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SHAMARAN REPORTS ATRUSH 2P RESERVES REPLACEMENT RATIO OF 108% AND PROVIDES 2021 GUIDANCE

FEBRUARY 15, 2021

VANCOUVER, BRITISH COLUMBIA – ShaMaran Petroleum Corp. (“ShaMaran” or the “Company”) (SNM: TSXV and Nasdaq First North Growth Market (Sweden)) is pleased to report an increase in the Atrush Property Gross 2P reserves to 109.9 MMbbls at December 31, 2020, up from 108.5 MMbbls at the end of 2019. Taking into account 2020 production, this equates to a 2P reserves replacement ratio of 108% and an increase in the Company’s gross 2P reserves from 29.9 MMbbls to 30.3 MMbbls. Reserves and contingent resources estimates were provided by McDaniel & Associates Consultants Ltd. (“McDaniel”), the Company’s independent qualified resources evaluator, and were prepared in accordance with standards set out in the Canadian National Instrument NI 51-101 and Canadian Oil and Gas Evaluation Handbook (COGEH).

The Atrush field achieved a cumulative production milestone of 40 MMbbls on January 4, 2021 despite a significantly reduced 2020 development program due to the global pandemic and the collapse of crude oil prices. Of that volume over 16.5 MMbbls were produced during 2020 which included over 1.3 MMbbls of heavy oil.

2021 GUIDANCE

With improving oil prices in 2021 we anticipate a continuation of strong operating cash flow that will be supported with prudent capital deployment in the coming year.

- Atrush field gross average daily production is expected to range from 39,000 barrels of oil per day (“bopd”) to 44,000 bopd. Resumption of deferred drilling and completion spending in 2021 is expected to generate quarter-on-quarter production growth;
- The Atrush capital expenditures for 2021 are planned at US\$53.2 million (US\$14.7 million net to ShaMaran), pending final approval by the Ministry of Natural Resources of the Kurdistan Regional Government of Iraq (“KRG”). The Atrush 2021 capital program includes drilling and completion of a production well with targeted offtake rates of over 4,000 bopd and initiation of the gas solution project which will significantly reduce emissions and operating costs from reliance on diesel use;
- The Atrush operating expenditure is forecast to be US\$80 million (US\$22 million net to ShaMaran) for 2021, in line with 2020 actual operating costs;
- Atrush average lifting costs per barrel are estimated to range from US\$4.70 to US\$5.70. Atrush lifting costs are mainly fixed costs and dollar-per-barrel estimates should decrease with increasing levels of production and operational efficiencies;
- Payments from the KRG for oil delivered in 2021 are expected to continue to be made one month after production. Recovery of the US\$41.7 million receivable owed to the Company by the KRG for November 2019 to February 2020 entitlements has started as per the KRG’s December 2020 proposed repayment

mechanism of sharing equally the incremental revenue if Brent prices exceed US\$50 per barrel in any month;

- ShaMaran will continue to implement prudent management of its cashflow in 2021 with an annual corporate budget of US\$5.6 million, a 30% reduction in spending over 2020; and
- Following the amendment of the ShaMaran bond terms in January 2021 the Company intends to use its free cash flow to buy its bonds should commercially attractive rates be available in the market and as a result will be reducing its debt burden over the coming year and will update the market of such activity on a quarterly basis.

Dr. Adel Chaouch, President and Chief Executive Officer of ShaMaran, stated, "We continue to be cautiously optimistic that 2021 will see sustainable production in the Atrush field and to progress plans which meet our commitment towards the environment. We expect 2021 will again be a year of cash flow harvest and measured capital deployment to continue to give our shareholders a clear and socially responsible path to sustained production and reserves maturation."

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 February 15, 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.

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.

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

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