

Press release  
Stockholm, 26 July 2011

## **Helium studies confirm presence of oil on the Aysky block**

**Shelton Petroleum has completed a pilot helium survey covering twenty square kilometers of the company's adjacent Rustamovskoye and Aysky blocks in Russia. The studies have provided two important results. They confirm active oil and gas presence on Aysky and provide supporting evidence that the structure on Rustamovskoye, from which Shelton Petroleum currently produces oil, extends into the company's neighboring Aysky block.**

During the second quarter this year, Shelton Petroleum completed a successful sixty-five kilometer seismic program on the Aysky block in Bashkiria, Russia. An independent processing and interpretation of the seismic data identified three prospective structures with a significant potential of over twenty million barrels of oil. To further corroborate the seismic interpretation and add technical data on the probability of a pool extension from the producing Rustamovskoye field into Aysky, the company recently completed a twenty square kilometer helium study with positive results.

"The results from the helium surveys are encouraging. We have further evidence that the producing sandstone formation on Rustamovskoye extends into Aysky. This cost-effective technology allows us to reduce and concentrate future seismic work as well as to better define optimal drilling locations in the upcoming drilling campaign," says Robert Karlsson, CEO of Shelton Petroleum.

The survey was a "blind test" where the survey was shot without providing prior seismic or drilling information to the contractor. After the results were compiled, they were compared to and integrated with the current geological model resulting in maps of prospective oil and gas presence. Helium studies are a powerful and cost-effective complement to traditional exploration methods as they, in combination with seismic, can determine the presence of hydrocarbons and allow drill sites to be optimally located. Shelton Petroleum is currently designing additional helium surveys on the Suyanovskoye block, which, if successful, will allow the company to reduce the planned capital expenditure on seismic.

### **Facts about helium surveys**

The contractor, Actual Geology International, has performed more than fifty successful commercial projects for leading oil and gas companies such as Gazprom, Lukoil and Rosneft. The technology can identify active petroleum systems by surveying helium gas emanating from deep layers of the earth towards the earth's surface. Helium is ten times more soluble in oil pools, and 150 times more soluble in natural gas pools than in strata water, so abnormally high concentrations of helium gas in sub-soil air indicate presence of oil and gas in underlying formations. The technology uses onsite sampling equipment to measure helium concentrations in a grid of shallow boreholes less than 1.5 meters deep. Survey results can reduce and focus seismic work on unexplored areas and produce a map of "sweet spots" for oil and gas drilling in known seismic structures.

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### **About Shelton Petroleum**

Shelton Petroleum is a Swedish company focused on exploring and developing concessions in Russia and the resource-rich basins of Ukraine. The company holds three licenses in the Volga-Urals area and has commenced production on the Rustamovskoye field after a successful exploration program. In Ukraine, Shelton Petroleum's wholly-owned subsidiary has a joint venture with Ukrnafta and Chornomornaftogaz, two leading Ukrainian oil and gas companies. Shelton Petroleum is pursuing an integrated business model and has acquired a significant equity stake in Baltic Oil Terminals PLC, an AIM listed company with a terminals and transshipment business in Kaliningrad on the coast of the Baltic Sea. The Shelton Petroleum share is traded on the NGM stock exchange under the symbol SHEL B. The company has applied for a listing of its share on NASDAQ OMX Main Market.