

## ShaMaran 2013 Year End Financial and Operating Results

VANCOUVER, BRITISH COLUMBIA-(Marketwired - March 13, 2014) -ShaMaran Petroleum Corp. ("ShaMaran" or the "Company") (TSX VENTURE:SNM)(OMX:SNM) is pleased to announce its financial and operating results for the year ended December 31, 2013. Unless otherwise stated all currency amounts indicated as "\$" in this news release are expressed in thousands of United States dollars.

### HIGHLIGHTS

- The Company reports initial recognition of reserves (property gross of 58 MMbo 2P) as well as updates to estimated contingent resources (property gross of 518 MMboe 2C) and prospective resources (property gross unrisked best estimate of 245 MMboe) as of December 31, 2013 for the Atrush block. The reserves and resources estimates were provided by McDaniel & Associates Consultants Ltd, the Company's independent qualified resources evaluator.
- On November 13, 2013 General Exploration Partners, Inc. a fully owned subsidiary of the Company, issued \$150 million of senior secured bonds. Net proceeds from the bond will be used to fund the Company's future capital expenditures related to the development of the Atrush Block.
- On October 7, 2013 the Company announced that the Kurdistan Regional Government ("KRG") had approved Phase 1 of the Field Development Plan for the Atrush Block with an October 1, 2013 effective date for the commencement of the Development Period. The Atrush Block, located 85 kilometres northwest of Erbil and operated by TAQA Atrush B.V. is planned to have an initial production capacity of 30,000 barrels of gross oil per day with first oil expected by early 2015.
- The Atrush-4 Phase 1 development well spudded on October 20, 2013 and reached a total depth ("TD") of 2,916 meters on January 23, 2014. Atrush-4 is currently being tested.
- The Atrush-3 appraisal well, located 6.5 kilometres to the east of the Atrush-2 appraisal well, was spudded on March 25, 2013 and reached TD of 1,806 meters on June 23, 2013 within the potential Phase 2 development area. The well confirmed the extension of the oil bearing Jurassic age Barsarin-Sargelu-Alan-Mus reservoir and extended the Deepest Proven Oil column by approx. 180 meters. Drill stem tests were conducted with hydrocarbons recovered to surface but due to equipment limitations accurate flow rates were not determined. Atrush-3 is currently suspended.
- On March 12, 2013 the Contractor entities to the Atrush Block Production Sharing Contract ("PSC") were notified by the KRG that it had exercised its option to acquire a 25% Government Interest in accordance with the provisions of the Atrush Block PSC.

### FINANCIAL AND OPERATING RESULTS FOR THE YEAR ENDED DECEMBER 31, 2013

During the year ended December 31, 2013 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 \$3.3 million in 2013, which was primarily due to routine general and administrative and share based payment expenses in respect of continuing operations, as well as the portion of uncapitalised interest expense on the Company's senior secured bonds, included as a finance cost. These charges have been offset by a gain on the release of an excess site restoration provision associated with the Company's discontinued operations in the United States.

### Consolidated Statement of Comprehensive Income

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

	For the year ended December 31,	
	2013	2012
Expenses from continuing operations		
General and administrative expense	(2,393)	(2,852)
Share based payments expense	(882)	(8)
Impairment (loss) / recovery	(84)	1,814
Depreciation and amortisation expense	(65)	(183)
Share of income of associate	-	129,000
Gain on fair valuation of net assets of subsidiary	-	102,735
Gain on sale of asset	-	1,100

Relinquishment costs	-	(25,732)
(Loss) / income before finance items and income tax expense	(3,424)	205,874
Finance cost	(740)	(719)
Finance income	28	359
Net finance cost	(712)	(360)
(Loss) / income before income tax expense	(4,136)	205,514
Income tax expense	(87)	(89)
Net (loss) / income from continuing operations	(4,223)	205,425
Discontinued operations		
Net income / (loss) from discontinued operations	935	(61)
Net (loss) / income for the year	(3,288)	205,364
Other comprehensive income:		
Currency translation differences	19	26
Total other comprehensive income	19	26
Total comprehensive (loss) / income for the year	(3,269)	205,390

#### Consolidated Balance Sheet

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

	As at December 31,	
	2013	2012
Assets		
Non-current assets		
Intangible assets	344,990	303,549
Property, plant and equipment	179	257
	345,169	303,806
Current assets		
Cash and cash equivalents	142,588	41,216
Other current assets	194	331
Inventories	-	198
	142,782	41,745
Assets associated with discontinued operations	3	3
Total assets	487,954	345,554
Liabilities and equity		
Current liabilities		
Accounts payable and accrued expenses	7,458	7,027
Accrued interest expense on bonds	2,252	-
Current tax liabilities	92	90
Deferred liability	-	5,000
	9,802	12,117
Non-current liabilities		
Borrowings	147,050	-
Provisions	1,185	120
	148,235	120
Liabilities associated with discontinued operations	928	1,941
Total liabilities	158,965	14,178
Equity		

Share capital	534,068	534,068
Share based payments reserve	4,718	3,836
Cumulative translation adjustment	27	8
Accumulated deficit	(209,824)	(206,536)
Total equity	328,989	331,376
Total liabilities and equity	487,954	345,554

The total assets reported at the end of the year 2013 have increased by \$142 million relative to the total assets reported at the end of 2012 which was mainly due to the increase in the Company's cash and debt positions resulting from the issue during the year of \$150 million of senior secured bonds.

The increase by \$101.4 million in the cash position of the Company during year 2013 was the combined result of receiving net cash proceeds of \$147 million on the issue of the bonds, while spending \$39.8 million on Atrush Block appraisal and development activities, \$5.0 million on the settlement of a deferred liability and \$2.5 million on G&A and other cash expenses, and with \$1.7 million of positive cash movements due to changes in working capital items.

#### Consolidated Cash Flow Statement

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

	For the year ended December 31,	
	2013	2012
Operating activities		
Net (loss) / income from continuing operations	(4,223)	205,425
Adjustments for:		
Share based payments expense	882	8
Interest expense on senior secured bonds - net	689	-
Impairment loss / (recovery)	84	(1,814)
Depreciation and amortisation expense	65	183
Foreign exchange loss / (gain)	49	(333)
Income tax	2	(32)
Interest income	(28)	(26)
Interest expense on equity based finance fee	-	719
Gain on sale of asset	-	(1,100)
Gain on fair valuation of net assets of subsidiary	-	(102,735)
Share of income of associate	-	(129,000)
Changes in provisions	1,065	120
Changes in accounts payable and accrued expenses	431	(16,550)
Changes in inventories	114	2,552
Changes in other current assets	137	421
Cash used in discontinued operations	(78)	(715)
Net cash outflows to operating activities	(811)	(42,877)
Investing activities		
Interest received on cash deposits	28	26
Deferred liability	(5,000)	5,000
Purchases of intangible assets	(39,788)	(8,395)
Net proceeds on sale of intangible assets	-	52,671
Proceeds on reimbursement of intangible costs	-	1,250
Net proceeds on sale of property, plant and equipment	-	802
Purchases of property, plant and equipment	-	(595)

Investment in associate	-	(16,110)
Net cash (outflows to) / inflows from investing activities	(44,760)	34,649
Financing activities		
Proceeds on bond issue	150,000	-
Bond related transaction costs	(3,028)	-
Net cash inflows from financing activities	146,972	-
Effect of exchange rate changes on cash and cash equivalents	(29)	359
Change in cash and cash equivalents	101,372	(7,869)
Cash and cash equivalents, beginning of the year	41,216	49,085
Cash and cash equivalents, end of the year	142,588	41,216

## OUTLOOK

The outlook for the year 2014 is as follows:

### Atrush Block

Following the KRG approval of Phase 1 plans are being implemented to achieve First Oil of 30,000 bopd gross by early 2015.

Testing of the AT-4 appraisal/development well is expected to be completed during the first quarter of 2014. Drilling plans for the year 2014 include drilling of AT-5, the third Phase 1 development well, followed by the Atrush-6 well. Further testing of the AT-3 well will also be conducted during 2014 following a planned re-entry.

The FEED for the Phase 1 Production Facilities was completed in October 2013. Orders for the production modules for the 30,000 bopd facilities were finalised in December 2013. Civil engineering at the selected facilities site commenced in early 2014.

### Budget

The Board of Directors approved a budget for the year 2014 which includes net capital spending on the Atrush Block appraisal and development program and debt service and other costs totalling \$101.0 million.

The Company believes that based on the forecasts and projections they have prepared its current financial resources are sufficient for the Company to satisfy its contractual obligations and commitments under the agreed work program over the next 12 months. Nevertheless the potential remains that the Company's financial resources will be insufficient to fund its obligations over the next 12 months. The Company has a number of financing possibilities which it believes it would be able to pursue if and when required.

### New Ventures

As part of its normal business the Company continues to evaluate new opportunities in the MENA region.

## ABOUT SHAMARAN

ShaMaran Petroleum Corp. is a Kurdistan focused oil development and exploration vehicle 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 Petroleum's Certified Advisor on NASDAQ OMX First North is Pareto Securities AB.

The Company's annual consolidated financial statements, notes to the financial statements, management's

discussion and analysis and Annual Information Form 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)). The Annual Information Form includes the Company's reserves and resource data as at December 31, 2013 as provided by McDaniel & Associates Consultants Ltd and other oil and natural gas information prepared in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

Shamaran will hold an annual general meeting of shareholders on June 18, 2014 in Vancouver, British Columbia.

#### FORWARD-LOOKING STATEMENTS

*This press release contains statements 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. 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.*

ON BEHALF OF THE BOARD,

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