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SHAMARAN SECOND QUARTER 2019 FINANCIAL AND OPERATING RESULTS

AUGUST 7, 2019

VANCOUVER, BRITISH COLUMBIA - ShaMaran Petroleum Corp. ("ShaMaran" or the "Company") (TSX VENTURE: SNM) (OMX: SNM) today released its financial and operating results and related management discussion and analysis for the three and six months ended June 30, 2019. Unless otherwise stated all currency amounts indicated as "$" in this news release are expressed in thousands of United States dollars.

"*In the second quarter, we increased our ownership interest in the Atrush Block, saw more production brought online as planned and continued to generate consistent cash flow,*" said ShaMaran President and CEO Dr. Adel Chaouch. "*Our strengthened interest of 27.6% in Atrush Block provides a stable foundation for future growth. We are generating cash flow that can fund organic growth and the Company is now strongly positioned to act on new accretive opportunities.*"

SECOND QUARTER 2019 HIGHLIGHTS AND SIGNIFICANT SUBSEQUENT EVENTS

- **We increased ownership interest in Atrush by 37.3% giving shareholders greater exposure to a high-quality, producing asset.** We completed the acquisition of an additional 7.5% participating interest in the Atrush Block production sharing contract ("PSC"), bringing ShaMaran's total interest in Atrush up from 20.1% to 27.6% as of May 30. The PSC has been reduced to three partners from four.
- **We renewed leadership.** Dr. Adel Chaouch was appointed President and Chief Executive Officer of ShaMaran and member of the Board of Directors, replacing Chris Bruijnzeels. Mr. Bruijnzeels was appointed Chair of the Board of Directors, replacing Keith Hill who remains a Board member. Will Lundin was elected to the board at the Annual General Meeting on June 26, replacing Brian Edgar who did not stand for re-election.
- **We met average production guidance for the year.** Atrush's production guidance for 2019 is 30,000 to 35,000 bopd, with an expected production of 45,000 to 50,000 bopd at 2019 exit. Average production for Q2 2019 was 28,295 bopd. Subsequent to second quarter, July 2019 average production was 33,900 bopd. Compared to year previous, average daily oil production increased 79% for the quarter (28,295 bopd vs. 15,767 bopd) and 39% for the six months ended June 30 (27,295 bopd vs. 19,681 bopd).
- **We increased well capacity through to remainder of year.**
  - The Chiya Khere-6 ("CK-6") well was recompleted in February 2019 and came online for production in May 2019 at 4,500 bopd.
  - The Chiya Khere-11 ("CK-11") was drilled to depth by mid-March, came online for production in May 2019, is currently producing at 5,500 bopd and has potential to be increased up to 8,500 bopd.
  - The Chiya Khere-12 ("CK-12") well was drilled to depth at the end of May 2019, is currently being tested and is expected to be online for production in August 2019.
  - The Chiya Khere-13 ("CK-13") well was spudded in June 2019 and is expected to be online for production in Q4 2019.
- **We advanced necessary infrastructure in lockstep with growing well capacity.** Heavy oil extended well test ("HOEWT") facilities have been installed and commissioned, testing from the Atrush-3 ("AT-3") commenced in mid-April and is currently ongoing. The HOEWT will be maintained and available to provide an additional 5,000 bopd medium oil processing capacity through 2019, which would be produced from CK-6. The existing production facilities processing capacity has been increased to 34,000 (from a nameplate capacity of 30,000 bopd), and additional debottlenecking will be completed in Q4 2019 to further increase capacity to 38,000 bopd. The procurement process for Atrush Early Production Facilities ("EPF") is underway. It is expected these facilities will deliver an additional 10,000 bopd processing capacity in the second half of 2019.
- **We increased 2P reserves.** Total Field Proven plus Probable ("2P") Reserves on a property gross basis for Atrush increased from 102.7 million barrels reported as at December 31, 2017, to 106 million barrels which, when 2018 Atrush production of 8 million barrels is included, represents an increase of 11%. This equates to a 2P Reserves replacement ratio of 2018 production of 140%.
- **We financed acquisition of additional ownership interest through existing cash.** Upon close of the acquisition of an additional 7.5% of Atrush in May 2019, total cash payments of $27.2 million were made, financed from existing cash. The total cash payments are equal to 50% of the $63 million price previously announced on December 27, 2018 (which corresponded to a purchase of 15% of Atrush), less all other final closing adjustments including half of the net Atrush cash flows received by Marathon after January 1, 2018, the effective date of the acquisition.
- **We continued to self-fund Atrush development with stable cash inflows.**
  - The Company received $7.1 million for its entitlement share of Atrush PSC profit oil and cost oil for April 2019 oil deliveries. For January 2019 through to April 2019 oil sales, the Company has received $22.5 million.
  - The Company received $0.8 million of Atrush Exploration Costs receivable on April 2019 oil sales. From January through to April 2019 oil sales, the Company has received $1.6 million.
  - The Company received $4.9 million in payments of principal plus interest on the Atrush Development Cost Loan and the Atrush Feeder Pipeline Cost loans for invoices from April to June 2019. An additional $1.8 million has been collected following the balance sheet date.

SELECTED OPERATING AND FINANCIAL INFORMATION

The following table includes selected operating and financial information of the Company for the periods indicated. A further discussion of the Company's operating and financial information for these periods are included in the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2019 and the related Management's Discussion and Analysis report. These documents are available on the Company's website at www.shamaranpetroleum.com or on SEDAR at www.sedar.com.

	Three months ended June 30		Six months ended June 30	
	2019	2018	**2019**	2018
Production information				
Atrush average daily oil production - gross 100% field (Mbopd)	28.3	15.8	27.3	19.7
ShaMaran working interest in Atrush average daily oil production (Mbopd)	6.4	3.2	5.8	4.0
Atrush oil sales - gross 100% field (Mbbl)	2,575	1,435	4,940	3,562
ShaMaran entitlement of Atrush oil sales (Mbbl)	284	259	537	777
Financial information (unaudited)				
Revenue	15,071	15,328	27,142	41,829
Gross margin on oil sales	2,838	8,338	4,602	22,671
Profit from operating activities	439	7,395	621	20,799
Net finance cost	5,214	2,572	13,873	6,359
Net gain on Atrush Acquisition	750	-	750	-
(Loss)/income for the period	(4,068)	4,812	(12,563)	14,413
Cash flow from operations	(5,411)	21,864	3,699	29,327
Cash in bank			19,585	27,224
Positive / (negative) working capital			48,647	(128,898)
Total liabilities			223,255	203,875

Atrush average daily oil production in Q2 2019 was 80% higher than Q2 2018 principally due to:

- Resolution of processing constraints associated with salt production
- Additional production from new wells CK-7, CK-10, CK-11 and CK-6
- Installation and operations of HOEWT facility at Pad C

ShaMaran entitlement of Atrush oil sales was higher by only 10% between Q2.2019 and Q2.2018 due to the production entitlement for the first six months of 2018 being inflated due to an adjustment for the cost sharing arrangement which concluded between these two parties in June 2018.

Revenue from oil sales in Q2 2019 was slightly lower compared Q2 2018 due to the lower average netback price combined and lower production entitlement share, and despite a higher daily average production rate. The priority arrangement with TAQA for sharing initial exploration cost oil created a significant uplift in the Company's production entitlement share and revenues compared to the first half of 2019.

The decrease in gross margin on oil sales was driven by additional per barrel lifting costs related mainly to the costs of the CK-8 well workover incurred in the period, higher other costs of production related to the HOEWT and an increased cost of depletion per barrel due to an upward revision in estimated future development costs at the end of 2018.

The increase in finance cost between Q2 2019 and Q2 2018 is due to more bonds outstanding over the period at a slightly higher coupon rate and to a decrease in capitalized borrowing costs due to a significant number of development projects having been completed for their intended use.

Cash flow from operations was lower in Q2 2019 compared to Q2 2018 mainly due to lower gross margin on oil sales and cash out on the acquisition of an additional interest in Atrush.

OTHER

This information is information that ShaMaran Petroleum Corp 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, at 5:30 p.m. Eastern Time on August 7, 2019.

ABOUT SHAMARAN

ShaMaran Petroleum Corp. is a Kurdistan focused oil development and exploration company which currently holds a 27.6% direct interest in the Atrush Block.

ShaMaran is a Canadian oil and gas company listed on the TSX Venture Exchange and the NASDAQ First North Exchange (Stockholm) under the symbol "SNM". 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. Pareto Securities AB is the Company's Certified Advisor on NASDAQ First North, +46 8 402 5000, certifiedadviser.se@paretosec.com .

The Company plans to publish on November 5, 2019 its financial and operational results for the three and nine months ended September 30, 2019.

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 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.

Reserves and resources: ShaMaran Petroleum Corp.'s reserve and contingent resource estimates are as at December 31, 2018 and have been prepared and audited in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook"). Unless otherwise stated, all reserves estimates contained herein are the aggregate of "proved reserves" and "probable reserves", together also known as "2P reserves". Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

Contingent resources: Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development but are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters or a lack of markets. There is no certainty that it will be commercially viable for the Company to produce any portion of the contingent resources.

BOEs: BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf per 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

FOR FURTHER INFORMATION PLEASE CONTACT:

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