

## ShaMaran Reports First Quarter 2024 Results

May 8, 2024

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 months ended March 31, 2024.

Garrett Soden, President and CEO of ShaMaran, commented: “The Sarsang and Atrush blocks performed well in Q1 2024 with the highest quarterly EBITDAX<sup>1</sup> since we started selling to the local market last year. We continue to focus on optimizing cash flow with our operating partners while looking to reach a commercial solution on the restart of exports through the Iraq-Türkiye pipeline. The timing of the pipeline reopening remains uncertain, but the relevant parties are working to resolve outstanding issues following the recent diplomacy between leaders of Kurdistan, Iraq and Türkiye. In the meantime, we look forward to closing the Atrush transaction with TAQA and HKN.”

### Corporate Highlights:

- The closure of the Iraq-Türkiye (“ITP”) 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;
- ShaMaran generated \$18.3 million in operating cash flow during the quarter from local sales, matching Q1 2023 operating cash flow (the last quarter prior to the ITP shutdown);
- The Q1 EBITDAX of \$14.2 million is higher than the combined EBITDAX of the business in the previous three quarters since the ITP shutdown, further highlighting the Company’s progress in generating strong cash flow through local sales; and
- Both Sarsang and Atrush delivered the highest quarterly production since the ITP shutdown, and we expect to increase production in both assets during the remainder of the year.

### Financial Highlights:

USD Thousands	Three months ended March 31,	
	2024	2023
Revenue	22,588	43,380
Gross margin on oil sales	6,840	22,098
Net result	(493)	9,599
Cash flow from operations	18,315	18,266
EBITDAX	14,234	30,227

- In Q1 2024, average gross daily oil production from Atrush and Sarsang combined was 57,400 bopd (66,800 bopd in Q1 2023), 14% lower than Q1 2023, while lifting costs were 42% lower than Q1 2023, primarily due to the continued focus on savings since the ITP closure;

<sup>1</sup> EBITDAX is a non-IFRS financial measure. Refer to the MD&A for more information.

- Q1 2024 oil sales to the Kurdistan local market averaged a net oil price of \$36.49/bbl (\$60.53/bbl in Q1 2023) and generated revenues to the Company of \$22.6 million, 48% lower revenue than Q1 2023, mainly due to the lower net oil price in the local sales market;
- ShaMaran generated \$17.5 million of free cash flow before debt service<sup>2</sup> in Q1 2024 (\$6.7 million in Q1 2023) as tight cost and capital expenditure controls helped optimize cash flow during the quarter;
- At March 31, 2024, the Company had cash of \$71.6 million (including restricted cash of \$25.3 million) and gross debt of \$270.6 million (including the \$255 million bond and \$15.6 million related-party loan). Net debt<sup>3</sup> was \$193.1 million (including \$5.9 million in ShaMaran 2025 bonds held by the Company); and
- At May 7, 2024, the Company had cash of \$80.9 million (including restricted cash of \$25.3 million) and gross debt of \$270.6 million (including the \$255 million bond and \$15.6 million related-party loan). Net debt was \$183.8 million (including \$5.9 million in ShaMaran 2025 bonds held by the Company).

### Operational Highlights:

	Three months ended March 31,		Three months ended
	2024	2023	December 31, 2023
<b>Average daily oil production – gross 100% field (Mbopd)</b>			
- Atrush	20.0	30.6	9.0
- Sarsang	37.4	36.2	36.4
<b>Total</b>	<b>57.4</b>	<b>66.8</b>	<b>45.4</b>
<b>Oil sales – gross 100% field (Mbbbl)</b>			
- Atrush	1,817	2,729	829
- Sarsang	3,345	3,153	3,519
<b>Total</b>	<b>5,162</b>	<b>5,882</b>	<b>4,348</b>

- At Atrush, following a period of curtailment to a maximum of 10,000 bopd for most of December 2023 and January 2024, production increased to 20,000 bopd at the end of January 2024. Production since February 2024 remains steady at ~25,000 bopd; and
- At Sarsang, well and processing capacity has been optimized to meet local sales demand and maximize field cash generation since the ITP closure, with two of the four available production facilities maintained online for an average production rate of 37,400 bopd during Q1 2024. Following a decrease during facilities maintenance in April 2024, production has partially recovered, with further increases towards the Q1 2024 levels expected in the coming weeks.

### Abbreviations:

bbl	Barrels of crude oil
bopd	Barrels of crude oil per day
Mbbl	Thousand barrels of crude oil
Mbopd	Thousand barrels of crude oil per day

<sup>2</sup> Free cash flow before debt service is a non-IFRS financial measure. Refer to the MD&A for more information.

<sup>3</sup> Net debt is a non-IFRS financial measure. Refer to the MD&A for more information.

ShaMaran plans to publish its financial statements for the six months ending June 30, 2024, on August 8, 2024. Except as otherwise indicated, all currency amounts indicated as "\$" in this news release are expressed in United States dollars.

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

ShaMaran is a Canadian independent oil and gas company focused on the Kurdistan region of Iraq. The Company indirectly holds an 18% working interest (22.5% paying interest) in the Sarsang Block, and, subject to closing the previously announced transaction, will increase its indirect 27.6% working interest in the Atrush Block to 50%. 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 May 8, 2024, 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 including, but not limited to, expectations and timing of the ITP reopening and its effect on the Company, expected increase in production in Sarsang and Atrush and the impact of the anticipated closing of a previously announced transaction on the Company's indirect working interest in the Atrush Block. 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, 2023, and other reports on file with the Canadian Securities Regulatory Authorities that can be accessed on the Company's profile on SEDAR+. 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. With respect to the forward-looking statements in this news release, the Company has made assumptions regarding, among other things, local sales demand and prices, the timing and conditions to the reopening of the ITP, the closing of the TAQA/HKN transaction, future oil and gas prices and that the Company will continue to raise sufficient capital to fund its operations. 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.

Elvis Pellumbi, CFO, +41 22 560 8600, [info@shamaranpetroleum.com](mailto:info@shamaranpetroleum.com), [www.shamaranpetroleum.com](http://www.shamaranpetroleum.com)