

ShaMaran Reports Third Quarter 2024 Results

VANCOUVER, BC, Nov. 7, 2024 /CNW/ - **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 nine months ended September 30, 2024. [View PDF](#)

Garrett Soden, President and CEO of ShaMaran, commented: "This is another strong quarter for ShaMaran, with the benefits of the TAQA/HKN transaction starting to show through our higher share of production and local sales at Atrush. We remain focused on minimizing our cost base and deleveraging the Company while reviewing further consolidation opportunities in Kurdistan. Long-term, we look forward to a commercial solution for the restart of exports through the Iraq-Türkiye pipeline."

Corporate Highlights:

- On August 6, 2024, the Company closed the acquisition of TAQA Atrush B.V. and the subsequent sale of an indirect interest in the Atrush Block 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 Atrush, and the Kurdistan Regional Government's 25% working interest in the block has been converted to a carried interest;
- On July 1, 2024, the Company's amended bond terms became effective, including a two-year extension of the maturity date to July 2027;
- 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 Q3 2024, average gross daily oil production from Atrush and Sarsang combined was 59,300 bopd, 114% higher than Q3 2023 (27,700 bopd from Sarsang only as Atrush was shut-in after the ITP closure) due to local sales achieved from both blocks; and
- Revenue in Q3 2024 was \$29.4 million, 133% higher than Q3 2023 (\$12.6 million) due to local oil sales, the restart of Atrush production in Q4 2023 and an increased working interest in the Atrush Block since August 7, 2024.

Financial Highlights:

USD Thousands	Three months ended Sept 30		Nine months ended Sept 30	
	2024	2023	2024	2023
Revenue	29,425	12,644	74,643	62,566
Gross margin on oil sales	9,955	1,595	24,200	19,494
Cash flow from operations	29,127	13,126	63,272	30,658
EBITDAX	21,509	5,834	50,450	31,185

- The Company generated \$29.1 million in operating cash flow during Q3 2024 from local sales, 122% higher than Q3 2023 (\$13.1 million);
- ShaMaran generated \$21.6 million of free cash flow before debt service¹ in Q3 2024 due to the strength of local sales and proactive cost-cutting, 112% higher than Q3 2023 (\$10.2 million);
- EBITDAX² has consistently increased since the ITP shutdown, with Q3 2024 EBITDAX at \$21.5 million, 270% higher than Q3 2023 (\$5.8 million);
- Q3 2024 oil sales to the Kurdistan local market averaged a net oil price of \$35.65/bbl from the two blocks, 10% lower than Q3 2023 (\$39.41/bbl from Sarsang only);
- At September 30, 2024, the Company had cash of \$46.8 million and gross debt of \$217.7 million (including the \$202.1 million bond and \$15.6 million related-party loan). Net debt³ was \$170.9 million; and
- At November 7, 2024, the Company had cash of \$56.9 million and gross debt of \$215.5 million (including the \$199.9 million bond and \$15.6 million related-party loan). Net debt³ was \$158.6 million.

Operational Highlights:

	Three months ended Sept 30		Nine months ended Sept 30	
	2024	2023	2024	2023
Average daily oil production – gross 100% field (Mbopd)				
- Atrush	26.8	-	23.9	10.1

- Sarsang	32.5	27.7	33.2	27.3
Total	59.3	27.7	57.1	37.4
Average daily oil production – Company net (Mbopd)				
- Atrush (27.6% until August 6, 2024; 50% thereafter)	11.1	-	7.9	2.8
- Sarsang (18%)	5.9	5.0	6.0	4.9
Total	17.0	5.0	13.9	7.7
Oil sales – gross 100% field (Mbbl)				
- Atrush	2,463	-	6,559	2,729
- Sarsang	2,949	2,947	8,916	7,333
Total	5,412	2,947	15,475	10,062

- Atrush had average production in Q3 2024 of 26.8 Mbopd, including an increase in production beyond 30 Mbopd in September 2024 under the new operator; and
- At Sarsang, despite maintenance and facility downtime, average production in Q3 2024 was 32.5 Mbopd. Sarsang is expected to have higher production in Q4 2024 with ongoing drilling and completion operations, as well as improved facility uptime.

Subsequent Events:

- The Company announced on October 28, 2024, the market purchase and cancellation of \$2.1 million of the Company's bond. The total outstanding amount of the Company's bond as of the date of this press release is \$199.9 million; and
- Mr. Alex Lengyel, Chief Commercial Officer and Corporate Secretary, will be leaving the Company at the end of 2024. Mr. Elvis Pellumbi, Chief Financial Officer, will take over the corporate secretarial responsibilities effective today.

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

Shamaran plans to publish its financial statements for the year ending December 31, 2024, on March 12, 2025. 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 a 50% working interest (66.67% paying interest) in the Atrush Block and an 18% working interest (22.5% paying interest) in the Sarsang 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 November 7, 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. 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. 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.

¹ Free cash flow before debt service is a non-IFRS financial measure. Refer to the MD&A for more information.

² EBITDAX is a non-IFRS financial measure. Refer to the MD&A for more information.

³ Net debt is a non-IFRS financial measure. Refer to the MD&A for more information.

SOURCE ShaMaran Petroleum Corp.

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Additional assets available online:  [Documents \(1\)](#)

<https://shamaran.mediaroom.com/2024-11-07-ShaMaran-Reports-Third-Quarter-2024-Results>