

Corporate Presentation

January 2018



- **Optimise and debottleneck Atrush phase I production capacity**
 - First oil 3 July 2017
 - 26,163 bopd average export in December 2017
 - Uptime significantly higher than the 90% previously guided
 - Processing capacity temporarily reduced due to low ambient winter temperatures
 - Identify debottlenecking opportunities to further increase production capacity beyond 30,000 bopd
- **Realise full value from Atrush**
 - World class asset
 - 2018 work program agreed to better define next phases
 - Work towards Phase II definition by end 2018
 - Potential to grow organically to ~100,000 bopd
- **Re-finance existing bond**
- **Fund production expansion from cash flow**
- **M&A opportunities**

Management and Board of Directors



Keith C. Hill – Chairman and Director

Over 30 years experience in the oil industry including international new venture management and senior exploration positions in Valkyries Petroleum Corp., Lundin Oil AB, BlackPearl Resources, Occidental Petroleum, Shell Oil Company and Tanganyika Oil. Mr. Hill is currently President and CEO of Africa Oil.



C. Ashley Heppenstall – Director

Over 25 years experience working with public companies associated with the Lundin family including Finance Director of Lundin Oil AB and following the acquisition of Lundin Oil by Talisman Energy in 2001, Lundin Petroleum was formed and Mr Heppenstall was appointed President and Chief Executive Officer in 2002 until his retirement in 2015.



Chris Bruijnzeels – President, CEO and Director

Over 29 years of experience in the oil and gas industry including Senior Vice President Development of Lundin Petroleum, Shell International and PGS Reservoir Consultants. From 2003 to 2016 he was responsible for Lundin Petroleum's operations, reserves and the development of its asset portfolio.



Brian D. Edgar – Director

Over 25 years experience in public markets and 16 years experience in corporate and securities law. Principal of Rand Edgar Investment Corp., an investment/banking, venture capital company. Mr. Edgar serves on the Board of a number of public companies.



Brenden Johnstone – CFO

Canadian Chartered Accountant with a broad range of experience in audit and assurance with Deloitte & Touche and in the oil and gas industry as CFO with Avante Petroleum SA.



Gary Guidry – Director

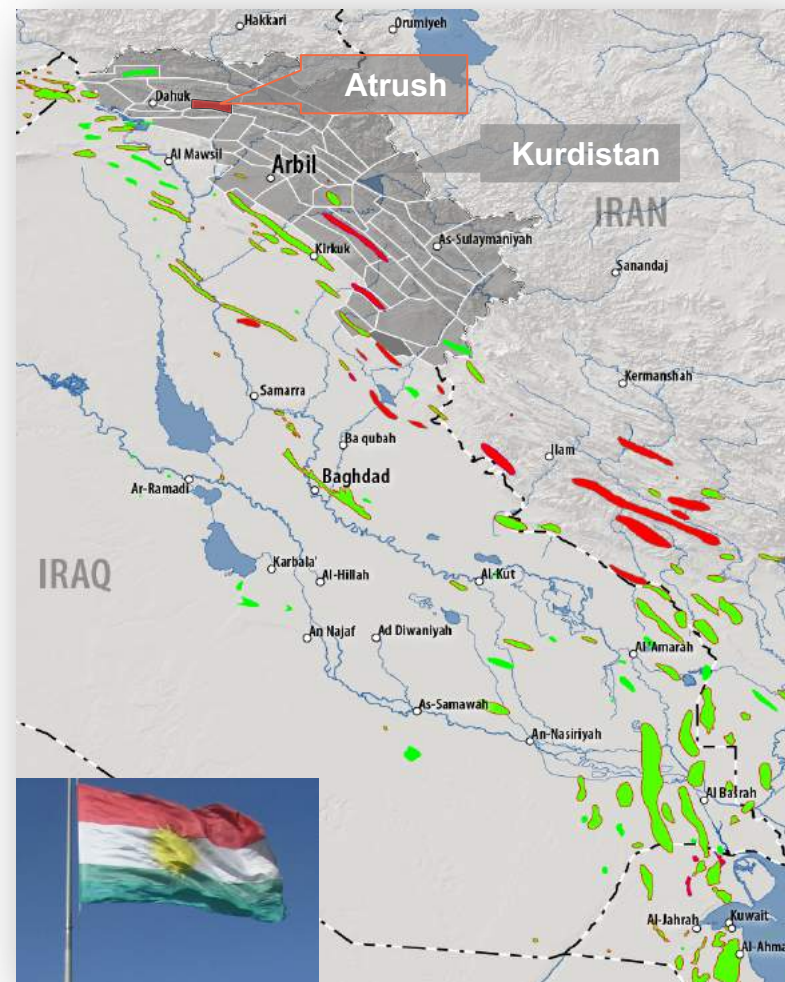
Over 25 years experience in the oil and gas industry at senior management levels. Mr. Guidry has an extensive background and proven track record in international petroleum development and project execution. Mr. Guidry is currently President and CEO of Gran Tierra Energy Inc.

Proven track record from Lundin group of companies

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
- **First production July 2017**



Atrush is a world class large oil discovery



- **Jurassic fractured carbonate**
- **Large 25x3 km structure**
 - Fault bounded - 3 way dip closure
 - Total discovered oil in place:
 - low estimate of 1.5 billion barrels
 - best estimate of 2.1 billion barrels
 - high estimate of 2.8 billion barrels
- **FDP approved October 2013**
- **8 wells drilled to date**
- **Reserves developed by 5 existing producers**
- **Contingent resources dependent on defining further phases of development**
- **2P reserves expected to grow as more wells are drilled and 2C is converted into 2P**

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:

Reserves and Contingent Resources - McDaniel & Associates at December 31, 2016

Prospective Resources - McDaniel & Associates at December 31, 2013

There is no certainty that it will be commercially viable to produce any portion of the contingent resources. Contingent resources are classified as development unclarified. There is an 80 percent chance of commercial development for oil and 5% for natural gas.

For full reserves and contingent resource disclosure the company refers to the Reserves and Resource section on its website and its Annual Information Form dated March 9, 2017.

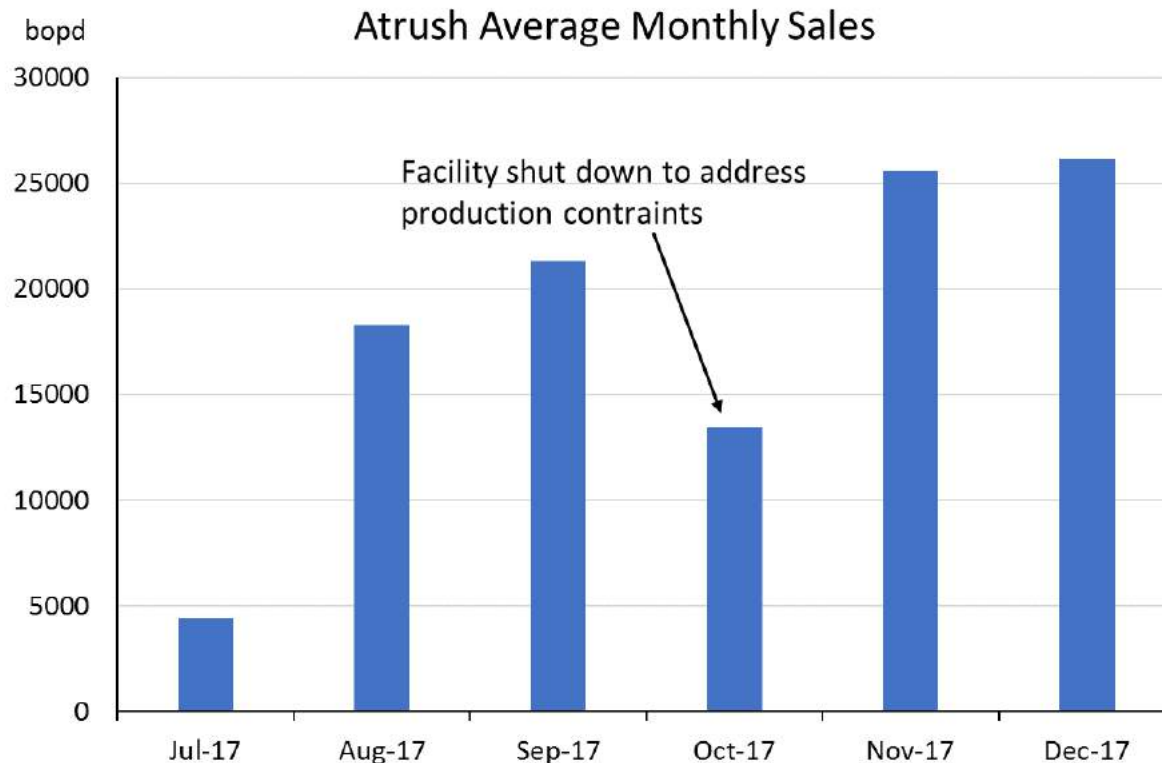
Production started July 2017



- **Phase I facilities and Pipeline project completed**
- **Five producers drilled**
 - Over 40,000 bopd potential well capacity
 - Three wells permanently in production
 - AT-4 well productivity after clean-up disappointing and awaiting work-over for smaller pump
 - CK-7 well successfully drilled, tie-in planned in Q2 2018
- **30,000 bopd facility capacity**
 - Low winter temperatures reduces processing capacity to about 27,000 bopd
 - Identify additional heat sources to debottleneck ahead of next winter
 - Identify debottlenecking opportunities to further increase capacity



Production update



- Ramping up production
- Low winter temperatures reduce on-spec capacity to ~27,000 bopd
- December uptime 97%, significantly higher than the expected 90%
- Current oil gravity 25.4 API
- All oil is being exported via the Kurdistan Export Pipeline to Ceyhan

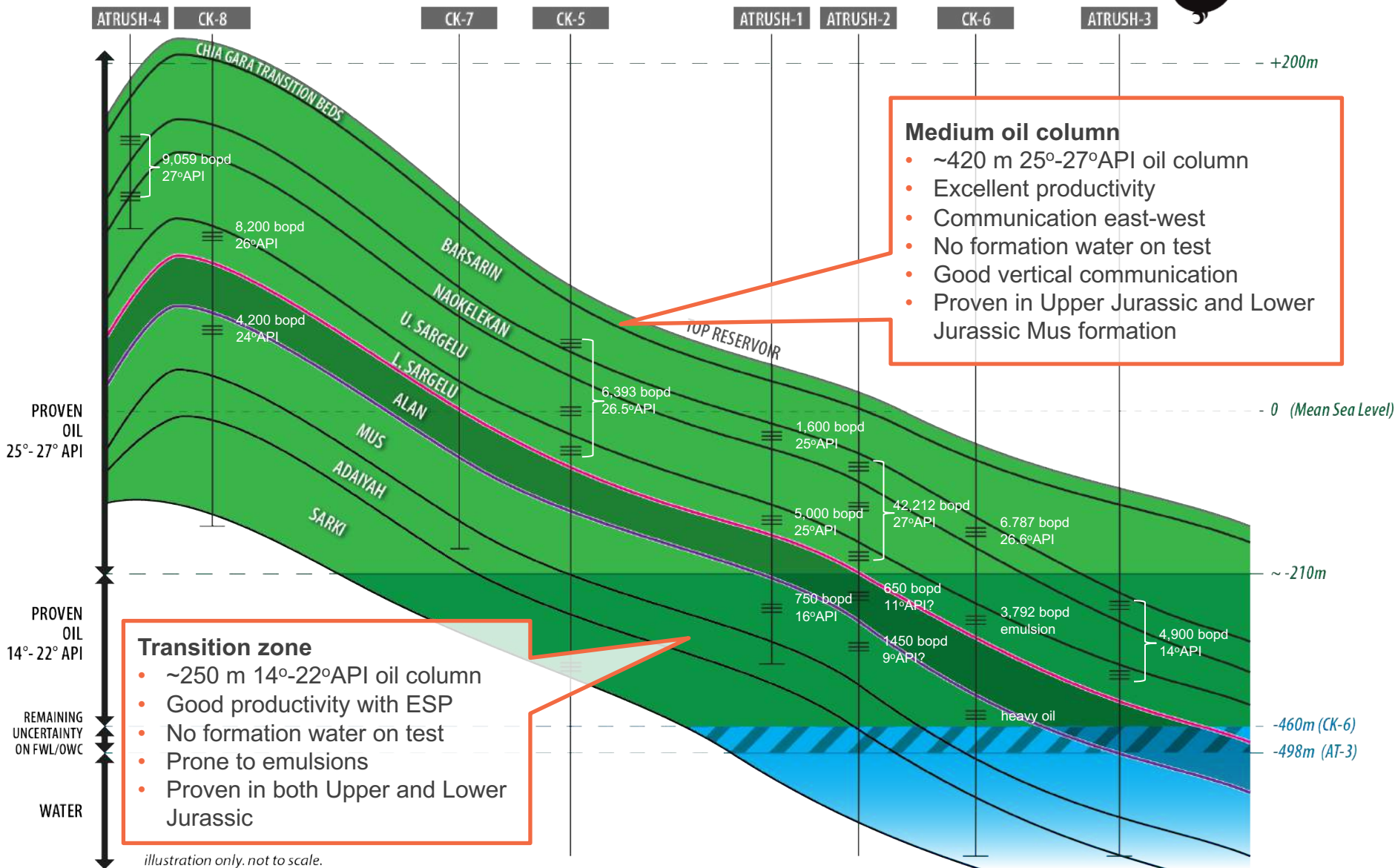
Successfully drilled CK-7 well in Nov 2017



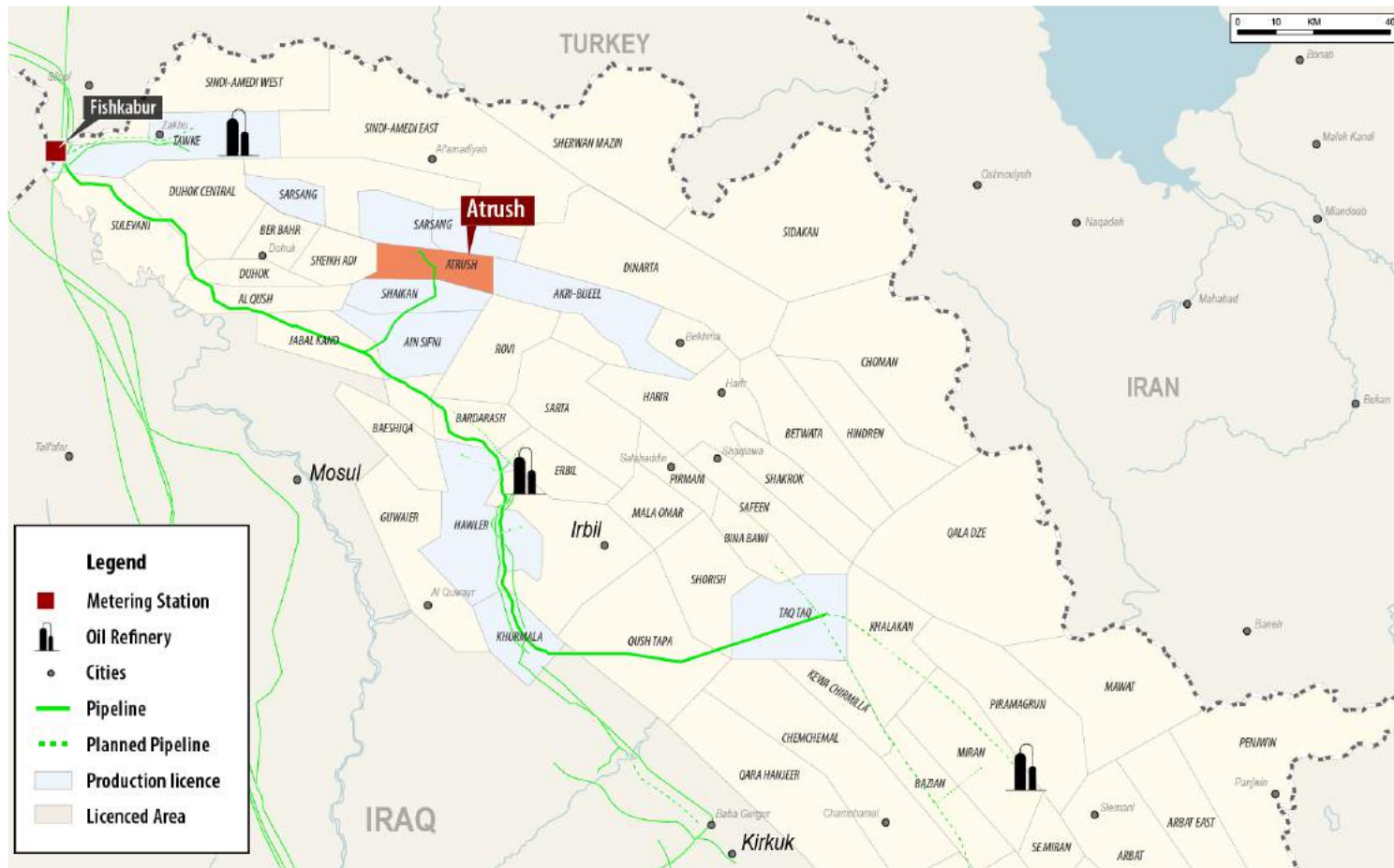
- **Reached final depth of 1,861 metres early November 2017**
 - Drilled on time and within budget
- **114 metres shallower than expected → Resource upside**
 - Reservoir not dipping as steep as expected in this part of the field
 - Resource upside to be evaluated
- **Upper and lower Jurassic in medium oil column**
 - Good productivity expected
- **Forward plan**
 - Install flowline between Chamanke-E location and Production Facility
 - Complete, test and produce



CK-7 well positioned for excellent production



Atrush export



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

Kurdistan operations are stable



- **After 25th September Independence Referendum KRG relations with Baghdad have been strained**
 - Operations are continuing in a normal, safe and secure manner
 - Closing down of international flights to Erbil has had an impact on logistics
- **KRG continues exports via the Turkish Mediterranean port of Ceyhan**
- **KRG continues to pay IOCs regularly**
 - Since September 2015 contractors have been regularly paid for export
- **Recent talks between KRG and Baghdad encouraging**

Export and payments update



- **Atrush oil sales agreement with the KRG finalised in September 2017**
 - \$16/bls discount to Dated Brent for quality and all local and international transportation costs
 - Received payments regularly for July to October exports with 2 months delay

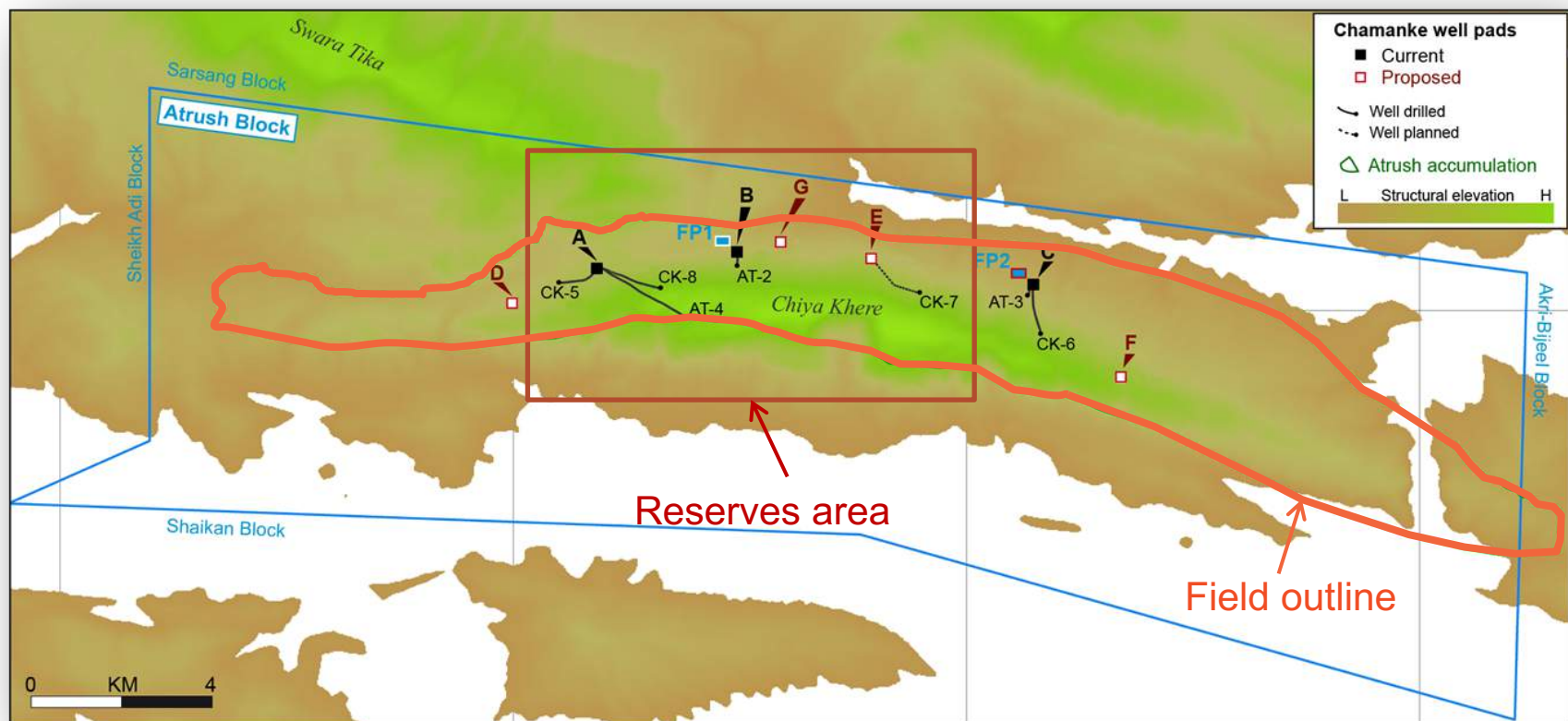
- **Payment agreement with KRG for Atrush Feeder Pipeline Cost and Atrush Development Cost loans**
 - Following “Pipeline Final Completion Certificate” on 31st October, loans will be repaid in 24 equal instalments
 - November and December instalments will be offset against Oil Police Force costs and First Oil Bonus
 - Remaining instalments will be paid in line with sales payments with 2 months delay

- **KRG 25% working interest payables**
 - To be paid after Marathon/Shamaran have approved the cash call
 - In the month that costs are expected to occur
 - November 2017 invoice to be paid in February 2018

Work ongoing to realise full field value



- Atrush 85 MMboe reserves only relates to 5 existing producers
- 304 MMboe of contingent resources
 - Possibly increase production capacity to ~100,000 bopd
 - Infill drilling in the reserves area
 - East and west field extension
 - Heavy oil development



2018 Work Program



■ **Objective**

- Keep the facilities full
- Debottleneck facilities to increase capacity
- Gather information for next phases of development

■ **Wells**

- Complete and test CK-7 and bring in production
- Drill CK-10 producer
- Drill CK-9 water disposal well

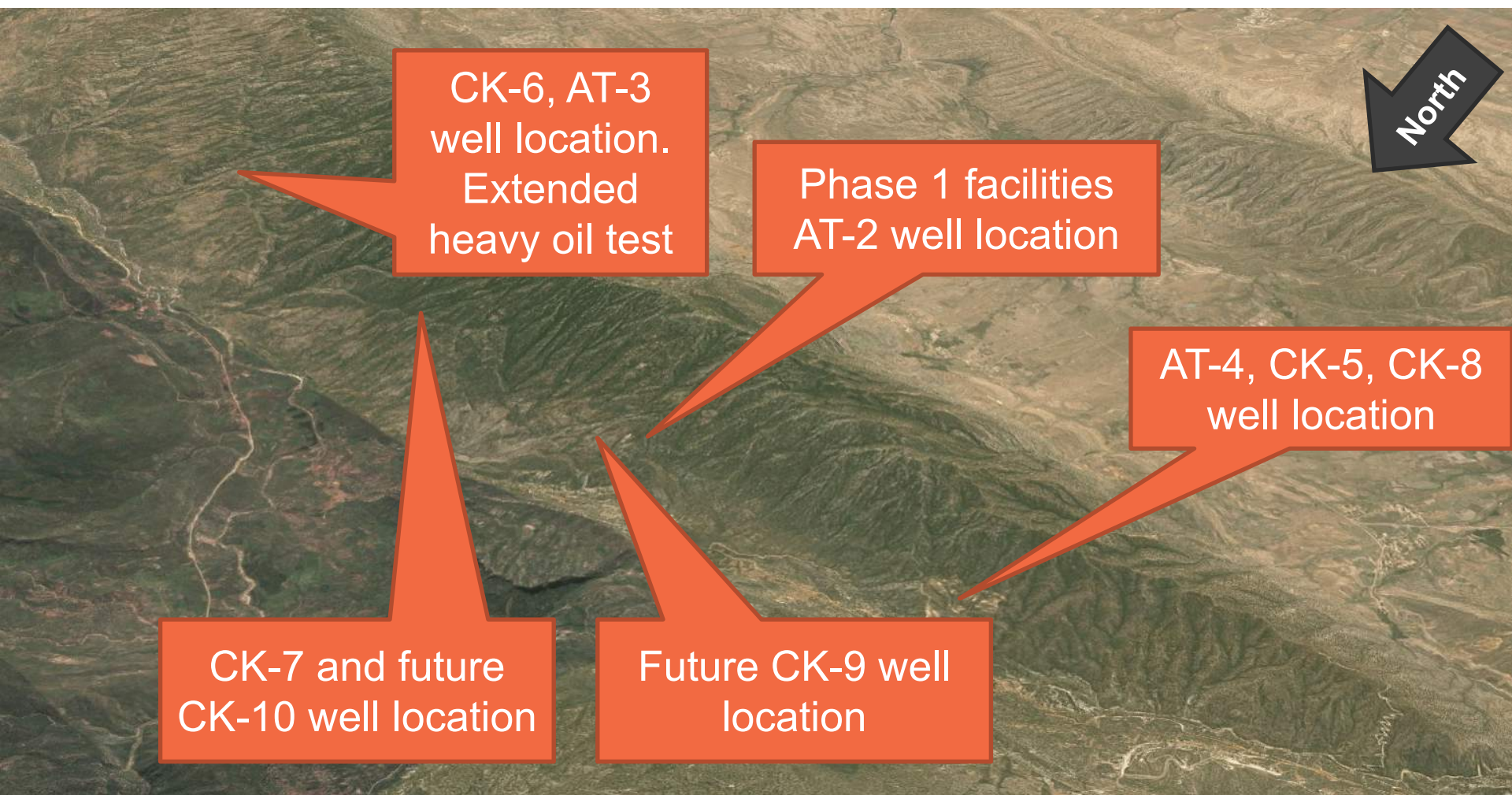
■ **Facilities**

- Install CK-7 and CK-10 flowlines
- Additional heating capacity
- Debottleneck beyond 30,000 bopd capacity

■ **Extended heavy oil well test**

- Install temporary facilities on Chamanke-C well pad
- Complete and produce CK-6
- Truck production to the main Production Facilities

Atrush facilities and well locations



Atrush is self funding

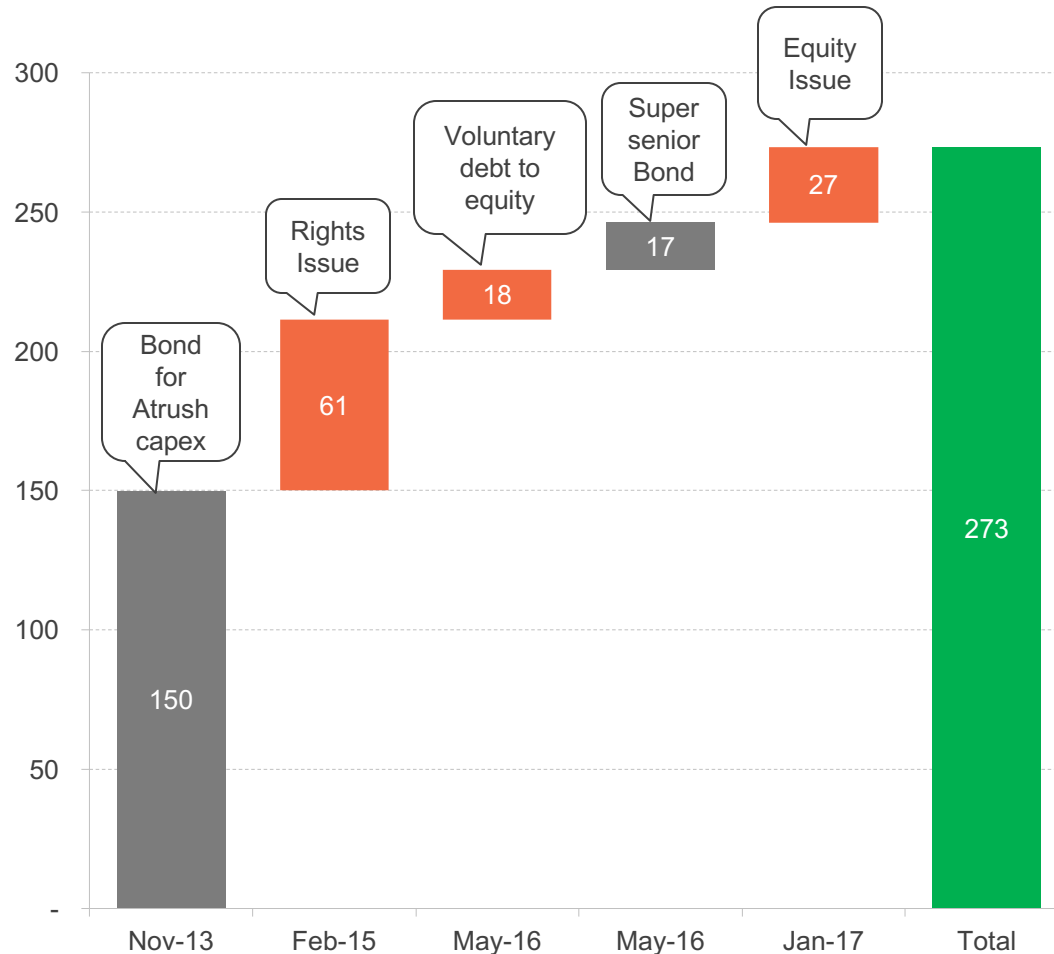


- **Positive Atrush cash flow from production**
 - Accelerated cost recovery scheme combined with the pipeline funding repayment to generate robust cash flow
- **Further phases of development to be paid out of Atrush cash flow**
- **Refinance existing Bonds**
 - Senior and Super Senior Bonds mature in November 2018
 - USD186 million bond principal outstanding as at December 2017
 - Considering various alternatives

Demonstrated access to funding



USDm



- **ShaMaran has strong support from shareholders and bondholders**
- **During the development of Atrush, the company has raised USD 106 million in equity following the issuance of the USD 150 million bond in 2013**
- **Supported by the Lundin family, the company raised USD 17 million in super senior bond in May 2016 as a bridge to first oil at Atrush with a USD 50 million upper limit**

Corporate profile



■ Share capital

- Shares issued and outstanding 2,158,631,534

■ Market capitalisation

- CAD 169 million (@ 25 January 2018)

■ Net debt *)

- USD 156 million (@ 31 December 2017)

*) Borrowings plus current liabilities less current assets

■ Major shareholders

- Lundin family trusts 16.8%
- Lundin Petroleum 5.6%
- Directors/Management 0.3%

■ Trading information

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

■ SNM share price on TSX.V:

Frequency: DAILY



The Lundin Group

Combined value ~ USD 21 billion



lundin mining

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Key points



- **World class resource base**
 - Gross 2P 85.1 MMboe
 - Gross 2C 304 MMboe
- **First oil July 2017**
- **KRG continues to pay and payment agreements in place**
- **Atrush is self funding but bonds need to be refinanced**
- **2018 work program aims to keep facilities full and gather further information**
- **Move forward to realise full value from Atrush**
- **Looking for M&A opportunities**
- **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.