SHARE PURCHASE AGREEMENT

by and between

PETROGRAND AB (publ)

and

SHELTON PETROLEUM AB (publ)

regarding all of the shares in Sonoyta Ltd

dated 6 October 2015

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LIST OF SCHEDULES

THIS SHARE PURCHASE AGREEMENT (including its schedules, the "**Agreement**") has been entered into on 6 October 2015 (the "**Signing Date**") by and between:

(1) Petrogrand AB (publ), corporate identification number 556615-2350 ("**Petrogrand**"); and

(2) Shelton Petroleum AB (publ), corporate identification number 556468-1491 ("**Shelton**").

Each of Petrogrand and Shelton is referred to as a "**Party**" and jointly as the "**Parties**".

BACKGROUND

(A) Shelton is the largest shareholder in Petrogrand, holding 11,585,308 shares, representing about 29% of the shares and votes ("**Petrogrand Shares**").

(B) Petrogrand is one of the largest shareholders in Shelton, holding 4,700,000 shares of series B, representing about 25% of the shares and about 18% of the votes (the "**Initial Shelton Shares**"). Before entering into this Agreement, Petrogrand has commenced necessary actions in order to have the Initial Shelton Shares transferred from Sonoyta Ltd ("**Sonoyta**"), a wholly-owned subsidiary of Petrogrand, to Petrogrand.

(C) The Parties have on 30 July 2015 entered into a term sheet, reflecting the Parties' mutual intent to enter into a series of transactions resulting in a business combination of the Parties (the "**Transaction**"), thereby dissolving the cross-ownership between the two companies and combining the Russian assets into a "New Shelton" creating value for all shareholders in both Petrogrand and Shelton.

(D) The Transaction comprises two main transaction steps:

(a) Shelton establishes a Swedish special purpose vehicle ("**NewCo**") and subsequently transfers all its shares in Shelton Canada Corp., a wholly-owned subsidiary of Shelton, which in turn holds a partnership with Ukrnafta, making it a holder of 45% of Kashtan Petroleum (operator and license holder of the Lelyaki oil field), and a Joint Investment Agreement with Chornomornaftogaz, after which Shelton will distribute all of its shares in NewCo to its shareholders and NewCo shall be entitled to keep the "Shelton" company name ("**Transaction Step 1**"); and

(b) Shelton acquires all of the shares (the "**Sonoyta Shares**") in Sonoyta, a Cypriot special purpose vehicle holding 49% of the shares and votes on a fully diluted basis (the "**Ripiano Shares**") in Ripiano Holdings Ltd ("**Ripiano**"), which in turn holds 100% of the shares in Dinyu LLC and CNPSEI LLC on a fully diluted basis, making Petrogrand a holder of a 49%

interest on a fully diluted basis in each of the Dinyu-Savinoborskoe, Sosnovskoe and Yuzhno-Tyebukskoe licenses in the Komi Republic, from Petrogrand for a total consideration of 17,500,000 issued shares of series B in Shelton (the "**Additional Shelton Shares**"), after which Petrogrand will distribute all of the Initial Shelton Shares as well as the Additional Shelton Shares (jointly, the "**Shelton Shares**") to its shareholders (the "**Shelton Shares Distribution**") ("**Transaction Step 2**").

(E) As Transaction Step 2 will result in Petrogrand holding more than 30% of all of the outstanding votes in Shelton before the Shelton Shares Distribution, Petrogrand has obtained an exemption from the Swedish mandatory bid requirements from the Swedish Securities Council.

(F) Furthermore, as Transaction Step 2 constitutes a related party transaction that is to be approved (by simple majority vote) by the shareholders of both Petrogrand and Shelton, each Party will convene an extraordinary general meeting (to be held on 9 November 2015) after the announcement of the Transaction substantially in the form set out in schedule (F) (the "**EGM Notices**"). To that end, Petrogrand will not be entitled to vote in any matter constituting a related party transaction at the general meeting in Shelton and Shelton will not be entitled to vote in any matter constituting a related party transaction at the general meeting in Petrogrand. Therefore and in order to maximise "deal certainty", each of Petrogrand and Shelton will use its best reasonable efforts to obtain written voting undertakings from its shareholders as further set out in this Agreement.

(G) This Agreement governs the Transaction. As further set out in this Agreement, each of the Parties have undertaken to comply with applicable laws and regulations, including Swedish good stock market practice as well as, if deemed necessary or appropriate, to consult and take into account the statements and/or views of the Swedish Securities Council and Nasdaq Stockholm, in connection with the Transaction.

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In addition to the definitions set out above, the following definitions shall apply throughout this Agreement (to be equally applicable to the singular and plural forms of such definitions):

"**Accounts Date**"	means 30 June 2015;
"**Affiliate**"	of any person means, as of any time, (a) any related person of that person (including family members

	and other relatives), (b) any person directly or indirectly controlled by or under the common control of that person and (c) any person(s) directly or indirectly controlling or jointly controlling such person (whereby "control" means the possession, directly or indirectly, of the power to direct or influence the direction of the management or policies of a person, whether through ownership or otherwise, and the term "controlling" shall have a meaning correlative to the foregoing);
"**Business Day**"	means a day when commercial banks are open for general banking business (other than Internet banking) in Cyprus and Sweden;
"**Closing**"	means the completion of the closing events set out in clause 5.2;
"**Closing Date**"	means the date falling on the third Business Day after completion of all of the conditions precedent set out in clause 4.1;
"**Confidential Information**"	means any information of any kind or nature, whether written, electronic, oral or in any other form, which relates to Petrogrand and its Affiliates (in case of Shelton only) and Shelton and its Affiliates (in case of Petrogrand only);
"**Custodian Account**"	means the custodian account in the name of Petrogrand and as further specified in the Escrow Agreement;
"**Encumbrance**"	means any option, lien, mortgage, pledge, charge, power of sale, hypothecation, retention of title, right of pre-emption, right of first refusal, licences or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing;
"**Escrow Agreement**"	means a standard form escrow agreement provided by (or on behalf of) the Escrow Bank;
"**Escrow Bank**"	means Danske Bank A/S Danmark, Sverige Filial or another reputable Nordic bank with an office in

	Stockholm, Sweden, appointed by Shelton;
"**Euroclear Sweden**"	means Euroclear Sweden AB;
"**Instrument of Transfer**"	means the instrument of transfer attached hereto as schedule 1.1;
"**Long Stop Date**"	means 31 December 2015;
"**Loss**"	means (a) with respect to Shelton, (i) any reasonably foreseeable loss, damage or expense of Sonoyta or any Ripiano Group Company and (ii) any direct loss, damage or expense of Shelton, in each case as a result of Petrogrand's breach of this Agreement and (b) with respect to Petrogrand, (i) any reasonably foreseeable loss, damage or expense of any Shelton Group Company and (ii) any direct loss, damage or expense of Petrogrand, in each case as a result of Shelton's breach of this Agreement;
"**Petrogrand's Knowledge**"	means the actual knowledge of each of Dmitry Zubatyuk, Alexey Kuznetsov and Pavel Tetyakov;
"**Ripiano Group Company**"	means any entity within the Ripiano group of companies, including Ripiano, Dinyu LLC and CNPSEI LLC;
"**SCRO**"	means the Swedish Companies Registration Office;
"**Shelton Shares Distribution Date**"	means the date on which the Shelton Shares Distribution is effectuated;
"**Shelton Subsidiary**"	means each of Petrosibir Exploration AB, Novats Investments Ltd, ZAO Ingeo Holding and OOO Ufa Petroleum;
"**Shelton's Knowledge**"	means the actual knowledge of each of Robert Karlsson, Gunnar Danielsson and Sergej Titov; and
"**Tax**"	means all direct and indirect taxes and charges, including (without limitation) any income tax, capital gains tax, value added tax, sales tax, custom duty, property tax, property transfer tax, capital duty, securities transfer tax, withholding tax, social security charges, withholding tax from employment income, stamp duties, provincial, local

governmental or municipal impositions, duties, contributions, rates and levies (whether imposed by way of a withholding or deduction for or on account of tax or otherwise), wherever arising and in respect of any person and all penalties, surcharges and interest relating to any of the foregoing.

1.2 Interpretation

In construing this Agreement, unless otherwise specified:

(a) references to recitals, clauses, sub-clauses, paragraphs, schedules and sub-schedules are to recitals, clauses, sub-clauses and paragraphs of, and schedules and sub-schedules to, this Agreement;

(b) references to a "**person**" shall include any individual, legal entity, governmental authority, court or entity having legal personality; and

(c) headings of this Agreement are for convenience of reference only and shall not in any way limit or affect the meaning or interpretation of the provisions of this Agreement.

2 SALE AND PURCHASE

2.1 Subject to the terms and conditions of this Agreement, Petrogrand agrees to sell, and Shelton agrees to purchase, the Sonoyta Shares, together with all rights attached to them.

2.2 Title to the Sonoyta Shares shall be transferred to Shelton on the Closing Date.

2.3 Petrogrand hereby waives any right of redemption, pre-emption or first refusal or any other right that it may have with respect to any of the Sonoyta Shares and any right to acquire the Sonoyta Shares.

3 PURCHASE PRICE

3.1 The purchase price

3.1.1 The total purchase price to be paid for the Sonoyta Shares shall be the Additional Shelton Shares.

3.1.2 The number of Additional Shelton Shares (and, accordingly, the purchase price) has been determined on the basis of the warranties of Petrogrand set out in clause 6 being true and correct and, consequently, if a breach of such warranties has been determined or agreed before the issue of the Additional Shelton Shares, the number of Additional Shelton Shares shall be adjusted accordingly. If such breach has been determined or agreed after the issue of the Additional Shelton Shares, Petrogrand

shall indemnify Shelton in accordance with the provisions set out in this Agreement.

3.2 Payment of the purchase price

3.2.1 Shelton shall, subject to Petrogrand having transferred the Sonoyta Shares to Shelton and subscribed for the Additional Shelton Shares, in each case in accordance with this Agreement:

(a) on the Closing Date, issue and allocate the Additional Shelton Shares to Petrogrand; and

(b) as soon as reasonably practicable after the Closing Date, procure that the Additional Shelton Shares are registered with the SCRO and the Custodian Account.

3.2.2 The Additional Shelton Shares shall be held in escrow in the Custodian Account as security for Petrogrand's due fulfilment of its undertaking to effectuate the Shelton Shares Distribution in accordance with the Escrow Agreement. The fees relating to the Escrow Agreement shall be borne 50/50 by Petrogrand and Shelton.

4 CONDITIONS PRECEDENT

4.1 Each of the Parties' obligation to proceed to Closing shall be conditional upon:

(a) Transaction Step 1 having been duly completed in accordance with this Agreement;

(b) an extraordinary general meeting of Petrogrand having approved the resolution proposals set out in the EGM Notice in respect of Petrogrand; and

(c) an extraordinary general meeting of Shelton having approved the resolution proposals set out in the EGM Notice in respect of Shelton,

in each case no later than the Long Stop Date.

4.2 In the event that any of the conditions precedent set out in clause 4.1 have not been satisfied on or before the Long Stop Date, each of Petrogrand or Shelton shall have the right to (at its sole discretion and without prejudice to all of the other rights available to it), by written notice to Petrogrand or Shelton (as the case may be), terminate this Agreement with immediate effect.

4.3 In the event that this Agreement is terminated in accordance with clause 4.2, Petrogrand and Shelton shall have no further liability against each other under this Agreement, except that this shall not apply to any breach of this Agreement by either Party prior to such termination. The provisions of clause 10 (*Confidentiality and announcement*), 11.1 (*Notices*) and 12 (*Governing law and disputes*) shall survive any such termination.

5 CLOSING

5.1 Closing shall take place at the offices of Gernandt & Danielsson Advokatbyrå KB at Hamngatan 2 in Stockholm, Sweden, at 9.00 a.m. (CET) on the Closing Date.

5.2 At Closing:

(a) Shelton shall:

(i) issue and allocate the Additional Shelton Shares in accordance with clause 3.2.1(a); and

(ii) duly sign the Instrument of Transfer;

(b) Petrogrand shall:

(i) duly sign the Instrument of Transfer;

(ii) procure that the board of directors of Sonoyta passes a resolution to duly approve the Instrument of Transfer and the actions to be taken in connection with the transfer of the Sonoyta Shares under this Agreement;

(iii) duly transfer all of the Sonoyta Shares to Shelton by returning all of the existing share certificates in respect of the Sonoyta Shares to the Secretary of Sonoyta, procure that all of such share certificates are immediately and effectively cancelled and procure that the Secretary of Sonoyta issues new shares certificates in respect of the Sonoyta Shares in the name of Shelton;

(iv) duly record Shelton as the sole holder of the Sonoyta Shares in the register of members of Sonoyta; and

(v) procure that Sonoyta notifies the Registrar of Companies about the transfer of the Sonoyta Shares from Petrogrand to Shelton and that the Registrar of Companies issues a new Certificate of Shareholders evidencing such transfer; and

(c) the Parties shall sign, and procure that the Escrow Bank signs, the Escrow Agreement.

5.3 The closing events set out in clause 5.2 shall be regarded as one transaction and if any of the closing events set out in clause 5.2 are not completed, Closing shall not be deemed to have taken place unless the Party, who is not responsible for such closing event taking place, confirms in writing that it accepts that Closing takes place (at its sole discretion and without prejudice to all of the other rights available to it).

5.4 In the event that Closing has not taken place in accordance with clause 5.3 and this is due to a Party's failure to comply with its obligations under this Agreement, Shelton (in case of non-compliance by any of Petrogrand) or Petrogrand (in case of non-compliance by Shelton) shall have the right to, by written notice to Petrogrand or Shelton (as the case may be), terminate this Agreement with immediate effect.

5.5 In the event that this Agreement is terminated in accordance with clause 5.4, Petrogrand and Shelton shall have no further liability against each other under this Agreement, except that Petrogrand shall compensate Shelton (in case of non-compliance by Petrogrand) and/or Shelton shall compensate Petrogrand (in case of non-compliance by Shelton) for any cost, loss, liability or expense incurred by Shelton or Petrogrand (as the case may be) as a result of such non-compliance. The provisions of clause 10 (*Confidentiality and announcement*), 11.1 (*Notices*) and 12 (*Governing law and disputes*) shall survive any such termination.

6 WARRANTIES OF PETROGRAND

Petrogrand warrants to Shelton that each of the following statements is true and correct as of the Signing Date and the Closing Date:

6.1 Authority and title

6.1.1 Subject to the approval of the extraordinary general meeting of Petrogrand:

(a) Petrogrand has full power, capacity and authority to execute this Agreement and to complete Transaction Step 2 and to fulfil all of its obligations under this Agreement;

(b) this Agreement does, and Transaction Step 2 will, upon their proper execution, constitute valid, enforceable and binding obligations of Petrogrand; and

(c) the consummation of Transaction Step 2 will not conflict with any agreement to which Petrogrand is a party, applicable laws and regulations or any judgment, order or decree.

6.1.2 Petrogrand owns all of the Sonoyta Shares free and clear of any Encumbrances.

6.2 Corporate

6.2.1 Each of Sonoyta and Ripiano is duly incorporated and existing under the laws of its respective jurisdiction of incorporation and has all requisite corporate power and authority to carry on its business as presently being conducted.

6.2.2 The Sonoyta Shares represent all of the issued shares in Sonoyta. The Sonoyta Shares have been validly issued and are fully paid.

6.2.3 Sonoyta owns all of the Ripiano Shares free and clear from any Encumbrances. The Ripiano Shares represent 49% of all of the issued shares and votes on a fully diluted basis in Ripiano and have been validly issued and fully paid.

6.2.4 Ripiano owns all of the shares and votes in each of the Ripiano Group Companies (other than Ripiano) on a fully diluted basis free and clear from any Encumbrances. All of such shares have been validly issued and fully paid.

6.2.5 There are no outstanding warrants, options, convertible debt instruments or any other equivalent instruments or any contractual rights under which terms new shares or other securities in Sonoyta or any Ripiano Group Company can be issued or any share or other securities of any such company can be acquired.

6.2.6 None of Petrogrand, Sonoyta and any Ripiano Group Company (a) have filed any petition for its winding-up, company reorganisation or bankruptcy, (b) have initiated any negotiations with any creditors regarding composition or (c) are insolvent, in each case within the meaning of applicable laws and regulations.

6.3 Key assets and liabilities

6.3.1 Sonoyta holds the following key assets and liabilities:

(a) a cash position of at least USD 4.00 million and no debt or other liabilities (whether actual or contingent); and

(b) the Ripiano Shares.

6.3.2 Ripiano Group Companies hold the following key assets and liabilities:

(a) a (i) cash position of at least USD 10.00 million (provided, however, that the USD 10.00 million cash position may be reduced between the Signing Date and the Closing Date with the total amount of expenses connected with the capital investment program connected with drilling of new production wells, provided that in each case such material expenses shall be approved by Shelton prior to incurring them), (ii) receivable on Nizhneomrinskaya Neft valued at USD 0.5 million and (iii) debt on commercially reasonable terms in the amount of USD 14.5 million and no other debt or liabilities (whether actual or contingent);

(b) a consolidated net working capital that is not less than 0; and

(c) 100% of the shares in Dinyu LLC and CNPSEI LLC (on a fully diluted basis), which in turn holds a 100% interest in each of the Dinyu-Savinoborskoe, Sosnovskoe and Yuzhno-Tyebukskoe licenses (on a fully diluted basis) in the Komi Republic.

6.4 Tax

6.4.1 All necessary Tax and other returns and reports required to be filed prior to the Closing Date by Sonoyta and, to Petrogrand's Knowledge, each of the Ripiano Group Companies have been duly filed with the appropriate authorities, and such submissions are true and complete. All Taxes due for payment, or required to be withheld on behalf of another entity or person, by Sonoyta and, to Petrogrand's Knowledge, each of the Ripiano Group Companies, have been so fully paid or withheld. All Taxes accrued since the Accounts Date have been fully reserved for in the accounts of Sonoyta and, to Petrogrand's Knowledge, each of the Ripiano Group Companies as of the Closing Date.

6.4.2 No deficiency in Tax payments or any additional assessment of Taxes will be claimed or made by any Tax authority in respect of Sonoyta or, to Petrogrand's Knowledge, any Ripiano Group Company for the period up until and including the Accounts Date. Since the Accounts Date, neither Sonoyta nor, to Petrogrand's Knowledge, any Ripiano Group Company has (a) been engaged in any transaction or arrangement, and no event has occurred, which may give rise to any liability for Taxes other than Taxes pertaining to transactions entered into in the ordinary course of business in accordance with past practices or (b) had any material expenses that are not deductible for Tax purposes.

6.4.3 All transactions of Sonoyta and, to Petrogrand's Knowledge, each of the Ripiano Group Companies have been made on arm's length terms and all documentary requirements in respect thereof have been complied with.

6.4.4 There is no ongoing or, to Petrogrand's Knowledge, no pending tax investigation of Sonoyta or any Ripiano Group Company by any authority.

6.5 Regulatory and compliance

6.5.1 To Petrogrand's Knowledge, Sonoyta and each of the Ripiano Group Companies conducts, and has conducted, its business in accordance with applicable laws and regulations, including all applicable anti-competition laws, anti-corruption laws, customs laws, export controls and trade sanctions. To Petrogrand's Knowledge, no director, officer, employees, consultant, advisor or agent of Sonoyta or any Ripiano Group Company has, directly or indirectly, engaged in any anti-competitive practices nor made or received any contribution, gift, bribe, rebate, payoff, influence payment, kickback or other illegal payment.

6.5.2 No material sanctions, injunctions, cautions or remarks by any authorities have been directed towards Sonoyta or, to Petrogrand's Knowledge, any Ripiano Group Company and, to Petrogrand's Knowledge, no such injunctions, cautions or remarks are expected.

6.5.3 To Petrograd's Knowledge, each of the Ripiano Group Companies is licensed to operate its business as conducted as of the Signing Date and no decree or other judgement by any authorities to revoke or reduce the scope of any such licenses has been issued or received and there is no reason to believe that any such decree or judgement is pending or expected to be issued which would have a material adverse effect on the Ripiano Group Companies.

6.6 Activities since the Accounts Date

Since the Accounts Date, Sonoyta and, to Petrograd's Knowledge, each of the Ripiano Group Companies have:

(a) carried on its business in the ordinary course in accordance with past practices and in the best interest of such company and with a view to maintaining its business as a going concern;

(b) not incurred any additional borrowings or other indebtedness, otherwise than in the ordinary course of business in accordance with past practices and in the best interest of such company and with a view to maintaining its business as a going concern;

(c) not created, or agreed to create or amend any Encumbrance over an asset;

(d) not entered into any agreement or incurred any commitment involving any capital expenditure, otherwise than in the ordinary course of business in accordance with past practices and in the best interest of such company and with a view to maintaining its business as a going concern;

(e) not taken any action vis-à-vis any Tax authority that may have adverse consequences for the future tax position of such company;

(f) not sold or otherwise disposed of any asset or assumed or incurred any liability (whether actual or contingent);

(g) not made any material amendment to the terms and conditions of employment, including (without limitation) remuneration, pension entitlements and other benefits of any employee of such company, other than amendments in the ordinary course of business in accordance with past practices; and

(h) not entered into any agreement outside the ordinary course of business in accordance with past practices and in the best interest of such company and with a view to maintaining its business as a going concern.

6.7 Change of control

Neither Sonoyta nor, to Petrograd's Knowledge, any Ripiano Group Company is a party to any agreement or arrangement (a) under the terms of which any party shall

by reason of any, direct or indirect, change in the ownership of the Sonoyta Shares be entitled to terminate or amend the agreement or arrangement or accelerate the performance of any obligations thereunder or otherwise cause any right to become exercisable or enforceable thereunder or (b) will otherwise be affected by Transaction Step 2. Both Parties are aware of the fact that Karavados Ltd. is conducting negotiations with a third party to sell its shareholding of 51 % in Ripiano and that these negotiations may result in an offer from a third party to buy also the Ripiano Shares. In such event and provided that Shelton has received full information, Petrogrand shall be at liberty to allow Sonoyta to sell the Ripiano Shares to the effect that the consideration received for the Ripiano Shares shall constitute a key asset of Sonoyta instead of the Ripiano Shares and that the warranties relating to the Ripiano Shares and Ripiano Group Companies in this Agreement shall have no effect.

6.8 Disclosure of information

6.8.1 Petrogrand has at all times complied with its obligation to publicly disclose information in accordance with applicable laws and regulations (including, for the avoidance of doubt, the rules of Nasdaq First North).

6.8.2 The information provided to Shelton, by or on behalf of Petrogrand, as part of Shelton's due diligence review in connection with the Transaction is, in all material respects, true and accurate and not misleading and no information which reasonably should have been disclosed by a seller acting in good faith to a potential buyer of the Sonoyta Shares or which a prudent buyer of the Sonoyta Shares would otherwise reasonable expect to be made available, has been withheld. There are no facts or circumstances relating to the affairs of Sonoyta or the Ripiano Group Companies which have not been disclosed and which could reasonably, had it been disclosed, be expected to have a material influence on the decision of Shelton to purchase the Sonoyta Shares on the terms contained in this Agreement.

6.9 Litigation

Neither Sonoyta nor, to Petrogrand's Knowledge, any Ripiano Group Company is engaged in any litigation, investigation or arbitration. To Petrogrand's Knowledge, there is no claim, litigation, investigation or arbitration pending or, threatened by or against Sonoyta or any Ripiano Group Company and no facts, matters or circumstances exist which are likely to give rise to any of the above.

7 WARRANTIES OF SHELTON

Shelton warrants to Petrogrand that each of the following statements is true and correct as of the Signing Date and the Closing Date:

7.1 Authority and title

7.1.1 Subject to the approval of the extraordinary general meeting of Shelton:

(a) Shelton has full power, capacity and authority to execute this Agreement and to complete Transaction Step 2 and to fulfil all of its obligations under this Agreement;

(b) this Agreement does, and Transaction Step 2 will, upon their proper execution, constitute valid, enforceable and binding obligations of Shelton; and

(c) the consummation of Transaction Step 2 will not conflict with any agreement to which Shelton is a party, applicable laws and regulations or any judgment, order or decree.

7.1.2 Shelton owns all of the Petrogrand Shares free and clear of any Encumbrances (except for the pledge provided by Shelton in connection with its bridge-financing with Pareto Securities).

7.2 Corporate

7.2.1 Shelton is duly incorporated and existing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority to carry on its business as presently being conducted.

7.2.2 Subject to the Additional Shelton Shares, Shelton has issued 761,900 shares of series A and 17,899,347 shares of series B, which shares represent all of the issued shares in Shelton.

7.2.3 Each of the Shelton Subsidiaries is duly incorporated and existing under the laws of its respective jurisdiction of incorporation and has all requisite corporate power and authority to carry on its business as presently being conducted.

7.2.4 Shelton owns all of the shares and votes in each of the Shelton Subsidiaries on a fully diluted basis free and clear from any Encumbrances. All of such shares have been validly issued and fully paid.

7.2.5 Subject to this Agreement, there are no outstanding warrants, options, convertible debt instruments or any other equivalent instruments or any contractual rights under which terms new shares or other securities in Shelton or any Shelton Subsidiary can be issued or any share or other securities of any such company can be acquired.

7.2.6 None of Shelton and any Shelton Subsidiary (a) have filed any petition for its winding-up, company reorganisation or bankruptcy, (b) have initiated any negotiations with any creditors regarding composition or (c) are insolvent, in each case within the meaning of applicable laws and regulations.

7.3 Key assets and liabilities

7.3.1 Shelton holds the following key assets:

(a) the Petrograd Shares;

(b) a consolidated net working capital (i.e. for Shelton and Shelton Subsidiaries) that is not less than 0; and

(c) 100% of the shares in the Shelton Subsidiaries (on a fully diluted basis), which in turn hold a 100% interest in each of the Ayazovskoye, Rustamovskoye, Aysky and Suyanovskoye licenses (on a fully diluted basis) in Bashkiria.

7.3.2 Shelton's and Shelton Subsidiaries' consolidated net debt (defined as total interest bearing debt minus cash and cash equivalents) does not exceed 0 (provided, however, that such net debt position may be increased with the total amount of capital investment expenses incurred up and until the Closing Date and related to Shelton's Ayazovskoye, Rustamovskoye, Aysky and Suyanovskoye licenses in Bashkiria, provided that in each case such material expenses has been approved by Petrograd prior to incurring them, and, to that end, Petrograd has approved capital investment expenses of SEK 1.5 million incurred).

7.4 Tax

7.4.1 All necessary Tax and other returns and reports required to be filed prior to the Closing Date by Shelton and, to Shelton's Knowledge, each of the Shelton Subsidiaries have been duly filed with the appropriate authorities, and such submissions are true and complete. All Taxes due for payment, or required to be withheld on behalf of another entity or person, by Shelton and, to Shelton's Knowledge, each of the Shelton Subsidiaries, have been so fully paid or withheld. All Taxes accrued since the Accounts Date have been fully reserved for in the accounts of Shelton and, to Shelton's Knowledge, each of the Shelton Subsidiaries as of the Closing Date.

7.4.2 No deficiency in Tax payments or any additional assessment of Taxes will be claimed or made by any Tax authority in respect of Shelton or, to Shelton's Knowledge, any Shelton Subsidiary for the period up until and including the Accounts Date. Since the Accounts Date, neither Shelton nor, to Shelton's Knowledge, any Shelton Subsidiary has (a) been engaged in any transaction or arrangement, and no event has occurred, which may give rise to any liability for Taxes other than Taxes pertaining to transactions entered into in the ordinary course of business in accordance with past practices or (b) had any material expenses that are not deductible for Tax purposes.

7.4.3 All transactions of Shelton and, to Shelton's Knowledge, each of the Shelton Subsidiaries have been made on arm's length terms and all documentary requirements in respect thereof have been complied with.

7.4.4 There is no ongoing or, to Shelton's Knowledge, no pending tax investigation of Shelton or any Shelton Subsidiary by any authority.

7.5 Regulatory and compliance

7.5.1 To Shelton's Knowledge, Shelton and each of the Shelton Subsidiaries conducts, and has conducted, its business in accordance with applicable laws and regulations, including all applicable anti-competition laws, anti-corruption laws, customs laws, export controls and trade sanctions. To Shelton's Knowledge, no director, officer, employees, consultant, advisor or agent of Shelton or any Shelton Subsidiary has, directly or indirectly, engaged in any anti-competitive practices nor made or received any contribution, gift, bribe, rebate, payoff, influence payment, kickback or other illegal payment.

7.5.2 No material sanctions, injunctions, cautions or remarks by any authorities have been directed towards Shelton or, to Shelton's Knowledge, any Shelton Subsidiary and, to Shelton's Knowledge, no such injunctions, cautions or remarks are expected.

7.5.3 To Shelton's Knowledge, each of the Shelton Subsidiaries is licensed to operate its business as conducted as of the Signing Date and no decree or other judgement by any authorities to revoke or reduce the scope of any such licenses has been issued or received and there is no reason to believe that any such decree or judgement is pending or expected to be issued, which would have a material adverse effect on the Shelton group.

7.6 Activities since the Accounts Date

Since the Accounts Date, Shelton and, to Shelton's Knowledge, each of the Shelton Subsidiaries have (subject to the Transaction):

(a) carried on its business in the ordinary course in accordance with past practices and in the best interest of such company and with a view to maintaining its business as a going concern;

(b) not incurred any additional borrowings or other indebtedness, otherwise than in the ordinary course of business in accordance with past practices and in the best interest of such company and with a view to maintaining its business as a going concern;

(c) not created, or agreed to create or amend any Encumbrance over any of its assets (except for the pledge on the Petrograd Shares provided by Shelton in connection with its bridge-financing with Pareto Securities);

(d) not entered into any agreement or incurred any commitment involving any capital expenditure, otherwise than in the ordinary course of business in accordance with past practices and in the best interest of such company and with a view to maintaining its business as a going concern;

(e) not taken any action vis-à-vis any Tax authority that may have adverse consequences for the future tax position of Shelton;

(f) not sold or otherwise disposed of any asset or assumed or incurred any liability (whether actual or contingent);

(g) not made any material amendment to the terms and conditions of employment, including (without limitation) remuneration, pension entitlements and other benefits of any employee of such company, other than amendments in the ordinary course of business in accordance with past practices; and

(h) not entered into any agreement outside the ordinary course of business in accordance with past practices and in the best interest of such company and with a view to maintaining its business as a going concern.

7.7 Disclosure of information

7.7.1 Shelton has at all times complied with its obligation to publicly disclose information in accordance with applicable laws and regulations (including, for the avoidance of doubt, the rules of Nasdaq Stockholm).

7.7.2 The information provided to Petrograd, by or on behalf of Shelton, as part of Petrograd's due diligence review in connection with the Transaction is, in all material respects, true and accurate and not misleading and no information which reasonably should have been disclosed by a seller acting in good faith to a potential buyer of Shelton's Russian assets or which a prudent buyer of Shelton's Russian assets would otherwise reasonable expect to be made available, has been withheld. There are no facts or circumstances relating to the affairs of Shelton's Russian assets which have not been disclosed and which could reasonably, had it been disclosed, be expected to have a material influence on the decision of Petrograd to sell the Sonoyta Shares on the terms contained in this Agreement.

7.8 Litigation

Neither Shelton nor, to Shelton's Knowledge, any Shelton Subsidiary is engaged in any litigation, investigation or arbitration. To Shelton's Knowledge, there is no claim, litigation, investigation or arbitration pending or, threatened by or against Shelton or any Shelton Subsidiary and no facts, matters or circumstances exist which are likely to give rise to any of the above.

8 COVENANTS

8.1 General

8.1.1 Each Party undertakes to cooperate in good faith and in a professional and expedient manner in connection with the Transaction. Each of the Parties undertakes to take all best reasonable efforts to complete the Transaction as soon as reasonably practicable after the Signing Date. Each of the Parties also undertakes to comply with applicable laws and regulations, including Swedish good stock market practice as well as, if deemed necessary or appropriate, to consult and take into account the statements and/or views of the Swedish Securities Council and Nasdaq Stockholm, in connection with the Transaction.

8.2 EGM Notices

8.2.1 Each Party undertakes to announce its respective EGM Notice in accordance with applicable laws and regulations no later than on the third Business Day immediately following the Signing Date and procure that an extraordinary general meeting is held in accordance with the EGM Notice in respect of such Party.

8.2.2 As further set out in the EGM Notices, the board of directors of Petrogrand and Shelton, respectively, are to prepare a statement about Transaction Step 2 and obtain a fairness opinion in accordance with applicable regulations. The statement and the fairness opinion shall be made available on Shelton's website no later than three weeks before the extraordinary general meeting and on Petrogrand's website no later than two weeks before the extraordinary general meeting.

8.2.3 Petrogrand undertakes to use its best reasonable efforts to obtain written undertakings from shareholders representing at least 25% of the votes in Petrogrand that they will vote in favour of all of the resolutions set out in the EGM Notice at the extraordinary general meeting in Petrogrand and Shelton undertakes to use its best reasonable efforts to obtain written undertakings from shareholders representing at least 25% of the votes in Shelton that they will vote in favour of all of the resolutions set out in the EGM Notice at the extraordinary general meeting in Shelton, in each case on or before the date of the extraordinary general meeting.

8.3 Conduct of business between the Signing Date and the Closing Date

During the period between the Signing Date and the Closing Date:

(a) Petrogrand shall procure that Sonoyta and (to the extent it is within Petrogrand's control) each of the Ripiano Group Companies (i) carries on its business in the ordinary course in accordance with past practices and in the best interest of such company and with a view to maintaining its business as a going concern, (ii) inform and involve Shelton in advance of, and in relation to, all material business decisions regarding Sonoyta or any

Ripiano Group Company and (iii) will not take any of the actions set out in clause 6.6;

(b) Shelton shall procure that it and each of the Shelton Subsidiaries (subject to the Transaction and to the extent it is within Shelton's control) (i) carries on its business in the ordinary course in accordance with past practices and in the best interest of such company and with a view to maintaining its business as a going concern, and (ii) will not take any of the actions set out in clause 7.6; and

(c) each of the Parties shall, upon reasonable notice and if lawfully possible, furnish, or cause to be furnished, to the other Party access, during normal business hours, to such information relating to the first Party (including, in the case of Shelton, information with respect to a Ripiano Group Company, and in the case of Petrogrand, information with respect to a Shelton Subsidiary), as may be reasonably requested by the other Party. In addition thereto, each of the Parties shall, upon reasonable notice and if lawfully possible, permit the other Party to have one or more representatives to make site visits in order for such representative(s) to investigate the facts, circumstances and merits of the warranties under this Agreement. Each Party shall bear the costs of its representative(s).

8.4 NewCo

8.4.1 As Petrogrand is a shareholder in Shelton, Petrogrand will receive shares in NewCo as a result of Shelton's distribution of its shares in NewCo in connection with Transaction Step 1. Petrogrand shall not be a long-term shareholder in NewCo and, therefore, undertakes to, as soon as reasonably practicable after completion of Transaction Step 1, dispose of its shares in NewCo by way of one or several third party sales or distributing such shares to its shareholders.

8.4.2 It is the Parties' intention that NewCo will continue to develop its oil and gas assets and acquire new assets in Ukraine. In addition, the Parties will discuss and evaluate (acting in good faith) the possibilities to create liquidity in the shares in NewCo for its owners.

8.5 Board of directors and management of Shelton

8.5.1 As set out in the EGM Notices, it is proposed that Björn Lindström, Dmitry Zubatyuk, Sven-Erik Zachrisson, David Sturt and Hans Berggren, with Björn Lindström as the chairman, shall, subject to Closing, be appointed as members of the board of directors of Shelton and, if the Shelton Shares Distribution is not effectuated on or before the Long Stop Date, it is proposed that such persons shall be immediately dismissed as such members and replaced by the board members of Shelton as of the Signing Date. To the extent the extraordinary general meeting

resolves in accordance with such proposal, each Party shall use its best reasonable efforts to procure (to the extent it is within such Party's control) that such proposal is complied with, including to making relevant filings with the SCRO.

8.5.2 As also set out in the EGM Notices, Dmitry Zubatyuk shall, subject to Closing, be appointed as the managing director of Shelton.

8.6 Conduct of business between the Closing Date and the Shelton Shares Distribution Date

During the period between the Closing Date and the Shelton Shares Distribution Date, each of the Parties shall procure that each of Shelton, the Shelton Subsidiaries, Sonoyta and the Ripiano Group Companies (subject to the Transaction and to the extent it is within a Party's control) (i) carries on its business in the ordinary course in accordance with past practices and in the best interest of such company and with a view to maintaining its business as a going concern, and (ii) will not take any of the actions set out in clauses 6.6 or 7.6.

8.7 Listing of the Additional Shelton Shares

Shelton will take all reasonable measures to list the Additional Shelton Shares on Nasdaq Stockholm no later than on the date the Additional Shelton Shares are registered with the SCRO and the Custodian Account in accordance with clause 3.2.1(b), including to prepare a listing prospectus approved by the Swedish Financial Supervisory Authority. Petrogrand shall provide all necessary information and otherwise provide reasonable assistance to Shelton in connection with the preparation of such prospectus.

8.8 Shelton Shares Distribution

8.8.1 Immediately after the Additional Shelton Shares have been registered with the SCRO and the Custodian Account in accordance with clause 3.2.1(b) (and, in any event, no later than seven Business Days after such registration), and subject to clause 8.8.4, Petrogrand shall effectuate the Shelton Shares Distribution.

8.8.2 Simultaneously with Petrogrand's distribution of the Shelton Shares to its shareholders, the Parties shall procure that the Additional Shelton Shares are released from the Custodian Account in accordance with the Escrow Agreement.

8.8.3 As Shelton is a shareholder in Petrogrand, Shelton will receive Shelton Shares as a result of Petrogrand's distribution of the Shelton Shares. Shelton will cancel such Shelton Shares by way of a reduction of its share capital as further set out in the EGM Notice in respect of Shelton.

8.8.4 In the event the Shelton Shares Distribution cannot be effectuated under the Lex Asea rule solely as a result of the shares in Petrogrand no longer being listed on a marketplace (such delisting, for the avoidance of doubt, not being planned or

intended by Petrogrand), it is envisaged between the Parties that the Shelton Shares Distribution shall be effectuated irrespective of such event. At the request of Petrogrand, however, the Parties shall in good faith promptly take all reasonable best efforts to agree on alternative ways (e. g. redemption of shares) to distribute the Shelton Shares to the shareholders (subject to relevant shareholders' resolutions). If no such alternative ways of distribution can be agreed on between the Parties, Petrogrand may either proceed with the Shelton Shares Distribution or request that the Parties take all best reasonable efforts to revert Transaction Step 2, including to procure that the Sonoyta Shares are transferred back to Petrogrand and the Additional Shelton Shares are immediately cancelled.

9 INDEMNIFICATION AND LIMITATION OF LIABILITY

9.1 Each Party shall indemnify and hold harmless the other Party (or, in the case of a breach by Petrogrand, at Shelton's sole discretion, hold harmless Sonoyta or Ripiano) from and against any Loss. For the avoidance of doubt, none of the limitations set out in this Agreement shall apply to any claim against a Party to the extent such claim arises as a result of fraud, wilful misconduct or gross negligence of such Party. The Swedish Sale of Goods Act or the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement or the transfer of the Sonoyta Shares.

9.2 The total liability of Petrogrand for a breach of the warranties of Petrogrand set out in clause 6.1–6.3 is limited to (i) SEK 135 million for claims made before the day on which the Shelton Shares Distribution is being effectuated and (ii) SEK 40 million for claims made from the day on which the Shelton Shares Distribution was being effectuated. The total liability of Petrogrand for a breach of the warranties of Petrogrand set out in clause 6.4–6.9 is limited to SEK 7 million. Shelton shall not be entitled to make a claim for a breach of any such warranties by Petrogrand unless such claim is made in writing on or before 30 June 2016.

9.3 The total liability of Shelton for a breach of the warranties of Shelton set out in clause 7.1–7.3 is limited to (i) SEK 135 million for claims made before the day on which the Shelton Shares Distribution is being effectuated and (ii) SEK 40 million for claims made from the day on which the Shelton Shares Distribution was being effectuated. The total liability of Shelton for a breach of the warranties of Shelton set out in clause 7.4–7.8 is limited to SEK 7 million. Petrogrand shall not be entitled to make a claim for a breach of any such warranties by Shelton unless such claim is made in writing on or before 30 June 2016.

9.4 A Party shall not be liable to compensate the other Party for any Loss:

(a) unless the aggregate amount of Losses incurred by such other Party equals or exceeds SEK 2,000,000, in which case the entire amount shall be recoverable;

(b) that has been recovered by such other Party or its Affiliates from any third party, or for which such other Party or its Affiliates otherwise receives compensation, including any amount that have been recovered under a policy of insurance (excluding the deductible and any reasonable costs or expenses related to the recovery) held by such other Party or its Affiliates; or

(c) to the extent that the fact, matter, occurrence or event giving rise to the claim has occurred as a result of any applicable laws or regulations not in force on the Signing Date, or that takes effect retroactively, or occurs as a result of any increase in the tax rate in force on the Signing Date.

9.5 The ongoing investigation by Nasdaq Stockholm in respect of each of the Parties and any judgement, orders, statements or similar that may result therefrom shall not constitute a breach of any of the Parties' respective undertakings under the Agreement, including (for the avoidance of doubt) the warranties given by each Party to the other Party.

9.6 Each Party undertakes that in case of a breach by a Party of the Agreement, including (for the avoidance of doubt) the warranties given by such Party to the other Party, the non-breaching Party shall not make any claim towards any of the directors, officers or employees of the breaching Party.

10 CONFIDENTIALITY AND ANNOUNCEMENT

10.1 Each of the Parties agrees that it will be required to publicly disclose this Agreement and the Transaction under applicable laws and regulations and, therefore, undertakes to announce this Agreement as soon as reasonably practicable after the Signing Date in accordance with applicable laws and regulations.

10.2 Subject to clause 10.1, each Party undertakes not to disclose any Confidential Information unless:

(a) required to do so by law or under any order of court or the competent authority or tribunal;

(b) required to do so by any applicable stock exchange regulations or the regulations of any other recognised market place or regulatory authority;

(c) such disclosure has been consented to by the other Parties in writing (such consent not to be unreasonably withheld);

(d) such Confidential Information has been made available to the public by other means than breach of this Agreement;

(e) such disclosure of Confidential Information is made in order to, in the best possible way, look after a Party's interests in relation to the other Parties as a result of a dispute relating to this Agreement; or

(f) it is disclosed to its professional advisers or lenders who are bound to the Party by a duty of confidence which applies to any information so disclosed.

10.3 If a Party becomes required, in circumstances contemplated by clause 10.1(a) or (b) to disclose any Confidential Information, the disclosing Party shall use its reasonable efforts to consult with the other Parties prior to any such disclosure.

11 MISCELLANOUS

11.1 Notices

11.1.1 All notices or other communications under this Agreement shall be in writing and in the English language, be sent by courier or registered or certified mail and shall be deemed to have been received by a Party:

(a) if delivered by courier, on the day of delivery; or

(b) if sent by mail, five Business Days after the notice was deposited in the mail (postage prepaid).

11.1.2 All such notices and other communications shall in order to be valid be addressed as set out below or to such other courier, mail or email addresses as may be notified in accordance with this clause 11.1.

If to Petrogrand:	**Petrogrand AB (publ)**
For the attention of:	The board of directors Birger Jarlsgatan 41 A 111 45 Stockholm SWEDEN
If to Shelton:	**Shelton Petroleum AB (publ)**
For the attention of:	The board of directors Hovslagargatan 5B 111 48 Stockholm SWEDEN

11.2 Amendments

Any amendments to this Agreement shall be in writing and shall have no effect unless approved by the Parties.

11.3 Assignment

This Agreement and the rights and obligations specified herein shall be binding upon and inure to the benefit of the Parties and, except as expressly set out in this Agreement, shall not be assignable by any of the Parties.

11.4 No waiver

Failure by any Party at any time or times to require performance of any provisions of this Agreement shall in no manner affect its right to enforce such provisions, and the waiver by any Party of any breach of any provision of this Agreement shall not be construed to be a waiver by such Party of any subsequent breach of such provision or waiver by such Party of any breach of any other provision hereof.

11.5 Severability

If any part of this Agreement is held to be invalid or unenforceable, such determination shall not invalidate or affect any other provision of this Agreement; the Parties shall attempt, however, through negotiations in good faith, to replace any part of this Agreement so held to be invalid or unenforceable. The failure of the Parties to reach an agreement on a replacement provision shall not affect the validity of the remaining part of this Agreement.

11.6 Costs and expenses

Unless otherwise set out in this Agreement, each Party shall bear its own costs and expenses, including costs and expenses of its directors, officers, employees, advisors and other representatives, in relation to the Transaction.

11.7 Entire agreement

This Agreement supersedes all prior agreements and understandings, written and oral, between the Parties with respect to its subject matter and constitutes the entire agreement between the Parties.

12 GOVERNING LAW AND DISPUTES

12.1 This Agreement shall be governed by and construed in accordance with the laws of Sweden without taking into account its conflicts of law principles.

12.2 Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or invalidity thereof shall be finally settled by arbitration in accordance with the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The arbitration tribunal shall be composed of three arbitrators. The place of arbitration shall be Stockholm and the arbitral proceedings shall be conducted in the English language.

12.3 Arbitration initiated with reference to this clause 12 shall be treated as confidential by the Parties and may not be disclosed to third parties without the other Parties'

approval. Such confidentiality includes all information which is disclosed in the course of the arbitration as well as decisions and awards rendered as a result of the arbitration. A Party shall, however, not be prevented from disclosing such information in situations referred to in clause 10.2.

* * *

This Agreement has been duly executed in two identical copies, of which the Parties have received one each.

Stockholm on ___ October 2015

PETROGRAND AB (publ)	SHELTON PETROLEUM AB (publ)
Name:	Name:
Name:	Name:

Schedule (F)

(EGM Notices)

See separate document.

* * *

Schedule 1.1
(Instrument of Transfer)

Instrument of Transfer

Parties:	Petrogrand AB (publ), corporate identification number 556615-2350 (the "**Petrogrand**"). Shelton Petroleum AB (publ), corporate identification number 556468-1491 (the "**Shelton**").
Transfer object:	100% of the shares in Sonoyta Limited (the "**Shares**").
Transfer:	Petrogrand hereby agrees to transfer the Shares to Shelton and Shelton hereby agrees to have the Shares transferred to it. The transfer of the Shares shall take place on the date hereof.
Governing law and dispute resolution	This Instrument of Transfer shall be governed by and construed in accordance with the laws of Sweden. Any dispute, controversy or claim arising out of or relating to this Instrument of Transfer or the breach, termination or invalidity thereof shall be finally settled by arbitration in accordance with the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The arbitration tribunal shall be composed of three arbitrators. The place of arbitration shall be Stockholm and the arbitral proceedings shall be conducted in the Swedish language.

* * *

This Instrument of Transfer has been duly executed in two identical copies, of which the Parties have received one each.

Stockholm on [***date***] 2015

PETROGRAND AB (publ)	SHELTON PETROLEUM AB (publ)
Name:	Name:

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