

NEWS RELEASE

SHAMARAN TO ADD 15% STAKE IN ATRUSH AND CONTEMPLATED BOND FINANCING

JUNE 4, 2018

VANCOUVER, BRITISH COLUMBIA - -ShaMaran Petroleum Corp. ("ShaMaran" or the "Company") (TSX VENTURE: SNM) (NASDAQ First North: SNM) is pleased to announce that it has entered into an agreement to acquire a further 15% working interest in the Production Sharing Contract – Atrush Block, Kurdistan Region of Iraq dated 10th November 2007, as amended from time to time, (the "Atrush PSC") and certain other assets from Marathon Oil KDV B.V. (the "Acquisition") for USD 60 million, subject to final closing adjustments. The Acquisition will increase ShaMaran's working interest in Atrush from 20.1% to 35.1% and therefore its share of Atrush production, reserves and resources will increase by 75%. The Company intends to issue USD 240 million of new bonds (the "Bond Issue") to refinance USD 186 million of outstanding existing bonds and finance the acquisition.

Chris Bruijnzeels, President and CEO of ShaMaran, commented *"Marathon's strategic decision to focus on the U.S. resource plays and the fact that ShaMaran already has an interest in the Atrush block, has created this unique opportunity. ShaMaran and its major shareholder, the Lundin family, are committed for the long-term in the Kurdistan Region of Iraq and see great potential in the Atrush block. Following the close of the Acquisition and Bond Issue, we will have successfully taken measures to deleverage the Company by adding additional assets which far exceed the increase in bond financing. This deal significantly strengthens the Company's financial position, helps to pave the way for further new opportunities and gives ShaMaran a solid platform for building an exciting future!"*

The Acquisition:

The Acquisition, with effect from January 1, 2018, includes a 15% working interest in the Atrush PSC as well as USD 21.3 million in loans provided to the Kurdistan Regional Government of Iraq ("KRG") which fall due over the 22 months beginning January 1, 2018. Based on the Detailed Property Report at December 31, 2017 provided by McDaniel & Associates Consultants Ltd., the Company's independent qualified resources evaluator, the Company estimates to acquire 15.4 MMbbl of gross¹ 2P reserves and 44MMbbls of gross best estimate Contingent Resources.²

The Acquisition is conditional on the consent of the KRG and of Taqa Atrush B.V., Operator of the Atrush Block and holder of a 39.9% participating interest in Atrush, and subject to certain other closing conditions including regulatory approvals.

As part of its consent, the KRG has requested a guarantee of the Company's future commitments under approved Atrush work program and budgets through year 2020 ("the Guarantee"). The Guarantee is provided by the Lundin family trust through the company Nemesia S.à.r.l (see further details under "The Guarantee" below).

¹ Acquired gross reserves are based on the 15.0 percent working interest share of the property gross reserves.

² Please refer to the Company's news release dated February 15, 2018 for full disclosure on the Atrush reserves and resources.

Refinancing the Company:

The Company intends to issue USD 240 million of new bonds with a 5-year tenure in order to repay approx. USD 192 million in existing bonds (including call premium and accrued interest) which are due to mature in November of this year and finance the acquisition. The Bond Issue is expected to be completed in June 2018 whereby the holders of the existing senior bonds of USD 166 million will be offered to roll their bonds over to the Bond Issue at 101.25% of par value (plus accrued interest). Bondholders not rolling into the new Bond Issue will be called at 100.75% of par (plus accrued interest). The super senior bonds of USD 20 million will be bought back or called at 100.00% of par value (plus accrued interest) following the settlement of the Bond Issue.

The Company will commence a book-building process for the Bond Issue starting today. Pareto Securities has been engaged as sole manager and bookrunner for the Bond Issue.

The Guarantee:

In connection with the Acquisition, Nemesia S.à.r.l., a company controlled by a trust settled by the late Adolf H. Lundin, (the “Guarantor”) has agreed to undertake the Guarantee in exchange for 18,750,000 common shares of ShaMaran as fully paid shares subject to obtaining all requisite regulatory body approvals. As the Guarantor is a “related party” due to its shareholdings in the Company, the provision of the guarantee is a “related party transaction” as defined in Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”) and TSXV Policy 5.9. The Company is relying on exemptions from the formal valuation and minority approval requirements of MI 61-101 and TSXV Policy 5.9, in respect of the transaction, contained in sections 5.5(b) and 5.7(1)(a), respectively, as the securities of the Company are not listed on a senior specified stock exchange and at the time the guarantee was agreed to, neither the fair market value of the guarantee, nor the fair market value of the consideration paid to the Guarantor for the guarantee, exceeded 25% of the Company’s market capitalization.

OTHER

This information in this release is subject to the disclosure requirements of ShaMaran Petroleum Corp. under the EU Market Abuse Regulation. This information was publicly communicated on June 4, 2018 at 2:30 p.m. Vancouver time.

This news release does not constitute an offer to sell or a solicitation of an offer to buy the securities described herein in the U.S., or in any jurisdiction in which such an offer or sale would be unlawful. The securities described herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws and may not be offered or sold in the U.S. or to the account or benefit of a U.S. person or a person in the U.S. absent registration or an applicable exemption from the registration requirements.

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ABOUT SHAMARAN

ShaMaran Petroleum Corp. is a Kurdistan focused production, development and exploration company with a 20.1% (35.1% following close of the Acquisition) direct interest in the Atrush oil field. The Atrush field is a world-class discovery which commenced production in July 2017.

ShaMaran is a Canadian oil and gas company listed on the TSX Venture Exchange and the NASDAQ Stockholm First North Exchange (Sweden) under the symbol "SNM". 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. Pareto Securities AB is the Company's Certified Advisor on NASDAQ Stockholm First North.

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. 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 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.