



ShaMaran Petroleum Corp.

Focusing on Growth

June 2019 - Updated

ShaMaran at glance



(*) Quantity based on increasing well capacity (currently at 44,500 bopd) and processing capacity (currently at 36,000 bopd)

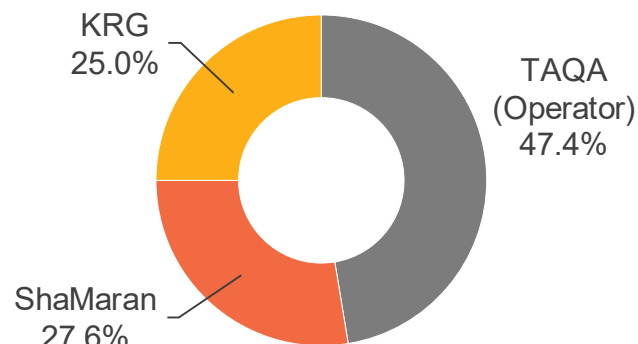
(**) Quantities based on Reserves and Contingent Resources - McDaniel & Associates estimates at December 31, 2018, and determined on a 27.6% working interest basis.

ShaMaran- Atrush Field in Kurdistan

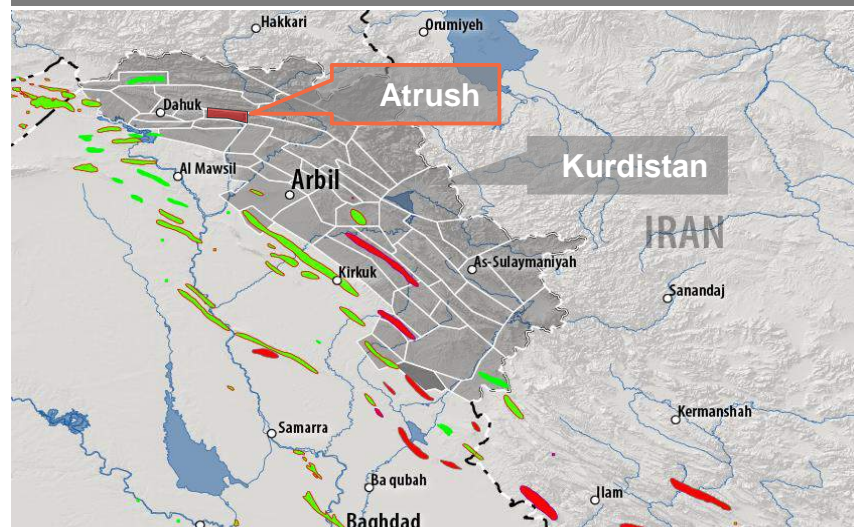


- **ShaMaran is an E&P company active in the Kurdistan region with 27.6% direct interest in the Atrush oil field (post acquisition)**
 - Acquisition from Marathon provided an additional 7.5% working interest
- **Atrush is a world-class asset with gross 2P oil reserves of 106.0 MMbbl and gross 2C oil resources of 268 MMbbl**
- **Atrush currently produces ~ 28,600 bopd***
- **Production target of 50,000 bopd at 2019 exit**
- **Investment decision to increase up to 100,000 bopd expected mid 2020**
- **Current cash flow self funds asset and can support further growth**

Atrush partnership ownership



Asset location



* Average May 2019 daily sales volume

ShaMaran completes accretive Atrush acquisition



■ ShaMaran acquisition increases interest in Atrush by over a third

- Acquired all of Marathon's 15% interest with simultaneous sale of 7.5% to TAQA
- Interest increased from 20.1% to 27.6% - represents a 37.3% increase in Atrush position
- Closed on May 30, 2019

■ New interest adds significant asset value:

- 7.9 MMbbl of 2P reserves ~valued at NPV10 USD 86.2MM¹
- 20.7 MMboe of 2C resources
- ~USD 22MM of Atrush KRG loans and receivable assets related to the purchased interest

■ Financed from existing cash

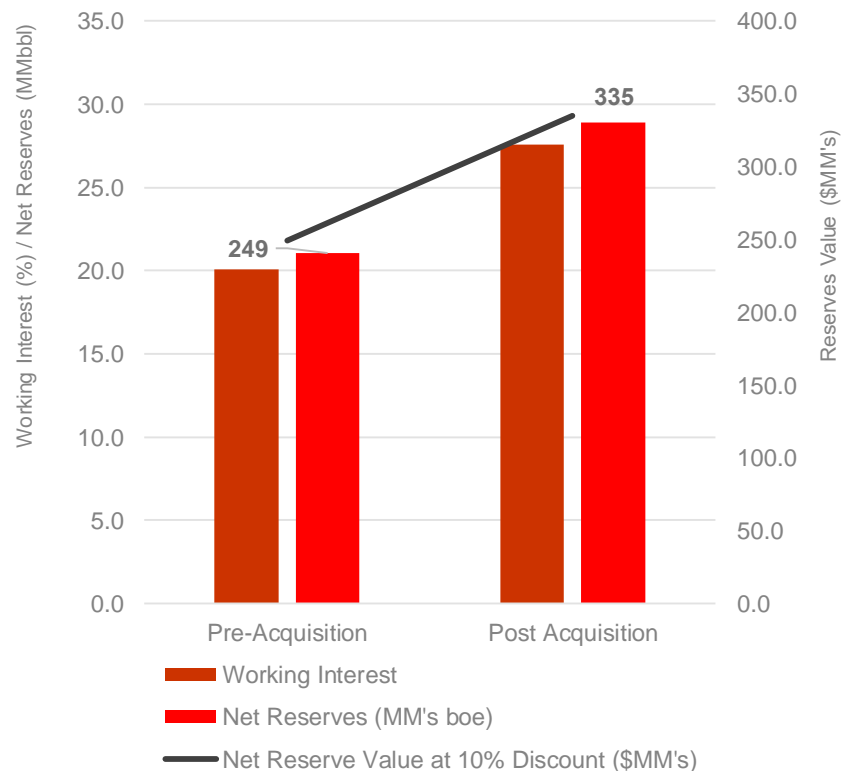
In million USD

Purchase price - 15% of Atrush	63.0
ShaMaran's 7.5% share = 1/2 x \$63 million	31.5
Closing adjustments*	<u>(4.3)</u>
Cash out to close	<u>27.2</u>

¹based on McDaniel reserves and resources report at 31 Dec 2018

*closing adjustments represent share attributable to the purchased interest of oil sales less operating and development costs from effective date (Jan 1, 2018) up to date of closing plus other closing purchase price adjustments and fees.

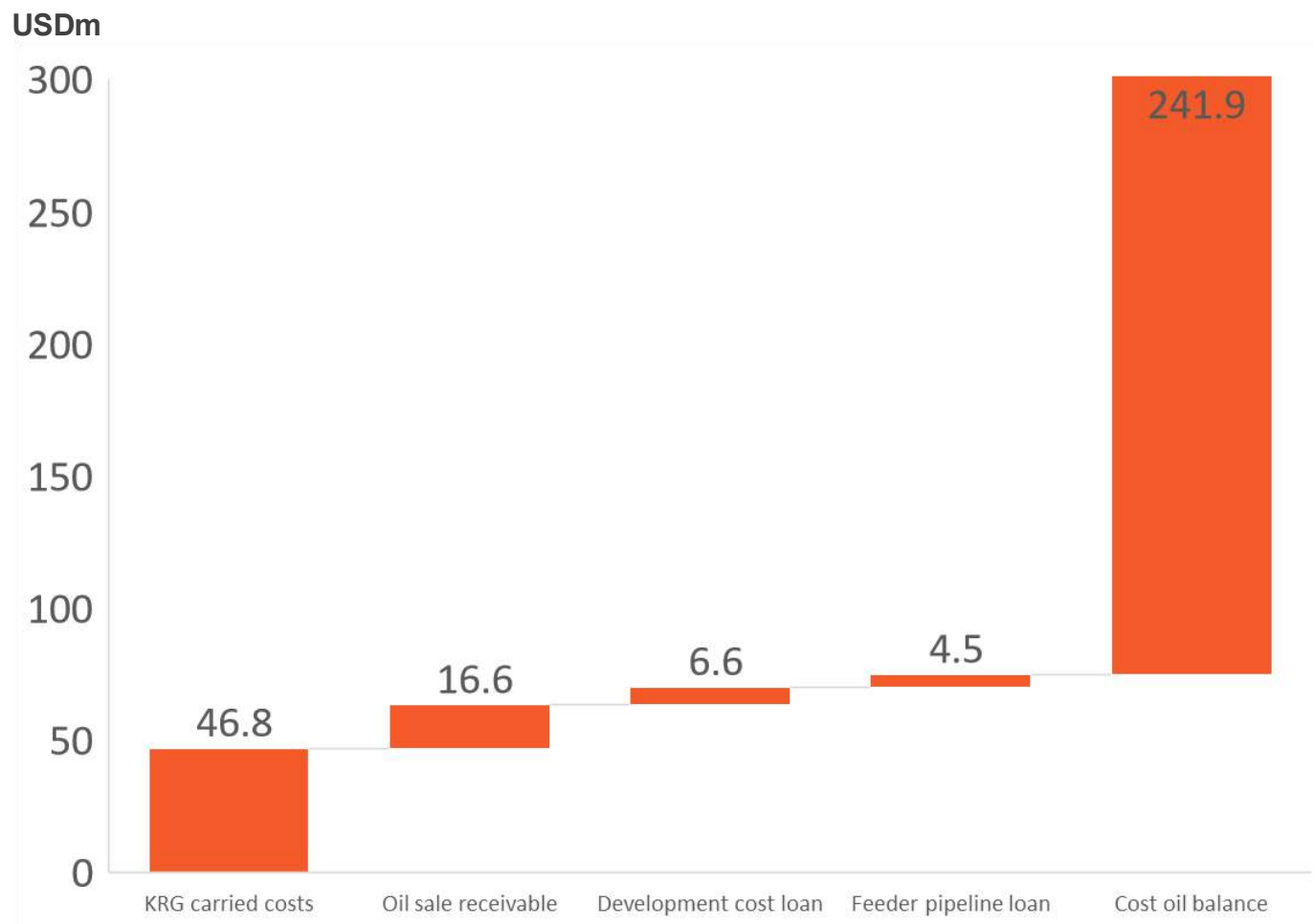
Atrush Acquisition Key Metrics



Cost oil and KRG loans & receivables add to cash flow



Pro-forma* KRG loans, receivables and cost oil as of March 31, 2019



**) amounts in this table reflect a 27.6% effective interest in Atrush, which represents ShaMaran's 20.1% interest at March 31, 2018 plus an additional 7.5% interest attributable to ShaMaran's share of the Marathon acquisition which was completed on May 30, 2019.*

Kurdistan is a world class oil province



- Kurdistan's oil industry is at a relatively early stage of development
- Significant reserves and resources
- Political situation is stabilizing
- Existing upgraded 1 million barrels per day pipeline export route to the Turkish Mediterranean port of Ceyhan
- Oil sold to the Kurdistan Regional Government at USD 15.43/bbls discount to Brent



Atrush is a large, world class oil field



- **Atrush block was awarded in 2007 and ShaMaran acquired interest in 2010**
 - Atrush field discovered 2011
 - FDP approved October 2013
 - First production July 2017
- **Reservoir: Jurassic fractured carbonate**
- **Large 25x3 km structure**
 - Fault bounded – 3 way dip closure
 - Low/best/high estimate of 1.5/2.1/2.9 billion barrels total discovered oil in place
- **2P reserves expected to grow as more wells are drilled and 2C is converted to 2P**
 - Contingent resources dependent on defining further phases of development

Atrush oil field facts (gross)¹

MMbbl	1P/C	2P/C	3P/C
Oil reserves	44.9	106.0	160.8
Oil contingent	158	268	407
Oil prospective	121	173	247

2019 production guidance:
30,000 – 35,000 bopd

2019 lifting cost guidance:
USD 6.30-7.90/bbl

Atrush – Drilling Operations at Pad G



1) Reserves and Contingent Resources - McDaniel & Associates at December 31, 2018. 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. For full reserves and contingent resource disclosure the company refers to its Press Release dated February 15, 2019.

Operational Update

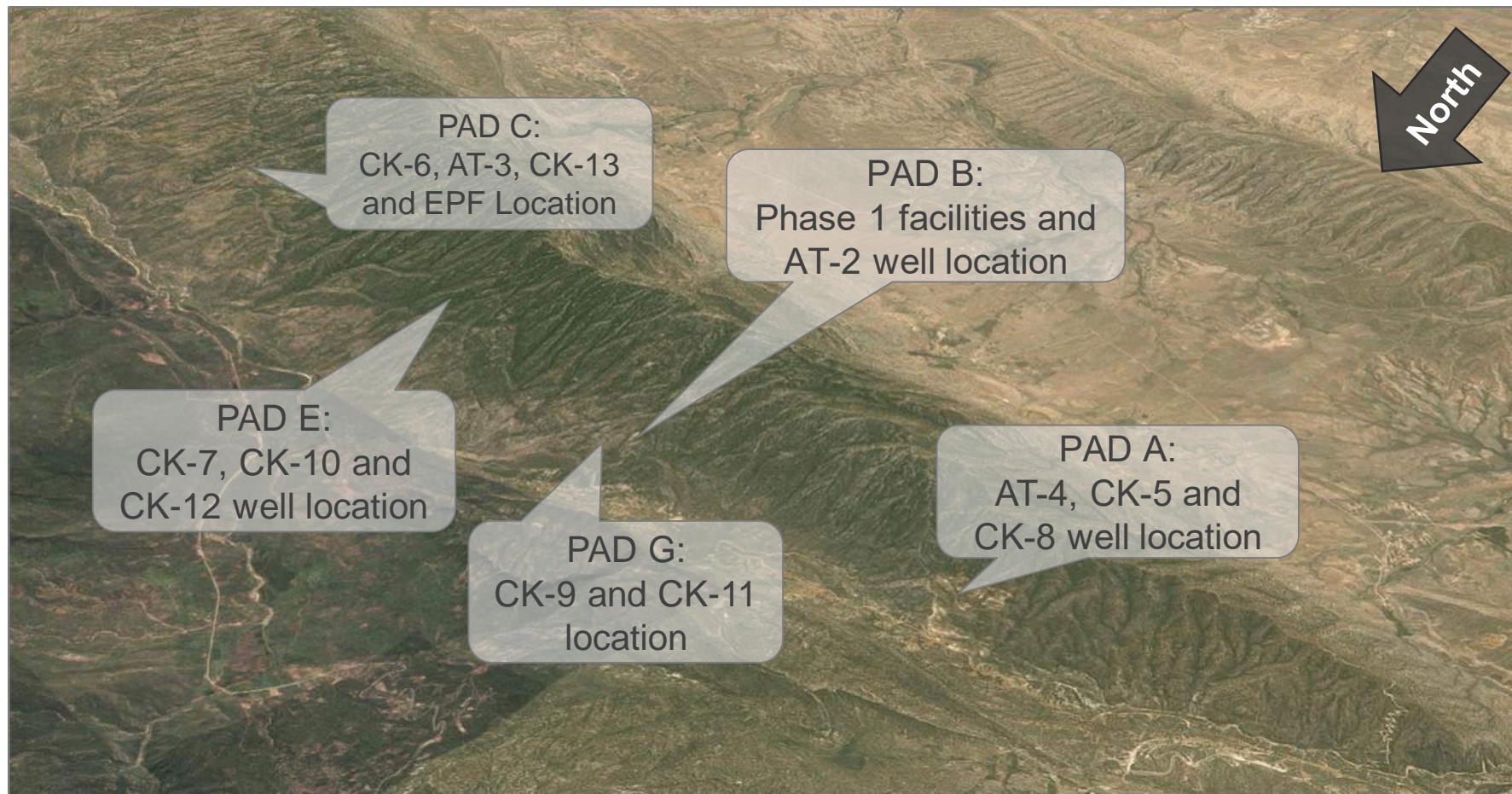


- **12 wells drilled to date, 13th well drilling**
 - Eight wells permanently in production
 - CK-9 water disposal well operational for water injection
 - AT-3 well worked over and heavy oil extended well testing ongoing
 - CK-11 production well online May 10th with a capacity of 8,500 bopd
 - CK-6 well online 15th May with a capacity of 4,500 bopd
 - AT-1 well plugged and abandoned
 - AT-4 well suspended pending workover
 - CK-12 drilling phase completed June 1st. Waiting on workover rig for completion and well startup.
 - Ck-13 well spudded 18th June.
 - CK-8 well (10,000 bopd capacity) currently undergoing workover for ESP replacement.
 - Target 50,000 bopd well capacity in 4Q 2019

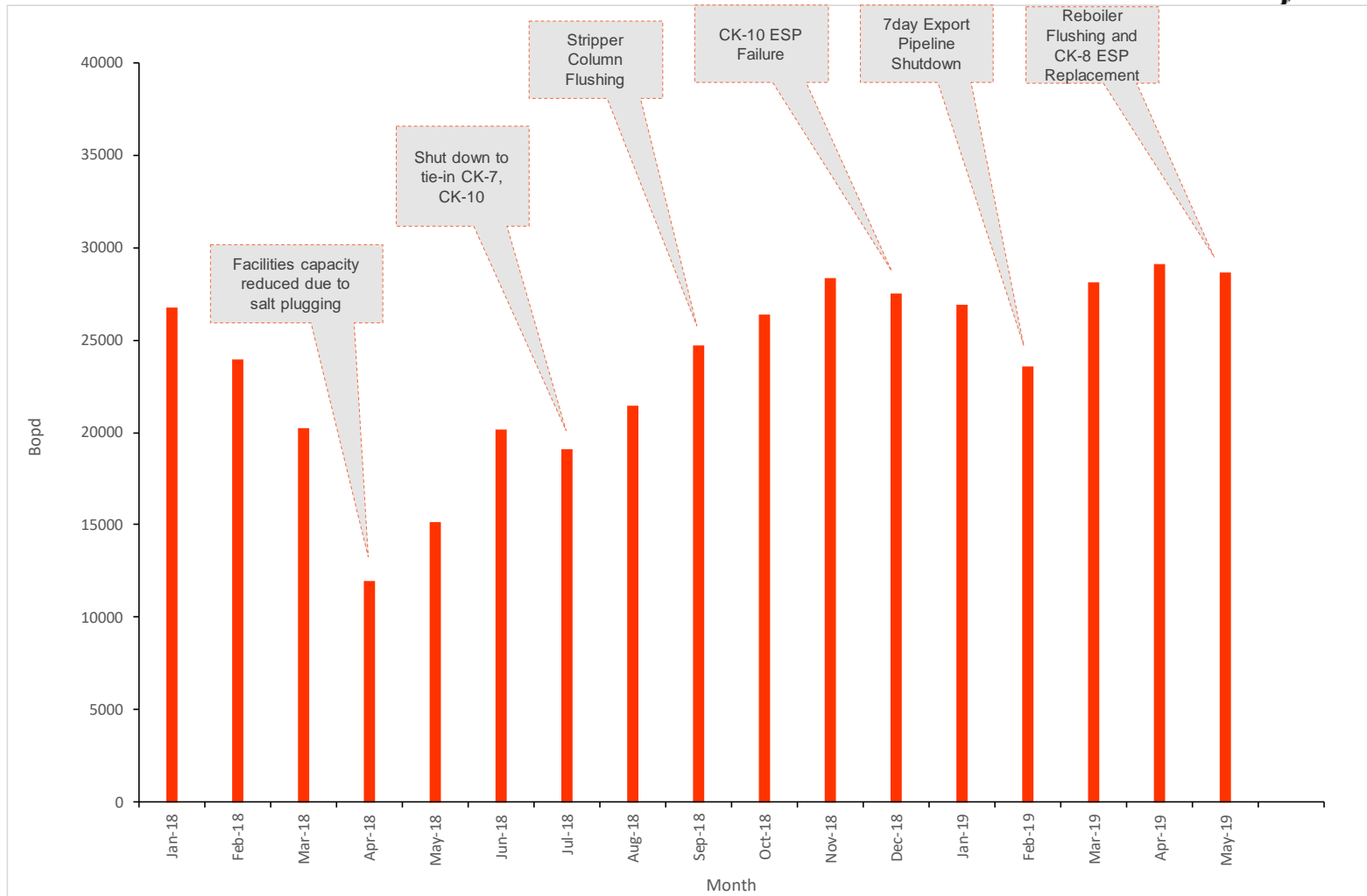
- **30,000 bopd facility (PF1)**
 - Successfully insulated and heat traced equipment to avoid low temperature production issues
 - Successfully cleaned out salt from heat exchanger and stabilization column
 - Successfully tested to 36,000 bopd during May
 - Identify debottlenecking opportunities to further increase capacity to 40,000 bopd in 4Q 2019

- **Early Production Facility (EPF)**
 - Currently online processing 4,500bopd from CK-6 to export specifications
 - Heavy oil testing at EPF to resume following current workover of CK-8 ESP
 - To be expanded to 10,000 bopd capacity in 4Q 2019

The Atrush field – Facilities and well locations

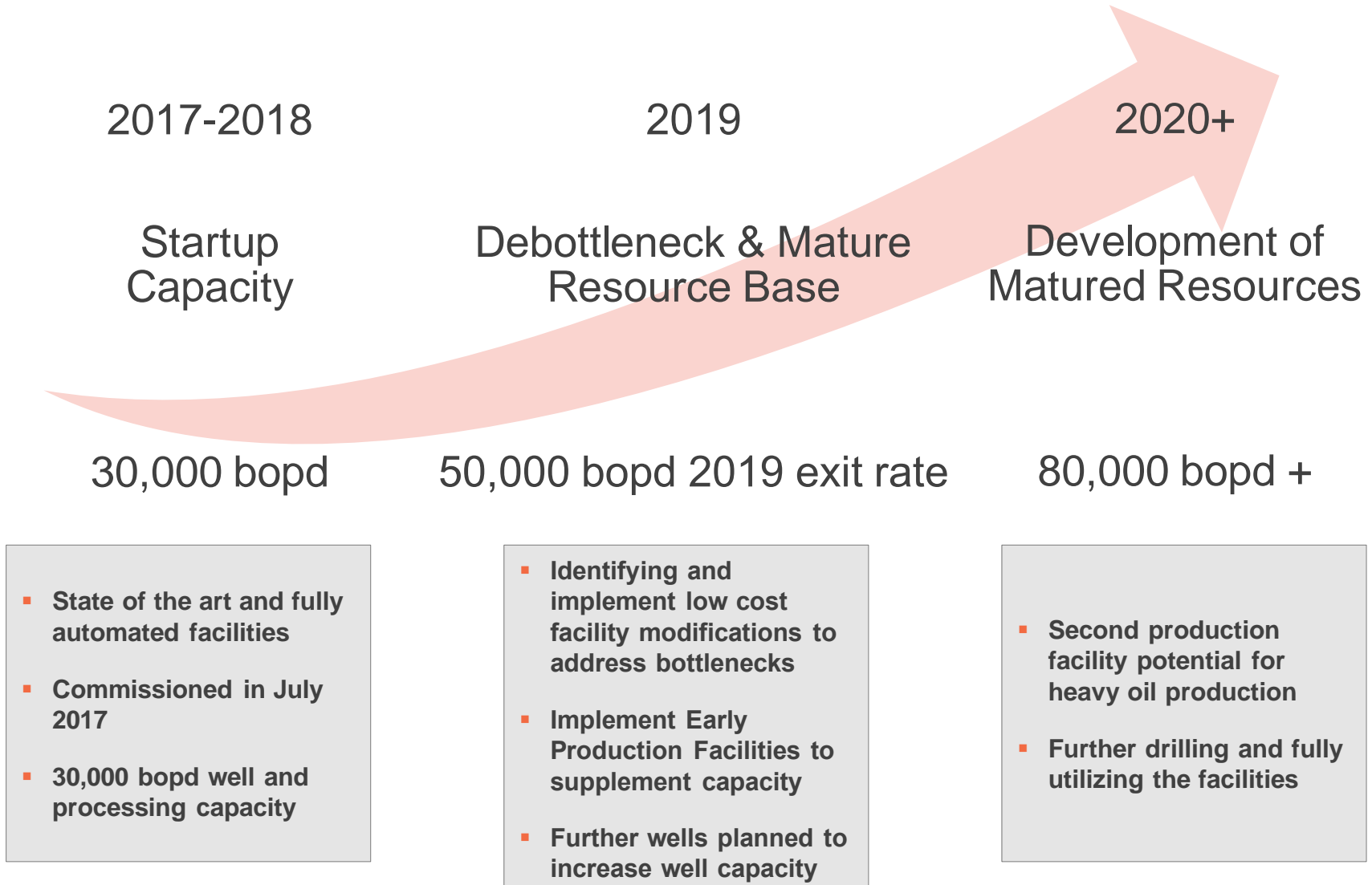


Production is growing



- **Average 1Q Sale – 26,284 bopd**
- **Average 2Q Sales – 28,876 bopd (to 31st May)**

Ample room for further production growth



Strong focus on short term production growth



- **Stress test 30,000 bopd facilities and identify debottlenecking opportunities to further increase capacity –**
 - First step to 36,000 bopd delivered May 2019
 - Next steps to 40,000 bopd planned October 2019

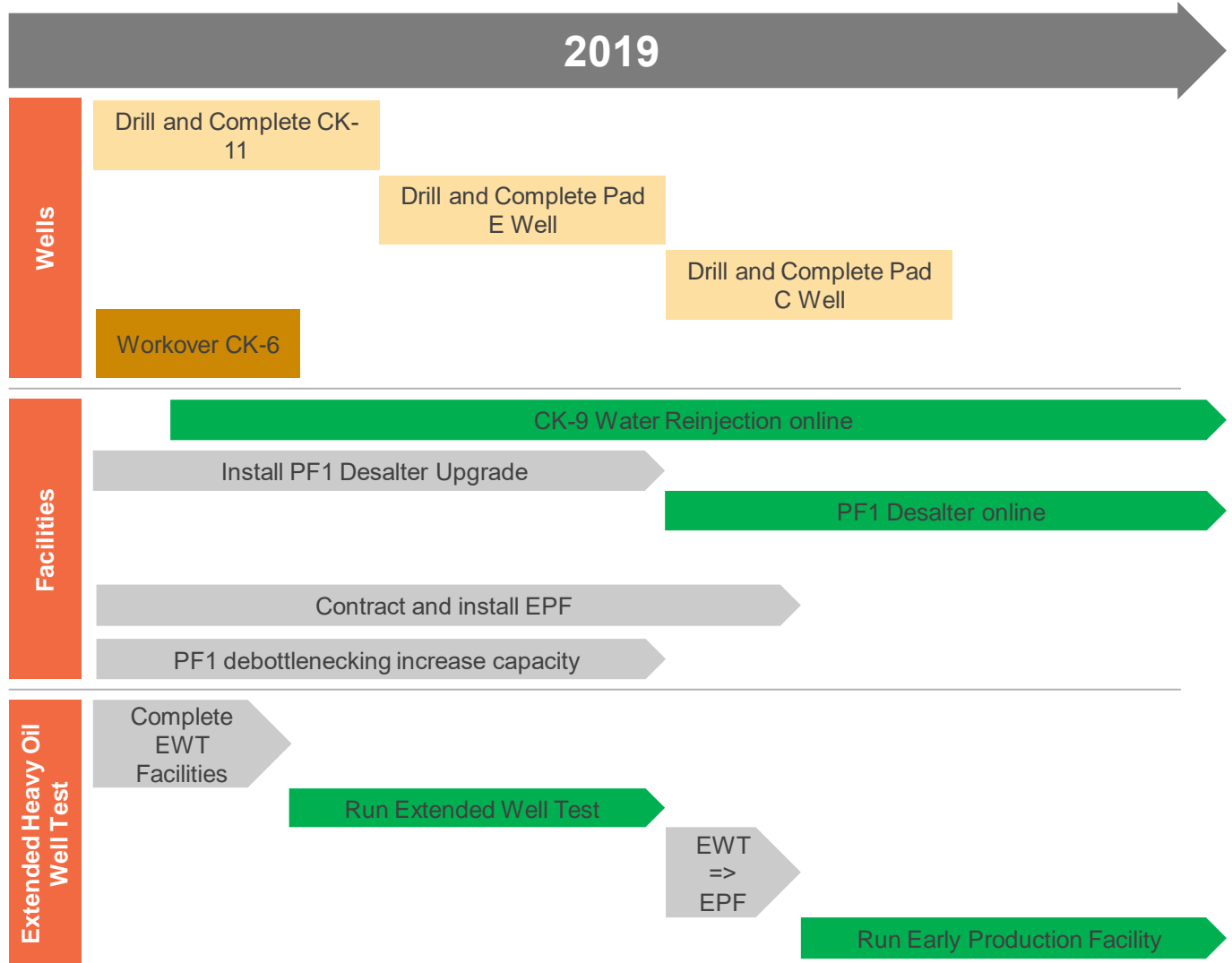
- **Optimise production from installed Early Production Facility (EPF)**
 - Currently online at 4,500 bopd
 - Next step to expand EPF to 10,000 bopd October 2019

- **Drill and Complete three more production wells (including CK-11)**
 - CK-11 drilled and online May 2019 with capacity of 8,500 bopd
 - CK-12 drilled and awaiting completion
 - CK-13 spudded 18th June

2019 Work Program



- **2019 capex**
- ~USD 38MM net to ShaMaran (27.6% working interest)



Strong operational cash flow



In million USD

	Q1.2019	Q4.2018
Operating cash, net of G&A and other cash expenses	5.6	7.0
Receivable/payable and working capital adjustments	3.5	(0.3)
Cash in from operations	9.1	6.7
KRG loans, interest and KRG carry receivables collected	4.9	5.2
Atrush Development	(3.6)	(4.2)
Cash in from investments	1.3	1.1
Bonds repaid	(50.0)	-
Bond coupon interest payments	(15.0)	-
Cash out on financing	(65.0)	-
Total change in cash	(54.6)	7.8
Opening cash	92.5	84.7
Ending cash¹	37.9	92.5

¹Exclusive of ½ of Marathon's share of 2018 Atrush cash flows which is an offset against ShaMaran's ≈ ½ share of the Marathon Atrush interest purchase price and will be accounted for in Q2.2019 when this deal was completed.

- **Focus on production growth**
 - Target ~50,000 bopd as 2019 exit rate by:
 - Debottlenecking current facilities
 - Optimizing production thru additional facilities
 - Two wells drilled, one well ongoing
 - Investing to define next phases of development by mid 2020 to go to ~100,000 bopd
- **Focus on cash flow and buildup of cash reserves**
 - Robust 2019 cash flow:
 - Strong cash flow at current oil prices
 - KRG loan repayments to continue throughout the year
 - Atrush development is self funding
- **Focus on growth**
 - New Management focused on growth
 - Well established network of stakeholders and access to strategic opportunities
 - Continuous and strong backing from main shareholders supports growth

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.

Appendix

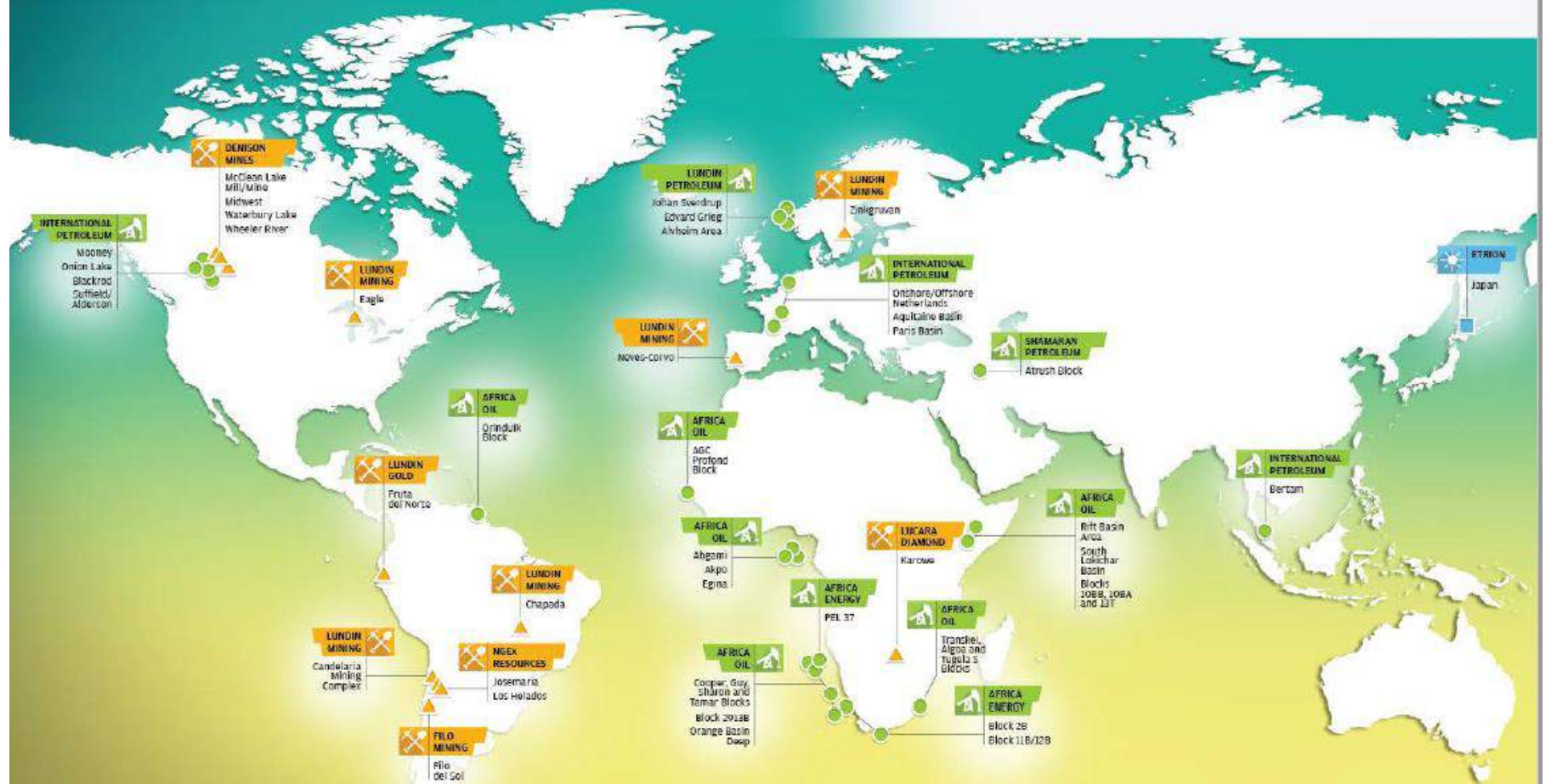


ShaMaran - a Lundin Group company



\$26.2 billion - combined market cap of Lundin Group

We explore, develop and build projects around the world



Management and Board of Directors



Chris Bruijnzeels – Chairman and Director

Over 30 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.



Adel Chaouch – President, CEO & Director

Dr. Adel Chaouch has over 25 years of experience in the oil and gas industry including Vice President North Africa & Middle East, President & GM Kurdistan, President Gabon, CSR Director of Marathon Oil Company. He was also chairman of the private entities for Waha Oil Company a consortium between Marathon, Hess, ConocoPhillips and the Libyan NOC.



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.



Mike Ebsary – Director

Over 30 years of experience in the oil industry. Previous CEO of Oryx Petroleum and CFO of Addax Petroleum. He has extensive experience in Kurdistan.



William Lundin – Director

Mr. Lundin is currently project engineer, production operations, with International Petroleum Corp. ("IPC"), with a portfolio of assets located in Canada, Europe and South East Asia. From September 2016 to March 2018, Mr. Lundin held the position of plant operator with Black Pearl Resources Inc., at its Onion Lake prospect located in Onion Lake, Saskatchewan, Canada.



Keith C. Hill – 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.



Terry L. Allen – Director

Ms. Allen has worked in corporate and investment banking for over 30 years. She has served on several corporate and not-for-profit boards for more than 20 years, and is President of Pivotal Capital Advisory Group.

Proven track record from Lundin group of companies

Corporate profile



■ Share capital

- Shares issued and outstanding 2,160,631,534

■ Market capitalization

- CAD 173 million (@ 18 June 2019)

■ Net debt*

- USD 105 million (@ 31 March 2019)
* Borrowings plus current liabilities less cash, loans and accounts receivable (reflects current 20.1% interest held at 31 March)

■ Major shareholders

- Lundin family trusts 22.5%
- VR Capital 3.7%
- Directors/Management 0.2%

■ Trading information

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

SNM share price on TSX.V:

