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Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

For the three months ended March 31, 2023

Expressed in thousands of United States dollars

22. Subsequent Events

The arbitration case between Iraq and Turkey, as discussed in note 6, has lasted for several years as part of the overall dispute between the Iraq Federal Government and the KRG regarding oil exports from Kurdistan and its generation of revenue from oil sales. Following the decision and the closure of the ITP diplomatic efforts to resolve the dispute have intensified, leading to the signing of a framework agreement during April 2023 between the Iraq Federal Government and the KRG on the resumption of exports via the ITP (the “April Agreement”). It is a widely held expectation that the end of the arbitration case and the signing of the April Agreement will lead to more stable long term crude oil exports and payment for the IOC oil producers in Kurdistan.

Based upon the public statements of officials from the KRG, the Kurdistan Ministry of Natural Resources and Iraq’s Ministry of Oil and discussions that senior management of the Company has had (and continues to have) with relevant officials, the Company continues to believe that the ITP shutdown will be temporary and that the KRG will be permitted in due course to resume exports and payments. The Company together with our partners in the Atrush and Sarsang blocks are each taking prudent actions to preserve liquidity through significant deferral of expenditures across the business.

Notes to the Condensed Interim Consolidated Financial Statements (unaudited)

For the three months ended March 31, 2023

Expressed in thousands of United States dollars

DIRECTORS

Dr. Adel Chaouch
Director, President and Chief Executive Officer

Chris Bruijnzeels
Director, Chairman

Michael S. Ebsary
Director

Keith C. Hill
Director

William A.W Lundin
Director

Nicholas J. R. Walker
Director

OFFICERS

Dr. Adel Chaouch
Director, President and Chief Executive Officer

Elvis Pellumbi
Chief Financial Officer

Alex C. Lengyel
Chief Commercial Officer and
Corporate Secretary

Suzanne Ferguson
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Geneva, Switzerland

TRANSFER AGENT

Computershare Trust Company of Canada
Vancouver, Canada

STOCK EXCHANGE LISTINGS

TSX Venture Exchange and NASDAQ
First North Growth Market
Trading Symbol: SNM

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ShaMaran Petroleum Corp.

