

Documents for the AGM in

SHELTON PETROLEUM AB

Tuesday May 17, 2011

N.B: The English text is an in house translation for information purposes only.

Proposed agenda

1. Election of a chairman of the general meeting
2. Preparation and approval of the voting register
3. Election of one or two persons to attest the minutes
4. Determination of whether the general meeting has been duly convened
5. Approval of the agenda
6. Presentation of the annual report and auditor's report as well as consolidated financial statements and auditor's report for the group
7. Resolutions regarding
 - a. adoption of the income statement and balance sheet as well as consolidated income statement and consolidated balance sheet
 - b. allocation of the Company's profits or losses in accordance with the adopted balance sheet
 - c. discharge from liability for the directors and CEO
8. Determination of the number of directors and alternate directors
9. Determination of fees for the Board of Directors and the auditors
10. Information regarding appointments held in other companies by candidates for election to the Board of Directors, election of directors and any alternate directors
11. Resolution regarding guidelines for compensation to senior executives
12. Resolution regarding a Nomination Committee and election of members thereof
13. Resolution regarding a reverse split of shares
14. Resolution regarding change of the articles of association
15. Resolution regarding a new share issue of A-shares due to the proposal regarding a reverse split of shares
16. Resolution regarding a new share issue of B-shares due to the proposal regarding a reverse split of shares
17. Resolution regarding authorization for the Board of Directors to decide on new issues
18. Closure of the general meeting

Complete proposals

Chairman of the annual general meeting (item 1)

The Nomination Committee proposes that the Chairman of the Board, Per Höjgård, be elected to chair the annual general meeting.

Allocation of the Company's earnings (item 7 b)

The Board proposes that no dividend be issued for the 2010 financial year. The Board proposes that an amount of SEK 241 360 244 is carried forward.

Election of directors, Chairman of the Board and fees (item 8-10)

The Nomination Committee proposes re-election of directors Per Höjgård, Peter Geijerman, Katre Saard, Richard N. Edgar, Zenon Potoczny and election of Freddie Linder, as well as re-election of Per Höjgård as Chairman of the Board. Ulf Cederin and Bruce D. Hirsche have declined re-election to focus on other businesses.

It is further proposed that the general meeting resolves that board fees be paid to the Chairman in the amount of SEK 175,000 and SEK 75,000 to each of the other directors, with the exception of Zenon Potoczny who is employed in the Group. Fees will thus total SEK 475,000, including for committee work. It is proposed that the auditors be paid fees in accordance with approved invoices.

Guidelines for compensation to senior executives (item 11)

The Board proposes that the general meeting adopt guidelines for compensation to senior executives with essentially the same content as the guidelines adopted at the 2009 annual general meeting, entailing the following. Compensation to management shall be on market terms and competitive in order to enable the Company to retain qualified employees. The compensation level for the individual executive shall be based on factors such as position, expertise, experience and performance. In addition to fixed salary, it shall be possible for management to receive variable salary, pensions, other benefits as well as an incentive program. The fixed salary, which shall be individual and differentiated based on the individual's responsibilities, experience and performance, shall be determined based on market principles. Variable salary shall be based on the Company's earnings growth, aimed at promoting the company's long term value creation. The annual variable portion of salary may normally not exceed 30 per cent of fixed salary. Share- and share-price-related incentive programs are to be designed so that the vesting period or the period from the commencement of an agreement to the date for acquisition of shares is to be no less than three years. Other benefits shall correspond to what is deemed reasonable relative to practice on the market. The portions are intended to create a balanced compensation and benefits program which reflects the performance and responsibilities of the employees as well as the Company's earnings trend. The

Board shall be entitled to deviate from these guidelines where special reasons exist in an individual case.

Resolution regarding the Nomination Committee and the election of members (item 12)

The Nomination Committee proposes that the general meeting resolves on the following principles for election of a Nomination Committee: The Company shall have a Nomination Committee which shall consist of the Chairman of the Board and three other members, who shall each represent the three largest shareholders (by votes) of the Company, based on the share register maintained by Euroclear Sweden AB of registered shareholders (per group of owners) on 31 October 2011. A shareholder who is not registered in its own name in the aforementioned register and who wishes to be represented on the Nomination Committee, shall notify this to the Chairman of the Board and shall provide evidence of its shareholding.

As soon as possible, after the end of the month of October, the Chairman of the Board shall contact the three largest shareholders (by votes) in accordance with the above, and request that they appoint one member each. If anyone of those shareholders refrains from using its right to appoint a member, the right passes to the shareholder that after these shareholders has the largest shareholding. The names of the members of the Nomination Committee and the names of the shareholders, whom they represent, shall be made public not later than six months before the annual general meeting. The Nomination Committee elects its Chairman, though however the Chairman of the Board shall not be Chairman of the Committee.

The Nomination Committee's duties shall be to prepare and present proposals to the shareholders at the 2012 annual general meeting regarding election of a chairman of the meeting, the Chairman of the Board, directors and, where appropriate, auditors, as well as fees to the Board of Directors and auditors. The appointment shall extend until such time as a new Nomination Committee is appointed. In the event that the shareholder, who the member represents, has materially reduced its holding in the Company, the member shall resign from the Nomination Committee and the Committee shall offer the largest shareholder, who is not represented on the Nomination Committee, the opportunity to appoint a new member. In the event a member for other reason resigns from the Nomination Committee before the Committee's work is complete, a new member shall be appointed according to the same principles. No fees shall be paid to the members of the Nomination Committee. However, where necessary the Company may be liable for reasonable costs for external consultants which the Nomination Committee considers necessary for the performance of its duties.

Resolution regarding a reverse split of shares and change of the articles of association (item 13 and 14) and issuance of class A shares (item 15) and class B shares (item 16)

The resolutions regarding a reverse split of shares (item 13), change of the articles of association (item 14) and new share issue of A-shares (item 15) and B-shares (item 16) are to be resolved as one resolution.

Reverse split of shares

The Board proposes that the general meeting, to achieve a more suitable number of shares for the Company, resolves on a reverse split of A-shares and B-shares 1:50, entailing that 50 A-shares and 50 B-shares are consolidated into 1 A-share and 1 B-share, respectively. As a consequence, the number of shares of the Company is reduced while the share capital remains unchanged.

It is proposed that the general meeting authorizes the Board to resolve on the record date for the reverse split.

The holders of A-shares and B-shares will free of charge receive such number of shares in order for each holder to have a number of shares which can evenly be split into 50.

Share capital and shares

In order to execute the reverse split, the Board proposes that § 6 in the articles of association is changed so that the number of shares shall be not less than 7,600,000 and not more than 30,400,000 (currently not less than 380,000,000 and not more than 1,520,000,000).

Notice and attendance at general meetings

The Board proposes that the provisions regarding time for notices in § 10 of the articles of association are changed in order to be in compliance with the Swedish Companies Act, entailing that a notice to an extraordinary general meeting, which shall not resolve on a change of the articles of association, shall be made not less than three weeks before the meeting, instead of two weeks. The Board also proposes that the time 4 pm in § 11 is deleted.

It is proposed that the Board of Directors, or the person appointed by the Board, be entitled to effect such minor adjustments to the resolutions as may be required for registration of the new articles of association at the Swedish Companies Registration Office.

The Board's complete proposal regarding change of the articles of association is set forth in **Appendix 3**.

New issues of A-shares and B-shares

In order to execute the reverse split, the Board proposes that the general meeting resolves on a new share issue of not more than 600 A-shares and a new share issue of not more than 20,000 B-shares. The A-shares and B-shares are to be issued with deviation from the shareholders' preferential right and the share issues are to be

made for the sole purpose to execute the reverse split. The new share issue shall be made at a subscription price equal to the quota value of the shares of the Company.

It is proposed that the Board of Directors be entitled to effect such minor adjustments to the resolutions as may be required for registration of the new shares with the Swedish Companies Registration Office and Euroclear Sweden AB.

The Board's complete proposal regarding new share issues are set forth in **Appendix 1 -2**.

Authorization for the Board of Directors to decide on new issues (item 17)

The Board of Directors proposes that the general meeting authorise the Board, on one or more occasions during the period until the next annual general meeting, to decide on new issues of shares, warrants and/or convertible debentures in exchange for cash payment and/or with provisions regarding payment in kind or by set-off or otherwise with conditions, and that it thereupon be possible to derogate from the shareholders' pre-emption rights. The purpose of the authorisation and the reason for the derogation from the shareholders' pre-emption rights is to facilitate the raising of capital for expansion through corporate acquisitions or acquisitions of business assets and for the Company's business. The total number of shares which may be issued pursuant to the authorisation may not exceed 5 million (after execution of the reverse split). In the event the authorisation is exercised in full, the increase in the share capital will correspond to a dilution effect of approximately 50 per cent, calculated on the total number of shares before a exercise of the authorisation. In the event an issue takes place by way of deviation from the shareholders' pre-emption rights, the issue shall take place on market terms. Any issue pursuant to the authorisation shall relate to class B shares.

Miscellaneous

The Company had at the time of the notice to the meeting 532,009,880 outstanding shares, of which 9,028,593 are class A shares (10 votes per share) and 522,981,287 are class B shares (1 vote per share). There are 613,267,217 voting rights.

Appendix 1

The Board proposes that the general meeting resolves to issue new shares of class B by way of derogation from the shareholders' pre-emption right.

The following terms shall apply for the new issue:

1. The share capital shall increase with not more than SEK 2,000 by way of a new issue of not more than 20,000 shares of class B, each share with a quota value of SEK 0.10.
2. With derogation from the shareholders' pre-emption right, advokat Erik Nerpin shall have the right to subscribe for the shares with right and obligation to free of charge transfer all of the subscribed shares to holders of class B shares in order to obtain an amount of shares that is evenly dividable by 50.
3. The subscription price shall be SEK 0.10 per new share.
4. Subscription shall be made at the latest July 30, 2011 on a separate subscription list.
5. Payment shall be made in cash at the latest July 30, 2011.
6. The new shares shall carry a right to dividend for the first time at the first record date for dividends after the new shares have been registered at the Swedish Companies Registration Office.
7. It is not be possible to over-subscribe.

The reason for the derogation from the shareholders' pre-emption right is to enable the reverse split of the Company's shares of class B 1:50, to achieve a more appropriate number of shares for the Company.

The subscription price has been determined to the quota value of the shares. The Board assesses that the issue price is reasonable, taking into consideration that the reason for the new issue is to achieve a reverse split of shares resolved by the general meeting.

The CEO is authorized to make such minor adjustments to the resolution as may be required for registration of the new issue of shares at the Swedish Companies Registration Office and/or Euroclear Sweden AB.

The Board proposes that the general meeting resolves to issue new shares of class A by way of derogation from the shareholders' pre-emption right.

The following terms shall apply for the new issue:

1. The share capital shall increase with not more than SEK 60 by way of a new issue of not more than 600 shares of class A, each share with a quota value of SEK 0,10.
2. With derogation from the shareholders' pre-emption right, advokat Erik Nerpin shall have the right to subscribe for the shares with right and obligation to free of charge transfer all of the subscribed shares to those holders of class A shares, who on the record date determined by the Board of Directors with authorization from the general meeting, have a holding of class A shares not evenly dividable by 50, with an allocation entailing that each of those receives a holding of class A shares evenly dividable by 50 on the record date.
3. The subscription price shall be SEK 0,10 per new share.
4. Subscription shall be made at the latest July 30, 2011 on a separate subscription list.
5. Payment shall be made in cash at the latest July 30, 2011.
6. The new shares shall carry a right to dividend for the first time at the first record date for dividends after the new shares have been registered at the Swedish Companies Registration Office.
7. It is not be possible to over-subscribe.

The reason for the derogation from the shareholders' pre-emption right is to enable the reverse split of the Company's shares of class A 1:50, to achieve a more appropriate number of shares for the Company.

The subscription price has been determined to the quota value of the shares. The Board assesses that the issue price is reasonable, taking into consideration that the reason for the new issue is to achieve a reverse split of shares resolved by the general meeting.

The CEO is authorized to make such minor adjustments to the resolution as may be required for registration of the new issue of shares at the Swedish Companies Registration Office and/or Euroclear Sweden AB.

Appendix 3

Shelton Petroleum AB

Corporate identity no. 556468-1491

ARTICLES OF ASSOCIATION

Adopted at the annual meeting of shareholders on 17 May 2011

§ 1 Name

The company's name is Shelton Petroleum AB. The company is a public company (publikt).

§ 2 Registration office

The company's registered office shall be situated in the municipality of Stockholm.

§ 3 Objects of the company's business

The objects of the company's business are production, prospecting and distribution of natural sources as well as management and ownership of such licenses in its own name or via subsidiaries or through smaller partnership shares or other forms of cooperation, including activities compatible therewith.

§ 4 Share capital

The company's share capital shall be a minimum of SEK 38,000,000 and a maximum of SEK 152,000,000.

The share capital shall be divided into two series, A and B. A-shares entitle the holder to ten (10) votes per share, whereas B-shares entitle the holder to one (1) vote per share.

The quantity of A-shares and B-shares shall be issued in such a way that either A-shares or B-shares correspond to the total number of shares in the company.

If the company decides to issue new A-shares and B-shares as payment other than non-cash consideration, holders of A-shares and B-shares, respectively, shall be given right of first priority to subscribe to new shares of the same series type in relation to the number of shares the holder previously held (primary right of precedence). Remaining shares not subscribed to under primary right of precedence shall be offered for subscription to all shareholders (subsidiary right of precedence). If shares offered in this way are insufficient in quantity to be subscribed to under subsidiary right of precedent, then the shares shall be divided between subscribers in

relation to the number of shares they previously held and, to the extent such division is not possible, they shall be distributed by lottery.

If, as payment other than non-cash consideration, the company decides to issue either solely A-shares or B-shares or share options or convertible notes or shares, all shareholders regardless of their share series type shall have right of precedence to subscribe to such new shares, options or convertible notes or shares, in relation to the number of shares they previously held.

The above shall not entail any restriction on the company's ability to decide on non-preferential rights issuances.

Upon an increase in share capital due to a bonus share issuance, new shares shall be issued for each share type in relation to the number of shares of each type that existed previously. Upon such issuance, old shares of one type shall entail the right to new shares of the same type. This shall not entail any restriction on the company's ability to issue shares of a new series type via a bonus share issuance, once it has amended the company's articles of association accordingly.

§ 5 Share conversion

A-shares shall be converted to B-shares upon the demand of A-shareholders.

A conversion request is submitted to the company's board of directors, which in any event considers the matter at the first board meeting of the calendar year. If the request is granted, the board shall register the conversion without delay and shall have implemented the conversion by the time it is registered. The board of directors may nonetheless consider a request for the conversion of A-shares to B-shares at other meetings of the board during the year.

§ 6 Number of shares

The number of shares shall be a minimum of 7,600,000 and a maximum of 30,400,000.

§ 7 The board of directors

The board of directors shall consist of at least three (3) and at most eight (8) members. A nomination committee shall nominate persons for election to the board. The criteria for appointment of members to the nomination committee shall be decided at the meetings of shareholders.

§ 8 Auditor

The company's annual report, as well as the director's report and board's statement shall be reviewed by one to two auditors and at most two deputy auditors, who are appointed at the company's annual general meeting.

§ 9 Financial year

The company's financial year shall be the calendar year.

§ 10 Notice to attend meetings

Notice convening any meeting shall be given by an announcement in *Post- och Inrikes Tidningar* (the Official Gazette) and on the Company's website and information that notice has been given shall be published in *Svenska Dagbladet* at the time of the notice.

§ 11 Participation at general meeting of shareholders

Shareholders who wish to participate in a General Meeting of shareholders shall give notice to the company of his or her intention to participate in the meeting the day that is set forth in the notice of the meeting. The aforementioned final day shall not be a Sunday nor any other public holiday. Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and shall not fall prior to the fifth weekday before the meeting.

§ 12 Annual General Meeting

The annual general meeting shall be held annually within six months after the end of the financial year. The order of business of the ordinary general meeting shall comprise the following:

1. Election of the chairman of the meeting
2. Preparation and approval of the list of shareholders entitled to vote at the meeting
3. Appointment of one or two persons to verify the minutes of the meeting
4. Determination of whether the meeting has been properly convened
5. Approval of the proposed order of business
6. Presentation of the annual report and auditor's report and, where applicable, the consolidated annual report and the auditor's report for the group
7. Adoption of resolutions concerning:
 - a) the adoption of the company's income statement and balance sheet and, where applicable, the consolidated income statement and the consolidated balance sheet
 - b) the appropriation of the company's profit or loss result, in accordance with the adopted balance sheet; and
 - c) granting of a discharge from liability for the members of the board and the managing director.

8. Determination of the number of board members and, where applicable, the auditor and any deputies to be elected at the meeting
9. Setting of remuneration for the board members and the auditors
10. Declaration of board candidates' commitments and interests in other companies; election of board members and, where applicable, the auditor and any deputies.
11. Any other business which is to be transacted at the general meeting pursuant to the Swedish Companies Act or the articles of association.

§ 13 Control share register

In accordance with Swedish law (1998:1479) on accounting of financial instruments, company shares must be registered in a control share register.
