



NEWS RELEASE

OPERATIONS UPDATE

November 8, 2016 - ShaMaran Petroleum Corp. ("ShaMaran" or the "Company") (TSX VENTURE: SNM) (NASDAQ OMX: SNM) is pleased to announce that TAQA Atrush B.V. ("TAQA"), as operator of the Atrush Block Production Sharing Contract ("PSC"), has entered into an Engineering, Procurement and Construction ("EPC") contract with KAR Company ("KAR") for the construction of the feeder pipeline from the Atrush block boundary to the tie-in point with the main Kurdistan export pipeline (the "Feeder Pipeline"). Work on the Feeder Pipeline will commence immediately.

Simultaneously the Assignment, Novation and Fourth Amendment Agreement to the PSC (the "4th PSC Amendment") and Atrush Facilitation Agreement were concluded between TAQA, General Exploration Partners, Inc. ("GEP", a wholly owned subsidiary of ShaMaran), Marathon Oil KDV BV (together, the "Non-Government Contractors") and the Kurdistan Regional Government ("KRG").

The 4th PSC Amendment and Atrush Facilitation Agreement include the following principal terms:

- The KRG acquires a 25% interest in the PSC effective November 7, 2012, the date of declaration of commerciality ("DOC date"). As a consequence the respective participating interests in the Atrush PSC are TAQA at 39.9%, the KRG at 25%, GEP at 20.1% and Marathon Oil KDV B.V. at 15%;
- The Non-Government Contractors will fund the cost of constructing the Feeder Pipeline which will be novated to the KRG following the commencement of oil exports from Atrush;
- All Atrush petroleum costs from the DOC date through the commencement of oil exports from Atrush will be paid by the Non-Government Contractors and the majority of the KRG's share of these costs will be repaid through an accelerated PSC cost recovery arrangement from the sale of future oil production from Atrush; and
- Feeder Pipeline costs and the balance of the Atrush petroleum costs incurred by the Non-Government Contractors on behalf of the KRG that are not covered by the accelerated PSC cost recovery arrangement will be repaid by the KRG within 2 years from the commencement of oil exports from Atrush.

The length and complexity of the commercial discussions associated with the above discussed agreements have brought the commencement of the Atrush Feeder Pipeline closer to the winter season which means there is an increased risk to the schedule and, while completion in the first quarter of 2017 is still the target and a possibility, it is probable that first production from Atrush will be further delayed to the second quarter of 2017. As a result the Company estimates that it will require approximately \$20 million of additional funding which the Company expects will be made available by increasing GEP's Super Senior Bond through facilities provided for in GEP's April 2016 financing arrangement.

Chris Bruijnzeels, President and CEO of ShaMaran, commented: *"We are very pleased construction on the Atrush feeder pipeline will now start under the direct operational control of TAQA. The pipeline funding arrangement with the KRG allows us to move forward in executing the construction project. We are also pleased that the KRG has finalised their right to acquire a 25% interest in Atrush. With this, two major uncertainties surrounding the Atrush project have been positively resolved. The partnership can now fully concentrate on delivering first oil. The accelerated cost recovery scheme combined with the pipeline funding repayment should allow for a robust cash flow once production has started."*

This information in this release is subject to the disclosure requirements of ShaMaran Petroleum Corp. under the EU Market Abuse Regulation and/or the Swedish Securities Markets Act. This information was publicly communicated on November 8, 2016 at 12:30 Central European Time.

ABOUT SHAMARAN

ShaMaran Petroleum Corp. is a Kurdistan focused oil development and exploration company with a 20.1% direct interest in the Atrush oil discovery. The Atrush Block is currently undergoing an appraisal and development campaign.

ShaMaran 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. Pareto Securities AB is the Company's Certified Advisor on NASDAQ OMX First North.

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 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. 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", "outlook", "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 Company.

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.

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