



NEWS RELEASE

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ShaMaran Petroleum Corp. Closes CAD 36 Million Private Placement

January 30, 2017 - ShaMaran Petroleum Corp. ("ShaMaran" or the "Company") (TSX VENTURE: SNM) (NASDAQ First North: SNM) is pleased to announce the closing of the private placement financing announced on January 19, 2017. The Company sold on a private placement basis an aggregate of 360,000,000 of its common shares at a price of CAD 0.10 (SEK 0.67) per share for gross proceeds of CAD 36 million (USD 27.3 million). After deducting brokerage fees of approximately USD 0.9 million paid to Pareto Securities, the manager and bookrunner for the private placement, the net proceeds received by the Company were USD 26.4 million which will be used primarily to fund the Company's expenditures related to the Atrush field development in the Kurdistan Region of Iraq as well as for general corporate purposes.

Two insiders of the Company, Lorito Holdings S.à.r.l. and Zebra Holdings & Investments S.à.r.l., have directly or indirectly purchased a total of 60,448,239 common shares under the private placement, constituting a "related party transaction" as defined under Multilateral Instrument 61-101 ("MI 61-101"). These transactions are exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101 based on the fact that neither the fair market value of any common shares issued to nor the consideration paid by such persons exceeds 25% of the Company's market capitalization.

Shares issued pursuant to the private placement cannot be traded into Canada before the date that is 4 months and a day after the issue date.

Chris Bruijnzeels, President and CEO of ShaMaran, commented: *"We are very pleased with the result of this private placement, which was over-subscribed. It shows a strong market interest in the Company and should provide the Company with the liquidity needed until we receive positive cash flow from Atrush operations, without increasing Company debt."*

This news release does not constitute an offer to sell or a solicitation of an offer to buy the securities described herein in the U.S., or in any jurisdiction in which such an offer or sale would be unlawful. The securities described herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws and may not be offered or sold in the U.S. or to the account or benefit of a U.S. person or a person in the U.S. absent registration or an applicable exemption from the registration requirements.

This information in this release is subject to the disclosure requirements of ShaMaran Petroleum Corp. under the EU Market Abuse Regulation and the Swedish Securities Markets Act. This information was publicly communicated on January 30, 2017 at 7:30 a.m. Pacific 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 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 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. Forward-looking information in this press release include, among other things: the proposed use of proceeds of the private placement. 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. The Company may elect to use the proceeds of the private placement in a different manner than as described above if the Company determines it is in its best interests to do so.

FOR FURTHER INFORMATION PLEASE CONTACT:

Chris Bruijnzeels
President and CEO
ShaMaran Petroleum Corp.
+41 22 560 8605
chris.bruijnzeels@shamaranpetroleum.com

Sophia Shane
Corporate Development
ShaMaran Petroleum Corp.
+1 604 689 7842
sophias@namdo.com
www.shamaranpetroleum.com

Robert Eriksson
Investor Relations, Sweden
ShaMaran Petroleum Corp.
+46 701 112615
reriksson@rive6.ch