

Fairness Opinion

The Board of Directors
Petrogrand AB
Birger Jarlsgatan 41A
111 45 Stockholm

16 October 2015.

Dear Sirs,

We understand that Petrogrand AB ("Petrogrand", the "Company") and Shelton Petroleum AB ("Shelton") has reached an agreement regarding a possible transaction to dissolve the current cross ownership (the "Transaction"). The Transaction is subject to approval by extraordinary general meetings in both Petrogrand and Shelton.

In connection with the Transaction, Petrogrand has engaged Stockholm Corporate Finance ("SCF") to provide a Fairness Opinion, from a pure financial point of view, for the shareholders of Petrogrand. As Shelton is a 29% shareholder in Petrogrand, and a part in the Transaction, our opinion is based on the financial consequence for the remaining 71% shareholders ("Other Shareholders") in Petrogrand.

The proposed Transaction will be conducted in a series of transactions involving for instance shareholders meeting approval in both companies. In one important part, Shelton as a 29% shareholder in Petrogrand, will receive shares in Shelton and immediately cancel them.

We have based our opinion on the following information:

- Public information such as
 - o Annual Reports and 2Q2015 report for both companies,
 - o Information regarding share trading (price and volume) for both companies
 - o Earlier proposed transactions involving both companies.
 - o Pressrelease regarding the Transaction dated 7 October 2015
 - o Notice to EGM dated 8 October 2015
- Share Purchase Agreement dated 6 October 2015.
- Discounted cash flow analysis on the Russian assets of both companies made available by Gardiner Resources and based on the information they received from the companies involved. Both studies using the same basic parameters on oil price development, inflation, interest rates etc.
- Discussions with the management of Petrogrand
- Other financial information that we have deemed important to form an opinion.

Our opinion does not involve any valuation on any alternative transaction or strategy for the Company; we focus on what the 71% shareholder has today, direct or indirect, and what he/she will have when the Transaction is completed.

SCF does not assume any responsibility for the accuracy of the public materials or analysis we have read and forming the basis for our opinion. Changes in basic assumptions may require a revaluation of this opinion.

SCF has not previously acted as financial advisor to neither Petrogrand nor Shelton, whether in this or prior offers. Petrogrand has engaged SCF in connection with this transaction to provide this opinion. The fee for SCF's work is not dependent on the Transaction being completed or not.

This opinion is solely provided to the Board of Directors of Petrogrand to assist in their decision to support or not support the proposed transaction. It is not a recommendation to the shareholders of the Company to accept or not to accept the proposed Transaction.

Based on the above it is SCFs view that the proposed transaction is fair, from a financial point of view, for the Other Shareholders in Petrogrand, Shelton ownership being excluded.

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This opinion is made without legal liability or responsibility. SCF does not accept any responsibility for the contents of this opinion to anyone other than the existing Board of Petrogrand.

Yours faithfully

Stockholm Corporate Finance



Peter Enström
CEO