

SHAMARAN
petroleum corp

Value Creation through M&A in the Kurdistan Region of Iraq

May 2024

A LUNDIN GROUP COMPANY

STOCK: TSX-V: SNM; NASDAQ FIRST NORTH: SNM

WEBSITE: www.shamaranpetroleum.com

Photo from Atrush Block of EDC rig drilling CK-7 well on Pad E

Corporate Profile

Independent oil and gas company



Interests in two producing assets in Kurdistan

Atrush oil field since 2010

Sarsang oil fields since 2022

Upside in Triassic and Jurassic reservoirs

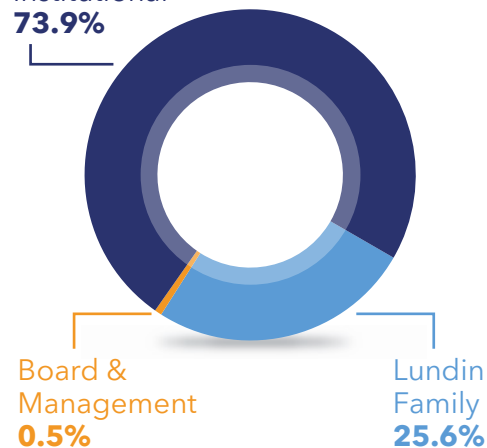
Committed to growth through further acquisitions

Corporate Snapshot¹

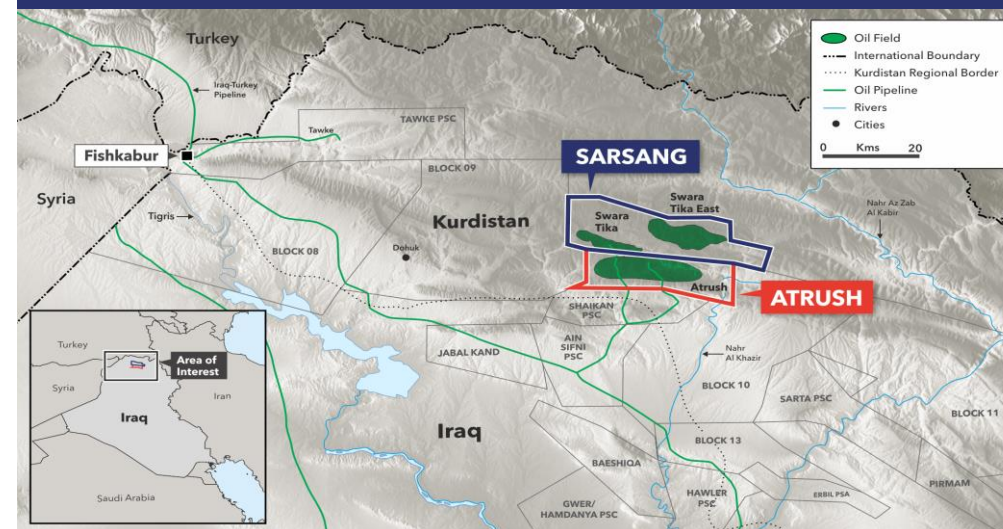
SNM	TSX-V / OMX Ticker
0.07	Share Price (CAD)
2,827	Common Shares (million)
146	Market Cap (USD million)
271	Gross Debt (USD million) ²
82	Cash (USD million) ²
183	Net Debt (USD million) ²
92	Receivables at March 31, 2024 (USD million)
9	Number of Employees

Share Ownership

Retail & Institutional
73.9%



Asset Footprint



Equity Research

Clarksons Securities	Oslo	Christoffer Bachke
Fearnley Securities	Oslo	Sander Solheim Nilsen
Pareto Securities	Oslo	Tom Erik Kristiansen
SpareBank 1 Markets	Oslo	Teodor Sveen-Nilsen

Credit Research

Arctic Securities	Oslo	Øyvind Hagen
ABG Sundial Collier	Oslo	Bendik Engebretsen
Fearnley Securities	Oslo	Borge Bakke
Pareto Securities	Oslo	Magnus Hjermann

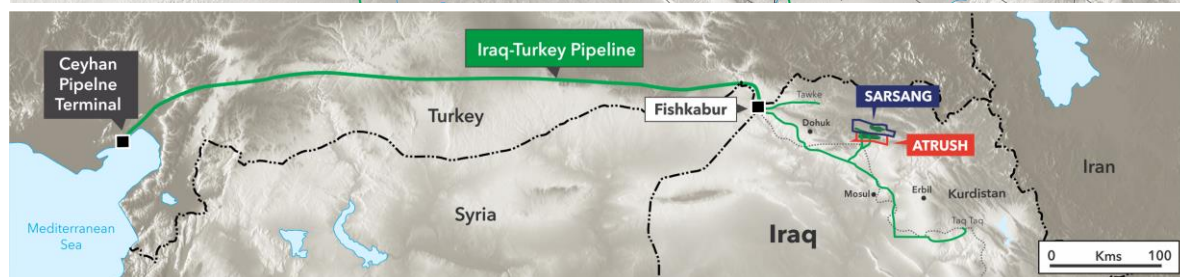
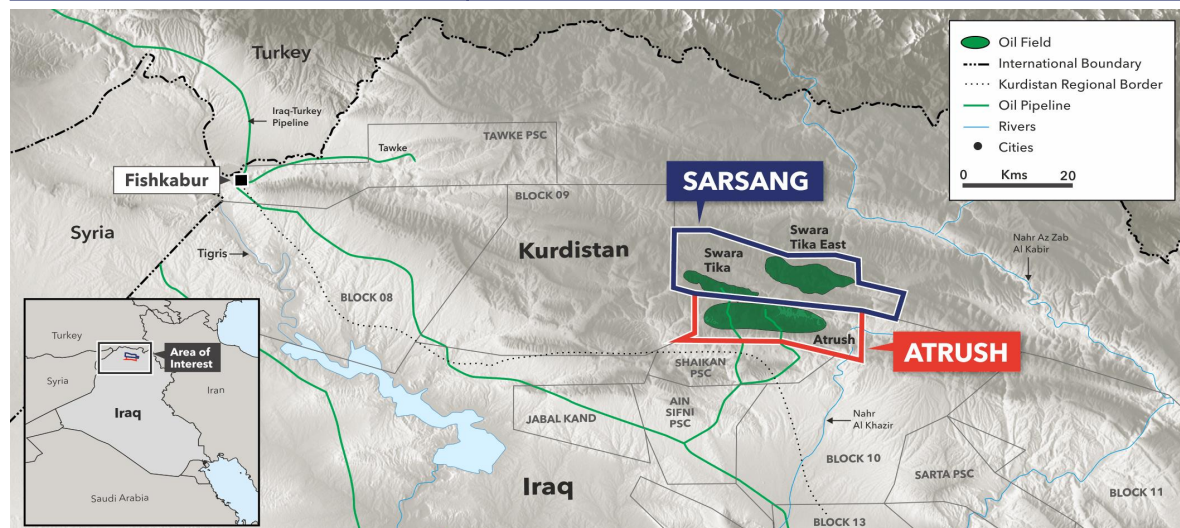
(1) Data as of May 7, 2024 (unless noted otherwise).

(2) Per Company press release on May 8, 2024. Cash and Net Debt include \$25.3 million restricted cash.

Oil Production in Kurdistan

Reserves and Production (SNM working interest)⁽¹⁾

	1P MMstb	2P MMstb	Q2.2023 bopd	Q3.2023 bopd	Q4.2023 bopd	Q1.2024 bopd
Atrush	16	27	0	0	2,486	5,520
Sarsang	20	38	3,240	4,992	6,552	6,732
Total	36²	65²	3,240	4,992	9,038	12,252



Contract Terms

PSCs signed with KRG in 2007, first production 2013

20-year development period post-production, automatic 5-year extension³

Cost oil recovery⁴ of 36% to 38.7% of oil receipts

Profit oil⁴ of 13.5% to 31.5% of oil receipts

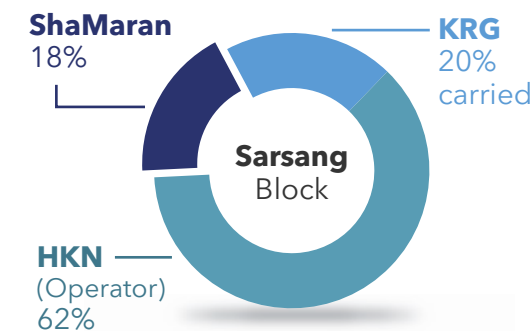
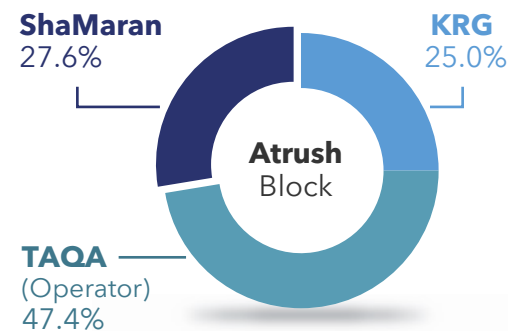
Asset Overview

Atrush Block

- » 36k bopd gross from 11 wells⁵
- » 25-26° API oil
- » Two processing facilities
- » Export via pipeline

Sarsang Block

- » 43k bopd gross from 11 wells⁵
- » 37-38° API oil
- » Four processing facilities
- » Export via pipeline and trucking



(1) Sarsang gross average production: Q2 2023 - 18k bopd; Q3 2023 - 27.7k bopd; Q4 2023 - 36.4k bopd; Q1 2024 - 37.4k bopd; Atrush gross average production: Q4 2023 - 9.0k bopd; Q1 2024 - 20k bopd.

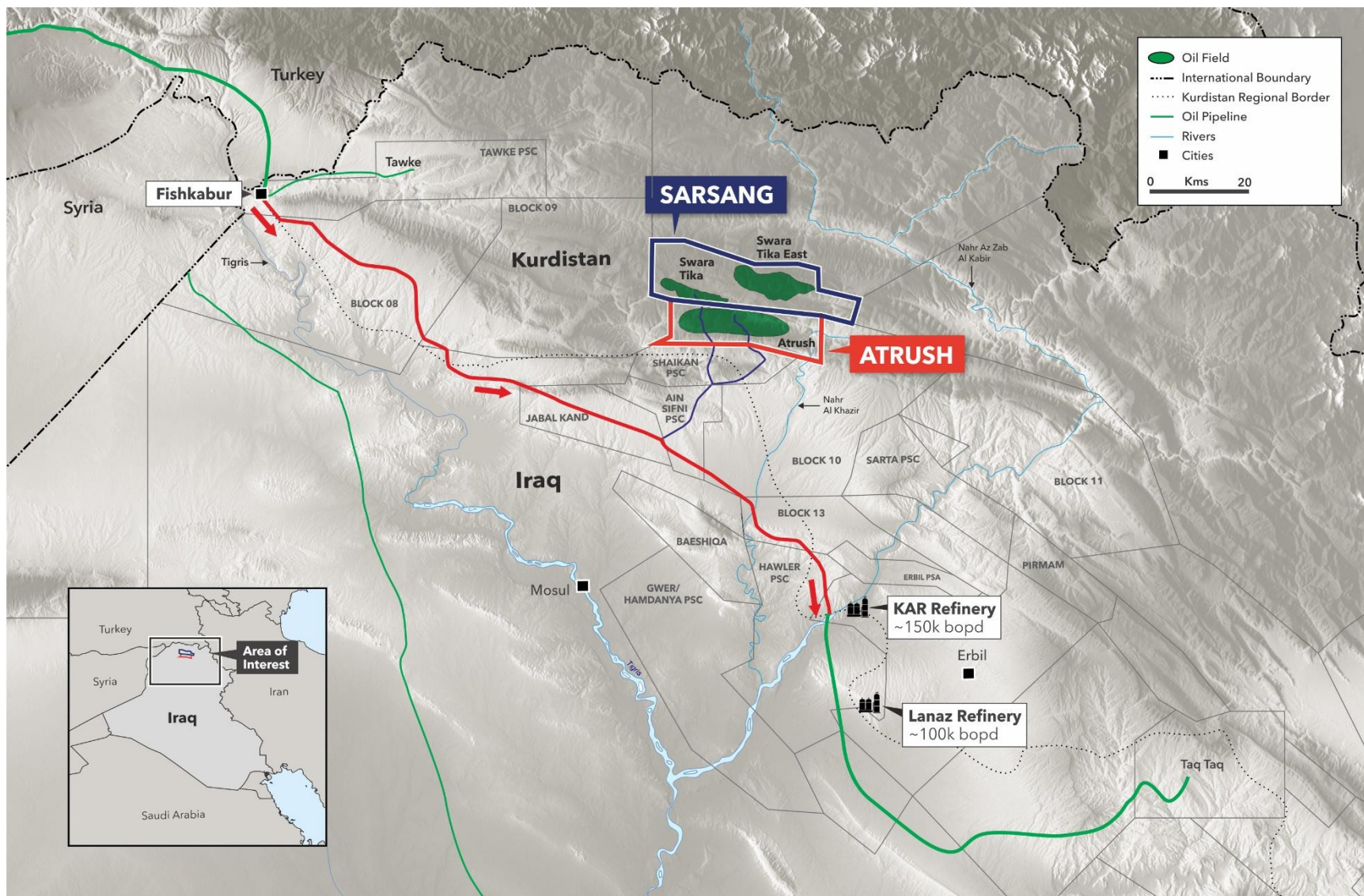
(2) Reserves at December 31, 2023, according to McDaniel & Associates report, excluding Atrush transaction.

(3) Contractor has automatic extension right of 5 years; further 5-year extension available with KRG consent.

(4) After 10% royalty payment.

(5) Prior to ITP closure on March 25, 2023.

Local Sales Market Overview



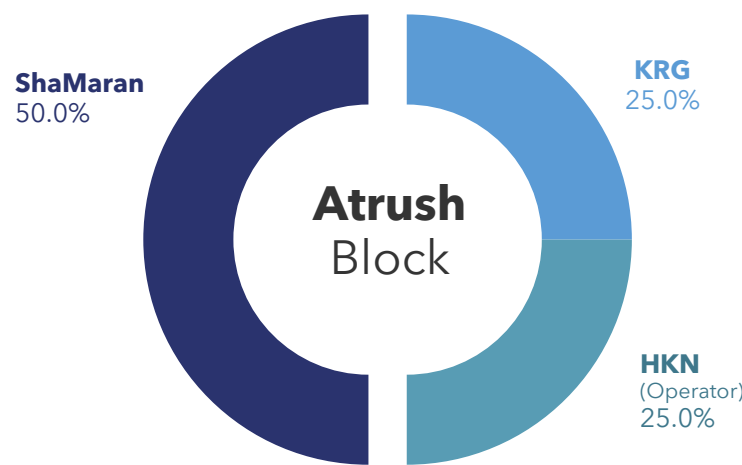
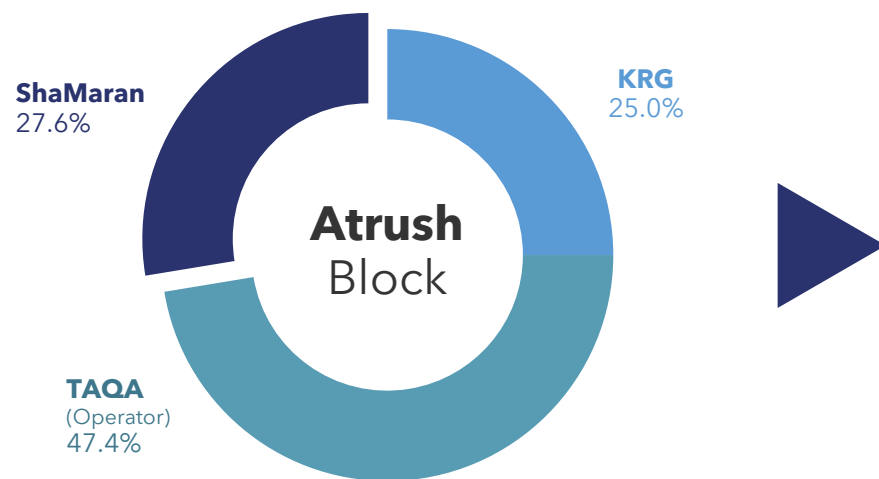
- » Kurdistan pipeline flow reversed for sales to local refineries
- » ShaMaran sells crude to Lanaz via trucking and to KAR via pipeline
 - Other refiners and topping plants provide additional market demand
 - Atrush production and sales expected to increase after TAQA/HKN transaction closes
- » Transportation and export routes well established after more than 12 months of pipeline closure
- » Local sales attractive from a cash flow perspective
 - Prompt/upfront payments despite significant discount to international pricing

Atrush Transaction Overview

Transaction		
	Step 1: <i>Acquire TAQA Atrush BV</i>	Step 2: <i>Partial Sale to HKN</i>
Working Interest	47.4%	25%
Required Approvals	KRG review period for HKN appointment as operator	KRG approval
Expected Closing¹	30 days	TBC

ShaMaran Atrush Stake		
	Current	Pro Forma
Working Interest	27.6%	50%
Net Production (bopd, pre-ITP closure)²	9.9k	18.0k
Reserves (2P)³	27.4 MMstb	49.8 MMstb

"New" ShaMaran	
Atrush 50% Sarsang 18%	
25.7k	+50%
87.7 MMstb	+30%



Proven M&A model

- » Negotiate deferred payments for assets in Kurdistan
 - Add production and reserves
- » Partner with efficient operator to optimize asset development
- » Control costs
- » Maximize cash flow and returns for investors
- » Provide "pure-play" exposure to KRI

(1) Transaction closing is subject to third-party approvals.

(2) Pre-ITP closure production: Atrush 36k bopd, Sarsang 43k bopd.

(3) 2023 Reserves Report provided by McDaniel & Associates Consultants Ltd.

Potential Impact of Atrush Transaction

75%

Increase in net 2P reserves in Atrush¹

81%

Growth in net production from Atrush¹

12x

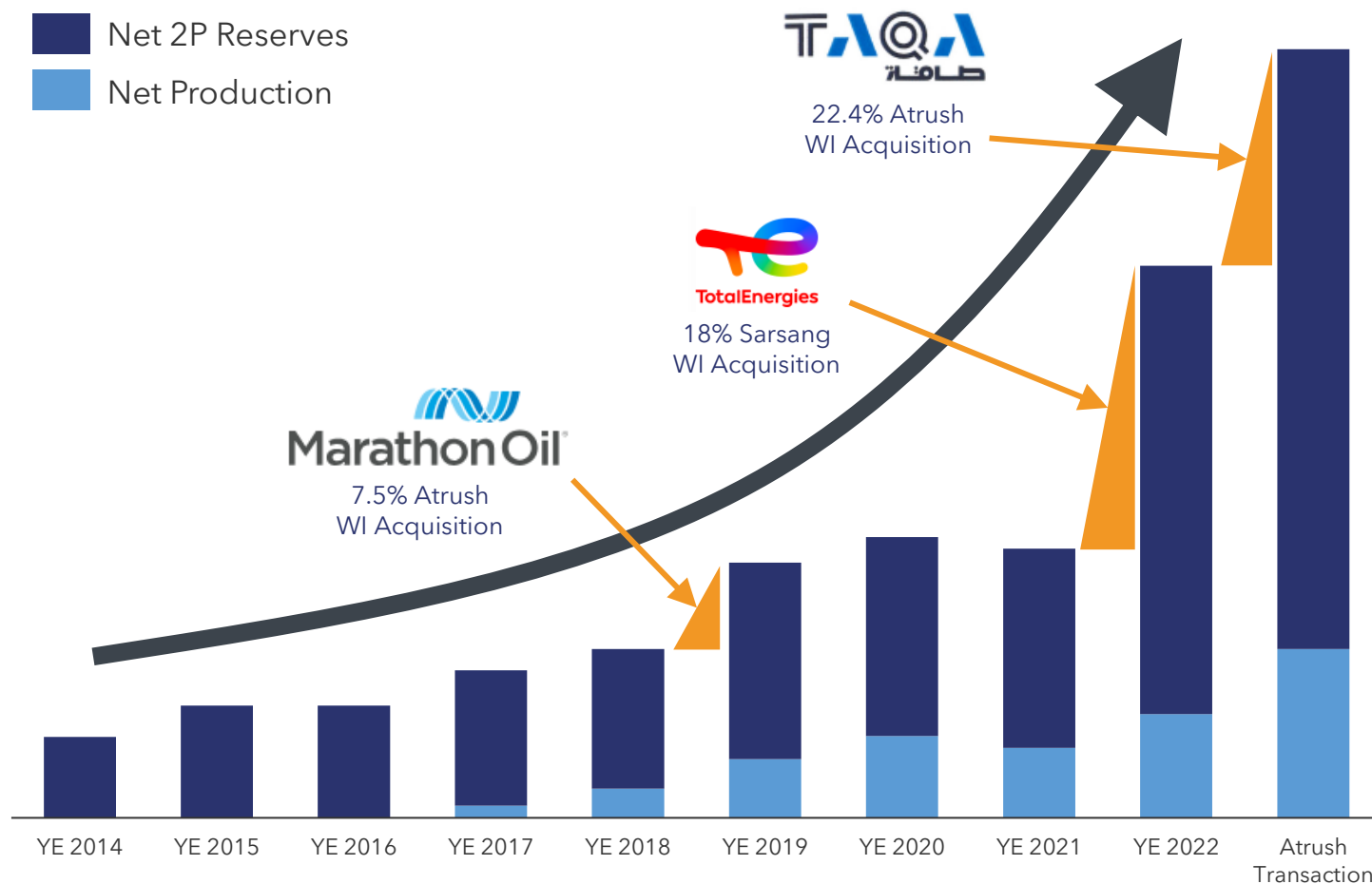
Increase in annual net production since Atrush startup²

760%

Growth in 2P reserves since inception¹

Net 2P Reserves and Production (MMBOE)

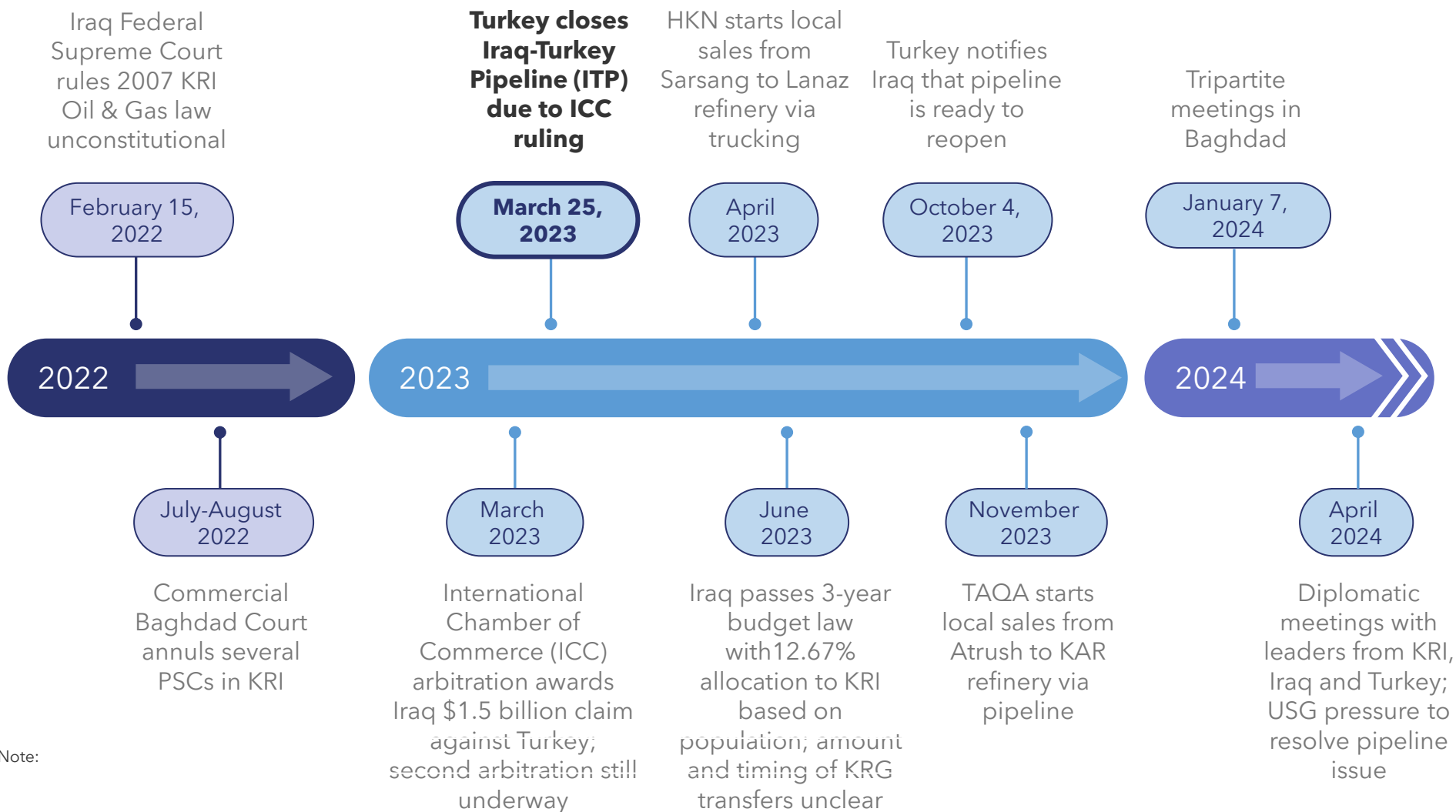
■ Net 2P Reserves
■ Net Production



(1) Transaction closing is subject to third-party approvals.

(2) Based on Atrush production rate of 36k bopd prior to ITP shutdown.

Recent Events



- » APIKUR¹ states that efforts to reopen ITP need to address IOC payments
- » IOCs benefit from English Law PSCs and are owed significant amounts for oil sales prior to ITP closure
- » KRG needs to deliver 300-400k bopd to SOMO² in order to receive Iraq budget allocation

Note:

(1) The Association of the Petroleum Industry of Kurdistan (APIKUR) represents international oil companies (IOCs), including ShaMaran.

(2) State Organization for Marketing of Oil (SOMO) is the Iraqi national company responsible for marketing Iraq's oil.

Summary

Attractive Assets

- » Low-cost, cash-generative PSC terms
- » Regional consolidation through M&A and potential for organic growth

Liquidity Focus

- » Reduced expenditures in response to pipeline closure
- » Focused on maximizing local sales and preserving liquidity

Value Preservation

- » Working with APIKUR members to achieve best commercial solution for ITP reopening
- » PSCs protected by international law



Thank You

Investor Relations

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Cautionary Statements

Cautionary Statement Regarding Forward-Looking Information

Certain statements in this presentation are “forward-looking information” and “forward-looking statements” (within the meaning of applicable securities legislation). Forward-looking information is information concerning possible events, conditions or financial performance that is based on management’s assumptions relating to future economic conditions and courses of actions. Forward-looking information can include future oriented financial information and disclosure relating to ShaMaran’s financial outlook. Forward-looking statements are statements that are not historical and are generally identified by words such as “seek”, “continue”, “may”, “will”, “projects”, “believes”, “anticipates”, “expects”, “estimates”, “pending”, “intends”, “plans” or similar words suggesting future outcomes that are based on management’s best judgment and assumptions concerning how future trends will impact ShaMaran’s business.

By their nature, forward-looking statements and forward-looking information is likely to be less reliable than historical information because it is based on these judgements and assumptions, accounting for inherent risks and uncertainties, many of which are difficult to predict, and which are usually beyond the control of management, but which could cause actual results to be materially different from those expressed by these forward-looking information and forward-looking statements.

Assumptions

Management is regularly considering and evaluating assumptions that will impact on future performance. Examples of such assumptions include, but are not limited to: (i) assumptions concerning competitive factors such as those relating to the distribution and marketing of oil and natural gas, pricing, and methods of improving reliability of delivery, and (ii) assumptions relating to future changes in environmental or health and safety laws, regulations or community expectations governing ShaMaran’s operations, including, but not limited to, increased monitoring, compliance and remediation costs and/or costs associated with penalties or other sanctions imposed on ShaMaran for non-compliance or breach of environmental regulation.

Risks

Examples of risks and uncertainties associated with the assumptions made by management include, but are not limited to: (i) risks associated with international operations in Kurdistan, in northern Iraq, which is a politically less stable jurisdiction; (ii) risks associated with the regulation of oil and gas production and export; (iii) risks that are inherent in oil and gas development and production, including availability of a functioning infrastructure, complying with environmental regulation and the availability of staff and equipment. ShaMaran’s operations are to a significant degree conducted together with a partner through contractual arrangements with the execution of the operations being undertaken by the operator in accordance with the terms of the Atrush JOA or the Sarsang JOA respectively. As a result, ShaMaran has limited ability to exercise influence over the deployment of those assets or their associated costs and this could adversely affect ShaMaran’s financial performance. ShaMaran is also exposed to more generic risks such as the risk with respect to general economic conditions, regulations and taxes, civil unrest, corporate restructuring and related costs, capital and operating expenses, petroleum pricing and availability of financing and currency exchange rate fluctuations. Management used its best efforts to ensure that the assumptions used in this preparation of such information were reasonable. However, they may ultimately prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

ShaMaran does not undertake to update or re-issue the forward-looking statements and information that may be contained herein, whether due to new information, future events or otherwise. Where such forward-looking statements or forward-looking information is updated or withdrawn, notification will be given by way of a news release and/or MD&A disclosure. Material differences between actual results and previously disclosed future oriented financial information or financial outlook will be disclosed in ShaMaran’s MD&A.