



PETROGRAND

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Drilling programme update

Following the completion of the Ripiano transaction in April 2015, whereby Petrogrand acquired an indirect 49% interest in three oil producing fields in the Komi region of Russia, Petrogrand's new management team has finalized the forward heading operational plan for maximizing the value of all Ripiano's production fields.

Since the acquisition of the Komi assets, the production has through implementation of production enhancement techniques increased from 1,516 barrels of oil per day ("bopd") in April to 1,883 in August, corresponding to an increase of 24%. Petrogrand's 49% share of the production in August amounted to 923 bopd.

The investment programme on the Sosnovskoye field is progressing. Preparatory works to support an efficient drilling campaign, including construction of the well pad and access road, are planned to be completed in October. The drilling contract for Sosnovskoye is currently being tendered and the first well is expected to be spudded in the fourth quarter 2015. The cost of this project has benefited significantly from the devaluation of the Russian ruble.

The management team has also commenced detailed subsurface and operations planning ahead of the Dinyu-Savinoborskoye drilling programme, in addition to work carried out previously. This planning programme will further reduce the technical and operational risks associated with the investment in the field. Drilling activity is expected to commence in the first quarter of 2016.

In addition to the drilling campaign, the company continues to focus on operational improvements resulting in consistent outperformance of the assets compared to the established production plan.

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About Petrogrand

Petrogrand's overall business concept is to conduct oil production through acquired Russian subsidiaries and oil licenses. The company is also to manage and refine Russian oil resources and, when favorable, divest assets and licenses. The shares in Petrogrand are listed at Nasdaq First North Stockholm, an alternative market place (i.e. not a regulated market) and the company's Certified Adviser is Mangold Fondkommission AB. For more information visit our webpage www.petrogrand.se.