

Corporate Presentation

September 2017



Strategy

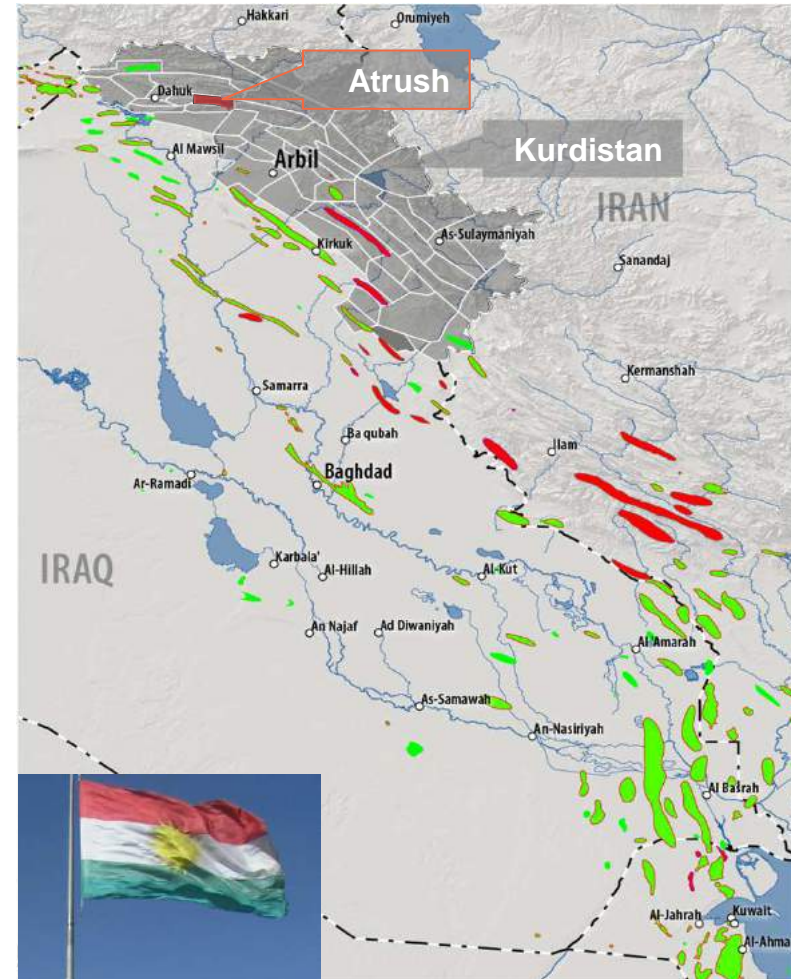


- **Atrush in production**
 - First oil 3 July 2017
 - Ramping up production to 30,000 bopd
 - Identify debottlenecking opportunities to further increase production capacity
- **Realise full value from Atrush**
 - World class asset
 - Work program agreed to better define next phases
 - Phase II definition expected in H2 2018
- **Fund production expansion from cash flow**
- **Evaluate M&A opportunities 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:
 - 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**
- **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 - 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



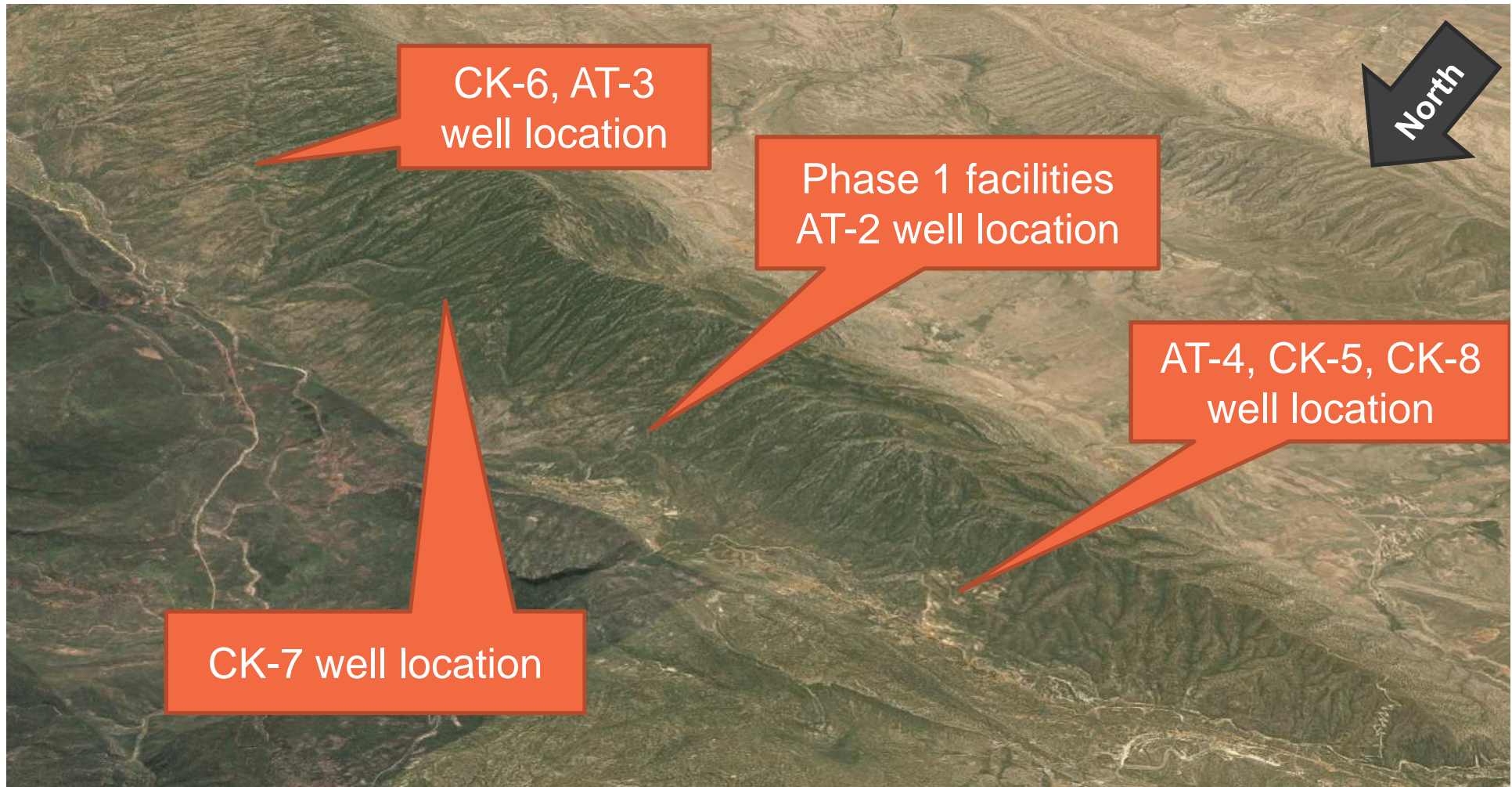
- **30,000 bopd Phase I facilities completed**
- **Pipeline project completed**
- **Four wells in production**
 - All wells have electric submersible pumps
 - Over 40,000 bopd well capacity
- **Ramping up to 30,000 bopd facility capacity**
- **Identify debottlenecking opportunities to further increase capacity**
- **Additional appraisal/producer (CK-7) and water disposal well (CK-9) are planned for 2017/2018**

Production Update

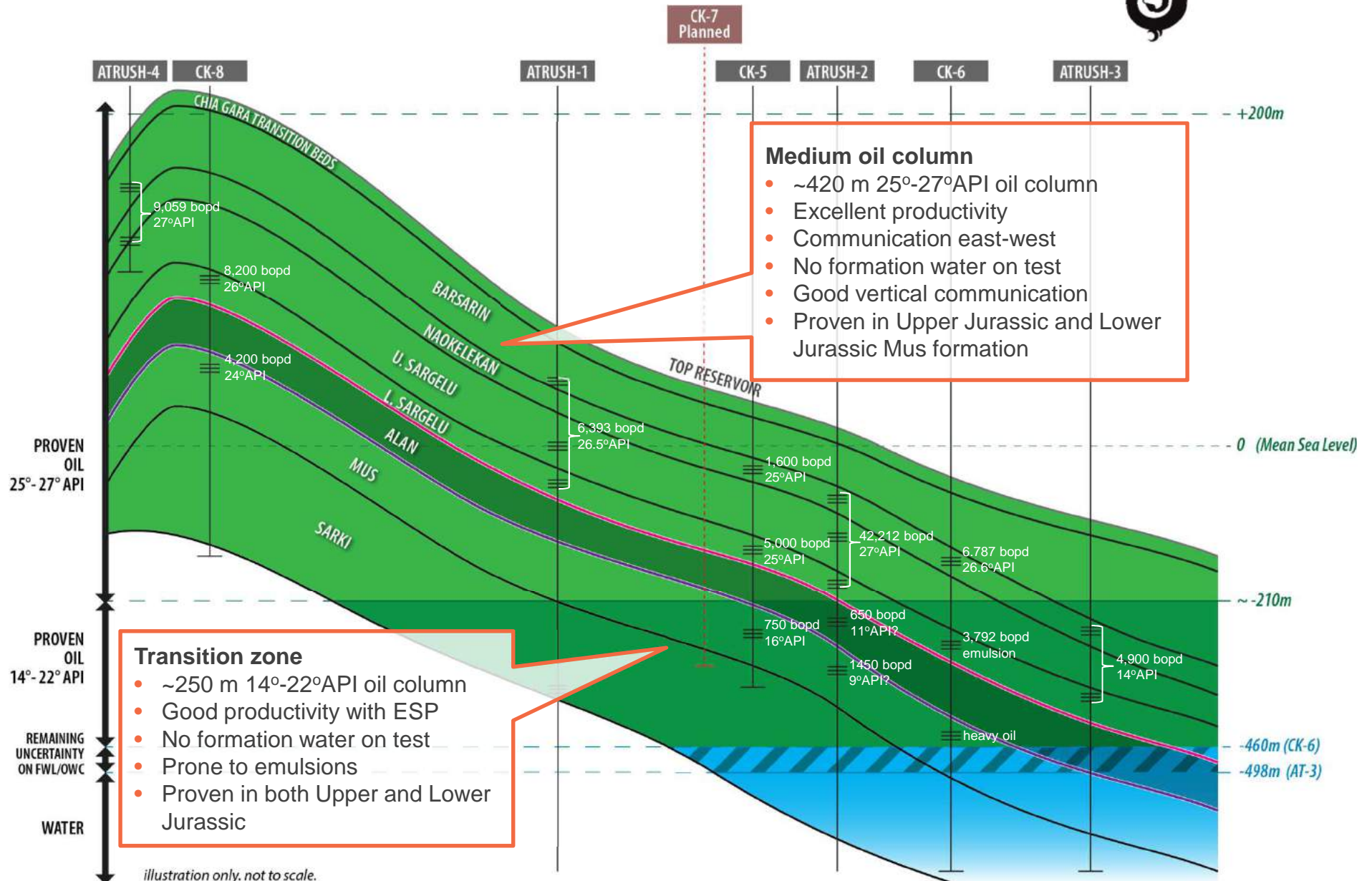


- Ramping up production as per schedule
- Current production 22,000-23,000 bopd
- Peak production to date close to 25,000 bopd
- Well capacity proven to be significant over 30,000 bopd
- Sorting out small instrumentation issues to increase production
- All oil is being exported

Atrush facilities and well locations



Well tests show excellent productivity



Production Facilities in operation

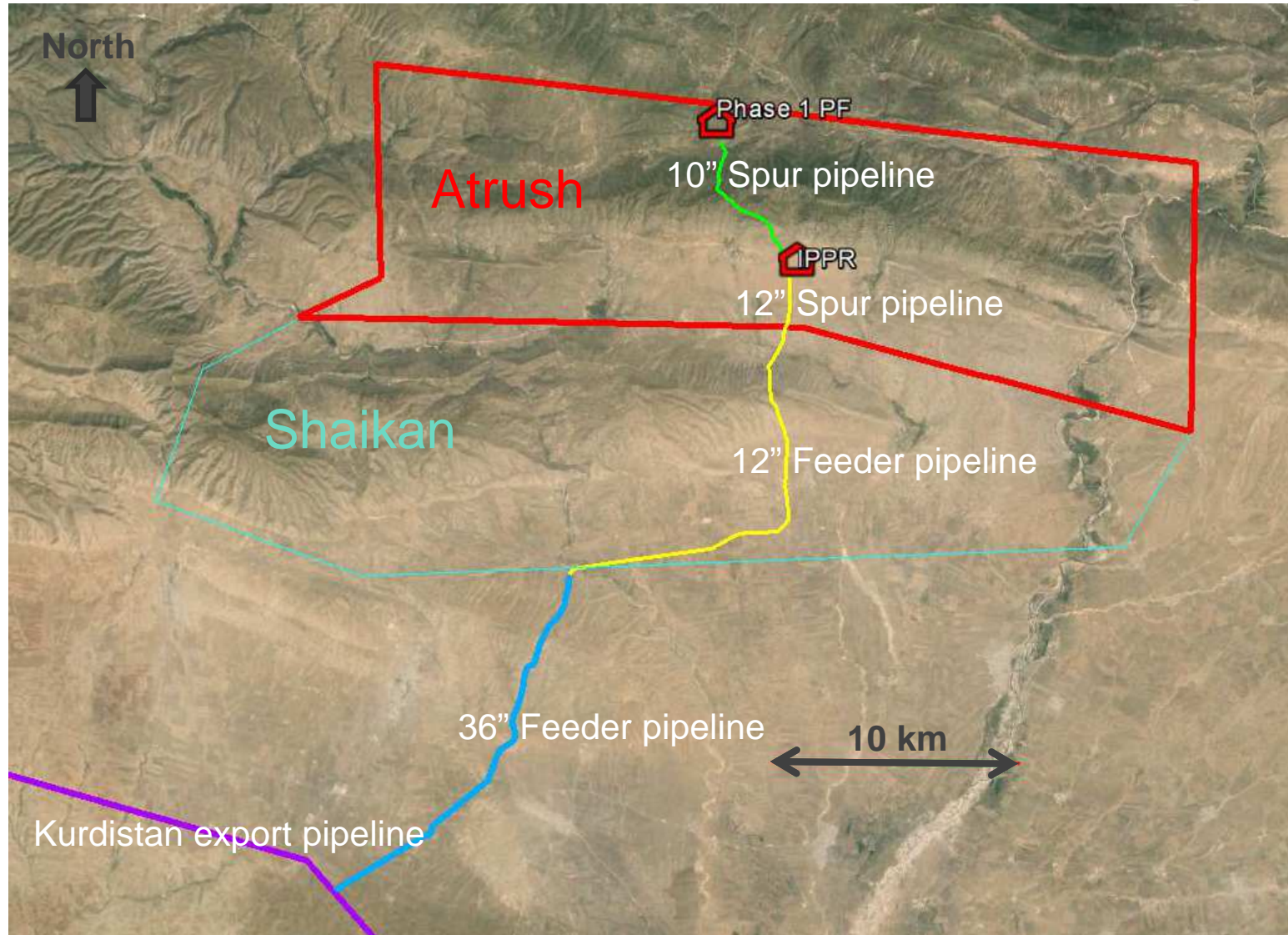


- Main facilities

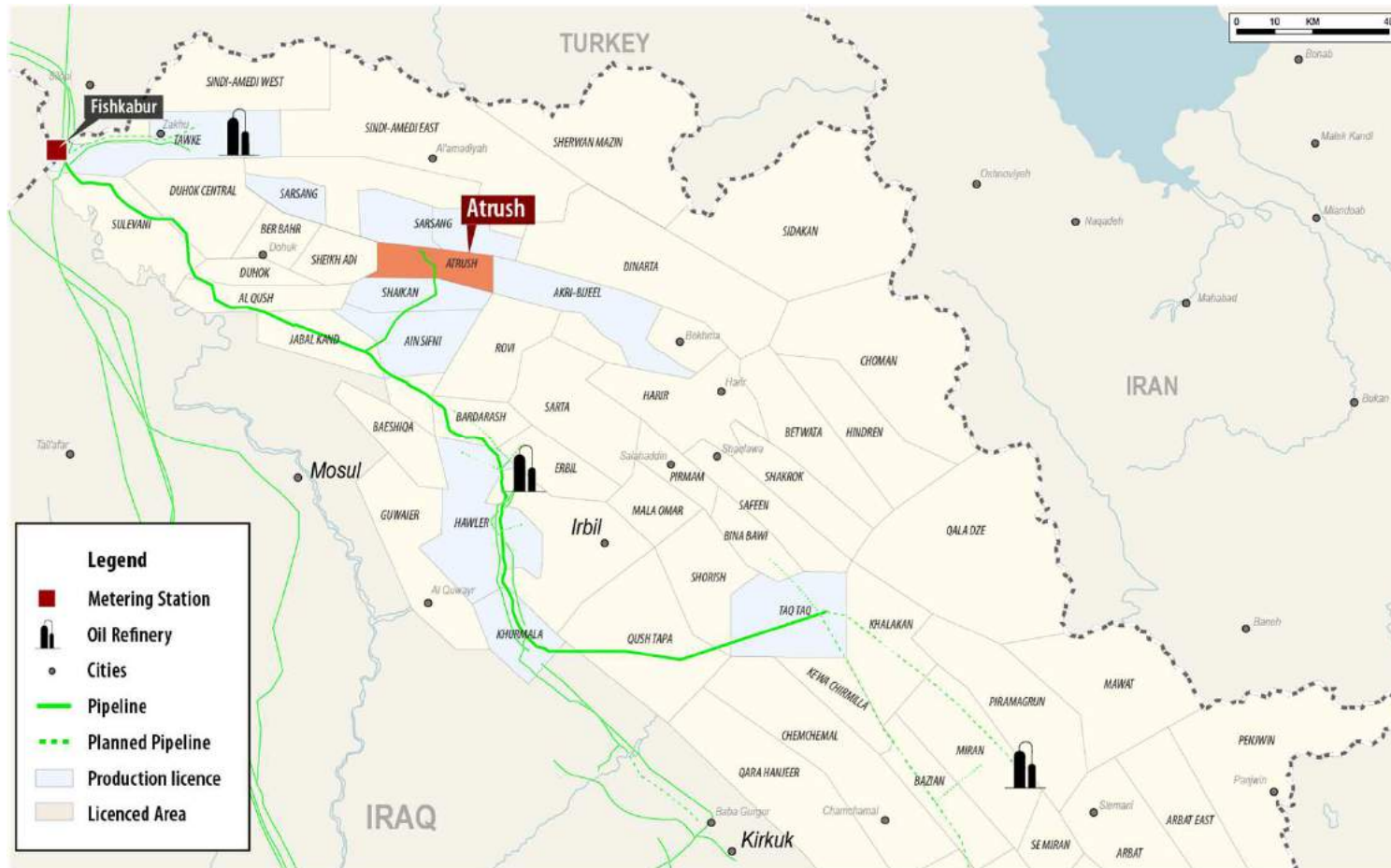
- Intermediate pigging and pressure reduction station



Export through Kurdistan export pipeline



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



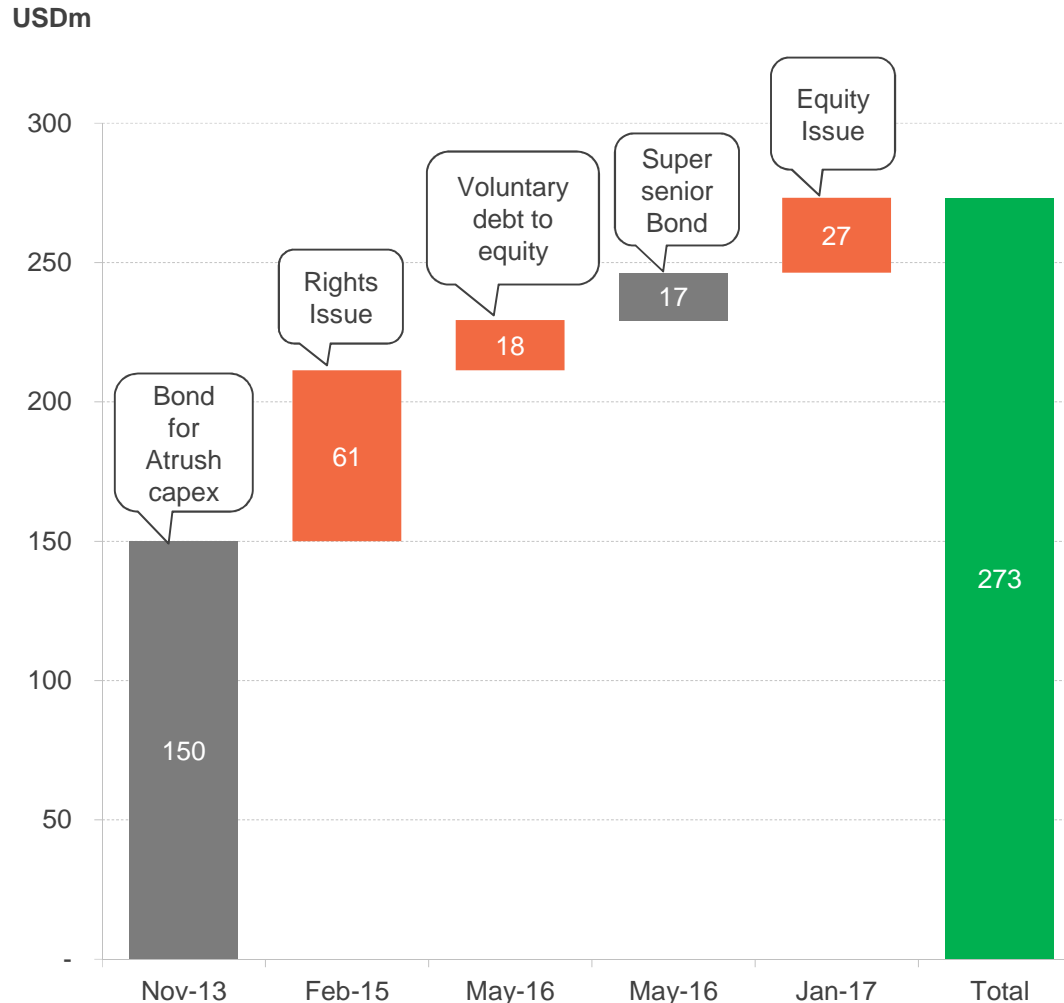
- **KRG exports via the Turkish Mediterranean port of Ceyhan**
- **KRG continues to pay IOCs regularly**
 - Since September 2015 contractors have been regularly paid for export
 - Gulf Keystone, Genel and DNO report regular monthly payments
- **Atrush oil sales agreement with the KRG being finalised**
- **Security situation is stable**

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**
- **Reviewing bond refinancing options**

Demonstrated access to funding

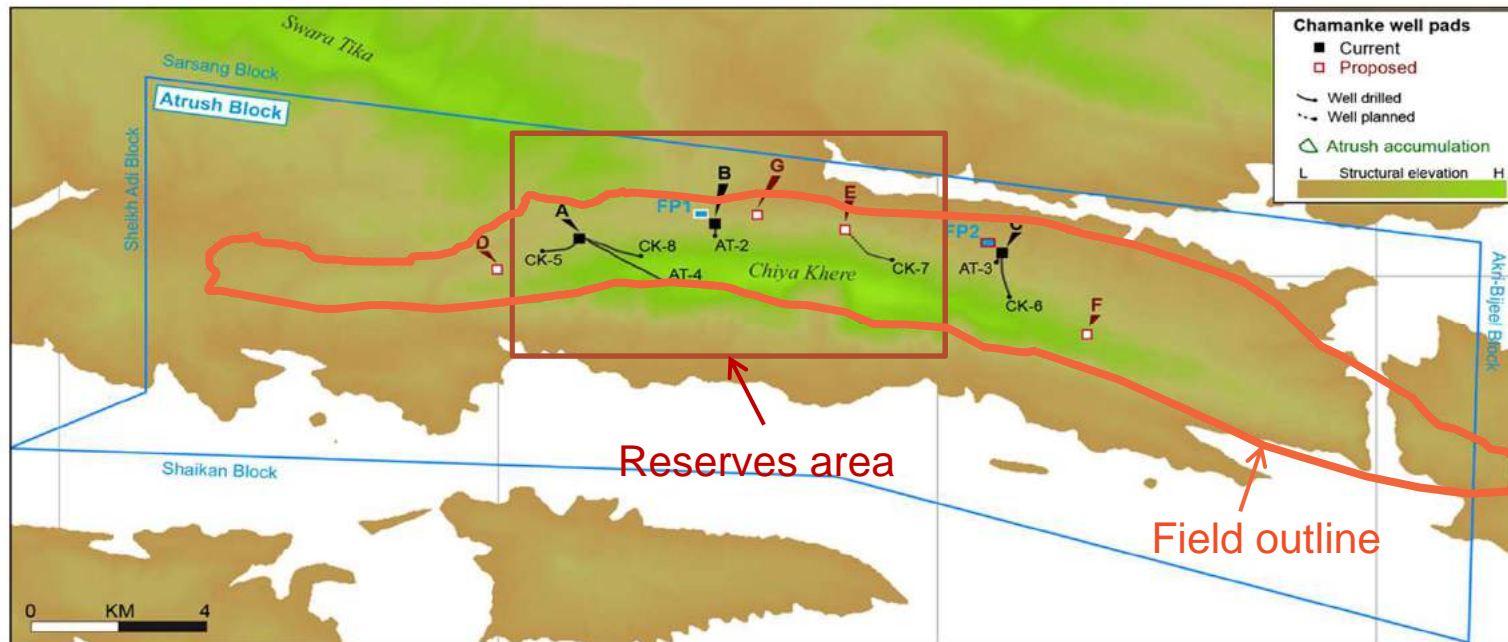


- Shamaran has strong support from shareholders and bondholders
- During the development of Atrush, the company has raised USD 106m in equity following the issuance of the USD 150m bond in 2013
- Supported by the Lundin family, the company raised USD 17m in super senior bond in May 2016 as a bridge to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

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 (ongoing)
 - Drill CK-7 to better define center part of the field (planned in 2017)
 - CK-6 heavy oil extended well test (planned in 2018)
 - Potential future delineation drilling to the east and west



Corporate profile



- **Share capital**

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

- **Market capitalisation**

- CAD 227 million (@ 8 September 2017)

- **Net debt *)**

- USD 169 million (@ 30 June 2017)

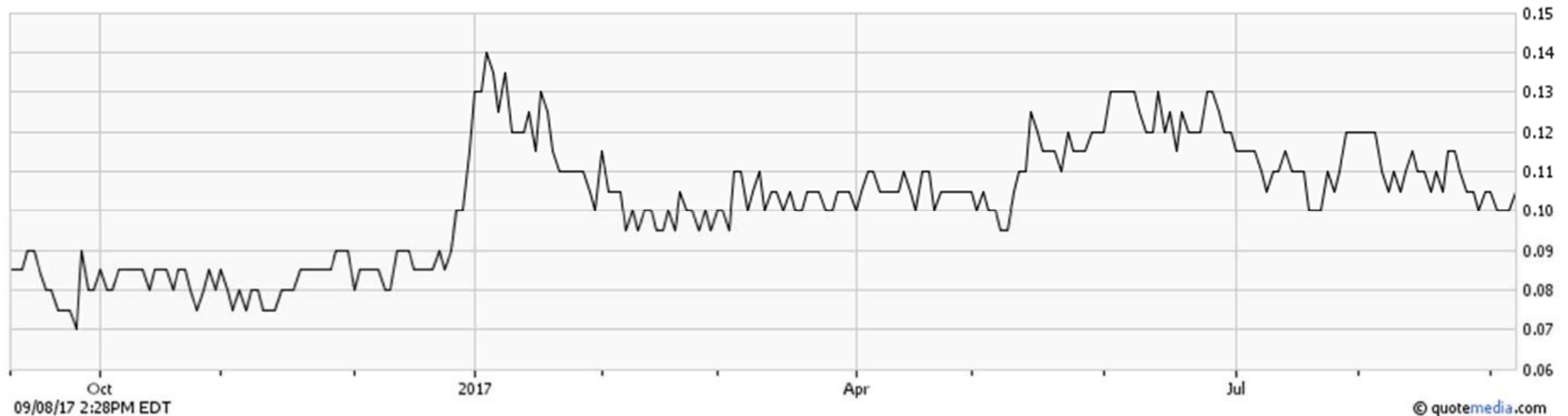
- **Trading information**

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

- **SNM share price on TSX.V**

- **Major shareholders**

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



*) Borrowings plus current liabilities less cash

The Lundin Group

Combined market cap ~ USD 16 billion



etrion

Key points



- **World class resource base**
 - Gross 2P 85.1 MMboe
 - Gross 2C 304 MMboe
- **Phase I Atrush development project completed**
- **First oil July 2017**
- **Atrush is self funding**
- **Reviewing bond refinancing options**
- **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.