

Books Closed and Pricing Set on Private Placement

VANCOUVER, BRITISH COLUMBIA—(Marketwired - Jan. 20, 2017) -

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Shamaran Petroleum Corp. (“Shamaran” or the “Company”) (TSX VENTURE:SNM)(OTC:SNM) is pleased to announce that it has successfully completed the book build for the equity issue (the “Private Placement”) announced on January 19, 2017, on a private placement basis, of common shares of the Company (“Common Shares”). The pricing of the Private Placement was determined during the book-building process to be CAD 0.10 (equal to SEK 0.67) per share. This will result in the issuance of 360 million Common Shares for gross proceeds of approximately CAD 36 million (USD 27 million). Pareto Securities has been engaged as manager and bookrunner (the “Agent”) for the Private Placement. Closing is expected to occur on or about January 30, 2017.

The net proceeds from the Private Placement will be used primarily to fund the Company’s expenditures related to the Atrush field development in the Kurdistan Region of Iraq as well as for general corporate purposes.

The Private Placement is subject to TSX Venture Exchange and all other requisite regulatory approvals. Common Shares issued pursuant to the Private Placement cannot be traded into Canada before the date that is 4 months and a day after the issue date. A brokerage fee of 4% will be payable to the Agent on private placement subscription proceeds excluding those subscriptions by the Lundin family trusts.

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 20, 2017 at 7:30 a.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 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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