

Corporate Presentation

May 2017



Strategy

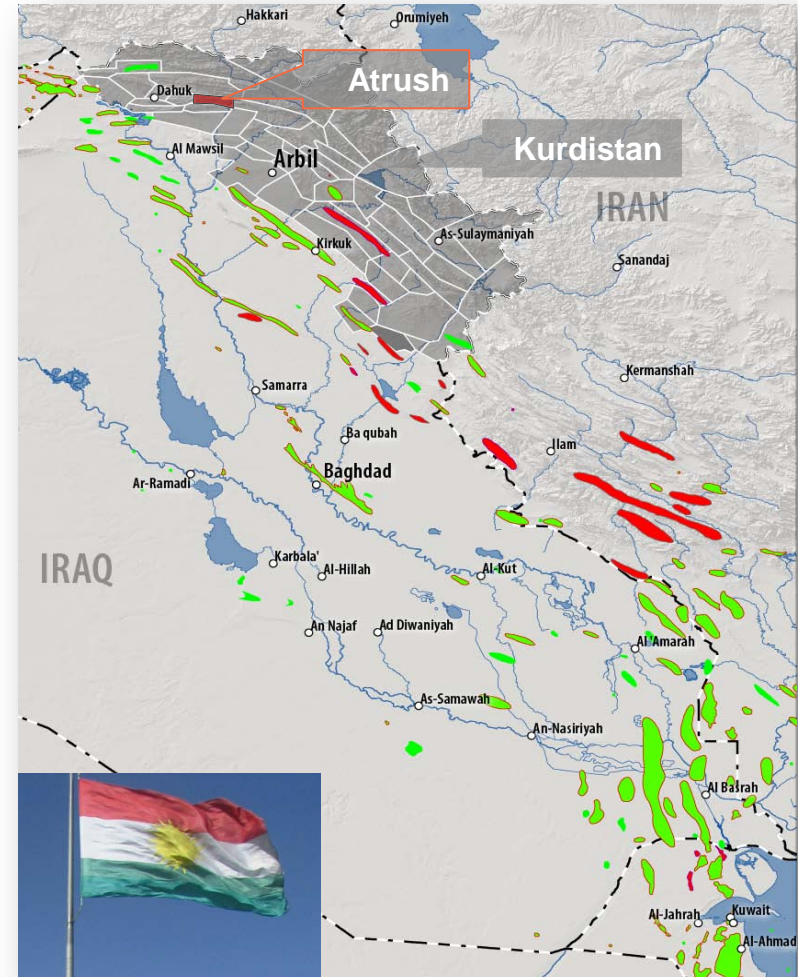


- **Atrush first oil**
 - End June 2017
- **Secured funding**
 - USD 27mln funds raised in January 2017 private placement, which was over-subscribed
- **Realise value through further full field development**
 - Further phases to be defined after obtaining production data
 - Plan to fund future development from production
- **Overall strategy to diversify to reduce reliance on single asset**

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
 - Total discovered oil in place in between 1.5 billion barrels (low estimate) and 2.8 billion barrels (high estimate)
- **FDP approved October 2013**
- **7 wells drilled to date**
- **Reserves to be developed by 5 wells (4 existing wells plus CK-7)**
- **Contingent Resources dependent on defining further phases of development**

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 - McDaniels & Associates at December 31, 2016

Prospective Resources - McDaniels & 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.

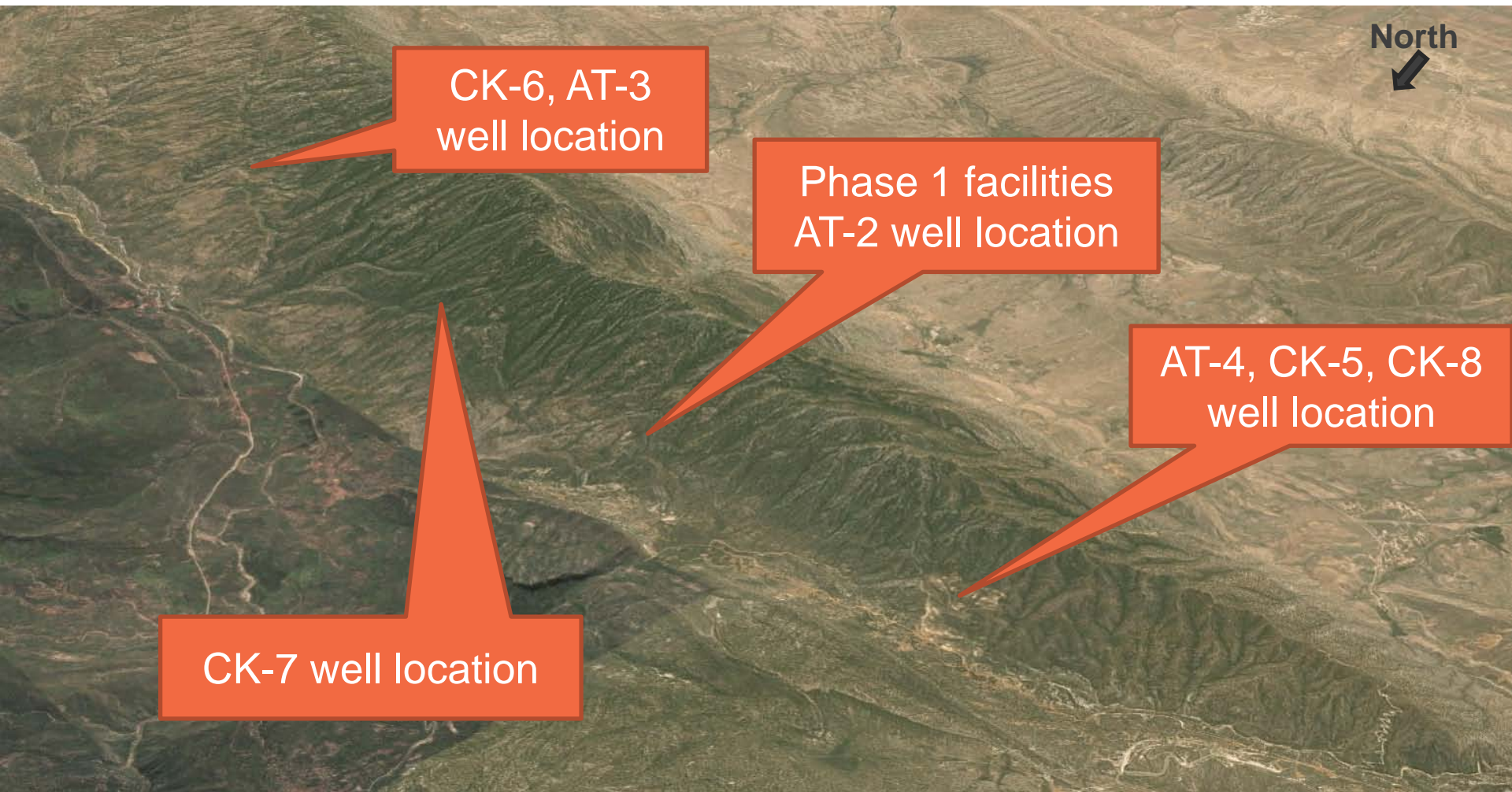
For full reserves and contingent resource disclosure the company refers to the Reserves and Resource section on its website and its Annual Information Form dated March 9, 2017

First oil expected end June 2017

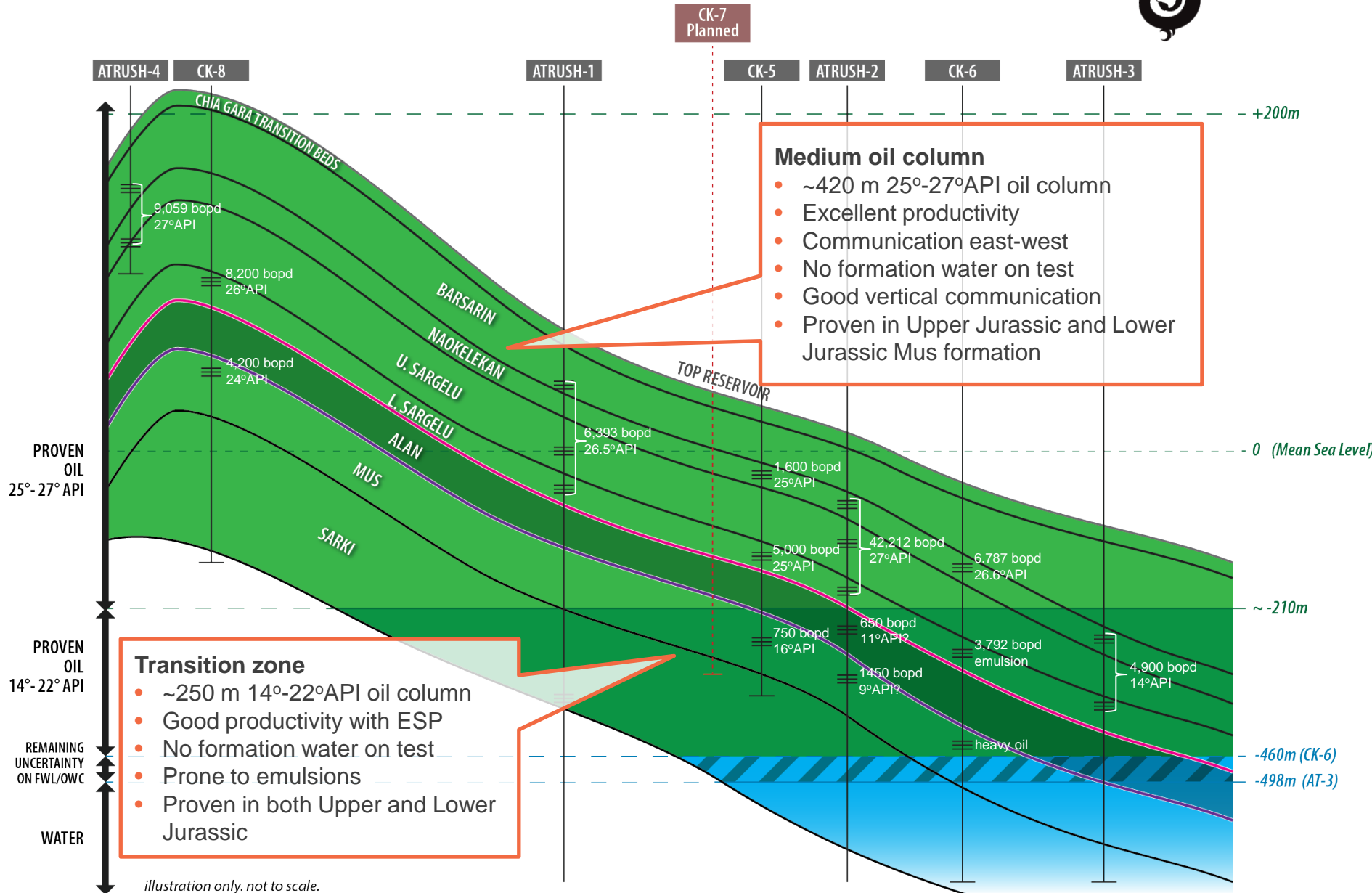


- **30,000 bopd facilities completed**
- **Four wells completed and ready for production**
 - CK-5 and CK-8 completed in Q3 2015
 - AT-2 and AT-4 completed in Q3 2016
 - All wells have electric submersible pumps
 - Over 40,000 bopd well capacity
- **Spur pipeline project inside the block boundary completed**
- **Feeder pipeline outside block boundary nearing completion**
 - Installed 17.5 km 12" pipe from block boundary followed by 17 km of 36" pipe to KEP tie-in point
 - Hydro testing ongoing
- **First oil expected end June 2017**
- **Additional appraisal/producer (CK-7) and water disposal well (CK-9) are planned for 2017**

Atrush facilities and well locations



Well tests show excellent productivity



Facilities ready for production

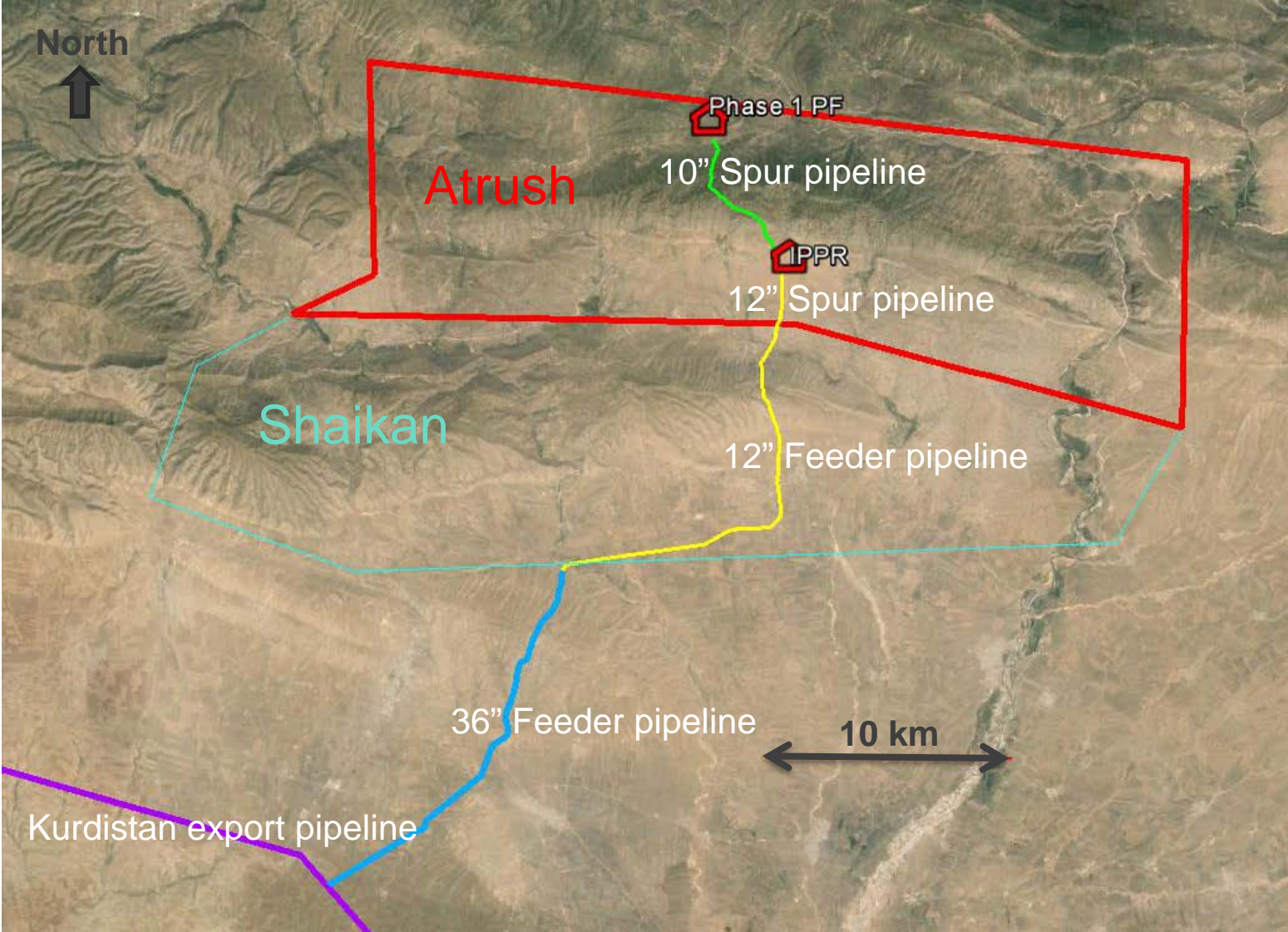


- Main facilities

- Intermediate pigging and pressure reduction station



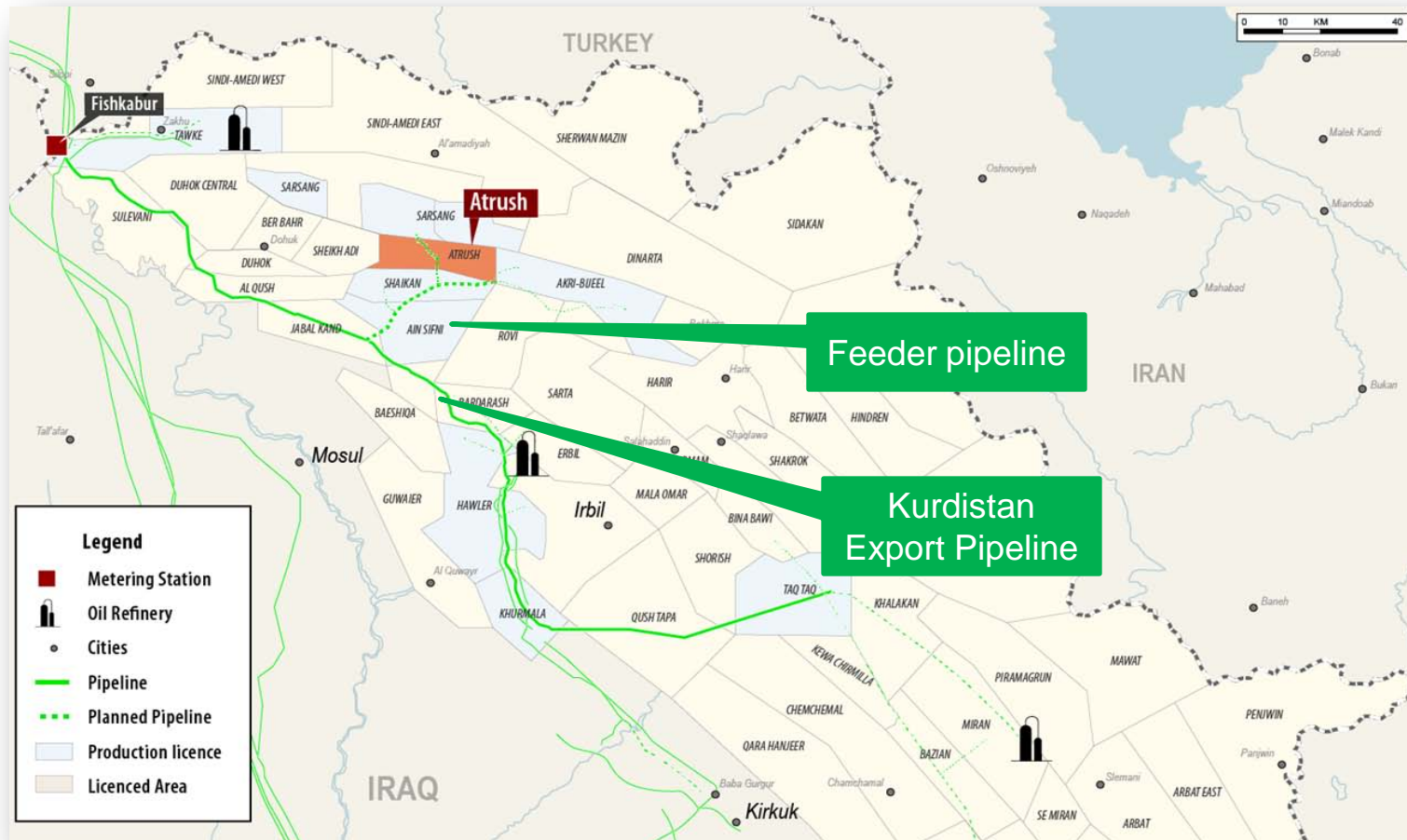
Atrush Feeder Pipeline



Feeder pipeline nearing completion



Atrush export



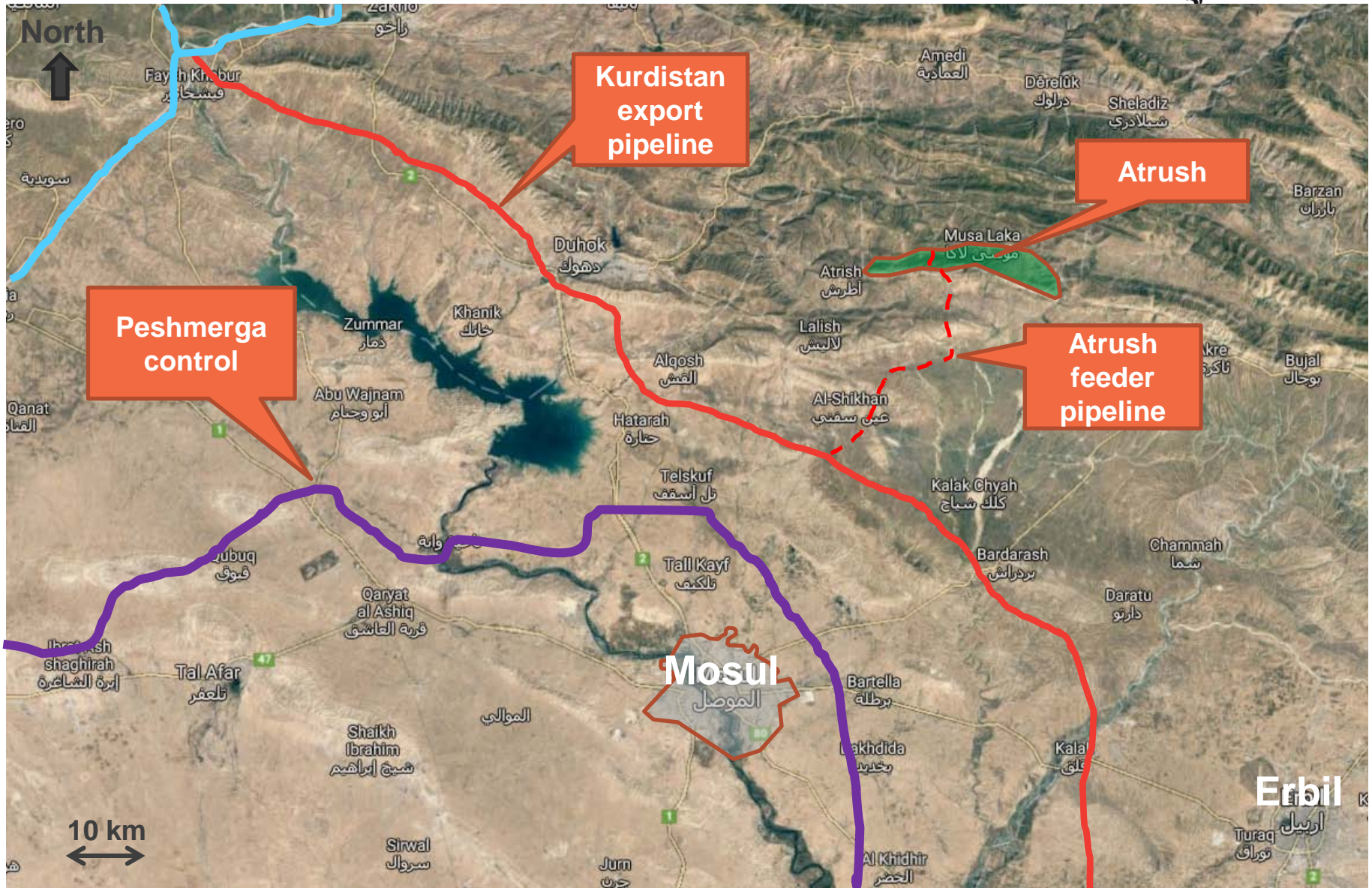
- Atrush crude to be exported via existing Kurdistan Export Pipeline to Fishkabar and on to Ceyhan in Turkey
- Sufficient pipeline capacity available to accommodate Atrush production

Regular Kurdistan export



- **KRG exports via Ceyhan**
- **KRG continues to pay IOC's regularly**
 - Since September 2015 contractors have been regularly paid for export
 - February 2017 production paid in May 2017 to Gulf Keystone, Genel and DNO
 - Payments made according to Production Sharing Contract monthly entitlement plus an element of historical production
- **Atrush oil sales agreement with the KRG to be finalised before first oil**

Security situation



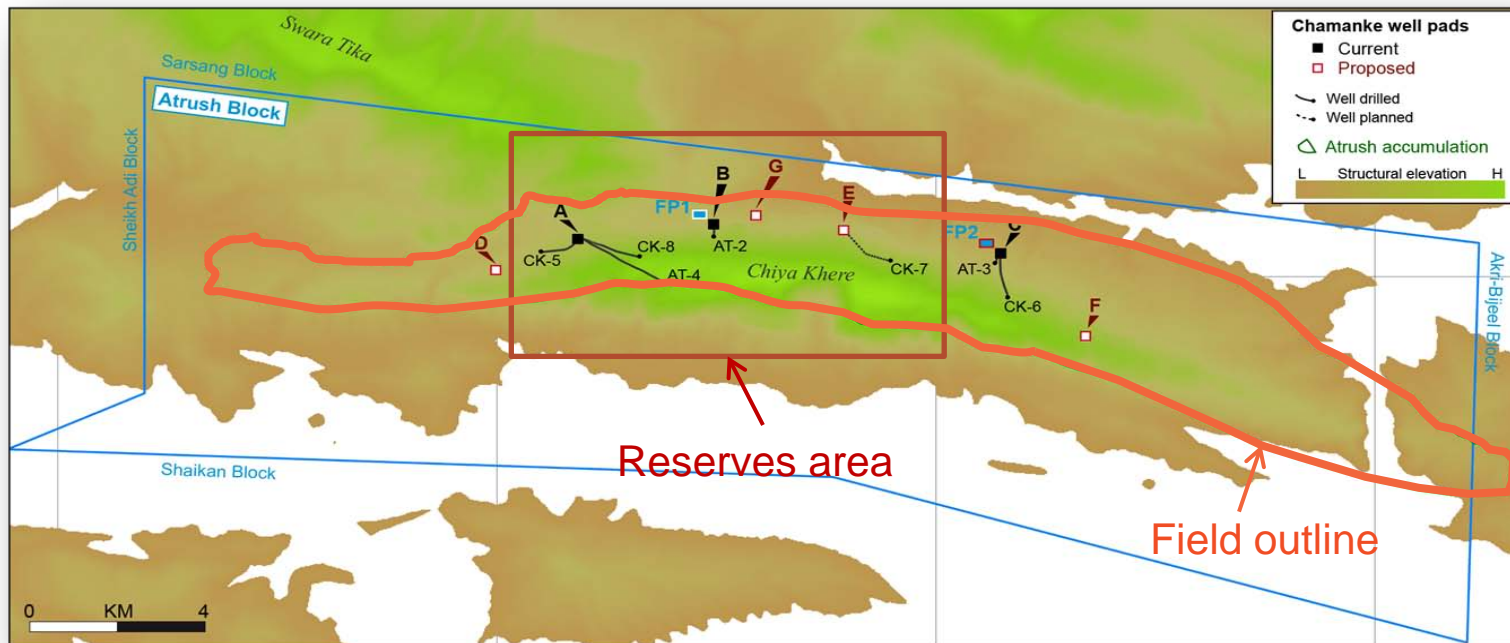
Additional funding secured



- **Raised USD 27 million through January 2017 private placement**
 - Issued 20% new shares at 20% discount to market price (0.10 CAD/share)
 - Strong market interest, issuance of 360 million shares 25% over-subscribed
- **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 Atrush cash flow**

Work ongoing to realise full field value

- **Atrush 85 MMboe reserves only relates to 4 existing producers plus CK-7**
- **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
- **Future development phases dependent on**
 - Production data needed
 - Drill CK-7 to better define center part of the field
 - CK-6 heavy oil extended well test
 - Potential future delineation drilling to the east and west



Corporate profile



■ Share capital

- Issued and outstanding 2,158,631,534

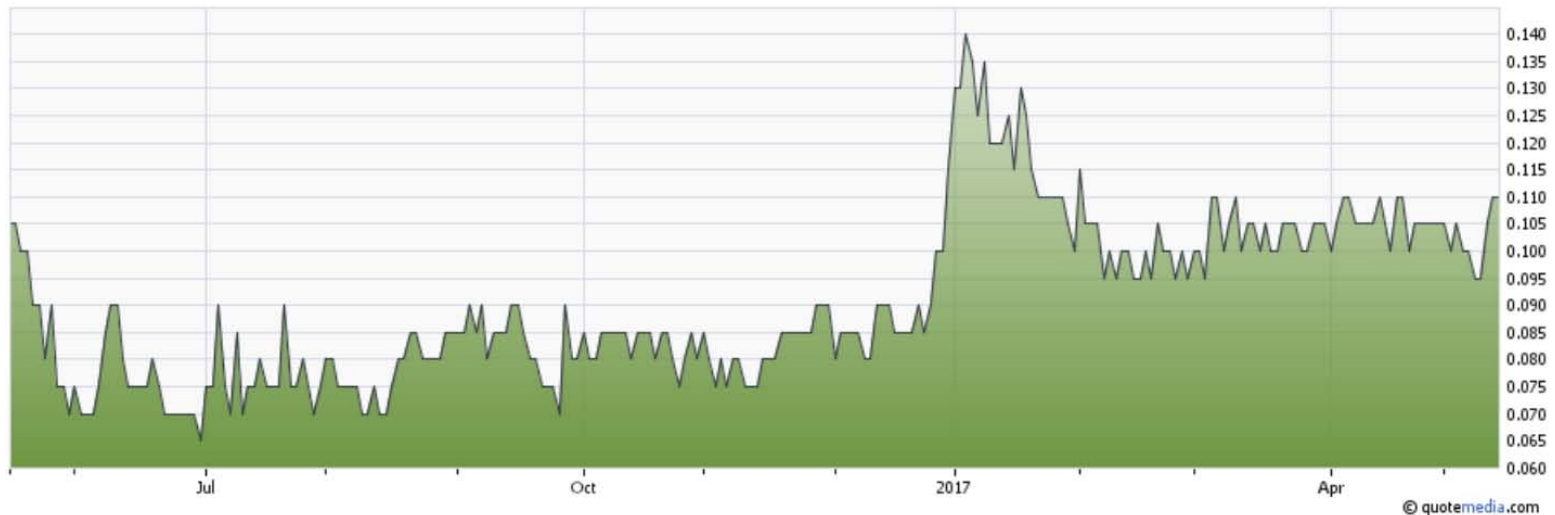
■ Market capitalisation

- CAD 237 million (@ May 12, 2017)

■ Trading information

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

■ SNM share price on TSX.V



© quotemedia.com

The Lundin Group

Combined market cap ~ USD 16 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**
- **First oil expected end June 2017**
- **Additional funding secured**
 - USD 27mIn raised in January 2017
- **Move forward to realise full value from Atrush**
- **Looking for other 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.