

ShaMaran 2014 Year End Financial and Operating Results

VANCOUVER, BRITISH COLUMBIA-(Marketwired - March 13, 2015) -ShaMaran Petroleum Corp. ("ShaMaran" or the "Company") (TSX VENTURE:SNM)(OMX:SNM) is pleased to announce its financial and operating results for the year ended December 31, 2014. Unless otherwise stated all currency amounts indicated as "\$" in this news release are expressed in thousands of United States dollars.

HIGHLIGHTS

Production Facilities

- Implementation of the 30,000 bopd Phase 1 Chiya Khere production facility is in progress. The civil construction site preparation work for the facility was completed in the final quarter of 2014 and work is continuing on foundations for the individual units. Main production modules for the facility are being fabricated with onsite delivery expected during the second quarter of 2015.
- Front End Engineering and Design ("FEED") on a dedicated feeder pipeline between the Chiya Khere production facility and the main Khurmala to Fishkabur export pipeline was completed during 2014. Initial work on the pipeline right of way in the elevated section over the Chiya Khere mountain has commenced.

Well Results

- The Atrush-3 appraisal well flowed with a maximum oil rate of 4,900 bopd of 14° API oil using an electrical submersible pump during testing conducted in January 2015 in connection with well re-entry operations. The well was originally drilled in 2013.
- The Chiya Khere-6 ("CK-6") eastern appraisal well was drilled to a total depth ("TD") of 2,105 meters which was reached in November 2014. During subsequent testing the well flowed with a maximum oil rate of over 6,700 bopd of 26.6° API oil using an electrical submersible pump.
- The Chiya Khere-8 ("CK-8") development well was drilled from the same well pad used for the Atrush-1 ("AT-1") well discovery to a TD of 2,195 metres, which was reached in September 2014. The well has been suspended as a Phase 1 producer, pending testing and completion planned in early 2015.
- The Chiya Khere-5 ("CK-5") development well was drilled from the same well pad used for the AT-1 well discovery to a TD of 2,098 metres, which was reached in June 2014. The well has been suspended as a Phase 1 producer, pending testing and completion planned in early 2015.
- The Atrush-4 ("AT-4") appraisal and development well was drilled to a TD of 2,916 metres which was reached in January 2014. The well flowed with a combined rate of 9,059 bopd of 27-28° API oil from two intervals. AT-4 has been suspended as a Phase 1 producer.

Corporate

- The Company reports Atrush Block gross 2P reserve estimates of 61 MMbbls (2013: 58 MMbbls) as well as Atrush Block gross contingent resource estimates of 310 MMboe 2C (2013: 404 MMboe) as of December 31, 2014.
- ShaMaran raised gross funds of CAD 75.4 million through the issuance of an aggregate of 754,214,990 common shares of the Company in February 2015. The shares were issued further to an offering of rights to existing shareholders of the Company to purchase shares of ShaMaran at an exercise price of CAD 0.10 per share.
- Mr. Chris Bruijnzeels has been appointed as the President and Chief Executive Officer of ShaMaran and both Mr Bruijnzeels and Mr. C. Ashley Heppenstall have been appointed as members of ShaMaran's Board of Directors. The appointments were effective January 19, 2015.
- \$150 million of senior secured bonds issued by General Exploration Partners, Inc. ("GEP"), a wholly owned subsidiary of the Company, were listed on the Oslo Børs in Norway in May 2014. The ticker for the bonds is "GEP01".

FINANCIAL AND OPERATING RESULTS FOR THE YEAR ENDED DECEMBER 31, 2014

During the reporting period the Company continued its appraisal and development campaign in respect of the Atrush petroleum property located in the Kurdistan Region of Iraq which constitutes the continuing operations of the Company. Atrush currently generates no revenues.

The Company has reported in 2014 a net loss of \$7.0 million which was primarily driven by routine general and administrative expenses, share based payment expenses and finance cost, the substantial portion of which was expensed borrowing costs on the Company's senior secured bonds. These charges have been offset by a gain on the release of excess site restoration provisions associated with the Company's discontinued operations in the United States.

Consolidated Statement of Comprehensive Income
(Audited, expressed in thousands of United States Dollars)

	For the year ended December 31,	
	2014	2013
Expenses from continuing operations		
General and administrative expense	(1,548)	(2,393)
Share based payments expense	(307)	(882)
Depreciation and amortisation expense	(53)	(65)
Impairment loss	-	(84)
Loss before finance items and income tax expense	(1,908)	(3,424)
Finance income	108	28
Finance cost	(5,304)	(740)
Net finance cost	(5,196)	(712)
Loss before income tax expense	(7,104)	(4,136)
Income tax expense	(109)	(87)
Loss from continuing operations	(7,213)	(4,223)
Discontinued operations		
Net income from discontinued operations	213	935
Loss for the year	(7,000)	(3,288)
Other comprehensive (loss) / income :		
Currency translation differences	(92)	19
Total other comprehensive (loss) / income	(92)	19
Total comprehensive loss for the year	(7,092)	(3,269)

Consolidated Balance Sheet
(Audited, expressed in thousands of United States Dollars)

	As at December 31,	
	2014	2013
Assets		
Non-current assets		
Intangible assets	429,277	344,990
Property, plant and equipment	172	179
	429,449	345,169
Current assets		
Cash and cash equivalents	57,204	142,588
Other current assets	1,605	194
	58,809	142,782
Assets associated with discontinued operations	-	3
Total assets	488,258	487,954
Liabilities and equity		
Current liabilities		
Accounts payable and accrued expenses	14,207	7,458
Accrued interest expense on bonds	2,252	2,252
Current tax liabilities	41	92
	16,500	9,802

Non-current liabilities		
Borrowings	147,657	147,050
Provisions	1,846	1,185
	149,503	148,235
Liabilities associated with discontinued operations	51	928
Total liabilities	166,054	158,965
Equity		
Share capital	534,068	534,068
Share based payments reserve	5,025	4,718
Cumulative translation adjustment	(65)	27
Accumulated deficit	(216,824)	(209,824)
Total equity	322,204	328,989
Total liabilities and equity	488,258	487,954

Intangible assets increased during the year 2014 by \$84.3 million, which was substantially all related to additions to E&E assets comprised of Atrush drilling and field development activity costs totalling \$68.4 million, borrowing costs capitalised of \$12.6 million which relate to the financing of the Atrush development project, and general and administrative costs relating to Atrush Block E&E activities totalling \$3.3 million.

Consolidated Cash Flow Statement

(Audited, expressed in thousands of United States Dollars)

	For the year ended December 31,	
	2014	2013
Operating activities		
Net loss from continuing operations	(7,213)	(4,223)
Adjustments for:		
Interest expense on senior secured bonds - net	5,286	689
Share based payments expense	307	882
Depreciation and amortisation expense	53	65
Impairment loss	-	84
Foreign exchange (gain) / loss	(43)	49
Interest income	(65)	(28)
Changes in accounts payable and accrued expenses	6,749	431
Changes in provisions	661	1,065
Changes in inventories	-	114
Changes in current tax liabilities	(51)	2
Changes in other current assets	(1,411)	137
Cash used in discontinued operations	(661)	(78)
Net cash inflows from / (outflows to) operating activities	3,612	(811)
Investing activities		
Interest received on cash deposits	65	28
Repayment of deferred liability	-	(5,000)
Purchase of property, plant and equipment	(81)	-
Purchases of intangible assets	(71,682)	(39,788)
Net cash outflows to investing activities	(71,698)	(44,760)
Financing activities		
Proceeds on bond issue	-	150,000
Bond related transaction costs	-	(3,028)
Interest payments to bondholders	(17,250)	-

Net cash outflows to financing activities	(17,250)	146,972
Effect of exchange rate changes on cash and cash equivalents	(48)	(29)
Change in cash and cash equivalents	(85,384)	101,372
Cash and cash equivalents, beginning of the year	142,588	41,216
Cash and cash equivalents, end of the year	57,204	142,588

The decrease by \$85.4 million in the cash position of the Company during the year ended December 31, 2014 was due to cash outflows of \$71.7 million on Atrush Block appraisal and development activities, \$17.3 million on interest payments to bondholders, \$1.6 million on G&A and other cash expenses, \$5.9 million in positive cash movements due to changes in working capital items, and \$0.7 million used on discontinued operations.

OUTLOOK

The outlook is as follows:

Production Facilities

Work is continuing with foundation work ready to receive the various production modules and equipment during 2015 for the Chiya Khere 30,000 bopd production facility. Onsite delivery is expected to commence from the second quarter with hook-up and commissioning to follow with first oil targeted by end of 2015.

The KRG is to continue installation of the feeder pipeline between the Chiya Khere production facility and the tie-in point on the main export pipeline at KCP2 at kilometre 92. Pipeline commissioning is expected to be completed in time for target production start-up.

Wells

The Operator plans to mobilise a workover rig in April 2015 to conduct well tests on the previously untested CK-5 and CK-8 wells and to complete them for production and connection to the Chiya Khere Phase 1 facilities. In addition 2015 plans are to use the workover rig to complete AT-2 and AT-4, the other two Phase 1 production wells which have been tested, also to be connected to the Chiya Khere Phase 1 facilities as future producers.

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, which is currently undergoing appraisal and development.

ShaMaran Petroleum is a Canadian oil and gas company listed on the TSX Venture Exchange and the NASDAQ OMX 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.

ShaMaran's Certified Advisor on NASDAQ OMX First North is Pareto Securities AB.

The Company's annual consolidated financial statements, notes to the financial statements, management's discussion and analysis and Annual Information Form have been filed on SEDAR (www.sedar.com) and are also available on the Company's website (www.shamaranpetroleum.com). The Annual Information Form includes the Company's reserves and resource data as at December 31, 2014 as provided by McDaniel & Associates Consultants Ltd and other oil and natural gas information prepared in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

ShaMaran will hold an annual general meeting of shareholders on June 17, 2015 in Vancouver, British Columbia.

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”, “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 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.

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