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NEWS RELEASE

ShaMaran Petroleum Announces a Rights Offering of CAD 75 Million Supported by Major Shareholders

October 15, 2014 - ShaMaran Petroleum Corp. ("ShaMaran" or the "Corporation") (TSX VENTURE: SNM; (NASDAQ OMX: SNM) hereby announces that it will launch a CAD 75 million equity rights offering to its shareholders that is supported by a comprehensive equity support arrangement from major shareholders, Lorito Holdings S.a.r.l. ("Lorito"), Zebra Holdings and Investments S.a.r.l. ("Zebra")¹ and Lundin Petroleum B.V. ("Lundin Petroleum" and, together with Lorito and Zebra, the "Standby Purchasers"). The proceeds of this financing will augment the funding required for the development of the Corporation's oil discovery on the Atrush Block in the Kurdistan Region of Iraq ("Kurdistan").

"We are very pleased to enter into this equity offering with the support of the Standby Purchasers. The financing is the result of a review of the Corporation's future capital requirements to meet the forecasted funding requirements under the Atrush PSC, while allowing all shareholders the opportunity to participate in the growth of the Corporation's assets," said Pradeep Kabra, ShaMaran's President and Chief Executive Officer.

Terms of the Rights Offering and the Standby Purchase Agreement

The Corporation will undertake a rights offering ("Rights Offering") to holders ("Shareholders") of common shares ("Common Shares") of ShaMaran to raise gross proceeds of CAD 75 million. Pursuant to the Rights Offering, the Corporation will distribute one right ("Right") for each Common Share held to each holder of record of Common Shares at the close of business on a date to be specified as the record date ("Record Date"). The Record Date, currently anticipated to be in late-November, will be specified in a final short form prospectus (the "Final Prospectus") of the Corporation which is expected to be filed with securities regulators in Canada and Sweden in late November 2014. The Rights will permit holders thereof ("Rightsholders") to purchase, in the aggregate, CAD 75 million of Common Shares. The subscription price for each Common Share will be set out in the Final Prospectus and will, subject to Exchange policies, be equal to the lesser of: (a) CAD 0.15; and (b) the weighted average of the closing price of the Common Shares on the TSX Venture Exchange (the "Exchange") for each of the trading days on which there was a closing price during the twenty (20) trading days immediately preceding the date of filing the Final Prospectus (the "Subscription Price"). The number of Rights that will permit a Rightsholder to subscribe for one Common Share will be dependent upon the Subscription Price as determined as set forth above.

The Standby Purchasers, who hold a combined 25.9% of the total outstanding Common Shares, have agreed to support the Rights Offering by entering into a standby purchase agreement with the Corporation to purchase all equity securities of the Corporation under the Rights Offering not otherwise subscribed for by Rightsholders other than the Standby Purchasers (the "Standby Purchase Agreement"). In exchange for this commitment to provide comprehensive support the Corporation has agreed to pay the Standby Purchasers a fee ("Guarantee Fee") of 3% of the gross proceeds received by the Corporation as a result of the Rights Offering, net of any proceeds received by the Corporation through the exercise by the Standby Purchasers in respect of the total Common Shares which they held in the Corporation immediately prior to the Offering. The Guarantee Fee will be paid by the issuance of Common Shares at the closing quoted market price per Common Share on the Exchange on the day following closing of the Rights Offering.

¹ Lorito and Zebra, who report their security holdings as joint actors, are private corporations owned by a trust whose settler is the estate of the late Adolf H Lundin.

The Rights are expected to be listed for trading on the Exchange and Nasdaq First North Exchange in Stockholm ("Nasdaq First North") and will be exercisable for at least 21 days following the date of mailing to Shareholders of the Final Prospectus as regards Shareholders with Common Shares registered in Clearing and Depository Services Inc (Canada) and for a period no shorter than 14 days following commencement of the subscription period as regards Shareholders with Common Shares registered in Euroclear Sweden (Sweden), following which time any Rights not exercised will expire, be void and will have no value. The right to subscribe for all of the Common Shares that can be initially purchased upon exercise of all Rights held by a Rightsholder is referred to as the "Basic Subscription Privilege". A Rightsholder who has exercised in full its Basic Subscription Privilege will be entitled to subscribe for additional Common Shares on a *pro rata* basis, if available, that were not otherwise subscribed for in the Rights Offering at the Subscription Price pursuant to an additional subscription privilege.

The completion of the Rights Offering is conditional upon the satisfaction of certain conditions, including the receipt by the Corporation of all required approvals, including those of the applicable securities commissions or regulators, the Exchange and Nasdaq First North. The Corporation intends to use the net proceeds raised from the Rights Offering to fund the Corporation's costs related to the financing, development and operations of the Atrush Block in Kurdistan, as well as for general and administrative purposes.

The closing of the Rights Offering is expected to occur in late December 2014 to early January 2015.

Further details on the Rights Offering and the procedures to be followed by Shareholders will be included in the preliminary short form prospectus of the Corporation and the Final Prospectus, which will be filed on www.sedar.com. The Final Prospectus will be mailed to Shareholders as of the Record Date shortly after the Record Date. The Corporation will also file a prospectus relating to the Common Shares underlying the Rights with the Swedish Financial Supervisory Authority ("Finansinspektionen"). Such prospectus will, following approval and registration by the Finansinspektionen, be available in electronic form on www.shamaranpetroleum.com and www.paretosec.com (and a printed version of the prospectus can be obtained from Pareto Securities AB's Swedish offices in Stockholm).

The securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold except in transactions exempt from or not subject to such registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities in any province, state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such province, state or jurisdiction.

Anticipated Timeline for the Financing

The projected timeline for completion of the Rights Offering is as follows:

Late October	Filing of the preliminary prospectus in connection with the Rights Offering
Late November	Record Date for the Rights Offering and listing of the Rights
Late December to early January	Closing of the Rights Offering

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN POLICIES OF THE TSX VENTURE EXCHANGE) HAS REVIEWED THE ADEQUACY OR ACCURACY OF THIS RELEASE 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 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 First North is Pareto Securities AB.

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 including, but not limited to, the anticipated funds to be raised by the Rights Offering and the expected use thereof and benefits therefrom, and the listing of the Rights on the Exchange and the timing thereof, the record date for the Rights Offering, the use of proceeds from the Offering and the projected timeline for completion of the Rights Offering. 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 Corporation.

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 Corporation 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.

Forward-looking information is not based on historical facts but rather on management's current expectations and assumptions regarding, among other things, the completion of the Rights Offering and the ability to obtain regulatory approval in a timely fashion. New factors emerge from time to time, and it is not possible for management of the Corporation to predict all of these factors and to assess in advance the impact of each such factor on the Corporation'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. A number of factors could cause actual results to differ materially from those anticipated by the Corporation including, but not limited to, the risk that any of the conditions set forth in the Standby Purchase Agreement are not satisfied on a timely basis or other termination events occur; operational risks associated with the oil and gas industry, the risk of foreign exchange rate and commodity price fluctuations, the uncertainty associated with negotiating with foreign governments, the risks of adverse determinations by governmental authorities and other risks associated with international activity and foreign government sovereignty over the areas in which the Corporation's activities are conducted. Further information concerning the Corporation and the risks associated with its business can be found in the Corporation's Annual Information Form dated March 13, 2014, which is available on SEDAR at www.sedar.com.

ON BEHALF OF THE BOARD,

Pradeep Kabra,
President and CEO

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