

ShaMaran Reports First Quarter 2025 Results

May 7, 2025

Vancouver, British Columbia – ShaMaran Petroleum Corp. (“ShaMaran” or the “Company”) (TSXV: SNM) (Nasdaq First North: SNM) today released its financial and operating results and related management’s discussion and analysis (“MD&A”) for the three months ended March 31, 2025.

Garrett Soden, President and CEO of ShaMaran, commented: “The strong momentum from ShaMaran’s 2024 performance continued in Q1 2025, with significant increases in our working interest production, sales and EBITDAX¹ compared to Q1 2024. In the first four months of 2025, we repaid approximately \$56 million of our corporate bond or 28% of the amount outstanding at the end of 2024. In addition, our bondholders approved another two-year extension of the bond maturity to July 2029, as well as other amendments to the bond terms that will give us more flexibility for potential capital returns to shareholders. ShaMaran continues to work towards a lasting commercial solution for the Iraq-Türkiye pipeline reopening.”

Corporate Highlights:

- On January 30, 2025, the Company repaid \$26.8 million of the corporate bond (13% of the outstanding amount) at par pro rata to all bondholders. The total amount outstanding of the Company’s corporate bond at March 31, 2025, was \$173.1 million; and
- The closure of the Iraq-Türkiye pipeline since March 25, 2023, continues to have a material impact on ShaMaran’s operations and financial results. The Company is actively engaging with the relevant parties to resume pipeline exports.

Financial Highlights:

USD Thousands	Three months ended March 31	
	2025	2024
Revenue	35,885	22,588
Gross margin on oil sales	12,476	6,840
Free cash flow before debt service ²	37,780	17,503
Adjusted EBITDAX ³	24,465	15,231

- Revenue in Q1 2025 was \$35.9 million (59% higher than the \$22.6 million in Q1 2024) due to higher local oil sales and the increased working interest in the Atrush Block from August 7, 2024;
- Gross margin on oil sales in Q1 2025 was \$12.5 million (82% higher than the \$6.8 million in Q1 2024) due to increased production and local sales and the higher working interest in the Atrush Block;
- ShaMaran generated \$37.8 million of free cash flow before debt service² in Q1 2025 (116% higher than the \$17.5 million in Q1 2024);

¹ EBITDAX is a non-IFRS financial measure. Refer to “Non-IFRS Accounting Standards Measures” below for more information.

² Free cash flow before debt service is a non-IFRS financial measure. Refer to “Non-IFRS Accounting Standards Measures” below for more information.

³ Adjusted EBITDAX is a non-IFRS financial measure. Refer to “Non-IFRS Accounting Standards Measures” below for more information.

- Adjusted EBITDAX³ in Q1 2025 was \$24.5 million (61% higher than the \$15.2 million in Q1 2024);
- At March 31, 2025, the Company had cash of \$79.3 million and gross debt of \$188.7 million (including the \$173.1 million corporate bond and \$15.6 million related-party loan). Net debt⁴ was \$109.4 million; and
- At May 7, 2025, the Company has cash of \$55.0 million and gross debt of \$159.4 million (including the \$143.8 million corporate bond and \$15.6 million related-party loan). Net debt⁴ is \$104.4 million.

Operational Highlights:

	Three months ended March 31	Three months ended December 31
	2025	2024
Average daily oil production – gross 100% field (Mbopd)		
- Atrush	35.3	20.0
- Sarsang	29.9	37.4
Total	65.2	57.4
Average daily oil production – Company net (Mbopd)		
- Atrush (27.6% until August 6, 2024; 50% thereafter)	17.6	5.5
- Sarsang (18%)	5.4	6.6
Total	23.0	12.1
Oil sales – gross 100% field (Mbbl)		
- Atrush	3,175	1,817
- Sarsang	2,705	3,345
Total	5,880	5,162

- At Atrush, average gross daily oil production in Q1 2025 was 35.3 Mbopd;
- At Sarsang, average gross daily oil production in Q1 2025 was 29.9 Mbopd;
- Average gross daily oil production from Atrush and Sarsang in Q1 2025 on a combined basis was 65.2 Mbopd (14% higher than the 57.4 Mbopd in Q1 2024) due to increased production from Atrush; and
- Average Company net daily oil production from Atrush and Sarsang in Q1 2025 on a combined basis was 23.0 Mbopd (90% higher than the 12.1 Mbopd in Q1 2024) due to the higher working interest in the Atrush Block and increased production from Atrush.

Subsequent Events:

- Under the terms of the Company's bond, a cash sweep mechanism was in effect on each quarterly interest payment date for cash held above \$50 million. As a result, \$29.4 million was swept to partially repay the bond at par on April 30, 2025. This was the final mandatory cash sweep. The total outstanding amount of the Company's bond as of May 7, 2025, is \$143.8 million;
- On April 11, 2025, the Company announced that bondholders voted in favor of the previously announced amendments to the corporate bond, including converting the mandatory cash sweep to voluntary and extending the maturity by two years to July 2029. The amendments became effective

⁴ Net debt is a non-IFRS financial measure. Refer to "Non-IFRS Accounting Standards Measures" below for more information.

on May 2, 2025; and

- The Company's Board of Directors has today authorized the repayment of \$5.0 million of the subordinated Nemesia loan (as permitted under the recent amendments to the bond terms) in order to simplify the balance sheet and reduce financing costs. Subsequent to the repayment, gross debt will decrease to \$154.4 million.

Abbreviations:

Mbbl	Thousand barrels of crude oil
Mbopd	Thousand barrels of crude oil per day
USD	United States dollar

Shamaran plans to publish its financial statements for the six months ending June 30, 2025, on August 6, 2025. Except as otherwise indicated, all currency amounts indicated as "\$" in this news release are expressed in United States dollars.

Non-IFRS Accounting Standards Measures

This news release contains certain financial measures, as described below, which do not have standardized meanings prescribed by IFRS Accounting Standards or generally accepted accounting principles (GAAP). As these non-IFRS financial measures are commonly used in the oil and gas industry, the Company believes that their inclusion is useful to investors. The reader is cautioned that these amounts may not be directly comparable to measures for other companies where similar terminology is used.

The non-IFRS financial measures used in this news release are used by the Company as key measures of financial performance and are not intended to represent operating profits nor should they be viewed as an alternative to cash provided by operating activities, net income or other measures of financial performance calculated in accordance with IFRS Accounting Standards.

The following tables set out how the non-IFRS Accounting Standards measures are calculated from figures shown in the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2025, together with the accompanying notes (the "Financial Statements"):

EBITDAX and Adjusted EBITDAX

EBITDAX is calculated as the net result before financial items, taxes, depletion of oil and gas properties, impairment costs, the gains on acquisitions, depreciation and exploration expenses and adjusted for non-recurring profit/loss on sale of assets and other income. The Company uses EBITDAX primarily as a measure of profitability and cash generation. Adjusted EBITDAX adds back non-cash, share-based payments and non-recurring, transaction-related expenses. A quantitative reconciliation to revenues, the most directly comparable IFRS Accounting Standards measure, is provided below.

USD Thousands	Three months ended March 31,	
	2025	2024
Revenues	35,885	22,588
Lifting costs	(9,434)	(5,500)
Other costs of production	(127)	(77)
General and administrative expense	(5,076)	(1,780)
Share-based payments	(3,471)	(997)
EBITDAX	17,777	14,234
Adjusted EBITDAX	24,465	15,231

Free cash flow before debt service

Free cash flow before debt service is a non-IFRS financial measure calculated as the sum of cash flows from operating and investment activities. The Company uses free cash flow before debt service primarily as a measure of cash generation. A quantitative reconciliation to net cash inflows from operating activities, the most directly comparable IFRS Accounting Standards measure, is provided below.

USD Thousands	Three months ended March 31,	
	2025	2024
Net cash inflows from operating activities	32,032	18,315
Net cash inflows from / (outflows to) investing activities	5,748	(812)
Free cash flow before debt service	37,780	17,503

Net debt

Net debt is a non-IFRS financial measure calculated as total debt less cash and cash equivalents. The Company uses net debt primarily as a measure of leverage. A quantitative reconciliation to total debt, the most directly comparable IFRS Accounting Standards measure, is provided below.

USD Thousands	At March 31,	
	2025	2024
Outstanding principal of ShaMaran Bond	(173,143)	(255,000)
Loan from related party	(15,600)	(15,600)
Total debt	(188,743)	(270,600)
Cash and cash equivalents, unrestricted	79,320	46,231
Cash and cash equivalents, restricted	9	25,324
Company held bond	-	5,900
Net debt	(109,414)	(193,145)

All figures in the net debt calculation are based on their nominal value at the balance sheet date. See Notes 14, 15 and 19 in the Financial Statements.

About ShaMaran Petroleum Corp.

ShaMaran is a Canadian independent oil and gas company focused on the Kurdistan region of Iraq. The Company indirectly holds a 50% working interest in the Atrush Block and an 18% working interest in the Sarsang Block. The Company is listed in Toronto on the TSX Venture Exchange and in Stockholm on Nasdaq First North Growth Market (ticker "SNM"). ShaMaran is part of the Lundin Group of Companies.

Important Information

ShaMaran is obliged to make this information public pursuant to the EU Market Abuse Regulation. This information was submitted for publication through the agency of the contact person set out below on May 7, 2025, at 5:30 p.m. Eastern Time.

The Company's certified advisor on Nasdaq First North Growth Market is FNCA Sweden AB.

Forward-Looking Statements

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or the Company's future performance, business prospects and opportunities, which are based on assumptions of management.

The use of any of the words "will", "expected", "planned" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of certain future events. Certain information set forth in this news release contains forward-looking statements. These forward-looking statements involve risks and uncertainties relating to, among other things, changes in oil prices, results of exploration and development activities, including results, timing and costs of seismic, drilling and development related activity in the Company's area of operations, uninsured risks, regulatory changes, defects in title, availability of funds required to participate in the development activities, availability of financing on reasonable terms, availability of materials and equipment on satisfactory terms, outcome of commercial negotiations with government and other regulatory authorities, timeliness of government or other regulatory approvals, actual performance of facilities, availability of third party service providers, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. The risks outlined above should not be construed as exhaustive. Additional information on these and other factors that could affect the Company's operations and financial results are included in the Company's annual information form for the year ended December 31, 2024, the MD&A and other reports on file with the Canadian Securities Regulatory Authorities that can be accessed on the Company's profile on SEDAR+ at www.sedarplus.ca. Actual future results may differ materially.

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.

The forward-looking information contained in this release is made as of the date hereof, and the Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information.

Neither 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.

Source: ShaMaran Petroleum Corp.

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