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NEWS RELEASE

ShaMaran Files Final Rights Offering Prospectus

December 23, 2014 - ShaMaran Petroleum Corp. ("ShaMaran" or the "Corporation") (TSX VENTURE: SNM) (NASDAQ FIRST NORTH: SNM) is pleased to announce that it has filed a final short form prospectus (the "Final Prospectus") in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Nova Scotia relating to an equity rights offering (the "Rights Offering") of rights (each, a "Right") to subscribe for common shares of ShaMaran (the "Common Shares") for gross proceeds of approximately CAD 75 million. The Corporation has also filed the Final Prospectus with the Swedish Financial Supervisory Authority ("Finansinspektionen").

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"). 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. (together the "Standby Purchasers"), who hold a combined 25.9% of the total outstanding Common Shares.

The Corporation previously announced on October 15, 2014 that the subscription price (the "Subscription Price") for each Common Share would 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. Since this pricing formula would have resulted in a Subscription Price per Common Share of CAD 0.15, which is not significantly different from the Corporation's current trading price, the Corporation and the Standby Purchasers have agreed to re-price the Subscription Price in the Final Prospectus, which has been set at CAD 0.10 (SEK 0.68) in order to better facilitate participation in the Rights Offering.

Under the terms of the Rights Offering, holders of the outstanding Common Shares of record in CDS (Canada) at 5:00 p.m. (Toronto time) on January 12, 2015 (the "Record Date") and in Euroclear (Sweden) at close of business (Stockholm time) on the Record Date will receive one Right for each Common Share held. Every 100 Rights will entitle the holder thereof (the "Rightsholder") to subscribe for 93 Common Shares (the "Basic Subscription Right") at a price of CAD 9.30 (SEK 63.24), being the equivalent of CAD 0.10 (SEK 0.68) per Common Share. The Offering will commence on January 15, 2014 and expires at 5:00 p.m. (Toronto time) on February 9, 2015 (the "Rights Expiry Date") for Rightsholders in CDS (Canada). For Rightsholders in Euroclear (Sweden) the Offering will commence on January 19, 2015 and expires 3:00 p.m. (Stockholm time) on February 4, 2015. The Rights will entitle Rightsholders to subscribe for and purchase from the Corporation, an aggregate of up to 754,214,990 Common Shares. 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.

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 Exchange has conditionally approved the listing of the Rights and the Common Shares issuable upon the exercise of the Rights on the Exchange. The approval of such listing is subject to the Corporation fulfilling all of the listing requirements of the Exchange. Trading of the Rights will commence at the opening of the Exchange on January 8, 2015 and cease at 12:00 p.m. (Toronto time) on the Rights Expiry Date. The Rights Offering is expected to close on or about February 12, 2015. The Rights are also expected to be traded on Nasdaq First North between January 19, 2015 and February 2, 2015.

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 or through CDS (Canada) as of the Record Date. The Final Prospectus is 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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