



SHAMARAN REPORTS TRANSFORMATIONAL THIRD QUARTER RESULTS

November 9, 2022

VANCOUVER, BRITISH COLUMBIA – ShaMaran Petroleum Corp. (“ShaMaran” or the “Company”) (SNM: TSXV and Nasdaq First North Growth Market (Sweden)) today released its financial and operating results and related management’s discussion and analysis (MD&A) for the three and nine months ended September 30, 2022¹.

Dr. Adel Chaouch, President and Chief Executive Officer of ShaMaran, commented “The third quarter of 2022 was transformational for ShaMaran. With the closing of the Sarsang Acquisition, we now have stakes in three high quality large producing oil fields (one field in Atrush and two fields in Sarsang) with improved oil qualities and complementary production horizons. Following the closing of this acquisition, the Company’s bonds were merged into one single \$300 million issue bond, of which the Company has bought back and owns over 10%. The strong cash position also enabled ShaMaran to pay in full, 11 months ahead of the original timeline, the \$20 million convertible loan note issued to the seller as part of the acquisition consideration. We continue to generate strong financial results as we grow revenue and profits. For the year to date, we have delivered over \$100 million in EBITDAX.

We are very excited for our future prospects and will continue to execute on our strategic vision to be a best-in-class producer in Kurdistan with sustainable growth, low-leverage and significant cash flow generation. We have a strong cash position which provides us with flexibility and optionality, and in the current oil price environment, we expect continued strengthening of our financial and operational metrics.”

Corporate Highlights – the Sarsang Acquisition

On September 14, 2022 the Company announced the closing of the Sarsang Acquisition. The additional interest in the Sarsang block:

- adds immediate incremental participating interest production of over 5,000 bopd of light crude oil (36-39° API);
- is expected to double ShaMaran’s average net production by the end of 2022;
- enhances ShaMaran’s oil reserves through the addition of high API and low sulphur oil that achieves a low discount compared to other producers; and
- the combined business is forecast to result in a 2022 year end unrestricted cash balance of up to \$105 million (up to \$155 million when taking into account the bond buybacks and the early repayment of the Convertible Loan Note issued to an affiliate of TotalEnergies SE)¹. This cash balance combined with the \$36 million held as restricted cash in line with the 2025 bond agreement is forecast to result in leverage of below 1x net debt to EBITDAX at year end 2022 (*pro forma* for the Sarsang Acquisition).

¹ Assuming continued payment by the KRG for crude oil sales invoices within 90 days of receipt.

Financial Highlights

USD Thousands ¹	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
Revenue	39,812	29,070	123,492	74,884
Gross margin on oil sales	28,860	12,020	90,747	37,227
Net result	66,428	19	102,678	9,322
Cash flow from operations	28,250	12,544	92,732	40,567
EBITDAX	32,626	16,017	100,436	47,919

- The Company delivered oil sales in Q3 2022 of \$40 million, 37% higher than Q3 2021;
- Cash flow from operations for Q3 2022 was \$28 million, over twice that of Q3 2021;
- EBITDAX in Q3 2022 was very strong at \$33 million, over double the EBITDAX of Q3 2021;
- Merger of existing bonds into one single \$300 million issue bond, interest on all bonds fully paid on September 26, 2022;
- During Q3 2022 the Company bought back more of its own bonds, and currently owns in excess of 10% of the 2025 bond; and
- On October 3, 2022, the Company announced that it had prepaid, 11 months ahead of the original maturity date, in full (together with applicable interest) the \$20 million Convertible Loan Note issued to an affiliate of TotalEnergies SE in connection with the Sarsang Acquisition closing.

Operational Highlights

- The 50MM bbl cumulative production milestone for Sarsang was reached during September 2022;
- During Q3 2022 the commissioning of a new 25,000 bopd facility at Sarsang and commencement of oil export via pipeline from that facility;
- Q3 2022 gross average production of approximately 71,358 bopd, resulting in 16,206 bopd net to ShaMaran; and
- Q3 2022 lifting costs per barrel of \$4.76 is higher than Q3 2021 lifting costs of \$4.34 per barrel. This increase is mainly due to higher diesel prices, but within our 2022 Atrush guidance which takes into account cost inflation.

OTHER

ShaMaran is also pleased to announce that the Company has retained the services of Renmark Financial Communications Inc. ("Renmark"), with offices in Montreal, Toronto, New York City and Atlanta, to join its investor relations and media relations team.

The terms of the consulting agreement with Renmark, which commences today for an initial seven-month term, provides for compensation of CAD\$9,000 per month. Renmark does not have any interest, directly or indirectly, in ShaMaran or its securities, or any right or intent to acquire any such interest.

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 November 9, 2022 at 5:30 p.m. Eastern Time. Arctic Securities AS (Swedish branch) is the Company's Certified Advisor 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 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 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 and an 18% interest through its wholly-owned subsidiary 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".

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¹ All currency amounts indicated as "\$" in this news release are expressed in United States Dollars.

² Earnings before interest, tax, depreciation, amortization, and exploration expense.