

ShaMaran Announces Bond Summons

May 27, 2024

Vancouver, British Columbia – ShaMaran Petroleum Corp. (“ShaMaran” or the “Company”) (TSXV: SNM) (Nasdaq First North: SNM) refers to the Company’s press release on May 21, 2024, and announces that the Company has today issued a summons for written resolution to all bondholders in the outstanding 12% senior unsecured bond due July 2025 (ISIN NO 0011057622) (the “Bond”). The summons proposes amendments to the Bond (the “Proposal”), including a two-year extension to July 2027.

The Company has met with and received strong support for the Proposal from a large percentage of the bondholders. Approval of the Proposal will enable the Company to better utilize all available cash flow, above a prudent balance required to run the business, in order to repay the Bond in an accelerated fashion versus the current structure.

Elvis Pellumbi, Chief Financial Officer of ShaMaran, commented, “Launching the bond proposal today is an important step in allowing the Company to accelerate our debt repayment efforts and enhance value for all stakeholders.”

If the Proposal is approved, the Company is offering to repurchase bonds through a \$47 million tender offer, which, together with the cancellation of the Company’s own bonds (\$5.9 million), will reduce the outstanding amount of the Bond by approximately 21%. Several large bondholders, including the Lundin family, have indicated that they do not intend to participate in the tender offer, allowing the remaining bondholders to reduce the size of their position by a significantly larger percentage through the tender. Any unused tender amount will be repaid *pro-rata* to all bondholders.

The size of the proposed tender exceeds the amount of the next two scheduled amortisations per the current Bond terms, and, with the proposed cash sweep mechanism effective July 30, 2024, the Company intends to accelerate debt repayment in order to optimize its capital structure.

The Lundin family has agreed to extend their subordinated loan to the Company beyond the proposed new maturity of the Bond, with no other changes to the loan terms if the written resolution is passed by bondholders.

The summons can be found on the Nordic Trustee website (<https://new.stamdata.com>).

Pareto Securities has been engaged as Manager for the contemplated proposal with ABG Sundal Collier and Clarksons Securities engaged as Co-Managers.

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 27, 2024, at 9:30 a.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 of cash flow that may be impacted by the local demand for oil continuing until the Iraq-Türkiye pipeline ("ITP") reopening and its effect on the Company, including production in Sarsang and Atrush, and the impact of the anticipated closing of the TAQA/HKN transaction on the Company's indirect working interest in the Atrush Block. There is no certainty that bondholders will support the proposed amendments and vote in favour of such amendments. 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 be able to raise sufficient capital to fund its operations, if needed. 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.