



ShaMaran Operational and Corporate Update

July 12, 2023

VANCOUVER, BRITISH COLUMBIA – ShaMaran Petroleum Corp. (TSX Venture and Nasdaq First North: SNM) (“ShaMaran” or the “Company”) announces an operational and corporate update.

The Company’s operations remain heavily impacted by the continued closure of the Iraq-Turkey pipeline (“ITP”), which has resulted in either a partial or complete shutdown of many fields located in the Kurdistan region of Iraq (“KRI”). ShaMaran understands that negotiations between officials in Iraq and Turkey about re-opening the ITP started in late June and will continue in the weeks ahead. The recent passage of the Iraq federal budget for 2023-2025, including a production commitment from the Kurdistan Regional Government (“KRG”), should enable regular monthly budget transfers from Iraq to the KRG, as well as normalization of relations between the region and the Federal Government of Iraq. The Company believes that a speedy re-opening of the ITP and resolution of the related outstanding commercial issues between international oil companies (“IOCs”) and the KRG will benefit all parties involved.

Since the ITP shutdown, ShaMaran and its operating partners have engaged in a number of initiatives aimed at cutting costs (both operating and capital expenditures) for the Company’s two assets at Atrush and Sarsang. The current cost base run-rate has been reduced significantly below the original 2023 Work Plan and Budgets approved by the Ministry of Natural Resources of the KRG. All non-essential capital expenditures in the Atrush block have been cancelled or postponed for the remainder of the year, and a significant number of redundancies have been implemented by Taqa Atrush B.V., the Atrush operator, while retaining the capability to re-start field operations upon re-opening of the ITP and resolution of outstanding commercial issues. As announced by HKN Energy Ltd. (“HKN”), Sarsang production has continued since late April 2023 on a reduced, *ad-hoc* basis with sales to local refineries. HKN has cut remaining 2023 capital expenditures by over 75% with more opportunities for reduction being considered, alongside a significant and ongoing curtailment of operating expenditures and general and administrative expenses.

ShaMaran is actively pursuing further cost-reduction initiatives and encouraging our operating partners to pursue additional local sales to improve liquidity. The Company will also be engaging with its bondholders to seek additional balance-sheet flexibility given the current pipeline and payment situation in the KRI.

About ShaMaran Petroleum Corp.

ShaMaran is a Canadian independent oil and gas company focused on the Kurdistan region of Iraq. The Company holds a 27.6% working interest in the Atrush Block through its wholly-owned subsidiary General Exploration Partners, Inc. and an 18% interest (22.5% paying interest) in the Sarsang Block through its wholly-owned subsidiary ShaMaran Sarsang A/S. The Company is listed in Toronto on TSX Venture Exchange and in Stockholm on Nasdaq First North Growth Market (ticker “SNM”). ShaMaran is part of the Lundin Group of Companies.

Important Information

This is information that ShaMaran is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted for publication through the agency of the contact persons set out above on July 12, 2023, at 7:00 a.m. CET.

The Company's certified advisor on Nasdaq First North Growth Market is Arctic Securities AS (Swedish branch), +46 844 68 6100, certifiedadviser@arctic.com.

Forward looking statements

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or the Company's future performance, business prospects and opportunities, which are based on assumptions of management.

The use of any of the words "will", "expected", "planned" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of certain future events. These forward-looking statements involve risks and uncertainties relating to, among other things, changes in oil prices, results of exploration and development activities, including results, timing and costs of seismic, drilling and development related activity in the Company's area of operations and, uninsured risks, regulatory changes, defects in title, availability of funds required to participate in the development activities, or of financing on reasonable terms, availability of materials and equipment on satisfactory terms, outcome of commercial negotiations with government and other regulatory authorities, timeliness of government or other regulatory approvals, actual performance of facilities, availability of third party service providers, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual future results may differ materially. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Company. The forward-looking information contained in this release is made as of the date hereof and the Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information.

Neither 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.

Source: ShaMaran Petroleum Corp.

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