

Corporate Presentation

January 2017



Strategy

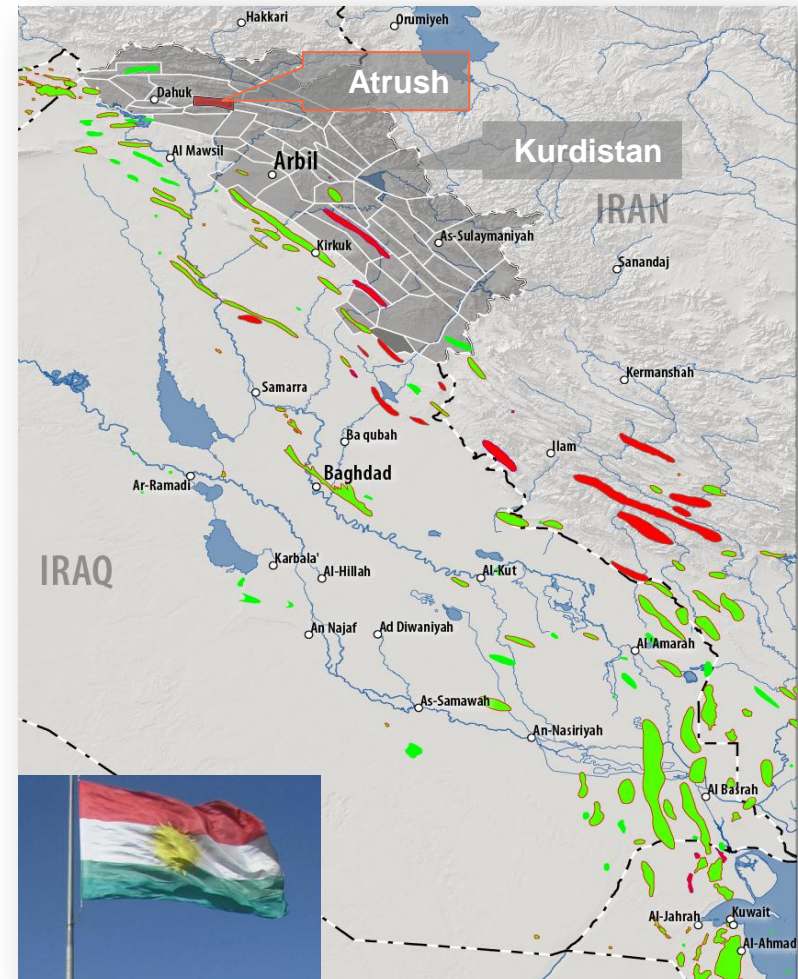


- **Focus on project execution to get to Atrush first oil**
 - First oil probably Q2 2017
- **Secure funding**
 - Potential to Tap Super Senior bond
- **Realise value through further full field development**
 - Further phases to be defined after obtaining production data
 - Plan to fund future development from production
- **Overall strategy to diversify to reduce reliance on single asset**
 - Market situation challenging

Atrush block in Iraqi Kurdistan



- Awarded in 2007
- ShaMaran acquired interest in 2010
- Discovered Atrush in 2011
- Partners / working interests
 - ShaMaran / 20.1%
 - Taqa (Operator) / 39.9%
 - Marathon / 15%
 - KRG 25%
 - KRG completed its right to acquire up to 25% on November 7, 2016
 - Effective from November 7, 2012, the First Commercial Declaration Date



Atrush is a world class large oil discovery

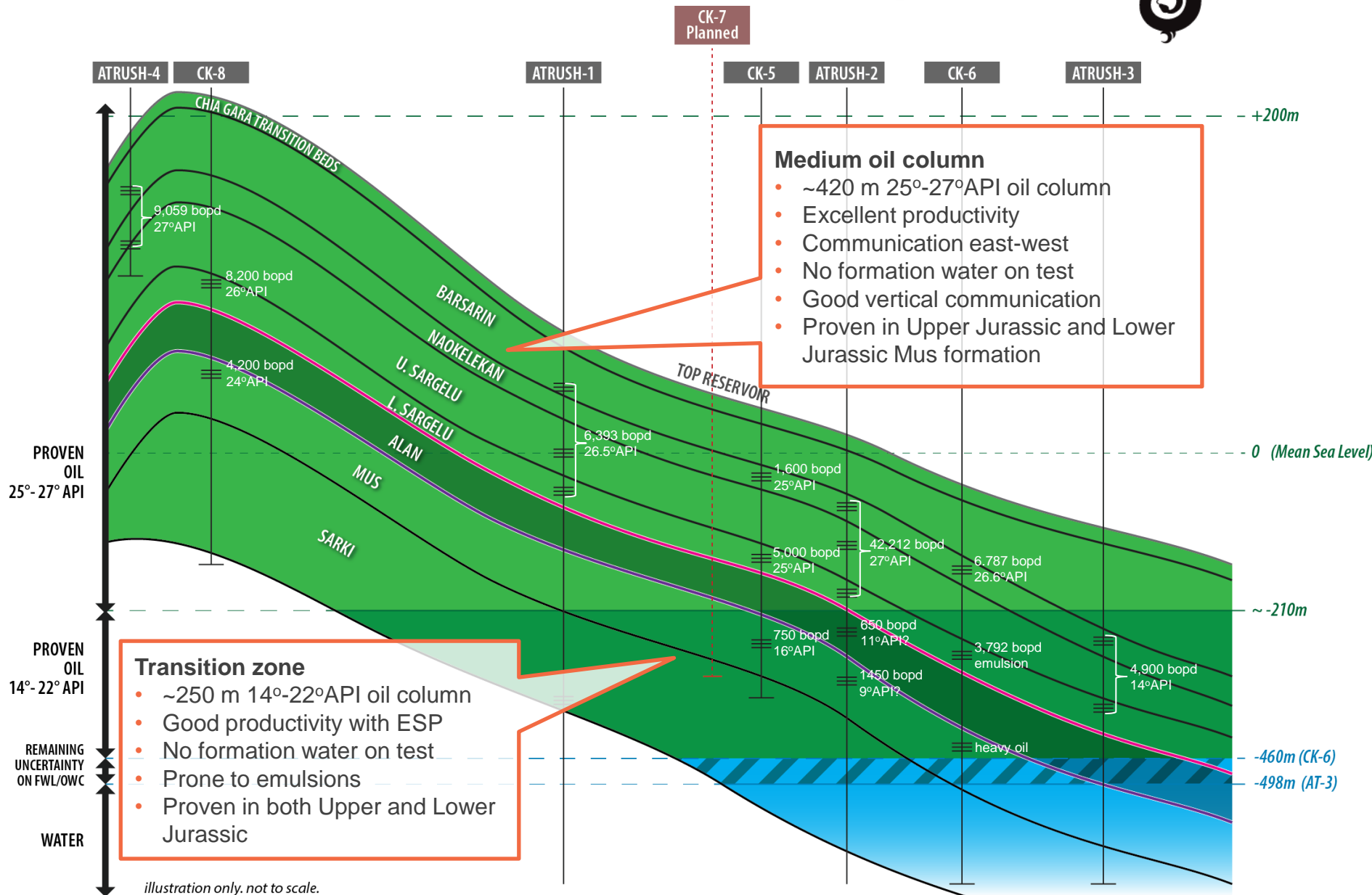


- **Discovered in 2011**
- **Jurassic fractured carbonate**
- **Large 25x3 km structure**
 - fault bounded - 3 way dip closure
 - 1.5 - 2.8 billion barrels in place
- **FDP approved October 2013**
- **7 wells drilled to date**
- **Phase 1 30,000 bopd facilities installed**
- **Reserves to be developed by 5 wells (4 existing wells plus CK-7)**
- **Further phases of development to be defined depending on production results**

MMBoe	1P/C	2P/C	3P/C
Gross Reserves	34.5	85.1	152.2
Gross Contingent	185	304	442
Gross Prospective	121	173	247

Source: McDaniels & Associates at December 31, 2015

Well tests show excellent productivity

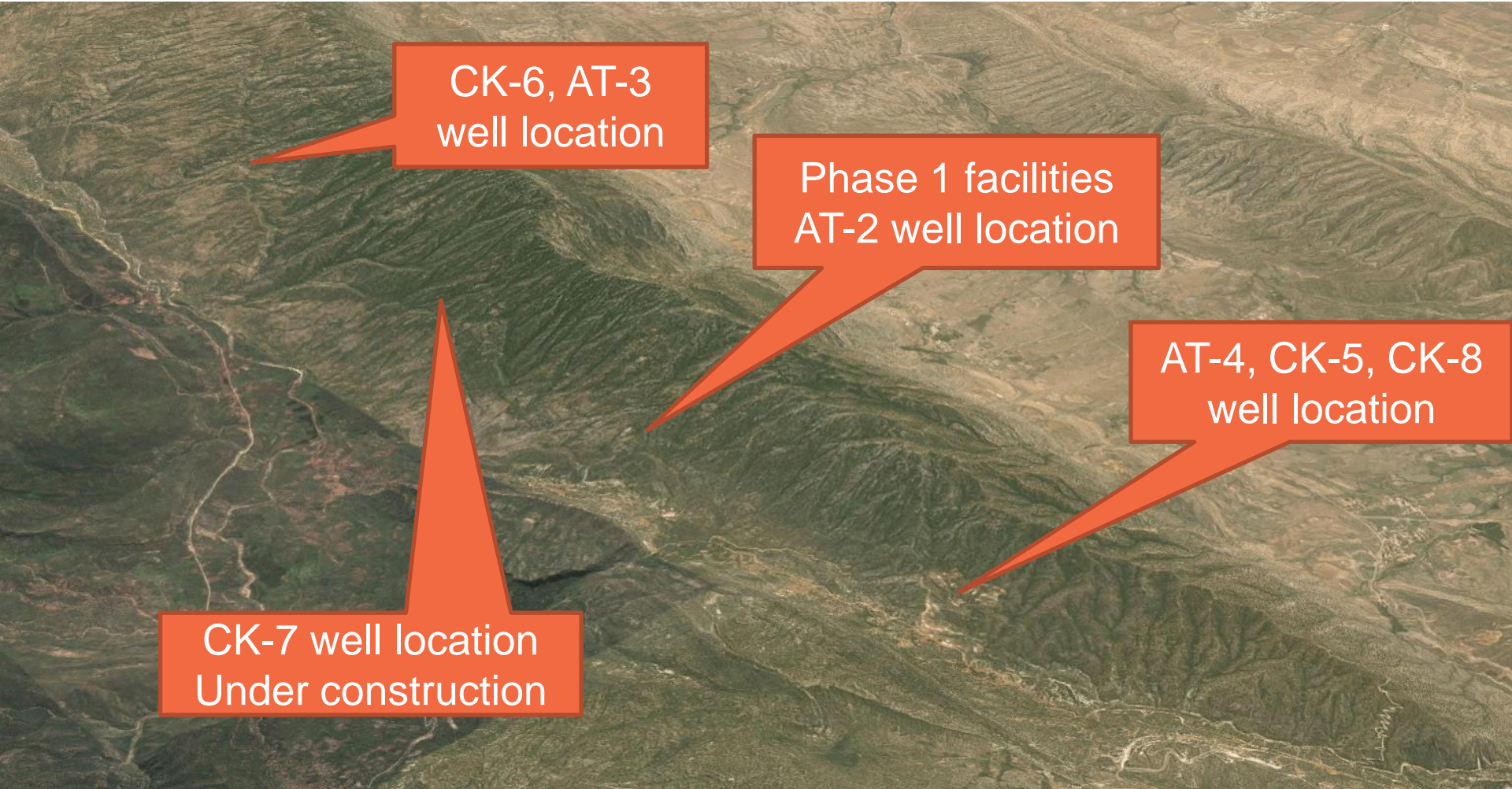


Phase I development nearing completion



- **Facilities complete and commissioning ongoing**
 - 30,000 bopd production capacity
- **Four wells completed and ready for production**
 - CK-5 and CK-8 completed in Q3 2015
 - AT-2 and AT-4 completed in Q3 2016
 - All wells have electric submersible pumps
 - Over 40,000 bopd well capacity
- **In block spur pipeline project substantially completed**
 - 10” and 12” spur pipeline installed.
 - Pump station and intermediate pigging and pressure reduction station (IPPR) substantially completed
- **Feeder pipeline work outside block boundary commenced**
 - EPC contract with KAR Company signed
 - Install 17.5km 12” section from block boundary followed by 17 km of 36” to KEP tie-in point
 - Includes one river crossing which is weather dependent
- **First oil Q1 2017 still target but probably will slip to Q2 2017**
- **Additional appraisal/producer (CK-7) and water disposal well (CK-9) are planned for 2017**

Atrush facilities and well locations



CK-6, AT-3
well location

Phase 1 facilities
AT-2 well location

AT-4, CK-5, CK-8
well location

CK-7 well location
Under construction

Facilities ready for production

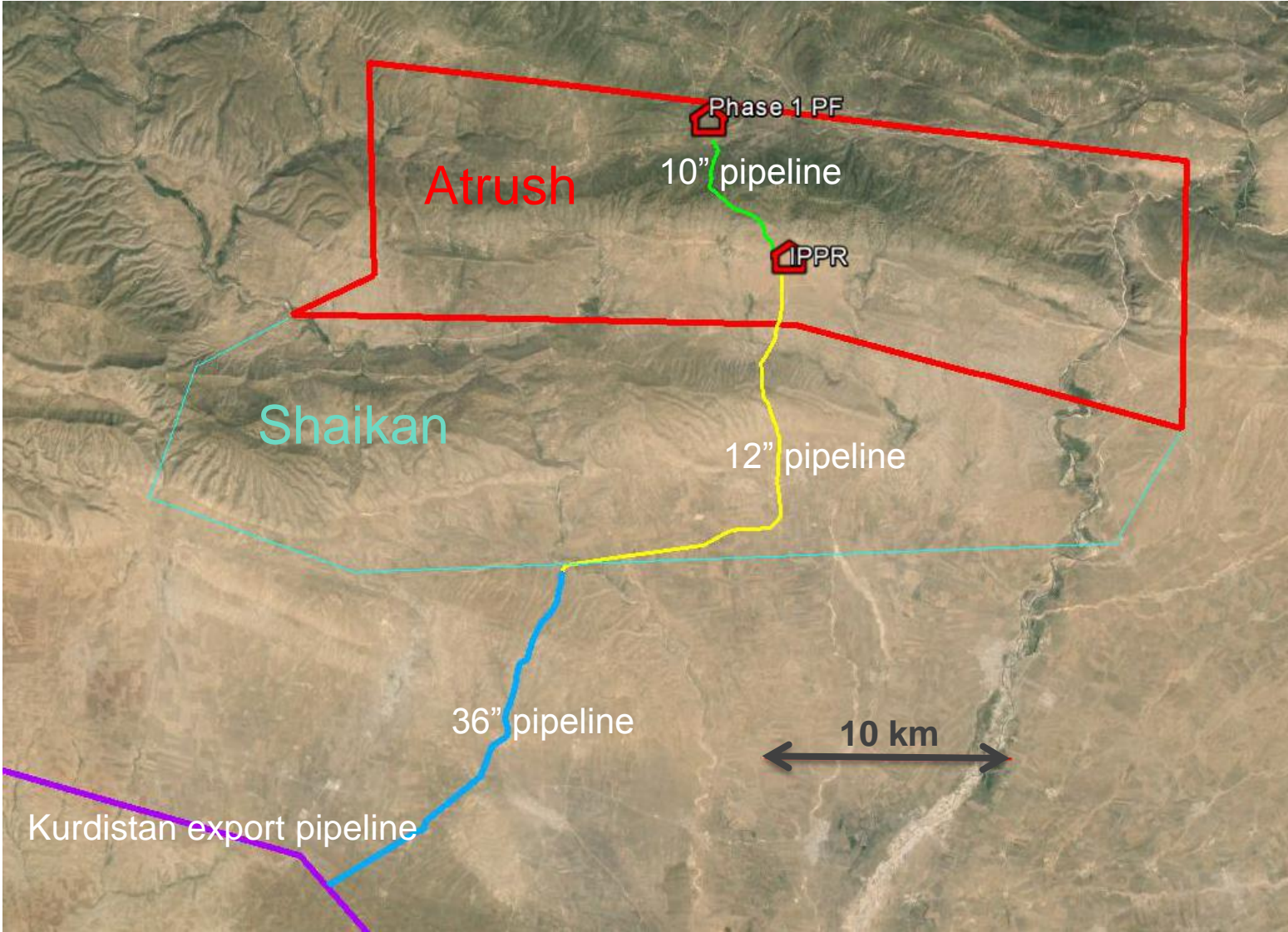


- Main facilities

- Intermediate pigging and pressure reduction station



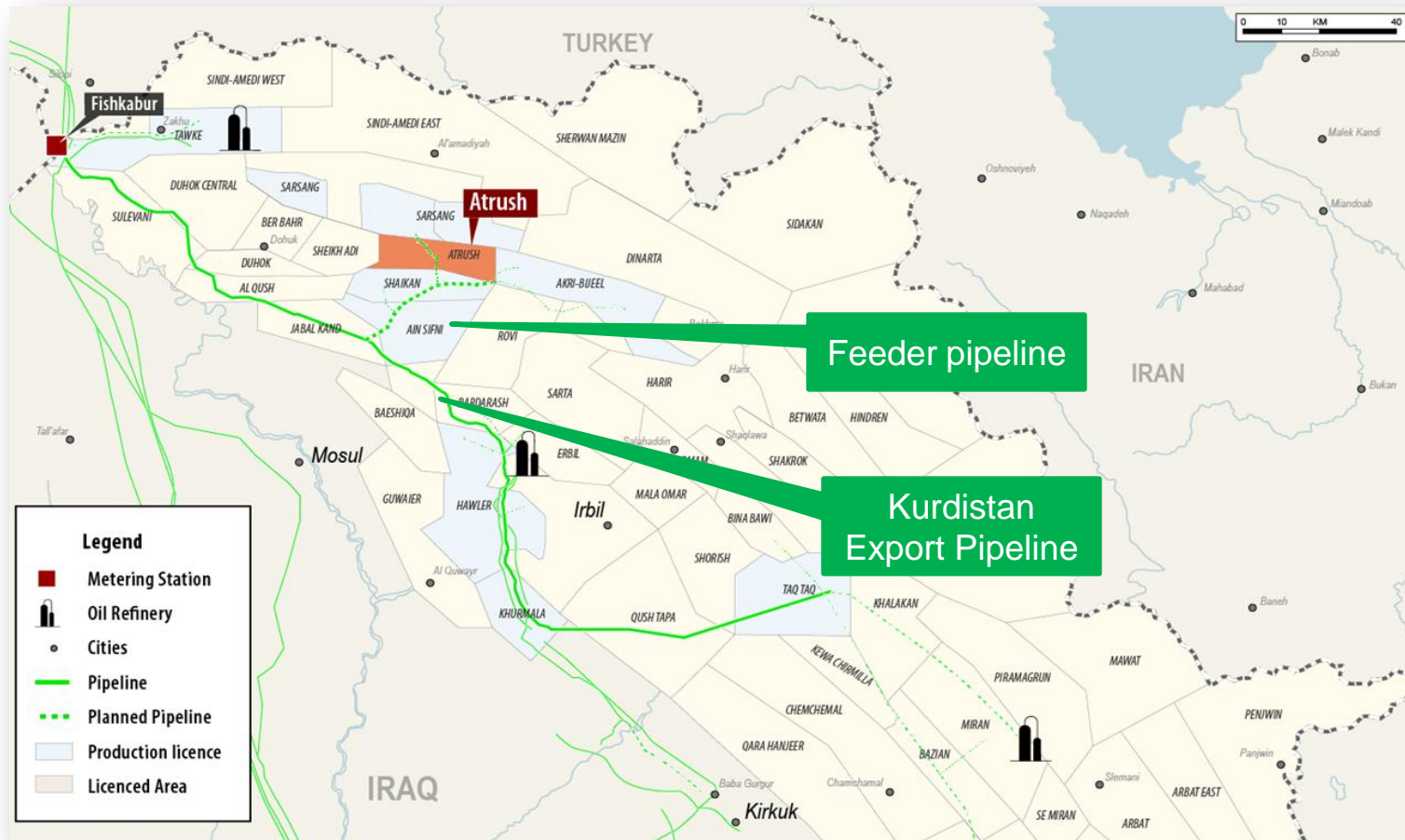
Atrush Feeder Pipeline under construction



Feeder pipeline construction started



Atrush export



- Atrush crude to be exported via existing Kurdistan Export Pipeline to Fishkabar and on to Ceyhan in Turkey
- Sufficient pipeline capacity available to accommodate Atrush production

Regular Kurdistan export

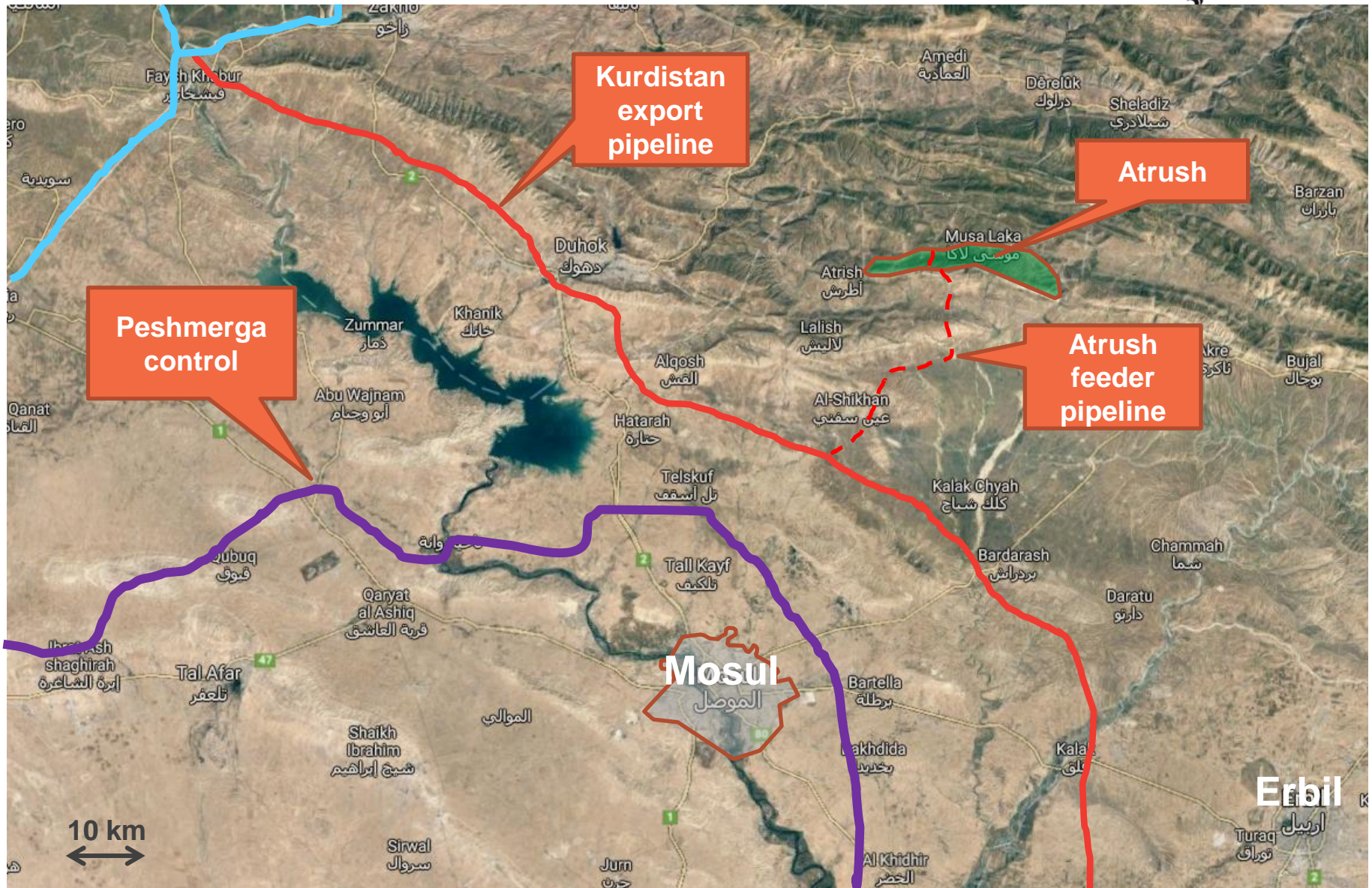


- **KRG continues to export via Ceyhan**
 - Established stable market for Kurdistan/Kirkuk blend FOB Ceyhan
 - KRG produces approx. 565,000 barrels per day in October
 - Around 100,000 bopd from Kirkuk exported (50,000 bopd net to the KRG).

- **KRG continues to pay IOC's regularly**
 - Since September 2015 contractors have been regularly paid for export
 - September 2016 production was paid early December to Gulf Keystone, Genel and DNO
 - Payments made according to Production Sharing Contract entitlement plus an element of historical costs

- **Atrush oil marketing and sales agreement discussions with the KRG started**

Security situation



Agreement concluded on KRG carry and feeder pipeline

- **All documentation signed effective 7 November 2016**
- **Feeder Pipeline EPC agreement with KAR executed**
 - Non Government Contractors fund the costs
 - Taqa as operator in full control of execution of the EPC
 - Automatic novation of feeder pipeline to KRG at first oil
- **4th PSC amendment signed**
 - KRG acquires 25% working interest
 - Accelerated repayment of past costs (~\$37mln net to ShaMaran) as Exploration cost oil and out of 50% of KRG interest profit oil
- **Facilitation Agreement signed**
 - KRG carried to first oil
 - Repayment of certain 2015 carried costs plus all 2016-2017 carried cost to first oil (forecasted at ~\$16mln net to ShaMaran at first oil)
 - Repayment of pipeline costs (~\$10mln net to ShaMaran)
 - Equal 24 monthly instalments commencing after first oil
- **Ownership and pipeline construction uncertainties positively resolved**

Additional funding needed

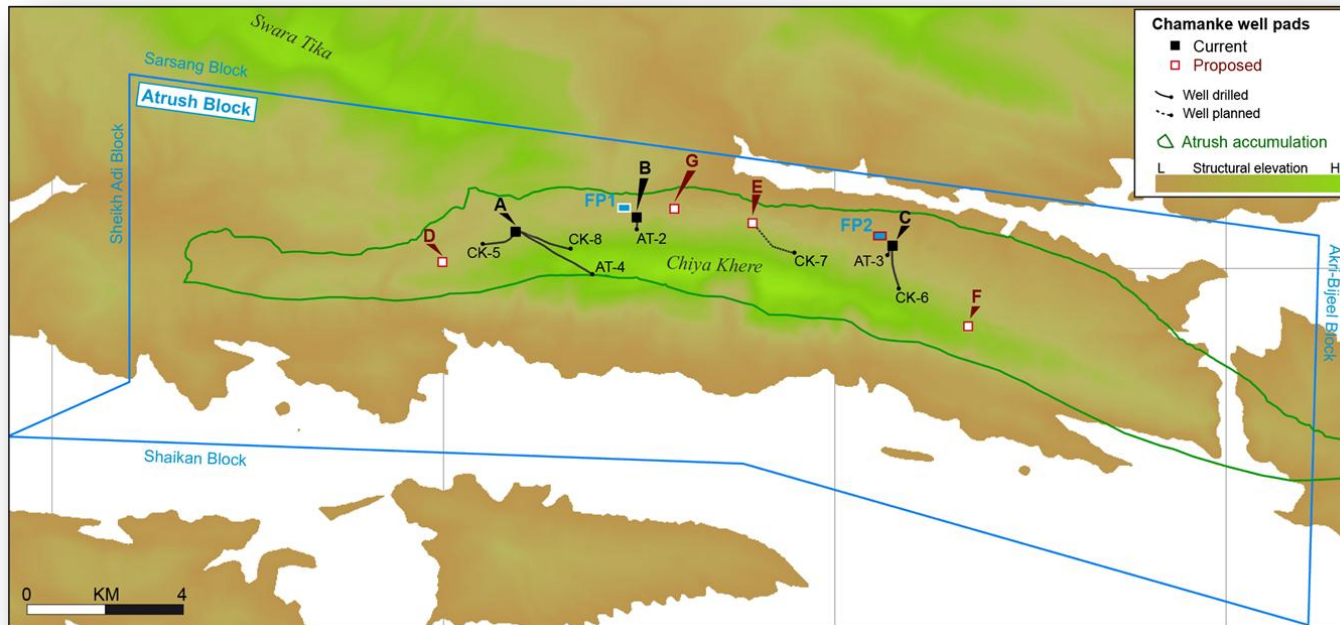


- **Around USD 20 million, depending on costs, first oil and payment situation**
- **Potential to use existing facilities to tap the existing Super Senior bond in stages**
 - Same terms as existing Super Senior Bond (11.5% interest, maturity November 2018)
 - Strong support from the Lundin Family to raise required amount
- **Positive Atrush cash flow once production has started**
 - accelerated cost recovery scheme combined with the pipeline funding repayment should allow for a robust cash flow
- **Further phases of development to be paid out of cash flow**

Work ongoing to realise full field value



- **Submitted field development plan update in November 2015**
 - Commitment to further phases of development pending
 - Production data needed
 - Drill CK-7 to better define center part of the field and provide additional producer
 - Potential further delineation drilling to the east and west
- **Further phases possible to increase production capacity to ~100,000 bopd**
 - Timing and scope dependent on:
 - Production and possible delineation drilling results
 - Economic circumstances



Corporate profile



■ Share capital

- Issued and outstanding 1,798,631,534

■ Market capitalisation

- CAD 216 million (@ January 12, 2017)

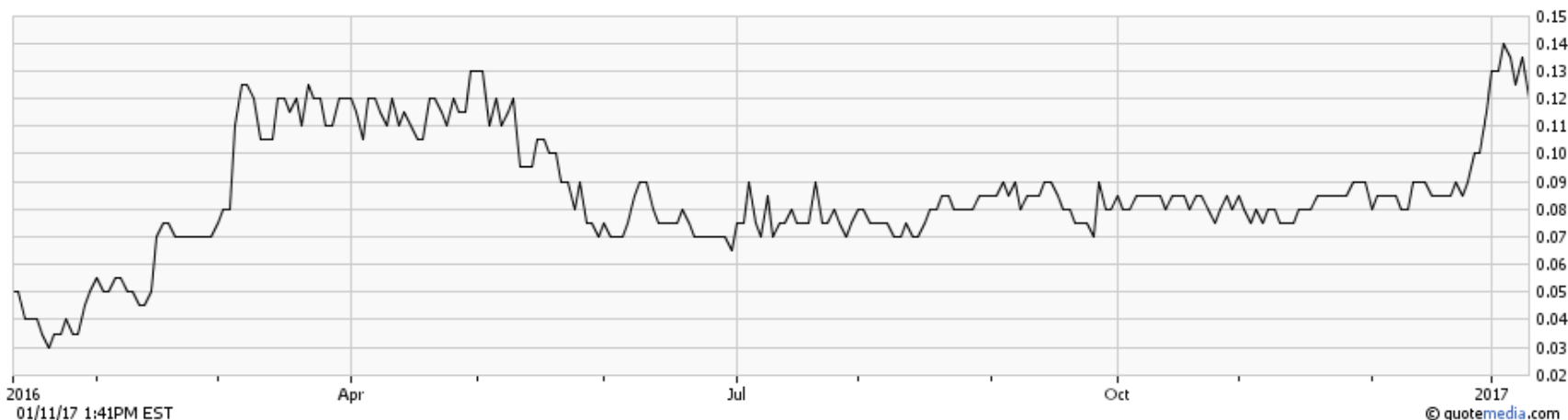
■ Trading information

- Toronto Stock Exchange Venture
 - TSX-V:SNM
- NASDAQ OMX First North (Stockholm)
 - OMX:SNM

■ SNM share price on TSX.V

■ Major shareholders

- Lundin family trusts 16.8%
- Lundin Petroleum 5.8%
- Directors/Management 0.3%



www.shamaranpetroleum.com

The Lundin Group

Combined market cap \$16.7 billion



lundin mining

LUNDINGOLD

etrion

Key points



- **World class resource base**
 - Gross 2P 85.1 MMBoe
 - Gross 2C 304 MMboe
- **Phase I Atrush development project nearing completion**
 - Facilities construction complete and commissioning ongoing
 - In block spur pipeline installed. IPPR and pump station completed
 - Feeder pipeline work outside the block started, target completion Q1 2017
- **First oil probably in Q2 2017**
- **Additional funding required**
 - Possibility to tap Super Senior bond
- **Strong Lundin Group support**

Cautionary statements



This document contains statements about expected or anticipated future events and financial results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as legal and political risk, civil unrest, general economic, market and business conditions, the regulatory process and actions, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. Actual results may differ materially from those projected by management. References to regional and un-related Company oil resources are sourced from industry and other websites. References to resource volume potential and potential flow rates are for general information only and are subject to confirmation. Further, any forward-looking information is made only as of a certain date and the Company undertakes no obligation to update any forward-looking information or statements to reflect events or circumstances after the date on which such statement is made or reflect the occurrence of unanticipated events, except as may be required by applicable securities laws. New factors emerge from time to time, and it is not possible for management of the Company to predict all of these factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking information. Test results are not necessarily indicative of long-term performance or of ultimate recovery. Technical results and interpretations are by ShaMaran Petroleum and its technical consultants.