



PETROGRAND

PRESS RELEASE 2015-03-13

Petrogrand enters into an agreement regarding an investment in the Russian Federation.

On Friday 13th of March, Petrogrand AB's (publ) ("Petrogrand") subsidiary, Sonoyta Limited, has signed a Share Subscription Agreement (the "**SSA**"), regarding the subscription for newly issued 49 per cent of the shares and votes in Ripiano Holdings Ltd, a Cyprus holding company with oil producing subsidiaries in Russia ("Ripiano"). The subscription price for the shares and votes in Ripiano is 21,500,000 USD. The full amount shall be paid in cash.

The investment has been approved by a majority of the Board of Directors of Petrogrand.

Ripiano has two Russian subsidiaries, Dinyu LLC and CNPSEI LLC. The two subsidiaries operate three licenses in the Komi region, and currently have an oil production exceeding 1,600 barrels per day (>220 tonnes) from 26 production wells.

A reserves estimation, conducted in June 2014 and in accordance with Western SPE (Society of Petroleum Engineers) criteria, states that total Proved reserves "1P" amount to 15.40 million barrels (2.11 million tonnes). Proved and Probable reserves "2P" amount to 18.25 million barrels (2.50 million tonnes).

As of 1st of January 2015, Ripiano had registered estimated reserves of approx. 24.58 million barrels (3.37 million tonnes) under the Russian classification C1, and "C1 + C2" reserves of 36.56 million barrels (5.09 million tonnes).

A significant part of the funds paid by Petrogrand for the shares and votes in Ripiano will be directly invested in the drilling of new development wells to increase Ripiano's current production. Petrogrand representatives will be elected to Ripiano's Board of Directors to ensure further field development.

Petrogrand will provide more extensive information regarding the investment on its website shortly.

In addition, Petrogrand will arrange a Financial Hearings-event on 26th of March 2015 (9.00 am at Operaterassen, Karl XII:s torg, Stockholm) during which event representatives of both Petrogrand and Ripiano will be present to answer questions regarding the investment.

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These statements and assumptions are subject to a large number of risks and uncertainties. These, in their turn, comprise but are not limited to I) changes in the financial, legal and political environment of the countries in which Petrogrand conducts business, II) changes in the available geological information concerning the company's projects in operation, III) Petrogrand's capacity to continuously guarantee sufficient financing to perform their activities as a "going concern", IV) the success of all participants in the group, or of the various interested companies, joint ventures or secondary alliances, V) changes in currency exchange rates, in particular those relating to the RUB/USD rate. Due to the background of the many risks and uncertainties that exist for any oil-prospecting venture and oil production company in its initial stage, Petrogrand's actual future development may significantly deviate from that indicated in the company's informative statements.