

## ShaMaran Reports Second Quarter 2025 Results

August 6, 2025

**Vancouver, British Columbia – ShaMaran Petroleum Corp. (“ShaMaran” or the “Company”)** (TSXV: SNM) (Nasdaq First North: SNM) today released its financial and operating results and related management’s discussion and analysis (“MD&A”) for the three and six months ended June 30, 2025.

Garrett Soden, President and CEO of ShaMaran, commented: “We remain focused on generating strong cash flow and accelerating debt repayment, as shown in the Q2 2025 results. Over the last year, we have reduced the Company’s net debt<sup>1</sup> by almost 50%, providing a solid base for potential future shareholder distributions. We continue to work with industry partners and the host government towards a lasting commercial solution for the Iraq-Türkiye pipeline reopening.”

### Corporate Highlights:

- On April 11, 2025, the Company announced bondholder approval of certain amendments to the terms of the Company’s outstanding bond. The new amendments became effective on May 2, 2025, and included converting the mandatory cash sweep to voluntary and extending the maturity by two years to July 2029;
- On April 30, 2025, the Company repaid \$29.4 million of the corporate bond (17% of the outstanding amount) at par pro rata to all bondholders. The total amount outstanding of the Company’s corporate bond at June 30, 2025, was \$143.8 million;
- In May 2025, the Company repaid \$5.0 million (32% of the outstanding amount) of the related-party loan (as permitted under the recent amendments to the bond terms) in order to simplify the balance sheet and reduce financing costs. The total amount outstanding of the loan at June 30, 2025, was \$10.6 million; and
- The closure of the Iraq-Türkiye pipeline since March 25, 2023, continues to have a material impact on ShaMaran’s operations and financial results. The Company is actively engaging with the relevant parties to resume pipeline exports.

### Financial Highlights:

USD Thousands	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Revenue	35,385	22,630	71,270	45,218
Gross margin on oil sales	12,775	7,405	25,251	14,245
Free cash flow before debt service <sup>2</sup>	27,943	16,785	65,723	34,288
Adjusted EBITDAX <sup>3</sup>	24,850	15,594	49,315	30,825

<sup>1</sup> Net debt is a non-IFRS financial measure. Refer to “Non-IFRS Accounting Standards Measures” below for more information.

<sup>2</sup> Free cash flow before debt service is a non-IFRS financial measure. Refer to “Non-IFRS Accounting Standards Measures” below for more information.

<sup>3</sup> Adjusted EBITDAX is a non-IFRS financial measure. Refer to “Non-IFRS Accounting Standards Measures” below for more information.

- Revenue in Q2 2025 was \$35.4 million (56% higher than the \$22.6 million in Q2 2024) due to higher local oil sales and the increased working interest in the Atrush Block from August 7, 2024;
- Gross margin on oil sales in Q2 2025 was \$12.8 million (73% higher than the \$7.4 million in Q2 2024) due to increased production and local sales and the higher working interest in the Atrush Block;
- ShaMaran generated \$27.9 million of free cash flow before debt service<sup>2</sup> in Q2 2025 (66% higher than the \$16.8 million in Q1 2024);
- Adjusted EBITDAX<sup>3</sup> in Q2 2025 was \$24.9 million (59% higher than the \$15.6 million in Q2 2024);
- At June 30, 2025, the Company had cash of \$67.2 million and gross debt of \$154.4 million (including the \$143.8 million corporate bond and \$10.6 million related-party loan). Net debt<sup>1</sup> was \$87.2 million; and
- At August 6, 2025, after payment of the quarterly interest on July 30, 2025, the Company has cash of \$64.1 million and gross debt of \$154.4 million (including the \$143.8 million corporate bond and \$10.6 million related-party loan). Net debt<sup>1</sup> is \$90.3 million.

### Operational Highlights:

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
<b>Average daily oil production – gross 100% field (Mbopd)</b>				
- Atrush	35.1	25.1	35.2	22.5
- Sarsang	28.7	29.7	29.3	33.6
<b>Total</b>	<b>63.8</b>	<b>54.8</b>	<b>64.5</b>	<b>56.1</b>
<b>Average daily oil production – Company net (Mbopd)</b>				
- Atrush (27.6% until August 6, 2024; 50% thereafter)	17.5	6.9	17.6	6.2
- Sarsang (18%)	5.2	5.2	5.3	6.0
<b>Total</b>	<b>22.7</b>	<b>12.1</b>	<b>22.9</b>	<b>12.2</b>
<b>Oil sales – gross 100% field (Mbbl)</b>				
- Atrush	3,192	2,279	6,368	4,096
- Sarsang	2,664	2,622	5,368	5,967
<b>Total</b>	<b>5,856</b>	<b>4,901</b>	<b>11,736</b>	<b>10,063</b>

- At Atrush, average gross daily oil production in Q2 2025 was 35.1 Mbopd;
- At Sarsang, average gross daily oil production in Q2 2025 was 28.7 Mbopd;
- Average gross daily oil production from Atrush and Sarsang in Q2 2025 on a combined basis was 63.8 Mbopd (16% higher than the 54.8 Mbopd in Q2 2024) due to increased production from Atrush; and
- Average Company net daily oil production from Atrush and Sarsang in Q2 2025 on a combined basis was 22.7 Mbopd (88% higher than the 12.1 Mbopd in Q2 2024) due to the higher working interest in the Atrush Block and increased production from Atrush.

### Subsequent Events:

- On July 15, 2025, the Company was notified by HKN Energy Ltd. (“HKN”), the operator of the Sarsang Block, that production had been shut-in following an explosion at one of the facilities due to a suspected drone strike. There were no injuries, but three storage tanks and related pipes were damaged. Although there were no incidents at the Atrush Block and no further drone strikes at Sarsang, production at both blocks was shut-in as a precaution following several similar incidents at other Kurdistan Region of Iraq fields;
- HKN resumed production at both blocks when it was deemed safe to do so after consultations with the Kurdistan Regional Government. The Atrush Block was not impacted, and production restarted at full capacity. The Sarsang Block restarted production at a reduced rate due to the damage sustained, and the current assessment is that approximately half of Sarsang’s production capacity will remain offline until late October 2025; and
- The Company’s Board of Directors has today authorized the repayment of the remaining balance of the Nemesia loan (\$10.6 million plus accrued and unpaid interest). Subsequent to the repayment, gross debt will decrease to \$143.8 million.

### Abbreviations:

Mbbl	Thousand barrels of crude oil
Mbopd	Thousand barrels of crude oil per day
USD	United States dollar

Shamaran plans to publish its financial statements for the three and nine months ending September 30, 2025, on November 5, 2025. Except as otherwise indicated, all currency amounts indicated as “\$” in this news release are expressed in United States dollars.

### Non-IFRS Accounting Standards Measures

This news release contains certain financial measures, as described below, which do not have standardized meanings prescribed by IFRS Accounting Standards or generally accepted accounting principles (GAAP). As these non-IFRS financial measures are commonly used in the oil and gas industry, the Company believes that their inclusion is useful to investors. The reader is cautioned that these amounts may not be directly comparable to measures for other companies where similar terminology is used.

The non-IFRS financial measures used in this news release are used by the Company as key measures of financial performance and are not intended to represent operating profits nor should they be viewed as an alternative to cash provided by operating activities, net income or other measures of financial performance calculated in accordance with IFRS Accounting Standards.

The following tables set out how the non-IFRS Accounting Standards measures are calculated from figures shown in the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2025, together with the accompanying notes (the “Financial Statements”):

#### ***EBITDAX and Adjusted EBITDAX***

EBITDAX is calculated as the net result before financial items, taxes, depletion of oil and gas properties, impairment costs, the gains on acquisitions, depreciation and exploration expenses and adjusted for non-recurring profit/loss on sale of assets and other income. The Company uses EBITDAX primarily as a measure of profitability and cash generation. Adjusted EBITDAX adds back non-cash, share-based payments and non-recurring, transaction-related expenses. A quantitative reconciliation to revenues, the most directly comparable IFRS Accounting Standards measure, is provided below.

USD Thousands	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Revenues	35,385	22,630	71,270	45,218
Lifting costs	(8,877)	(5,547)	(18,311)	(11,047)
Other costs of production	(106)	(63)	(233)	(140)
General and administrative expense	(1,552)	(1,426)	(6,628)	(3,206)
Share-based payments	(1,004)	(887)	(4,475)	(1,884)
<b>EBITDAX</b>	<b>23,846</b>	<b>14,707</b>	<b>41,623</b>	<b>28,941</b>
<b>Adjusted EBITDAX</b>	<b>24,850</b>	<b>15,594</b>	<b>49,315</b>	<b>30,825</b>

### ***Free cash flow before debt service***

Free cash flow before debt service is a non-IFRS financial measure calculated as the sum of cash flows from operating and investment activities. The Company uses free cash flow before debt service primarily as a measure of cash generation. A quantitative reconciliation to net cash inflows from operating activities, the most directly comparable IFRS Accounting Standards measure, is provided below.

USD Thousands	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Net cash inflows from operating activities	26,448	15,830	58,480	34,145
Net cash inflows from investing activities	1,495	955	7,243	143
<b>Free cash flow before debt service</b>	<b>27,943</b>	<b>16,785</b>	<b>65,723</b>	<b>34,288</b>

### ***Net debt***

Net debt is a non-IFRS financial measure calculated as total debt less cash and cash equivalents. The Company uses net debt primarily as a measure of leverage. A quantitative reconciliation to total debt, the most directly comparable IFRS Accounting Standards measure, is provided below.

USD Thousands	At June 30,	
	2025	2024
Outstanding principal of ShaMaran Bond	(143,768)	(202,098)
Loan from related party	(10,630)	(15,600)
<b>Total debt</b>	<b>(154,398)</b>	<b>(217,698)</b>
Cash and cash equivalents	67,150	38,725
<b>Net debt</b>	<b>(87,248)</b>	<b>(178,973)</b>

All figures in the net debt calculation are based on their nominal value at the balance sheet date. See Notes 15, 16 and 20 in the Financial Statements.

### **About ShaMaran Petroleum Corp.**

ShaMaran is a Canadian independent oil and gas company focused on the Kurdistan region of Iraq. The Company indirectly holds a 50% working interest in the Atrush Block and an 18% working interest in the Sarsang Block. The Company is listed in Toronto on the 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

*Shamaran is obliged to make this information public pursuant to the EU Market Abuse Regulation. This information was submitted for publication through the agency of the contact person set out below on August 6, 2025, at 5:30 p.m. Eastern Time.*

*The Company's certified advisor on Nasdaq First North Growth Market is FNCA Sweden AB.*

### 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. Certain information set forth in this news release contains forward-looking statements. 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, uninsured risks, regulatory changes, defects in title, availability of funds required to participate in the development activities, availability 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. The risks outlined above should not be construed as exhaustive. Additional information on these and other factors that could affect the Company's operations and financial results are included in the Company's annual information form for the year ended December 31, 2024, the MD&A and other reports on file with the Canadian Securities Regulatory Authorities that can be accessed on the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Actual future results may differ materially.*

*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.*

*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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