

Nomination Committee proposal to election of Board

The Nomination Committee (consisting of the Chairman of the Nomination Committee Cheddi Liljeström and the members Björn Lindström, Peter Geijerman and Dmitry Zubatyuk) proposes that the general meeting 2015 shall re-elect the board members Björn Lindström, Hans Berggren, Peter Geijerman, Zenon Potoczny and Katre Saard and newly elect Cheddi Liljeström and Dmitry Zubatyuk. Richard N. Edgar and Freddie Linder have declined re-election. Björn Lindström is proposed to be elected as Chairman of the Board.

The Nomination Committee thus proposes that the Board consists of seven directors and no alternate director.

It is further proposed that the general meeting resolves that board fees be paid to the Chairman in the amount of SEK 200,000 and SEK 100,000 to each of the other directors with the exception of Zenon Potoczny who is employed in the Group. A fee in the amount of SEK 50,000 shall be paid for committee work to the Chairman of the Audit Committee. Fees will thus total SEK 750 000, including for committee work. The fees are unchanged compared to the previous year. It is proposed that the auditors be paid fees in accordance with approved invoices.

Information regarding age, education, experience, assignments in the Company and other significant assignments, shareholding, independence and year of election for the present board members, which are proposed for re-election, can be found in the Company's annual report for 2014 and on the Company's website, www.sheltonpetroleum.com. The corresponding information regarding the proposed newly elected board members can be found below.

The Nomination Committee's opinion is that the company will have a well functioning board, the size and composition of the board ensures the company's ability to conduct its operations effectively and with integrity.

The Nomination Committee has had the chance to interview the Directors of the Board and also taken part of an evaluation of the Board. The Nomination Committee is of the opinion that the proposed Board, taking the company's operations, stage of development and other conditions into account, gives an appropriate composition, characterized by versatility and breadth regarding competence, experience and background to meet the needs that the company' operations will require. The Nomination Committee has specifically taken the company's current position, future strategic development, governance and control and the requirements these factors have on the competence and composition of the Board into account. The Nomination Committee has found that the proposed Board has the competence and qualifications that are required.

When it comes to the distribution of men and women in the board, the proposal by the nomination committee entails that one of seven directors of the board is a woman, i.e. 14 per cent. This is below the level that would be desired and the nomination committee has addressed the issue in its work during the year. It is desirable that the distribution of men and women in the board becomes more equal in future years.

The Nomination Committee has also discussed the independence of the Directors in accordance with the requirements in the Swedish Code of Corporate Governance.

The Nomination Committee's assessment is that Björn Lindström, Hans Berggren, Peter Geijerman and Katre Saard are independent in relation to the company, management and large shareholders. The Nomination Committee's assessment is that Cheddi Liljeström and Dmitry Zubatyuk are independent in relation to the company and its management, but not independent to a large shareholder. Finally the Nomination Committee assessed that Zenon Potoczny is independent in relation to large shareholders but not independent in relation to the company and management since he is employed in the group.

The majority of the Directors that the Nomination Committee proposes for election are thus independent in relation to the company and management (six out of seven Directors). In addition, the majority of the Directors are independent in relation to large shareholders of the company (five out of seven). The Board that the Nomination Committee proposes meets the requirements of the Swedish Code of Corporate Governance.

The Nomination Committee proposes that the company should have one auditor and no alternate auditor. The Nomination Committee further proposes re-election of the authorized auditing firm Ernst & Young AB.

Stockholm in April 2015

The Nomination Committee of Shelton Petroleum AB (publ)

Cheddi Liljeström

Cheddi was born in 1954. He is Senior Counsel at the Swedish law firm Advokatfirman Delphi and a board member in the Swedish limited liability companies Petrogrand AB (publ) and Karelia Timber Intressenter AB.

Cheddi has both Swedish and US law degrees and has been a lecturer at Uppsala University, School of Law and New York University, School of Law. He is a member of the Swedish and New York State Bar Associations. Cheddi is a Swedish citizen

Cheddi holds indirectly 41 934 shares in Shelton Petroleum AB.

Dmitry Zubatyuk

Dmitry was born in 1980. He has over 12 years of experience in investment banking, financing and venture investment with a primary focus on oil & gas and IT industries and has a substantial market expertise in Russia and CIS. Dmitry had previously worked for Sberbank CIB as a co-head of the oil and gas sector, investment banking department and for Renaissance Capital as a Director of the oil and gas investment banking group. Dmitry is a member of the board of Petrogrand AB (publ).

Dmitry is a graduate of Moscow State University, with a degree in Mechanics and Mathematics and a Masters degree in Economics. Dmitry is a Russian citizen.

Holding in Shelton Petroleum AB: 0 shares.