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NEWS RELEASE

ShaMaran announces timing update for the Rights Offering

December 12, 2014 - ShaMaran Petroleum Corp. ("ShaMaran" or the "Corporation") (TSX VENTURE: SNM) (NASDAQ FIRST NORTH: SNM) announces an update to the projected timeline for the equity rights offering (the "Rights Offering") of rights (each, a "Right") previously announced on October 15, 2014. Pursuant to the Rights Offering, shareholders will be permitted to subscribe for up to CAD 75 million of common shares of ShaMaran (the "Common Shares"). The Company expects to file its final short form prospectus (the "Final Prospectus") before the end of the current calendar year, at which time the record date (the "Record Date") and the expiry date for the Rights Offering will be confirmed.

As previously announced, the Rights Offering is supported by a comprehensive equity support arrangement with major shareholders Lorito Holdings S.a.r.l. ("Lorito"), Zebra Holdings and Investments S.a.r.l. ("Zebra")¹ and Lundin Petroleum B.V., who hold a combined 25.9% of the total outstanding Common Shares. 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").

The Record Date and the expiry date for the Rights Offering, the number of Rights required to purchase one Common Share and the subscription price payable for one Common Share ("Subscription Price") will be determined at the time of filing the Final Prospectus. The number of Rights that will permit a holder of Rights (the "Rightsholder") to subscribe for one Common Share will be dependent upon the Subscription Price determined as set forth above.

The Rights are expected to be listed for trading on the Exchange and Nasdaq First North in Stockholm ("Nasdaq First North") and will be exercisable for at least twenty one (21) days for holders of Common Shares registered in CDS (Canada) following the date of mailing of the Final Prospectus to those shareholders and for a period no shorter than fourteen (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, on a *pro rata* basis, for Common Shares that were not otherwise subscribed for in the Rights Offering, if any, 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.

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.

Before exercising Rights, a Rightsholder should read the Final Prospectus as well as all documents incorporated by reference therein. The Final Prospectus will be mailed, shortly after the Record Date, to shareholders who hold their common shares in registered form in CDS (Canada) as of 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).

Pareto Securities AB ("Pareto") is acting as manager of the Rights Offering and the Corporation has retained Georgeson Shareholder Communications Canada, Inc. to act as information agent for the Rights Offering. Pareto is not registered as a dealer in any Canadian jurisdiction and, accordingly, will not, directly or indirectly, solicit offers to purchase or sell Common Shares or Rights in Canada.

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.

Shamaran is a Canadian based, 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 is listed on the TSX Venture Exchange and Nasdaq First North (Stockholm) under the symbol "SNM".

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'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, filing of the Final Prospectus, the listing of the Rights on the Exchange and Nasdaq First North 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 Corporation 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 (including, without limitation, receipt of all necessary regulatory and stock exchange approvals) 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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