

Press release  
Stockholm, 18 July 2013

## **Notice to Extraordinary General Meeting in Shelton Petroleum AB (publ)**

**The shareholders of Shelton Petroleum AB (publ) are hereby given notice to attend the Extraordinary General Meeting to be held on Thursday, 22 August, 2013 at 2 PM at the office of Kilpatrick Townsend Advokatbyrå, Hovslagargatan 5 B, 5<sup>th</sup> floor in Stockholm.**

### **Notification and right to participate**

The right to participate at the meeting vests in a person who: is registered as a shareholder in the share register maintained by Euroclear Sweden AB regarding circumstances pertaining on 16 August, 2013; and not later than 16 August, 2013 notifies the Company of the person's intention to participate at the meeting.

Notice of participation may be given by post to Shelton Petroleum AB, Hovslagargatan 5B, 111 48 Stockholm or by e-mail to [gunnar.danielsson@sheltonpetroleum.com](mailto:gunnar.danielsson@sheltonpetroleum.com). The notification should state the name, personal ID or registration number, address, daytime telephone number and shareholding of the shareholder. Authorization documents such as power of attorney and registration certificates should, where appropriate, be submitted to the Company prior to the meeting. Shareholders who wish to be accompanied by one or two assistants may give notice thereof within the time and in the manner applicable to shareholders. A power of attorney form is available on [www.sheltonpetroleum.com](http://www.sheltonpetroleum.com). Shareholders with nominee-registered shares must, in order to be entitled to participate at the meeting, request that the nominee effects a temporary re-registration (voting right registration) of the shares in ample time prior to 16 August, 2013.

### **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 transaction with Petrogrand AB
7. Resolution to issue convertible debentures to Petrogrand AB
  - a) Issue of convertible debentures in the amount of SEK 30,000,000
  - b) Issue of convertible debentures in the amount of SEK 185,249,280
8. Resolution to issue convertible debentures to the holders of Shelton Petroleum AB's outstanding convertible debentures
9. Resolution to amend the Articles of Association
  - a) number of members of the Board
  - b) removal of the classes of shares (A-shares and B-shares)
10. Election of new members of the Board of Directors and resolution to increase directors fees
11. Closure of the general meeting

### **The transaction with Petrogrand AB**

The boards of Shelton Petroleum AB (“Shelton”) and Petrogrand AB (publ) (“Petrogrand”) announced on 10 July, 2013 that they, subject to approval by shareholders’ meetings in both companies, have entered into an agreement including, inter alia, two directed issues of convertible debentures by Shelton to Petrogrand with a combined amount of approximately SEK 215 million. The agreement is now submitted to the shareholders for approval. The transaction and the conditions therefore are further described in Shelton’s press release which is available at [www.sheltonpetroleum.com](http://www.sheltonpetroleum.com).

### **Proposals for resolutions**

#### *Resolution to issue convertible debentures to Petrogrand AB (item 7)*

7 a) The Board of Directors proposes that the general meeting resolves to issue convertible debentures in the amount of SEK 30,000,000. Entitled to subscribe for the convertibles shall, with deviation from the shareholders’ preferential rights, be Petrogrand. The convertibles shall be issued at the nominal value, in total SEK 30,000,000. Subscription and payment shall be made not later than 27 August 2013. Payment shall be made in cash or, when applicable, by set-off. The convertibles carry no interest. The convertibles can be converted into B-shares during the period 1 September – 31 December 2013. Conversion shall be made on request by either Shelton or Petrogrand. The conversion price is 20 SEK per share. A total amount of 1,500,000 B-shares will be issued at full conversion. The share capital will increase by SEK 7,500,000 at full conversion.

7 b) The Board of Directors proposes that the general meeting resolves to issue convertible debentures in the amount of SEK 185,249,280. Entitled to subscribe for the convertibles shall, with deviation from the shareholders’ preferential rights, be Petrogrand. The convertibles shall be issued at the nominal value, in total SEK 185,249,280. Subscription and payment in cash shall be made not later than 27 August, 2013. The convertibles will be due for payment 31 January, 2014 unless conversion has been made on 31 December 2013 at the latest. The Board shall be authorized to decide the interest rate on the convertibles, which correspond to the deposit rate, in essence making the net interest rate zero for Shelton. The convertibles can be converted into B-shares during the period from registration of the convertibles at the Swedish Company Office up to 31 December 2013. Conversion of the convertibles shall be made on request by Petrogrand. The right for Petrogrand to request conversion is subject to certain conditions under an agreement. The conversion price is 20 SEK per share. A total amount of 9,262,464 B-shares will be issued at full conversion. Conversion shall, subject to fulfillment of the conditions, be made to such number of shares (not less than 9,140,589) which, together with shares from conversion of the convertible referred to in 7 (a), enables Petrogrand to distribute the shares in Shelton in accordance with the so called Lex Asea. The share capital will increase by SEK 46,312,320 at full conversion.

#### *Resolution to issue convertible debentures to the holders of Shelton’s outstanding convertible debentures (item 8)*

Shelton has an outstanding convertible debenture 2011/13 (the “Convertible 2013”) in a total amount of SEK 22,770,000. The Convertible 2013 can be converted to shares in Shelton at a conversion price of SEK 16 per share. Conversion shall be made not later than 1 December, 2013. If the Convertible 2013 is converted in full, Shelton will issue 1,423,125 new shares.

The Board of Directors proposes that the general meeting resolves to offer the holders of Convertible 2013 to subscribe for a new convertible debenture, the “Convertible 2014”, which shall be convertible to shares during the period 1 - 15 June, 2014. Payment for the Convertible 2014 shall be made by set-off with the Convertible 2013. All other terms and conditions of Convertible 2014 shall be equivalent to the terms and conditions of Convertible 2013.

*Resolution to amend the Articles of Association (item 9)*

9 a) The Board proposes that the Meeting resolves to adopt new Articles of Association pursuant to which the number of the Board members is increased to be not less than three and not more than nine.

9 b) The Board proposes that the Meeting resolves to adopt new Articles of Association pursuant to which Shelton shall have only one class of shares with equal rights for all shares. The adoption of the new Articles of Association is conditional upon that conversion of both convertibles referred to in item 7 is made.

*Election of new members of the Board of Directors and resolution to increase directors fees (item 10)*

Shelton's nomination committee proposes that Maks Grinfeld (CEO in Petrogrand) and Mats Jansson (Board Member of Petrogrand) are elected new members of the Board.

The new board members are proposed to receive a yearly directors fee of SEK 80,000 each which increases the total compensation to the Board of Directors to SEK 720,000.

The proposals in item 7, 8, 9 and 10 are to be seen as one resolution and are thus conditional upon that all of the proposals are approved by the meeting.

A resolution of the meeting to approve the proposals under item 7 and 9 (a) shall, in order to be valid, be supported by shareholders representing at least two thirds of the votes cast as well as of the shares represented at the meeting.

A resolution of the meeting to approve the proposal under item 8 shall, in order to be valid, be supported by shareholders representing at least two thirds of the votes cast as well as of the shares represented at the meeting. In order to enable members of the Board to participate in the issue the resolution shall be supported by shareholders representing at least nine tenths of the votes cast as well as of the shares represented at the meeting.

A resolution of the meeting to approve the proposal under item 9 (b) shall, in order to be valid, be supported by shareholders representing at least two thirds of the votes cast as well as of the shares represented at the meeting. In addition, the resolution must be supported by shareholders representing at least nine tenths of the A-shares represented at the meeting and at least 50 per cent of the outstanding A-shares shall be represented at the meeting.

A resolution of the meeting to approve the proposal under item 10 requires, in order to be valid, a simple majority vote.

### **Miscellaneous**

The Company currently has 10,640,588 outstanding shares, of which 170,580 are A-shares (10 votes/share) and 10,470,008 are B-shares (1 vote/share). There are 12,175,808 voting rights.

The Board's complete proposals for resolutions are available at the Company's offices (address above) as from 1 August 2013 and will be sent free-of-charge to shareholders who so request and provide their mailing address. The documents will also be available on [www.sheltonpetroleum.com](http://www.sheltonpetroleum.com).

If requested by a shareholder and provided that the Board deems that it can take place without causing material damage to the Company, the Board and the CEO shall provide information about circumstances that may affect the assessment of an item on the agenda, circumstances that may affect the assessment of the Company's or its subsidiaries' financial situation, and the Company's relationship with another company within the Group.

Stockholm, July, 2013

Shelton Petroleum AB (publ)

*The Board of Directors*

*For more information, please contact:*

Robert Karlsson, CEO, Shelton Petroleum, +46 709 565 141

[robert.karlsson@sheltonpetroleum.com](mailto:robert.karlsson@sheltonpetroleum.com)

[www.sheltonpetroleum.com](http://www.sheltonpetroleum.com)

### **About Shelton Petroleum**

Shelton Petroleum is a Swedish company focused on exploring and developing concessions in Russia and the resource-rich basins of Ukraine. The company holds three licenses in the Volga-Urals area and has commenced production on the Rustamovskoye field after a successful exploration program. In Ukraine, Shelton Petroleum's wholly owned subsidiary has a joint venture with Ukrnafta and Chornomornaftogaz, two leading Ukrainian oil and gas companies. The Shelton Petroleum share is traded on NASDAQ OMX Stockholm under the under the symbol SHEL B.