



SHAMARAN ANNOUNCES CLOSING OF SARSANG ACQUISITION

September 14, 2022

VANCOUVER, BRITISH COLUMBIA – ShaMaran Petroleum Corp. (“ShaMaran” or the “Company”) (SNM: TSXV and Nasdaq First North Growth Market (Sweden)) is pleased to announce that the acquisition of TEPKRI Sarsang A/S (“TEPKRI”), that was previously announced in the Company’s news release of July 12, 2021, has been completed today.

In addition, the Company has filed the necessary paperwork in Denmark to change TEPKRI’s name to ShaMaran Sarsang A/S and also to change its Copenhagen registered office address.

Dr. Adel Chaouch, President and Chief Executive Officer of ShaMaran stated, “This is a momentous day for ShaMaran as with this acquisition (effective date of January 1, 2021) we have transformed ShaMaran from being a single asset company into one owning a portfolio of stakes in three world class producing oil fields (Atrush, Swara Tika and East Swara Tika) in Kurdistan with improved oil qualities and complimentary production horizons. Based on the guidance from the operator of Sarsang, net production to ShaMaran will more than double on a pro-forma basis, positioning ShaMaran among the top five International Oil Companies in Kurdistan on a net production basis. We also expect our reserves to also more than double and the Company will update the market on this sizeable reserve acquisition in due course.

As part of the transaction closing, the two outstanding bonds of the Company are being merged into a single \$300 million issue with maturity in 2025. Interest on the two bonds will be paid on Monday September 26, 2022 prior to bond conversion to be completed on Tuesday September 27, 2022. The interest period for the \$300 million 2025 bond will be September 27, 2022 until the next scheduled interest payment in January 2023. During the third quarter of 2022 ShaMaran has bought back a number of its own bonds through competitive market transactions which when combined with the previously disclosed acquisitions means that the Company now owns in excess of 10% of the new 2025 bonds.

At closing the Company has a very strong cash position. Total cash reserves (inclusive of restricted cash) are in excess of \$118 million following the acquisition of over \$30 million in the Company’s own bonds, with pro-forma leverage well under 1x net debt to EBITDA – our stated year end target. It is the Company’s intent to imminently retire the \$20 million convertible instrument issued to TotalEnergies as part of the purchase price, 11 months ahead of the originally announced schedule. Going forward the Company’s financial metrics will strengthen even further and in the current oil price environment, we expect strong cashflows from our three producing oil fields. We look forward to seeing the value created through our successful operations, and acquisitions translate into much stronger growth in shareholder value for years to come.”

OTHER

This information contains 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 below, on September 14, 2022 at 5:30 p.m. Eastern Time. Arctic Securities AS (Swedish branch) is the Company’s

Certified Adviser on Nasdaq First North Growth Market (Sweden) +46 844 68 61 00, certifiedadviser@arctic.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 operational 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", "expected", "intend", "plan", "anticipate", "believe", "estimated", "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% interest, through its wholly-owned subsidiary General Exploration Partners, Inc., in the Atrush Block and holds an 18% interest through its wholly-owned subsidiary TEPKRI Sarsang A/S (that is being re-named ShaMaran Sarsang A/S) in the Sarsang Block.

ShaMaran is a Canadian oil and gas company listed on the TSX Venture Exchange and the Nasdaq First North Growth Market (Sweden) under the symbol "SNM" and is part of the "Lundin Group of Companies".

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