SHAMARAN
Petroleum Ltd.

ShaMaran Reports Second Quarter 2026 Results

August 5, 2026

Hamilton, Bermuda - ShaMaran Petroleum Ltd. ("ShaMaran" or the "Company") (Euronext Growth Oslo: SNM) (Nasdaq First North Stockholm: SNM) today released its financial and operating results and related management's discussion and analysis ("MD&A") for the three and six months ended June 30, 2026.

Garrett Soden, President and CEO of ShaMaran, commented: "During the second quarter, ShaMaran completed the corporate continuance from Canada to Bermuda and the change of our primary listing from Toronto to Oslo. Unfortunately, the Iran war continues to have a major impact on Kurdistan oil production with international oil companies mostly shut-in since March 2026. However, the formation of the new Iraqi government and Prime Minister Ali al-Zaidi's commitment to resolve regional security issues has been a positive development for the region. The closure of the Strait of Hormuz highlights the importance of Iraq's northern export route through Kurdistan, with Iraq and Türkiye recently signing a one-year extension to the Iraq-Türkiye pipeline agreement. We remain focused on ensuring the safety of personnel, reducing operating expenditures and non-critical activities while maintaining readiness to restart production when the security situation allows. In the meantime, we are working with the Iraqi State Organization for Marketing of Oil and the Iraqi Ministry of Oil to receive the top-up payments due for our full entitlement of oil export sales now that the international consultant's review is complete."

Corporate Highlights:

- Production at both the Atrush and Sarsang blocks was temporarily shut-in from March until June 2026 as a precaution due to the Iran war. Production and pipeline exports restarted and gradually increased until another shut-in was announced on July 20, 2026, due to the deterioration of the regional security environment. Other international oil companies ("IOCs") in the region also announced temporary production shut-ins over the same period, with only a fraction of the pre-Iran war oil volumes being exported from the Kurdistan Region of Iraq ("KRI") via the Iraq-Türkiye pipeline ("ITP");
- International oil exports from the KRI through the ITP restarted on September 27, 2025, and have continued in line with the interim agreements executed between the Kurdistan Regional Government ("KRG"), Government of Iraq and several IOCs, including ShaMaran.
    - IOCs are entitled to receive export payments "in-kind" under the interim agreements, with cargoes sold by the IOC-appointed marketing firm on a regular basis, and payments for the sales received approximately 30 days after each lifting. There have been no delays in receiving payment from the Iraqi State Organization for Marketing of Oil ("SOMO") as part of the interim agreements since the start of exports in September 2025.
    - The interim agreements were recently extended to September 30, 2026, in order to facilitate the reconciliation of IOC invoices with the respective Production Sharing Contracts ("PSCs") by the appointed international consulting firm. IOCs expect full PSC entitlement payment now that the review is complete.

- On May 28, 2026, the Company announced completion of the corporate continuance from Canada to Bermuda and the delisting of the Company's shares from the TSXV. On June 5, 2026, the Company announced the first day of trading on the Euronext Growth Oslo market ("EGO"); and
- On June 2, 2026, in connection with the EGO listing requirements, the Company announced placing 8,999,999 shares through a retail offering, raising approximately $1.1 million in cash and welcoming more than 400 new shareholders.

Financial Highlights:

USD Thousands	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Revenue	17,759	35,385	55,790	71,270
Gross margin on oil sales	13,263	12,775	35,961	25,251
Net cash flow from operating activities	2,209	26,448	23,632	58,480
Adjusted EBITDAX[1]	11,882	24,850	40,010	49,315

- Revenue in Q2 2026 was $17.8 million (50% lower than the $35.4 million in Q2 2025) primarily due to the shut-in, partially offset by the impact of the realization of Q1 2026 oil prices. The actual realized oil price in Q2 2026 was considerably higher than the estimated price accrued in Q1 2026 due to the timing of cargo liftings and the significant increase in oil price due to the Iran war. Most of Q1 2026 oil exports were sold in cargos from Ceyhan at a higher price during the second quarter;
- Oil sales in Q2 2026 averaged a net oil price of $84.23/bbl from the two blocks on a combined basis (154% higher than the $33.12/bbl in Q2 2025) due to international pricing since the restart of pipeline exports;
- Gross margin on oil sales in Q2 2026 was $13.3 million (4% higher than the $12.8 million in Q2 2025) mainly due to Q2 2026 pipeline export sales at international pricing and lower costs due to the shut-in;
- Net cash flow from operating activities in Q2 2026 was $2.2 million (92% lower than the $26.5 million in Q2 2025) mainly due to the timing of cash receipts for pipeline export sales and the production shut-in that resulted in no sales for most of Q2 2026;
- Adjusted EBITDAX[1] in Q2 2026 was $11.9 million (46% lower than the $24.9 million in Q2 2025) due to a combination of the effects described above;
- At June 30, 2026, the Company had cash of $29.0 million and gross debt (corporate bond) of $143.8 million. Net debt[2] was $114.8 million, and
- At August 5, 2026, the Company has cash of $24.8 million and gross debt of $143.8 million. Net debt[2] is $119.0 million.

[1] Adjusted EBITDAX is a non-IFRS financial measure. Refer to "Non-IFRS Accounting Standards Measures" below for more information.

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

Operational Highlights:

	Three months ended June 30,		Three months ended March 31,
	2026	**2025**	**2026**
Average daily oil production – gross 100% field (Mbopd)			
- Atrush	1.2	35.1	20.6
- Sarsang	0.7	28.7	15.3
Total	**1.9**	**63.8**	**35.9**
Average daily oil production – Company net (Mbopd)			
- Atrush (50%)	0.6	17.5	10.3
- Sarsang (18%)	0.1	5.2	2.8
Total	**0.7**	**22.7**	**13.1**
Oil sales – gross 100% field (Mbbl)			
- Atrush	87	3,192	1,852
- Sarsang	66	2,664	1,357
Total	**153**	**5,856**	**3,209**

- At Atrush, average gross daily oil production in Q2 2026 was 1.2 Mbopd;
- At Sarsang, average gross daily oil production in Q2 2026 was 0.7 Mbopd;
- Average gross daily oil production from Atrush and Sarsang in Q2 2026 on a combined basis was 1.9 Mbopd (97% lower than the 63.8 Mbopd in Q2 2025) due to the shut-in for the majority of Q2 2026;
- Average Company net daily oil production from Atrush and Sarsang in Q2 2026 on a combined basis was 0.7 Mbopd (97% lower than the 22.7 Mbopd in Q2 2025) due to the shut-in during Q2 2026;
- Production at Atrush and Sarsang was suspended for most of the second quarter of 2026 due to the regional security environment. After the first shut-in (early March 2026 until late June 2026), the fields briefly resumed delivering international exports via the ITP before being suspended again due to renewed security concerns from July 20, 2026. Atrush briefly produced at more than 40.0 Mbopd in early July 2026. The damage assessment from drone attacks at Sarsang on March 5, 2026, and April 1, 2026, is still ongoing; and
- Operational plans for the remainder of 2026, including drilling and other capital expenditures, remain contingent on the regional security environment. The ITP agreement between Iraq and Türkiye was extended for one year on August 1, 2026. Negotiations are ongoing for a new agreement beyond July 2027.

Subsequent Events:

- On July 13, 2026, the Company announced that production and pipeline exports had gradually increased following restart of operations at the Atrush and Sarsang blocks; and
- On July 20, 2026, the Company announced that production and pipeline exports at the Atrush and Sarsang fields were again temporarily shut-in due to the deterioration of the regional security environment. Both the Atrush and Sarsang blocks remain shut-in at the date of this press release due to the regional security situation, and there is no certainty as to the duration of the shut-in. HKN Energy Ltd. (“HKN”), the operator of the blocks, plans to restart production as soon as safe and secure operations are possible.

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 nine months ending September 30, 2026, on November 9, 2026. 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 tables below set out how the non-IFRS Accounting Standards measures are calculated from figures shown in the unaudited condensed consolidated financial statements for the three and six months ended June 30, 2026, 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 and project related expenses. A quantitative reconciliation to revenues, the most directly comparable IFRS Accounting Standards measure, is provided below:

	Three months ended June 30,		Six months ended June 30,	
USD Thousands	**2026**	**2025**	**2026**	**2025**
Revenues	17,759	35,385	55,790	71,270
Lifting costs	(4,008)	(8,877)	(11,929)	(18,311)
Other costs of production	(74)	(106)	(185)	(233)
General and administrative expense	(2,036)	(1,552)	(3,907)	(6,628)
Share-based payments	(611)	(1,004)	(445)	(4,475)
EBITDAX	**11,030**	**23,846**	**39,324**	**41,623**
Adjusted EBITDAX	**11,882**	**24,850**	**40,010**	**49,315**

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 June 30, 2026	2025
Outstanding principal of ShaMaran Bond	(143,768)	(143,768)
Loan from related party	-	(10,630)
Total debt	**(143,768)**	**(154,398)**
Cash and cash equivalents	28,950	67,150
Net debt	**(114,818)**	**(87,248)**

All figures in the net debt calculation are based on their nominal value at the balance sheet date. See Notes 9, 15 and 19 in the Financial Statements.

About ShaMaran Petroleum Ltd.

ShaMaran is an 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 Oslo on Euronext Growth and in Stockholm on Nasdaq First North (ticker "SNM"). ShaMaran is part of the Lundin Group of Companies.

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Important Information

This information is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act. The Company's certified advisor on Nasdaq First North Growth Market is FNCA Sweden AB.

Forward-Looking Statements

Matters discussed in this announcement may constitute forward-looking statements. 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.