

SHAMARAN THIRD QUARTER 2019 FINANCIAL AND OPERATING RESULTS

November 5, 2019

VANCOUVER, BRITISH COLUMBIA - ShaMaran Petroleum Corp. ("ShaMaran" or the "Company") (TSX Venture: SNM) (Nasdaq First North Growth Market: SNM) today released its financial and operating results and related management discussion and analysis for the three and nine months ended September 30, 2019. All currency amounts indicated as "\$" in this news release are expressed in United States dollars.

"In the third quarter and period subsequent Atrush delivered significant production growth ahead of schedule that will increase future cash flow. Atrush reached a milestone, producing over 1 million barrels of oil per month, met its 2019 exit-rate production target and commissioned a new production facility," said ShaMaran President and CEO Dr. Adel Chaouch. "Expanding Atrush production and increasing our working interest in Atrush to 27.6%, after consolidating ownership from four to three partners in May 2019, provides a strong and stable foundation to fund organic growth and act on new opportunities as they present themselves."

THIRD QUARTER 2019 HIGHLIGHTS AND SIGNIFICANT SUBSEQUENT EVENTS

- **Achieved significant production milestone:** During July 2019, the Atrush monthly production exceeded one million barrels of oil for the first time since oil production commenced. At the date of this news release over 20 million barrels of oil have been exported from the Atrush field.
- **Reached exit-rate production ahead of schedule:** Current production rate is over 45,000 bopd, meeting exit-rate target of 45,000 barrels of oil per day ("bopd") to 50,000 bopd two months ahead of schedule.
- **Annual average production delivered as planned:** Atrush's production guidance for 2019 is 30,000 to 35,000 bopd. Average production for Q3 2019 was 33,167 bopd. Subsequent to third quarter, October 2019 average production was 38,040 bopd. Average daily oil production at Q3 has increased from 20,366 bopd in 2018 to 29,274 bopd in 2019. Compared to the year previous, average daily oil production increased 53% for the quarter (33,167 bopd vs. 21,675 bopd) and 44% for the nine months ended September 30 (29,274 bopd vs. 20,344 bopd).
- **Increased well capacity through to remainder of year:** Atrush well capacity has been increased by 21,000 bopd during 2019, of which 10,500 bopd came online in Q3 through the completion of the Chiya Khere-12 and Chiya Khere-13 wells.
- **Increased processing capacity in lockstep with production growth:** Atrush processing capacity has been increased by 20,000 bopd to 50,000 bopd, meeting guidance. An Early Production Facility at the Chamanke-E drilling pad was commissioned on schedule in Q3, accounting for 10,000 bopd of the new processing capacity.
- **Continued to self-fund Atrush development with stable cash inflows:**
 - The Company received \$19.1 million in Q3 2019 for its entitlement share of the Atrush Production Sharing Contract profit oil and cost oil for April through to June 2019 oil sales.
 - The Company received \$2.8 million in Q3 2019 of Atrush Exploration Costs receivable on April through to June 2019 oil sales.
 - The Company received \$5.4 million in Q3 2019 in payments of principal plus interest on the Atrush Development Cost Loan and the Atrush Feeder Pipeline Cost loans for invoices from July to September 2019. Subsequent to the balance sheet date the remaining amounts have been collected and both loans have now been fully repaid.

SELECTED OPERATING AND FINANCIAL INFORMATION

The following table includes selected operating and financial information of the Company for the periods indicated. A further discussion of the Company's operating and financial information for these periods are included in the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2019 and the related Management's Discussion and Analysis report. These documents are available on the Company's website at www.shamaranpetroleum.com or on SEDAR at www.sedar.com.

| | Three months ended September 30 | | Nine months ended September 30 | |
|--|------------------------------------|---------|-----------------------------------|---------|
| | 2019 | 2018 | 2019 | 2018 |
| Production information | | | | |
| Atrush average daily oil production - gross 100% field (Mbopd) | 33.2 | 21.7 | 29.3 | 20.4 |
| ShaMaran working interest in Atrush average daily oil production (Mbopd) | 9.2 | 4.4 | 6.9 | 4.1 |
| Atrush oil sales - gross 100% field (Mbbbl) | 3,051 | 1,998 | 7,992 | 5,559 |
| ShaMaran entitlement of Atrush oil sales (Mbbbl) | 405 | 223 | 942 | 1,000 |
| Financial information (unaudited) | | | | |
| USD Thousands | | | | |
| Revenue | 18,804 | 13,240 | 45,946 | 55,069 |
| Gross margin on oil sales | 5,156 | 6,295 | 9,758 | 28,966 |
| Profit from operating activities | 2,884 | 5,509 | 3,505 | 26,308 |
| Net finance cost | 5,290 | 8,217 | 19,163 | 14,576 |
| Net gain on Atrush Acquisition | - | - | 750 | - |
| (Loss)/income for the period | (2,420) | (2,720) | (14,983) | 11,693 |
| Cash flow from operations | 9,048 | 11,358 | 12,747 | 40,685 |
| Cash in bank | | | 20,027 | 84,674 |
| Positive / (negative) working capital | | | 45,770 | 114,703 |
| Total liabilities | | | 216,992 | 257,508 |

Atrush continues to grow incrementally as planned with production in Q3 2019 53% higher than year previous due to:

- Resolution of processing constraints associated with salt production.
- Additional production from new wells Chiya Khere-6, Chiya Khere-7, Chiya Khere-10, Chiya Khere-11, CK-12, and CK-13.
- Installation and operations of a temporary Heavy Oil Extended Well Testing facility at the Chamanke-C drilling location.
- Debottlenecking of the Atrush Permanent Facilities.

ShaMaran's production entitlement of Atrush oil sales has not increased for the nine months 2019 compared to year previous. This is due to the production entitlement for the first six months of 2018 being inflated due to the priority arrangement with TAQA Atrush B.V., operator of the Atrush Block, for sharing initial exploration cost oil (the "priority arrangement") which concluded in June 2018.

Revenue from oil sales in Q3 2019 of \$18.8 million was higher compared to \$13.2 million reported in Q3 2018 due to the higher production entitlement share, however the increase was offset by the significant decrease in average netback price which was approximately 28.6% lower. The priority arrangement was primarily responsible for the uplift in the Company's production entitlement share and revenues in the nine months of 2018 compared to the same period in 2019.

The decrease in gross margin on oil sales in Q3 2019 compared to Q3 2018 was driven by lifting costs related mainly to the costs of the CK-8 well and CK-5 well workovers incurred in the period and higher other costs of production related to the HOEWT. The large variance between the nine months is mainly due to the 2018 uplift in entitlement share as discussed above.

The decrease in finance cost between Q3 2019 and Q3 2018 is due to less bonds outstanding over the period and a decrease in capitalized borrowing costs due to a significant number of development projects having been completed for their intended use.

Cash flow from operations was slightly lower in Q3 2019 compared to Q3 2018 mainly due to lower gross margin on oil sales and increased general and administration costs.

OTHER

This information is information that ShaMaran Petroleum Corp 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, at 2:30 p.m. Pacific Time on November 5, 2019.

ABOUT SHAMARAN

ShaMaran Petroleum Corp. is a Kurdistan focused oil development and exploration company which holds a 27.6% direct interest 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". 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 First North Growth Market, +46 8 402 5000, certifiedadviser.se@paretosec.com.

The Company plans to publish on March 3, 2020 its financial and operational results for the year ended December 31, 2019.

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.

Reserves and resources: ShaMaran Petroleum Corp.'s reserve and contingent resource estimates are as at December 31, 2018 and have been prepared and audited in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook"). Unless otherwise stated, all reserves estimates contained herein are the aggregate of "proved reserves" and "probable reserves", together also known as "2P reserves". Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

Contingent resources: Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development but are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters or a lack of markets. There is no certainty that it will be commercially viable for the Company to produce any portion of the contingent resources.

BOEs: BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf per 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

FOR FURTHER INFORMATION PLEASE CONTACT:

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