

## ShaMaran Q1 2015 Financial And Operating Results

VANCOUVER, BRITISH COLUMBIA-(Marketwired - May 11, 2015) -ShaMaran Petroleum Corp. ("ShaMaran" or the "Company") (TSX VENTURE:SNM)(OMX:SNM) is pleased to announce its financial and operating results for the three months ended March 31, 2015. 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 Atrush Phase 1 Production Facility is in progress. Construction has continued on foundations for the individual units and the main production modules for the facility are being fabricated.

#### *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 DQE#30 workover rig has been contracted for mobilisation in the second quarter of 2015 for testing and completion of Chiya Khere-8 ("CK-8") and Chiya Khere-5 ("CK-5") and for completion of the previously tested Atrush-2 ("AT-2") and Atrush-4 ("AT-4") producers.

#### *Corporate*

- On March 12, 2015 the Company reported 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 funds of \$59.1 million (net of transaction costs) 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.

Chris Buijnzeels, President and CEO of ShaMaran, commented, "Atrush is progressing to first oil but the current situation in Kurdistan is challenging and the progress to date is slower than expected. As a result there is the potential for delay in first oil and a consequent reduction in forecast 2015 expenditure."

### FINANCIAL AND OPERATING RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2015

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 a net loss of \$2.5 million in the first quarter of 2015 driven primarily by 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.

#### Condensed Interim Consolidated Statement of Comprehensive Income

*(Unaudited, expressed in thousands of United States Dollars)*

	For the three months ended March 31,	
	2015	2014
Expenses from continuing operations		
General and administrative expense	(963)	(556)
Share based payments expense	(676)	(147)
Depreciation and amortisation expense	(16)	(11)
Loss before finance items and income tax expense	(1,655)	(714)
Finance income	542	2

Finance cost	(1,346)	(1,364)
Net finance cost	(804)	(1,362)
Loss before income tax expense	(2,459)	(2,076)
Income tax expense	(27)	(32)
Loss from continuing operations	(2,486)	(2,108)
Discontinued operations		
Net loss from discontinued operations	(10)	(15)
Loss for the period	(2,496)	(2,123)
Other comprehensive income:		
Currency translation differences	11	6
Total other comprehensive income	11	6
Total comprehensive loss for the period	(2,485)	(2,117)

Condensed Interim Consolidated Balance Sheet  
(Unaudited, expressed in thousands of United States Dollars)

	At March 31, 2015	At December 31, 2014
Assets		
Non-current assets		
Intangible assets	448,786	429,277
Property, plant and equipment	152	172
	448,938	429,449
Current assets		
Cash and cash equivalents	98,258	57,204
Other current assets	315	1,605
	98,573	58,809
Assets associated with discontinued operations	1	-
Total assets	547,512	488,258
Liabilities and equity		
Current liabilities		
Accounts payable and accrued expenses	11,727	14,207
Accrued interest expense on bonds	6,612	2,252
Current tax liabilities	33	41
	18,372	16,500
Non-current liabilities		
Borrowings	147,810	147,657
Provisions	1,770	1,846
	149,580	149,503
Liabilities associated with discontinued operations	54	51
Total liabilities	168,006	166,054
Equity		
Share capital	593,179	534,068
Share based payments reserve	5,701	5,025
Cumulative translation adjustment	(54)	(65)
Accumulated deficit	(219,320)	(216,824)
Total equity	379,506	322,204

Total liabilities and equity	547,512	488,258
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Intangible assets increased during the first quarter of 2015 by \$19.5 million, which was substantially all related to additions to exploration and evaluation ("E&E") assets comprised of Atrush field development and appraisal activity costs totalling \$15.2 million, capitalised borrowing costs of \$3.2 million which relate to the financing of the Atrush development project, and capitalised general and administrative costs relating to Atrush Block E&E activities totalling \$1.1 million.

Condensed Interim Consolidated Cash Flow Statement  
(Unaudited, expressed in thousands of United States Dollars)

	For the three months ended March 31,	
	2015	2014
Operating activities		
Net loss from continuing operations	(2,486)	(2,108)
Adjustments for:		
Interest expense on senior secured bonds - net	1,336	1,336
Share based payments expense	676	147
Depreciation and amortisation expense	16	11
Interest income	(63)	(2)
Foreign exchange (gain) / loss	(479)	21
Changes in other current assets	1,290	(1,605)
Changes in current tax liabilities	(8)	(73)
Changes in provisions	(76)	(108)
Changes in accounts payable and accrued expenses	(2,480)	(3,931)
Cash used in discontinued operations	(8)	(525)
Net cash outflows to operating activities	(2,282)	(6,837)
Investing activities		
Interest received on cash deposits	63	2
Purchase of property, plant and equipment	(1)	(36)
Purchases of intangible assets	(16,324)	(13,717)
Net cash outflows to investing activities	(16,262)	(13,751)
Financing activities		
Shares issued on Rights Offering	60,462	-
Transaction costs	(1,351)	-
Net cash inflows from financing activities	59,111	-
Effect of exchange rate changes on cash and cash equivalents	487	(16)
Change in cash and cash equivalents	41,054	(20,604)
Cash and cash equivalents, beginning of the period	57,204	142,588
Cash and cash equivalents, end of the period	98,258	121,984

The increase by \$41.1 million in the cash position of the Company during the three months ended March 31, 2015 was due to cash inflows of \$59.1 million from the issuance of shares of the Company on an offering of rights to existing shareholders of the Company and to cash outflows of \$16.3 million on Atrush Block development and appraisal activities, \$1.0 million on G&A and other cash expenses and \$0.7 million in negative cash movements due to changes in working capital items.

## OUTLOOK

The outlook to the end of the year 2015 is as follows:

## *Production Facilities*

Implementation of the 30,000 bopd Atrush Phase 1 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 facilities. Main production modules for the facility are being fabricated with delivery expected in 2015 with hook-up and commissioning to follow. The Operator has advised partners of the potential for delay in first oil, previously targeted by end of 2015, due to delays in materials and equipment availability, procurement and other related issues.

The KRG is to continue installation of the feeder pipeline between the Atrush Phase 1 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 production start-up.

## *Wells*

The DQE#30 workover rig has been contracted for mobilisation in the second quarter of 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 Atrush Phase 1 Production Facility. Additional plans in 2015 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 facility 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 condensed interim consolidated financial statements, notes to the financial statements and management's discussion and analysis have been filed on SEDAR ([www.sedar.com](http://www.sedar.com)) and are also available on the Company's website ([www.shamaranpetroleum.com](http://www.shamaranpetroleum.com)).

## 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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