

N.B. The English text is an in-house translation of the original Swedish text. Should there be any disparities between the Swedish and English text, the Swedish text shall prevail.

Reason for deviation from the shareholders' preferential rights etcetera

1. Background

In order that the Group should motivate and keep competent and motivated personnel on an international market for oil companies it is proposed that the general meeting, with deviation from the shareholders' preferential rights, resolve on issuing warrants as part of a long term incentive program where management is offered to acquire warrants at market value. Shelton Petroleum AB has since earlier implemented long term incentive programs (see item 7 below). The warrants are limited in value and dilution.

2. Reasons for deviation from the shareholders' preferential rights

The reasons for the deviation of the shareholders' preferential rights is to enable management to participate in the long term incentive program 2015 - 2018 through acquisition of warrants on market terms.

3. Dilution

Upon full subscription, by virtue of the warrants, a maximum of 320,000 new shares of series B may be issued, corresponding to a dilution of approximately 1.7 per cent of the total current share capital (calculated on a quota value of SEK 5) in the Company, however subject to the increase that may result from a re-calculation of the subscription price and number of shares which each warrant entitles subscription for as a result of issues etcetera. The dilution is calculated as the increase in share capital, as a result of the issue of new shares, divided by the total share capital after the increase.

4. Impact on key figures

The Company's earnings per share will not be affected by the issue of warrants as the present value of the warrants' exercise price exceeds the purchase price on Nasdaq Stockholm at the time for the issue. The Company estimates that the costs for the incentive program to be marginal and the effect on key figures minor.

Assuming full subscription of the warrants and full exercise of the warrants at an assumed subscription price of SEK 15.90 the Company will receive proceeds of approximately SEK 5 million.

5. Costs of the Company

The costs for the incentive program are estimated to be minor and are limited to costs for advisors and registration of the warrants with the Swedish Companies Registration Office and Euroclear Sweden AB.

6. Preparation of the matter

The proposal to issue warrants has been discussed with larger shareholders in the Company which are represented in the Nomination Committee.

7. Other share based incentive programs

The Company has a current incentive program where 320,000 warrants were subscribed to and acquired by the managing director and management in 2012. Each warrant entitles to subscribe for 1 share of series B in Shelton Petroleum from and including 1 June 2015 up until and including 15 June 2015 at a subscription price of SEK 18.67.

The Company does not have any other incentive programs.

Stockholm 30 April 2015