

IMPORTANT NOTICE: This version is a translation of the original Swedish decision and is only made available for information purposes.

NASDAQ STOCKHOLM'S	Decision	17 February 2017
DISCIPLINARY COMMITTEE	2017-01	

Nasdaq Stockholm

Petrotarg AB

Decision

The Disciplinary Committee has decided to remove Petrotarg's shares from trading on Nasdaq First North. The shares will be removed within one month from the date of this decision.

Motion

Citing section 2.1 (B) of the Rule Book in effect from 3 July 2016 (the July Rule Book), the Exchange has argued that the conditions do not exist to approve Petrotarg AB (Petrotarg, the Company) for continued listing on Nasdaq First North following the change in the Company. The Exchange has also argued that Petrotarg failed to comply with section 4.1 (a) in two respects, sections 4.2 (a) and (d) and 4.13 (d) of the Rule Book in effect prior to 3 July 2016 (the Rule Book) and violated sections 4.1 and 2.2.4 of the July Rule Book and that the Company acted in contravention of Chapter 8, section 43 of the Companies Act. The Exchange has moved that the Disciplinary Committee decided to remove Petrotarg's shares from trading on Nasdaq First North pursuant to section 7.2.1 (a) (iii) of the July Rule Book and section 7.2.1 of the supplement to the July Rule Book.

Petrotarg has denied that approval of the Company for listing on Nasdaq First North would risk causing serious damage to public confidence in the Exchange, Nasdaq First North, and the securities market otherwise and has opposed a delisting of the Company's shares.

Petrotarg has submitted a supplemental brief.

The Disciplinary Committee's assessment

Background

At 8:50 AM on 25 May 2016, U.S. Energy Group AB (publ) (U.S. Energy) (now MedClair International), which is listed on AktieTorget, published a press release containing information that the company's board of directors had proposed a sale of the company's assets to Petrotarg exchange for payment in newly issued shares in Petrotarg. The press release by U.S. Energy contained details regarding the transaction and information regarding Petrotarg's financing and future plans. At the time of U.S. Energy's press release, Petrotarg's financial situation was strained. Petrotarg's US subsidiary, in which the company's operating business is conducted, had applied in

February 2016 for the US equivalent of a company reorganization, and the Exchange had decided to place Petrotarg's shares on the observation list citing significant uncertainty regarding the Company's financial situation.

U.S. Energy's press release also contained information regarding an agreement with the largest creditor of Petrotarg's US subsidiary and regarding the financing agreement between Petrotarg and EQTarg, as well as information regarding a planned change of marketplace for Petrotarg from Nasdaq First North to AktieTorget.

Violations alleged by the Exchange against Petrotarg

The press release of 25 May 2016

The Exchange has argued: U.S. Energy's press release of 25 May 2016, at 8:50 AM, was noted by the Exchange just after 9 AM the same day and the Exchange could immediately note that Petrotarg had not published any press release with corresponding information. Nor had the company contacted the Exchange in advance, notifying it that the information would be made public. Following a brief discussion with the company's Certified Adviser, who confirmed to the Exchange that Petrotarg had not published any press release of its own and that the Company had not contacted the Certified Adviser in advance regarding a possible publication, the Exchange was able to conclude that the information contained in U.S. Energy's press release was correct and that the information, in any event, was to be regarded as potentially significant price-sensitive information regarding Petrotarg. In light of the asymmetry of information which thus existed, the Exchange resolved to suspend trading in Petrotarg's shares at 9:14 AM. It was not until 2:59 PM that Petrotarg published a press release regarding the planned transaction with U.S. Energy. With reference to the press release, the Exchange decided to resume trading in the Company's shares at 3:30 PM.

It is uncontested that the information contained in U.S. Energy's press release of 25 May 2016 was to be regarded as significantly price-sensitive for Petrotarg. In addition to the information regarding the actual transaction with U.S. Energy, the press release also contained entirely new information regarding the company's strained financial situation at the time such as an agreement with the largest creditor of Petrotarg's US subsidiary and the financing agreement between the company and EQTarg, as well as new information regarding a planned change of marketplace from Nasdaq First North to AktieTorget. A coordinated publication with several parties involved generally imposes higher requirements than normal with respect to routines and systems for dissemination of information. The times of the parties' publication must coincide completely and the risk of a leak is often greater than normal. Under such circumstances, it is crucial that the company has control over the situation, which information is published, and at what time it is published. The company must also ensure that the information is kept confidential until the time of the joint, simultaneous publication. The Company did not contact the Exchange or the Certified Adviser prior to publication or when U.S. Energy published its press release, which should have taken place according to section 4.13 (d) of the Rule Book which prescribes that companies must immediately inform the Exchange and the Certified Adviser regarding circumstances which might lead to a trading halt. The information set forth in U.S. Energy's press release should have been published by Petrotarg as soon as possible in order for it to quickly, and in a non-discriminatory manner, be made available to the public. This did not take place; instead, U.S. Energy published the information before Petrotarg did. Petrotarg therefore acted in violation of section 4.1 (a), 4.2 (d) and 4.13 of the Rule Book. The company also violated section 4.2 (a) of the Rule Book by omitting significant information from its press release regarding the relationship between Petrotarg's current CEO (and also CEO of U.S. Energy at the time) Anders Lagerberg, and EQTarg.

Petrotarg has argued: U.S. Energy's press release was due to a misunderstanding since Petrotarg was of the opinion that further contact would take place between the company and U.S. Energy prior to publication. Petrotarg admits that the timing of the press release should have been agreed in writing with U.S. Energy and that the Company should have informed the Certified Adviser and the Exchange regarding a need for a trading halt. The company's routines in this respect were not sufficient to ensure a correct procedure.

The Disciplinary Committee's considerations

Section 4.1 (a) of the Rule Book prescribes that the company must as soon as possible publish any decisions taken by it as well as any facts and circumstances pertaining to the company that are likely to have a significant effect on the price of its financial instruments.

Section 4.2 (a) of the Rule Book prescribes the information must be correct, relevant, and reliable, and must not omit any fact which is likely to affect the assessment of such information.

Section 4.2 (d) of the Rule Book prescribes that the information shall be disclosed in a manner that ensures fast public access to such information on a non-discriminatory basis.

Section 4.13 (d) of the Rule Book prescribes the company shall notify the Exchange and the Certified Adviser immediately of circumstances that might necessitate a trading halt.

It is uncontested that it was not until 2:59 PM on 25 May 2016, i.e. approximately 6 hours after U.S. Energy's publication, that Petrotarg made public in a press release the planned transaction with U.S. Energy and that the Company had not informed either the Exchange or the Certified Adviser regarding the transaction with U.S. Energy. In the opinion of the Disciplinary Committee, the planned transaction constituted a circumstance which was likely to have a significant effect on the price of the Company's shares and that it might lead to a trading halt. The Disciplinary Committee concludes that Petrotarg thereby violated sections 4.1 (a), 4.2 (d) and 4.13 (d) of the Rule Book.

The Exchange has noted that in the press release Petrotarg omitted facts which could be assumed to affect the assessment of the information provided in the press release by Petrotarg not provided information that U.S. Energy's CEO, Anders Lagerberg, was the underlying owner of EQTarg, with which the Company entered into an important financing agreement. Considering Petrotarg's subsidiary's precarious financial situation with its application for company reorganization, which gave rise to observation list status for Petrotarg and which could have been terminated through EQTarg's financing, which was a basic condition for the implementation of the transaction as well as the significance of the financing for certain prospecting, it must be deemed to have been important to the evaluation of the information regarding the transaction that the market was informed that there was a connection between the financier, also U.S. Energy's largest owner, and U.S. Energy's executive management. In the opinion of the Disciplinary Committee, Petrotarg must be deemed to have violated section 4.2 (a) of the Rule Book.

The press release of 16 December 2016

The Exchange has argued: Petrotarg breached section 4.1 of the July Rule Book by omitting information in the press release of 16 December 2016 regarding the board of directors' resolution regarding a private placement and rights issue to the effect that the Exchange had written to the Company and notified the Company that, in the opinion of the Exchange, the conditions did not exist for approving the Company and that the Exchange had encouraged the Company to promptly apply for delisting.

Petrotarg has argued: No information was withheld from the subscribers in the rights issue. Petrotarg applied a postponed publication on the matter. The Company wanted to evaluate the situation before publication. The publication also took place before the subscription period began to run and information regarding the exchange of

correspondence with the Exchange is included in the issue memorandum.

The Disciplinary Committee's considerations

Section 4.1 of the July Rule Book prescribes that an issuer must publish inside information as soon as possible in accordance with Article 17 of the Market Abuse Regulation, MAR, (EU) no. 596/2014).

Article 17.4 of the MAR prescribes, with respect to a delay of disclosure, that an issuer may, on its own responsibility, delay disclosure to the public of inside information provided that all of the following conditions are met:

- (a) immediate disclosure is likely to prejudice the legitimate interests of the issuer or emission allowance market participant;
- (b) delay of disclosure is not likely to mislead the public;
- (c) the issuer is able to ensure the confidentiality of that information.

Petrotarg has not denied that the information constitutes insider information. Petrotarg has not argued any circumstances which entail that the conditions for postponement of publication of the insider information were fulfilled. The Disciplinary Committee thus concludes that Petrotarg violated section 4.1 of the July Rule Book.

Lack of organization for publication of information

The Exchange has argued: In light of Petrotarg's inability to submit a complete company description in the prescribed time and Petrotarg's violations of the Rule Book otherwise, and the company's very insufficient website over a long period of time, Petrotarg has not fulfilled, and is not fulfilling, the requirements set forth in section 2.2.4 of the July Rule Book.

Petrotarg has argued: Petrotarg has regularly updated its Investor Relations website. It is regrettable that the production of a new website has been delayed. The quality of all of the press releases which are communicated to the market is ensured through the Certified Adviser which has been retained. The Company has submitted the requested honesty and integrity certificate as well as extracts from the criminal register regarding all of the company's representatives. Petrotarg intends to work together with the Certified Adviser, Mangold, and its legal advisors to ensure that the Company is fulfilling all of the requirements for listing on Nasdaq First North.

The Disciplinary Committee's considerations

Section 2.2.4 of the July Rule Book prescribes that the company must have the organization and resources necessary for the distribution of information.

In light of the deficiencies in the distribution of information which have occurred, the Disciplinary Committee is of the opinion that Petrotarg cannot be deemed to possess the organization and resources necessary for the distribution of information and that the company is guilty of a violation of section 2.2.4 of the July Rule Book.

The Swedish Companies Act

The Exchange has argued: Petrotarg acted in violation of Chapter 8, section 43 of the Swedish Companies Act by failing to have given notice to the Swedish Companies Registration Office of the appointment of a chairman of the board of directors for the Company.

Petrotarg has argued: Following an extraordinary general meeting of the shareholders held on 9 December 2016, Petrotarg published a press release from the shareholders meeting from which it was apparent that Tom Pripp had been elected chairman of the company. Notice of the change in the board of directors was filed with the Companies Registration Office and registered on 18 January 2017. The delay in registration appears to be related to the fact that the matter before the Companies Registration

Office was addressed together with a change in the articles of association.

The Disciplinary Committee's considerations: The Disciplinary Committee is of the opinion that, taking into consideration the delay in the registration matter, Petrotarg cannot be deemed to have violated the Companies Act.

New listing process

The Exchange has argued: As a consequence of the extensive change in operations in Petrotarg, including changes in the management, board of directors, auditors and ownership, and the Company's notice that it would discontinue its plans for listing on AktieTorget, the Exchange notified the Company's Certified Adviser on 21 October 2016 that the Company must undergo a new listing process on Nasdaq First North. The Company has failed to submit, at the request of the Exchange, a complete company description.

Petrotarg has argued: Petrotarg does not share the opinion of the Exchange that the company has undergone an extensive change in operations. Petrotarg has been active in the oil and gas industry in Texas through its wholly-owned subsidiary ever since the end of the 1990s. In conjunction with the acquisition of U.S. Energy's assets on 25 May 2016, it was apparent that U.S. Energy's operations consist of oil and gas extraction, primarily in Texas, and that U.S. Energy's shareholders will own at least 26% of Petrotarg and not more than 34%.

The Disciplinary Committee's considerations

Section 2.1 (b) of the July Rule Book prescribes that the Exchange may impose on the issuer any special eligibility requirements which the Exchange deems appropriate in order to protect investors and the reputation of the marketplace. Regardless of whether the company fulfills all of the requirements, the Exchange is entitled to refuse to grant the application if the Exchange concludes that approval might harm public confidence in the Exchange, Nasdaq First North, or the securities market in general.

Section 7.2.2 with respect to administrative decisions regarding the Issuer prescribes that:

- (a) In the event an Issuer materially no longer meets the applicable admission requirements, an administrative decision may be made to remove the Issuer's financial instruments from trading on Nasdaq First North.
- (b) A decision pursuant to Rule 7.2.2 (a) should not be made if, in the Exchange's view, such a decision would generally be inappropriate having regard to the interests of investors or the market.
- (c) Rule 7.2.2 (a) covers, for example, the following situations:
 - (iii) cases of significant changes in the Issuer, including decisive changes in the ownership structure, the capital base, the Issuer's activities or management, etc. to such an extent the Issuer appears to be a new company. Removal from trading as a consequence of such material changes may be avoided if the Issuer publishes a Company Description or prospectus, as the case may be, in the same manner as when the Issuer initially applied for admission to trading on Nasdaq First North.

The Disciplinary Committee notes that, upon application of section 7.2.2, the Exchange has decided that Petrotarg no longer fulfills Nasdaq First North's listing requirements due to the fact that the Company has undergone extensive changes. The Exchange has therefore encouraged the Company, according to section 7.2.2 (c) (iii), to submit a company description according to the same process that applies when the issuer originally applies for admission to trading on Nasdaq First North. The Company, which has submitted a company description, has subsequently however denied that the company underwent such a change in operations that there is an obligation to carry out a new listing process. In light of the serious violations of the Rule Book which otherwise have come to light in the matter, the Disciplinary Committee finds no cause to carry out an assessment of the scope of the change of operations and thus the obligation to submit a company description.

Sanctions

In summary, Petrotarg has argued: The Company agrees with the Exchange that the Company failed to comply with certain undertakings but these have not been serious enough to constitute grounds for delisting. In no case has the Company withheld information from the market and in no case has it published unfounded positive or embellishing information. For a long time and under strained financial circumstances, the Company has regularly kept its shareholders updated regarding the Company's financial situation.

The Disciplinary Committee's considerations

Section 7.2.1 (a) prescribes that if an Issuer fails to comply with the Rule Book the Exchange may impose the following sanctions:

(iii) the removal of the Issuer's financial instruments from trading on Nasdaq First North, where the Issuer has committed a serious breach of the Rule Book, or if the Issuer through its failure to comply may damage or has damaged public confidence in the Exchange, Nasdaq First North or the securities market generally.

Section 7.2.1 (d) prescribes that sanctions under paragraph (iii) of Rule 7.2.1(a) should not be imposed if, in the Exchange's view, such a measure would generally be inappropriate having regard to the interests of investors or the market.

The Disciplinary Committee notes for its part that Petrotarg's insufficient publication of information must be regarded as particularly serious with respect to the lack of information regarding the merger with U.S. Energy since this was a question of a very significant transaction for the Company. The large delay in time from the time at which U.S. Energy made public the transaction until the time at which Petrotarg's press release was published demonstrates, in the opinion of the Disciplinary Committee, that the company lacked the capacity for distribution of information. This offense, together with the other rule violations, is so serious that the confidence of the market and the public in the Exchange, Nasdaq First North, and the securities market in general can be damaged. Given this conclusion, the Disciplinary Committee believes that the Company's shares must be removed from trading on Nasdaq First North. Taking into consideration the interests of the investors and the market, the scope of trading, the Company's shares, and the ownership structure of the Company, the Company's shares shall be delisted from trading within one month of this decision.

On behalf of the Disciplinary Committee,



Marianne Lundius

Carl Johan Högbom and *Advokat* Patrik Marcelius participated in the Committee's decision.