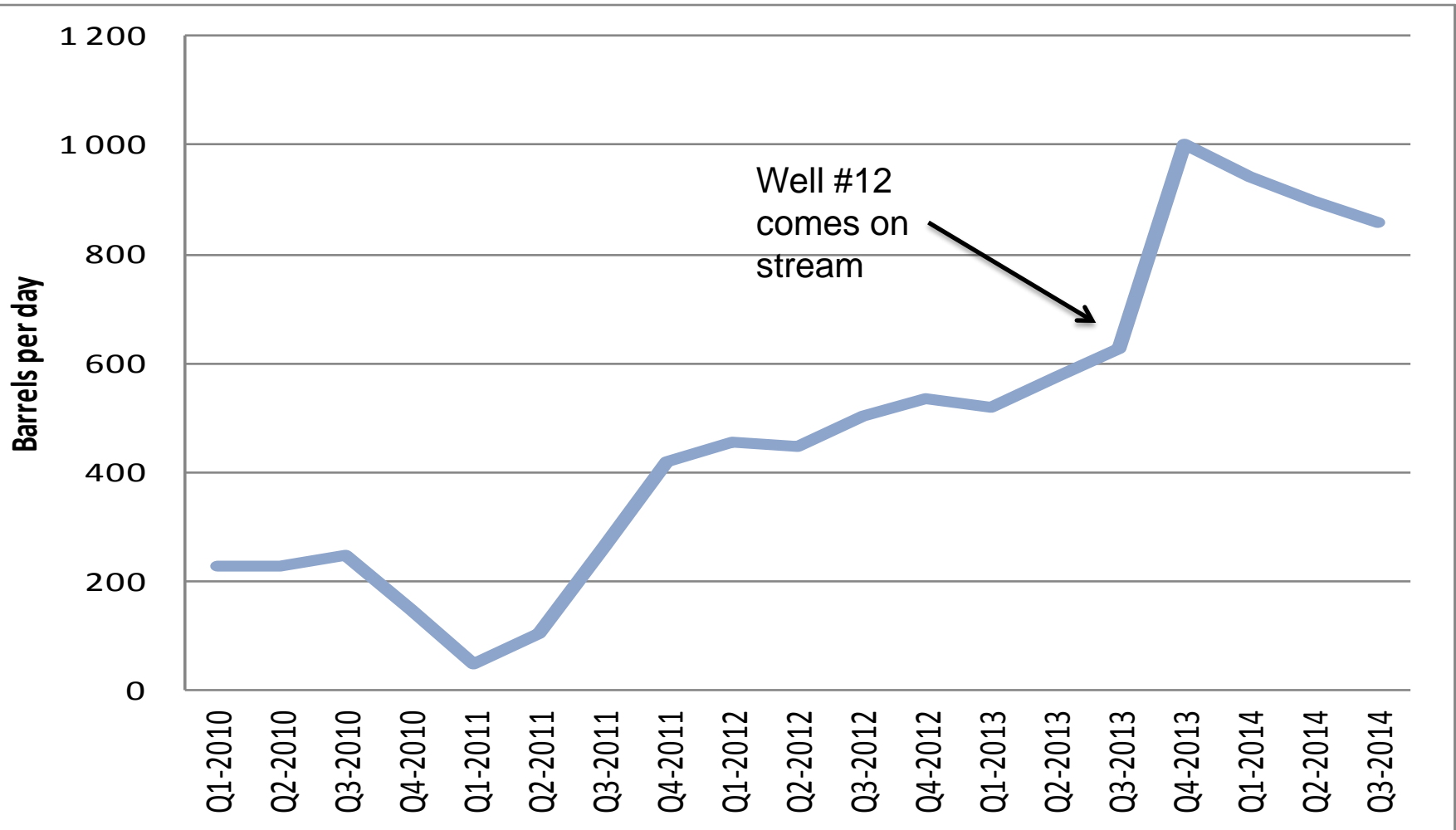
Significantly strengthened reserves base

Write-down of exploration assets

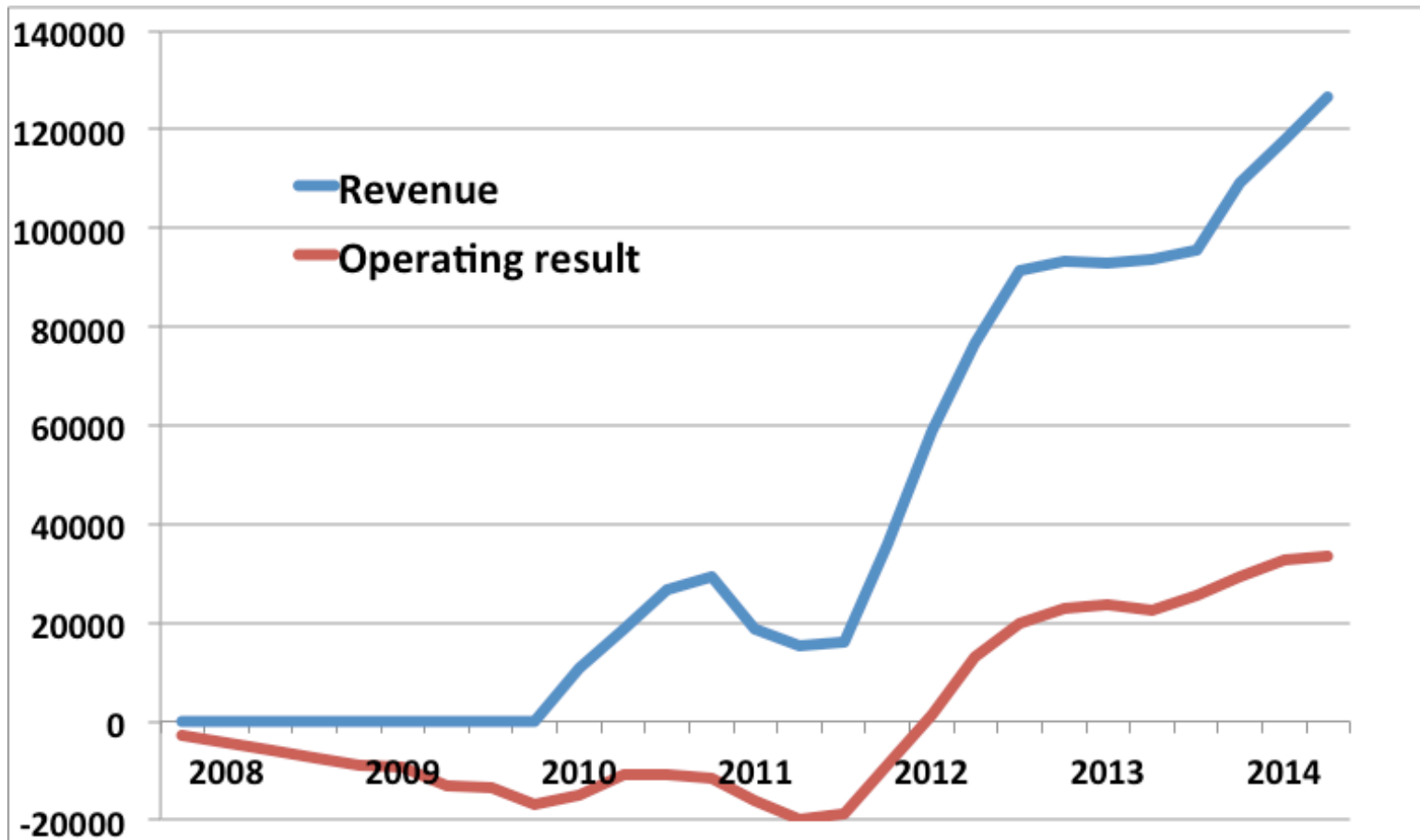
Operating margin 27%

Operating margin excluding one-off write-down

Increase in oil production



Growth in revenue and profit



*Amounts in SEK thousand, rolling average 4 quarters
Operating result excluding positive and negative one-off items*

Prioritized objectives



Increase production

- Development of Rustamovskoye
- Work program on Lelyaki

Create value in exploration assets

- Selective exploration to build reserve base

Seize expansion opportunities

- Strong network and local presence on dynamic market

Highlights Ukraine

Development with low geological risk at Lelyaki

Strong operating profit at oil field in Poltava

Political unrest on Crimea and in the East

Expansion opportunities in the wake of Ukraine's efforts to reduce energy dependency

Large upside in applying modern Western reservoir engineering

Highlights Bashkiria Russia

Combination of proven oil and exploration upside

The most recent well #12 is a possible game changer

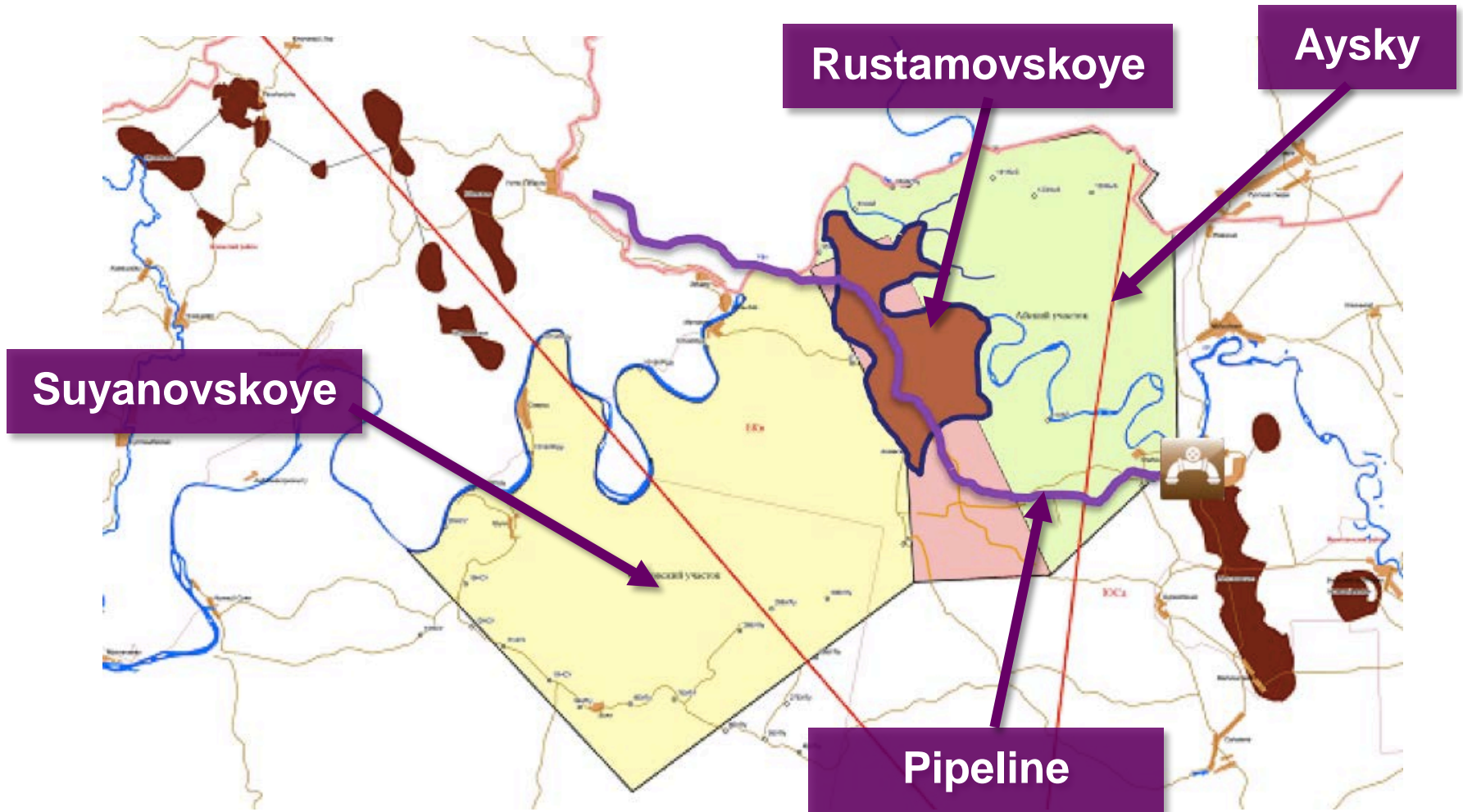
Better understanding of the reservoir decreases the geologic risks

Significant increase in oil reserves in independent report

Investing to increase production

- Horizontal wells with superior economics
- Scalable facilities under construction

Shelton Petroleum's licenses in Russia



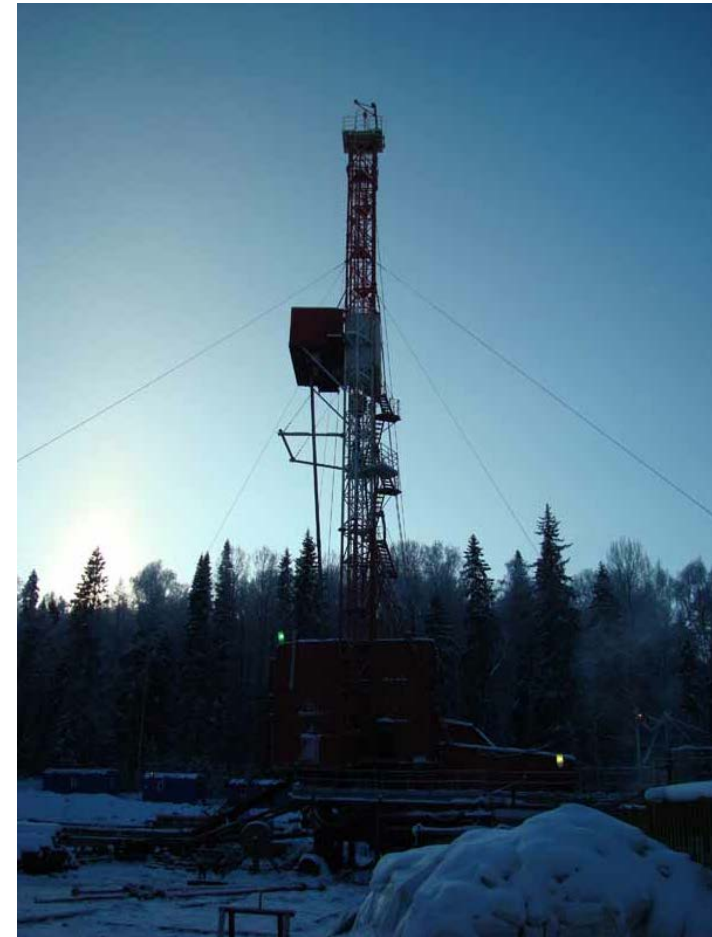
The latest #12 well is a possible game changer

New findings

- Higher initial production than previous wells
- Significantly higher net pay
- Extension of the known oil column

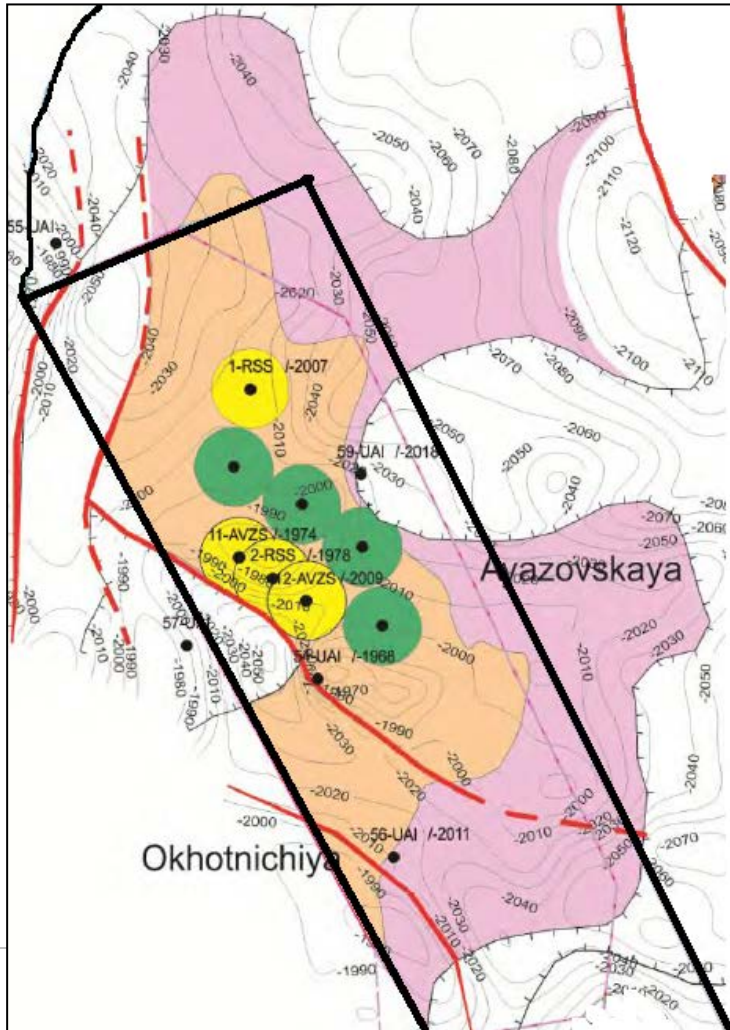
Positive implications

- Improved well economics and field value
- Better conditions for horizontal wells
- Larger reserves

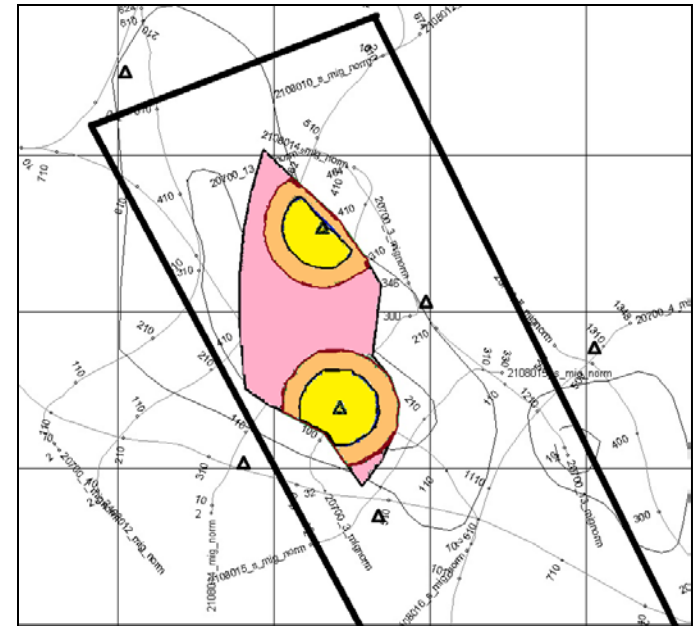


Oil on a significantly larger area in the new report

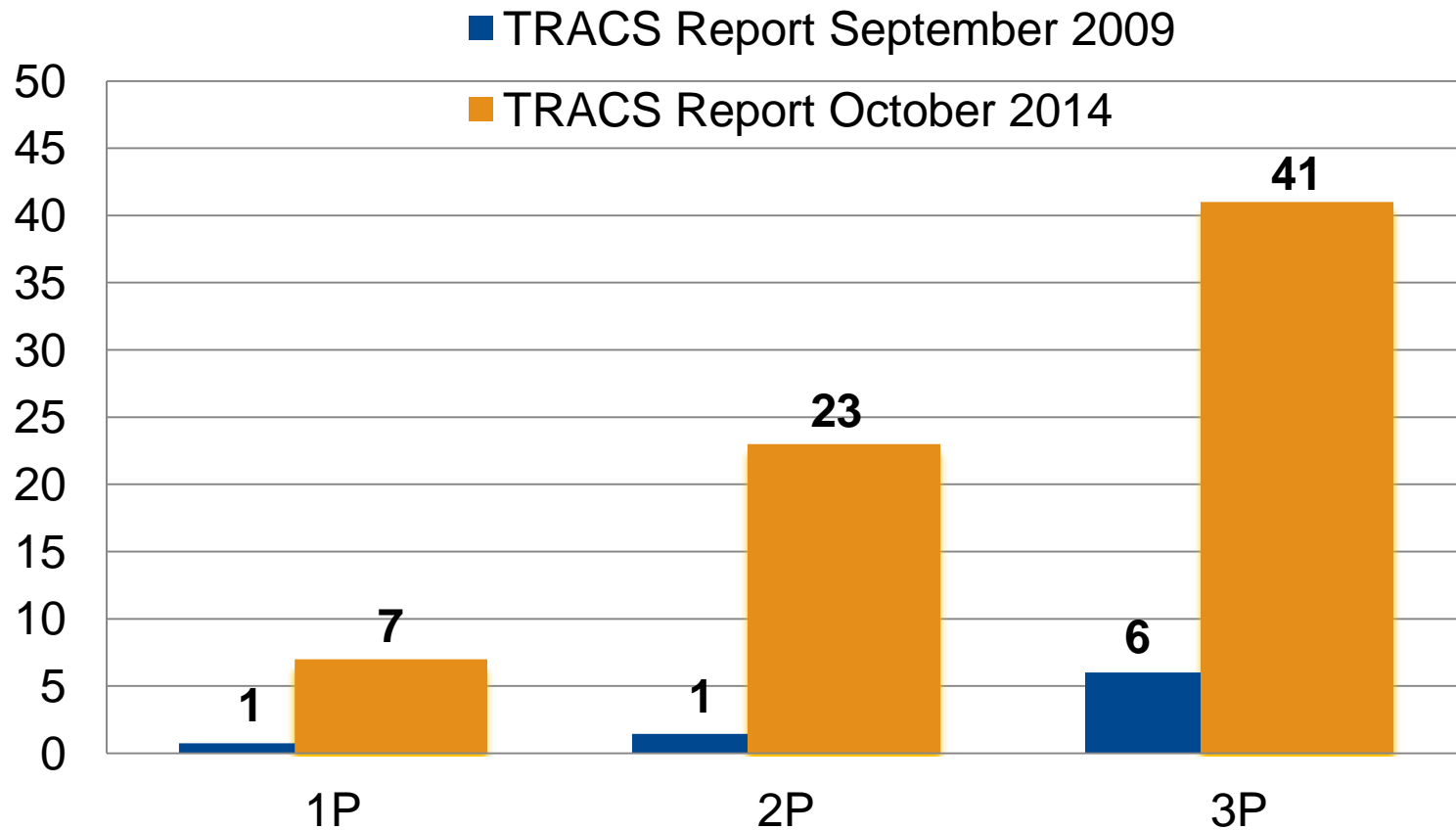
TRACS 2014



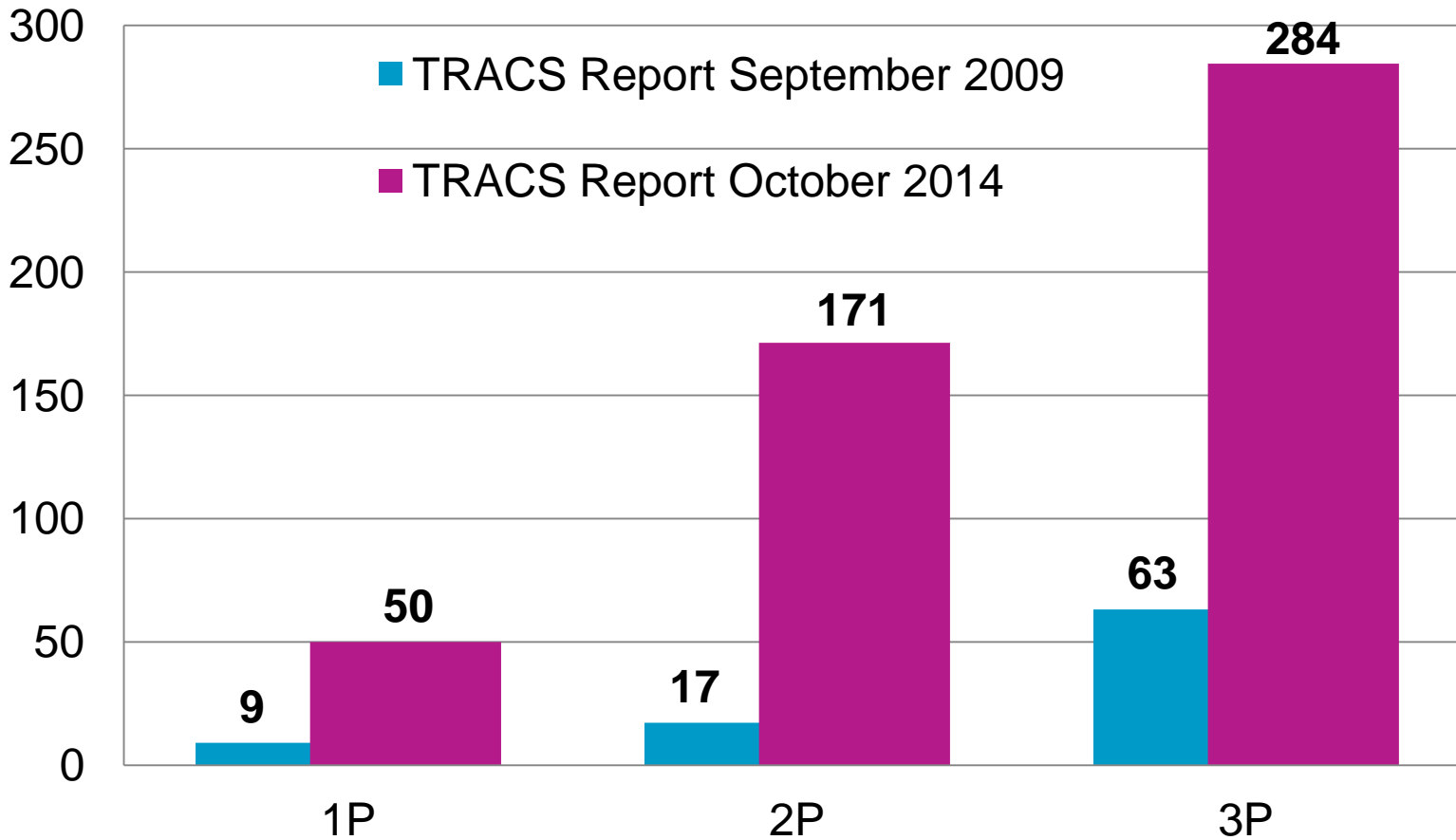
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Increase in oil reserves Russia in million barrels



Value of reserves in USD million at NPV 10%



"You've got a real oil field"

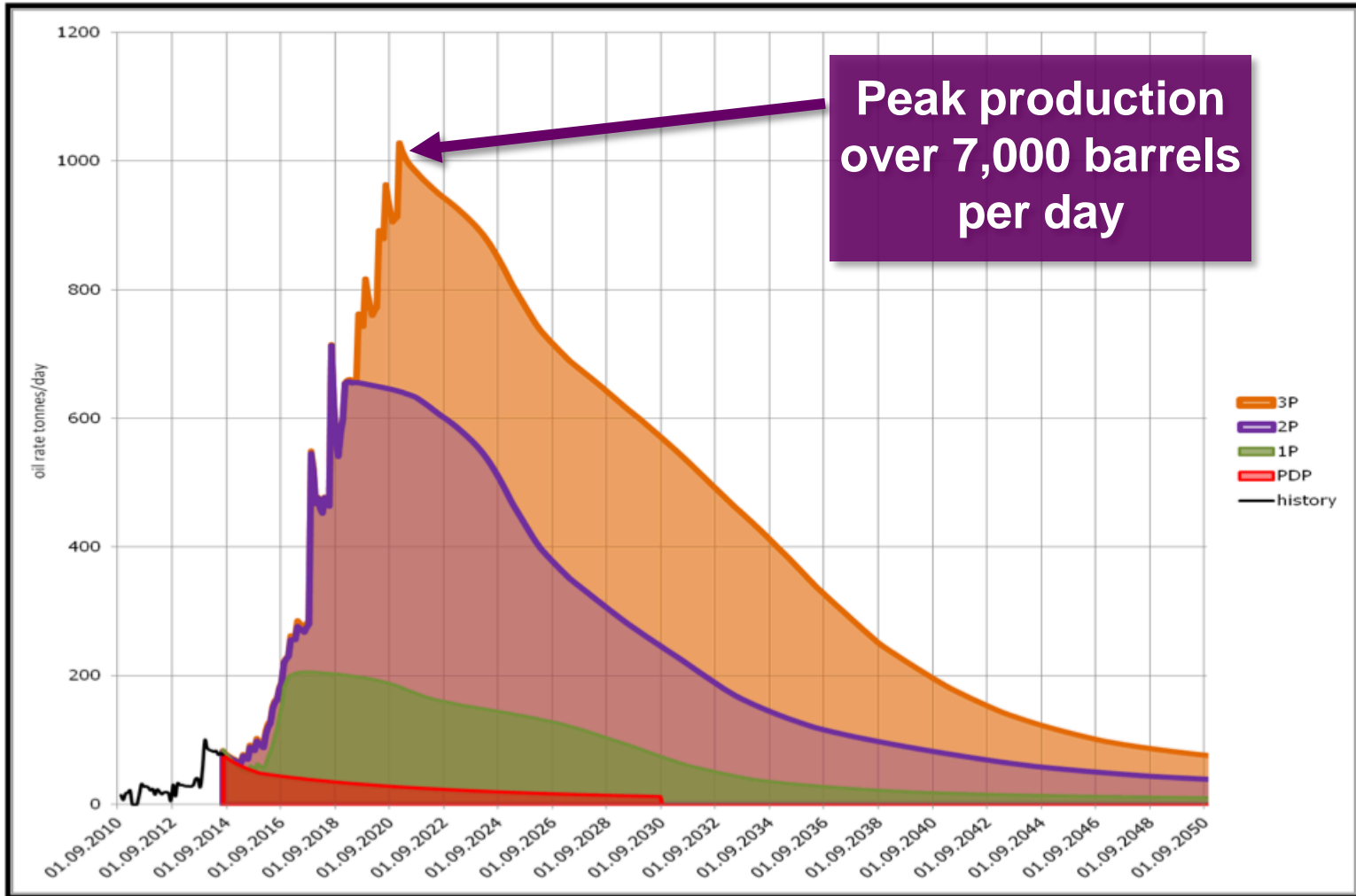
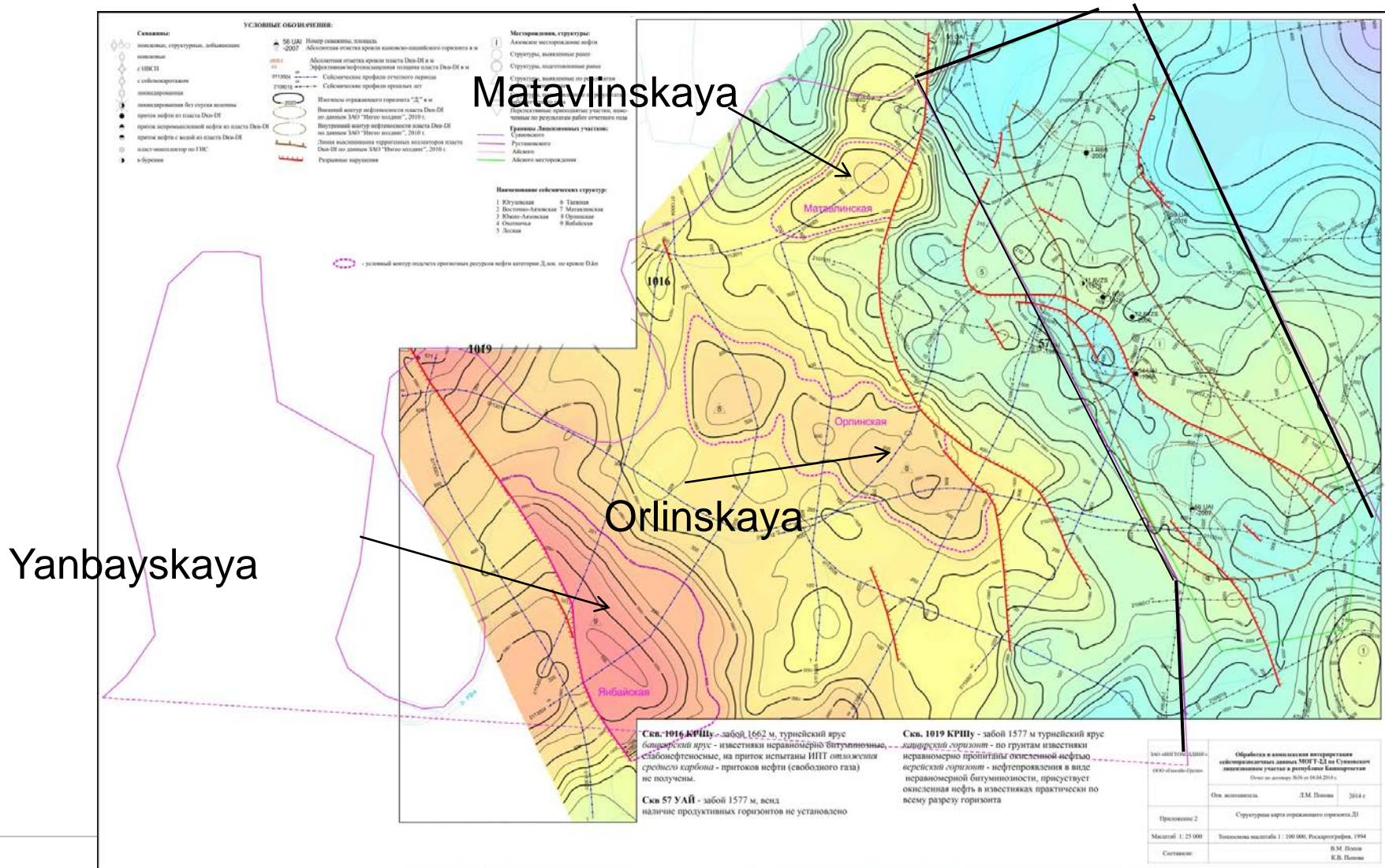


Figure 10-26. Ayazovskoye oil field. Kynov+Pashiysky material balance model results.

Seismic program on neighboring Suyanovskoye

Three structures and 47 million barrels of oil resources



Why invest in Shelton Petroleum?

- Attractive risk-reward
- Proven oil fields and profitable oil production
- Healthy profit at current production level
- Significant upgrade in reserves and resources has operational and financial benefits
- Increase in production
 - Rostamovskoye Russia – from exploration to production
 - Lelyaki Ukraine – a classic redevelopment case
- Favorable tax regimes
- Shareholding in Petrogrand of SEK 60 million
- Expansion opportunities in the wake of Ukraine's efforts to reduce energy dependency
- Solid track record in corporate transactions
- NASDAQ OMX Stockholm Main Market listing

