



CORPORATE ENVIRONMENT, SOCIAL AND GOVERNANCE STATEMENT

(as adopted by the Board of Directors on November 5, 2020)

Shamaran Petroleum Corp. (“**Shamaran**” and the “**Company**”) believes in the importance of a sensible Environment, Social and Governance (“**ESG**”) policy for all its business dealings and commits this statement to all its stakeholders and potential future investors:

Environment

The Company has been actively involved in Exploration and Production activities since 2009. From its inception, the Company has believed, and continues to believe, in protecting and safeguarding the Environment in all business decisions.

In Kurdistan, the Company has held Operated and Non-Operated positions, with a recent focus on developing the world-class Atrush asset. The Atrush partnership has been at the forefront of strong environmental protection strategies such as the implementation of the first dedicated water reinjection well in the Kurdistan region, the deployment of stringent site restoration measures as well as waste management practices. The Atrush partnership remains committed to mitigating risks that could harm the environment in its ongoing development of this asset.

Social

The Company is committed to making a positive difference to the communities wherever it conducts business and strives to be a partner of choice in the communities where it lives, with a strong commitment to optimising local content.

In Kurdistan, the Atrush partnership has conducted a socio-economic survey prior to the commencement of the Atrush oil production in coordination with the Ministry of Natural Resources of the Kurdistan Regional Government, and accordingly a five-year plan has been created and implemented in the Atrush block for local communities. The partnership has already seen the positive impact of this plan, with staff localisation levels currently greater than 75% and the successful deployment of critical social initiatives centering around education, agriculture and women and youth.

Governance

The Company commits to the highest standards of professional and ethical conduct from our employees, directors and officers, all of whom must conduct themselves in accordance with the Code of Business Conduct and Ethics (the “**Code**”). The Company also requires agents, representatives and consultants to follow the Code. The Company equally commits to fully comply with all applicable statutory and regulatory requirements in the jurisdictions where it conducts business.

The Company has a Board of Directors that is annually elected by its shareholders to manage and oversee its business. Since its inception the Company has followed a Code of Business Conduct and Ethics, a Corporate Disclosure Policy, and an Internal Employee Alert Policy which were all adopted by the Company to ensure proper and transparent corporate governance.

The Company is listed on the Canadian TSX Venture Exchange, the Swedish Nasdaq First North Growth Market in both exchanges under the symbol “SNM” and operates in full compliance with the rules and regulations of such stock exchanges.

In Kurdistan, the regional government has demonstrated its commitment to governance and transparency by publishing the Production Sharing Contracts (“PSC”) for exploration, development and production of oil and gas in the region which includes the Atrush PSC entered into with the Atrush partnership. Additionally, as a region of Federal Iraq, Kurdistan is a participant in the Extractive Industry Transparency Initiative (“EITI”), a global oil and gas framework promoting fiscal transparency and accountability.

Appropriate governance is also provided for Atrush operations via a Joint Operating Agreement and a Joint Marketing Agreement entered into between a wholly-owned subsidiary of the Company and TAQA that establish responsibilities, obligations and rights of the relevant parties. The Company and its subsidiary are in full compliance with their obligations regarding the Atrush block.