

Contemplated Private Placement of New Equity

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ShaMaran Petroleum Corp. ("ShaMaran" or the "Company") (TSX VENTURE:SNM)(OXM:SNM) is pleased to announce that it intends to undertake an equity issue, on a private placement basis, of an aggregate of up to 360 million common shares (the "Common Shares") through an accelerated book-building process (the "Private Placement"). Pareto Securities has been engaged as manager and bookrunner (the "Agent") for the Private Placement.

Net proceeds of the Private Placement will be used towards ongoing completion of the Atrush field development as well as for general corporate purposes. The subscription period commences today on January 19th, 2017 and will close on January 20th, 2017 at 17:30 hours (CET). The Company, together with the Agent, reserves the right to close or extend the subscription period at any time at their sole discretion. The minimum subscription and allocation per participant in the private placement is an amount equivalent to EUR 100,000.

The Agent has received interest for a large share of the Private Placement from selected investors on a restricted basis. In addition, the Lundin family trusts which currently hold approximately 17% of the outstanding shares have confirmed to the Agent that they intend to subscribe for their pro-rata share of the Private Placement.

The Common Shares will be offered by way of prospectus exemptions under applicable Canadian securities laws and the Common Shares sold in the Private Placement will be subject to a hold period of four months plus one day from the date of issue.

Completion of the Private Placement will be subject to certain customary conditions including, but not limited to, execution of subscription agreements between the Agent, or the Company, and the subscribers and TSX Venture Exchange approval. The allocation of shares will be determined at the end of the bookbuilding process. The final allocation will be made at the discretion of the Board of Directors in consultation with the Agent.

The issuance of Common Shares to insiders constitutes a "related party transaction", as defined under Multilateral Instrument 61-101 ("MI 61-101"). The transactions will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of any Common Shares issued to nor the consideration paid by such persons would exceed 25% of the Company's market capitalization.

This news release does not constitute an offer to sell or a solicitation of an offer to buy the securities described herein in the U.S., or in any jurisdiction in which such an offer or sale would be unlawful. The securities described herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws and may not be offered or sold in the U.S. or to the account or benefit of a U.S. person or a person in the U.S. absent registration or an applicable exemption from the registration requirements.

This information in this release is subject to the disclosure requirements of ShaMaran Petroleum Corp. under the EU Market Abuse Regulation and the Swedish Securities Markets Act. This information was publicly communicated on January 19th, 2017 at 1:00 p.m. Pacific Time.

ABOUT SHAMARAN

ShaMaran Petroleum Corp. is a Kurdistan focused oil development and exploration company with a 20.1% direct interest in the Atrush oil discovery. The Atrush Block is currently undergoing an appraisal and development campaign.

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.

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, failure to satisfy the closing conditions of the Private Placement, 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. Forward-looking information in this press release include, among other things: size and timing of closing of the Private Placement; participation by certain parties in the Private Placement and the proposed use of proceeds of the Private Placement. 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. The Company may elect to use the proceeds of the Private Placement in a different manner than as described above if the Company determines it is in its best interests to do so.

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