



## SHAMARAN REPORTS 2021 FINANCIAL RESULTS WITH RECORD REVENUES, EBITDAX OVER THREE TIMES THE PREVIOUS YEAR, CASH FLOW FROM OPERATIONS CLOSE TO FIVE TIMES THE PREVIOUS YEAR AND ATRUSH 2P RESERVES REPLACEMENT RATIO OF 102%

April 25, 2022

**VANCOUVER, BRITISH COLUMBIA – ShaMaran Petroleum Corp. (“ShaMaran” or the “Company”)** (SNM: TSXV and Nasdaq First North Growth Market (Sweden)) today released its financial and operating results and related management’s discussion and analysis (MD&A) for the three months and year ended December 31, 2021<sup>1</sup>.

Dr. Adel Chaouch, President and Chief Executive Officer of ShaMaran, commented “2021 has been a transformational year for ShaMaran. The Company generated the highest annual oil sales revenues in its history at \$102.3 million. ShaMaran’s 2021 EBITAX was more than triple that of 2020 and last year demonstrates the Company’s cash generating ability with cashflow from operations increasing by almost 5 times versus the year before. Atrush continues to prove itself as a world class field with cumulative production now in excess of 54MM barrels and a continuation of full replacement of 2P reserves year on year.

We are entering 2022 in a strong financial position and are excited about the growth opportunities that lie ahead for Shamaran. The Sarsang acquisition, expected to close in the coming months, will double the size of the Company and we continue to actively look at other market opportunities to further develop ShaMaran. We recently announced a one-of-its-kind climate action corporate sponsorship with the Hasar Organization for Earth Sciences in Kurdistan. This initiative represents a key early step in ShaMaran’s strategy towards significantly reducing its net carbon footprint.”

### 2021 Financial Highlights

USD Thousands	Three months ended Dec 31		Year ended Dec 31	
	2021	2020	2021	2020
Revenue	27,439	14,081	102,323	56,673
Gross margin on oil sales	12,662	10,253	49,889	7,106
Net result	4,061	(1,785)	13,383	(144,425)
Cash flow from operations	23,336	5,350	63,903	12,860
EBITDAX	18,456	6,614	66,375	20,052

- The fourth quarter generated oil sales revenue of \$27.4 million and during 2021 the Company generated the highest-ever annual oil sales revenues at \$102.3 million;
- A strong EBITDAX of \$18.5 million for the fourth quarter and \$66.4 million for the full year 2021, 3.3 times the EBITDAX of 2020;

<sup>1</sup> All currency amounts indicated as “\$” in this news release are expressed in United States Dollars.

- Consistent oil sales and entitlement payments from the KRG with 75% of the KRG outstanding receivables paid during 2021;
- 2021 and fourth quarter operating cash flow of \$63.9 million and \$12.9 million respectively; and
- Reduction of the principal amount of the Company's 2023 Bond by \$15 million during 2021 with a further \$3 million of the 2023 Bond bought back by the company at 2021 year end.

### **2021 Atrush Operational Highlights**

- Cumulative production of more than 54 million barrels of oil achieved by year end 2021;
- Atrush Property gross 2P reserves<sup>2</sup> had a 102% reserves replacement ratio increasing to 110.2 MMbbls as at December 31, 2021 from 109.9 in 2020, and Company gross 2P reserves increasing from 30.3 MMbbls to 30.4 MMbbls;
- Full year 2021 average production of approximately 38,600 bopd, was very close to the 2021 guidance despite a longer than anticipated routine maintenance shutdown period in September 2021;
- Full year 2021 lifting costs per barrel of \$5.12 in line with 2021 guidance; and
- Full year 2021 capital expenditure of \$52.3 million (\$14.2 million net to ShaMaran) in line with 2021 guidance.

### **Sarsang Acquisition**

- As announced on July 30, 2021, the Company has successfully issued and settled \$111.5 million principal amount of the \$300 million 12% senior unsecured bond 2021/2025 (the "2025 Bond"), which was issued at 98.5% of nominal value for gross cash proceeds to the Company of \$109.8 million. This portion of the 2025 Bond and the \$188.5 million balance will be issued to refinance existing indebtedness of the Company in connection with, and conditional upon completion of, the Company's acquisition of TotalEnergies' affiliate that holds an 18% non-operated participating interest in the Sarsang Block; and
- The Company is currently finalizing the closing documentation for the completion of the Sarsang Acquisition and completion is expected in the first half of 2022.

### **2022 Atrush Guidance**

- 2022 average production guidance of 36,000 to 41,000 bopd;
- Atrush capital expenditures for 2022 planned at \$116 million (\$32 million net to ShaMaran). This capital program includes:
  - The drilling and completion of three development wells, including one water injection well.
  - Initiation of the gas solution project which will significantly reduce emissions by using existing infrastructure to generate electrical power from produced gas. As the Atrush field is currently dependent on diesel-fueled generators for all electrical power, this project will also therefore greatly reduce future operating costs.
- Atrush operating expenditure is forecast to be \$76 million (\$21 million net to ShaMaran) for 2022, in line with 2021 actual operating costs; and
- Atrush average lifting costs per barrel are estimated to range from \$4.80 to \$5.80. Atrush lifting costs are mainly fixed costs and dollar-per-barrel estimates should decrease with increasing levels of production and operational efficiencies.

### **CORPORATE UPDATE**

The Company is pleased to announce that the Record Date of May 6, 2022 has been set for the Annual General Meeting of Shareholders to be held on June 23, 2022.

---

<sup>2</sup>Reserves estimates, contingent resource estimates and estimates of future net revenue in respect of ShaMaran's oil and gas assets in the Atrush Block are effective as at December 31, 2021, and are included in the report prepared by McDaniel & Associates Consultants Ltd., an independent qualified reserves evaluator, in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* (NI 51-101) and the Canadian Oil and Gas Evaluation Handbook (the COGE Handbook) and using McDaniel's January 1, 2022 price forecasts. Certain abbreviations and technical terms used in this MD&A are defined or described under the heading "Other Supplementary Information".

## OTHER

This information is information that ShaMaran is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, on April 25, 2022 at 5:30 p.m. Eastern Time. Arctic Securities AS (Swedish branch) is the Company's Certified Advisor on Nasdaq First North Growth Market (Sweden), +46 844 68 61 00, [certifiedadviser@arctic.com](mailto:certifiedadviser@arctic.com).

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.

## 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.*

***The Covid-19 virus and the restrictions and disruptions related to it have had a drastic adverse effect on the world demand for, and prices of, oil and gas as well as the market price of the shares of oil and gas companies generally, including the Company's common shares. There can be no assurance that these adverse effects will not continue or that commodity prices will not decrease or remain volatile in the future. These factors are beyond the control of ShaMaran and it is difficult to assess how these, and other factors, will continue to affect the Company and the market price of ShaMaran's common shares. In light of the current situation, as at the date of this news release, the Company continues to review and assess its business plans and assumptions regarding the business environment, as well as its estimates of future production, cash flows, operating costs, and capital expenditures.***

*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.*

## **ABOUT SHAMARAN**

ShaMaran is a Kurdistan focused oil development and exploration company which holds a 27.6% working interest, through its wholly-owned subsidiary General Exploration Partners, Inc., in the Atrush Block and, upon successful closing of the Sarsang Acquisition, will then also hold an 18% interest through its then wholly-owned subsidiary TEPKRI Sarsang A/S in the Sarsang Block.

ShaMaran is a Canadian oil and gas company listed on the TSX Venture Exchange and the Nasdaq First North Growth Market (Sweden) under the symbol "SNM".

### **FOR FURTHER INFORMATION PLEASE CONTACT:**

ShaMaran Petroleum Corp. Investor Relations  
[Investor.Relations@shamaranpetroleum.com](mailto:Investor.Relations@shamaranpetroleum.com)

Sophia Shane  
Corporate Development, Canada  
+1 604 806 3575

Robert Eriksson  
Investor Relations, Sweden  
+46 701 112615

### **Follow us on Social Media:**

Instagram: [@shamaranpetroleumcorp](https://www.instagram.com/shamaranpetroleumcorp)

Twitter: [@shamaran\\_corp](https://twitter.com/shamaran_corp)

Facebook: [@shamaranpetroleumcorp](https://www.facebook.com/shamaranpetroleumcorp)