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ANNUAL INFORMATION FORM

For the year ended December 31, 2015

Dated: March 18, 2016

TABLE OF CONTENTS

Page No.

Glossary of Terms

"**2D**" means two dimensional.

"**3D**" means three dimensional.

"**AEI**" means Aspect Energy International, LLC.

"**AIF**" or "**Annual Information Form**" means this Annual Information Form prepared for the year ended December 31, 2015 and dated March 18, 2016.

"**API**" means American Petroleum Institute.

"**Atrush Block**" means the Atrush Contract Area, being the area covered by the Atrush Block PSC.

"**Atrush Block Agreements**" means the Atrush Block PSC, Atrush Block First PSC Amendment, Atrush Block Second PSC Amendment, and the Atrush Block Third PSC Amendment.

"Atrush Block First PSC Amendment" means the First Amendment Agreement to the Atrush Block PSC entered into between KRG and GEP dated August 1, 2010.

"**Atrush Block PSC**" means the Production Sharing Contract in respect of the Atrush Block, Kurdistan Region entered into between KRG and GEP and dated November 10, 2007.

"Atrush Block Second PSC Amendment" means the Third-Party Participant, Novation and Second Amendment Agreement to the Atrush Block PSC entered into between KRG, GEP and MOKDV dated October 20, 2010.

"Atrush Block Third PSC Amendment" means the Assignment, Novation and Third Amendment Agreement to the Atrush Block PSC entered into between KRG, GEP, MOKDV and TAQA dated December 31, 2012.

"**Bond Agreement**" means the November 11, 2013 agreement between General Exploration Partners, Inc. and Norsk Tillitsmann ASA, in its capacity as trustee for the bondholders, describing the rights and obligations associated with the $150 million senior secured bonds issued by GEP.

"**COGE Handbook**" means the Canadian Oil and Gas Evaluation Handbook prepared jointly by The Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society), as amended from time to time.

"**Commercial Discovery**" has the meaning assigned to it in the PSCs, generally a discovery that is potentially commercial when taking into account all technical, operational, commercial and financial factors, all in accordance with prudent international petroleum industry practices.

"**Common Shares**" means the common shares in the capital of ShaMaran Petroleum Corp.

"**Company**" means ShaMaran Petroleum Corp. and its subsidiaries.

"**Constitution of Iraq**" means the permanent constitution of Iraq approved by the people of Iraq in the general referendum of October 15, 2005.

"**Contractor Group**" means the parties, including joint venture partners, that hold a working interest in the PSC.

"**crude oil**" means a mixture that consists mainly of pentanes and heavier hydrocarbons, which may contain sulphur and other non-hydrocarbon compounds, that is recoverable at a well from an underground reservoir and that is liquid at the conditions under which its volume is measured or estimated. It does not include solution gas or natural gas liquids.

"**development well**" means a well drilled inside the established limits of an oil or gas reservoir, or in close proximity to the edge of the reservoir, to the depth of a stratigraphic horizon known to be productive.

"**GEP**" means General Exploration Partners, Inc., an indirect subsidiary of the Company, existing under the laws of the Cayman Islands.

"**GEP Shareholders Agreement**" means the agreement dated August 27, 2010 between AEI, Aspect Holdings, LLC, GEP and the Company and governing the rights of AEI and the Company as the then shareholders of GEP, and terminated on December 31, 2012.

"**GEP Subscription Agreement**" means the agreement dated August 27, 2010 between AEI, GEP and the Company pursuant to which the Company subscribed for 3,350 common shares of GEP owned by AEI, representing 33.5% of the then issued and outstanding shares of GEP on a fully-diluted basis.

"**Government Interest**" means, under the terms of the Atrush Block PSC, the option held by the Kurdistan Regional Government to acquire up to a 25% undivided interest in the petroleum operations and all the other rights, duties, obligations and liabilities of the contracting parties to the PSC, which may be exercised up to 180 days from the date the block has first been declared commercially viable, and which becomes effective from that date.

"**KRG**" means The Kurdistan Regional Government of Iraq.

"**Kurdistan**" or "**Kurdistan Region**" means the Federal Region of Kurdistan recognized by the Constitution of Iraq and having the same meaning as "Region" in the Oil And Gas Law Of The Kurdistan Region - Iraq (Law No. 22 of 2007).

"**LPBV**" means Lundin Petroleum B.V., a subsidiary of Lundin Petroleum AB.

"MOKDV" means Marathon Oil KDV B.V.

"**MD&A**" means Management's Discussion and Analysis of results of operations and financial condition of the Company for the year ended December 31, 2015.

"**MENA**" means Middle East and North Africa.

"**natural gas**" means a mixture of lighter hydrocarbons that exist either in the gaseous phase or in solution in crude oil in reservoirs but are gaseous at atmospheric conditions. Natural gas may contain sulphur or other non-hydrocarbon compounds.

"**NI 51-101**" means National Instrument 51-101 — *Standards of Disclosure for Oil and Gas Activities* of the Canadian Securities Administrators.

"**OSIL**" means Oil Search (Iraq) Limited.

"**Oil And Gas Law**" means the Oil And Gas Law of the Kurdistan Region - Iraq (Law No. 22 of 2007).

"**petroleum**" means (i) any naturally occurring hydrocarbons in gaseous or liquid state; (ii) any mixture of naturally occurring hydrocarbons in a gaseous or liquid state; or (iii) any petroleum (as defined in (i) or (ii) herein) that has been returned to a reservoir.

"**prospect**" means a geographic or stratigraphic area in which the Company owns or intends to own one or more oil and gas interests, which is geographically defined on the basis of geological data and which is reasonably anticipated to contain at least one reservoir or part of a reservoir of oil and gas.

"**PSC**", "**PSA**", "**Production Sharing Contract**" or "**Production Sharing Agreement**" means contracts or agreements entered into with a host government providing for petroleum operations in a defined area and the division of petroleum production from the petroleum operations.

"**PVT**" means pressure volume temperature.

"**reservoir**" means a subsurface rock formation containing an individual and separate natural accumulation of producible petroleum characterized by a single natural pressure system.

"SEDAR" means the Canadian Securities Administrator's System for Electronic Document Analysis and Retrieval.

"**ShaMaran**" means ShaMaran Petroleum Corp. and its subsidiaries.

"**SPBV**" means ShaMaran Petroleum B.V., an indirect subsidiary of the Company, existing under the laws of the Netherlands.

"SPBV Share Purchase Agreement" means the share purchase agreement entered into between the Company and LPBV whereby the Company acquired the outstanding shares of SPBV.

"**SVBV**" means ShaMaran Ventures B.V., an indirect subsidiary of the Company, existing under the laws of the Netherlands.

"**TAQA**" means Abu Dhabi National Energy Company PJSC and its subsidiary TAQA Atrush B.V.

"**TSX.V**" means the TSX Venture Exchange.

"**TVD**" means total vertical depth.

Currency

The Company reports its financial results and prepares its financial statements in United States dollars ("USD"). All currency amounts indicated as "$" in this AIF are expressed in USD unless otherwise indicated.

	Year Ended December 31,		
Bank of Canada Noon Exchange Rate for CAD/USD	**2013**	**2014**	**2015**
	0.9402	0.8620	0.7225

Accounting Policies and Financial Information

Financial information is presented in accordance with International Financial Reporting Standards ("IFRS") and unless otherwise indicated, financial information contained in this AIF is presented in accordance with IFRS.

Conversion Table

The following table sets forth certain conversions between Standard Imperial Units and the International System of Units (or metric units).

To Convert From	To	Multiply By
Mcf	Cubic meters	0.028174
Cubic meters	Cubic feet	35.315

Bbls	Cubic meters	0.159
Cubic meters	Bbls	6.289
Feet	Meters	0.305
Meters	Feet	3.281
Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471
Gigajoules	MMbtu	0.950
MMbtu	Gigajoules	1.0526

Abbreviations

Oil and Natural Gas Liquids		**Natural Gas**	
Bbls	Barrels of crude oil	Bcf	Billion cubic feet of natural gas
Bopd	Barrels of crude oil per day	Bfpd	Barrels of fluid per day
BOEs	Barrels of oil equivalent	Mcf	Thousand cubic feet of natural gas
BOEs/d	Barrels of oil equivalent per day	MMcf	Million cubic feet of natural gas
Mboe	Thousands of barrels of oil equivalent	Mcfd	Thousand cubic feet of natural gas per day
MMboe	Millions of barrels of oil equivalent	McfGe	Thousand cubic feet of gas equivalent
Mbbl	Thousands of barrels of crude oil	MMbtu	Million British Thermal Units
MMbbl	Millions of barrels of crude oil		
NGLs	Natural gas liquids		

The calculations of barrels of oil equivalent (BOEs) and thousand cubic feet of gas equivalent (McfGe) are based on the standard of 6Mcf: 1 bbl when converting natural gas to oil and 1 bbl: 6 Mcf when converting oil to natural gas. BOEs and McfGe may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bbl or a McfGe conversion ratio of 1 bbl: 6 Mcf is based on an energy equivalent conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Reader Advisory Regarding Forward Looking Information

Certain statements in this document and the documents incorporated by reference are forward-looking information and forward-looking statements. Forward-looking information is information concerning possible events, conditions or financial performance that is based on management's assumptions relating to future economic conditions and courses of actions. Forward-looking information can include future oriented financial information and disclosure relating to the Company's financial outlook. Forward-looking statements are statements that are not historical and are generally identified by words such as "believes", "anticipates", "expects", "estimates", "pending", "intends", "plans" or similar words suggesting future outcomes that are based on management's best judgment and assumptions concerning how future trends will impact the Company's business.

By their nature, forward-looking statements and forward-looking information is likely to be less reliable than historical information because it is based on these judgements and assumptions, taking into account inherent risks and uncertainties, many of which are difficult to predict, and which are usually beyond the control of management, but which could cause actual results to be materially different from those expressed by these forward-looking statements and information.

Assumptions

Management is regularly considering and evaluating assumptions that will impact on future performance. Examples of such assumptions include, but are not limited to: (i) assumptions concerning competitive factors such as those relating to the distribution and marketing of oil and natural gas, pricing, and methods of improving reliability of delivery, and (ii) assumptions relating to future changes in environmental or health and safety laws, regulations or community expectations governing the Company's operations, including, but not limited to, increased monitoring, compliance and remediation costs and or costs associated with penalties or other sanctions imposed on the Company for non-compliance or breach of environmental regulation.

Risks

Examples of risks and uncertainties associated with the assumptions made by management include, but are not limited to: (i) risks associated with international operations in Kurdistan, in northern Iraq, which is a politically unstable jurisdiction: (ii) risks associated with the regulation of oil and gas production and export; (iii) risks that are inherent in oil and gas exploration and production, including availability of a functioning infrastructure, complying with environmental regulation and the availability of staff and equipment.

The Company is also exposed to more generic risks such as the risk with respect to general economic conditions, regulations and taxes, civil unrest, corporate restructuring and related costs, capital and operating expenses, pricing and availability of financing and currency exchange rate fluctuations. Management used its best efforts to ensure that the assumptions used in the preparation of such information were reasonable. However, they may ultimately prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

The Company does not undertake to update or re-issue the forward-looking statements and information that may be contained herein, whether as a result of new information, future events or otherwise. Where such forward-looking statements or forward-looking information is updated or withdrawn, notification will be given by way of a news release and or MD&A disclosure. Material differences between actual results and previously disclosed future oriented financial information or financial outlook will be disclosed in the Company’s MD&A.

Forward-looking Statements

Any statements regarding the following are forward-looking statements:

- planned exploration activity including both expected drilling and geological and geophysical related activities
- future crude oil, natural gas or chemical prices
- future sources of funding for our capital program
- availability of potential farm-out partners
- government or other regulatory consent for exploration, development or acquisition activities
- future production levels
- future capital expenditures and their allocation to exploration and development activities
- future earnings
- future asset acquisitions or dispositions
- future debt levels
- availability of committed credit facilities
- possible commerciality
- development plans or capacity expansions
- future ability to execute dispositions of assets or businesses
- future sources of liquidity, cash flows and their uses
- future drilling of new wells
- ultimate recoverability of current and long-term assets
- ultimate recoverability of reserves or resources
- expected finding and development costs
- expected operating costs
- estimates on a per share basis
- future foreign currency exchange rates
- future market interest rates
- future expenditures and future allowances relating to environmental matters
- dates by which certain areas will be explored or developed or will come on stream or reach expected operating capacity
- changes in any of the foregoing

Statements relating to reserves or resources are forward-looking statements, as they involve the implied assessment, based on estimates and assumptions that the reserves and resources described exist in the quantities predicted or estimated and can be profitably produced in the future.

The forward-looking statements are subject to known and unknown risks and uncertainties and other factors which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Such factors include, among others:

- market prices for oil and gas and chemical products
- the Company's ability to explore, develop, produce and transport crude oil and natural gas to markets
- ultimate effectiveness of design or design modification to facilities
- the results of exploration and development drilling and related activities
- volatility in energy trading markets
- foreign-currency exchange rates
- economic conditions in the countries and regions in which the Company carries on business
- governmental actions including changes to taxes or royalties, changes in environmental and other laws and regulations
- renegotiations of contracts
- results of litigation, arbitration or regulatory proceedings
- political uncertainty, including actions by terrorists, insurgent or other groups, or other armed conflict
- conflict between states
- internal conflict within states or regions

The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these factors are interdependent, and management's future course of action would depend on our assessment of all information at that time. Although the Company believes that the expectations conveyed by the forward-looking statements are reasonable based on information available to us on the date such forward-looking statements were made, no assurances can be given as to future results, levels of activity and achievements.

Undue reliance should not be placed on the statements contained herein, which are made as of the date hereof and, except as required by law, we undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

Presentation of Oil and Gas Information

All oil and gas information contained in this AIF has been prepared and presented in accordance with NI 51-101. Certain terms used herein are defined in the "*Glossary of Terms*". Certain other terms used herein but not defined herein are defined in the COGE Handbook, NI 51-101 and Canadian Securities Administrators Staff Notice 51-324 ("CSA 51-324") and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101 and CSA 51-324. This AIF also contains certain supplemental operational, and property information with respect to the Company, not required to be disclosed under NI 51-101.

The actual oil and gas resources or reserves and future production may be greater or less than any estimates provided herein.

ITEM 1 - INTRODUCTION

Incorporation by Reference and Date of Information

Specifically incorporated by reference and forming a part of this AIF are the Company's material change reports from January 1, 2013 to the date of this AIF. Copies of such material change reports have been filed with the Canadian Securities Administrators in each of the Provinces of British Columbia, Alberta, and Ontario, and, subsequent to December 23, 2014, also in each of the Provinces of Saskatchewan, Manitoba and Nova Scotia and can be found on the SEDAR website at www.sedar.com under the Company's profile.

All information in this AIF is as of March 18, 2016 unless otherwise indicated.

ITEM 2 - CORPORATE STRUCTURE

Name, Address and Incorporation

The full corporate name of the Company is ShaMaran Petroleum Corp. The Company's head office is Suite #2000, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8 and the registered and records office is located at Suite 2600 Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1.

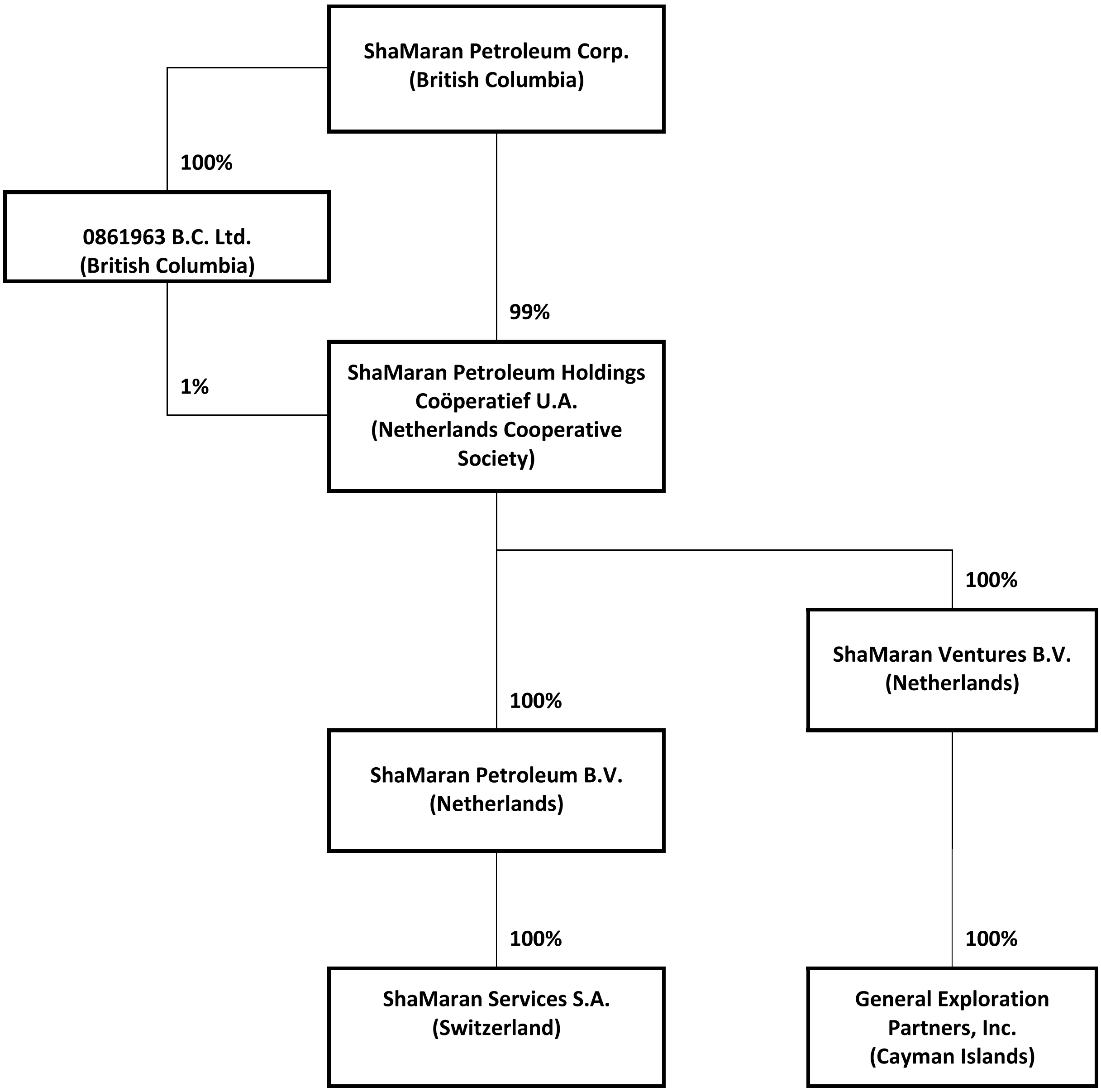
The Company was incorporated under the laws of the Province of British Columbia on October 3, 1991, under the name "Arauco Resources Corporation" ("Arauco"). On August 13, 1997, Arauco was continued as a federal company under the *Canada Business Corporations Act ("CBCA")* and on August 29, 1997 the name of the Company was changed from Arauco to Kit Resources Ltd. ("Kit").

Effective March 6, 2000, in order to facilitate the business combination of Kit and Wheaton River Minerals Ltd. ("Wheaton River"), Kit was continued from the federal jurisdiction to Ontario under the *Ontario Business Corporations Act* (the "OBCA"). Pursuant to the terms of a statutory plan of arrangement approved by the Ontario Superior Court of Justice on March 3, 2000, Kit and 1395896 Ontario Inc., a wholly-owned subsidiary of Wheaton River, were amalgamated under the name Kit (the "Arrangement"). As a result of the Arrangement, Kit became a wholly-owned subsidiary of Wheaton River. In January 2001 Wheaton River sold its majority interest in the Company. On November 15, 2001, Kit was extra-territorially registered in the Province of British Columbia and on December 29, 2006 was continued into British Columbia from Ontario under the *Business Corporations Act* (British Columbia). On February 9, 2007 the name was changed from Kit to Bayou Bend Petroleum Ltd. ("Bayou Bend"). On October 21, 2009, the name Bayou Bend was changed to ShaMaran Petroleum Corp.

Effective June 18, 2013, the articles of the Company were amended to provide for advance notice provisions related to the election of directors at shareholders' meetings. Among other things, the advance notice provisions fix a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the nomination notice to be in proper written form. In the case of an annual meeting of shareholders, notice to the Company must be provided not less than 40 days nor more than 65 days prior to the date of the annual meeting. In the case of a special meeting of shareholders (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes), notice to the Company must be provided not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

Intercorporate Relationships

Substantially all of the Company's business is carried on through its various subsidiaries. The following chart illustrates, as at the date of this AIF, the Company's significant subsidiaries, including their respective jurisdiction of incorporation and the percentage of voting securities in each that are held by the Company either directly or indirectly:



ITEM 3 - GENERAL DEVELOPMENT OF THE BUSINESS

ShaMaran Petroleum Corp. is an independent oil development and exploration company with a 26.8% direct interest in the Atrush oil discovery located in Kurdistan in Northern Iraq (the “Atrush Block”), until such time that the Kurdistan Regional Government (”KRG”) has completed the exercise of its right to acquire up to a 25% interest. The Atrush Block hosts gross 2P reserve estimates of 85.1 MMbbls and gross contingent resource estimates of 304 MMboe 2C as at December 31, 2015. The Company is currently in the pre-production stage of its appraisal and development program relating to the Atrush Block. Phase 1 of the Field Development Plan for the Atrush Block consists of installing and commissioning production facilities with a capacity of 30,000 barrels of oil per day ("bopd") and the drilling and completion of production wells to supply the production facility. First oil production from the Atrush Block is targeted for mid 2016, although significant challenges remain in Kurdistan, which may impact the schedule.

Three-Year History

Year ended December 31, 2013

Corporate Developments

On March 12, 2013 the Contractor Group entities to the Atrush Block PSC were notified by the Kurdistan Regional Government of Iraq (“KRG”) that it intended to exercise its option to acquire a 25% Government Interest in accordance with the provisions of the Atrush Block PSC. At the date of this AIF, discussions between the Contractors and the KRG to effect the exercise of the right were in progress but the process of exercising the right was not complete.

On June 18, 2013, at the annual and special meeting of the shareholders of the Company, the shareholders approved a special resolution authorizing an amendment of the Company's Articles to include advance notice provisions with respect to the election of directors at shareholders meetings. The amendment to the Articles became effective immediately after the meeting.

On November 13, 2013 General Exploration Partners, Inc. (“GEP”), a wholly-owned subsidiary of the Company, closed a $150 million fully subscribed senior secured bond issue. Of the total subscriptions $33.8 million was subscribed to by related parties. The bond has a five year maturity without amortization and carries an 11.5% fixed semi-annual coupon and is being used to fund future capital expenditures related to the development of the Atrush Contract Area, being the area covered by the Atrush Block PSC (the “Atrush Block”). The bond includes an unconditional and irrevocable on-demand guarantee on a joint and several basis from the Company and certain of the Company’s direct and indirect subsidiaries and, among other arrangements, agreements which pledge all of the ordinary shares of GEP and the Company’s Swiss service subsidiary, ShaMaran Services S.A., as security for GEP’s bond related obligations, as well as an internal credit facility agreement among the Company and certain of its subsidiaries setting out the terms and conditions for intra-group credit to be made available amongst the parties. Pareto Securities AS was the manager and bookrunner for the bond placement.

Operational Developments

On February 4, 2013 the Company reported an increase of 35% in Best Estimate Contingent (“2C”) resources (gross) for the Atrush Block, from 466 MMboe at December 31, 2011 to 627 MMboe at the end of 2012. The revised estimates of discovered petroleum initially in place (“PIIP”) were, in billions of barrels of crude oil: 1.86 (P90), 2.77 (P50) and 4.08 (P10). The estimates were provided by McDaniel & Associates Consultants Ltd (“McDaniel”) in a detailed property resource report prepared as at December 31, 2012 in accordance with standards set out in NI 51-101 and the COGE Handbook. McDaniel estimates took into account the results of the Atrush-2 (“AT-2”) well and remapping based on the recently acquired 3D seismic. On March 25, 2013, the Atrush-3 (“AT-3”) appraisal well, located 6.5 kilometres to the east of the AT-2 appraisal well, was spudded (commenced drilling) and reached a total depth of 1,806 meters on June 23, 2013.

On May 6, 2013 a Field Development Plan (“FDP”) for the Atrush Block was submitted for approval to the KRG in accordance with the Atrush Block PSC.

On August 26, 2013 the Company reported the results of the AT-3 appraisal well which confirmed the extension of the oil bearing Jurassic reservoir, while also confirming lowest known oil at depths consistent with the previous wells. Drill stem tests conducted with hydrocarbons recovered to surface but due to equipment limitations accurate flow rates were unable to be determined. The well tested dry oil 180 meters deeper than previous wells and the uncertainty on the Free Water Level/Oil Water Contact was reduced to just 90 meters. The AT-3 well was suspended pending retesting in early 2015.

The KRG approved Phase 1 of the Field Development Plan ("FDP") for the Atrush Block with an October 1, 2013 effective date for the commencement of the Development Period, and the Contractor Group's planned Phase 1 drilling of a further three production wells and the construction of a central processing facility.

On October 20, 2013 the Atrush-4 ("AT-4") development well was spudded. At year-end 2013 the well was operating at a depth of 1,594 meters.

In December 2013 the Company received a separate and detailed report for prospective resources from McDaniel. The report as of November 30, 2013 includes an evaluation of all remaining undrilled prospects in the Atrush block based on the 3D seismic. The report provided a Gross Best Estimate of 776 MMboe of undiscovered PIIP in multiple reservoirs contained within the Atrush footwall, Atrush hanging wall and Swara Tika extension prospects. The Best Estimate of gross unrisked prospective oil resources was 173 MMboe.

Year ended December 31, 2014

Corporate Developments

On May 15, 2014 GEP successfully obtained a listing on the Oslo Børs for its $150 million senior secured bond issue.

On October 15, 2014 the Company announced the launch of a CAD$75 million equity rights offering ("Rights Offering") to holders (each a "shareholder") of common shares of ShaMaran ("Common Shares") that was supported by a comprehensive equity support arrangement from Lorito Holdings S.a.r.l. ("Lorito"), Zebra Holdings and Investment S.a.r.l. ("Zebra") and Lundin Petroleum B.V. ("LPBV" or "Lundin Petroleum" and, together with Lorito and Zebra, the "Standby Purchasers"). Pursuant to the Rights Offering, the Company intended to distribute one right ("Right") for each common share held to each shareholder of record at the close of business on a date to be specified as the record date ("Record Date"). The subscription price for each common share was set out as equal to the lesser of: (a) CAD$ 0.15 and (b) the weighted average of the closing price of the common shares on the TSX Venture Exchange for each of the trading days on which there was a closing price during the twenty (20) trading days immediately preceding the date of filing the Final Prospectus (the "Subscription Price").

On December 23, 2014, a final short form prospectus (the "Final Prospectus") of the Company was filed with securities regulators in Canada in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Nova Scotia relating to the Rights Offering of Rights to subscribe for common shares of the Company for gross proceeds of approximately CAD$ 75 million and the re-price of the Subscription Price in the Final Prospectus, which was set at CAD$ 0.10 (SEK 0.68) in order to better facilitate participation in the Rights Offering. The Company also filed the Final Prospectus with the Swedish Financial Supervisory Authority.

Operational Developments

The AT-4 appraisal and Phase 1 development well was drilled up-dip towards the undrilled crest of the structure from the AT-1 drill pad (the "Chamanke-A well pad"). The well was drilled to a total depth of 2,916 metres which was reached on January 23, 2014. The testing program consisted of three separate cased hole drill stem tests conducted in the Jurassic reservoir with the highest reported rates totalling 9,059 bopd of 27-28^{o} API oil from two of the tests. None of the tests produced formation water. The testing program concluded April 7, 2014 following which AT-4 was suspended as a future Phase 1 producer.

In February 2014 the Company received a detailed property report from McDaniel. The report was as of December 31, 2013 and provides for initial recognition of reserves for the Atrush Phase I development area. The report included Proved plus Probable ("2P") Reserves of 58 MMboe gross and 2C contingent resources of 518 MMboe gross for the Atrush Block. The 2013 report took into account the results from the AT-3 well and provides revised estimates of discovered PIIP, in billions of barrels of crude oil, as follows: 2.5 (P90), 3.0 (P50) and 3.8 (P10). In addition, McDaniel reissued as of December 31, 2013 the separate and detailed report for prospective resources. There were no changes to the estimates previously provided as of November 30, 2013.

Construction of the 30,000 bopd Atrush Phase 1 production facility commenced in second quarter of 2014.

The Chiya Khere-5[1] ("CK-5") development well was drilled to a total depth of 2,098 metres which was reached on June 28, 2014. The well was deviated from the Chamanke-A well pad with the bottom hole location in the Butmah formation approximately 870 metres west southwest of the surface location. As in previous wells, no water leg was encountered in the reservoir section, with the well penetrating a gross vertical oil column of approximately 540 metres. The CK-5 well was then suspended as a future Phase 1 producer.

Abu Dhabi National Energy Company ("TAQA"), operator of the Atrush Block in the Kurdistan Region of Iraq, suspended operations at the Atrush Block for a total of 21 days beginning August 9, 2014 due to developments and escalating instability around the Kurdistan Region of Iraq at that time and, as a precautionary measure, significantly reduced staffing levels.

The Chiya Khere-8 ("CK-8") development well was drilled from the Chamanke-A well pad to a total depth of 2,195 metres, which was reached on September 13, 2014. This well targeted an area situated midway between CK-5 and AT-2 approximately 1.4 kilometres east southeast of the well pad, and found the reservoir much higher than expected, and no water with the reservoir section. Additionally, the main Sargelu reservoir section was found to be highly fractured as in the same section of the highly productive AT-2 well. The CK-8 well was then suspended as a future Phase 1 producer.

The civil construction site preparation work for the Phase 1 production facility was completed in the final quarter of 2014.

Front End Engineering and Design ("FEED") on a dedicated feeder pipeline between the Chiya Khere production facility and the tie-in point on the main export pipeline at Kurdistan Crude Pipeline pumping station #2 ("KCP2") at kilometre 92 was completed in 2014.

Chiya Khere-6 ("CK-6"), the second eastern area appraisal well, was spudded on October 1, 2014 from the Chamanke-C pad. The well was drilled to a total depth of 2,105 metres which was reached on November 5, 2014. The well reached the Jurassic reservoir approximately 139 metres structurally higher than the nearby AT-3 well, approximately 600 metres SSE of the surface location. Logs indicated that the matrix reservoir quality and degree of fracturing across the main reservoir zone were the best in any well drilled to date in the Atrush Block.

Three well tests were conducted on CK-6. DST#1 in the Alan formation flowed heavy oil providing the deepest recovered oil in the field to date (at -460m msl), nearly 200m deeper than the equivalent interval that successfully tested the higher viscosity oil in the AT-2 well. DST#2 in the Lower Sargelu formation flowed at rates up to 3,792 bfpd of emulsion. DST#3 over the Naokelekan formation flowed up to 6,787 bopd (constrained by surface testing facilities) of 26.6° API oil.

The Company provided on December 11, 2014 an interim update for reserves and estimated contingent resources for the Atrush Block as of November 30, 2014. The reserves and resources update was provided by McDaniel in support of the Company's Rights Offering. (The prospective resources for the Atrush Block were not updated.) McDaniel estimates for reserves and resources took into account well results since the drilling of the AT-3 well (up to and including the progress on the CK-6 eastern area appraisal well, the latest mapping, and the ongoing commitment to the first phase of development).

[1] Approved changes to terminology relating to the Atrush Block, effective from 2014, include well names. Following the Atrush-4 well all future wells on the Atrush Block will be prefixed with "Chiya Khere" (or "CK"), rather than with "Atrush".

Year Ended December 31, 2015

Corporate Developments

On January 15, 2015 the Company issued 810,983,860 Rights to holders to subscribe for 754,214,990 common shares at a subscription price of CAD$ 0.10 (SEK 0.68) per common share pursuant to the Rights Offering.

On January 19, 2015, the Company effected changes to its senior management and Board of Directors. Mr. Chris Bruijnzeels was appointed as the President and Chief Executive Officer of the Company and as a member of the ShaMaran board of directors replacing Mr. Pradeep Kabra who resigned from these positions with effect from January 19, 2015. Mr. C. Ashley Heppenstall was also appointed as a member of the board while Mr Alexandre Schneiter and Mr. J. Cameron Bailey resigned their positions as members of the board. On January 19, 2015, the Company also granted an aggregate of 26,000,000 incentive stock options to certain senior officers and directors of the Company. The options are exercisable, subject to vesting provisions, over a period of five years at a price of CAD$ 0.115 per share.

On February 10, 2015 in connection with Rights Offering to shareholders of record on January 12, 2015 to purchase additional Common Shares at a subscription price of CAD 0.10 per share, the Company issued an aggregate of 713,308,912 Common Shares, including 195,710,409 Common Shares to its major shareholders, Lorito Holdings SARL, Zebra Holdings and Investments SARL and Lundin Petroleum BV (collectively the "Standby Purchasers") on exercise of their respective rights, resulting in gross proceeds to the Company of CAD 71.3 million ($57.1 million). Under the terms of the standby purchase agreement (the "Standby Purchase Agreement") between the Company and the Standby Purchasers, the Standby Purchasers agreed to subscribe for a total of 40,906,078 additional Common Shares, representing all Common Shares not otherwise subscribed for by rights holders, at a price of CAD 0.10 per share (the "Standby Purchase"). The Standby Purchase was concluded on February 17, 2015 and resulted in additional gross proceeds to the Company of CAD 4.1 million ($3.3 million). In addition on February 17, 2015 the Company issued a further aggregate of 14,569,684 Common Shares to the Standby Purchasers in respect of the guarantee fee, as defined under the standby purchase agreement.

On September 21, 2015, the Company announced that GEP had received a Default Notice from TAQA, claiming that GEP had failed to pay its full participating interest share of July and August cash calls pursuant to the JOA. Following discussions between the parties to the JOA, it was clarified that GEP holds a 26.8% participating interest in the Atrush Block until such time that the KRG has completed the exercise of its right to acquire up to a 25% interest. It was subsequently announced on November 3, 2015 that the defaults had been cured and that TAQA had withdrawn the Default Notices.

Operational Developments

The AT-3 well was re-entered in January 2015 in order to finish the inconclusive well testing program announced on August 26, 2013. The test consisted of a single commingled interval through two sets of 12-metre perforations in the Naokelekan and Lower Sargelu formations, which flowed with a maximum oil rate of 4,900 bopd, using an electrical submersible pump. Oil gravity was measured at 14 degrees API.

In March 2015 the Company received a detailed property report from McDaniel. The report was as of December 31, 2014 and included Atrush Block gross 2P reserves estimates of 61 MMbbls (relating entirely to the Atrush Phase 1 development area) and Atrush Block gross 2C contingent resource estimates of 310 MMboe. The 2014 report took into account the results from the AT-4 well, drilling results of the CK-5, CK-8 and CK-6 wells, the testing of CK-6 and the final 3D seismic processing and subsequent interpretation.

The CK-5 development well was re-entered in May 2015. Three well tests were conducted. DST#1 in the Mus formation flowed 16° API oil at 750 bopd. DST#2 in the Lower Sargelu formation flowed 24° API oil at 5,000 bopd with a constrained drawdown. DST#3 in the Naokelekan formation flowed 24° API oil at a maximum flow rate of 1,600 bopd.

The CK-8 development well was re-entered in July 2015. Two well tests were carried out on the Mus and Lower Sargelu formations, producing 4,200 bopd each using an electrical submersible pump. For the first time medium gravity 24° API oil was tested from the Mus formation.

A dedicated feeder pipeline between the Production Facilities and the tie-in point on the main export pipeline at Kurdistan Crude Pipeline pumping station #2 ("KCP2") at kilometre 92 is to be constructed. An engineering, procurement and construction contract for the pipeline to be constructed within the Atrush Block was signed on November 1, 2015 by TAQA and KAR Company for Constructional Contracting, Engineering Consultancy, Electrical and Mechanical Contracting and Real Estate Investment Limited.

Subsequent to Year Ended December 31, 2015

Corporate Developments

The Company announced on March 14, 2016 a financing arrangement proposed (the "Proposed Financing Arrangement") to holders of the $150 million bonds (the "Existing Bonds") of General Exploration Partners. Inc, a wholly owned subsidiary of ShaMaran. The Proposed Financing Arrangement would provide the Company with additional liquidity in 2016 of approximately $33 million based on the issuance of $17 million of additional super senior bonds ($16 million proceeds net of transaction costs) and provide terms for the Company to pay bond coupon interest in kind by issuing additional bonds, including approximately $17 million of 2016 coupon interest. The Proposed Financing Arrangement would also provide holders of the Existing Bonds the option to convert up to $18 million of Existing Bonds at face value into ShaMaran common shares at market price following approval of the Proposed Financing Arrangement. GEP has entered into an agreement to underwrite the new super senior bonds with ShaMaran's major shareholders, Lorito Holdings SARL and Zebra Holdings and Investments SARL, companies owned by the Lundin Family Trust.

Operational Developments

In February 2016 the Company received a detailed property report from McDaniel. The report is as of December 31, 2015. Total oil in place is estimated at 1.5 to 2.8 billion barrels, with Atrush Block gross 2P reserves estimated at 85.1 MMbbls (relating entirely to the Atrush Phase 1 development area) and Atrush Block gross 2C contingent resources estimated at 304 MMboe. Positive well test results in the CK-5, CK-8 and AT-3 wells as well as positive interference tests across the field have resulted in the increased reserves area. Furthermore, the gradual increase in oil density with depth has now fully been incorporated. For further information refer to Statement of Reserves Data included in this AIF.

Construction of the Production Facility is in progress. Most equipment has been delivered to site and has been installed. The civil works for critical individual facilities are complete and non-critical civil works are proceeding according to schedule. A tank farm has been installed. Construction and erection of pipe racks is substantially complete. Pipe fabrication and welding is progressing. Pulling and terminating of electrical and instrument cable is ongoing and instrumentation is being installed. Commissioning is scheduled in the second quarter of 2016. First oil is targeted for mid 2016.

Engineering and design for the feeder pipeline to be constructed within the Atrush Block is substantially complete, procurement is ongoing and actual construction is to start towards the end of the first quarter of 2016. The KRG is responsible for the construction of the remainder of the pipeline from the block boundary to the main export pipeline. The pipeline is expected to be completed in time for the targeted first oil production date.

ITEM 4 - DESCRIPTION OF THE BUSINESS
Summary

The Company is an oil and gas exploration company currently engaged in the exploration, appraisal and development of oil and gas resources in the Kurdistan Region of Iraq. As part of its normal business the Company continues to evaluate new opportunities.

The lone oil and gas property of the Company is the Atrush Block which is located in the Kurdistan region of Northern Iraq. The Company is currently in the pre-production stage of its appraisal and development program relating to the Atrush Block. Phase 1 of the Field Development Plan for the Atrush Block consists of installing and commissioning production facilities with a capacity of 30,000 barrels of oil per day ("bopd") and the drilling and completion of five production wells to supply the production facility. First oil production from the Atrush Block is targeted for mid 2016.

A summary of the current property and partnership interests in the Atrush Block are set out in the following table:

Country	Block	Acreage (square kilometres)	Working interest[(1)(4)]	
Iraq (Kurdistan)	Atrush Block	269	TAQA[(2)] ShaMaran[(3)] MOKDV	53.2% 26.8% 20.0%

Notes:

(1) Working interest means a percentage of the ownership in an oil and gas PSC granting its owner the right to explore and develop oil and gas from a specific property which normally bears its proportionate share of the costs of exploration, development and operations as well as any royalties or other production burdens.

(2) The Operator of the Atrush Block.

(3) Held through GEP, an indirect wholly-owned subsidiary of the Company.

(4) Working interest until such time that the Kurdistan Regional Government has completed the exercise of its right to acquire up to a 25% interest. For further information on process of amending the PSC to give effect to the KRG's working interest in the Atrush Block PSC please refer to below and the section entitled "Atrush Block PSC and Related Agreements - Current PSC Status" herein.

Specialized Skills and Knowledge

The Company relies on specialized skills and knowledge to gather, interpret and process geological and geophysical data, and to design, drill and complete wells, together with the numerous additional activities required to explore for and, potentially, produce oil and natural gas. The Company employs a strategy of contracting consultants and other service providers to supplement the skills and knowledge of its permanent staff in order to provide the specialized skills and knowledge required to undertake its oil and natural gas operations efficiently and effectively.

Competitive Conditions

The petroleum industry is immensely competitive in all of its phases. ShaMaran competes with other participants in the search for, and the acquisition of, oil and natural gas interests located in the Kurdistan Region of Iraq. ShaMaran's competitors include other resource companies which may have greater financial resources, staff and facilities than those of the Company. Competitive factors which may come into play in the future include the distribution and marketing of oil and natural gas, pricing, and methods of improving reliability of delivery.

Economic Dependence

The Company is dependent upon the results of exploration, appraisal and development activities obtained under agreements, including production sharing contracts ("PSCs"), joint venture agreements and farmout agreements that it has entered into for the exploration and extraction of hydrocarbons.

Changes to Contracts

On March 12, 2013 the Contractor Group entities to the Atrush Block PSC were notified by the Kurdistan Regional Government of Iraq (“KRG”) that it intended to exercise its option to acquire a 25% Government Interest in accordance with the provisions of the Atrush Block PSC. At the date of this AIF, discussions between the Contractors and the KRG to effect the exercise of the right were in progress but the process of exercising the right was not complete. Should the KRG complete the exercise of its option in full, the Atrush Block PSC will be amended accordingly and the Company’s working interest in the Atrush block will reduce to 20.1%.

Environmental Protection

The Company’s oil and gas operations are located in regions where there are environmental regulations including restrictions on where and when oil and gas operations can occur, the release of substances into groundwater, atmosphere and surface land and the potential routing of pipelines or location of production facilities. These restrictions and regulations are strictly followed. The Company could potentially be liable for contamination of properties acquired and it attempts to mitigate the risk of inheriting environmental liabilities when conducting due diligence on these acquisition opportunities. Breach of environmental regulations in any of the regions in which ShaMaran operates could result in restrictions or cessation of operations and the imposition of fines and penalties. See also “*Risk Factors*.”

Employees

As of December 31, 2015 and as at the date of this AIF, the Company had no employees in Canada, eight employees in Switzerland and one full time employee in Kurdistan. The Company relies on and engages consultants on a contract basis to provide services, management and personnel where required to assist the Company to carry on its administrative or technical activities in Canada, Switzerland, Kurdistan and the Netherlands.

Foreign Operations

ShaMaran’s assets and operations are located in Kurdistan, a federally recognised semi-autonomous political region in Iraq. The Company’s assets and operations may be influenced by political developments between Kurdistan and the Iraq federal government, as well as political developments of neighbouring states within MENA, Turkey, and surrounding areas. Kurdistan and Iraq have a history of political and social instability.

Bankruptcy and Similary Procedures

There have been no bankruptcy, receivership or similar proceedings against the Company or any of its subsidiaries, or any voluntary bankruptcy, receivership or similar proceedings by your company or any of its subsidiaries, within the three most recently completed financial years or during or proposed for the current financial year.

Reorganizations

There have been no material reorganization of the Company or any of its subsidiaries within the three most recently completed financial years or completed during or proposed for the current financial year.

Social Policies

On August 24, 2007, as amended August 21, 2014 the Company adopted a Code of Business Conduct and Ethics (the “Code”). The Code sets out basic principles that are intended to guide all employees, directors and officers of the Company. The Code is intended to deter wrongdoing by the Company’s employees, directors and officers and to promote, amongst other things, honest and ethical conduct and the avoidance of conflicts of interest.

A full copy of the Code can be found at www.sedar.com under the Company’s profile.

Overview of Industry Conditions in Kurdistan

Since the introduction of the Oil And Gas Law Of The Kurdistan Region - Iraq (the "Oil And Gas Law") in 2007, the Kurdistan Regional Government ("KRG") has developed an independent oil and gas industry and numerous international oil companies have signed production sharing contracts with the KRG. This has resulted in a period of increased exploration and resulted in several oil and gas discoveries in reservoirs of Tertiary, Cretaceous, Jurassic and Triassic age.

In 2015 nine oil fields were in production, producing an average of approximately 575,000 bopd. Main producing fields are Khurmala, the northern dome of the giant Kirkuk field and operated by Kurdistan company, KAR, Tawke field, in northern Kurdistan and operated by DNO International ASA, Taq Taq field in central Kurdistan and operated by TTOPCO, a joint venture company owned by Sinopec Corp. of China and the London listed Genel Energy plc, and Shaikan field situated close to the Atrush field and operated by Gulf Keystone Petroleum Limited ("Gulf Keystone").

In December 2013, the KRG announced the successful commissioning of its independent export pipeline from Khurmala to Fiskh Khabur and commencement of oil shipments from the Tawke and Taq Taq fields. In late 2013, an energy cooperation agreement was signed between the Turkish and Kurdish governments which allows for export of Kurdish oil through Turkey to the Mediterranean port of Ceyhan, Turkey.

Khurmala, Tawke and Taq Taq export directly via the KRG pipeline. During the first part of 2015 production from the Shaikhan field was trucked to Ceyhan, later in 2015 production was trucked to the Tawke facilities where it was injected into the Fiskh Khabur to Ceyhan system for pipeline export.

Production from the Hawler concession, operated by Oryx Petroleum, is exported by truck directly to Turkey. Other concessions like Khalkan, Sarsang, Akre Bijel and Garmian produce for local sales within Kurdistan.

In 2015 the Khurmala to Fiskh Khabur pipeline had the capacity to transport 750,000 bopd with plans to increase to 1 million bopd. The International Energy Agency states that the Turkish pipeline to Ceyhan, which is currently the only available export route for oil sales from Kurdistan, has a capacity of 1.6 MM bopd.

In December 2014 an agreement was reached between the KRG and the federal government in Baghdad to export 550,000 bopd during the year 2015 via the Khurmala to Fiskh Khabur pipeline of which 250,000 bopd comes from Kurdistan fields and 300,000 bopd from Federal Government fields (Kirkuk). In return the KRG would receive its share of the Iraq federal budget. Following a disagreement on budget allocation in June 2015 the KRG decided to directly sell all Kurdistan production and the production from Iraqi fields operated by the North Oil Company transported via the KRG pipeline. This allowed the KRG as from September 2015 to start making regular payments to International Oil Companies ("IOC's") exporting via the KRG pipeline system.

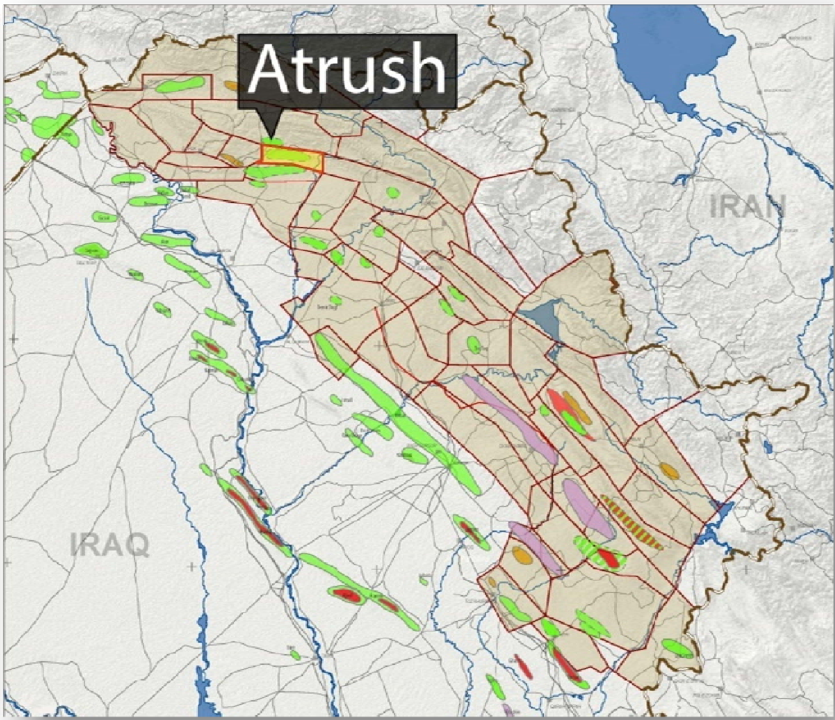
In February 2016 the KRG announced that as of January 1, 2016 IOC's were to receive payment within 10 working days of the following month according to their fiscal entitlement pursuant to the terms of the PSC's, indicating the KRG's intent to normalise the export payment situation.

Atrush Block

Summary

The Atrush Block is located approximately 85 kilometres northwest of Erbil, the capital of Kurdistan, and is 269 square kilometres in area. Oil has been proven in Jurassic fractured carbonates in the Chiya Khere structure and is estimated to contain between 1.5 and 2.8 billion barrels of oil in place. The structure is expressed at surface by the Chiya Khere mountain, which runs east-west for approximately 25 kilometres with an approximate width of 3.5 kilometres.

Immediately to the south is the Shaikan Block operated by Gulf Keystone and producing an average of 30,500 bopd during 2015. Immediately to the north is the Sarsang Block operated by HKN Energy and producing an average of 2,800 bopd from early production facilities.



In the year 2008 GEP acquired 143 kilometres of 2D seismic data covering the Atrush Block. In April 2011 the Atrush structure was confirmed as an oil discovery by the AT-1 exploration well. This was followed by the AT-2 appraisal well in July 2012. 3D seismic covering the entire Atrush Block was acquired between July 2011 and August 2012 and a Declaration of Commerciality made on November 7, 2012. The eastern part of the field was successfully appraised in June 2013 by the AT-3 well.

TAQA took over operatorship in December 2012 and submitted the Atrush Block Field Development Plan ("FDP") for approval to the KRG on May 6, 2013 which was subsequently approved by the Ministry of Natural Resources ("MNR") effective October 1 2013. Construction of the 30,000 bopd Atrush Phase 1 production facility commenced in the second quarter of 2014.

In 2014 three further development wells, AT-4, CK-5 and CK-8, were drilled in the Phase I area. Also in 2014 a second eastern appraisal well, CK-6, was drilled. In 2014 and 2015 extensive well testing was carried out in all newly drilled wells as well as re-testing of the AT-3 well. Interference testing demonstrated excellent communication from the eastern part of the field to the western part of the field and all wells showed good productivities.

Commissioning of the Production Facility is targeted for the second quarter of 2016 with first oil production to follow in mid 2016. A dedicated feeder pipeline between the Phase 1 production facility and the tie-in point on the main export pipeline is planned to be constructed in 2016 and is expected to be completed in time for production start-up.

The Atrush structure is a complex faulted anticlinal structure developed along a possible shallow thrust zone oriented east-west. The proven and potential stacked oil reservoirs within the block are the Sarmord and Garagu (Cretaceous), Barsarin, Naokelekan (Upper Jurassic), Upper and Lower Sargelu (Middle Jurassic), Alan, Mus and Adaiyah/Upper Sarki (time equivalent Butmah)/(Lower Jurassic) with both fracture and matrix porosity. The Alan anhydrites form a pressure barrier between the Upper/Middle Jurassic and Lower Jurassic reservoirs.

Well tests have confirmed the existence of a 420m 25^o-27^o API oil column, underlain by a transition zone of around 250 m where API gravity decreases with depth from around 22^o API to 14^o API. The oil columns are present and producible with the help of electrical submersible pumps in both the Upper/Middle Jurassic reservoirs and the Lower Jurassic reservoirs. Deepest producible oil was demonstrated by the CK-6 well at a depth of -460 m msl. Water was produced in the AT-3 well at a depth of -498 msl. None of the tests in the oil zone produced any formation water on test.

In addition to the Jurassic oil discovery in the hanging wall of the Chiya Khere structure, the Atrush Block has potential additional upside in the Chiya Khere hanging wall Triassic, Chiya Khere footwall reservoirs (Cretaceous, Jurassic and Triassic) and a southern extension of the Swara Tika structure into the Atrush Block.

Regional Geology

The Atrush Block is located within an intensively folded and thrusted zone in the Zagros sedimentary basin which is a world-class hydrocarbon province located on the north-eastern margin of the Arabian Platform. This basin is located along the Zagros thrust belt and covers an area of some 200,000 square kilometres. It extends from the Taurus thrust zone in the north (Turkey) to the Arabian Gulf and Oman in the south. The basin is a typical foreland compressional basin formed by the collision of the Afro-Arabian and Iranian plates in Late Cretaceous and Cenozoic times.

The late Permian and Triassic rocks were deposited in relatively stable shelf conditions and consist of shallow water carbonates with minor evaporite and clastic content. Jurassic sediments were also deposited in the shelf environment and consist primarily of carbonates ranging from deep water mudstones-wackestones to shallow water packstones-grainstones interbedded with supra-tidal carbonates and anhydrites.

The main source rocks in the area are in the Jurassic Naokelekan and the Cretaceous Chia Gara formations. Hydrocarbon generation and migration in the Zagros Basin began during the late Cretaceous time when folding and uplift of the Zagros Mountains began. Faults and fracture development created vertical migration paths to hydrocarbons. Most likely a combination of vertical and horizontal migration charged the structures in the Atrush Block area.

The following table indicates the regional stratigraphy showing reservoirs, source and seal formations.

Age	Epoch	Formation (1)	Lithology	Reservoir	Source	Seal
Cretaceous	Upper	Aqra-Bekhme	Karstic & Dolomitic Limestone			
		Qamchuqa	Karstic & Dolomitic Limestone			
	Lower	Sarmord	Interbedded Marls, Limestone & Shale			
		Garagu	Limestone			
		Chia Gara	Shale & Marls			
Jurassic	Upper	Chia Gara Transition Beds	Shale with layers of Anhydrite and Limestone			
		Barsarin	Shale & Marls over Limestone			?
		Naokelekan	Organic rich Shale with layers of Limestone			
	Middle	Upper Sargelu	Limestone & Shaly Limestone			
		Lower Sargelu	Dolomite with layers of Limestone			
	Lower	Alan	Anhydrites with a few layers of Dolomite			?
		Mus	Limestone & Dolomite			
		Adaiyah	Predominantly Anhydrite with some Dolomite			
		Butmah	Dolomite with isolated layers of Anhydrite and Limestone			
Triassic	Upper	Baluti	Interbedded Marls, Dolomites & Shale			
		Kurra Chine A	Interbedded Anhydrite, Limestone & Dolomite		?	
		Kurra Chine B	Interbedded Anhydrite, Limestone & Dolomite		?	
		Kurra Chine C	Interbedded Anhydrite, Limestone & Dolomite		?	

* A wavy line between formations represents an unconformity.

PSC and Related Agreements

Summary

On August 27, 2010 ShaMaran Ventures B.V. ("SVBV"), an indirect subsidiary of the Company, entered into a Subscription Agreement and a Shareholders Agreement (collectively the "GEP Agreements") with Aspect Energy International, LLC. ("AEI") and GEP to acquire 33.5% of the fully-diluted share capital of GEP, then a wholly owned subsidiary of AEI. GEP then held an 80% working interest in the Atrush Block PSC. In October 2010 the KRG nominated MOKDV as the KRG's Third Party Participant to hold the maximum 20% working interest. Accordingly, the Company held an indirect interest in Atrush Block PSC of 26.8% at December 31, 2010 and 2011.

On December 31, 2012 GEP completed two principal transactions (the "Transactions") resulting in: (i) the sale of a 53.2% participating interest in the Atrush Block to TAQA Atrush B.V.; and (ii) the repurchase of AEI's 66.5% shareholding interest in GEP. As a result of the Transactions SVBV became the sole remaining shareholder of GEP which held a 26.8% direct working interest in the Atrush Block PSC, its principal asset, and TAQA assumed operatorship of the Atrush Block.

On March 12, 2013 the Contractor Group entities to the Atrush Block PSC were notified by the Kurdistan Regional Government of Iraq ("KRG") that it intended to exercise its option to acquire a 25% Government Interest in accordance with the provisions of the Atrush Block PSC.

At the date of this AIF the Atrush Block PSC is held 53.2% by TAQA, 26.8% by GEP, and 20% by MOKDV. Negotiations are currently ongoing amongst the parties to the Contractor Group and the KRG to finalize a commercial agreement with the KRG and amend the Atrush Block PSC to give effect to the Government Interest. To the date of this AIF the process of amending the Atrush Block PSC and finalizing the commercial agreement has not been completed.

Atrush Block PSC

1. Basic Terms

The effective date (the "Effective Date") of the Atrush Block PSC is November 10, 2007. The Atrush Block PSC contract term is comprised of an Exploration Period and a Development Period. The Exploration Period is for an initial exploration term of five years (comprised of a First Sub-Period, being the initial three years from the Effective Date, and a Second Sub-Period, being years four and five from the Effective Date), which under certain circumstances, is extendable on a yearly basis up to a maximum period of seven years from the Effective Date.

In the event of a commercial discovery and subsequent delineation of the relevant field, the term for development and production is extended to 20 years with an automatic right to a five-year extension, and upon satisfying certain conditions, to an additional five-year extension. Acreage included in the contract area and not converted into a producing field is to be relinquished at the rate of 25% at the end of each of the initial exploration terms and the first one-year renewal period and the balance of acreage is to be relinquished at the end of the second one-year renewal term.

2. Minimum Work Obligations

During the First Sub-Period, the Contractor Group was obligated to incur:

(a) the lesser of:
  (i) the costs to acquire, process, and interpret 100 line kilometres of two dimensional seismic data within the concession area, or
  (ii) $2.0 million of such seismic operations, and

(b) the lesser of:
  (i) the costs to drill and complete one well with a minimum depth of 3,000 meters, or
  (ii) $7.5 million of such drilling operations

During the Second Sub-Period, unless prior drilled wells demonstrate that there is not a reasonable technical case for additional drilling, the Contractor Group was required to:

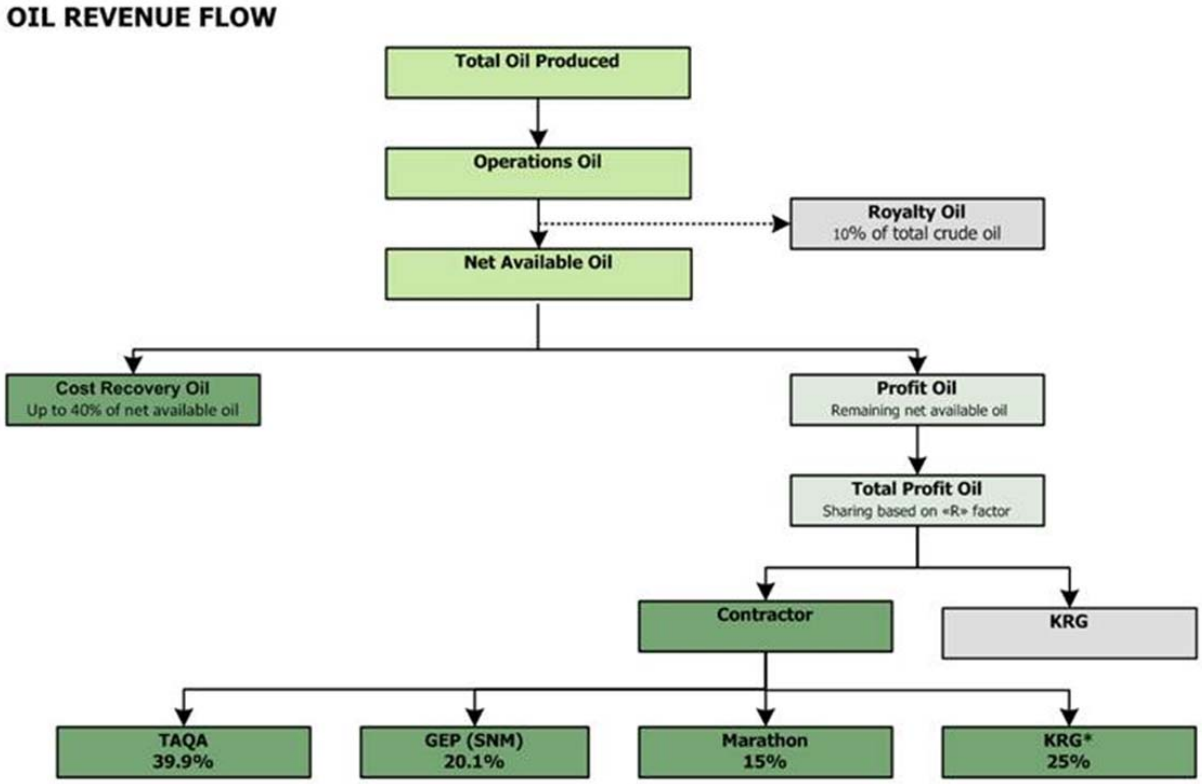
(a) acquire, process and interpret further seismic data (either 2D or 3D), if required, and

(b) drill one exploration or appraisal well (commitment for this purpose is a minimum financial amount of $7.5 million)

3. Fiscal Terms under Original PSC

Fiscal terms under the PSC include a 10% royalty and a variable profit split based on a percentage share to the KRG. GEP has the right to recover costs using up to 40% of the available oil (produced oil less royalty oil) and 55% of the produced gas. The Contractor Group is entitled to cost recovery in respect of all costs and expenditures incurred for exploration, development, production and decommissioning operations, as well as certain other allowable direct and indirect costs.

The portion of profit oil available to the Contractor Group is based on a sliding scale from 32% to 16% depending on the "R-Factor", which is a ratio of cumulative revenues to cumulative costs. When the ratio is below one, the Contractor Group is entitled to 32% of profit oil, with a reducing scale to 16% when the ratio is greater than 2.75. In respect of gas, the sliding scale is from 40% to 22%.



*Under the terms of the Atrush Block PSC the KRG has the option of participating as a Contractor Entity with an undivided interest in the petroleum operations and all the other rights, duties, obligations and liabilities of the Contractor in the PSC, of up to 25% and not less than 5%. Upon exercise of this option the government becomes liable for its share of the petroleum costs incurred on or after the first commercial declaration date.[2]

4. First Amendment

On August 1, 2010 GEP and the KRG executed the first amendment agreement relating to the Atrush Block PSC (the "Atrush Block First PSC Amendment"). The Atrush Block First PSC Amendment:

(a) extended the First Sub-Period to February 10, 2011

(b) extended the KRG's right to nominate a Third-Party Participant to hold up to a 20% working interest until 180 days after completion of GEP's second exploratory well in the Atrush Block, at which time GEP was to receive reimbursement of petroleum costs, excluding bonuses

(c) required GEP, as holder of the "Charged Interest", to make monthly capacity building payments to the KRG equal to 30% of profit oil (produced oil, less royalty and cost oil), and

(d) required GEP, as holder of the "Charged Interest", to pay an additional $5.0 million capacity building bonus to the KRG within 30 days of the KRG's approval of a development plan.

[2] On March 12, 2013 the KRG provided the Contractors notification of its intention to exercise its option to participate as a contracting entity with a 25% interest in the Atrush Block. At the date of this AIF discussions between the Contractors and the KRG to effect the exercise of the right were in progress but the process of exercising the right was not complete.

5. Second Amendment

On October 20, 2010 GEP, MOKDV and the KRG executed the Third-Party Participant, Novation and Second Amendment Agreement to the PSC (the “Atrush Block Second PSC Amendment”). The Atrush Block Second PSC Amendment nominated MOKDV as the KRG’s Third-Party Participant to hold the maximum 20% working interest. MOKDV reimbursed GEP approximately $5.77 million which represents the 20% carried interest of the petroleum costs incurred since the Effective Date of the Atrush Block PSC, through the effective date of the Atrush Block Second PSC Amendment. These amounts were distributed to AEI and the Company, as shareholders of GEP, during the year ended December 31, 2010. Upon closing of the Atrush Block Second PSC Amendment, GEP and MOKDV had an 80% and 20% working interests, respectively, in the Atrush Block property defined in the Atrush Block PSC.

On November 30, 2011 GEP and MOKDV entered into a Joint Operating Agreement approved in accordance with the terms of the Atrush Block Second PSC Second Amendment and collectively with the Atrush PSC and the Atrush Block First PSC Amendment.

6. Third Amendment

On December 31, 2012 GEP, TAQA, MOKDV, and the KRG executed the Atrush Block Third PSC Amendment to the PSC. The Atrush Block Third PSC Amendment assigned from GEP to TAQA a 53.2% working interest in the rights and obligations under the Atrush Block PSC and previous Atrush Block PSC amendments. In addition, GEP’s “Charged Interest” requirements, which were previously 100% obligations of GEP (refer to description included in points (c) and (d) under *First Amendment,* above*)*, were split 66.5% to TAQA and 33.5% to GEP.

Pursuant to the Atrush Block Third PSC Amendment the parties approved the resignation of GEP and appointment of TAQA as Operator to be effective on and as of December 31, 2012.

The First Amendment to the Joint Operating Agreement in respect of the Atrush Block (“the Amended Atrush JOA”) was entered into on December 31, 2012 among TAQA, GEP and MOKDV (“the Parties”) and approved in accordance with the terms of the Atrush Block Third PSC Amendment. Among other rights and obligations the Amended Atrush JOA provides that the recovery of Exploration Costs (as such term is defined in the Atrush Block PSC) incurred prior to December 31, 2012 (“Shared Costs”) shall be shared by the Parties as follows: (i) MOKDV shall be entitled to receive 20% of the Shared Costs in accordance with its 20% working interest in the PSC; (ii) TAQA will be entitled to receive the first $10.8 million of the remaining 80% of the Shared Costs; (iii) TAQA will not be entitled to receive any portion of the next $39.1 million of the remaining 80% Shared Costs; and (iv) all credits of Shared Costs in excess of $62.375 million shall be shared by the Parties in accordance with their working interests in the Atrush Block PSC.

7. Termination Provisions

Under the terms of the Atrush Block PSC the KRG shall have the right to terminate the contract on not less than 90 days’ prior notice in the event that the Contractor Group fails to meet any material financial obligations, does not carry out the required drilling and seismic acquisition program during the First Sub-Period or the Second Sub-Period, interrupts production for more than 90 consecutive days with no cause or acceptable justification, and provided such default is not cured with the 90 day notice period. In certain circumstances, the rights and interests of an individual member of the Contractor Group will be terminated if such individual member is subject to a change of control.

Any time prior to the Development Period the Contractor Group has the right to terminate the Atrush Block PSC upon 30 days’ prior notice to the KRG. During the Development Period, the Contractor Group has the right to terminate the Atrush Block PSC at any time by surrendering all production areas provided its current obligations have been satisfied in accordance with the terms of the Atrush Block PSC.

Risk Factors

ShaMaran Petroleum Corp. is engaged in the exploration, development and production of crude oil and natural gas and its operations are subject to various risks and uncertainties which include but are not limited to those listed below. **If any of the risks described below materialise the effect on the Company's business, financial condition or operating results could be materially adverse.**

The following sections describe material risks identified by the Company; however, risks and uncertainties of which the Company is not currently aware or currently believes to be immaterial could develop and may adversely affect the Company's business, financial condition or operating results.

Investors should carefully consider the risk factors set out below and consider all other information contained herein and in the Corporation's other public filings before making an investment decision. The risks set out below are not an exhaustive list and should not be taken as a complete summary or description of all the risks associated with the Corporation's business and the oil and natural gas business generally.

Political and Regional Risks

International operations: Oil and gas exploration, development and production activities in emerging countries are subject to significant political, social and economic uncertainties which are beyond ShaMaran's control. Uncertainties include, but are not limited to, the risk of war, terrorism, criminal activity, expropriation, nationalisation, renegotiation or nullification of existing or future contracts, the imposition of international sanctions, a change in crude oil or natural gas pricing policies, a change in taxation policies, a limitation on the Company's ability to export, and the imposition of currency controls. Should these uncertainties materialise they could result in adverse effects to the Company's business including, but not limited to, increased costs associated with planned projects, impairment or termination of future revenue generating activities, impairment of the value of the Company's assets and or its ability to meet its contractual commitments as they become due.

Political instability: ShaMaran's assets and operations are located in Kurdistan, a federally recognised semi-autonomous political region in Iraq, and may be influenced by political developments between Kurdistan and the Iraq federal government, as well as political developments of neighbouring states within MENA, Turkey, and surrounding areas. Kurdistan and Iraq have a history of political and social instability. As a result, the Company is subject to political, economic and other uncertainties that are not within its control. These uncertainties include, but are not limited to, changes in government policies and legislation, adverse legislation or determinations or rulings by governmental authorities and disputes between the Iraq federal government and Kurdistan.

Iraq is a political democracy with a federal system of government. Iraq passed a constitution which was ratified in October 2005 and came in effect in 2006. The Iraq constitution contains a list of powers which are reserved exclusively for the Iraq federal government ("Federal Government") and a list of powers which are shared by the Federal Government and the regional governments of Iraq ("Regional Governments"). Jurisdiction over matters that are not within the exclusive powers granted to the Federal Government resides with the Regional Governments and the governments of the Iraq provinces not forming part of the regions. With regard to powers shared by the Federal Government and Regional Governments, in the event of a dispute priority is given under the Iraq constitution to the laws of the region.

The delineation of powers under the Iraq constitution has been subject to different interpretations which has resulted in a number of outstanding political issues and differences between the Iraq federal government and the KRG including, but not limited to, the validity of production sharing contracts issued by the Kurdistan Regional Government of Iraq and the jurisdiction over oil and gas matters in Kurdistan.

The unfavourable outcome of political uncertainties such as those discussed above could result in adverse effects to the Company's assets and business including, but not limited to, increased costs associated with planned projects, impairment or termination of future revenue generating activities and impairment of the value of the Company's assets and or its ability to meet its contractual commitments as they become due.

Political uncertainty and potential impact of actions of the Islamic State in Iraq and Syria (“ISIS”)**:** ShaMaran’s assets and operations are located in Kurdistan, a federally recognised semi-autonomous political region in Iraq, and may be influenced by political developments between Kurdistan and the Iraq federal government, as well as political developments of neighbouring states within MENA region, Turkey, and surrounding areas. Kurdistan and Iraq have a history of political and social instability. As a result, the Corporation is subject to political, economic and other uncertainties that are not within its control. These uncertainties include, but are not limited to, changes in government policies and legislation, adverse legislation or determinations or rulings by governmental authorities and disputes between the Iraq federal government and Kurdistan.

International boundary disputes: Although the Kurdistan Region of Iraq is recognised by the Iraq constitution as a semi-autonomous region, its geographical extent is neither defined in the Iraq constitution nor agreed in practice between the Federal Government and the Kurdistan Regional Government. There are ongoing differences between the KRG and the Federal Government regarding certain areas which are commonly known as “disputed territories”. The Company believes that its current area of operation is not within the “disputed territories”.

Industry and Market Risks

Exploration, development and production risks: ShaMaran’s business is subject to all of the risks and hazards inherent in businesses involved in the exploration, development, production and marketing of oil and natural gas, many of which cannot be overcome even with a combination of experience, knowledge and careful evaluation. The risks and hazards typically associated with oil and gas operations include drilling of unsuccessful wells, fire, explosion, blowouts, sour gas releases, pipeline ruptures and oil spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property or the environment, or in personal injury.

Oil and gas operations involve geological, technical and commercial risks. ShaMaran’s success will depend on its ability to find, appraise, develop and commercially produce oil and gas resources and reserves. Future oil and gas exploration may involve risks relating to dry holes, wells which do not produce sufficient petroleum to return a profit after drilling, operating and other costs. In addition, operations can be affected by drilling hazards, environmental damage, and other field operating conditions which could adversely affect production and increase the cost of operations. Diligent operations can contribute to maximising production rates over time but production delays and declines from normal field operating conditions cannot be eliminated and can adversely affect revenue and cash flow levels.

The Company is not fully insured against all of these risks, nor are all such risks insurable and, as a result, these risks could still result in adverse effects to the Company’s business not fully mitigated by insurance coverage including, but not limited to, increased costs or losses due to events arising from accidents or other unforeseen outcomes including cleanup, repair, containment and or evacuation activities, settlement of claims associated with injury to personnel or property, and or loss of revenue as a result of downtime due to accident.

General market conditions: ShaMaran’s business and operations depend upon conditions prevailing in the oil and gas industry including the current and anticipated prices of oil and gas and the global economic activity. A reduction of the oil price, a general economic downturn, or a recession could result in adverse effects to the Company’s business including, but not limited to, reduced cash flows associated with the Company’s future oil and gas sales. Worldwide crude oil commodity prices are expected to remain volatile in the near future as a result of global excess supply, recent actions taken by the Organization of the Petroleum Exporting Countries ("OPEC"), and ongoing global credit and liquidity concerns. This volatility may affect the Corporation's ability to obtain equity or debt financing on acceptable terms.

Competition: The petroleum industry is intensely competitive in all aspects including the acquisition of oil and gas interests, the marketing of oil and natural gas, and acquiring or gaining access to necessary drilling and other equipment and supplies. ShaMaran competes with numerous other companies in the search for and acquisition of such prospects and in attracting skilled personnel. ShaMaran's competitors include oil companies which have greater financial resources, staff and facilities than those of the Company. ShaMaran's ability to increase reserves in the future will depend on its ability to develop its present property, to select and acquire suitable producing properties or prospects on which to conduct future exploration and to respond in a cost-effective manner to economic and competitive factors that affect the distribution and marketing of oil and natural gas. Oil and natural gas producers are also facing increased competition from alternative forms of energy, fuel and related products that could have an impact on the demand for oil and gas and could lead to reduction in oil prices which may have a negative impact on the Company's cash flow and profitability.

Reliance on key personnel: ShaMaran's success depends in large measure on certain key personnel and directors. The loss of the services of such key personnel could negatively affect ShaMaran's ability to deliver projects according to plan and result in increased costs and delays. ShaMaran has not obtained key person insurance in respect of the lives of any key personnel. In addition, competition for qualified personnel in the oil and gas industry is intense and there can be no assurance that ShaMaran will be able to attract and retain the skilled personnel necessary for the operation and development of its business.

Business Risks

Risks associated with petroleum contracts in Iraq: The Iraq constitution grants a role for the regions of Iraq in awarding of petroleum contracts for certain types of operations, and in regulating those petroleum operations occurring within the regions. No federal Iraq legislation has yet been agreed or enacted by the Iraq parliament to govern the future organisation and management of Iraq's petroleum industry as there are a number of material issues which need to be resolved between the Federal Government and the KRG. There is uncertainty with regard to the promulgation of the Federal legislation and the timing of such adoption, if at all. Failure to enact federal legislation could extend or increase uncertainty within Iraq's petroleum industry which may result in additional burdens being placed on the Company including, but not limited to, difficulty obtaining clear title to its assets or in obtaining adequate financing for its future projects.

The KRG developed the Oil And Gas Law of the Kurdistan Region - Iraq (the "Oil and Gas Law") to be consistent with the role granted to the regions in the Iraq constitution and in conformity with the principles reflected in the Draft Federal Petroleum Law and in the draft federal law governing revenue sharing for petroleum activities proposed in June 2007.

In the absence of progress on the Draft Federal Petroleum Law, on August 6, 2007, the Kurdistan National Assembly approved the Oil and Gas Law which came into force in Kurdistan with effect from August 9, 2007. The Kurdistan National Assembly passed the Oil and Gas Law which is declared to be supported by the Iraq constitution and provides the foundation for economic development of the largely untapped resources of Kurdistan. Under the Oil and Gas Law domestic and international investors in oil and gas can come to Kurdistan, generate revenue and provide employment and training opportunities for citizens in the region. Consistent with the Iraq constitution the Oil and Gas Law requires Kurdistan to share revenue with the Iraq federal government and other regions of Iraq, just as other areas of Iraq will share oil revenues with Kurdistan. The KRG has signed a number of PSCs with international oil companies based on the oil and gas law passed in August 2007. The Company currently has an interest in the Atrush Block PSC which is within the jurisdiction of the Oil and Gas Law.

The Iraq oil ministry has historically disputed the validity of the KRG's production sharing contracts and, as a result indirectly, the Company's right and title to its oil and gas assets. The KRG is disputing the claims and has stated that the contracts are compliant with the Iraq constitution. At the present time there is no assurance that the PSCs agreed with the KRG are enforceable or binding in accordance with ShaMaran's interpretation of their terms or that, if breached, the Company would have remedies.

Although the Company conducts title reviews prior to acquiring an interest in a PSC, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise that may call into question ShaMaran's interest in the Atrush Block PSC.

The Company believes that it has valid title to its oil and gas assets and the right to explore for and produce oil and gas from such assets under the Atrush Block PSC. However, should the Iraq federal government pursue and be successful in a claim that the production sharing contracts agreed with the KRG are invalid, or should any unfavourable changes develop which impact on the economic and operating terms of the Atrush Block PSC, it could result in adverse effects to the Company's business including, but not limited to, impairing the Company's claim and title to assets held, and or increasing the obligations required, under the Atrush Block PSC.

Government regulations, licenses and permits: The Company is affected by changes in taxes, regulations and other laws or policies affecting the oil and gas industry generally as well as changes in taxes, regulations and other laws or policies applicable to oil and gas exploration and development in Kurdistan specifically.

ShaMaran conducts its operations pursuant to the rights granted under the Atrush Block PSC and related licenses, permits and other authorisations. The grant of licenses and permits may require fulfilment of certain conditions or the exercise of discretion by the concerned authorities. The Company's ability to execute its projects may be hindered if it cannot secure the necessary approvals or the discretion is exercised in a manner adverse to the Company. Any significant delay in obtaining or renewing a license or permit may result in a delay of the Company's planned activities and the future development of any oil and gas resources.

The taxation system applicable to the operating activities of the Company in Kurdistan is pursuant to the Oil and Gas Law governed by general Kurdistan tax law and the terms of its PSCs. However, it is possible that the arrangements under the PSCs may be overridden or negatively affected by the enactment of any future oil and gas or tax law in Iraq or Kurdistan which could result in adverse effects to the Company's business including, but not limited to, increasing the Company's expected future tax obligations associated with its activities in Kurdistan.

Marketing, markets and transportation: One of the consequences of the disagreement between the Iraq federal government and the KRG over the validity of the KRG's PSCs and issues relating to revenue sharing and auditing of costs is the withholding by the Iraq federal government of partial or full payments to the KRG for oil exported from Kurdistan. As a result the KRG has been unable to make full payments due to the companies who have to date exported oil from Kurdistan.

The export of oil and gas and payments relating to such exports from Kurdistan remains subject to uncertainties which could negatively impact on ShaMaran's ability to export oil and gas and receive payments relating to such exports. Further, ShaMaran's ability to export and market oil and gas may also depend upon its ability to secure transportation and delivery, in view of related issues such as the proximity of its potential production to pipelines and processing facilities. Potential government regulation relating to price, quotas and other aspects of the oil and gas business could result in adverse effects to the Company's business including, but not limited to, impairing the Company's ability to export and sell oil and gas and receive full payment for all sales of oil and gas.

Default under the Atrush Block PSC and Atrush JOA: The Atrush Block PSC and Atrush JOA include a number of provisions in the event that a Contractor should fail to meet its obligations under these contracts. Defaults include where a Contractor does not carry out drilling and seismic acquisition as prescribed, interrupts production for more than 90 consecutive days without reasonable cause, intentionally extracts other materials than permitted, becomes bankrupt, or there is a change of control in a party which is not approved by KRG (see below for further risk discussion). If a default is not remedied within three (3) months following notice of intention to terminate, the KRG may terminate the PSC with respect to the defaulting party and allocate its interest among the other contractors. Consequently the Company could upon a default lose all its rights and interests in the Atrush field without any compensation.

The Atrush JOA definition of default includes payment default and failure to provide security as required under the Atrush JOA. If a party does not remedy such default within 5 business days after having been notified of the default, its entitlement shall vest with and be the property of the other parties as long as the default remains un-remedied.

The operator will in this period be entitled to sell the entitlement at arms' length on reasonable terms and apply proceeds to cover costs and liabilities and a reserve fund before releasing any remaining surplus. If a default has remained for 60 days or more a non-defaulting party has the option to acquire the defaulter's participating interest at a price equal to the fair market value of such interest less the following (i) the total amount in default (ii) all costs; including the costs of an expert, to obtain such valuation and (iii) ten per cent (10%) of the fair market value of the defaulting party's participating interest.

Should the Company fail to meet its obligations under the Atrush Block PSC and or Atrush JOA it could result in adverse effects to the Company's business including, but not limited to, a default under one or both of these contracts, the termination of future revenue generating activities of the Company and impairment of the Company's ability to meet its contractual commitments as they become due.

Kurdistan legal system: The Kurdistan Region of Iraq has a less developed legal system than that of many more established regions. This could result in risks associated with predicting how existing laws, regulations and contractual obligations will be interpreted, applied or enforced. In addition it could make it more difficult for the Company to obtain effective legal redress in courts in case of breach of law, regulation or contract and to secure the implementation of arbitration awards and may give rise to inconsistencies or conflicts among various laws, regulations, decrees or judgments. The Company's recourse may be limited in the event of a breach by a government authority of an agreement governing the PSC in which ShaMaran acquires or holds an interest.

Enforcement of judgments in foreign jurisdictions: The Company is party to contracts with counterparties located in a number of countries, most notably Kurdistan. Certain of its contracts are subject to English law with legal proceedings in England. However, the enforcement of any judgments thereunder against a counterparty will be a matter of the laws of the jurisdictions where counterparties are domiciled.

Change of control in respect of PSC: The Atrush Block PSC definition of "change of control" in a Contractor includes a change of voting majority in the Contractor, or in a parent company, provided the value of the interest in the Atrush field represents more than 50% of the market value of assets in the Company. Due to the limited amount of other assets held by the Company this will apply to a change of control in GEP or any of its parent companies. Change of control requires the consent of KRG or it will trigger a default under the PSC.

Project and Operational Risks

Shared ownership and dependency on partners: ShaMaran's operations are to a significant degree conducted together with one or more partners through contractual arrangements with the execution of the operations being undertaken by the operator in accordance with the terms of the Atrush JOA. As a result, ShaMaran has limited ability to exercise influence over the deployment of those assets or their associated costs and this could adversely affect ShaMaran's financial performance.

ShaMaran's return on assets operated by others will therefore depend upon a number of factors that may be outside of ShaMaran's control, including the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices. The operator, along with the Company's other partners, may have different opinions on how to conduct certain operations which may result in delays, losses or increased costs not anticipated by the Company. In addition, if the operator or other partners fail to perform, ShaMaran may, among other things, risk losing rights or revenues or incur additional obligations or costs in order to itself perform in place of its partners. If a dispute would arise with one or more partners such dispute may have significant negative effects on the Company's operations relating to its projects.

Security risks: Kurdistan and other regions in Iraq have a history of political and social instability which have culminated in security problems which may put at risk the safety of the Company's personnel, interfere with the efficient and effective execution of the Company's operations and ultimately result in significant losses to the Company. There have been no significant security incidents in the Company's area of operation.

Risks relating to infrastructure: The Company is dependent on access to available and functioning infrastructure (including third party services in Kurdistan) relating to the properties on which it operates, such as roads, power and water supplies, pipelines and gathering systems. The absence of direct export capability via the current Iraq pipeline export infrastructure and or the proposed Kurdistan-to-Turkey pipeline may adversely impact the Company's ability to develop, produce and export its oil and gas. Further, if any infrastructure or systems failures occur or access is not possible or does not meet the requirements of the Company, the Company's operations may be significantly hampered which could result in lower production and sales and or higher costs.

Environmental regulation and liabilities: Drilling for and producing, handling, transporting and disposing of oil and gas and petroleum by-products are activities that are subject to extensive regulation under national and local environmental laws, including in those countries in which ShaMaran currently operates. Environmental regulations may impose, among other things, restrictions, liabilities and obligations in connection with water and air pollution control, waste management, permitting requirements and restrictions on operations in environmentally sensitive areas. The Company's operations in Kurdistan are subject to general and specific regulations and restrictions governing drilling, production and processing, land tenure use, environmental requirements (including site specific environmental licenses, permits and remediation requirements), workplace health and safety requirements, social impacts and other laws and regulations. The environmental laws of Kurdistan are limited as compared to those in jurisdictions such as Europe or North America. The Company is obliged to follow both Kurdish law and the terms of the Atrush Block PSC towards protecting the environment and the health and safety of its employees and third parties.

The Company has implemented health, safety and environment policies since its incorporation, complies with industry environmental practices and guidelines for its operations in Kurdistan and is currently in compliance with these obligations in all material aspects. Environmental protection requirements have not, to date, had a significant effect on the capital expenditures and competitive position of ShaMaran.

Future changes in environmental or health and safety laws, regulations or community expectations governing the Company's operations could result in adverse effects to the Company's business including, but not limited to, increased monitoring, compliance and remediation costs and or costs associated with penalties or other sanctions imposed on the Company for non-compliance or breach of environmental regulations.

Risk relating to community relations / labour disruptions: The Company's operations may be located in or near communities that may regard operations as detrimental to their environmental, economic or social circumstances. This may result in disputes with national or local governments or with local communities and may give rise to incremental financial commitments. Additionally, there is a risk that strikes or labour unrest/disruptions may occur in the area of the Company's operation. Negative community reactions and labour disruptions or disputes could increase operational costs and result in delays in the execution of projects.

Petroleum costs and cost recovery: Under the terms of the Atrush Block PSC the KRG is entitled to conduct an audit to verify the validity of incurred petroleum costs which the operator has reported to the KRG and is therefore entitled under the terms of the Atrush Block PSC to recover through cash payments from future petroleum production. No such audit has to date taken place. Should any future audits result in negative findings concerning the validity of reported incurred petroleum costs the Company's petroleum cost recovery entitlement could ultimately be reduced.

Legal claims and disputes: The Company may suffer unexpected costs or other losses if a counterparty to any contractual arrangement entered into by the Company does not meet its obligations under such agreements. In particular, the Company cannot control the actions or omissions of its partners in the Atrush Block PSC. If such parties were to breach the terms of the Atrush Block PSC or any other documents relating to the Company's interest in the Atrush Block PSC, it could cause the KRG to revoke, terminate or adversely amend the Atrush Block PSC.

The Atrush JOA and the Atrush Block PSC provide mitigating provisions for circumstances whereby action can be taken to remedy or cure the breach, but in certain circumstances such disputes may disrupt business operations and could materially adversely affect the business prospects or results of operations of the Company. In addition the Company may be exposed to third party credit risks through its commercial arrangements with any with any co-venture marketer of its petroleum products, suppliers, contractors and other parties and this could result in additional costs, delays, losses to the Company.

Paying interest: Under the terms of the Atrush Block PSC, on exercise of its back-in right, the KRG is required to pay its share of project development costs. There is a risk that the Contractors may be exposed to fund the KRG share of project development costs.

Uninsured losses and liabilities: Although the Company maintains insurance in accordance with industry standards to address risks relating to its operations, the Company's insurance coverage may under certain circumstances not protect it from all potential losses and liabilities that could result from its operations. The occurrence of a casualty, loss or liability against which the Company is not fully insured against, or the insolvency of the insurer of such event could impair the Company's ability to meet its obligations. The Company had no material uninsured losses or claims at the date of this AIF.

Availability of equipment and services: ShaMaran's oil and natural gas exploration and development activities are dependent on the availability of third party services, drilling and related equipment and qualified staff in the particular areas where such activities are or will be conducted. ShaMaran currently leases all the drilling rigs used for its exploration and development activities. Shortages of such equipment or staff may affect the availability of such equipment to ShaMaran and may delay and or increase the cost of ShaMaran's exploration and development activities.

Early stage of development: ShaMaran has conducted oil and gas exploration and development activities in Kurdistan for approximately four years. The current operations are in an appraisal and development stage and there can be no assurance that ShaMaran's operations will be profitable in the future or will generate sufficient cash flow to satisfy its future commitments.

Financial and Other Risks

Financial statements prepared on a going concern basis: The Company's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realise its assets and satisfy its liabilities in the ordinary course of business. ShaMaran's operations to date have been primarily financed by debt and equity financing. The Company's future operations are dependent upon the identification and successful completion of additional equity or debt financing or the achievement of profitable operations. There can be no assurances that the Company will be successful in completing additional financing or achieving profitability. The consolidated financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should ShaMaran be unable to continue as a going concern.

Substantial capital requirements: ShaMaran anticipates making substantial capital expenditures in the future for the acquisition, exploration, development and production of oil and gas. ShaMaran's results could impact its access to the capital necessary to undertake or complete future drilling and development programs. To meet its operating costs and planned capital expenditures, ShaMaran may require financing from external sources, including from the sale of equity and debt securities. There can be no assurance that such financing will be available to the Company or, if available, that it will be offered on terms acceptable to ShaMaran. If it is unable to secure financing on acceptable terms, the Company may have to cancel or postpone certain of its planned exploration and development activities and may not be able to take advantage of acquisition opportunities. If ShaMaran or any of its partners in the oil asset are unable to complete minimum work obligations on the Atrush Block PSC, this PSC could be relinquished under applicable contract terms.

Dilution: The Company may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Company. If additional financing is raised through the issuance of equity or convertible debt securities, control of the Company may change and the interests of shareholders in the net assets of ShaMaran may be diluted.

Tax legislation: The Company has entities incorporated and resident for tax purposes in Canada, the Cayman Islands, the Kurdistan Region of Iraq, the Netherlands, Switzerland and the United States of America. Changes in the tax legislation or tax practices in these jurisdictions may increase the Company's expected future tax obligations associated with its activities in such jurisdictions.

Commodity price risk: The prices that the Company receives for its oil and gas production may have a significant impact on the Company's revenues and cash flows provided by operations. World prices for oil and gas are characterised by significant fluctuations that are determined by the global balance of supply and demand and worldwide political developments and in particular the price received for the Company's oil and gas production in Kurdistan is dependent upon the KRG and its ability to export production outside of Iraq. A significant decline in the price at which the Company can sell future oil and gas production could adversely affect the amount of funds available for capital reinvestment purposes as well as impair the value of the Company's oil and gas assets.

Foreign currency risk: The substantial portion of the Company's operations require purchases denominated in USD, which is the functional and reporting currency of the Company and also the currency in which the Company maintains the substantial portion of its cash and cash equivalents. Certain of its operations require the Company to make purchases denominated in foreign currencies, which are currencies other than USD and correspond to the various countries in which the Company conducts its business, most notably, Swiss Francs ("CHF") and Canadian dollars ("CAD"). As a result, the Company holds some cash and cash equivalents in foreign currencies and is therefore exposed to foreign currency risk due to exchange rate fluctuations between the foreign currencies and the USD. The Company considers its foreign currency risk is limited because it holds relatively insignificant amounts of foreign currencies at any point in time and since its volume of transactions in foreign currencies is currently relatively low. The Company has elected not to hedge its exposure to the risk of changes in foreign currency exchange rates.

Interest rate risk: The Company earns interest income at variable rates on its cash and cash equivalents and is therefore exposed to interest rate risk due to a fluctuation in short-term interest rates. The Company's policy on interest rate management is to maintain a certain amount of funds in the form of cash and cash equivalents for short-term liabilities and to have the remainder held on relatively short-term deposits. ShaMaran is highly leveraged though financing at the project level, for the continuation of Atrush project, and at the corporate level due to the $150 million of senior secured bonds which were issued in November 2013. However, the Company is not exposed to interest rate risks associated with the bonds as the interest rate is fixed.

Credit risk: Where counterparty defaults on its contractual obligations the Company could incur financial loss. The Company is primarily exposed to credit risk on its cash and cash equivalents and other receivables. The Company manages credit risk by monitoring counterparty ratings and credit limits and by maintaining excess cash and cash equivalents on account in instruments having a minimum credit rating of R-1 (mid) or better (as measured by Dominion Bond Rate Services) or the equivalent thereof according to a recognised bond rating service.

Liquidity risk: The Company bears the risk that it will have difficulties meeting its financial obligations as they become due. In common with many oil and gas exploration companies the Company raises financing for its exploration and development activities in discrete tranches in order to finance its activities for limited periods. The Company seeks to rise additional funding as and when required. The Company anticipates making substantial capital expenditures in the future for the acquisition, exploration, development and production of oil and gas and as the Company's project moves further into the development stage, specific financing, including the possibility of additional debt, may be required to enable future development to take place. The financial results of the Company will impact its access to the capital markets necessary to undertake or complete future drilling and development programs. There can be no assurance that debt or equity financing, or future cash generated by operations, would be available or sufficient to meet these requirements or, if debt or equity financing is available, that it will be on terms acceptable to the Company.

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows. Annual capital expenditure budgets are prepared, which are regularly monitored and updated as considered necessary. In addition, the Company requires authorisations for expenditure on both operating and non-operating projects to further manage capital expenditures.

Capital and lending markets: As a result of general economic uncertainties and, in particular, the lack of risk capital available to the junior resource sector, the Company, along with other junior resource entities, may have reduced access to bank debt and to equity. As future capital expenditures will be financed out of funds generated from operations, bank borrowings if available, and possible issuances of debt or equity securities, the Company's ability to do so is dependent on, among other factors, the overall state of lending and capital markets and investor and lender appetite for investments in the energy industry generally, and the Company's securities in particular. To the extent that external sources of capital become limited or unavailable or available only on onerous terms, the Company's ability to invest and to maintain existing assets may be impaired, and its assets, liabilities, business, financial condition and results of operations may be materially and adversely affected as a result.

Recent distress in financial markets: In the future the Company is expected to require financing to grow its business. The recent distress affecting the financial markets and the possibility that financial institutions may consolidate or go bankrupt has reduced levels of activity in the credit markets which could diminish the amount of financing available to companies. In addition, such turmoil in the financial markets could significantly increase the Company's costs associated with borrowing. The Company's liquidity and its ability to access the credit or capital markets may also be adversely affected by changes in the financial markets and the global economy. There could be a number of follow on effects from the credit crisis on the Company, including insolvency of customers, key suppliers and other counterparties to the Company's and foreign exchange derivative instruments.

Risks in estimating resources**:** There are a number of uncertainties inherent in estimating the quantities of reserves/resources including factors which are beyond the control of the Company. Estimating reserves and resources is a subjective process and the results of drilling, testing, production and other new data subsequent to the date of an estimate may result in revisions to original estimates.

Reservoir parameters may vary within reservoir sections. The degree of uncertainty in reservoir parameters used to estimate the volume of hydrocarbons, such as porosity, net pay and water saturation, may vary. The type of formation within a reservoir section, including rock type and proportion of matrix and or fracture porosity, may vary laterally and the degree of reliability of these parameters as representative of the whole reservoir may be proportional to the overall number of data points (wells) and the quality of the data collected. Reservoir parameters such as permeability and effectiveness of pressure support may affect the recovery process. Recovery of reserves and resources may also be affected by the availability and quality of water, fuel gas, technical services and support, local operating conditions, security, performance of the operating company and the continued operation of well and plant equipment.

Additional risks associated with estimates of reserves and resources include risks associated with the oil and gas industry in general which include normal operational risks during drilling activity, development and production; delays or changes in plans for development projects or capital expenditures; the uncertainty of estimates and projections related to production, costs and expenses; health, safety, security and environmental risks; drilling equipment availability and efficiency; the ability to attract and retain key personnel; the risk of commodity price and foreign exchange rate fluctuations; the uncertainty associated with dealing with governments and obtaining regulatory approvals; performance and conduct of the operator; and risks associated with international operations.

The Company's project is in the appraisal and development stages and, as such, additional information must be obtained by further appraisal drilling and testing to ultimately determine the economic viability of developing any of the contingent or prospective resources. There is no certainty that the Company will be able to commercially produce any portion of its contingent or prospective resources. Any significant change, in particular, if the volumetric resource estimates were to be materially revised downwards in the future, could negatively impact investor confidence and ultimately impact the Company's performance, share price and total market capitalisation.

The Company has engaged professional geologists and engineers to evaluate reservoir and development plans; however, process implementation risk remains. The Company's reserves and resource estimations are based on data obtained by the Company which has been independently evaluated by McDaniel & Associates Consultants Ltd.

Conflict of interests: Certain directors of ShaMaran are also directors or officers of other companies, including oil and gas companies, the interests of which may, in certain circumstances, come into conflict with those of ShaMaran. If and when a conflict arises with respect to a particular transaction, the affected directors must disclose the conflict and abstain from voting with respect to matters relating to the transaction. All conflicts of interest will be addressed in accordance with the provisions of the Business Corporations Act (British Columbia) and other applicable laws.

Risks Related to the Company's Senior Secured Bonds

Possible termination of PSC / Bond Agreement in event of default scenario: Should GEP default its obligations under the Bond Agreement GEP may also not be able to fulfil its obligations under the Atrush Block PSC and or Atrush JOA, with the effect that these contracts may be terminated or limited. In addition, should GEP default its obligations under the Atrush Block PSC and or Atrush JOA, with the effect that these contracts may be terminated or limited, GEP may also default in respect of its obligations under the Bond Agreement. Either default scenario could result in the termination of the Company's future revenue generating activities and impair the Company's ability to meet its contractual commitments as they become due.

Ability to service indebtedness: GEP's ability to make scheduled payments on or to refinance its obligations under the bonds will depend on GEP's financial and operating performance which, in turn, will be subject to prevailing economic and competitive conditions beyond GEP's control. It is possible that GEP's activities will not generate sufficient funds to make the required interest payments which could, among other things, result in an event of default under the Bond Agreement.

Significant operating and financial restrictions**:** The terms and conditions of the Bond Agreement contain restrictions on GEP's and the Guarantors' activities which restrictions may prevent GEP and the Guarantors from taking actions that it believes would be in the best interest of GEP's business, and may make it difficult for GEP to execute its business strategy successfully or compete effectively with companies that are not similarly restricted. No assurance can be given that it will be granted the necessary waivers or amendments if for any reason GEP is unable to comply with the terms of the Bond Agreement. A breach of any of the covenants and restrictions could result in an event of default under the Bond Agreement.

Mandatory prepayment events: Under the terms of the Bond Agreement the bonds are subject to mandatory prepayment by GEP on the occurrence of certain specified events, including if (i) the ownership in the Atrush Block is reduced to below 20.10% (ii) ShaMaran Petroleum Corp. ceases to indirectly own, or ShaMaran Ventures B.V. ceases to directly own, 100% of the shares in GEP (iii) GEP invests in any assets or enters into any other activities unrelated to the Atrush Block PSC or (iv) an event of default occurs under the Bond Agreement. Following an early redemption after the occurrence of a mandatory prepayment event, it is possible that GEP will not have sufficient funds to make the required redemption of bonds which could, among other things, result in an event of default under the Bond Agreement.

Statement of Reserves Data and Other Oil and Gas Information

Date of Statement

The Statement of Reserves Data and Other Information is prepared as at December 31, 2015. The information is presented on a consolidated basis for ShaMaran.

Disclosure of Reserves Data

In February 2016 the Company received a detailed property report from McDaniel. The report is as of December 31, 2015. Total oil in place is estimated at 1.5 to 2.8 billion barrels, with Atrush Block gross 2P reserves estimated at 85.1 MMbbls (relating entirely to the Atrush Phase 1 development area) and Atrush Block gross 2C contingent resource estimated at 304 MMboe. Positive well test results in the Chiya Khere-5, Chiya Khere-8 and Atrush-3 wells as well as positive interference tests across the field have resulted in an increased reserves area. Furthermore, the gradual increase in oil density with depth has now fully been incorporated. For further information please refer to the Company's Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information,* Form 51-101F2 *Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor* and Form 51-101F3 *Report of Management* filed under the ShaMaran profile on the SEDAR website at www.sedar.com by ShaMaran on March 18, 2016 and attached hereto as Schedules A, B and C.

ITEM 5 - DESCRIPTION OF CAPITAL STRUCTURE AND DIVIDENDS

Capital Structure

The Company's authorized capital consists of an unlimited number of common shares without par value. All of the issued common shares are fully paid and non-assessable.

The holders of common shares are entitled to receive notice of, and to one vote per share at, every meeting of shareholders of the Company, to receive such dividends as the Board of Directors declares and to share equally in the assets of the Company remaining upon the liquidation, dissolution or winding up of the Company after the creditors of Company have been satisfied.

Under the terms of the agreement governing the Company's corporate bonds issued on November 13, 2013, which have a 5-year maturity, the Company is restricted from repurchasing shares from its shareholders.

Under the Company's Stock Option Plan, the Company may grant options to purchase up to 10% of the issued and outstanding Common Shares at the time of grant to Directors, officers, employees and consultants. As of the date of this AIF, the Company has outstanding options to purchase 28,190,000 Common Shares at exercise prices from $0.115 to $0.36 per share with terms expiring between April 12, 2018 and January 19, 2020.

At December 31, 2015 the Company had an aggregate of 1,579,768,534 common shares issued and outstanding.

At the date of this AIF the Company had an aggregate of 1,579,768,534 common shares issued and outstanding.

Dividends

To date the Company has not paid dividends on its common shares and has no plans to pay dividends in the near future. In accordance with the November 2013 Bond Agreement the Company is prohibited from distributing dividends. Any decision to pay dividends in the future will be based on the Company's earnings and financial requirements and other factors that its Board of Directors may consider appropriate in the circumstances.

ITEM 6 - MARKET FOR SECURITIES

Trading Price and Volume

The common shares of the Company are currently listed and posted for trading on the TSX.V in Canada under the trading symbol “SNM”. On June 22, 2011 the Company began trading its common shares on the NASDAQ First North under the symbol “SNM”.

The following table sets out, for the calendar periods indicated, the high and low closing prices and trading volumes for the common shares as reported on the TSX.V.

Month	High(CAD$)	Low(CAD$)	Volume
December 2015	0.060	0.050	16,209,847
November 2015	0.075	0.060	3,568,724
October 2015	0.085	0.060	1,760,883
September 2015	0.085	0.070	2,724,172
August 2015	0.100	0.065	1,670,270
July 2015	0.100	0.080	1,725,757
June 2015	0.100	0.080	564,676
May 2015	0.110	0.085	1,533,156
April 2015	0.110	0.090	6,806,677
March 2015	0.130	0.090	767,780
February 2015	0.130	0.105	42,145,299
January 2015	0.145	0.105	11,434,032

Prior Sales

Stock Options

During the financial year ended December 31, 2015, the Company granted 26,000,000 incentive stock options to purchase an equivalent number of shares at an exercise price of $0.115 per share.

Rights Offering

On January 15, 2015 the Company issued 810,983,860 Rights to holders to subscribe for up to 754,214,990 common shares at a subscription price of CAD$ 0.10 (SEK 0.68) per common share pursuant to a Rights Offering. The Rights Offering closed on February 10, 2015 with the Company raising gross proceeds of CAD 75.4 million through the issuance of an aggregate of 713,308,912 common shares at a subscription price of CAD 0.10 (SEK 0.68) per share to holders of Rights, including 195,710,409 Common Shares to its major shareholders, Lorito Holdings SARL ("Lorito"), Zebra Holdings and Investments SARL ("Zebra") and Lundin Petroleum BV ("Lundin") (collectively the "Standby Purchasers") on exercise of their respective Rights. This represented 94.6%% of the total Common shares available to Rightsholders for subscription. Under the terms of a standby purchase agreement (the "Standby Purchase Agreement") between the Company and the Standby Purchasers, the Standby Purchasers agreed to subscribe for a total of 40,906,078 additional Common Shares (representing all Common Shares not otherwise subscribed for by Rightholders) at a price of CAD 0.10 per share (the "Standby Purchase"). On February 17, 2015, the Standby Purchase occurred and the Company issued an additional 40,906,078 Common Shares at a subscription price of CAD 0.10 per share for gross proceeds of CAD 4,090,607.80 to its major shareholders, Lorito Holdings SARL, Zebra Holdings and Investments SARL and Lundin Petroleum BV (collectively the "Standby Purchasers"), which represented all Common Shares not otherwise subscribed for by the Rightholders. In addition, the Company issued a further aggregate of 14,569,684 additional Common Shares to the Standby Purchasers in respect of the guarantee fee, as defined under the standby purchase agreement to the Standby Purchasers in respect of the guarantee fee under the Standby Purchase Agreement.

ITEM 8. ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

All of the ordinary shares of GEP and ShaMaran Services SA have been pledged as security for GEP's bond related obligations to Norsk Tillitsmann ASA in its capacity as trustee for the bondholders under the Bond Agreement.

The Company has no securities currently held in escrow.

ITEM 9 - DIRECTORS AND OFFICERS

Name, Address and Occupation

The Board of Directors of the Company is currently comprised of five directors who are elected annually and whose term of office will expire at the Company's annual meeting. Each director holds office until the next annual meeting of shareholders or until his successor is duly elected unless his office is earlier vacated in accordance with the articles of the Company.

The names, provinces and countries of residence of each of the directors and executive officers of the Company, their respective positions and offices held with the Company, their principal occupations within the preceding five years, as at December 31, 2015 and the date hereof is set forth in the following table:

Name, province or state and country of residence	Current position(s) held in the Company	Principal Occupation during the Past Five Years
Keith C. Hill Florida, USA	Chairman and Director since February 19, 2007; Chairman of Compensation Committee; Member of Corporate Governance Committee; Member of Reserves Committee	President, CEO and director of Africa Oil Corp.; Director of BlackPearl Resources Inc., Petrovista Energy Corp., Horn Petroleum Corp., Tyner Resources Ltd. and TAG Oil Corp. Prior to his appointment as CEO of Africa Oil Corp., Mr. Hill was President and CEO of BlackPearl Resources Inc. and of Valkyries Petroleum Corp.
Chris Bruijnzeels Geneva, Switzerland	President, Chief Executive Officer and Director since January 19, 2015	Mr. Bruijnzeels is a qualified Professional Engineer with over 29 years of experience in the oil and gas industry. Mr. Bruijnzeels was Senior Vice President Development of Lundin Petroleum AB from January 2003 up to the time of his appointment as a Member of the Board of ShaMaran on January 19, 2015. Mr. Bruijnzeels joined Lundin Petroleum in 2003 and was responsible for Lundin Petroleum's operations, reserves and the development of its asset portfolio. From 1985 until 1998, Mr. Bruijnzeels worked for Shell International in the Netherlands, Gabon and Oman in several reservoir engineering functions. In 1998, he joined PGS Reservoir Consultants in the UK where he worked as Principal Reservoir Engineer and Director of Evaluations.

Name, province or state and country of residence	Current position(s) held in the Company	Principal Occupation during the Past Five Years
C. Ashley Heppenstall Geneva, Switzerland	Director since January 19, 2015; Chairman of the Audit Committee; Member of Compensation Committee; and Member of Reserves Committee	A director of Lundin Petroleum AB since August, 2001. Mr. Heppenstall is a graduate of Durham University where he obtained a degree in Mathematics. Mr. Heppenstall is a director of Lundin Gold Inc., Africa Energy Corp. and Etrion Corporation, and was, from May 2010 until May 2013, a director of Vostok Nafta Investment Ltd., a corporation traded on the Nasdaq OMX Nordic Exchange in Stockholm.
Gary S. Guidry Alberta, Canada	Director since February 19, 2007; Chairman of the Reserves Committee; Member of the Audit Committee; Member of the Corporate Governance and Nominating Committee	President and Chief Executive Officer of Gran Tierra Energy Inc. since May 2015; Director of Africa Oil Corp. since June 2008; former President, Chief Executive Officer, director and head of Chad Business for Glencore E&P (Canada) Inc. (formerly Caracal Energy Inc.) from July 2011 to August 2014. Previously, Mr. Guidry was President and CEO of Tanganyika Oil Company Ltd. and Orion Oil and Gas Corporation and director of TransGlobe Energy Corporation.
Brian D. Edgar British Columbia, Canada	Director since March 27, 2007; Chairman of the Corporate Governance and Nominating Committee; Member of the Audit Committee; Member of the Compensation Committee	Chairman of Silver Bull Resources, Inc.; Director of a number of other publicly traded companies.
Brenden Johnstone Geneva, Switzerland	Chief Financial Officer since December 14, 2009	Mr. Johnstone is a Canadian Chartered Accountant and a graduate of the University of Saskatchewan, where he obtained bachelor degrees in commerce and arts. Mr. Johnstone was previously the Chief Financial Officer of Avante Petroleum S.A.

Notes:

There are four standing committees of the Board; namely, the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee and the Reserves Committee.

The following table identifies the members of each of these Committees, as at December 31, 2015:

Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee	Reserves Committee
C. Ashley Heppenstall*	Keith C. Hill*	Brian D. Edgar*	Gary S. Guidry*
Brian D. Edgar	C. Ashley Heppenstall	Keith C. Hill	Keith C. Hill
Gary S. Guidry	Brian D. Edgar	Gary S. Guidry	C. Ashley Heppenstall

**Chairman of the committee.*

Security Holdings
As at the date of this AIF, the directors and executive officers of the Company beneficially own, directly or indirectly, have control of or direction over an aggregate of 4,426,940 Common Shares, representing approximately 0.28% of the issued and outstanding Common Shares (excluding securities issuable on exercise of stock options).

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

Other than as disclosed below, no director or officer or person holding a sufficient number of securities of the Company to affect materially the control of the Company, is, or within the past ten years before the date of this Annual Information Form has been, a director or officer of any other issuer that, while such person was acting in that capacity:

(i) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days

(ii) was subject to an event that resulted in such an order after the person ceased to be a director or officer

(iii) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or comprise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets, or

(iv) was subject to such bankruptcy proceedings within a year of that person ceasing to act in that capacity

Mr. Edgar was a director of New West Energy Services Inc. (NEW-TSX-V) when, on September 5, 2006, a cease trade order was issued against that company by the British Columbia Securities Commission for failure to file its financial statements within the prescribed time. The default was rectified and the order was rescinded on November 9, 2006.

Penalties or Sanctions

No director of officer of the Company, or shareholder holding a sufficient number of shares of the Company to materially affect control of the Company, has been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority, or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

During the ten years preceding the date of this AIF, no director, officer or shareholder holding a sufficient number of shares of the Company to affect materially the control of the Company, or a personal holding company of any such person, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold his or her assets.

The foregoing information, not being within the knowledge of the Company, has been furnished by the respective directors, officers and any control shareholder of the Company individually.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or the terms of such participation. From time to time, several companies, including the Company, may participate in the acquisition, exploration and development of natural resource properties, thereby allowing for their participation in larger programs, the involvement in a greater number of programs or a reduction in financial exposure in respect of any one program. It may also occur that a particular corporation will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of Canada, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it the directors will primarily consider the possible return and degree of risk to which the Company may be exposed, as well as the financial position of the Company at that time.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the *Business Corporations Act* (British Columbia) and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. The directors and officers of the Company are not aware of any conflicts of interest in any existing or contemplated contracts with or transactions involving the Company.

ITEM 10 - LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

The Company is not involved in any legal proceedings that it believes might have a materially adverse effect on its business or results of operations.

Regulatory Actions

No penalties or sanctions were imposed by a court relating to securities legislation or by a securities regulatory authority during the Company's recently completed financial year, nor were there any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision, nor were any settlement agreements entered into before a court relating to securities legislation or with a securities regulatory authority during the Company's recently completed financial year.

ITEM 11 - AUDIT COMMITTEE

Audit Committee Charter

The Audit Committee oversees the accounting and financial reporting processes of the Company and its subsidiaries and all audits and external reviews of the financial statements of the Company on behalf of the Board, and has general responsibility for oversight of internal controls, accounting and auditing activities of the Company and its subsidiaries. All auditing services and non-audit services to be provided to the Company by the Company's auditors are pre-approved by the Audit Committee. The Audit Committee is responsible for examining all financial information, including annual and quarterly financial statements, prepared for securities commissions and similar regulatory bodies prior to filing or delivery of the same. The Audit Committee also oversees the annual audit process, quarterly review engagements, the Company's internal accounting controls, the Code of Business Conduct and Ethics, any complaints and concerns regarding accounting, internal controls or auditing matters and the resolution of issues identified by the Company's external auditors. The Audit Committee recommends to the Board the firm of independent auditors to be nominated for appointment by the shareholders and the compensation of the auditors. The Audit Committee meets a minimum of four times per year.

The Company's Audit Committee Charter is attached as Schedule D to this AIF.

Composition of the Audit Committee

The current members of the Audit Committee are Messrs. C. Ashley Heppenstall (Chair), Brian D. Edgar and Gary S. Guidry. All current members are considered independent. All members of the Audit Committee are considered to be "financially literate" within the meaning of applicable Canadian securities regulations in that they each have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

Mr. Heppenstall is a director of Lundin Petroleum AB, an a OMX Nordic Exchange listed company, of Africa Energy Corp., a TSX Venture Exchange listed company, and of Etrion Corporation and Lundin Gold Inc., companies listed on the TSX. Also from May 2010 until May 2013 Mr. Heppenstall was a director of Vostok Nafta Investment Ltd., a corporation traded on the Nasdaq OMX Nordic Exchange in Stockholm. Mr. Heppenstall is a graduate of Durham University where he obtained a degree in Mathematics.

Mr. Edgar is a retired corporate and securities lawyer and mining executive with a Law Degree from the University of British Columbia with approximately 39 years of public company experience. Mr. Edgar practiced in the area of corporate/securities law in private practice for 16 years and is co-owner of a private investment and venture capital firm and as such, has been involved in the financial analysis of many projects and companies. Mr. Edgar has served as an executive officer, director and audit committee chair of several other public resource-based companies. Through his education and experience, Mr. Edgar has experience overseeing and assessing the performance of companies and public accountants with respect to the preparation, auditing and evaluation of financial statements.

Mr. Guidry is the President and Chief Executive Officer of Gran Tierra Energy Inc. Mr. Guidry is a director and member of the Audit Committee of Africa Oil Corp. Formerly, Mr. Guidry was head of Chad Business for Glencore E&P (Canada) Inc. (formerly Caracal Energy Inc.). Mr. Guidry is an Alberta registered P. Eng. and holds a B.Sc. in petroleum engineering from Texas A & M University. Mr. Guidry has attained financial experience and exposure to accounting and financial issues in his former role at Glencore and previously, in his previous positions with a number of other public companies, including Orion Oil & Gas Corporation, Tanganyika Oil Company Ltd., Zodiac Exploration Inc., TransGlobe Energy Corporation, and Calpine Natural Gas Trust and Alberta Energy Company.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor that was not adopted by the Board of Directors.

Reliance on Certain Exemptions

Since the commencement of the Company's recently completed financial year, the Company has not relied on the exemptions contained in section 2.4 (De Minimis Non-audit Services) or an exemption from National Instrument 52-110 - Audit Committees ("NI 52-110"), in whole or in part, granted under Part 8 (Exemptions) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter.

External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Company by its external auditor during the last two years ended December 31, 2015 and December 31, 2014.

Financial Year Ending	Audit Fees(1)	Audit Related Fees(2)	Tax Fees(3)	All Other Fees(4)
2015	84,062	12,782	Nil	18,013
2014	92,532	13,832	Nil	18,026

Notes:
(1) The aggregate fees billed for audit services.
(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the audit fees column.
(3) The aggregate fees billed for tax compliance, tax advice, and tax planning services.
(4) The aggregate fees billed for professional services other than those listed in the other three columns.

Exemption

As a "venture issuer" (as such term is defined in NI 52-110) the Company is exempt from the requirements of Part 3, Composition of the Audit Committee, and Part 5, Reporting Obligations, of NI 52-110.

ITEM 12 - INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set out below, no director or executive officer of the Company or any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over more than 10 per cent of the Common Shares, and no associate or affiliate of any of the foregoing, has or has had, any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the most recently completed financial year, or any proposed transaction, that has materially affected or will materially affect the Company.

During the year ended December 31, 2014 the Company launched the Rights Offering financing that was supported by the Standby Purchase Agreement. Pursuant to the terms of the Standby Purchase Agreement entered into on October 14, 2014, as amended December 19, 2014, among the Company and the Standby Purchasers, Lorito, Zebra and Lundin Petroleum B.V., the Standby Purchasers agreed, subject to certain terms and conditions, to (i) exercise all of their Basic Subscription Rights and (ii) purchase all common shares not otherwise acquired under the Rights Offering. Lorito agreed that it would purchase 16.67% of the Standby Shares, Zebra agreed that it would purchase 33.33% of the Standby Shares and Lundin Petroleum agreed that it would purchase 50.00% of the Standby Shares. In exchange for the commitment to provide comprehensive support for the Rights Offering, the Company agreed to pay the Standby Purchasers the Guarantee Fee equal to 3% of the gross proceeds received by the Company as a result of the Rights Offering, other than proceeds received by the Company through the exercise by the Standby Purchasers of their respective Basic Subscription Privilege, and payable by the issuance of common shares of the Company at the closing quoted market price per common share on the TSX-V on the day following the closing of the Rights Offering. Lundin Petroleum B.V. is a subsidiary of Lundin Petroleum AB, a company which shares common directors and/or officers with the Company. At the time of the Rights Offering current directors C. Ashley Heppenstall was a director and officer of Lundin Petroleum AB and Chris Bruijnzeels was an officer of Lundin Petroleum AB. To the knowledge of the Corporation, as at December 31, 2014 the Standby Purchasers and their affiliates, held, in aggregate, 210,441,300 Common Shares representing 25.95% of the outstanding capital of the Company. See "Year ended December 31, 2014 – Corporate Developments".

On February 9, 2015, in connection with the Rights Offering, the Company issued 195,710,409 Common Shares to the Standby Purchasers on exercise of their respective rights. Under the terms of Standby Purchase Agreement, the Standby Purchasers agreed to subscribe at a price of CAD 0.10 for a total of 40,906,078 additional Common Shares, representing all Common Shares not otherwise subscribed for by rights holders, which were issued on February 17, 2015. In addition on February 17, 2015 the Company issued a further aggregate of 14,569,684 Common Shares to the Standby Purchasers in respect of the guarantee fee, as defined under the Standby Purchase Agreement. As at the date hereof, the Standby Purchasers and their affiliates hold, in aggregate, 405,986,701 Common Shares (Lorito - 84,902,787 Common Shares, Zebra - 217,299,072, and Lundin Petroleum - 103,784,842 Common Shares) representing 25.70% of the outstanding capital of the Company. In addition, certain directors and officers subscribed for an aggregate of 2,525,940 common shares pursuant to the Rights Offering at a price of CAD$ 0.10 per common share, as to Chris Bruijnzeels, 2,030,690 common shares, as to Gary Guidry, 93,000 common shares and as to Brenden Johnstone, 402,250 common shares. See "Year ended December 31, 2015 – Corporate Developments".

The Company receives services from various subsidiary companies of Lundin Petroleum AB, a company sharing, as at the date hereof, a common director of the Company, and is a shareholder of the Company. Amounts totalling $40,000 were due from ShaMaran to these subsidiary companies as at December 31, 2015.

ITEM 13 - REGISTRAR AND TRANSFER AGENT

Computershare Investor Services Inc. ("Computershare") acts as the registrar and transfer agent for the Common Shares at its offices in Vancouver. Computershare is located at 3rd Floor, 510 Burrard Street, Vancouver, BC V6C 3B9.

ITEM 14 - MATERIAL CONTRACTS

Except as set forth below or as disclosed in this AIF, there were no contracts, other than those entered into in the ordinary course of business, that were material to the Company and that were entered into between January 1, 2015 (being the commencement of the Company's most recently completed financial year) and up to the date of this AIF or that were entered into prior to January 1, 2015 and remain in effect during 2015, other than as disclosed in this AIF.

The Company was a party to material contracts which were in effect at the date of this AIF as follows:

- The Bond Agreement dated November 11, 2013 in respect of the 150 million senior secured bond facility negotiated by GEP, as described under the heading "Fiscal year ended December 31, 2013";
- A guarantee and indemnity agreement dated November 11, 2013 obligating the Company and certain of its direct and indirect subsidiaries, as guarantors, in respect of the 150 million senior secured bond facility negotiated by GEP, as described under the heading "Fiscal year ended December 31, 2013";
- A pledge agreement dated November 11, 2013 made among Norsk Tillitsmann ASA as the pledgee (on behalf of and as trustee for the bondholders under the Bond Agreement) and the Company and certain of its direct and indirect subsidiaries as pledgers, in respect of the 150 million senior secured bond facility negotiated by GEP, as described under the heading "Fiscal year ended December 31, 2013";
- An equitable mortgage over shares agreement dated November 11, 2013 made among Norsk Tillitsmann ASA as security trustee (on behalf of and as trustee for the bondholders under the Bond Agreement) and ShaMaran Ventures B.V., an indirect subsidiary and mortgagor of shares of GEP, as security relating to the 150 million senior secured bond facility negotiated by GEP, as described under the heading "Fiscal year ended December 31, 2013";

- An internal credit facility agreement dated November 11, 2013 made among the Company and certain of its subsidiaries, as described under the heading "Fiscal year ended December 31, 2013", and;
- The Standby Purchase Agreement dated October 14, 2014, as amended December 19, 2014 among the Corporation, Lorito, Zebra and Lundin Petroleum BV in respect of the Rights Offering, as described under the heading "Fiscal year ended December 31, 2014".

ITEM 15 - NAMES AND INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing made under NI 51-102 by the Company during the current financial year other than McDaniel & Associates Consultants Ltd., the Company's independent resource evaluators and PricewaterhouseCoopers SA, the Company's auditors. None of the employees of McDaniel & Associates Consultants Ltd. have any registered or beneficial interests, direct or indirect, in any securities or property of the Company or of the Company's associates or affiliates either at the time they prepared the statement, report or valuation prepared by it, at any time thereafter, or to be received by them. PricewaterhouseCoopers SA, the Company's auditors, are independent in accordance with the auditor's rules of professional conduct in Canada. In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or any associate or affiliate of the Company.

Mr. Kevin Hisko, the Corporate Secretary of the Company, is a partner at McCullough O'Connor Irwin LLP, a law firm that provides legal services to the Company. As of the date hereof, the associates and partners of McCullough O'Connor Irwin LLP, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding Common Shares.

ITEM 16 - ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the Company's information circular for its most recent annual meeting of security holders that involved the election of directors.

Additional financial information is provided in the Company's audited consolidated financial statements and the MD&A as at and for the year ended December 31, 2015.

Additional information relating to the Company may be found on SEDAR at www.sedar.com and on the Company's website at www.shamaranpetroleum.com.

SCHEDULE A

FORM 51-101 F1

Form 51-101 F1

ShaMaran Petroleum Corp.

Statement of Reserves Data

And Other Oil and Gas Information

As of December 31, 2015

Table of Contents

Part 1 Date of Statement

Item 1.1 Relevant Dates

1. Date of Statement: February 15, 2016
2. Effective Date: December 31, 2015
3. Preparation Date: March 16, 2016

Part 2 Disclosure of Reserves Data

ShaMaran Petroleum Corp., herein after referred to as "ShaMaran" or the "Company", has as of December 31, 2015 reserves relating entirely to the Company's interest in the Atrush Block, its sole oil and gas property, which is located in the Kurdistan Region of Iraq ("Kurdistan"). ShaMaran currently has a 26.8 percent working interest in the Block and is continuing to fund expenditure on that basis. However the Kurdistan Regional Government ("KRG") has an option to back in and take up to 25 percent working interest in the Block, which would dilute the ShaMaran working interest to 20.1 percent. It is normal evaluation practice to assume, as it would be economic to do so, that the KRG will exercise their option, and as such the reserves and respective net present values were reported on a diluted basis. For the purpose of stating the Company's oil and gas reserves publicly, the Company retained the services of McDaniel & Associates Consultants Ltd. ("McDaniel"), who are independent qualified reserves evaluators appointed by the Company pursuant to NI 51-101, to conduct independent evaluations of all of the Company's oil and gas properties. McDaniel has provided the Company with an evaluation (the "McDaniel Report") prepared in compliance with NI 51-101 in respect of the Company's oil and gas reserves as at December 31, 2015.

The definitions of the various categories of reserves are those set out in NI 51-101 and in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook"). The Company engaged McDaniel to provide an evaluation of the Company's proved, probable and possible reserves. The following are the definitions of proved, probable and possible reserves as set out in the COGE Handbook:

> "**proved reserves**" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. At least a 90% probability that the quantities actually recovered will equal or exceed the estimated proved reserves is the targeted level of certainty.
>
> "**probable reserves**" are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. At least a 50% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves is the targeted level of certainty.
>
> "**possible reserves**" are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves. At least a 10% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable plus possible reserves is the targeted level of certainty.

It should not be assumed that the present worth of estimated future net revenue represents the fair market value of the reserves. There is no assurance that the forecast price and cost assumptions contained in the McDaniel Report will be attained and variances could be material. The reserves and revenue estimates set forth below are estimates only and the actual reserves and realized revenue may be greater or less than those calculated.

Unless otherwise stated herein all currency amounts indicated as "$" in this Statement of Reserves Data are expressed in thousands of United States dollars ("USD").

Item 2.1 Reserves Data (Forecast Prices and Costs)

Breakdown of Reserves (Forecast Case)

The following table discloses, in the aggregate, the Company's gross and net proved, probable and possible reserves, estimated using forecast prices and costs, by product type.

SUMMARY OF OIL AND GAS RESERVES AS OF DECEMBER 31, 2015
(Forecast Prices & Costs)

	ShaMaran's Interest in Reserves[(1)(2)(3)]							
	Light and Medium Oil (Mbbl)		**Heavy Oil (Mbbl)**		**Natural Gas (MMcf)**		**Natural Gas Liquids (Mbbl)**	
	Gross[(4)]	**Net**[(5)]	**Gross**[(4)]	**Net**[(5)]	**Gross**[(4)]	**Net**[(5)]	**Gross**[(4)]	**Net**[(5)]
Iraq								
Proved developed producing.........	–	–	–	–	–	–	–	–
Proved developed non–producing.	–	–	–	–	–	–	–	–
Proved undeveloped.....................	4,653	3,265	2,287	1,605	–	–	–	–
Total proved reserves..................	**4,653**	**3,265**	**2,287**	**1,605**	**–**	**–**	**–**	**–**
Probable..	7,779	4,191	2,394	1,203	–	–	–	–
Total Proved Plus Probable Reserves	**12,432**	**7,456**	**4,681**	**2,808**	**–**	**–**	**–**	**–**
Possible...	10,366	3,167	3,108	822	–	–	–	–
Total Proved Plus Probable Plus Possible Reserves....................	**22,798**	**10,623**	**7,789**	**3,629**	**–**	**–**	**–**	**–**
Total								
Proved developed producing.........	–	–	–	–	–	–	–	–
Proved developed non–producing.	–	–	–	–	–	–	–	–
Proved undeveloped.....................	4,653	3,265	2,287	1,605	–	–	–	–
Total proved reserves..................	**4,653**	**3,265**	**2,287**	**1,605**	**–**	**–**	**–**	**–**
Probable..	7,779	4,191	2,394	1,203	–	–	–	–
Total Proved Plus Probable Reserves	**12,432**	**7,456**	**4,681**	**2,808**	**–**	**–**	**–**	**–**
Possible...	10,366	3,167	3,108	822	–	–	–	–
Total Proved Plus Probable Plus Possible Reserves....................	**22,798**	**10,623**	**7,789**	**3,629**	**–**	**–**	**–**	**–**

Notes:

(1) Totals may not add due to rounding.

(2) The definitions of the various categories of reserves and expenditures are those set out in NI 51-101.

(3) The Atrush Field contains crude oil of variable density even within a single reservoir unit and as such the actual split between Light/Medium Oil and Heavy Oil is uncertain.

(4) "Gross" reserves refer to ShaMaran's working interest share before deducting royalties and are based on a 20.1 percent working interest share of the property gross resources assuming the KRG exercises it's option to take a 25 percent working interest.

(5) "Net" reserves refer to ShaMaran's share of total cost and profit revenues. Note, as the government pays income taxes on behalf of ShaMaran out of the government's profit oil share, the net reserves were based on the effective pre-tax profit revenues by adjusting for the tax rate.

Net Present Value of Future Net Revenue (Forecast Case)

The following table discloses, by country and in the aggregate, the net present value of the ShaMaran's future net revenue attributable to the reserves categories in the previous table, estimated using forecast prices and costs, before and after deducting future income tax expenses, and calculated without discount and using discount rates of 5%, 10%, 15% and 20%.

SUMMARY OF NET PRESENT VALUE OF FUTURE NET REVENUE
AS OF DECEMBER 31, 2015
(Forecast Prices & Costs)

	Net Present Values of Future Net Revenue[(1)(2)(3)(4)(5)(6)(7)]										Unit Value[(8)] before Income Tax Discounted at 10%/year
	Before Income Taxes Discounted at (%/year)					After Income Taxes Discounted at (%/year)					
Reserves Category	0	5	10	15	20	0	5	10	15	20	
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$/bbl
Iraq											
Proved developed producing	–	–	–	–	–	–	–	–	–	–	–
Proved developed non-producing	–	–	–	–	–	–	–	–	–	–	–
Proved undeveloped	112,115	88,224	70,122	56,119	45,087	112,115	88,224	70,122	56,119	45,087	14.40
Total proved reserves	**112,115**	**88,224**	**70,122**	**56,119**	**45,087**	**112,115**	**88,224**	**70,122**	**56,119**	**45,087**	**14.40**
Probable	240,414	175,252	132,225	102,658	81,638	240,414	175,252	132,225	102,658	81,638	24.51
Total Proved Plus Probable Reserves	**352,529**	**263,476**	**202,348**	**158,777**	**126,725**	**352,529**	**263,476**	**202,348**	**158,777**	**126,725**	**19.72**
Possible	139,616	82,125	53,741	38,250	28,981	139,616	82,125	53,741	38,250	28,981	13.48
Total Proved Plus Probable Plus Possible Reserves	**492,145**	**345,602**	**256,088**	**197,027**	**155,705**	**492,145**	**345,602**	**256,088**	**197,027**	**155,705**	**17.97**
Total											
Proved developed producing	–	–	–	–	–	–	–	–	–	–	–
Proved developed non-producing	–	–	–	–	–	–	–	–	–	–	–
Proved undeveloped	112,115	88,224	70,122	56,119	45,087	112,115	88,224	70,122	56,119	45,087	14.40
Total proved reserves	**112,115**	**88,224**	**70,122**	**56,119**	**45,087**	**112,115**	**88,224**	**70,122**	**56,119**	**45,087**	**14.40**
Probable	240,414	175,252	132,225	102,658	81,638	240,414	175,252	132,225	102,658	81,638	24.51
Total Proved Plus Probable Reserves	**352,529**	**263,476**	**202,348**	**158,777**	**126,725**	**352,529**	**263,476**	**202,348**	**158,777**	**126,725**	**19.72**
Possible	139,616	82,125	53,741	38,250	28,981	139,616	82,125	53,741	38,250	28,981	13.48
Total Proved Plus Probable Plus Possible Reserves	**492,145**	**345,602**	**256,088**	**197,027**	**155,705**	**492,145**	**345,602**	**256,088**	**197,027**	**155,705**	**17.97**

Notes:

(1) Based on a 20.1 percent Company working interest assuming the KRG exercises it's option to take a 25 percent working interest.
(2) Totals may not add due to rounding.
(3) The definitions of the various categories of reserves and expenditures are those set out in NI 51-101.
(4) Based on forecast prices and costs at January 1, 2016.
(5) Interest expenses and corporate overhead, etc. were not included.
(6) The net present values may not necessarily represent the fair market value of the reserves.
(7) Government pays income taxes on behalf of ShaMaran out of the government's profit oil share and as such the before and after tax values are identical.
(8) Unit values are calculated using estimated net present value of future net revenue before income taxes using a discount rate of 10%. and the Company net reserves. Unit values are presented on a $/bbl basis for the light/medium and heavy oil reserves combined.

Total Future Net Revenue (Undiscounted)

Sub-Item 3b – Breakdown of Future Net Revenue

The following table discloses, by country and in the aggregate, certain elements of the Company's future net revenue attributable to proved reserves, proved plus probable reserves and proved plus probable plus possible reserves, estimated using forecast prices and costs, and calculated without discount.

Reserves Category	Revenue[(1)]	Royalties[(2)]	Operating Costs[(3)]	Development Costs	Abandonment and Reclamation Costs	Future Net Revenue Before Income Taxes[(4)]	Income Taxes[(5)]	Future Net Revenue after Income Taxes
	$000	$000	$000	$000	$000	$000	$000	$000
Iraq								
Total proved reserves	254,571	-	86,878	55,033	545	112,115	-	112,115
Total Proved Plus Probable Reserves	613,517	-	200,413	59,943	632	352,529	-	352,529
Total Proved Plus Probable Plus Possible Reserves	904,649	-	348,425	63,353	726	492,145	-	492,145
Total								
Total proved reserves	254,571	-	86,878	55,033	545	112,115	-	112,115
Total Proved Plus Probable Reserves	613,517	-	200,413	59,943	632	352,529	-	352,529
Total Proved Plus Probable Plus Possible Reserves	904,649	-	348,425	63,353	726	492,145	-	492,145

Notes:

(1) Revenue comprises cost oil and profit oil revenue.

(2) Royalties are taken off before determining revenue and so are not included in this table.

(3) Operating costs included bonuses and capacity building value.

(4) Totals may not add or subtract due to rounding.

(5) Government pays income taxes on behalf of ShaMaran out of the government's profit oil share and so income taxes are excluded.

Sub-Item 3c – Total Future Net Revenue by Production Group

The following table discloses, by production group, the net present value and the unit value of the Company's future net revenue attributable to its proved reserves, its proved plus probable reserves and its proved plus probable plus possible reserves, before deducting future income tax expenses, estimated using forecast prices and costs, and calculated using a 10% discount rate.

Reserves Category	Production Group[1]	Future Net Revenue before Income Taxes (Discounted at 10%/Year)	Unit Value[2]
		$000	($/bbl) ($/Mcf) ($/boe)
Proved Reserves	Light and Medium Crude Oil	47,900	14.67
	Heavy Oil	22,222	13.85
	Natural Gas	–	–
	Natural Gas Liquids	–	–
	Total	**70,122**	**14.40**
Proved Plus Probable Reserves	Light and Medium Crude Oil	149,055	19.99
	Heavy Oil	53,293	18.98
	Natural Gas	–	–
	Natural Gas Liquids	–	–
	Total	**202,348**	**19.72**
Proved Plus Probable Plus Possible Reserves	Light and Medium Crude Oil	193,246	18.19
	Heavy Oil	62,843	17.32
	Natural Gas	–	–
	Natural Gas Liquids	–	–
	Total	**256,088**	**17.97**

Notes:

(1) The Atrush Field contains crude oil of variable density even within a single reservoir unit and as such the actual split between Light/Medium Oil and Heavy Oil is uncertain. To give an indicative split of the "Future Net Revenue before Income Taxes by Production Group", the ratio of the Light/Medium and Heavy Oil reserves and the difference in their forecast prices has been applied in a simplistic manner to the future net revenue on a year by year basis.

(2) Unit values are calculated using estimated net present value of future net revenue before income taxes using a discount rate of 10% and the Company net reserves. Unit values are presented on a $/bbl basis for crude oil reserves.

Item 2.2 Supplemental Disclosure

McDaniel has prepared for ShaMaran an assessment of the crude oil and natural gas contingent resources as of December 31, 2015.

The resource estimates have been prepared in accordance with standards set out in the Canadian National Instrument NI 51-101 and the COGE Handbook.

The Atrush Block crude oil and natural gas contingent resources as of December 31, 2015 were estimated to be as follows:

SUMMARY OF CONTINGENT RESOURCES AS OF DECEMBER 31, 2015

	Light & Medium Oil (Mbbl)[3]			Heavy Oil (Mbbl)[3]			Natural Gas (MMcf)		
	Gross	Company Interest		Gross	Company Interest		Gross	Company Interest	
Contingent Resources[1][2]	100%	Gross[4]	Net[5]	100%	Gross[4]	Net[5]	100%	Gross[4]	Net[5]
Low Estimate (1C)	79,852	16,050	N/A	100,775	20,256	N/A	24,923	5,010	N/A
Best Estimate (2C)	89,454	17,980	N/A	207,246	41,656	N/A	43,831	8,810	N/A
High Estimate (3C)	98,982	19,895	N/A	331,421	66,616	N/A	68,436	13,756	N/A
Risked Best Estimate	71,564	14,384	N/A	165,797	33,325	N/A	2,192	440	N/A

Notes:

(1) There is no certainty that it will be commercially viable to produce any portion of the contingent resources.

(2) The risked contingent resources take into account the chance of development which is defined as the probability of a project being commercially viable. Quantifying the chance of development requires consideration of both economic contingencies and other contingencies, such as legal, regulatory, market access, political, social licence, internal and external approvals and commitment to project finance and development timing. As many of these factors are extremely difficult to quantify, the chance of development is uncertain and must be used with caution. The chance of development was estimated to be 80 percent for both Crude Oil types and 5 percent for the Natural Gas.

(3) The Atrush Field contains crude oil of variable density even within a single reservoir unit and as such the actual split between Light/Medium Oil and Heavy Oil is uncertain.

(4) Company gross interest resources are based on a 20.1 percent working interest share of the property gross resources assuming the KRG exercises it's option to take a 25 percent working interest.

(5) Company net interest resources are not available as McDaniel did not undertake a valuation of the resources.

The resources included in the table above are classified as contingent as the associated project(s) are dependent upon the results of the Atrush Phase 1 development; this first phase of development should, together with further appraisal drilling, narrow the uncertainty in the contingent resources estimates and help determine if their development is economic.

The Atrush Block prospective resources estimate as of December 31st 2013 was not updated during the year-end 2015 exercise.

Part 3 Pricing Assumptions

Item 3.1 Supplemental Estimates

Not relevant

Item 3.2 Forecast Prices Used in Estimates

The following table sets forth the benchmark reference prices, as at December 31, 2015, provided by McDaniel which were McDaniel's then current forecast prices at the effective date of the McDaniel Report.

Year	Brent Crude Oil Price[(1)]	Light & Medium Oil Sales Oil Price[(2)] (Atrush, Iraq)	Heavy Oil Sales Oil Price[(2)] (Atrush, Iraq)	Inflation Rates
	($/bbl)	($/bbl)	($/bbl)	(%/Year)
2015 (actual weighted average)	n/a	n/a	n/a	
2016	47.50	36.50	33.50	2.00
2017	56.20	44.98	41.92	2.00
2018	65.00	53.56	50.43	2.00
2019	71.70	60.03	56.84	2.00
2020	75.80	63.89	60.65	2.00
2021	80.10	67.96	64.64	2.00
2022	84.40	72.01	68.63	2.00
2023	89.10	76.46	73.02	2.00
2024	90.80	77.91	74.40	2.00
Inflation after 2024				2.00

Notes:
(1) Brent price forecast based on the McDaniel January 1, 2016 price forecast.
(2) Sales oil price accounts for quality differential, transportation tariffs and marketing fees. Oil pricing is uncertain and any eventual announcement of sales and pricing of exported Kurdish crude during 2016 together with the Kurdish export pipeline becoming fully operational will impact future prices.

Part 4 Reconciliations of Changes in Reserves

Item 4.1 Reserves Reconciliation

The following table provides a reconciliation of ShaMaran's gross reserves as at December 31, 2014 to December 31, 2015 based on forecast prices and costs.

Iraq (and Total)	Light and Medium Oil (Mbbl)			Heavy Oil (Mbbl)			Natural Gas (MMcf)		
	Gross Proved	Gross Probable	Total Gross Proved plus Probable	Gross Proved	Gross Probable	Total Gross Proved plus Probable	Gross Proved	Gross Probable	Total Gross Proved plus Probable
Opening balance[(1)(2)] December 31, 2014	6,274	6,077	12,352	-	-	-	-	-	-
Plus:	-			-	-	-	-	-	-
Extensions	-	-	-	-	-	-	-	-	-
Improved recovery	-	-	-	-	-	-	-	-	-
Technical revisions	(1,622)	1,702	80	2,287	2,394	4,681	-	-	-
Discoveries	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-	-	-
Less:									
Dispositions	-	-	-	-	-	-	-	-	-
Economic factors	-	-	-	-	-	-	-	-	-
Production	-	-	-	-	-	-	-	-	-
Ending balance – December 31, 2015	4,653	7,779	12,432	2,287	2,394	4,681	-	-	-

Notes:

(1) Gross reserves are based on a 20.1 percent Company working interest assuming the KRG exercises it's option to take a 25 percent working interest.

(2) Reserves reconciliation in the AIF for year ended December 31, 2015 was based on forecast prices and costs.

Part 5 Additional Information Relating to Reserves Data

The recognition by the Company of reserves in the year 2013 is based, in addition to technical data supporting the recoverable quantities, on a number of cumulative commercial developments, most notably the November 2012 declaration of commerciality of the Atrush field, the October 2013 approval by the KRG of the Field Development Plan, the progress towards first oil production, and the announcement in early January 2014 by the KRG of the commencement of the sale of its first shipment of crude oil exported via its new pipeline through Turkey. During 2014 and 2015 well tests and PVT analysis of the recovered oils confirmed the layered nature of the oil column. Subsequently McDaniel have, based on that data, distributed the recoverable volumes into the appropriate classes of oil quality, i.e. a light/medium oil class and a heavy oil class.

Item 5.1 Undeveloped Reserves

The following tables set forth the proved undeveloped gross reserves and the probable undeveloped gross reserves, each by product type, attributed to ShaMaran's assets for the years ended December 31, 2013, December 31, 2014 and December 31, 2015 in the aggregate, and before that time based on forecast prices and costs. The reserves have been classified as undeveloped due to the significant facility expenditure required to get to first oil production. Installation of the phase 1 facility is well under way with commissioning planned in the second quarter of 2016.

SUMMARY OF COMPANY UNDEVELOPED RESERVES
(Forecast Prices & Costs)

	Light/Medium Oil		Heavy Oil		Natural Gas	
Proved Undeveloped	First Attributed	Booked	First Attributed	Booked	First Attributed	Booked
	(Mbbl)	(Mbbl)	(Mbbl)	(Mbbl)	(MMcf)	(MMcf)
Prior to 2013	–	–	–	–	–	–
2013	6,145	6,145	–	–	–	–
2014	–	6,274	–	–	–	–
2015	–	4,653	–	2,287	–	–

Probable Undeveloped	First Attributed	Booked	First Attributed	Booked	First Attributed	Booked
	(Mbbl)	(Mbbl)	(Mbbl)	(Mbbl)	(MMcf)	(MMcf)
Prior to 2013	–	–	–	–	–	–
2013	5,549	5,549	–	–	–	–
2014	–	6,077	–	–	–	–
2015	–	7,779	–	2,394	–	–

Item 5.2 Significant Factors or Uncertainties

McDaniel conducted its independent engineering evaluation on ShaMaran's reserves as at December 31, 2015. The process of establishing reserves requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change.

As circumstances change and additional data become available, reserves estimates also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and governmental restrictions.

Although every reasonable effort is made to ensure that reserves estimates are accurate, reserves estimation is an inferential science. As a result, the subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserves estimates can arise from changes in year-end oil and gas prices, and reservoir performance.

Item 5.3 Future Development Costs

The following table provides information regarding the development costs deducted in the estimation of future net revenue attributable to the ShaMaran's reserves.

FUTURE DEVELOPMENT COSTS (UNDISCOUNTED)[1][2]

	Proved Reserves	Proved Plus Probable Reserves	Proved Plus Probable Plus Possible Reserves
	$ millions	$ millions	$ millions
Iraq (and Total)			
2016	44.5	44.5	44.5
2017	8.9	8.9	8.9
2018	0.3	0.3	0.3
2019	0.4	0.4	0.4
2020	0.3	2.5	2.5
Thereafter	0.7	3.4	6.8
Total Future Development Costs	**55.0**	**59.9**	**63.4**

Note:

(1) Future Development Costs shown are associated with booked reserves in the McDaniel Report and do not necessarily represent the Company's full exploration and development budget.

(2) Operating costs prior to first oil were treated as development costs.

Part 6 Other Oil and Gas Information

Item 6.1 Oil and Gas Properties and Wells

Summary of Producing and Non-Producing Wells

	Light/Medium Oil	Heavy Oil	Natural Gas	Total
	(wells)	(wells)	(wells)	
Iraq (and Total)				
Gross Wells[1]				
Producing[3]	–	–	–	–
Non-producing[4]	6.0	–	–	6.0
Total Gross Wells	**6.0**	**–**	**–**	**6.0**
Net Wells[2]				
Producing[3]	–	–	–	–
Non-producing[4]	1.2	–	–	1.2
Total Net Wells	**1.2**	**–**	**–**	**1.2**

Notes:

(1) "Gross Wells" represent the number of wells in which the Company has a working-interest.

(2) "Net Wells" represent the number of wells obtained by aggregating the Company's working-interests in each of its Gross Wells.

(3) "Producing" includes wells presently producing and contributing revenue or wells presently producing that are expected to contribute revenue in the foreseeable future through the sale of presently produced oil.

(4) "Non-Producing" includes wells that are presently non-producing or wells presently producing but are not expected to contribute revenue in the foreseeable future through the sale of presently produced oil.

The Company currently holds a 26.8% direct interest in the Atrush Block PSC. Details of the Atrush Block are provided below.

Atrush Block

The Atrush Block is located approximately 85 kilometres northwest of Erbil, the capital of Kurdistan, and is 269 square kilometres in area. Oil has been proven in Jurassic fractured carbonates in the Chiya Khere structure and is estimated to contain in between 1.5 and 2.8 billion barrels of oil in place. The structure is expressed at surface by the Chiya Khere mountain, which runs east-west for approximately 25 kilometres with an approximate width of 3.5 kilometres.

Immediately to the south is the Shaikan Block operated by Gulf Keystone and producing an average of 30,500 bopd during 2015. Immediately to the north is the Sarsang Block operated by HKN Energy and producing an average of 2800 bopd from early production facilities.

GEP acquired 143 kilometres of 2D seismic (covering the Atrush Block) data in 2008. In April 2011 the Atrush structure was confirmed as an oil discovery by the AT-1 exploration well. This was followed by the AT-2 appraisal well in July 2012. 3D seismic covering the entire Atrush Block was acquired between July 2011 and August 2012 and a Declaration of Commerciality made on November 7, 2012. The eastern part of the field was successfully appraised in June 2013 by the AT-3 well.

TAQA took over operatorship in December 2012 and submitted the Atrush Block Field Development Plan ("FDP") for approval to the KRG on May 6, 2013, which was subsequently approved by the Ministry of Natural Resources ("MNR") effective October 1 2013. Construction of the 30,000 bopd Atrush Phase 1 production facility started early 2014.

In 2014, three further development wells were drilled in the Phase I area, AT-4, CK-5 and CK-8. Also in 2014, a second eastern appraisal well, CK-6, was drilled. In 2014 and 2015, extensive well testing was carried out in all newly drilled wells, as well as a re-test of the AT-3 well. Interference testing shows excellent communication from the easterm part of the field to the western part of the field and all wells showed good productivities.

Commissioning of the Production Facility is targeted for the second quarter of 2016, with first oil production to follow in mid 2016. A dedicated feeder pipeline between the Phase 1 production facility and the tie-in point on the main export pipeline is planned to be constructed in 2016 and is expected to be completed in time for production start-up.

The Atrush structure is a complex faulted anticlinal structure developed along a possible shallow thrust zone oriented east-west. The proven and potential stacked oil reservoirs within the block are the Sarmord and Garagu (Cretaceous), Barsarin, Naokelekan (Upper Jurassic), Upper and Lower Sargelu (Middle Jurassic), Alan, Mus and Adaiyah/Upper Butmah (Lower Jurassic) with both fracture and matrix porosity. The Alan anhydrites form a pressure barrier between the Upper/Middle Jurassic and Lower Jurassic reservoirs.

Well tests have confirmed the existence of a 420m 25^{o}-27^{o} API oil column, underlain by a transition zone of around 250 m where API gravity decreases with depth from around 22^{o} API to 14^{o} API. The oil columns are present and producible with the help of electrical submersible pumps in both the Upper/Middle Jurassic reservoirs and the Lower Jurassic reservoirs. Deepest producible oil was demonstrated by the CK-6 well at a depth of -460 m msl. Water was produced in the AT-3 well at a depth of -498 msl. None of the tests in the oil zone produced any formation water on test.

In addition to the Jurassic oil discovery in the hanging wall of the Chiya Khere structure, the Atrush Block has potential additional upside in the Chiya Khere hanging wall Triassic, Chiya Khere footwall reservoirs (Cretaceous, Jurassic and Triassic), and a southern extension of the Swara Tika structure into the Atrush Block.

Item 6.2 Properties With No Attributed Reserves

The Company held no properties through the year ended December 31, 2015 which have no attributed reserves.

Item 6.3 Forward Contracts

The Company has not entered into any forward contracts.

Item 6.4 Additional Information Concerning Abandonment and Reclamation Costs

	Abandonment and Reclamation Costs	
	Undiscounted	Discounted @ 10%
Properties	$000	$000
Kurdistan Region of Iraq (including six wells)	10,318	2,041

The table above shows the Company's participating interests at December 31, 2015 in the estimated well and facilities abandonment and reclamation costs (not including any "credits" for equipment salvage). Abandonment and reclamation costs have been estimated using industry practice and are in line with estimates provided in the Atrush Field Development Plan.

Future net revenue as prepared by McDaniel and as disclosed in item 2.1, is based on McDaniel's estimate of well abandonment timing and cost, excluding facilities and site reclamation costs. According to the Atrush Production Sharing Contract, all abandonment and site reclamation costs are cost recoverable. Should there not be sufficient cost recovery to cover abandonment and site reclamation costs, which is likely to be the case at end of field life when final abandonment occurs, the Government will pay any remaining balance. Therefore final facilities abandonment and site reclamation costs do not impact the Company's future net revenue.

The Company is not expecting any abandonment costs in the next three years.

Item 6.5 Tax Horizon

The Company has no foreseeable material tax liabilities associated with its oil and gas operations.

Item 6.6 Costs Incurred

The costs included in the following represent the Company's share of the total costs incurred.

	Costs incurred in the year ended Dec 31, 2015			
Properties in Kurdistan	Acquisition Costs $ millions	Exploration Costs $ millions	Development Costs $ millions	Other Costs $ millions
Atrush Block	0.0	0.0	67.5	0.0
TOTAL	0.0	0.0	67.5	0.0

Item 6.7 Exploration and Development Activities

Summary of Exploration and Development wells drilled in 2015

Iraq (and Total)	Exploration wells (wells)	Stratigraphic Test wells (wells)	Production wells (wells)	Service wells (wells)	Total (wells)
Gross Wells(1)					
Total Gross Wells	–	–	–	**2.0**	**2.0**
Net Wells(2)					
Total Net Wells	–	–	–	**0.4**	**0.4**

Notes:
(1) "Gross Wells" represent the number of wells in which the Company has a working-interest.
(2) "Net Wells" represent the number of wells obtained by aggregating the Company's working-interests in each of its Gross Wells.

In February 2015 the Company received a detailed property report from McDaniel. The report is as of December 31, 2015 and provides for initial recognition of reserves for the Atrush Phase I development area.

In January 2015 well AT-3 was re-entered and re-stimulated with acid. It tested 14° API oil at rates between 1,650 and 3,000 bopd comingled from the Lower Sargelu and Naokelekan intervals. Gauges in both the AT-2 and CK-6 wells observed communication with AT-3 during the test. The CK-5[1] well was tested in May and June 2015. DST-1 tested the Mus interval and achieved 1,500 bopd of 13.2° API oil. DST-2 and DST-3 both tested at good rates from the intermediate gravity oil leg in the upper Jurassic section. These two zones were completed for production into PF-1 and produced in a final comingled test at rates of 7,330 bopd. The work-over rig then shifted over to the CK-8 location. The first test brought the first confirmation of medium gravity oil in the Mus formation. It flowed a 26.6° API oil at rates up to 4,420 bopd. The second test confirmed good production rates of up to 8,263 bopd from the Sargelu. The two intervals were completed for comingled production and achieved a final flow rate up to 8,215 bopd.

Construction of the Production Facility is in progress. Most equipment has been delivered to site and has been installed. The civil works for critical individual facilities are complete and non-critical civil works are proceeding according to schedule. A tank farm has been installed. Construction and erection of pipe racks is substantially complete. Pipe fabrication and welding is progressing. Pulling and terminating of electrical and instrument cable is ongoing and instrumentation is being installed. Commissioning is scheduled in the second quarter of 2016. First oil is targeted for mid 2016.

Engineering and design for the feeder pipeline to be constructed within the Atrush Block is substantially complete, procurement is ongoing and actual construction is to start towards the end of the first quarter of 2016. The KRG is

[1] Approved changes to terminology relating to the Atrush Block, effective from 2014, include well names. Following the Atrush-4 well all future wells on the Atrush Block will be prefixed with "Chiya Khere" (or "CK"), rather than with "Atrush" (or "AT").

responsible for the construction of the remainder of the pipeline from the block boundary to the main export pipeline. The pipeline is expected to be completed in time for the targeted first oil production date.

Item 6.8 Production Estimates

First oil is expected in the third quarter of 2016 in all cases. Estimates for the first year of production in 2016 are provided below:

SUMMARY OF COMPANY GROSS PRODUCTION ESTIMATES[(1)(2)(3)]
(Forecast Prices & Costs)

Iraq (and Total)	Light and Medium Oil (Mbbl) Year 2016	Heavy Oil (Mbbl) Year 2016	Natural Gas (MMcf) Year 2016
Proved			
Atrush	344.5	169.4	-
Total	344.5	169.4	-
Probable			
Atrush	400.5	150.8	-
Total	400.5	150.8	-
Possible			
Atrush	438.6	149.8	-
Total	438.6	149.8	-

Notes:
(1) Estimates are calculated based on the McDaniel Report.
(2) Represents estimated production from September 1, 2016 to December 31, 2016
(3) The Atrush Field contains crude oil of variable density even within a single reservoir unit and as such the actual split between Light/Medium Oil and Heavy Oil is uncertain.

Item 6.9 Production History

No commercial production has occurred to date in the Atrush Block in Kurdistan.

SCHEDULE B

FORM 51-101 F2

McDaniel
& Associates Consultants Ltd.

February 15, 2016

ShaMaran Petroleum Corp.
Suite 2600 Oceanic Plaza
1066 West Hastings Street
Vancouver, BC, V6E 3X1
Canada

Attention: The Board of Directors of ShaMaran Petroleum Corp.

Re: **Form 51-101F2**
Report on Reserves and Contingent Resources Data
by Independent Qualified Reserves Evaluator
of ShaMaran Petroleum Corp. (the "Company")

To the Board of Directors of ShaMaran Petroleum Corp. (the "Company"):

1. We have evaluated the Company's reserves and contingent resources data as at December 31, 2015. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2015 estimated using forecast prices and costs. The contingent resources data are risked estimates of volume of contingent resources as at December 31, 2015.

2. The reserves and contingent resources data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves and contingent resources data based on our evaluation.

3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "COGE Handbook") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).

4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves and contingent resources data are free of material misstatement. An evaluation also includes assessing whether the reserves and contingent resources data are in accordance with principles and definitions presented in the COGE Handbook.

5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2015, and identifies the respective portions thereof that we have evaluated and reported on to the Company's Board of Directors:

Independent Qualified Reserves Evaluator	Effective Date of Evaluation Report	Location of Reserves	Net Present Value of Future Net Revenue $M US (before income taxes, 10% discount rate)			
			Audited	Evaluated	Reviewed	Total
McDaniel & Associates	Dec 31, 2015	Iraq	-	202,348	-	202,348

6. The following table sets forth the risked volume of contingent resources included in the Company's statement prepared in accordance with Form 51-101F1 and identifies the respective portions of the contingent resources data that we have evaluated and reported on to the Company's Board of Directors:

Classification	Independent Qualified Reserves Evaluator	Effective Date of Evaluation Report	Location of Resources Other than Reserves	Risked Volume
Contingent Resources	McDaniel & Associates	Dec 31, 2015	Iraq	14,384 Mbbl Medium Oil 33,325 Mbbl Heavy Oil 440 MMcf Natural Gas

7. In our opinion, the reserves and contingent resources data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data and contingent resources data that we reviewed but did not audit or evaluate.

8. We have no responsibility to update our report referred to in paragraphs 5 and 6 for events and circumstances occurring after the effective date of our report.

9. Because the reserves and contingent resources data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

MCDANIEL & ASSOCIATES CONSULTANTS LTD.

P. M. Taylor, CEng. MEI, P. Eng.
Vice President

Calgary, Alberta, Canada
February 15, 2016

SCHEDULE C

FORM 51-101 F3

Form 51-101F3

(This is the form referred to in item 3 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("*NI 51-101*"). Terms to which a meaning is ascribed in *NI 51-101* have the same meaning in this form.[1])

Report of Management and Directors
on Reserves Data and Other Information

Management of **ShaMaran Petroleum Corp.** (the "Company") is responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which are estimates of proved reserves, probable reserves and possible reserves and related future net revenue as at December 31, 2015, estimated using forecast prices and costs, and resources data, which are estimates of contingent resources of the Company as at December 31, 2015.

An independent qualified reserves evaluator has evaluated the Company's reserves and contingent resources data. The report of the independent qualified reserves evaluator are attached hereto as Schedule "A" (Form 51-101F2).

The Reserves Committee of the board of directors of the Company has:

(a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator;

(b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and

(c) reviewed the reserves and contingent and prospective resources data with management and the independent qualified reserves evaluator.

The Reserves Committee of the board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management of the Company. The Board of Directors has, on the recommendation of the Reserves Committee, approved:

(a) the content and filing with securities regulatory authorities of Form 51-101F1;

(b) the filing of Form 51-101 F2 which is the report of the independent qualified reserves evaluator on the reserves and contingent resource data, and is included as Schedule "A" to this Form 51-101F3;

(c) the content and filing of this report.

Because the reserves and contingent resources data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves and contingent resources are categorized according to the probability of their recovery.

Date: March 16, 2016

/s/Chris Bruijnzeels
Chris Bruijnzeels, President and Chief Executive Officer

/s/Gary Guidry
Gary S. Guidry, Director

/s/Brenden Johnstone
Brenden Johnstone, Chief Financial Officer

/s/Keith Hill
Keith Hill, Director

[1] For the convenience of readers, CSA Staff Notice 51-324 *Glossary to NI 51-101 Standards of Disclosure for Oil and Gas Activities* sets out the meanings of terms that are printed in italics in sections 1 and 2 of this Form or in *NI 51-101*, *Form 51-101F1*, *Form 51-101F2* or Companion Policy 51-101CP.

SCHEDULE A

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McDaniel
& Associates Consultants Ltd.

February 15, 2016

ShaMaran Petroleum Corp.
Suite 2600 Oceanic Plaza
1066 West Hastings Street
Vancouver, BC, V6E 3X1
Canada

Attention: The Board of Directors of ShaMaran Petroleum Corp.

Re: **Form 51-101F2**
Report on Reserves and Contingent Resources Data
by Independent Qualified Reserves Evaluator
of ShaMaran Petroleum Corp. (the "Company")

To the Board of Directors of ShaMaran Petroleum Corp. (the "Company"):

1. We have evaluated the Company's reserves and contingent resources data as at December 31, 2015. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2015 estimated using forecast prices and costs. The contingent resources data are risked estimates of volume of contingent resources as at December 31, 2015.

2. The reserves and contingent resources data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves and contingent resources data based on our evaluation.

3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "COGE Handbook") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).

4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves and contingent resources data are free of material misstatement. An evaluation also includes assessing whether the reserves and contingent resources data are in accordance with principles and definitions presented in the COGE Handbook.

2200, Bow Valley Square 3, 255 - 5 Avenue SW, Calgary AB T2P 3G6 Tel: (403) 262-5506 Fax: (403) 233-2744 www.mcdan.com

5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2015, and identifies the respective portions thereof that we have evaluated and reported on to the Company's Board of Directors:

Independent Qualified Reserves Evaluator	Effective Date of Evaluation Report	Location of Reserves	Net Present Value of Future Net Revenue $M US (before income taxes, 10% discount rate)			
			Audited	Evaluated	Reviewed	Total
McDaniel & Associates	Dec 31, 2015	Iraq	-	202,348	-	202,348

6. The following table sets forth the risked volume of contingent resources included in the Company's statement prepared in accordance with Form 51-101F1 and identifies the respective portions of the contingent resources data that we have evaluated and reported on to the Company's Board of Directors:

Classification	Independent Qualified Reserves Evaluator	Effective Date of Evaluation Report	Location of Resources Other than Reserves	Risked Volume
Contingent Resources	McDaniel & Associates	Dec 31, 2015	Iraq	14,384 Mbbl Medium Oil 33,325 Mbbl Heavy Oil 440 MMcf Natural Gas

7. In our opinion, the reserves and contingent resources data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data and contingent resources data that we reviewed but did not audit or evaluate.

8. We have no responsibility to update our report referred to in paragraphs 5 and 6 for events and circumstances occurring after the effective date of our report.

9. Because the reserves and contingent resources data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

MCDANIEL & ASSOCIATES CONSULTANTS LTD.

P. Taylor

P. M. Taylor, CEng. MEI, P. Eng.
Vice President

Calgary, Alberta, Canada
February 15, 2016

SCHEDULE D

AUDIT COMMITTEE CHARTER

AUDIT COMMITTEE CHARTER

I. MANDATE

The Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of ShaMaran Petroleum Corp. (the "**Corporation**") shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Corporation's financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of the Corporation's independent external auditor (the "**Auditor**"); and
4. The performance of the Corporation's internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS

A. <u>Composition</u>

The Committee shall be comprised of three or more members.

B. <u>Qualifications</u>

Each member of the Committee must be a member of the Board.

A majority of the members of the Committee shall not be officers or employees of the Corporation or of an affiliate of the Corporation.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Corporation's balance sheet, income statement, and cash flow statement.

C. <u>Appointment and Removal</u>

In accordance with the By-laws of the Corporation, the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. <u>Chair</u>

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. <u>Sub-Committees</u>

The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that a decision of such subcommittee to grant a pre-approval shall be presented to the full Committee at its next scheduled meeting.

F. Meetings

The Committee shall meet at least four times in each fiscal year, or more frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Corporation's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Corporation.

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Corporation or of an affiliate of the Corporation.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Corporation's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Corporation, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

III. DUTIES

A. Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Corporation's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

Independence of Auditor

1. Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Corporation, consistent with Independence Standards Board Standard 1.

2. Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.

3. Require the Auditor to report directly to the Committee.

4. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Corporation.

Performance & Completion by Auditor of its Work

5. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.

6. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Corporation's shareholders of the existing, Auditor.

7. Pre-approve all auditing services and permitted non-audit services, including the fees and terms thereof, to be performed for the Corporation by the Auditor unless such non-audit services:

    (a) which are not pre-approved, are reasonably expected not to constitute, in the aggregate, more than 5% of the total amount of revenues paid by the Corporation to the Auditor during the fiscal year in which the non-audit services are provided;

    (b) were not recognized by the Corporation at the time of the engagement to be non-audit services; and

    (c) are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

Internal Financial Controls & Operations of the Corporation

8. Establish procedures for:

    (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

    (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Preparation of Financial Statements

9. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including any significant changes in the Corporation's selection or application of accounting principles, any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies.

10. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Corporation's financial statements or accounting policies.

11. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Corporation's financial statements.

12. Discuss with management the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Corporation's risk assessment and risk management policies.

13. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:

    (a) The adoption of, or changes to, the Corporation's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.

    (b) The management inquiry letter provided by the Auditor and the Corporation's response to that letter.

(c) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Public Disclosure by the Corporation

15. Review the Corporation's annual and quarterly financial statements, management discussion and analysis (MD&A) and earnings press releases before the Board approves and the Corporation publicly discloses this information.

16. Review the Corporation's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.

17. Review disclosures made to the Committee by the Corporation's Chief Executive Officer and Chief Financial Officer during their certification process of the Corporation's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Corporation's internal controls.

Manner of Carrying Out its Mandate

18. Consult with the Auditor, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.

19. Request any officer or employee of the Corporation or the Corporation's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

20. Meet with management, any internal auditor and the Auditor in separate executive sessions at least quarterly.

21. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.

22. Make regular reports to the Board.

23. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

24. Annually review the Committee's own performance.

25. Provide an open avenue of communication among the Auditor, the Corporation's financial and senior management and the Board.

26. Not delegate these responsibilities other than to one or more independent members of the Committee the authority to pre-approve, which the Committee must ratify at its next meeting, non-audit services to be provided by the Auditor.

C. <u>Limitation of Audit Committee's Role</u>

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.