

ShaMaran Reports Second Quarter 2024 Results

August 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 and six months ended June 30, 2024.

Garrett Soden, President and CEO of ShaMaran, commented: “Our two blocks in Kurdistan continue to deliver solid EBITDAX¹ and cash flow from local market sales. The recent TAQA/HKN transaction closing will allow us to increase production and local sales at Atrush. With the bond maturity extension in Q2 2024, we now have the strategic flexibility to pursue additional growth opportunities in Kurdistan. Long-term, we look forward to a commercial solution for the restart of exports through the Iraq-Türkiye pipeline.”

Corporate Highlights:

- The closure of the Iraq-Türkiye pipeline (“ITP”) 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;
- In Q2 2024, average gross daily oil production from Atrush and Sarsang combined was 54,800 bopd, more than three times the level achieved in Q2 2023 (18,000 bopd in Q2 2023 from Sarsang only as Atrush was shut in immediately after the ITP closure);
- As a result of higher production from both blocks, revenue from local sales in Q2 2024 was \$22.6 million, approximately three-and-a-half times the \$6.5 million delivered during Q2 2023; and
- In June 2024, the Company retired \$47 million of the ShaMaran 2025 bond through a tender process and \$5.9 million of its own bonds, and announced bondholder approval for amendments to the bond terms, including a two-year extension of the maturity date to July 2027.

Financial Highlights:

USD Thousands	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Revenue	22,630	6,542	45,218	49,922
Gross margin on oil sales	7,405	(4,199)	14,245	17,899
Net result	(509)	(27,199)	(1,002)	(17,600)
Cash flow from operations	15,830	(734)	34,145	17,532
EBITDAX	14,707	(4,876)	28,941	25,351

- ShaMaran generated \$15.8 million in operating cash flow during Q2 2024 from local sales (negative \$0.7 million in Q2 2023);
- The Company produced free cash flow before debt service² of \$16.8 million in Q2 2024 (negative \$6.8 million in Q2 2023) with tight cost control;

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

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

- EBITDAX has consistently increased since the ITP shutdown, with Q2 2024 EBITDAX at \$14.7 million (negative \$4.9 million in Q2 2023);
- Q2 2024 oil sales to the Kurdistan local market averaged a net oil price of \$37.80/bbl from the two blocks (\$41.28/bbl in Q2 2023 from Sarsang only), 8% lower than Q2 2023; and
- At June 30, 2024, the Company had cash of \$38.7 million and gross debt of \$217.7 million (including the \$202.1 million bond and \$15.6 million related-party loan). Net debt³ was \$179 million.

Operational Highlights:

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Average daily oil production – gross 100% field (Mbopd)				
- Atrush	25.1	-	22.5	15.2
- Sarsang	29.7	18.0	33.6	27.0
Total	54.8	18.0	56.1	42.2
Oil sales – gross 100% field (Mbbbl)				
- Atrush	2,279	-	4,096	2,729
- Sarsang	2,622	1,234	5,967	4,387
Total	4,901	1,234	10,063	7,116

- At Atrush, production averaged 25,100 bopd in Q2 2024 and remains stable; and
- At Sarsang, production averaged 29,700 bopd in Q2 2024 due to maintenance activities and facility downtime. Daily rates in late June and early July 2024 have exceeded 36,000 bopd. During Q3 2024, a two-well drilling program will commence that is expected to increase production towards year-end.

Subsequent Event:

- On August 6, 2024, the Company closed the acquisition of TAQA Atrush B.V. and the subsequent sale of an indirect interest in Atrush to HKN Energy IV, Ltd. announced on January 22, 2024. The two-step transaction increased the Company's indirect 27.6% stake in the Atrush Block to a 50% working interest (66.67% paying interest) following the sale of an indirect 25% working interest (33.33% paying interest) to HKN Energy IV, Ltd. An affiliate of HKN Energy is now operator of the Atrush Block, and the Kurdistan Regional Government's 25% working interest in the Atrush Block has been converted to a carried interest.

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

³ 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 nine months ending September 30, 2024, on November 7, 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 a 50% working interest (66.67% paying interest) in the Atrush Block. 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 August 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 completion of the TAQA/HKN transaction 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, impact of the completion 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.

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