



SHAMARAN REPORTS RECORD OIL SALES QUARTERLY REVENUES

November 9, 2021

VANCOUVER, BRITISH COLUMBIA – ShaMaran Petroleum Corp. (“ShaMaran” or the “Company”) (SNM: TSXV and Nasdaq First North Growth Market (Sweden)) today released its financial and operating results and related management’s discussion and analysis for the three and nine months ended September 30, 2021¹.

Dr. Adel Chaouch, President and Chief Executive Officer of ShaMaran, commented: “ShaMaran has had an excellent third quarter this year with extremely positive results demonstrated by the record gross margin on Atrush oil sales. Our nine months’ EBITDAX in 2021 of \$48 million is more than 3 ½ times that of the same period last year and we continue to consistently sustain positive cash generation.

We continue to work towards completing the acquisition of TotalEnergies’ interest in Sarsang which will transform the Company by supplementing our portfolio with high API and low sulphur oil with complimentary production horizons as well as de-leveraging our debt. We are optimistic about the remainder of 2021 and believe that our balance sheet positions ShaMaran to benefit from new market opportunities in Kurdistan or elsewhere.”

Corporate Highlights

- Cumulative production of 50 million barrels was achieved in September 2021 despite the challenges of the global coronavirus pandemic (“COVID-19”)²; and
- The Company saw a record oil sales revenue of \$29 million for the third quarter of 2021.

Sarsang Acquisition

- As announced on July 30, 2021, the Company has successfully issued and settled \$111.5 million principal amount of the \$300 million 12% senior unsecured bond 2021/2025³ (the “2025 Bond”), which were issued at 98.5% of nominal value for gross cash proceeds to the Company of \$109.8 million. This portion of the 2025 Bond and the \$188.5 million balance will be issued to refinance existing indebtedness of the Company in connection with, and conditional upon completion of, the Company’s acquisition of TotalEnergies’ affiliate that holds an 18% non-operated participating interest in the Sarsang Block;
- Discussions are continuing with representatives of the Kurdistan Regional Government to secure the approval of the change of control of TotalEnergies’ affiliate as a prerequisite to the launch of the \$30 million rights offering to the shareholders of the Company as previously announced on July 12, 2021; and
- The Company’s completion of the acquisition of TotalEnergies’ affiliate is expected in the first quarter of 2022.

Atrush Operations

- Average production of approximately 41,273 barrels of oil per day for the third quarter of 2021;
- A planned partial shutdown of the Atrush central processing facility was initiated on November 1, 2021. This shutdown is required to perform routine maintenance activities and is expected to be completed during the second week of November, with full production to be resumed at that time. Due to this November shutdown, the Company anticipates that (i) the fourth quarter 2021 average daily production will be reduced from third quarter production levels and (ii) that the Atrush 2021 annual average daily production will likely be slightly below 39,000 bopd (the lower end of the Company's 2021 production guidance). The Company expects Atrush production to return to third quarter production levels again during first half of 2022; and
- The third quarter of 2021 lifting costs per barrel of \$4.34 is an improvement to the 2021 guidance and a 3% decrease vs second quarter 2021 lifting costs as a result of operating efficiencies.

Atrush Financial

- A very strong EBITDAX of \$16 million for the third quarter of 2021 and \$48 million for the nine months of 2021, over 3 1/2 times the EBITDAX result for the nine months of 2020; and
- The KRG continues to repay the \$41.7 million of outstanding receivables for November 2019 to February 2020. At the date of this news release \$20.8 million has been invoiced to the KRG and \$15.8 million paid. At the date of this news release the Company is in discussions with the KRG to offset the \$6.4 million production bonus against the outstanding receivables owed to the Company.

\$ thousands	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Revenue	29,070	15,358	74,884	42,592
Gross margin on oil sales	12,020	3,952	37,227	(3,147)
Net result	19 ³	(2,733)	9,322	(142,640)
Cash flow from operations	12,544	4,487	40,567	7,510
EBITDAX	16,017	8,707	47,919	13,438

OTHER

This information is information that ShaMaran is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, on November 9, 2021 at 5:30 p.m Eastern Time. Pareto Securities AB is the Company's Certified Advisor on Nasdaq First North Growth Market (Stockholm), +46 8402 5000, certifiedadviser.se@paretosec.com.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

The rights offering referred to herein will be conditional on, among other things, requisite approvals of the TSX Venture Exchange, the filing of a rights offering circular in Canada and a prospectus in Sweden and other regulatory approvals.

This news release does not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company in any jurisdiction. There shall be no offer or sale of, or solicitation of an offer to buy, any securities referred to herein in any jurisdiction in which such offer, sale or solicitation would be unlawful.

The 2025 Bond and share subscription rights referred to herein, and any shares issuable upon exercise of such subscription rights, have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws, and may not be directly or indirectly offered, sold, resold or exercised, as applicable, in the United States or to, or for the account or benefit of, any U.S. person (as those terms are defined in Regulation S under the 1933 Act) unless they are registered under, or the transaction is exempt from the registration requirements of, the 1933 Act and applicable state securities laws.

Further information regarding the acquisition of TEPKRI and related financing transactions referred to in this news release is provided in the material change report of the Company dated July 22, 2021 filed with applicable securities regulatory authorities in Canada, a copy of which is available through the SEDAR website at www.sedar.com.

FORWARD LOOKING STATEMENTS

This news release contains statements and information 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.

The Covid-19 virus and the restrictions and disruptions related to it have had a drastic adverse effect on the world demand for, and prices of, oil and gas as well as the market price of the shares of oil and gas companies generally, including the Company's common shares. There can be no assurance that these adverse effects will not continue or that commodity prices will not decrease or remain volatile in the future. These factors are beyond the control of ShaMaran and it is difficult to assess how these, and other factors, will continue to affect the Company and the market price of ShaMaran's common shares. In light of the current situation, as at the date of this news release, the Company continues to review and assess its business plans and assumptions regarding the business environment, as well as its estimates of future production, cash flows, operating costs, and capital expenditures.

Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking information. Forward-looking information typically contains statements with words such as "may", "will", "should", "expect", "intend", "plan", "anticipate", "believe", "estimate", "projects", "potential", "scheduled", "forecast", "outlook", "budget" or the negative of those terms or similar words suggesting future outcomes. The Company cautions readers regarding the reliance placed by them on forward-looking information as by its nature, it is based on current expectations regarding future events that involve a number of assumptions, inherent risks and uncertainties, which could cause actual results to differ materially from those anticipated by the Company.

Actual results may differ materially from those projected by management. 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.

ABOUT SHAMARAN

ShaMaran is a Kurdistan focused oil development and exploration company which holds a 27.6% working interest, through its wholly-owned subsidiary General Exploration Partners, Inc., in the Atrush Block and, upon successful closing of the Acquisition, will then also hold an 18% interest through its then wholly-owned subsidiary TEPKRI

Sarsang A/S in the Sarsang Block.

ShaMaran is a Canadian oil and gas company listed on the TSX Venture Exchange and the Nasdaq First North Growth Market (Sweden) under the symbol "SNM".

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Footnotes:

¹ All currency amounts indicated as "\$" in this news release are expressed in United States Dollars.

² In March 2020 the World Health Organization declared a global pandemic following the emergence and rapid spread of a novel strain of COVID-19. The outbreak and subsequent measures intended to limit the pandemic contributed to significant declines and volatility in financial markets. The pandemic adversely impacted global commercial activity, including significantly reducing worldwide demand for crude oil.

The full extent of the impact of COVID-19 on the Company's operations and future financial performance is currently unknown. It will depend on future developments that are uncertain and unpredictable, including the duration and spread of COVID-19, its continued impact on capital and financial markets on a macro-scale and any new information that may emerge concerning the severity of the virus. These uncertainties may persist beyond when it is determined how to contain the virus or treat its impact.

The outbreak presents uncertainty and risk with respect to the Company, its performance, and estimates and assumptions used by management in the preparation of its financial results.

³ ISIN NO 0011057622

⁴ The Company's third quarter net result was adversely effected by the accounting treatment required for the Atrush production bonus incurred in third quarter of 2021 and on-going transaction related costs for the acquisition of TotalEnergies' affiliate.