

NEWS RELEASE

SHAMARAN ANNOUNCES FINANCING PROPOSAL

March 14, 2016 - ShaMaran Petroleum Corp. ("ShaMaran" or the "Company") (TSX VENTURE: SNM) (Nasdaq Stockholm First North: SNM) is pleased to announce a proposed financing arrangement (the "Arrangement") to complete its share of the estimated investments in 2016 in order to deliver the Atrush field into production. The Atrush project is progressing according to plan with first oil targeted mid-2016.

The Arrangement has been proposed to holders of the USD 150 million bonds ("Existing Bondholders") under ISIN NO 0010692882 (the "Existing Bonds") listed on the Oslo stock exchange which were issued November 13, 2013 by General Exploration Partners, Inc. ("GEP"), a wholly owned subsidiary of ShaMaran which holds a 26.8% interest in the Atrush Block production sharing contract.

The Arrangement will provide the Company with additional liquidity in 2016 of approximately USD 33 million net of transaction costs. The principal terms of the Arrangement are as follows:

1. GEP issues new USD 17 million super senior bonds ("Super Senior Bonds"). The Super Senior Bonds will be based on the same agreement as the Existing Bonds with the same maturity date of November 13, 2018 and an 11.5% coupon interest payable semi-annually. GEP will have the option to pay the coupon interest on the Super Senior Bonds in cash or in kind by issuing new bonds ("PIK Bonds"). GEP has entered into an agreement to underwrite the Super Senior Bonds with major shareholders, Lorito Holdings SARL and Zebra Holdings and Investments SARL, companies owned by the Lundin Family Trust.
2. The Company offers the Existing Bondholders the option to convert up to USD 18 million of Existing Bonds at face value into ShaMaran common shares at market price following approval of the Arrangement. The conversion offer is to commence following approval of the Arrangement, with pro rata allocation among Existing Bondholders upon oversubscription.
3. The Bond Agreement for the Existing Bonds is to be amended so that (i) the 2016 coupon interest (USD 17.25 million before considering any conversion in 2 above) is settled by issuing new PIK Bonds; (ii) GEP has the option to pay in cash or in kind (by issuing new PIK Bonds) the post 2016 coupon interest; and (iii) certain waivers and amendments are made to the terms of the Existing Bonds including the subordination of Existing Bonds' security to the Super Senior Bonds' security.

ShaMaran is considering offering a subsequent private placement of shares for cash for the remainder if USD 18 million is not converted under 2 above.

To facilitate the approval process a Summons was issued on March 14, 2016 by Nordic Trustee requesting a meeting of Existing Bondholders on March 30, 2016, 13:00 hours in Oslo.

A number of Existing Bondholders who have already been introduced to the terms of the Arrangement have been supportive to the proposal. The Summons is available on Nordic Trustee's website at www.stamdata.com.

The conversion offer is subject to final approval by TSX Venture Exchange.

ShaMaran has published an updated corporate presentation on its website (www.shamaranpetroleum.com).

ABOUT SHAMARAN

ShaMaran Petroleum Corp. is a Kurdistan focused oil development and exploration company with a 26.8% direct interest in the Atrush oil discovery until such time that the Kurdistan Regional Government has completed the exercise of its right to acquire up to a 25% interest. 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 Stockholm First North Exchange 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.

The Company's condensed interim consolidated financial statements, notes to the financial statements and management's discussion and analysis have been filed on SEDAR (www.sedar.com) and are also available on the Company's website (www.shamaranpetroleum.com).

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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