Shamaran Petroleum

ShaMaran Announces 25% Increase in Atrush Reserves Estimates

VANCOUVER, BRITISH COLUMBIA–(Marketwired - Feb. 15, 2018) -ShaMaran Petroleum Corp. ("ShaMaran" or the "Company") (TSX VENTURE:SNM) (OMX:SNM) is pleased to report an increase by 25% in estimated Proven plus Probable ("2P") Oil Reserves for the Atrush block as of December 31, 2017 after accounting for Atrush 2017 production. Reserves and contingent resources estimates were provided by McDaniel & Associates Consultants Ltd. ("McDaniel"), the Company's independent qualified resources evaluator, and were prepared in accordance with standards set out in the Canadian National Instrument NI 51-101 and Canadian Oil and Gas Evaluation Handbook (COGEH).

Chris Bruijnzeels, President and CEO of ShaMaran, commented: *"These year-end reserve estimates demonstrate the world class nature of the Atrush field. Total Field Proven plus Probable ("2P") Reserves on a property gross basis for Atrush increased from 85.1 MMbbl to 102.7 MMbbl which, when 2017 Atrush production of 3.4 MMbbl is included, represents an increase of 25 percent. Total Field Unrisked Best Estimate Contingent Oil Resources ("2C") on a property gross basis for Atrush remained essentially the same at around 296 MMbbl, resulting in an overall increase in Atrush best estimate resources of 5%. Our 2018 work program aims to move more of the contingent resources into reserves."*

McDaniel's estimates reflect the encouraging production results from the Atrush field following start of production in July 2017, as well as the positive drilling results of Chiya Khere-7 well which found the top of the reservoir 114 meters higher to prognosis. McDaniel's reserves estimates assume that four extra production wells will be drilled to further develop the medium gravity oil in the reserves area of the field, increasing medium oil recovery. Reserves associated with the heavy oil extended well test planned in 2018 for the Chiya Khere-6 well have also been included. Reserves which were included in McDaniel's previous estimate for heavy oil production from the wells currently producing have now been transferred to Contingent Resources because production to date has shown no indication of heavy oil.

(1) This estimate of remaining recoverable resources (unrisked) includes contingent resources that have not been adjusted for risk based on the chance of development. It is not an estimate of Volumes that may be recovered.

(2) Boe 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.

The Company's crude oil reserves as of December 31, 2017 and the respective net present values of the reserves based on forecast prices and costs were estimated to be as follows, based on the Company's working interest of 20.1 percent:

COMPANY ESTIMATED RESERVES
AS OF DECEMBER 31, 2017

	Proved Developed	Proved Undeveloped	Total Proved	Probable	Total Proved & Probable	Possible	Total Proved, Probable & Possible
Light/Medium Oil (Mbbl)(1)							
Gross(2)	4,211	3,026	7,237	12,385	19,622	12,020	31,641
Net(3)	2,975	1,673	4,648	6,347	10,996	3,999	14,995

Heavy Oil (Mbbl)(1)							
Gross(2)	-	282	282	745	1,026	685	1,711
Net(3)	-	181	181	394	575	236	811

Notes:

(1) The Atrush Field contains crude oil of variable density. Fluid type is classified according to COGEH: Light/Medium Oil is based on density less than 920 kg/m3 and Heavy Oil is between 920 and 1000 kg/m3.

(2) Company gross reserves are based on the Company's 20.1 percent working interest share of the property gross reserves.

(3) Company net reserves are based on Company share of total Cost and Profit Revenues. Note, as the government pays income taxes on behalf of the Company out of the government's profit oil share, the net reserves were based on the effective pre-tax profit revenues by adjusting for the tax rate.

COMPANY ESTIMATED SHARE OF RESERVES NET PRESENT VALUES(1)(2)(3)(4)(5)(6)
AS OF DECEMBER 31, 2017

	Net Present Value (US $1,000) Discounted At				
	0%	5%	10%	15%	20%
Proved Developed Producing Reserves	74,837	70,851	67,411	64,411	61,767
Proved Undeveloped Reserves	46,383	37,281	30,259	24,752	20,370
Total Proved Reserves	121,219	108,132	97,671	89,163	82,138
Probable Reserves	258,356	188,154	141,583	109,559	86,842
Total Proved Plus Probable Reserves	379,576	296,286	239,254	198,722	168,979
Possible Reserves	110,097	72,671	53,784	42,909	35,872
Total Proved, Probable Plus Possible Reserves	489,672	368,957	293,038	241,630	204,852

Notes:

(1) Based on a 20.1 percent Company working interest.

(2) Based on forecast prices and costs at January 1, 2018

(3) Interest expenses and corporate overhead, etc. were not included.

(4) Possible delays in receiving revenue payments have not been incorporated.

(5) The net present values may not necessarily represent the fair market value of the reserves.

(6) The net present values in the table above are exclusive of the following recoverable assets due to ShaMaran as of December 31, 2017:

- Atrush Development Cost Loan (due from KRG) of $16.018 million
- Atrush Feeder Pipeline Cost Loan of $9.751 million
- Accounts receivable on Atrush deliveries of $13.957 million

The reserves and net present values were estimated using forecast prices and costs. The sales oil price was based on the McDaniel January 1, 2018 Brent price forecast. McDaniel's estimates include a discount to Brent crude oil to account for quality differential, marketing fees and pipeline tariff for export via Ceyhan in Turkey based on the most recent sales agreement with the KRG.

The Company's crude oil and natural gas contingent resources as of December 31, 2017 were estimated to be as follows:

COMPANY ESTIMATED CONTINGENT RESOURCES(1)(2)(4)(5)
AS OF DECEMBER 31, 2017

	Low Estimate (1C)	Best Estimate (2C)	High Estimate (3C)	Risked Best Estimate
Light/Medium Oil (Mbbl)(3)				
Gross	13,627	13,820	15,398	11,056
Heavy Oil (Mbbl)(3)				
Gross	21,479	45,710	74,948	36,568
Natural Gas (MMcf)				
Gross	5,121	9,426	14,769	471

Notes:

(1) Based on a 20.1 percent Company working interest share of the property gross resources.

(2) There is no certainty that it will be commercially viable to produce any portion of the resources.

(3) The Atrush Field contains crude oil of variable density. Fluid type is classified according to COGEH: Light/Medium Oil is based on density less than 920 kg/m3 and Heavy Oil is between 920 and 1000 kg/m3.

(4) These are unrisked contingent resources that do not account for the chance of development which is defined as the probability of a project being commercially viable. Quantifying the chance of development requires consideration of both economic contingencies and other contingencies, such as legal, regulatory, market access, political, social license, internal and external approvals and commitment to project finance and development timing. As many of these factors are extremely difficult to quantify, the chance of development is uncertain and must be used with caution. The chance of development was estimated to be 80 percent for the Crude Oil and 5 percent for the Natural Gas.

(5) The contingent resources are sub-classified as "development unclarified" with an "undetermined" economic status.

The contingent resources represent the likely recoverable volumes associated with further phases of development after Phase 1. These are considered to be contingent resources rather than reserves due to the uncertainty over the future development plan which will depend in part on Phase 1 production performance and the heavy oil extended well test planned for the second half of 2018

Prospective resources have not been re-evaluated since December 31, 2013.

The Atrush Block is operated by the Abu Dhabi National Energy Company PJSC ("TAQA") and is held 39.9% by TAQA, 25% by the Kurdistan Regional Government ("KRG"), 20.1% by ShaMaran Petroleum Corp, through its wholly owned subsidiary General Exploration Partners, Inc. ("GEP") and 15% by Marathon Oil KDV B.V., (a wholly owned subsidiary of Marathon Oil Corporation (NYSE: MRO)). Atrush reserves and resource estimates presented represent solely the view of ShaMaran and its experts.

OTHER

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 Market Act. This information was publicly communicated on February 15, 2018 at 2:30 p.m. Vancouver 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, 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 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.

Reserves and resources: ShaMaran Petroleum Corp.’s reserve and contingent resource estimates are as at December 31, 2017, 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.

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.

Chris Bruijnzeels
President and CEO
ShaMaran Petroleum Corp.
+41 22 560 8605
chris.bruijnzeels@shamaranpetroleum.com

Sophia Shane
Corporate Development
ShaMaran Petroleum Corp.
+1 604 689 7842
sophias@namdo.com
www.shamaranpetroleum.com

Robert Eriksson
Investor Relations, Sweden
ShaMaran Petroleum Corp.
+46 701 112615
reriksson@rive6.ch
