

## ShaMaran Announces Atrush 2016 Year-End Reserves Estimates

VANCOUVER, BRITISH COLUMBIA-(Marketwired - Feb. 16, 2017) -ShaMaran Petroleum Corp. ("ShaMaran" or the "Company") (TSX VENTURE:SNM)(OMX:SNM) reports estimated reserves and contingent resources for the Atrush block as of December 31, 2016. The 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).

Limited new subsurface information was obtained during 2016, which resulted in no changes in Gross Working Interest Reserves and Contingent Resource estimates. Reserves Net Present Values and Net Reserves were updated to reflect timing of first production, projected costs, the fourth amendment to the Atrush production sharing contract, the Atrush Facilitation Agreement and oil price assumptions.

The Company's crude oil reserves as of December 31, 2016 and the respective net present values of the reserves based on forecast prices and costs were estimated to be as follows:

### COMPANY ESTIMATED RESERVES AS OF DECEMBER 31, 2016

	Proved Developed	Proved Undeveloped	Total Proved	Probable	Total Proved & Probable	Possible	Total Proved, Probable & Possible
Light/Medium Oil (Mbbbl)(1)							
Gross(2) -		4,653	4,653	7,779	12,432	10,366	22,798
Net(3) -		3,096	3,096	4,302	7,399	3,339	10,737
Heavy Oil (Mbbbl)(1)							
Gross(2) -		2,287	2,287	2,394	4,681	3,108	7,789
Net(3) -		1,522	1,522	1,264	2,786	882	3,668

- (1) The Atrush Field contains crude oil of variable density even within a single reservoir unit and as such the actual split between Light/Medium Oil and Heavy Oil is uncertain.
- (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, 2016

	Net Present Value (US \$1,000) Discounted At				
	0%	5%	10%	15%	20%
Proved Developed Reserves	-	-	-	-	-
Proved Undeveloped Reserves	109,720	92,700	79,460	68,966	60,507
Total Proved Reserves	109,720	92,700	79,460	68,966	60,507
Probable Reserves	248,002	180,623	136,803	107,071	86,139
Total Proved & Probable Reserves	357,722	273,323	216,264	176,037	146,646
Possible Reserves	133,525	84,222	58,724	44,038	34,760

Total Proved, Probable & Possible Reserves	491,247	357,545	274,988	220,075	181,406
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- (1) Based on a 20.1 percent Company working interest.
- (2) Based on forecast prices and costs at January 1, 2017 (see Price Schedules Table 13).
- (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.

The net present values are exclusive of \$15.9 million in loans principal plus interest due to the Company by the KRG as at December 31, 2016. The loans were provided in accordance with the terms of the Atrush Block PSC and are related to the Company's share of funding provided by the Non-Government

- (6) Contracting Entities ("NGCEs") for the construction of the Atrush Feeder Pipeline on the KRG's behalf and for the Company's share of NGCE funding of the KRG's share of certain Atrush development costs. The PSC requires at the commencement of oil exports from Atrush the loan balances outstanding at that time will be repaid to the NGCEs in 24 equal monthly installments.

The reserves and net present values were estimated using forecast prices and costs. The sales oil price was based on the McDaniel January 1, 2017 Brent price forecast. All of the Atrush oil production is assumed to be exported via the Khurmala-Fishkabur pipeline to Turkey. A 35 kilometre pipeline is being built from the Atrush Field to a tie-in point on this export line and will be operated by the KRG. McDaniel estimates a discount to Brent crude oil to account for quality differential, marketing fees and pipeline tariff for export via Ceyhan in Turkey.

The Company's crude oil and natural gas contingent resources as of December 31, 2016 were estimated to be as follows:

COMPANY ESTIMATED CONTINGENT RESOURCES(1)(2)  
AS OF DECEMBER 31, 2016

	Low Estimate (1C)	Best Estimate (2C)	High Estimate (3C)
Light/Medium Oil (Mbbbl)(3)			
Gross(4)	16,050	17,980	19,895
Heavy Oil (Mbbbl)(3)			
Gross(4)	20,256	41,656	66,616
Natural Gas (MMcf)			
Gross(4)	5,010	8,810	13,756

- (1) Company Gross resources are based on a 20.1 percent 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 even within a single reservoir unit and as such the actual split between Light/Medium Oil and Heavy Oil is uncertain.  
These are unrisks contingent resources that do not take into account 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
- (4) 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.

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 further field appraisal and Phase 1 production performance.

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, ShaMaran Petroleum Corp, through its wholly owned subsidiary General Exploration Partners, Inc. 20.1% and Marathon Oil KDV B.V., (a wholly owned subsidiary of Marathon Oil Corporation (NYSE:MRO) 15%. Atrush reserves and resource estimates presented represent solely the view of ShaMaran and its experts.

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 February 16, 2017 at 11:30 p.m. Central European 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, 2016, 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.

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