

ShaMaran Exercises Option to Convert Taza Block (Formerly Block K42) to Production Sharing Contract

VANCOUVER, BRITISH COLUMBIA—(Marketwire - July 28, 2011) - ShaMaran Petroleum Corp. (“ShaMaran” or the “Company”) (TSX VENTURE:SNM)(OMX:SNM) is pleased to announce that its wholly owned subsidiary ShaMaran Petroleum BV (“ShaMaran BV”) has exercised its option under an Option Agreement signed in July 2009 with the Kurdistan Regional Government (KRG), to enter into a Production Sharing Contract (PSC) in respect of the Taza Block (formerly Block K42) in the Kurdistan Region of Iraq, and that this has now been approved.

ShaMaran BV holds a 20% working interest in the PSC, and OSIL is the operator with a 60% working interest, while the KRG holds a 20% working interest, with costs carried by ShaMaran BV and OSIL.

The 511 square kilometres Taza Block lies between the Pulkhana Block to the southwest and the Kormor block operated by Dana Gas to the northeast. Under the Option Agreement, the Joint Venture acquired 232 line-kilometres of 2D seismic data in 2010, which identified a significant four-way dip closed structure. This closure lies on structural trend with the giant producing Jambur field to the northwest, with reported reserves of over 1 billion barrels of oil, and the recently announced Western Zagros Sarqala oil discovery to the southeast, with reported test rates of over 9,000 barrels of oil per day from the Jeribe formation. The Jeribe will be one of the main targets for the upcoming exploration well on the identified prospect which is expected to be drilled in 2012.

Pradeep Kabra, President and CEO of ShaMaran, commented, “We are very pleased to have signed the Taza Block PSC. Taza is very prospective block in the prolific petroleum province of the Kurdistan Region of Iraq. We look forward to continuing our partnership with Oil Search in the exploration of this exciting block.”

About ShaMaran

ShaMaran Petroleum Corp. is a Kurdistan focused oil development and exploration vehicle with four projects in the region: the Pulkhana development/appraisal block, the Arbat oil discovery, and the Atrush and Taza (formerly Block K42) exploration blocks. These projects are nearby and on trend with existing fields and recent discoveries.

Kurdistan lies within the northern extension of the Zagros Folded Belt. The area is highly underexplored and is currently undergoing a significant exploration and development campaign by over 30 mid to large size international oil companies.

ShaMaran Petroleum is a Canadian oil and gas company listed on the TSX Venture Exchange under the symbol “SNM” as well as NASDAQ OMX First North under the symbol “SNM”.

On behalf of the Board,

Pradeep Kabra, President and CEO

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.

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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