

SHAMARAN TO ACQUIRE ADDITIONAL 7.5% STAKE IN ATRUSH

DECEMBER 27, 2018

VANCOUVER, BRITISH COLUMBIA - ShaMaran Petroleum Corp. ("ShaMaran" or the "Company") (TSX VENTURE: SNM) (NASDAQ First North: SNM) refers to its previous news releases of June 4, 2018 and November 18, 2018 in which it announced developments in its proposal to acquire a 15% participating interest in the Atrush Block from Marathon Oil KDV B.V. ("MOKDV").

ShaMaran is pleased to announce that it and TAQA Atrush BV ("TAQA"), Operator of the Atrush Block, have agreed jointly to acquire from Marathon its 15% participating interest in the Atrush Block held through MOKDV in equal proportions of 7.5%. The transaction has been structured by way of back to back agreements, with ShaMaran agreeing to purchase all the shares of MOKDV from Marathon, and concurrently entering into an agreement to sell to TAQA half of the acquired participating interest in the Atrush Block held by MOKDV, being a 7.5% participating interest, subject to satisfaction of the conditions precedent respective to each of the two transactions. Pursuant to a share purchase agreement ("SPA") between the Company and Marathon International Oil Company, the Company will acquire 100% of the shares of MOKDV for USD 63 million, subject to final closing adjustments. Pursuant to a separate asset purchase agreement ("APA") between the Company and TAQA, the Company will sell 7.5% of MOKDV's 15% participating interest in the Atrush Block to TAQA, subject to final closing adjustments. TAQA has agreed to contribute to the purchase price under the APA concurrently with the closing of the Company's acquisition of MOKDV's share capital under the SPA. Pending closing of the APA, TAQA shall participate economically in respect of its share of the participating interest.

The SPA and APA (together "The Acquisition") will increase ShaMaran's participating interest in Atrush from 20.1% to 27.6% and therefore its share of Atrush production and reserves and resources will increase by 37.3%.

Chris Bruijnzeels, President and CEO of ShaMaran, commented *"We are pleased to materially increase our interest in Atrush at a very attractive cost. We continue to believe in the Atrush asset and that this is an accretive deal to ShaMaran."*

The Acquisition:

The Acquisition, with effect from January 1, 2018, includes a 7.5% participating interest in the Atrush PSC as well as USD 10.7 million in loans provided to the Kurdistan Regional Government of Iraq ("KRG") which fall due over the 22 months beginning January 1, 2018. Based on the Detailed Property Report at December 31, 2017 provided by McDaniel & Associates Consultants Ltd., the Company's independent qualified resources evaluator, the Company estimates to acquire 7.7 MMbbl of gross¹ 2P reserves and 22MMbbls of gross best estimate Contingent Resources.²

¹ Acquired gross reserves are based on the 7.5 percent participating interest share of the property gross reserves.

² Please refer to the Company's news release dated February 15, 2018 for full disclosure on the Atrush reserves and resources.

The Acquisition is conditional on the consent of the KRG and subject to certain other closing conditions including regulatory approvals. Closing is expected to occur in Q1 2019.

Financing:

The Company intends to finance the purchase through its existing cash reserves and through a portion of bond proceeds currently held in escrow. The Company will shortly begin the process of requesting its bondholders to release from escrow an amount of USD 20 million to financing the purchase. A total of USD 50 million of the Company's Bond Issue announced on July 5, 2018 was placed in escrow subject to closing the acquisition of an additional 15% interest in Atrush as announced on June 4, 2018. The remaining USD 30 million is no longer required to finance the acquisition and will be used to retire previously issued bonds.

OTHER

This information in this release is subject to the disclosure requirements of ShaMaran Petroleum Corp. under the EU Market Abuse Regulation. This information was publicly communicated on December 27, 2018 at 2:00 a.m. ET.

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.

ShaMaran is a Canadian oil and gas company listed on the TSX Venture Exchange and the NASDAQ Stockholm First North Exchange (Sweden) 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 Stockholm 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 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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