SHAMARAN
petroleum corp

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ANNUAL INFORMATION FORM

For the year ended December 31, 2023

Dated: April 30, 2024

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Glossary of Terms

"**2D**" means two dimensional.

"**3D**" means three dimensional.

"**2023 Bond Terms**" means the agreement between ShaMaran and Nordic Trustee AS, in its capacity as trustee for the bondholders, entered into on July 3, 2018, as amended February 25, 2019, and further amended July 5, 2020, and January 29, 2021, describing the rights and obligations associated with the senior bonds issued by ShaMaran on July 5, 2018, that were originally scheduled to mature on July 5, 2023 (the "**2023 Bond**"), but have been merged into the 2025 Bond.

"**2025 Bond Terms**" means the agreement between ShaMaran and Nordic Trustee AS, in its capacity as trustee for the bondholders, entered into on July 30, 2021, and describing the rights and obligations associated with the senior bonds issued by ShaMaran on July 30, 2021, that mature on July 30, 2025, and the 2023 Bond was converted into such bond following satisfaction of certain conditions (the "**2025 Bond**").

"**AIF**" or "**Annual Information Form**" means this Annual Information Form prepared for the year ended December 31, 2023, and dated April [30], 2024.

"**°API**" means degree API gravity, a measure of the gravity of oil as defined by the American Petroleum Institute.

"**Atrush Block**" means the area covered by the Atrush PSC.

"**Atrush Commercial Discovery**" has the meaning assigned to it in the Atrush PSC, generally a discovery that is potentially commercial when considering all technical, operational, commercial and financial factors, all in accordance with prudent international petroleum industry practices.

"**Atrush Contractor Group**" means the parties from time to time that hold a working interest in the Atrush PSC.

"Atrush Facilitation Agreement" means the Facilitation Agreement dated November 6, 2016, as amended, that the Atrush Contractor Group entered into with the KRG (as defined below).

"Atrush JOA" means the Joint Operating Agreement in respect of the Atrush Block dated November 7, 2011, entered into by the Atrush Contractor Group as amended by the first amendment December 31, 2012, the second amendment dated November 7, 2016, the third amendment dated October 12, 2017, and the fourth amendment dated May 30, 2019.

"**Atrush Lifting Agreement**" means the Lifting Agreement dated September 18, 2017, between the KRG and TAQA Atrush on behalf of itself and GEP for the sale of Atrush oil production to the KRG as amended and extended; such agreement expired by its terms on August 31, 2022, but, at the date of this AIF, negotiations on an amendment are continuing with the KRG.

"**Atrush PSC**" means the Production Sharing Contract in respect of the Atrush Block that the KRG entered into with GEP dated November 10, 2007, and as further amended by the first amendment dated August 1, 2010, the second amendment dated October 20, 2010, the third amendment dated December 31, 2012, the fourth amendment dated November 7, 2016, and the fifth amendment dated May 31, 2019.

"**Bond Trustee**" means Nordic Trust AS as bond trustee for the 2025 ShaMaran Bond.

"**BS&W**" means basic sediment and water.

"**COGE Handbook**" means the Canadian Oil and Gas Evaluation Handbook prepared jointly by The Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society), as amended from time to time.

"**Common Shares**" means the common shares in the capital of ShaMaran.

"**Company**" or "**ShaMaran**" means ShaMaran Petroleum Corp. and, as the context may indicate, its subsidiaries.

"**Constitution of Iraq**" means the permanent constitution of Iraq approved by the people of Iraq in the general referendum of October 15, 2005.

"**crude oil**" means a mixture that consists mainly of pentanes and heavier hydrocarbons, which may contain sulphur and other non-hydrocarbon compounds, that is recoverable at a well from an underground reservoir and that is liquid at the conditions under which its volume is measured or estimated. It does not include solution gas or natural gas liquids.

"**development well**" means a well drilled inside the established limits of an oil or gas reservoir, or near the edge of the reservoir, to the depth of a stratigraphic horizon known to be productive.

"**GEP**" means General Exploration Partners, Inc., a wholly-owned subsidiary of the Company, existing under the laws of the Cayman Islands.

"**HKN**" means HKN Energy Ltd., Operator of the Sarsang Block.

"**ITP**" means the Iraq-Türkiye pipeline.

"**JOAs**" means joint operating agreements entered into by the Company.

"km" means kilometers.

"**KRG**" means The Kurdistan Regional Government of Iraq.

"**Kurdistan**" or "**Kurdistan Region**" means the Federal Region of Kurdistan recognized by the Constitution of Iraq and having the same meaning as "Region" in the Oil and Gas Law of The Kurdistan Region - Iraq (Law No. 22 of 2007).

"Kurdistan Oil and Gas Law" means the Oil and Gas Law of the Kurdistan Region - Iraq (Law No. 22 of 2007).

"MOKDV" means Marathon Oil KDV B.V.

"**MD&A**" means Management's Discussion and Analysis of results of operations and financial condition of the Company for the year ended December 31, 2023.

"**MENA**" means Middle East and North Africa.

"**MNR**" means the Ministry of Natural Resources of the KRG.

"**natural gas**" means a mixture of lighter hydrocarbons that exist either in the gaseous phase or in solution in crude oil in reservoirs but are gaseous at atmospheric conditions. Natural gas may contain sulphur or other non-hydrocarbon compounds.

"**NI 51-101**" means National Instrument 51-101 — *Standards of Disclosure for Oil and Gas Activities* of the Canadian Securities Administrators.

“**petroleum**” means (i) any naturally occurring hydrocarbons in gaseous or liquid state; (ii) any mixture of naturally occurring hydrocarbons in a gaseous or liquid state; or (iii) any petroleum (as defined in (i) or (ii) herein) that has been returned to a reservoir.

“**prospect**” means a geographic or stratigraphic area in which the Company owns or intends to own one or more oil and gas interests, geographically defined based on geological data and that is reasonably anticipated to contain at least one reservoir or part of a reservoir of oil and gas.

“**PSC**”, or “**Production Sharing Contract**” means contracts or agreements entered with a host government providing for petroleum operations in a defined area and the division of petroleum production from the petroleum operations.

“**PVT**” means pressure volume temperature.

“**reservoir**” means a subsurface rock formation containing an individual and separate natural accumulation of producible petroleum characterized by a single natural pressure system.

“**Sarsang Block**” means the area covered by the Sarsang PSC.

“**Sarsang Commercial Discovery**” has the meaning assigned to it in the Sarsang PSC, generally a discovery that is potentially commercial when considering all technical, operational, commercial and financial factors, all in accordance with prudent international petroleum industry practices.

“Sarsang Contractor Group” means the parties from time to time that hold a working interest in the Sarsang PSC.

“Sarsang JOA” means the Joint Operating Agreement in respect of the Sarsang Block dated August 31, 2011, entered into by the Sarsang Contractor Group as amended by the first amendment dated April 22, 2014, and the second amendment dated August 29, 2018.

"Sarsang Lifting Agreement” means the Lifting Agreement as amended effective September 1, 2022, between the KRG and HKN on behalf of itself and ShaMaran Sarsang for the sale of Sarsang oil production but as at the date of this AIF suspended pending the re-opening of the ITP and re-commencement of export sales.

“Sarsang PSC” means the Production Sharing Contract in respect of the Sarsang Block that the KRG entered into with the Sarsang Contractor Group dated November 7, 2007, and as further amended by the first amendment dated August 1, 2010, the second amendment dated October 20, 2010, the third amendment dated April 22, 2014, the fourth amendment dated April 24, 2014, and the fifth amendment dated May 31, 2018.

“SEDAR+” means the Canadian Securities Administrator’s System for Electronic Document Analysis and Retrieval.

“**ShaMaran Bond Guarantors**” as at the date of this AIF are certain subsidiaries of the Company being ShaMaran Services SA, GEP and ShaMaran Sarsang.

“**ShaMaran Business Code**” means the Code of Business Conduct and Ethics adopted by the Company on August 24, 2007, and subsequently amended and restated on September 22, 2023, and as in effect at the date of this AIF.

"**ShaMaran Sarsang**” means ShaMaran Sarsang AS, a wholly-owned subsidiary of the Company existing under the laws of Denmark.

“**TAQA Atrush**” means TAQA Atrush B.V., Operator of the Atrush Block, and a wholly-owned subsidiary of the Abu Dhabi National Energy Company PJSC.

"**TD**" means total depth.

"**TSX.V**" means the TSX Venture Exchange.

"**TVD**" means true vertical depth.

Currency

The Company reports its financial results and prepares its financial statements in United States dollars ("**USD**"). All currency amounts indicated as "**$**" in this AIF are expressed in United States dollars unless otherwise indicated. "**CAD**" means Canadian dollars.

	Year Ended December 31,		
Bank of Canada Exchange Rate for CAD/USD	**2021**	**2022**	**2023**
	0.7888	0.7383	0.7409

Accounting Policies and Financial Information

Financial information is presented in accordance with International Financial Reporting Standards ("**IFRS**"), unless otherwise indicated.

Conversion Table

The following table sets forth certain conversions between Standard Imperial Units and the International System of Units (or metric units).

To Convert From	To	Multiply By
Mcf	Cubic meters	0.028174
Cubic meters	Cubic feet	35.315
Bbls	Cubic meters	0.159
Cubic meters	Bbls	6.289
Feet	Meters	0.305
Meters	Feet	3.281
Miles	Kilometers	1.609
Kilometers	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471

Abbreviations

Oil and Natural Gas Liquids	
bbls	Barrels of crude oil
bopd	Barrels of crude oil per day
boe	Barrels of oil equivalent
boe/d	Barrels of oil equivalent per day
Mboe	Thousands of barrels of oil equivalent
MMboe	Millions of barrels of oil equivalent
Mblpd	Thousand barrels of liquid per day
Mbopd	Thousand barrels of crude oil per day
Mbbl	Thousands of barrels of crude oil
MMbbl	Millions of barrels of crude oil

The calculations of barrels of oil equivalent ("**boes**") and thousand cubic feet of gas equivalent ("**McfGe**") are based on the standard of 6 Mcf: 1 bbl when converting natural gas to oil and 1 bbl: 6 Mcf when converting oil to natural gas. Boes and McfGe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 bbl or a McfGe conversion ratio of 1 bbl: 6 Mcf is based on an energy equivalent conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Cautionary Statement Regarding Forward-Looking Information

Certain statements in this document and the documents incorporated by reference are "forward-looking information" and "forward-looking statements" (within the meaning of applicable securities legislation). Forward-looking information is information concerning possible events, conditions or financial performance that is based on management's assumptions relating to future economic conditions and courses of actions. Forward-looking information can include future-oriented financial information and disclosure relating to the Company's financial outlook. Forward-looking statements are statements that are not historical and are generally identified by words such as "seek", "continue", "may", "will", "projects", "believes", "anticipates", "expects", "estimates", "pending", "intends", "plans" or similar words suggesting future outcomes that are based on management's best judgment and assumptions concerning how future trends will impact the Company's business.

By their nature, forward-looking statements and forward-looking information is likely to be less reliable than historical information because it is based on these judgements and assumptions, accounting for inherent risks and uncertainties, many of which are difficult to predict, and which are usually beyond the control of management, but which could cause actual results to be materially different from those expressed by these forward-looking statements and information.

Assumptions

Management is regularly considering and evaluating assumptions that will impact on future performance. Examples of such assumptions include, but are not limited to: (i) assumptions concerning competitive factors such as those relating to the distribution and marketing of oil and natural gas, pricing, and methods of improving reliability of delivery, and (ii) assumptions relating to future changes in environmental or health and safety laws, regulations or community expectations governing the Company's operations, including, but not limited to, increased monitoring, compliance and remediation costs and/or costs associated with penalties or other sanctions imposed on the Company for non-compliance or breach of environmental regulation.

Risks

Examples of risks and uncertainties associated with the assumptions made by management include, but are not limited to: (i) risks associated with international operations in Kurdistan, in northern Iraq, which is a politically less stable jurisdiction; (ii) risks associated with the regulation of oil and gas production and export; (iii) risks that are inherent in oil and gas development and production, including availability of functioning infrastructure, complying with environmental regulation and the availability of staff and equipment. The Company is also exposed to more generic risks such as the risk with respect to general economic conditions, regulations and taxes, civil unrest, corporate restructuring and related costs, capital and operating expenses, petroleum pricing and availability of financing and currency exchange rate fluctuations. Management used its best efforts to ensure that the assumptions used in the preparation of such information were reasonable. However, they may ultimately prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

The Company does not undertake to update or re-issue the forward-looking statements and information that may be contained herein, whether due to new information, future events or otherwise. Where such forward-looking statements or forward-looking information is updated or withdrawn, notification will be given by way of a news release and/or MD&A disclosure. Material differences between actual results and previously disclosed future-oriented financial information or financial outlook will be disclosed in the Company's MD&A.

Forward-looking Statements

Any statements regarding the following are forward-looking statements:

- planned development or appraisal activity including both expected drilling and geological and geophysical related activities
- future crude oil, natural gas or chemical prices
- future sources of funding for our capital program
- government or other regulatory consent for appraisal, development or acquisition activities
- future production levels
- future capital expenditures and their allocation to appraisal and development activities
- future earnings
- future asset acquisitions or dispositions
- future debt levels
- availability of committed credit facilities
- possible commerciality
- future development plan amendments or capacity expansions
- future ability to execute dispositions of assets or businesses
- future sources of liquidity, cash flows and their uses
- future drilling of new wells
- ultimate recoverability of current and long-term assets
- ultimate recoverability of reserves or resources
- expected finding and development costs
- expected operating costs
- estimates on a per share basis
- future foreign currency exchange rates
- future market interest rates
- future expenditures and future allowances relating to environmental matters
- dates by which certain areas will be developed or will come on stream or reach expected operating capacity
- changes in any of the foregoing

Statements relating to reserves or resources are forward-looking statements as they involve the implied assessment, based on estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated and can be profitably produced in the future.

The forward-looking statements are subject to known and unknown risks and uncertainties and other factors that may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Such factors include, among others:

- market prices for oil and gas and chemical products
- the Company's ability to develop, produce and transport crude oil to markets
- ultimate effectiveness of design or design modification to facilities
- the results of appraisal and development drilling and related activities
- volatility in energy trading markets
- foreign-currency exchange rates
- economic conditions in the country and region in which the Company carries on business
- governmental actions including changes to taxes or royalties, changes in environmental and other laws and regulations
- renegotiations of contracts
- results of litigation, arbitration or regulatory proceedings
- political uncertainty, including actions by terrorists, insurgent or other groups, or other armed conflict
- conflict between states
- internal conflict within states or regions

The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these factors are interdependent, and management's future course of action would depend on our assessment of all information at that time. Although the Company believes that the expectations conveyed by the forward-looking statements are reasonable based on information available to us on the date such forward-looking statements were made, no assurances can be given as to future results, levels of activity and achievements.

Undue reliance should not be placed on the statements contained herein, which are made as at the date hereof and, except as required by law, we undertake no obligation to update publicly or revise any forward-looking statements, whether because of new information, future events or otherwise. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

Presentation of Oil and Gas Information

All oil and gas information contained in this AIF has been prepared and presented in accordance with NI 51-101. Certain terms used herein are defined in the "*Glossary of Terms*". Certain other terms used herein but not defined herein are defined in the COGE Handbook, NI 51-101 and Canadian Securities Administrators Staff Notice 51-324 ("**CSA 51-324**") and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101 and CSA 51-324. This AIF also contains certain supplemental operational and property information with respect to the Company that is not required to be disclosed under NI 51-101.

The actual oil and gas resources or reserves and future production may be greater or less than any estimates provided herein.

ITEM 1 - INTRODUCTION

Incorporation by Reference and Date of Information

Specifically incorporated by reference and forming a part of this AIF is the Company's material change report from January 22, 2024, to the date of this AIF. A copy of such material change report has been filed with the Canadian Securities Administrators in each of the Provinces of British Columbia, Alberta, Ontario, Saskatchewan, Manitoba and Nova Scotia and can be found under the Company's profile on SEDAR+ at www.sedarplus.ca.

All information in this AIF is at December 31, 2023, unless otherwise indicated.

ITEM 2 - CORPORATE STRUCTURE

Name, Address and Incorporation

The full corporate name of the Company is ShaMaran Petroleum Corp. The address of the Company's head office is 1055 Dunsmuir Street, Suite 2800, PO Box 49225, Vancouver, BC, V7X 1L2, Canada, and the registered address and records office is 1075 West Georgia Street, Suite 1200, Vancouver, BC, V6E 3C9, Canada.

The Company was incorporated under the laws of the Province of British Columbia on October 3, 1991, under the name "Arauco Resources Corporation" ("**Arauco**").

On August 13, 1997, Arauco was continued as a federal company under the *Canada Business Corporations Act ("**CBCA**")*, and, on August 29, 1997, the name of the Company was changed from Arauco to Kit Resources Ltd. ("**Kit**").

Pursuant to the terms of a statutory plan of arrangement approved by the Ontario Superior Court of Justice on March 3, 2000, Kit and 1395896 Ontario Inc., a wholly-owned subsidiary of Wheaton River Minerals Ltd. ("**Wheaton River**"), were amalgamated under the name Kit (the "**Arrangement**"). After the Arrangement, Kit became a wholly-owned subsidiary of Wheaton River.

Effective March 6, 2000, to facilitate the business combination of Kit and Wheaton River, Kit was continued from the federal jurisdiction to Ontario under the *Ontario Business Corporations Act* (the "**OBCA**"). In January 2001, Wheaton River sold its majority interest in the Company.

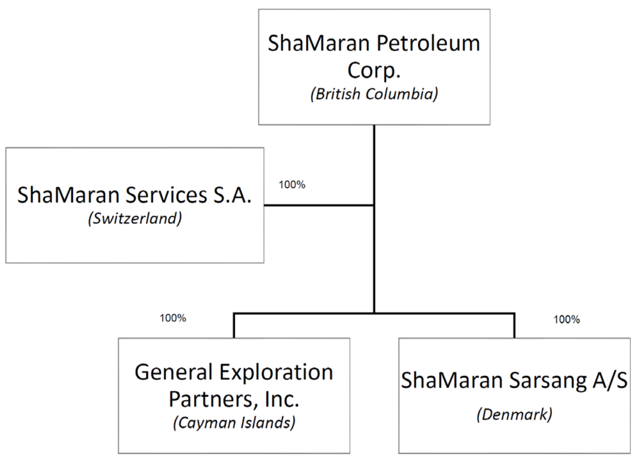
On November 15, 2001, Kit was extra-territorially registered in the Province of British Columbia and on December 29, 2006, was continued into British Columbia from Ontario under the *Business Corporations Act* (British Columbia).

On February 9, 2007, the corporate name of the Company was changed from Kit to Bayou Bend Petroleum Ltd. ("**Bayou Bend**").

On October 21, 2009, the corporate name of the Company was changed from Bayou Bend to ShaMaran Petroleum Corp.

Intercorporate Relationships

Substantially all the Company's business is carried on through its various subsidiaries. The Company's initiative to eliminate redundancies in its legal structure resulted in the dissolution of certain of the Company's legal entities in the United States and in Canada during 2023. The following chart illustrates, as at the date of this AIF, the Company's significant subsidiaries, including their respective jurisdiction of incorporation and the percentage of voting securities in each that are directly held by the Company:



ITEM 3 - GENERAL DEVELOPMENT OF THE BUSINESS

ShaMaran is a Canadian independent oil development, exploration and production company currently engaged in the appraisal, development and production of oil and gas resources in the Atrush Block and the Sarsang Block in the Kurdistan Region of Iraq ("**Kurdistan**").

ShaMaran holds a 27.6% working interest in the Atrush PSC, through its wholly-owned subsidiary GEP, related to a petroleum property located in Kurdistan. The Atrush Block covers 269 km^2 and includes, on the surface, the Chiya Khere Mountain running east to west, which coincides with the Atrush Block subsurface structure. The Atrush Block is located approximately 85 kilometres northwest of Erbil, the capital of Kurdistan. Oil production from the Atrush Block commenced in July 2017. TAQA Atrush operates the Atrush Block, which is a single oil-producing field. Due to the closure of the ITP in March 2023 (*See item 3 "Year Ended December 31, 2023 – Operational Developments*") and the resulting unavailability of export facilities, production from the Atrush Block was shut-in until local sales began in November 2023 at reduced production rates using the Kurdistan pipeline flow reversal to a local refinery. On January 22, 2024, ShaMaran announced the signing of definitive agreements that upon closing will result in GEP's working interest in the Atrush Block increasing to 50% and an affiliate of HKN becoming the Atrush operator.

ShaMaran also holds an 18% working interest (22.5% paying interest) in the Sarsang PSC through its wholly-owned subsidiary ShaMaran Sarsang. The Sarsang Block covers 420 km^2 and is located directly to the north of the Atrush Block. HKN currently operates the Sarsang Block, which comprises two separate oil-producing fields: the Swara Tika field and the East Swara Tika field. Oil production from Sarsang Block commenced in 2013. Due to the closure of the ITP in March 2023 (*See item 3 "Year Ended December 31, 2023 – Operational Developments*"), production from the East Swara Tika field has been shut-in and production from the Swara Tika field has been reduced. Oil sales from Swara Tika have continued since the ITP shutdown using trucking to a local refinery.

The Atrush and Sarsang petroleum properties are continuously being appraised. Further phases of development will be defined based on production data, appraisal information and economic circumstances.

THREE-YEAR HISTORY

Year Ended December 31, 2021

Corporate Developments

In January and July 2021 ShaMaran timely paid in full all interest owed to its bondholders of the 2023 Bond.

On July 12, 2021, ShaMaran announced that it signed an agreement with a subsidiary of TotalEnergies S.E. ("**TTE**") that holds an 18% interest in the Sarsang Block (the "**Sarsang Acquisition**"). The Sarsang Acquisition has an effective date of January 1, 2021. ShaMaran financed the Sarsang Acquisition through the issue of new debt, a vendor loan and by utilizing ShaMaran's cash balance.

On July 16, 2021, ShaMaran announced the successful placement of a new $300 million bond, with a 4-year tenor due July 2025 and priced at 12% fixed semi-annual coupon (the "**2025 Bond**"). The proceeds from the 2025 Bond issue were used to refinance $172 million of the current outstanding 2023 Bond, to refinance $7.2 million of existing subordinated debt to Nemesia, to partly finance the Sarsang Acquisition announced July 12, 2021 and for general corporate and administrative purposes.

On July 27, 2021, ShaMaran announced that the proposals for the conditional refinancing of the 2023 Bond, as well as necessary waivers for the issuance of the 2025 Bond and other financial matters relating to the 2023 Bond, were approved by the bondholders voting on the proposals.

On July 30, 2021, ShaMaran announced the issuance and settlement of the initial issue of the 2025 Bond in the amount of $111.5 million. Proceeds from this initial issue were used to pay a portion of the purchase price of the Sarsang Acquisition and were placed into escrow to be released following satisfaction of conditions precedent to completion of the Sarsang Acquisition. Also, on this date ShaMaran entered into (i) an agreement with Nemesia to underwrite the rights offering that was subsequently launched in Canada on April 5, 2022, and in Sweden on April 7, 2022 (the "**Rights Offering**"), and (ii) to amend and restate the debenture dated February 25, 2019, in favor of Nemesia (the "**Amended Debenture**"). Contemporaneously with completion of the Sarsang Acquisition, ShaMaran repaid and settled $7.2 million of the then-current principal balance by way of the issuance, at 98.5% of par, of new bonds with a face value of approximately $7.3 million as part of the 2025 Bond issue, whereupon ShaMaran's total indebtedness to Nemesia under the Amended Debenture became $15.6 million, bearing annual interest at 12% payable semi-annually until maturity in January 2026, together with a payment in kind of an additional 2%.

Operational Developments

On September 14, 2021, ShaMaran announced that cumulative oil production from the Atrush Block had reached 50 million barrels. By year-end 2021, cumulative oil production from Atrush Block exceeded 54 million barrels.

Average annual Atrush Block production in 2021 was 38.6 Mbopd. ShaMaran's entitlement share of 2021 exports was approximately 1.87 million barrels, which were sold at an average netback price of $54.75 per barrel of oil and resulted in $102.3 million of revenue from oil sales for the year 2021.

Measures put in place to mitigate impacts of the COVID-19 in the Atrush Block and Erbil operations were maintained and improved in 2021, enabling a return towards normal operating conditions. Capital programs were resumed with one new production well, CK-17, drilled and brought online in June 2021.

Year Ended December 31, 2022

Corporate Developments

In January 2022, ShaMaran timely paid in full interest owed to its bondholders of the 2023 Bond and the 2025 Bond.

On April 5, 2022, the Rights Offering was launched by ShaMaran in Canada and on April 7, 2022, in Sweden. The proceeds of the Rights Offering will be used by ShaMaran for general corporate and administrative purposes.

On May 20, 2022, ShaMaran announced that the Rights Offering expired. Pursuant to the Rights Offering, each ShaMaran shareholder of record on April 13, 2022, who was an Eligible Holder or Approved Holder (as such terms were defined in ShaMaran's Rights Offering circular dated April 5, 2022, as amended) received one right (a "**Right**" and collectively the "**Rights**") for every Common Share held. Four Rights permitted the holder to purchase one Common Share at the price of CAD$0.06825 (SEK 0.52 per Common Share). A total of 2,060,115,323 Rights were exercised.

On May 25, 2022, ShaMaran announced it had issued 558,242,414 Common Shares at the price of CAD$0.06825 (SEK 0.52) per Common Share, being the maximum number of Common Shares approved for the Rights Offering, for total gross proceeds of approximately $30.15 million. No call on Nemesia was required to be made by ShaMaran pursuant to the underwriting of the Rights Offering, as the offering was over-subscribed.

On September 14, 2022, ShaMaran completed the Sarsang Acquisition and subsequently changed the name of TEPKRI Sarsang A/S to ShaMaran Sarsang A/S. The additional interest in the Sarsang Block: (i) added immediate incremental working interest production of approximately 5,000 bopd of light crude oil (36-38° API); (ii) was expected to double ShaMaran's average net production, exceeding 20,000 bopd, following the completion of the processing facility expansion at Swara Tika field by Q3-2022; and (iii) enhanced ShaMaran's oil reserves through the addition of high API and low sulphur oil, which achieves a low discount to Brent.

On September 27, 2022, ShaMaran announced that it exchanged the 2023 Bond for the 2025 Bond and accrued interest was paid in full as at September 26, 2022, to all bondholders.

On October 3, 2022, ShaMaran announced that it had prepaid in full (together with applicable interest) the $15 million convertible loan note issued to an affiliate of TTE in connection with the closing of the Sarsang Acquisition. Following the prepayment, only a contingent payment of $15 million remains payable in the future upon (i) cumulative gross production from the Sarsang PSC reaching 130 million barrels of oil and (ii) subject to Brent crude oil prices averaging at least $60 per barrel for a twelve-month period.

On October 4, 2022, ShaMaran confirmed that the Sarsang Operator, on behalf of itself and ShaMaran's wholly-owned subsidiary, ShaMaran Sarsang, signed an amendment to the Sarsang Block lifting agreement with the KRG regarding the sale and purchase of all crude oil production from the Sarsang Block (the "**Sarsang Block Lifting Agreement**"). This amendment became effective retroactively to September 1, 2022. The new Sarsang Block Lifting Agreement changed the reference price for the Sarsang Block crude oil sales payments from Dated Brent (price assessment value of oil) to KBT (Kurdistan Blend) in order to reflect current market conditions for oil sales at Ceyhan, together with the necessary adjustments for crude oil quality due to the crude benchmark change.

Operational Developments

On March 27, 2022, the drilling of a second water disposal well (CK-16) in the Atrush Block commenced in order to mitigate water production issues.

On July 25, 2022, ShaMaran announced that its drilling operations on the Atrush Block had commenced on the CK-18 production well in Kurdistan. ShaMaran also announced that it had commenced workover operations on the CK-17 sidetrack-1 production well in the Atrush Block. In addition, drilling operations concluded on CK-16, a water disposal well drilled from the Chamanke G Pad and designed to provide redundancy to the existing Atrush Block water disposal well, CK-9.

On October 26, 2022, ShaMaran announced the commissioning of the Sarsang Block's 25,000 bopd production facility and the commencement of export via pipeline for oil produced from that facility.

Year Ended December 31, 2023

Corporate Developments

In January 2023, ShaMaran timely paid in full interest owed to the holders of its 2025 Bond.

On July 26, 2023, ShaMaran announced that its bondholders had granted a waiver to release restricted cash from the Debt Service Retention Account (**"DSRA"**) to enable the Company to pay the bond interest and amortization obligations due on July 30, 2023. This preserved the Company's unrestricted cash during the current export pipeline and payment uncertainty in Kurdistan. The DSRA waiver related to ShaMaran's 12% senior unsecured $300 million bond 2021/2025 (ISIN: NO0011057622).

Operational Developments

On March 23, 2023, it was publicly reported that the long-running arbitration case between Iraq and Türkiye concerning the ITP had been awarded in Iraq's favor. This arbitration dates back to 2014, when Iraq claimed at the International Commercial Court (**"ICC"**) in Paris that Türkiye was violating the terms of a 1973 bilateral agreement, as amended, by allowing the KRG to export crude oil through the ITP without Iraq's consent.

On March 25, 2023, ShaMaran became aware of notification to the operators of the Atrush and Sarsang blocks, as well as the other operators in Kurdistan delivering oil into the Kurdistan pipeline, that, at the request of Türkiye officials, the ITP was being shutdown in light of the recent ICC arbitration ruling. Oil exports from the Atrush Block and the Sarsang Block temporarily ceased.

In April 2023, local sales commenced from the Sarsang Block at reduced production rates and at local market prices. Local sales from the Atrush Block commenced in early November 2023 once reverse-flow of the Kurdistan pipeline was started at reduced production rates and at local market prices.

On May 10, 2023, the Company suspended its guidance for 2023 due to the uncertainty of the re-opening of the ITP for export sales of oil production from Kurdistan (including the Atrush and Sarsang blocks).

As at December 31, 2023, the Atrush Block had achieved cumulative production of approximately 70.5 MMbbls, and the Sarsang Block had achieved cumulative production of approximately 66.1 MMbbls, since development commenced in both fields in 2013.

Events Subsequent to Year Ended December 31, 2023

On January 22, 2024, the Company announced the signing of definitive agreements with TAQA International B.V., a subsidiary of Abu Dhabi National Energy Company PJSC (TAQA), and HKN Energy IV, Ltd., an affiliate of HKN, that upon completion will increase ShaMaran's indirect ownership in the Atrush Block from 27.6% to 50% working interest, and an affiliate of HKN will become the Atrush operator.

On January 23, 2024, the Company announced that it intended to use part of its owned bonds to satisfy the $22.5 million bond amortization amount due in January 2024. These bonds were retired in January 2024, leaving $5.9 million of Company-owned bonds outstanding. After the bond amortization and interest payments at the end of January 2024, the Company had gross debt of $271 million and net debt of $200 million (including restricted and unrestricted cash and company-owned bonds).

On April 15, 2024, Iraq Prime Minister Sudani met with U.S. President Biden at the White House and issued a joint statement that affirmed (i) the importance of ensuring Iraqi oil can reach international markets, and (ii) their desire to re-open the ITP.

As at the date of this AIF, there are no oil exports via the ITP from the Kurdistan producers (including the Atrush Block and the Sarsang Block) as the ITP remains closed, with all producers limited to local sales at a large discount to Brent.

ITEM 4 - DESCRIPTION OF THE BUSINESS

Summary

The Company is an independent oil development, exploration and production company currently engaged in the appraisal, development and production of oil and gas resources in Kurdistan. As part of its normal business, the Company continues to evaluate new opportunities.

As at the date of this AIF, the Company holds two non-operated interests in Kurdistan: a 27.6% working interest in the Atrush PSC and an 18% working interest (22.5% paying interest) in the Sarsang PSC.

Both Blocks are high-quality oil fields that have a large production base with significant growth potential. They are both continuously being appraised, and further phases of development, including further drilling and possible facilities expansion, will be defined based on production data, appraisal information and economic circumstances.

Oil production from the Atrush Block commenced in July 2017. Installed production facilities have a capacity of over 58 Mblpd.

Oil production from Sarsang commenced in 2013 from early production facilities, and exports began in 2017. Installed production facilities have a capacity of 55 Mblpd.

As at the date of this AIF, both blocks are producing at reduced rates, pending re-opening of the ITP and resumption of full production activities and oil exports via pipeline.

A summary of ShaMaran's current interests in the Atrush Block and Sarsang Block, as at the date of this AIF, are set out in the following table:

Country	Block	Acreage (km^2)	Working interest [(1)]	
Iraq (Kurdistan)	Atrush Block	269	TAQA [(2)] KRG ShaMaran [(3)]	47.4% 25.0% 27.6%
Iraq (Kurdistan)	Sarsang Block	420	HKN [(4)] KRG [(5)] ShaMaran [(6)]	62% 20% 18%

Notes:

(1) Working interest means a percentage of the ownership in an oil and gas PSC granting its owner the right to explore and develop oil and gas from a specific property which normally bears its proportionate share of the costs of petroleum operations as well as any royalties or other production burdens.

(2) The Operator of the Atrush Block.

(3) Held through GEP, a wholly-owned subsidiary of the Company.

(4) The Operator of the Sarsang Block.

(5) The KRG is carried by the Sarsang Contractors, meaning HKN pays 77.5% and ShaMaran pays 22.5% of the petroleum costs of Sarsang Block.

(6) Held through ShaMaran Sarsang, a wholly-owned subsidiary of the Company.

Specialized Skills and Knowledge

The Company relies on specialized skills and knowledge to gather, interpret and process geological and geophysical data, and to design, drill and complete wells, together with the numerous additional activities required to potentially produce oil and natural gas. The Company is part of joint ventures in both the Atrush and Sarsang blocks, employing a strategy of contracting consultants and other service providers to supplement the skills and knowledge of its permanent staff to provide the specialized skills and knowledge required to undertake its oil and natural gas operations efficiently and effectively.

Competitive Conditions

The petroleum industry is immensely competitive in all its phases. ShaMaran competes with other participants in the search for, and the acquisition of, oil and natural gas interests located in the Kurdistan Region of Iraq or elsewhere. ShaMaran's competitors include other resource companies, which may have greater financial resources, staff and facilities than those of the Company. Competitive factors that may come into play in the future include the distribution and marketing of oil and natural gas, pricing, and methods of improving reliability of delivery.

Economic Dependence

The Company is dependent upon the results of appraisal and development activities obtained under various agreements, including the Atrush PSC, Atrush JOA, Sarsang PSC and Sarsang JOA, which it has entered for the exploration, development and extraction of hydrocarbons from those blocks.

Environmental Protection

The Company's oil and gas operations are in a region where there are environmental regulations, including restrictions on where and when oil and gas operations can occur, the release of substances into groundwater, atmosphere and surface land and the potential routing of pipelines or location of production facilities. These restrictions and regulations are strictly followed. The Company could potentially be liable for contamination of properties acquired and it attempts to mitigate the risk of inheriting environmental liabilities when conducting due diligence on these acquisition opportunities. Breach of environmental regulations in any of the regions in which

ShaMaran operates could result in restrictions or cessation of operations and the imposition of fines and penalties. See also "***Risk Factors***."

Employees

As at December 31, 2023, the Company had 7 full-time employees based in Switzerland, two based in the United Kingdom and one based in Kurdistan. The Company relies on and engages consultants on a contract basis to provide services, management and personnel where required to assist the Company and its subsidiaries to carry on their administrative, legal, commercial or technical activities in Canada, Cayman Islands, Denmark, Kurdistan, Sweden, and Switzerland.

Foreign Operations

ShaMaran's assets and operations are in Kurdistan, a federally recognized semi-autonomous political region in Iraq. The Company's assets and operations may be influenced by political developments between Kurdistan and the Iraq federal government, as well as political developments of neighboring states within MENA, Türkiye, and surrounding areas. Kurdistan and Iraq have a history of political and social instability.

Bankruptcy and Similar Procedures

There have been no bankruptcy, receivership or similar proceedings against the Company or any of its subsidiaries, or any voluntary bankruptcy, receivership or similar proceedings by the Company or any of its subsidiaries, within the three most recently completed financial years or during or proposed for the current financial year.

Reorganizations

There was no material reorganization of the Company or any of its subsidiaries in the year 2023.

Social and Environmental Policies

On August 24, 2007, the ShaMaran Business Code was adopted and further amended and restated it in 2023 to set out basic principles intended to guide all employees, consultants, Directors and officers of the Company in the proper conduct of the business of the Company. The ShaMaran Business Code is intended to deter wrongdoing by those persons and to promote, amongst other things, honest and ethical conduct and the avoidance of conflicts of interest.

On August 12, 2020, the Company adopted an Environmental, Social and Governance Statement ("**ESG Statement**").

A full copy of the ShaMaran Business Code and ESG Statement can be found on the Company's website at www.shamaranpetroleum.com.

Overview of Kurdistan Oil Industry

Since the introduction of the Oil and Gas Law of The Kurdistan Region - Iraq in 2007, the KRG has developed an independent oil and gas industry, and numerous international oil companies have signed PSCs with the KRG. This has resulted in a period of increased exploration and resulted in several oil and gas discoveries in reservoirs of Tertiary, Cretaceous, Jurassic and Triassic age.

In December 2013, the KRG announced the successful commissioning of its independent export oil pipeline from Khurmala to Fiskhkhabur and commencement of oil shipments from the Tawke and Taq Taq fields. Also in late 2013, an energy cooperation agreement was signed between the government of Türkiye and Kurdistan that allows for transportation of Kurdistan oil through to the Mediterranean port of Ceyhan, Türkiye.

Most of the oil producing fields in Kurdistan (including the Atrush and Sarsang blocks) were previously delivering their oil production to the KRG for export via the ITP for onward export sales to the international oil market by the KRG at Ceyhan, Türkiye. However, as at the date of this AIF, the pipeline is closed until new arrangements are agreed between Iraq's Ministry of Oil, BOTAS, the KRG and International Oil Companies (**"IOCs"**).

In Kurdistan, the export pipeline that connects to the ITP was upgraded in 2018 and now has the capacity to transport approximately 1.0 MMbopd. The International Energy Agency has stated that the ITP to Ceyhan, which is currently the only available export route for oil produced in Kurdistan, has a capacity of approximately 1.6 MMbopd.

The KRG has a history of making consistent payments to IOCs selling their oil production to the KRG (other than certain limited times including during certain periods as further described in Item 3 "Y*ear Ended December 31, 2021", "Year Ended December 31, 2022" and "Year Ended December 31, 2023"*).

Regional Geology

The Atrush and Sarsang blocks lie in the Zagros sedimentary basin, which is a world-class hydrocarbon province located on the north-eastern margin of the Arabian Platform. This basin is located along the Zagros thrust belt and covers an area of some 200,000 km^2. It extends from the Taurus thrust zone in the north (Türkiye) to the Arabian Gulf and Oman in the south. The basin is a typical foreland compressional basin formed by the collision of the Afro-Arabian and Iranian plates in Late Cretaceous and Cenozoic times. The Atrush structure is part of the high folded zone of the Zagros mountains.

The late Permian and Triassic rocks were deposited in relatively stable shelf conditions and consist of shallow water carbonates with minor evaporite and clastic content. Jurassic sediments were also deposited in the shelf environment and consist primarily of carbonates ranging from deep water mudstones-wackestones to shallow water packstones-grainstones interbedded with supra-tidal carbonates and anhydrites.

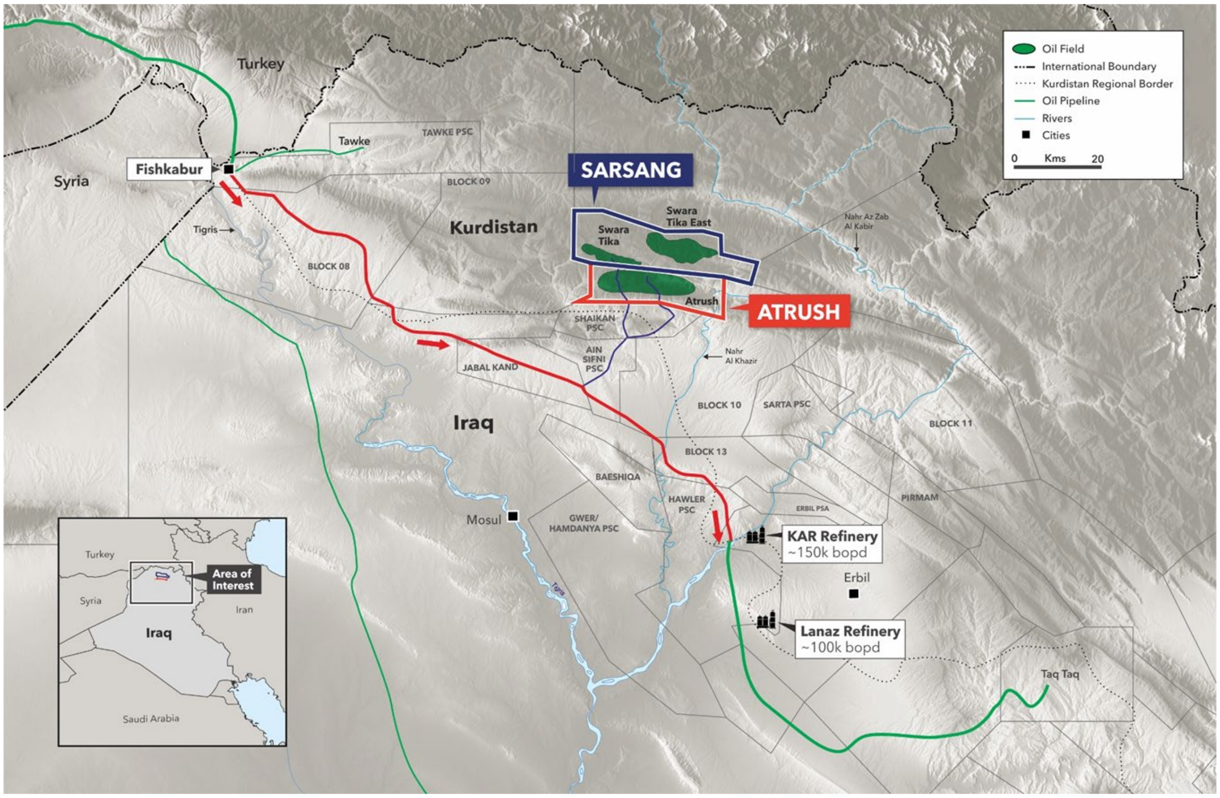
The main source rocks in the area are in the Jurassic Naokelekan and the Cretaceous Chia Gara formations. Hydrocarbon generation and migration in the Zagros Basin began during the late Cretaceous time when folding and uplift of the Zagros Mountains began. Faults and fracture development created vertical migration paths to hydrocarbons. Most likely, a combination of vertical and horizontal migration charged the structures in the Atrush Block area and the Sarsang Block area.

The following table indicates the stratigraphic map summary for the Atrush and Sarsang blocks showing reservoirs, source and seal formations:

Age	Epoch	Formation (1)	Lithology	Reservoir	Source	Seal
Cretaceous	Upper	Aqra-Bekhme	Karstic & Dolomitic Limestone			
		Qamchuqa	Karstic & Dolomitic Limestone			
	Lower	Sarmord	Interbedded Marls, Limestone & Shale			
		Garagu	Limestone			
		Chia Gara	Shale & Marls			
Jurassic	Upper	Chia Gara Transition Beds	Shale with layers of Anhydrite and Limestone			
		Barsarin	Shale & Marls over Limestone			?
		Naokelekan	Organic rich Shale with layers of Limestone			
	Middle	Upper Sargelu	Limestone & Shaly Limestone			
		Lower Sargelu	Dolomite with layers of Limestone			
	Lower	Alan	Anhydrites with a few layers of Dolomite			
		Mus	Limestone & Dolomite			
		Adaiyah	Predominantly Anhydrite with some Dolomite			
		Butmah	Dolomite with isolated layers of Anhydrite and Limestone			
Triassic	Upper	Baluti	Interbedded Marls, Dolomites & Shale			
		Kurra Chine A	Interbedded Anhydrite, Limestone & Dolomite		?	
		Kurra Chine B	Interbedded Anhydrite, Limestone & Dolomite		?	
		Kurra Chine C	Interbedded Anhydrite, Limestone & Dolomite		?	

*A wavy line between formations represents an unconformity.

Atrush and Sarsang blocks



Atrush Block

Production Facility and Pipeline

The Atrush Field came online in July 2017, reaching peak rates in excess of 50,000 bopd during 2019, before suspension of development activities in 2020 resulted in declines thereafter. With the resumption of development activities in 2021 (facilities expansion and development well drilling), field decline is being stabilized through increased water-handling capacity and delivery of additional dry oil-producing wells. During 2023, two new development wells were added and facility capacity enhancement projects progressed, until reduction in capital programs associated with the ITP shutdown in March 2023 led to suspension of non-critical development activities.

Development Wells

In 2014, three development wells were drilled:

- The AT-4 well was drilled up-dip towards the undrilled crest of the structure from the AT-1 drilling site. AT-4 was tested, producing a 27-28° API oil at a combined rate of 9,059 bopd from two of the intervals tested.
- The CK-5 was drilled from the Chamanke-A well pad with the bottom hole location in the Adaiyah formation approximately 870 metres west/southwest of the surface location, penetrating a gross vertical oil column of approximately 540 metres.
- CK-8 was also drilled from the Chamanke-A well and encountered the reservoir higher than expected some 1.4 kilometres east/southeast of the surface location.

In 2015, the CK-5 and CK-8 development wells were successfully tested and completed. The CK-5 well tested 3 separate intervals at a combined rate of 7,350 bopd. The CK-8 well tested 2 intervals at a combined rate of 8,400 bopd.

The completions for both the AT-4 and the AT-2 well were installed and successfully tested in Q2 and Q3-2016, respectively.

The CK-7 well was spudded in Q4-2017, and the reservoir section was encountered 114 metres shallower than prognosis. In March and April 2018, three intervals were successfully tested: the Mus formation tested 20.1° API oil at a rate of 0.8 Mbopd, with a final productivity of 13 stb/d/psi; the Alan formation tested 27.1° API oil at a rate of 900 bopd, with a final productivity of 6 stb/d/psi; and the main Lower Sargelu formation tested 26.4-° API oil at 1.0 Mbopd at a drawdown of only 2 psi, yielding a final productivity of 446 stb/d/psi. No water was produced at the end of the test.

CK-7 is now completed over the Alan and Lower Sargelu formation with an electric submersible pump. During the final completion test the well produced 7,040 bopd at only 14 psi drawdown.

The CK-10 well was spudded on May 15, 2018, and was drilled to a total depth of 1,985 metres, which was reached on time and within budget on June 16, 2018. The reservoir section was encountered some 60 metres shallow to prognosis. The well flow tested approximately 4,400 bopd at a low drawdown, yielding a final productivity index of 313 stb/d/psi. The well is now completed over the Lower Sargelu formation.

The Chiya Khere-9 ("**CK-9**") water disposal well was spudded on July 20, 2018, and was drilled to a total depth of 3015 metres, which was reached on time and within budget on October 18, 2018. The well was injection tested November 7-20, achieving the targeted daily injection volume of 10,000 bopd.

The 2019 development campaign entailed drilling CK-11, CK 12, CK-13 and CK-15:

- The CK-11 well targeted the upper and lower Sargelu which produced at 8,200 bopd with an estimated maximum reservoir rate of 8,550 bopd.
- The CK-12 well targeted the Mus formation; however, it initially tested with a lower-than-expected reservoir productivity index, and subsequently only reached initial rates of approximately 600 bopd.
- The CK-13 well targeted the Naokelekan and the upper Sargelu and produced at 5,500 bopd with an estimated maximum reservoir rate of 8,160 bopd.
- CK-15 targeted the upper and lower Sargelu and produced at rates of 5,000 bopd with the potential to exceed 7,000 bopd.

Due to the COVID-19 pandemic, the 2020 Work Plan was revised, suspending the ongoing drilling and completion campaign as well as all non-critical projects.

During 2021, as measures imposed to mitigate the operational impacts of the COVID-19 pandemic were proven effective, suspended capital programs were restarted. The CK-12 well was worked over in March-April 2021 to recomplete over the Upper Jurassic reservoir and was successful in increasing rate from ~500 bopd to over 4,500 bopd. The CK-17 well was then drilled from Pad A targeting the Naokelekan and Upper Sargelu reservoirs to the southeast and brought online in June 2021.

The CK-16 well was spudded from Pag G in March 2022, drilled vertically through the Triassic reservoirs and TD'd in the Geli Khane interval at 3293mMD in May 2022. Planned as a water disposal well, the well was tested over the Kurra Chine C, Kurra Chine B and Kurra Chine A zones for injectivity. During the KCC testing, the well flowed hydrocarbons to surface indicating development potential further updip on the Triassic structures. The KCC was isolated and the well was eventually completed for water disposal over the KCA, where high injectivities were measured during testing.

The CK-18 well was spudded from Pad G in July 2022, drilled and landed with a 1,000 metres horizonal drain section in the Mus in September 2022. The well was completed to allow selective production from the horizontal section. However, losses during the drilling and stimulation phases established a connection to the aquifer, and the well produced only trace volumes of hydrocarbons during the flowback phase. The CK-18 well remained shut-in until

November 2023 when, following a prolonged field shut-in due to ITP closure, the well was brought online at ~800 bopd and ~50% BS&W.

The CK-19 and CK-20 development wells were delivered during Q1-2023. The CK-19 well was drilled west from Pad C, completed over the Naokelekan and Upper Sargelu and came online in February 2023 at an average rate of 3,200 bopd and ~1% BS&W. The CK-20 well, drilled south from Pad E, was also completed over the Naokelekan and Upper Sargelu, coming online in November 2023 (following field production restart) at an average rate of 4,082 bopd and ~0.5% BS&W.

It is envisaged that an updated Atrush Field Development Plan will be delivered during 2024 and that this plan, production, and surveillance data recovered during 2024, as well as clarification on any modifications to PSC terms, will define the basis for future development wells.

Location and Operational History

The Atrush Block is located along the southern border of the Sarsang Block approximately 85 kilometers northwest of Erbil, the capital of Kurdistan. Spanning 269 square kilometres, the block is currently operated by TAQA Atrush and is a single oil-producing field.

In 2010, the AT-1 exploration well made the first oil discovery in the block which was followed by the AT-2 appraisal well and then a declaration of commerciality filed in November 2012. The eastern part of the field was successfully appraised in 2013 by the AT-3 well that encountered an estimated oil column of 286 metres in the Jurassic reservoir and successfully extended the Atrush accumulation 6.5 kilometres further to the east, while proving producible oil 180 metres deeper than previous wells, thereby reducing the uncertainty on the oil water contact/free water level. AT-3 was suspended and a successful retest later conducted in January 2015 that resulted in such well demonstrating a maximum oil rate of 4,900 bopd commingled from two intervals.

In June 2013, an interference test was conducted between AT-1 and AT-2 wells, which are 3.1 kilometres apart, that confirmed excellent pressure communication and multi-darcy horizontal permeability through the fracture system in the Jurassic reservoir.

The Atrush Phase 1 Field Development Plan (“**Atrush FDP**”) was approved by the KRG in 2013 and the initial twenty-year development period commenced on October 1, 2013.

The reservoir connectivity in Atrush field was further confirmed by pressure communication between the testing of CK-6 and AT-3 wells and the AT-2 well, over a distance of 6.5 kilometres, to demonstrate that the eastern appraisal area is in pressure communication with the Phase 1 development area.

In alignment with the Atrush FDP, a 30 kbpd capacity central processing facility was completed and commissioned in Q2-2017 with production from AT-2, AT-4, CK-5, and CK-8 wells ramping up to an average production of 26.3 kbopd of 25.1° API by December 2017.

Additional development wells (CK-7, CK-10, CK-11, CK-12, CK-13, CK-15, CK-16 water disposal well, CK-17 and CK-18) were drilled and completed during 2018 - 2022 notwithstanding the suspension of drilling activities during the 2020 COVID-19 pandemic.

Reservoir surveillance and modelling work during 2021 and 2022 indicated positive reservoir performance, with the delayed onset of water production and slow gas cap growth justifying increases in recovery factor assumptions. The resumption of development activities in 2021 aimed to stabilize production declines observed since 2020 and maintain Atrush production at a long-term plateau rate between 30 – 40 kbopd.

Following delivery of two additional development wells, CK-19 and CK-20 in early 2023, production from Atrush block was halted due to the ITP closure in March 2023 until production could be restarted in November 2023 for Atrush sales to the local market following reversed flow of the Kurdistan pipeline. The March 2023 ITP closure resulted in the suspension of capital programs and field development activities in Atrush block for the remainder of 2023.

Sarsang Block

Production Facility and Pipeline

The Swara Tika fields were developed using Early Well Testing facilities ("**EWT**") with export via road tanker to achieve early production and de-risk the subsurface uncertainties. The combined well, processing and export capacity before 2022 was ~30,000 bopd.

During Q3-2022, the Sarsang permanent production facility ("**ST PPF**") processing and export pipeline was brought online. This increased field processing capacity from ~30,000 bopd to over 50,000 bopd, providing oil storage of up to 160,000 stb (four 40,000 stb storage tanks) and allowing for export of production via pipeline or road tanker.

During 2023, further ST PPF systems were commissioned to support the increase of Sarsang field rates up to a target 50,000 bopd plateau rate.

Development Wells

Pre-2023 wells include:

- EST-1 Facility; EST-1, EST-A1W wells
- ST-1 (Pad B) Facility; ST-1Z, ST-B1A & STB2Y wells
- ST-2 (Pad A) Facility; ST-2, ST-4Z & ST-A1 wells (ST-A1 was not producing at the end of 2022 due to high BS&W.)
- 25,000 bpd facility (Pad B); ST-B3, ST-B4, ST-B5, ST-B6 & ST-B7 wells

A batch drilling campaign comprising five wells (ST-B3, ST-B4, ST-B5, ST-B6 & ST-B7) was started at Pad ST-B during 2021 to provide well capacity to the permanent production facility. This campaign continued into 2022 with all wells coming online with the permanent facility start-up on September 22, 2022.

The 2023 WP&B included one firm production well, ST-A2, one water disposal well, ST-AW1, and one contingent production well, ST-9. The ST-A2 well, drilled from Pad A, TD'd on January 7, 2023, was completed over the Kurra Chine A and B zones, and came online in November 2023 at 6,000 bopd and 0% BS&W. The ST-AW1 well, drilled from Pad A, was TD'd in the Jurassic Butmah formation on March 27, 2023, completed and is currently suspended pending hook-up of water injection infrastructure was installed in Q1-2024. The contingent well, ST-9 was not drilled.

Due to the closure of the ITP during 2023, no further development wells are planned for 2024.

Location and Operational History

The Sarsang Block is located along the northern border of the Atrush Block approximately 85 kilometers northwest of Erbil, the capital of the Kurdistan. Spanning 420 square kilometres, the block is currently operated by HKN and comprises two fields: Swara Tika and East Swara Tika.

In 2011, the Main Swara Tika discovery was made with the exploration well Swara Tika-1, which encountered multiple hydrocarbon-bearing zones and ultimately tested light oil from all three reservoirs of the Kurra Chine Formation. Swara-Tika 1 was subsequently completed in the Kurra Chine C Reservoir. In late 2012, the Swara Tika-2 well was drilled and successfully tested all three reservoirs of the Kurra Chine Formation, confirming the results of the initial exploration well. This well also produced 1,360 barrels of 12-14° API crude oil from the Jurassic Naokelekan-Sargelu over 13 hours. The well was subsequently completed in the Kurra Chine B Reservoir. A pressure interference test was performed between the two wells in October and November 2012 to investigate the pressure communication between the two wells through the Kurra Chine C Reservoir and investigate any possible cross-communication between the Kurra Chine B and Kurra Chine C reservoirs. The test confirmed communication of the two wells but no cross communication between the Kurra Chine B and Kurra Chine C reservoirs. Commercial production from the Main Swara Tika Field began in 2014, and production was approximately 29,000 bopd as of December 2021 from six wells.

In alignment with the Swara Tika Field Development Plan ("**ST FDP**"), five additional development wells (ST-B3, ST-B4, ST-B5, ST-B6 & ST-B7) were drilled and completed over 2021/2022, coming online on September 22, 2022, to produce in to the newly constructed and commissioned Swara Tika permanent production facility ("**ST PPF**"). The ST-PPF has a processing capacity of 25,000 bopd, with 160,000 stb of storage capacity (four 40,000 stb floating roof storage tanks) and ability to export up to 100,000 stb/d via export pipeline tied into the existing Atrush feeder pipeline. The wells and facility came online at initial rates of ~18,000 bopd. Total Swara Tika field production was approximately 40,000 bopd from 10 wells as of December 2022.

During 2022, the Sarsang operator expanded the scope of ST FDP from 8 to 17 additional development wells incremental to the existing 12 at year end 2022. The impact of this was to increase base case field 2P reserves by more than 40 MMstb.

A second discovery, East Swara Tika, located approximately 10 kilometers from the Main Swara Tika, was subsequently made in 2014 through the drilling of the ESWT-1 well and its sidetracks. ESTW-1Z successfully tested light crude oil from the Kurra Chine B and Kurra Chine C reservoirs. This well also tested 10° API crude from the Jurassic Sargelu at 580 bopd with an ESP. ESTW-1Y tested crude oil from the Kurra Chine A and Kurra Chine B reservoirs, although the rates for the Kurra Chine B were much lower and intermittent. Commercial production from the East Swara Tika Field began in 2018, and there were two wells producing over 2,000 bopd as of December 2022.

Following delivery of the ST-A2 and ST-AW1 wells in Q1-2023, the closure of the ITP in March 2023 resulted in reduced field production rates and a rationalization of development activities.

PSC and Related Agreements

Atrush Summary

On August 27, 2010, ShaMaran Ventures B.V., then an indirect subsidiary of the Company ("**SVBV**"), entered into a Subscription Agreement and a Shareholders Agreement with Aspect Energy International LLC (**"AEI"**) and GEP to acquire 33.5% of the fully-diluted share capital of GEP, then a wholly-owned subsidiary of AEI. GEP then held an 80% working interest in the Atrush PSC. In October 2010, the KRG nominated MOKDV as the KRG's Third Party Interest Participant to hold a 20% working interest. Accordingly, the Company, through its wholly-owned subsidiary GEP, held an indirect interest in Atrush PSC of 26.8% until the KRG's back-in right became effective on November 7, 2012.

On December 31, 2012, GEP completed two principal transactions (the "**Transactions**") resulting in: (i) the sale of a 53.2% working interest in the Atrush Block to TAQA Atrush B.V.; and (ii) the repurchase of AEI's 66.5% shareholding interest in GEP. Due to the Transactions, SVBV became the sole remaining shareholder of GEP, which held a 26.8% direct working interest in the Atrush PSC, its principal asset, and TAQA assumed operatorship of the Atrush Block. SVBV's interest in GEP was subsequently assigned to the Company and SVBV thereafter liquidated.

On March 12, 2013, TAQA, GEP and MOKDV (at that time being the members in the Contractor Group to the Atrush PSC) were notified by the KRG that it intended to exercise its option to take a 25% working interest in accordance with the provisions of the Atrush PSC. On November 7, 2016, the KRG exercised its option for such 25% working interest in Atrush Block which was effective November 7, 2012, after which GEP held a 20.1% working interest.

On September 18, 2017, an agreement for the sale of Atrush oil was executed by Taqa Atrush BV. (on behalf of the Atrush co-venturers) and the KRG. Under the agreement, the KRG agreed to buy oil produced by the Atrush Block and delivered to the Atrush Block's boundary. The Atrush oil sales price is based upon the Dated Brent oil price minus a certain price discount (originally $16.04 per barrel for quality discount and all local and international transportation costs) and such oil sales price is determined on the same principles as other oil sales agreements in Kurdistan. The agreement has been subsequently amended to adjust the discount downward to $15.73 per barrel from February 1, 2018 until September 30, 2018, and to $15.43 per barrel from October 1, 2018 to October 30, 2019 to reflect the better oil quality from Atrush. Effective November 1, 2019 the Atrush Feeder Pipeline transportation tariff waiver granted under the terms of the 2016 Facilitation Agreement added a transportation tariff of $0.35 to the Atrush oil sales price discount making it $15.77.

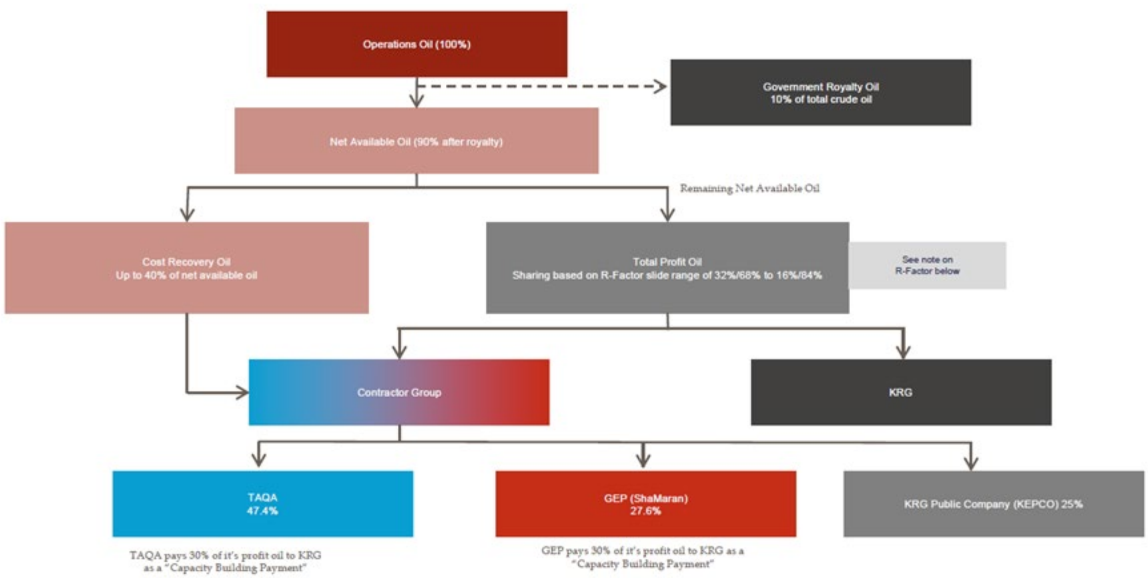
On April 3, 2019, the MOKDV, TAQA Atrush BV and the Company, through its wholly-owned subsidiary GEP, agreed to back-to-back separate purchase and sale agreements whereby GEP acquired directly MOKDV's full 15% working interest in the Atrush Block and immediately thereafter sold a 7.5% working interest to TAQA Atrush B.V., Operator of the Atrush Block. Following the close of the transaction on May 30, 2019, and as at the date of this AIF, the working interests in the Atrush PSC were held 47.4% by TAQA, 25% by the KRG and 27.6% by GEP.

Fiscal Terms under Atrush PSC

Fiscal terms under the Atrush PSC include a 10% royalty and a variable profit split based on a percentage share paid to the KRG. GEP has the right to recover costs using up to 40% of the available oil (produced oil less royalty oil) and 55% of the produced non-associated gas. Atrush Block has no non-associated gas. The Contractor Group is entitled to cost recovery in respect of all costs and expenditures incurred for exploration, development, production and decommissioning operations, as well as certain other allowable direct and indirect costs.

The portion of profit oil available to the Atrush Contractor Group is based on a sliding scale from 32% to 16% depending on the "R-Factor", which is a ratio of cumulative revenues to cumulative costs. As at the date of this AIF since the ratio is below one, the Atrush Contractor Group is entitled to 32% of profit oil, with a reducing scale to 16% when the ratio is greater than 2.25.

ATRUSH PSC REVENUE FLOW



R-Factor: Determines what % of Profit oil goes to the Contractor Group (TAQA, GEP)

$$R = \frac{\text{Cumulative Revenues}}{\text{Cumulative Costs}} \quad \begin{cases} R < \text{or} = 1 & 32\% \\ 1 < R < \text{or} = 2.25 & 32\% - (32\% - 16\%) * (R - 1) / (2.25 - 1) \\ R > 2.25 & 16\% \end{cases}$$

Sarsang Summary

The Company acquired ShaMaran Sarsang AS (formerly known as TEPKRI Sarsang AS) on September 14, 2022 (the "**Sarsang Acquisition Date**"), a Danish company with a non-operating interest in the Sarang PSC.

The Sarsang PSC was entered into by the KRG with HKN on November 10, 2007, and no amendments to the Sarsang PSC have been entered into since the Sarsang Acquisition Date.

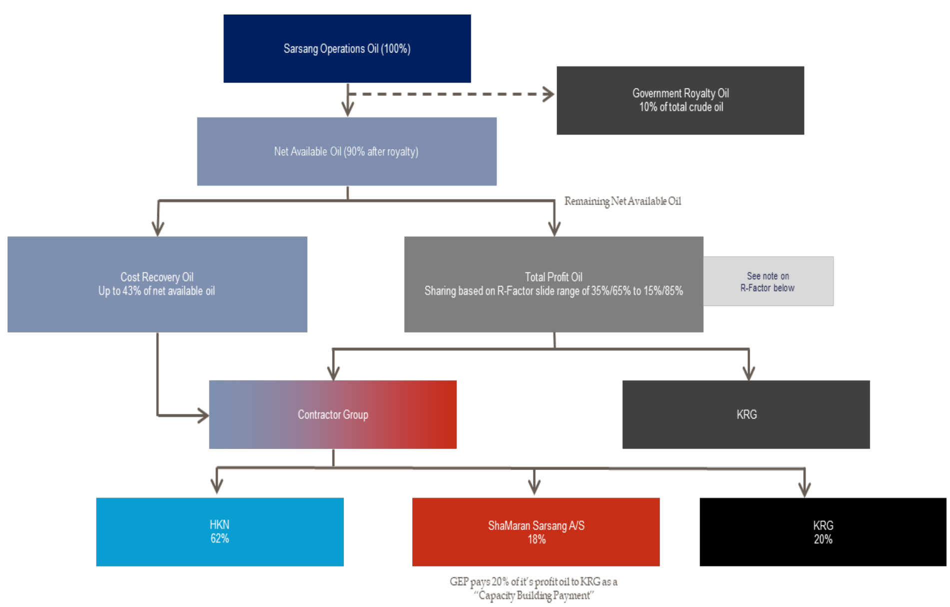
Effective September 1, 2022, HKN, on behalf of itself and ShaMaran Sarsang, entered into an amendment to the Sarsang Lifting Agreement to change the reference price for Sarsang crude oil sales payments from Dated Brent to KBT (Kurdistan Blend) in order to reflect current market conditions for oil sales at Ceyhan, together with the necessary adjustments for crude quality due to the crude benchmark change.

Fiscal Terms under Sarsang PSC

Fiscal terms under the Sarsang PSC include a 10% royalty and a variable profit split based on a percentage share paid to the KRG. ShaMaran Sarsang has the right to recover costs using up to 43% of the available oil (produced oil less royalty oil) and 55% of the produced non-associated gas. The Sarsang Block has no non-associated gas. The Sarsang Contractor Group is entitled to cost recovery in respect of all costs and expenditures incurred for exploration, development, production and decommissioning operations, as well as certain other allowable direct and indirect costs.

The portion of profit oil available to the Sarsang Contractor Group is based on a sliding scale from 35% to 15% depending on the "R-Factor", which is a ratio of cumulative revenues to cumulative costs. As at the date of this AIF, since the ratio is below 1, the Sarsang Contractor Group is entitled to 35% of profit oil, with a reducing scale to 15% when the ratio is greater than 2.

SARSANG PSC REVENUE FLOW



R-Factor: Determines what % of Profit oil goes to the Contractor Group (HKN, ShaMaran Sarsang A/S)

$$R = \frac{\text{Cumulative Revenues}}{\text{Cumulative Costs}} \qquad \begin{cases} R < \text{or} = 1 & 35\% \\ 1 < R <= 2 & (-20\% \times R) + 55\% \\ R > 2 & 15\% \end{cases}$$

The Atrush PSC and Sarsang PSC, as at the date of this AIF, are both in the Development Period, and during this period the Contractor Group has the right to terminate the respective PSC at any time by surrendering all production areas, provided its current obligations have been satisfied in accordance with the respective terms.

Risk Factors

ShaMaran Petroleum Corp. is engaged in the development and production of crude oil and its operations are subject to various risks and uncertainties which include but are not limited to those listed below. **If any of the risks described below materialize, the Company's business, financial conditions or operating results could be materially adversely affected.**

The following sections describe material risks identified by the Company; however, risks and uncertainties of which the Company is not currently aware or currently believes to be immaterial could develop and may adversely affect the Company's business, financial condition or operating results.

Investors should carefully consider the risk factors set out below and consider all other information contained herein, and in the Company's other public filings, before making an investment decision. The risks set out below are not an exhaustive list and should not be taken as a complete summary or description of all the risks associated with the Company's business and the oil and natural gas industry generally.

Political and Regional Risks

International operations:

Oil and gas exploration, development and production activities in emerging countries are subject to significant political, social and economic uncertainties that are beyond ShaMaran's control. Uncertainties include, but are not limited to, the risk of war, terrorism, criminal activity, expropriation, nationalization, renegotiation or nullification of existing or future contracts, the imposition of international sanctions, a change in crude oil or natural gas pricing policies, a change in taxation policies, a limitation on the Company's ability to export, and the imposition of currency controls. Should these uncertainties materialize, they could result in adverse effects to the Company's business including, but not limited to, increased costs associated with planned projects, impairment or termination of future revenue generating activities, impairment of the value of the Company's assets and/or its ability to meet its contractual commitments as they become due.

Political instability:

ShaMaran's assets and operations are in Kurdistan, a federally recognized semi-autonomous political region in Iraq, and may be influenced by political developments between Kurdistan and the Iraq federal government, as well as political developments of neighboring states within MENA, Turkiye, and surrounding areas. Kurdistan and Iraq have a history of political and social instability. As a result, the Company is subject to political, economic and other uncertainties that are not within its control. These uncertainties include, but are not limited to, changes in government policies and legislation, adverse legislation or determinations or rulings by governmental authorities and disputes between the Iraq federal government and Kurdistan.

Iraq is a political democracy with a federal system of government. Iraq's constitution was ratified in October 2005 and came into effect in 2006. The Constitution of Iraq contains a list of powers that are reserved exclusively for the Iraq federal government ("**Federal Government**") and a list of powers that are shared by the Federal Government and the regional governments of Iraq ("**Regional Governments**"). Jurisdiction over matters that are not within the exclusive powers granted to the Federal Government resides with the Regional Governments and the governments of the Iraq provinces not forming part of the regions.

The delineation of powers under the Constitution of Iraq has been subject to different interpretations, which has resulted in a number of outstanding political issues and differences between the Federal Government and the KRG including, but not limited to, the financial support to be provided to the KRG by the Federal Government, the validity of PSCs signed by the KRG and the jurisdiction over oil and gas matters in Kurdistan.

The unfavorable outcome of political uncertainties such as those discussed above could result in adverse effects to the Company's assets and business in Kurdistan, including, but not limited to, increased costs associated with planned projects, impairment or termination of future revenue generating activities and impairment of the value of the Company's asset and/or its ability to meet its contractual commitments as they become due.

Political uncertainty**:**

There is a risk that certain levels of authority of the KRG, and the corresponding systems in place, could be transferred to the Federal Government under the terms of a Federal Petroleum Law. Changes to the current political regime could result in delays in operations and additional costs that could materially and adversely impact the operations and prospects of the Company and could have a material adverse effect on the Company's business and financial condition. Refer also to the discussion in the section below under *"Risks associated with petroleum contracts in Iraq."*

Regional boundary issues:

Although the Kurdistan Region is recognized by the Constitution of Iraq as a semi-autonomous region, its geographical extent is neither defined in the Constitution of Iraq nor definitively agreed to in practice between the Federal Government and the KRG. There have been unresolved differences between the KRG and the Federal Government regarding certain areas that are commonly known as "disputed territories". The Company believes that its current areas of operation in the Atrush Block and in the Sarsang Block are not within these "disputed territories".

Implementation of the 2023-2025 Federal Budget Law ("**Federal Budget Law**"):

A three-year federal budget law was enacted in 2023, but provisions relating to the KRG's monthly budget allocations have not yet been implemented. The legal actions taken by the KRG have not resolved the impasse over allocating and paying federal budget allocations to the KRG. As at the date of this AIF, there remains uncertainty as to the amounts and timings of the budget allocation payments, and there continues to be no guarantee that these budget allocations, even if received in full and on time, would be sufficient to cover regular payments per the PSC terms and the outstanding payables to international oil companies.

Anti-bribery and anti-corruption laws:

The Company operates and conducts business in a country that has experienced high levels of governmental and business corruption, bribery, and other criminal activity. The failure of the Federal Government or the KRG to continue to fight corruption or the perceived risk of corruption could have a material adverse effect on the local economies.

The Company's activities are subject to a number of laws that prohibit various forms of corruption, including local laws that prohibit both commercial and official bribery and anti-bribery laws that have a global reach, such as the *Corruption of Foreign Public Officials Act* (Canada) ("**CFPOA**"). The increasing number and severity of enforcement actions in recent years present particular risks with respect to the Company's business activities, to the degree that any employee or other person acting on the Company's behalf might offer, authorize, or make an improper payment to a foreign government official, party official, candidate for political office, or political party, an employee of a foreign state-owned or state-controlled enterprise, or an employee of a public international organization.

There is no assurance that the internal policies and procedures of the Company have been or will be adhered to by its employees. Findings against the Company, its Directors, executive officers or employees, or their involvement in corruption or other illegal activity could result in criminal or civil penalties, including substantial monetary fines, against the Company, its Directors, executive officers or employees. Any government investigations or other allegations against the Company, its Directors, executive officers or employees, or finding of involvement in corruption or other illegal activity by such persons, could significantly damage the Company's reputation and its ability to do business, including affecting its rights under the various contracts it is party to or through the loss of key personnel, and could have a material adverse effect. Furthermore, alleged or actual involvement in corrupt practices or other illegal activities by the Company, the partners of the Company or others with whom the Company conducts business, could also significantly damage the Company's reputation and business and could have a material adverse effect.

The Company has entered into joint operation agreements with third parties with respect to its oil and gas assets, holds its license areas jointly with the KRG and requires government permits, licenses and approvals for its operations. The Company will have limited ability to control the activities of its partners as it relates to such matters. Despite the establishment and implementation by the Company of policies and procedures to prevent bribery, fraud and corruption, there can be no assurance that those anti-bribery, anti-fraud or anti-corruption policies and procedures are or will be sufficient to protect against fraudulent and/or corrupt activity. In particular, the Company, in spite of its best efforts, may not always be able to prevent or detect corrupt or unethical practices by employees or third parties, such as sub-contractors or partners, which may result in reputational damage, civil and/or criminal liability (under the CFPOA or any other relevant compliance, anti-bribery, anti-fraud or anti-corruption laws) being imposed on the Company or its personnel, which could have a material adverse effect.

Organization of Petroleum Exporting Countries ("**OPEC**"):

Iraq is a member of OPEC, and the Company may operate in other OPEC-member countries in the future. Production in OPEC-member countries can be constrained from time to time by OPEC production quotas. In Iraq (excluding Kurdistan), the Iraqi Ministry of Oil determines how much production is exported and how much is sold domestically. In Kurdistan, the MNR has, prior to the closure of the ITP, determined the quantities of production to export and to sell within Kurdistan. Since the closure of the ITP for exports, there can be no guarantee that the local market will continue to exist or be stable or, if a market does exist and is stable, regarding the local crude oil market price that may be realized by the Company. Local crude oil market prices realized on domestic sales within Iraq are substantially below international prices. There can be no assurance that the Federal Government will not assume a greater role in the determination of exports from Kurdistan as a result of continuing negotiations. In addition to OPEC production quotas, oil producing countries can also implement export quotas. The right to export oil and gas may depend on obtaining licenses and quotas, the granting of which may be at the discretion of the relevant regulatory authorities. The Company may be constrained in exporting oil that it produces, due to the imposition of export quotas. Accordingly, the Company may receive less than international market value for any production that it is obligated to sell in a domestic market. If a meaningful amount of production is required to be sold domestically, this could have a material adverse effect.

Climate change legislation:

Governments around the world have become increasingly focused on addressing the impacts of anthropogenic global climate change, particularly in the reduction of gases with the potential to contribute to greenhouse gas levels in the atmosphere. The oil and natural gas industry is subject to stringent environmental regulations. The political climate appears to favour new programs for environmental laws and regulation, particularly in relation to the reduction of emissions or emissions intensity, and there is a risk that any such programs, laws or regulations, if proposed and enacted, will contain emission reduction targets that may result in operating restrictions or compliance costs to avoid a breach of applicable legislation. In some jurisdictions, governments are applying carbon taxes that increase costs unless mitigated by emissions reductions or traded credits.

Climate change policy is emerging and quickly evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place. Implementation of strategies by any level of government within Iraq, or countries in which the Company may operate in the future, and whether to meet international agreed limits, or as otherwise determined, for reducing greenhouse gases could have a material impact on the operations and financial condition of the Company. In addition, concerns about climate change have resulted in a number of environmental activists and members of the public opposing the continued exploitation and development of hydrocarbons. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact on the Company, its operations, its financial condition, and its ability to raise capital and its cost of capital. It is also not possible at this time to predict whether any proposed legislation relating to climate change will be adopted, and whether any such regulations could result in operating restrictions or compliance costs.

In addition to risks related to climate change legislation, the Company also faces transition risks and physical risks in relation to climate change. Transition risks are risks that relate to the transition to a low-carbon economy. Transition risks impact the volatility of oil and gas prices (as consumer demand for oil and gas may decrease); they also arise from environmental legislation and hydraulic fracturing regulations (which may delay or restrict the development of oil and gas); the ability to obtain additional financing (as sources of financing for oil and gas development may become more restricted); and the reliance on key personnel, management, and labor (as the workforce may transition to other sources of energy development). Practices and disclosures relating to environmental matters, including climate change, are attracting increasing scrutiny by stakeholders. The Company's response to addressing environmental matters can impact the Company's reputation and affect the Company's ability to hire and retain employees; to compete for reserve acquisitions, exploration leases, licenses, and concessions; and to receive regulatory approvals required to execute operating programs. Physical risks relate to the physical impact of climate change, which can be event-driven (acute) or long-term shifts (chronic) in climate patterns. Physical risks can have financial implications for the Company, such as direct damage to assets and indirect impacts from production disruptions. Physical risks may also increase the Company's operating costs.

Industry and Market Risks

Exploration, development and production risks:

ShaMaran's business is presently no longer involved in exploration activities but is subject to all the risks and hazards inherent in businesses involved in the development, production and marketing of oil, many of which cannot be overcome even with a combination of experience, knowledge and careful evaluation. The risks and hazards typically associated with oil and gas operations include drilling of unsuccessful wells, fire, explosion, blowouts, sour gas releases, pipeline ruptures and oil spills, each of which could result in substantial damage to oil wells, production facilities, other property and the environment, or in personal injury.

Oil and gas operations involve geological, technical and commercial risks. ShaMaran's success will depend on its ability to find, appraise, develop and commercially produce oil resources and reserves. Future oil development may involve risks relating to dry holes (wells which do not produce sufficient petroleum to return a profit after drilling), operating and other costs. In addition, operations can be affected by drilling hazards, environmental damage, and other field operating conditions which could adversely affect production and increase the cost of operations. Diligent operations can contribute to maximizing production rates over time but production delays and declines from normal field operating conditions cannot be eliminated and can adversely affect revenue and cash flow levels.

The Company is not fully insured against all of these risks, nor are all such risks insurable and, as a result, these risks could result in adverse effects to the Company's business not fully mitigated by insurance coverage including, but not limited to, increased costs or losses due to events arising from accidents or other unforeseen outcomes including clean-up, repair, containment and/or evacuation activities, settlement of claims associated with injury to personnel or property, and/or loss of revenue as a result of downtime due to accident.

General market conditions:

ShaMaran's business and operations depend upon conditions prevailing in the oil and gas industry including the current and anticipated prices of oil and gas and the global economic activity. A reduction of the oil or gas price, a general economic downturn, or a recession could result in adverse effects to the Company's business including, but not limited to, reduced cash flows associated with the Company's future oil and gas sales. Worldwide crude oil and gas commodity prices are expected to remain volatile in the future due to the war in Ukraine and other regional conflicts, and the compounded effects on global supply and demand balances, actions taken by the Organization of the Petroleum Exporting Countries, and ongoing global credit and liquidity concerns. This volatility may affect the Company's ability to obtain additional equity or debt financing on acceptable terms.

Competition:

The petroleum industry is intensely competitive in all aspects including the acquisition of oil and gas interests, the marketing of oil and natural gas, and acquiring or gaining access to necessary drilling and other equipment and supplies. ShaMaran competes with numerous other companies in the search for and acquisition of such prospects and in attracting skilled personnel. ShaMaran's competitors include oil companies which have greater financial resources, staff and facilities than those of the Company. ShaMaran's ability to increase reserves in the future will depend on its ability to develop its present property, to select and acquire suitable producing properties or prospects on which to conduct future exploration and to respond in a cost-effective manner to economic and competitive factors that affect the distribution and marketing of oil and natural gas. Oil and natural gas producers are also facing increased competition from alternative forms of energy, fuel and related products that could have an impact on the demand for oil and gas and could lead to reduction in oil and gas prices, which may have a negative impact on the Company's cash flow and profitability.

Reliance on key personnel:

ShaMaran's success depends in large measure on certain key personnel and Directors. The loss of the services of such key personnel could negatively affect ShaMaran's ability to deliver projects according to plan and result in increased costs and delays. ShaMaran has not obtained key person insurance in respect of the lives of any key personnel. In addition, competition for qualified personnel in the oil and gas industry is intense and there can be no assurance that ShaMaran will be able to attract and retain the skilled personnel necessary for the operation and development of its business.

Continuing ITP shutdown:

The ITP was closed on March 25, 2023, and remains shutdown as at the date of this AIF. Discussions continue among the relevant parties to resume oil exports via the ITP. In response to the situation, together with the Company's operating partners in the Atrush and Sarsang blocks, ShaMaran is continuing to take actions to preserve liquidity through significant deferral of expenditures across the business). The interruption to production and payments represents a continuing risk to the Company's liquidity position. In early October 2023, Turkish officials notified Iraqi officials that the ITP was technically ready for export of Iraq's oil production (including from the KRG). Despite various public statements that ITP exports will be restarting, there can be no certainty when exports and international oil market price payments will resume, and the Company is continually monitoring this matter.

Inflation:

Inflation rates in jurisdictions that the Company operates in increased significantly since 2021, rising above the target inflation rate ranges set by governing central banks, and continued to rise throughout 2022 and 2023. A significant portion of the upward pressure on prices has been attributed to the rising costs of labor, energy, food, motor vehicles and housing, overall challenges involved in reopening and managing the economy during the COVID-19 pandemic, continuing global supply-chain disruptions and the impact of the Russian invasion of Ukraine. Inflation increases may or may not be transitory. However, any sustained upward trajectory in the inflation rate could have an impact on the Company's results by applying upward pressure on the Company's costs in 2024 and future periods. The Company's potential inability to manage costs resulting from inflation may impact project returns and future development decisions, which could have a material adverse effect on its financial performance and funds from operations. The Company continues to monitor inflationary pressures in the jurisdictions in which it operates and to assess any potential effects on the Company's business.

Business Risks

Risks associated with petroleum contracts in Iraq:

The Constitution of Iraq grants a role for the regions of Iraq in awarding of petroleum contracts for certain types of operations, and in regulating those petroleum operations occurring within the regions. No federal Iraq legislation has yet been agreed or enacted by the Iraq federal parliament to govern the future organization and management of Iraq's petroleum industry (including in Kurdistan) as there are a number of material issues which need to be resolved between the Federal Government, the KRG and other Iraqi regions. There is uncertainty concerning the promulgation of the Federal legislation and the timing of such adoption, if at all. Failure to enact federal legislation could extend or increase uncertainty within Iraq's petroleum industry, which may result in additional burdens being placed on the Company including, but not limited to, difficulty obtaining clear title to its assets or in obtaining adequate financing for its future projects.

The KRG developed the Kurdistan Oil and Gas Law to be consistent with the role granted to the regions in the Constitution of Iraq and in conformity with the principles reflected in the Draft Federal Petroleum Law and in the draft federal law governing revenue sharing for petroleum activities proposed in June 2007 (but never enacted).

In the absence of progress on the Draft Federal Petroleum Law, on August 6, 2007, the Kurdistan National Assembly approved the Kurdistan Oil and Gas Law, which came into force with effect from August 9, 2007, declaring it to be supported by the Constitution of Iraq and providing the foundation for economic development of the then largely untapped resources of Kurdistan. Under the Kurdistan Oil and Gas Law, domestic and international investors in oil and gas, including ShaMaran, came to Kurdistan, generated revenue and provided employment and training opportunities for citizens in the region. Consistent with the Constitution of Iraq, the Kurdistan Oil and Gas Law requires Kurdistan to share revenue with the Federal Government and other regions of Iraq, just as other areas of Iraq will share oil revenues with Kurdistan. The KRG has signed numerous PSCs with international oil companies based on the Kurdistan Oil and Gas Law. The Company currently has a 27.6% working interest in the Atrush PSC and an 18% working interest in the Sarsang PSC, which are both under the jurisdiction of the Kurdistan Oil and Gas Law. In February 2022 the Iraq Federal Supreme Court ruled that the Kurdistan Oil and Gas Law is unconstitutional and gave the instruction to the MoO to take steps to implement the FSC's decision are still in place. It has been reported that court cases against certain international oil companies and the validity of their Kurdistan PSCs were commenced in a Baghdad commercial court later in 2022, but, as at the date of the MD&A, no enforcement of any such commercial court rulings relating to Kurdistan PSCs has been made, and it is believed that this matter continues to be frozen. It is noted that all Kurdistan PSCs are governed by English law, and dispute/enforcement and the validity of their Kurdistan PSCs were commenced in a Baghdad commercial court later in 2022, but, as at the date of the MD&A, no enforcement of any such commercial court rulings relating to Kurdistan PSCs has been made, and it is believed that this matter continues to be frozen. It is noted that all Kurdistan PSCs are governed by English law, and dispute/enforcement actions (if any) are mandated as per Kurdistan PSC terms to be conducted in London under London International Court of Arbitration rules.

The Company believes that it has valid title to its oil and gas assets and the right to produce oil and gas from such assets under the relevant PSCs. However, should the Federal Government pursue and be successful in a claim that the KRG PSCs are invalid, or should any unfavorable changes develop which impact the economic and operating terms of the PSCs, it could result in adverse effects to the Company's business including, but not limited to, impairing the Company's claim and title to the assets held, and/or increasing the obligations required, under the PSCs.

Government regulations, licenses and permits:

The Company is affected by changes in taxes, regulations and other laws or policies affecting the oil and gas industry generally, as well as changes in taxes, regulations and other laws or policies applicable to oil and gas development in Kurdistan specifically.

ShaMaran, through the joint operating agreement its wholly-owned subsidiary has entered into with TAQA and with HKN, conducts its operations pursuant to the rights granted (i) under the Atrush PSC and related licenses, permits and other authorizations and (ii) under the Sarsang PSC and related licenses, permits and other authorizations. The grant of licenses and permits may require fulfilment of certain conditions or the exercise of discretion by the concerned authorities. The Company's ability to execute its projects may be hindered if it cannot secure the necessary approvals or the discretion is exercised in a manner adverse to the Company. Any significant delay in obtaining or renewing a license or permit may result in a delay of the Company's planned activities and the future development of any oil and gas resources.

The taxation system applicable to the operating activities of the Company in Kurdistan is pursuant to the Oil and Gas Law governed by general Kurdistan tax law and the terms of the PSCs. However, it is possible that the arrangements under the PSCs in Kurdistan may be overridden or negatively affected by the enactment of any future oil and gas or tax law in Iraq or in Kurdistan which could result in adverse effects to the Company's business including, but not limited to, increasing the Company's expected future tax obligations associated with its activities in Kurdistan. Notwithstanding the foregoing, the management of the Company is, at the date of this AIF, not aware of any current effort by the KRG to override or negatively affect the tax provisions granted in the Atrush or Sarsang PSCs.

<u>Marketing, markets and transportation</u>:

The export of oil and payments relating to such exports from Kurdistan remain subject to uncertainties which could negatively impact ShaMaran's ability to sell its oil production to the KRG for the KRG's export or to local refineries for local consumption, and for payments relating to such oil deliveries. Potential government regulation relating to price, quotas and other aspects of the oil and gas business could result in adverse effects to the Company's business including, but not limited to, impairing the Company's ability to sell oil and receive full payment for all sales of such delivered oil.

<u>Payments for oil deliveries that the KRG exports</u>:

Cash payments to IOCs for oil the KRG exports from Kurdistan have been under the sole control of the KRG since the beginning of oil sales in 2009. The KRG has established certain periods of delivering regular payments to IOCs for their entitlement revenues in respect of monthly petroleum production deliveries (other than the four-month period as previously noted from November 2019 through February 2020 and from October 2022 through March 2023). The risk continues that the Company may face significant delays in the receipt of cash for its entitlement share of future oil deliveries to the KRG for its export to the international market.

<u>Paying interest</u>:

On November 7, 2016, the KRG exercised its back-in right under the terms of the Atrush PSC and the Atrush Facilitation Agreement and assumed a 25% working interest in the Atrush Block. The KRG has, since the commencement of oil production exports from Atrush (with the exception of the four-month period November 2019 to February 2020 and the period September 2022 to March 2023) paid for its share of project development costs in conjunction with the payment cycle for oil deliveries. Going forward, there is still a risk that the Atrush operator and the Company may be exposed to funding the KRG's 25% share of operating and development costs if not paid by the KRG.

<u>Default under the PSCs and JOAs</u>:

Both PSCs include a number of provisions if a party should fail to meet its obligations under these contracts. Defaults include where a party does not carry out drilling and seismic acquisition as prescribed, interrupts production for more than ninety (90) consecutive days without reasonable cause, intentionally extracts other materials than permitted, becomes bankrupt, or where there is a change of control in a party which is not approved by KRG (see below for further risk discussion). If a default is not remedied within three (3) months following notice of intention to terminate, the KRG may terminate the PSC with respect to the defaulting party and allocate its interest among the other contractors. Consequently, the Company could upon a default lose all its rights and interests in the Atrush and Sarsang fields without any compensation.

The JOAs definition of "default" includes payment default and failure to provide security as required under the JOAs. If a party does not remedy such default within five (5) business days after having been notified of the default, its entitlement shall vest with and be the property of the other parties should the default remain un-remedied. The operator will in this period be entitled to sell the entitlement at arm's length on reasonable terms and apply proceeds to cover costs and liabilities and a reserve fund before releasing any remaining surplus. If a default has remained for sixty (60) days or more, a non-defaulting party has the option to acquire the defaulter's working interest at a price equal to the fair market value of such interest less the following: (i) the total amount in default (ii) all costs; including the costs of an expert, to obtain such valuation and (iii) ten per cent (10%) of the fair market value of the defaulting party's working interest.

Should the Company fail to meet its obligations under either PSC or JOA it could result in adverse effects to the Company's business including, but not limited to, a default under one or both contracts, the termination of future revenue generating activities of the Company and impairment of the Company's ability to meet its contractual commitments as they become due.

<u>Kurdistan legal system</u>:

The Kurdistan Region has a less developed legal system than that of many more established regions. This could result in risks associated with predicting how existing laws, regulations and contractual obligations will be interpreted, applied or enforced. In addition, it could make it more difficult for the Company to obtain effective legal redress in courts in case of breach of law, regulation or contract and to secure the implementation of arbitration awards and may give rise to inconsistencies or conflicts among various laws, regulations, decrees or judgments. The Company's recourse may be limited in the event of a breach by a government authority of an agreement governing the PSC in which ShaMaran acquires or holds an interest.

<u>Enforcement of judgments in foreign jurisdictions</u>:

The Company is party to contracts with counterparties located in a number of countries, most notably in Kurdistan. Certain of its principal contracts are subject to English law with legal proceedings in England. However, the enforcement of any judgments thereunder against a counterparty will be a matter of the laws of the jurisdictions where counterparties are domiciled.

<u>Change of control in respect of the PSCs and JOAs</u>:

Both the Atrush PSC and Sarsang PSC definition of "change of control" in a party to the PSC includes a change of voting majority in such party, or in its parent company, provided the value of the interest in the relevant field represents more than 50% of the market value of assets in the party in respect to Atrush PSC/Atrush JOA and more than 75% of the assets in the party in respect to Sarsang PSC/Sarsang JOA.

<u>Management of growth</u>:

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively and other acquired assets or companies will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The potential inability of the Company to deal with this growth could have a material adverse impact on its business, operations and prospects, particularly since the Company has announced the acquisition of TAQA Atrush B.V., that, upon closing, will increase the Company's 27.6% working interest in the Atrush Block to 50%.

Project and Operational Risks

Shared ownership and dependency on partners:

ShaMaran's operations are to a significant degree conducted together with a partner through contractual arrangements with the execution of the operations being undertaken by the operator in accordance with the terms of the Atrush JOA or the Sarsang JOA respectively. As a result, ShaMaran has limited ability to exercise influence over the deployment of those assets or their associated costs and this could adversely affect ShaMaran's financial performance.

ShaMaran's return on assets operated by others will therefore depend upon factors that may be outside of ShaMaran's control, including the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices. The operator may have a different opinion from the Company on how to conduct certain operations which may result in delays, losses or increased costs not anticipated by the Company. In addition, if the operator or other partners fail to perform, ShaMaran may, among other things, risk losing rights or revenues or incur additional obligations or costs to itself perform in place of its partners. If a dispute would arise with one or more partners, such dispute may have material adverse effects on the Company's operations relating to its projects.

Security risks:

Kurdistan and other regions in Iraq have a history of political and social instability, which have culminated in security problems that may put at risk the safety of the Company's personnel, interfere with the efficient and effective execution of the Company's operations and ultimately result in significant losses to the Company. There have been no significant security incidents in the Company's areas of operation.

Risks relating to infrastructure:

The Company is dependent on access to available and functioning infrastructure (including third party services in Kurdistan) relating to the properties on which it operates, such as roads, power and water supplies, pipelines and gathering systems. If any infrastructure or systems failures occur or access is not possible or does not meet the requirements of the Company, the Company's operations may be adversely affected, which could result in lower production and sales and/or higher costs.

Environmental regulation and liabilities:

Drilling for and producing, handling, transporting and disposing of oil and gas and petroleum by-products are activities that are subject to extensive regulation under national and local environmental laws, including in those countries in which ShaMaran currently operates. Environmental regulations may impose, among other things, restrictions, liabilities and obligations relating to water and air pollution control, waste management, permitting requirements and restrictions on operations in environmentally sensitive areas. The Company's operations in Kurdistan are subject to general and specific regulations and restrictions governing drilling, production and processing, land tenure use, environmental requirements (including site-specific environmental licenses, permits and remediation requirements), workplace health and safety requirements, social impacts and other laws and regulations. The environmental laws of Kurdistan are limited as compared to those in jurisdictions such as Europe or North America. The Company is obliged to follow both Kurdish law, and the terms of the Atrush PSC and the Sarsang PSC as regards protecting the environment and the health and safety of its employees and third parties.

The Company has implemented health, safety, and environment policies since its incorporation, complies with industry environmental practices and guidelines for its operations in Kurdistan and is currently in compliance with these obligations in all material aspects. Environmental protection requirements have not, to date, had a significant effect on the capital expenditures and competitive position of ShaMaran.

Future changes in environmental or health and safety laws, regulations or community expectations governing the Company's operations could result in adverse effects to the Company's business including, but not limited to, increased monitoring, compliance, and remediation costs and/or costs associated with penalties or other sanctions imposed on the Company for non-compliance or breach of environmental regulations.

Risk relating to community relations / labor disruptions:

The Company's operations may be in or near communities that may regard operations as detrimental to their environmental, economic, or social circumstances. This may result in disputes with national or local governments or with local communities and may give rise to incremental financial commitments. Additionally, there is a risk that strikes or labor unrest/disruptions may occur near the Company's operations. Negative community reactions and labor disruptions or disputes could increase operational costs and result in delays in the execution of projects.

Petroleum costs and cost recovery:

Under the terms of the Atrush PSC and the Sarsang PSC, the KRG is entitled to conduct an audit to verify the validity of incurred petroleum costs which the operator has reported to the KRG and is therefore entitled under the terms of the relevant PSC to recover through cash payments from future petroleum production. No such audit has yet taken place in either block. Should any future audits result in negative findings concerning the validity of reported incurred petroleum costs, the Company's petroleum cost recovery entitlement could ultimately be reduced.

Legal claims and disputes:

The Company may suffer unexpected costs or other losses if a counterparty to any contractual arrangement entered by the Company does not meet its obligations under such agreements. In particular, the Company cannot control the actions or omissions of its partner in the Atrush PSC or the Sarsang PSC. If such parties were to breach the terms of the Atrush PSC or the Sarsang PSC or any other documents relating to the Company's interest in such block, it could cause the KRG to revoke, terminate or adversely amend the relevant PSC.

The Atrush JOA and the Atrush PSC as well as the Sarsang JOA and the Sarsang PSC provide mitigating provisions whereby action can be taken to remedy or cure the breach, but in certain circumstances such disputes may disrupt business operations and could materially adversely affect the business prospects or results of operations of the Company. In addition, the Company may be exposed to third party credit risks through its commercial arrangements with any co-venture marketer of its petroleum products, suppliers, contractors and other parties and this could result in additional costs, delays or losses to the Company.

Uninsured losses and liabilities:

Although the Company maintains insurance in accordance with industry standards to address risks relating to its operations, the Company's insurance coverage may under certain circumstances not protect it from all potential losses and liabilities that could result from its operations. The occurrence of a casualty, loss or liability against which the Company is not fully insured, or the insolvency of the insurer of such event could impair the Company's ability to meet its obligations. The Company had no material uninsured losses or claims at the date of this AIF.

Availability of equipment and services:

ShaMaran's oil and natural gas development activities are dependent on the availability of third-party services, drilling and related equipment and qualified staff in the area where such activities are or will be conducted. ShaMaran currently leases all the drilling rigs used for its exploration and development activities. Shortages of such equipment or staff may affect the availability of such equipment to ShaMaran and may delay and/or increase the cost of ShaMaran's development activities.

Production risks:

As at the date of this AIF, ShaMaran has conducted (or participated in the conduct of) oil and gas exploration and development activities in Kurdistan for almost fifteen years. There can be no assurance that ShaMaran's operations in the Atrush Block and/or Sarsang Block will be profitable in the future or will generate sufficient cash flow to satisfy its future commitments.

Decommissioning:

The Company is responsible for compliance with all applicable laws, regulations and contractual requirements regarding the decommissioning, abandonment, and reclamation of the Company's assets at the end of their economic life, the costs of which may be substantial. It is not possible to predict these costs with certainty, since they will be a function of requirements at the time of decommissioning, abandonment and reclamation and the actual costs may exceed current estimates. Laws, regulations and contractual requirements about abandonment and decommissioning may be implemented or amended in the future.

Terrorism:

Although the Federal Government declared ISIS defeated at the end of 2017, attacks by discrete cells of ISIS in the Kurdistan Region continue to this day. If ISIS militants or sympathizers were to engage in attacks, or as a result of military engagement of ISIS by the Peshmerga, the Iraqi army and/or international forces, the Company's appraisal, development and production activities could be materially and adversely affected. Moreover, further conflict with ISIS could prevent access to transportation infrastructure, including the ITP when transportation is resumed, thereby limiting the ability of the Company to earn revenue for its oil production. Any damage to the Company's facilities and equipment could have a material adverse effect.

Oil and gas companies operating in Kurdistan where the Company carries on business may be targets of terrorist actions, hostage taking and other forms of hostilities, any of which could have a material adverse effect. In addition, the possible threat of these types of incidents could negatively impact the ability to adequately staff operations in Atrush Block and/or Sarsang Block or could substantially increase the costs of doing so. There are a variety of surface condition challenges that exist where the Company conducts business, including minefields and unexploded ordnance and access issues, risk of injury to personnel or damage to facilities or equipment resulting from terrorism related activity, local community-based issues, such as demands for more profit-sharing and opposition to development, and acts of theft or vandalism, such as destroying generators, cutting electricity lines and pipeline sabotage. An outbreak of hostilities in Kurdistan or in areas surrounding Kurdistan or the occurrence of any of the security-based risks described above could have a material adverse effect.

Cybersecurity:

The Company has become increasingly dependent upon the availability, capacity, reliability and security of its information technology (**"IT"**) infrastructure, and its ability to expand and continually update this infrastructure, to conduct daily operations. It depends on various IT systems to estimate resources and reserve quantities, process and record financial and operating data, analyze seismic and drilling information, and communicate with employees and third- party partners. The Company's IT systems are increasingly integrated in terms of geography, number of systems, and key resources supporting the delivery of IT systems. The performance of key suppliers is critical to ensure appropriate delivery of key services. Any failure to manage, expand and update the IT infrastructure, any failure in the extension or operation of this infrastructure, or any failure by key resources or service providers in the performance of their services could materially and adversely affect the Company's business, financial condition and results of operations.

The ability of the IT function to support the Company's business in the event of a disaster such as fire, flood or loss of any of the office locations and the ability to recover key systems from unexpected interruptions cannot be fully tested. There is a risk that, if such an event occurs, the Company's continuity plan may not be adequate to immediately address all repercussions of the disaster. In the event of a disaster affecting a data center or key office location, key systems may be unavailable for several days, leading to inability to perform some business processes in a timely manner.

The Company applies technical and process controls and security measures in line with industry-accepted standards to protect information, assets and systems. However, these controls and measures on which the Company relies may not be adequate due to the increasing volume, sophistication and rapidly evolving nature of cyber threats. The Company's information technology and infrastructure, including process control systems, may be vulnerable to attached by malicious persons or entities or breached due to employee error, malfeasance or other disruptions, including natural disasters and acts of war. There is no assurance that the Company will not suffer losses associated with cyber-security attacks, breaches, access, disclosure or loss of information in the future and may be required to expend significant additional resources to investigate, mitigate and remediate any potential vulnerabilities o may be subject to legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruptions to the Company's operations, decreased performance and production, increased costs and damage to the Company's reputation or other negative consequences to the Company, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Continuing export pipeline shutdown

The ITP was closed on March 25, 2023, and remains shut as at the date of this AIF. It is noted that the recent visit of Iraq Prime Minister Sudani to meet U.S. President Biden at the White House on April 15, 2024, resulted in a joint statement that affirmed the importance of ensuring Iraqi oil can reach international markets and their desire to re-open the ITP. Discussions continue among the relevant parties for the re-opening of the ITP and resumption of oil exports from Kurdistan as soon as possible. Actions to preserve liquidity through significant deferral of expenditures across the business are continuing in both the Atrush and Sarsang blocks. The reduction of production from the Atrush and Sarsang blocks to meet local market demands and the lower local sales prices being received represent a continuing risk to the Company's liquidity position. Despite the recent joint statement made from the White House, there can be no certainty when the ITP will re-open for exports and payments at international oil market prices will resume for oil production from the KRI, and the Company is continually monitoring this matter.

Financial and Other Risks

Financial statements prepared on a going concern basis:

The Company's financial statements have been prepared on a going concern basis under which an entity is able to realize its assets and satisfy its liabilities in the ordinary course of business. Management has made assumptions regarding projected oil sale volumes and pricing, and the timing and extent of capital, operating, and general and administrative expenditures. Should production be materially less than anticipated, local sales stop, or in case there are extended delays to the forecasted receipt of cash from the sale of oil exports or in the magnitude of those cash receipts, which are under the control of the KRG, and the Company was unable to defer certain planned cost activities, the Company could require additional liquidity to fund the forecasted Atrush and Sarsang operating and development costs and its commitments under the 2025 Bond Terms in the next 12 months. The Company's future operations are dependent upon certain factors, including the identification and successful completion of additional equity or debt financing or the achievement of profitable operations. There can be no assurances that the Company will be successful in completing additional debt or equity financing or achieving profitability. The consolidated financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should ShaMaran be unable to continue as a going concern.

Atrush Block and Sarsang Block capital requirements:

ShaMaran anticipates making capital expenditures in the future for the continued development and production of oil in the Atrush and Sarsang blocks. ShaMaran's results could impact its access to the capital necessary to undertake or complete future drilling and development programs. To meet its operating costs and planned capital expenditures, ShaMaran may require financing from external sources, including from the sale of equity and debt securities. There can be no assurance that such financing will be available to the Company or, if available, that it will be offered on terms acceptable to ShaMaran. If it is unable to secure financing on acceptable terms, the Company may have to cancel or postpone certain of its planned development activities and may not be able to take advantage of acquisition opportunities.

Dilution:

The Company may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Company. If additional financing is raised through the issuance of equity or convertible debt securities, control of the Company may change and the interests of shareholders in the net assets of ShaMaran may be diluted.

Tax legislation:

As at the date of this AIF, the Company has entities incorporated and resident for tax purposes in Canada, the Cayman Islands, Denmark, the Kurdistan Region of Iraq and Switzerland. Changes in the tax legislation or tax practices in these jurisdictions may increase the Company's expected future tax obligations associated with its activities.

Commodity price risk:

The prices that the Company receives for its oil production may have a significant impact on the Company's revenues and cash flows provided by operations. Since the closure of the ITP in March 2023, the Company received oil sales revenues at a negotiated local sales price that was considerably less than would otherwise have been received if the ITP was available for export and sales were made at least at the KBT price. It is unclear when the ITP will re-open and a payment mechanism agreed so that export sales can resume at international pricing.

Foreign currency risk:

Certain of the Company's operations require it to make purchases denominated in foreign currencies, which are currencies other than USD and correspond to the various countries in which the Company conducts its business, most notably, Swiss Francs and Canadian dollars. As a result, the Company holds some cash and cash equivalents in foreign currencies and is therefore exposed to foreign currency risk due to exchange rate fluctuations between the foreign currencies and the USD. The Company considers its foreign currency risk to be limited because it holds relatively insignificant amounts of foreign currencies at any point in time and since its volume of transactions in foreign currencies is currently relatively low. The Company has elected not to hedge its exposure to the risk of changes in foreign currency exchange rates.

Interest rate risk:

The Company earns interest income at variable rates on its cash and cash equivalents and is therefore exposed to interest rate risk due to a fluctuation in short-term interest rates. The Company's policy on interest rate management is to maintain a certain amount of funds in the form of cash and cash equivalents for short-term liabilities and to have the remainder held on relatively short-term deposits. ShaMaran is leveraged though bond financing at the corporate level. However, the Company is not exposed to interest rate risks associated with the 2025 Bond as the interest rate is fixed until July 2025.

Credit risk:

If a counterparty defaults on its contractual obligations, the Company could incur a financial loss. The Company is primarily exposed to credit risk on its cash and cash equivalents and other receivables. The Company manages credit risk by monitoring counterparty ratings and credit limits and by maintaining excess cash and cash equivalents on account in instruments having a minimum credit rating of R-1 (mid) or better (as measured by Dominion Bond Rate Services) or the equivalent thereof, according to a recognized bond rating service.

Liquidity risk:

The Company bears the risk that it will have difficulties meeting its financial obligations as they become due. In common with many IOCs the Company has previously raised financing for its exploration and development activities in discrete tranches to finance its activities for limited periods. The Company may seek to raise additional funding as and when required for future development and production operations. The Company anticipates making additional capital expenditures in the future for the development and production of oil in the Atrush and Sarsang Blocks. As the Company's projects move further into potential additional development stages, specific financing, including the possibility of additional debt, may be required to enable future development to take place. The financial results of the Company will impact its access to the capital markets necessary to undertake or complete future drilling and development programs. There can be no assurance that debt or equity financing, or future cash generated by operations, would be available or sufficient to meet these requirements or, if debt or equity financing were available, that it would be on terms acceptable to the Company.

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecasts and actual cash flows. Annual capital expenditure budgets are prepared and are regularly monitored and updated as considered necessary. In addition, the Company requires authorizations for expenditure on both operating and non-operating projects to further manage capital expenditures.

Capital and lending markets:

Due to general economic uncertainties and, in particular, the potential lack of risk capital available to the junior resource sector, the Company, along with other junior resource entities, may have reduced access to bank debt and to equity. As future capital expenditures will be financed out of funds generated from operations, bank borrowings if available, and possible issuances of debt or equity securities, the Company's ability to do so is dependent on, among other factors, the overall state of lending and capital markets and investor and lender appetite for investments in the energy industry generally and, in particular, in the Company's securities. To the extent that external sources of capital become limited or unavailable or available only on onerous terms, the Company's ability to invest and to maintain existing assets may be impaired, and its assets, liabilities, business, financial condition and results of operations may be materially and adversely affected as a result.

Uncertainty in financial markets:

In the future the Company could require financing to maintain or grow its business. The uncertainty which periodically affects financial markets and the possibility that financial institutions may consolidate or go bankrupt have reduced levels of activity in the credit markets, which could reduce the amount of financing available to companies like ShaMaran. The Company's liquidity and its ability to access the credit or capital markets may also be adversely affected by changes in the financial markets and the global economy.

Internal controls over financial reporting:

The Company has established internal controls over financial reporting ("**ICFR**") which include policies and procedures that pertain to the maintenance of financial records, the preparation of accurate financial statements, controls over bank accounts and the prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets or funds. The Company has delegation of authority policies approved by the respective Boards of Directors of the parent company and each subsidiary, which policies delineate how various corporate and financial matters must be approved and the authority levels of management and employees (including in-country managers in Iraq). The Company has the rights and periodically conducts audits of the records and expenditures of its operating partners. While management has determined that the Company maintains effective ICFR, the Company cannot be certain errors or failures will not occur related to financial processes and reporting. Failure to properly implement existing controls, or difficulties encountered in their implementation, could impact the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its independent auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and reduce the trading price of the Common Shares.

At the operational level in the jurisdictions in which the Company operates, the Company relies upon certain local managers and employees and its operating partners. A large portion of the business and contracts in the local language and the Company must rely on certain key personnel in-country who work in such languages and report to management. A major disruption in the flow of information or obtaining inaccurate information from these local employees and partners, could adversely impact the accuracy of financial reporting and management information.

Risks in estimating reserves and resources**:**

There are uncertainties inherent in estimating the quantities of reserves/resources, including factors which are beyond the control of the Company. Estimating reserves and resources is a subjective process and the results of drilling, testing, production and other new data after the date of an estimate may result in revisions to original estimates.

Reservoir parameters may vary within reservoir sections. The degree of uncertainty in reservoir parameters used to estimate the volume of hydrocarbons, such as porosity, net pay and water saturation, may vary. The type of formation within a reservoir section, including rock type and proportion of matrix and/or fracture porosity, may vary laterally and the degree of reliability of these parameters as representative of the whole reservoir may be proportional to the overall number of data points (wells) and the quality of the data collected. Reservoir parameters such as permeability and effectiveness of pressure support may affect the recovery process. Recovery of reserves and resources may also be affected by the availability and quality of water, fuel gas, technical services and support, local operating conditions, security, performance of the operating company and the continued operation of well and plant equipment.

Additional risks associated with estimates of reserves and resources include risks associated with the oil and gas industry in general, which include normal operational risks during drilling activity, development and production; delays or changes in plans for development projects or capital expenditures; the uncertainty of estimates and projections related to production, costs and expenses; health, safety, security and environmental risks; drilling equipment availability and efficiency; the ability to attract and retain key personnel; the risk of commodity price and foreign exchange rate fluctuations; the uncertainty associated with dealing with governments and obtaining regulatory approvals; performance and conduct of the operator; and risks associated with international operations.

The Company's project is in the early production stage and, as such, additional information must be obtained by further drilling and testing to ultimately determine the economic viability of developing any of the contingent resources. There is no certainty that the Company will be able to commercially produce any portion of its contingent resources. Any significant change in estimated resources, in particular, if the volumetric resource estimates were to be materially revised downwards in the future, could negatively impact investor confidence and ultimately impact the Company's performance, share price and total market capitalization.

The Company has engaged professional geologists and engineers to evaluate reservoir and development plans; however, process implementation risk remains. The Company's reserves and resource estimations are based on data obtained by the Company that has been independently evaluated by McDaniel & Associates Consultants Ltd. ("**McDaniel**").

Conflict of interests:

Certain Directors of ShaMaran are also Directors or officers of other companies, including oil and gas companies, the interests of which may, in certain circumstances, come into conflict with those of ShaMaran. In case a conflict arises with respect to a particular transaction, the affected Directors must disclose the conflict and abstain from voting with respect to matters relating to the transaction. All conflicts of interest will be addressed in accordance with the provisions of the Business Corporations Act (British Columbia) and other applicable laws.

Russia-Ukraine and Gaza-Israel conflicts:

At the date of this AIF, all oil production in Kurdistan, including from the Atrush and Sarsang blocks, is being sold in the domestic market at local sales prices that have not been affected by the Russia-Ukraine or Gaza-Israel conflicts. If these conflicts are still continuing at the time that exports via the ITP re-commence, they may have an adverse impact to the realized pricing in the international oil markets.

The Gaza-Israel conflict does not yet appear to have had any impact on the Company's operations in Kurdistan, nor has it, as at the date of the AIF, had any direct impact on local sales pricing of Kurdistan oil.

Risks Related to the ShaMaran 2025 Bond

Possible termination of Atrush PSC / Sarsang PSC / bond agreement in event of default scenario:

Should the Company default in its obligations under the 2025 Bond Terms, it may also not be able to fulfil its obligations under the Atrush PSC, the Atrush JOA, the Sarsang PSC and/or Sarsang JOA, with the effect that these contracts may be terminated or limited. In addition, should ShaMaran default in its obligations under the Atrush PSC, the Atrush JOA, the Sarsang PSC and/or Sarsang JOA, with the effect that these contracts may be terminated or limited, ShaMaran may also default in respect of its obligations under the 2025 Bond Terms. Either default scenario could result in the termination of the Company's future revenue-generating activities and impair the Company's ability to meet its contractual commitments as they become due.

Ability to service indebtedness:

The Company's ability to make scheduled payments on or to refinance its obligations under the 2025 Bond Terms will depend on ShaMaran's financial and operating performance, which, in turn, will be subject to prevailing economic and competitive conditions beyond ShaMaran's control. It is possible that ShaMaran's activities will not generate sufficient funds to make the required interest payments on the 2025 Bonds, which could, among other things, result in an event of default under the 2025 Bond Terms.

Significant operating and financial restrictions:

The 2025 Bond Terms contain restrictions on ShaMaran's and the ShaMaran Bond Guarantors' activities, which restrictions may prevent ShaMaran and the ShaMaran Bond Guarantors from taking actions that it believes would be in the best interest of ShaMaran's business and may make it difficult for ShaMaran to execute its business strategy successfully or compete effectively with companies that are not similarly restricted. No assurance can be given that it will be granted the necessary waivers or amendments if for any reason ShaMaran is unable to comply with the 2025 Bond Terms. A breach of any of the covenants and restrictions could result in an event of default and acceleration of the redemption and early payment in full of the 2025 Bond under the 2025 Bond Terms.

Mandatory prepayment events:

Under the 2025 Bond Terms, the 2025 Bonds are subject to mandatory prepayment by ShaMaran on the occurrence of certain specified events, including if: (i) the ownership in the Atrush Block is reduced to below 27.6%, (ii) the ownership in the Sarsang Block is reduced to below 18% or (iii) an event of default occurs or there is a total loss in either the Atrush Block or the Sarsang Block. Following an early redemption after the occurrence of a mandatory prepayment event, it is possible that ShaMaran will not have sufficient funds to make the required redemption of the 2025 Bonds which could, among other things, result in an event of default under the 2025 Bond Terms.

Statement of Reserves Data and Other Oil and Gas Information

Date of Statement

The Statement of Reserves Data and Other Information is prepared as at December 31, 2023. The information is presented on a consolidated basis for ShaMaran.

Disclosure of Reserves Data

ShaMaran engaged McDaniel to evaluate all of ShaMaran's reserves and resource data as at December 31, 2023. The conclusions of this evaluation have been presented in a detailed property report which has been prepared in accordance with standards set out in the Canadian National Instrument NI 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**") and the Canadian Oil and Gas Evaluation Handbook (the "**COGEH**").

ShaMaran's reserves as at December 31, 2023, were, based on ShaMaran's working interest of 27.6 % in the Atrush Block and 18% working interest in the Sarsang Block, estimated to be as follows:

	Proved Developed	Proved Undeveloped	**Total Proved**	Probable	**Total Proved & Probable**	Possible	**Total Proved, Probable & Possible**
Light/Medium Oil (Mbbl) (1)							
Gross (2)	21,253	10,280	**31,533**	26,485	**58,018**	35,651	**93,670**
Net (3)	11,280	4,276	**15,556**	7,914	**23,470**	9,312	**32,782**
Heavy Oil (Mbbl) (1)							
Gross (2)	2,919	1,468	**4,387**	3,009	**7,396**	3,932	**11,328**
Net (3)	1,607	668	**2,275**	1,040	**3,314**	1,280	**4,594**
Total Oil (Mbbl)							
Gross	24,172	11,748	**35,920**	29,494	**65,414**	39,583	**104,998**
Net	12,887	4,944	**17,831**	8,954	**26,784**	10,592	**37,376**

Notes:

(1) The Atrush Block contains crude oil of variable density. Fluid type is classified according to COGEH: Light/Medium Oil is based on density less than 920 kg/m3 and Heavy Oil is between 920 and 1000 kg/m3.

(2) ShaMaran gross reserves are based on ShaMaran's 27.6 % working interest share of the property gross reserves in the Atrush Block plus an 18.0% working interest share of the property gross reserves in the Sarsang Block.

(3) ShaMaran net reserves are based on ShaMaran share of total Cost and Profit Revenues. Note, as the government pays income taxes on behalf of ShaMaran out of the government's profit oil share, the net reserves were based on the effective pre-tax profit revenues by adjusting for the tax rate.

ShaMaran's contingent resources[1)] [(2)(4)(5)] as at December 31, 2023, were estimated to be as follows:

	Low Estimate (1C)	Best Estimate (2C)	High Estimate (3C)	Risked Best Estimate
Light/Medium Oil (Mbbl) [(3)]				
Gross (Development On Hold)	2,799	9,486	36,895	6,640
Gross (Development Not Viable)	-	-	-	-
Heavy Oil (Mbbl) [(3)]				
Gross (Development On Hold)	3,364	6,263	20,932	4,384
Gross (Development Not Viable)	11,633	25,793	33,339	2,579
Gross Total	**17,797**	**41,542**	**91,166**	**13,603**

Notes:

(1) ShaMaran gross interest resources are based on a 27.6 % working interest share of the property gross resources in the Atrush Block plus an 18.0% working interest of the property gross resources in the Sarsang Block.

(2) There is no certainty that it will be commercially viable to produce any portion of the contingent resources.

(3) The Atrush Block contains crude oil of variable density. Fluid type is classified according to COGEH: Light/Medium Oil is based on a density less than 920 kg/m3 and Heavy Oil is between 920 and 1000 kg/m3.

(4) The "Risked Best Estimate" contingent resources account for the chance of development, which is defined as the probability of a project being commercially viable. Quantifying the chance of development requires consideration of both economic contingencies and other contingencies, such as legal, regulatory, market access, political, social license, internal and external approvals and commitment to project finance and development timing. As many of these factors are extremely difficult to quantify, the chance of development is uncertain and must be used with caution. The chance of development was estimated to be 70 % for the Light/Medium and Heavy Crude Oil Development "On Hold" contingent resources and 10% for the Heavy Crude Oil Development "Not-Viable" contingent resources.

(5) The contingent resources are sub-classified as "Development On Hold" and "Development Not Viable".

Prospective resources have not been re-evaluated since December 31, 2013.

For further information please refer to the Company's Form 51-101 F1 *Statement of Reserves Data and Other Oil and Gas Information,* Form 51-101 F2 *Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor*, Form 51-101 F3 *Report of Management* and Form 51-101F4 *Notice of Filing of 51-101 F1 Information* filed under the Company's profile on SEDAR+ at www.sedarplus.ca posted on February 14, 2024 and attached hereto as Schedules A, B, C and D.

ITEM 5 - DESCRIPTION OF CAPITAL STRUCTURE AND DIVIDENDS

Capital Structure

The Company's authorized capital consists of an unlimited number of common shares without par value. All the issued common shares are fully paid and non-assessable.

The holders of common shares are entitled to receive notice of, and to one vote per share at, every meeting of shareholders of the Company, to receive such dividends as the Board of Directors declares and to share equally in the assets of the Company remaining upon the liquidation, dissolution or winding up of the Company after the creditors of Company have been satisfied.

Under the terms of the ShaMaran Bond Agreement the Company is restricted from making any dividend payment, repurchase of shares, loans or other equity or capital distributions or payments to its shareholders, whether in cash or in kind (including, without limitation, servicing of shareholder loans or any total return swaps or instruments with similar effect).

At December 31, 2023, the Company had an aggregate of 2,824,362,157 common shares issued and outstanding.

Under the Company's Stock Option Plan and Share Unit plans, the Company may grant options to purchase up to 10% of the issued and outstanding Common Shares at the time of grant to its Directors, officers, employees and consultants. The number of shares issuable under these plans at any specific time to any one recipient shall not exceed 5% of the issued and outstanding common shares of the Company. As at the date of this AIF, the Company had 107,403,000 outstanding options to purchase Common Shares at an average exercise price of CAD 0.06 per share. The options vest over a period of two years and will expire at the end of five years if not exercised. The Company also had outstanding at the date of this AIF under its Deferred Share Unit Plan 20,348,755 Deferred Share Units ("**DSUs**") and under its Restricted Share Unit Plan 62,623,336 Restricted Share Units ("**RSUs**"). The DSUs were granted to non-executive Directors of the Company, are fully vested and at the end of service of a Director are redeemable in either cash or shares of the Company or a combination of both. The RSUs were granted to certain officers, employees and consultants, vest over three years, and are redeemable into shares of the Company after vesting.

*Dividen*ds

To date the Company has not paid dividends on its common shares and has no plans to pay dividends. In accordance with the 2025 Bond Terms the Company is prohibited from distributing dividends until such time as the net debt of the Company is less than $100 million. Any decision to pay dividends in the future will be based on the then applicable restrictions under the 2025 Bond Terms, the Company's earnings and financial requirements and other factors that its Board of Directors may consider appropriate in the circumstances.

ITEM 6 - MARKET FOR SECURITIES

Trading Price and Volume

The common shares of the Company are currently listed and posted for trading on both the TSX.V in Canada and NASDAQ First North Growth Market in Sweden under the trading symbol "SNM".

The following table sets out, for the calendar periods indicated, the high and low trading prices and volumes for the common shares as reported on such markets:

	TSX.V (Canada)			NASDAQ First North (Sweden)		
Month	**High (CAD)**	**Low (CAD)**	**Volume**	**High (SEK)**	**Low (SEK)**	**Volume**
January 2023	0.09	0.085	1,999,167	0.705	0.65	41,860,488
February 2023	0.095	0.08	4,193,943	0.725	0.63	47,293,741
March 2023	0.09	0.06	2,587,397	0.716	0.49	104,293,251
April 2023	0.08	0.068	8,034,406	0.66	0.493	82,280,420
May 2023	0.07	0.055	4,952,706	0.54	0.394	121,981,165
June 2023	0.065	.045	3,918,915	0.49	0.42	35,538,833
July 2023	0.07	0.05	4,923,918	0.47	0.354	58,922,161
August 2023	0.055	0.04	7,046,605	0.489	0.357	66,326,800
September 2023	0.055	0.045	2,387,780	0.428	0.332	71,143,598
October 2023	0.055	0.04	2,786,723	0.45	0.302	74,443,630
November 2023	0.05	0.04	3,912,765	0.40	0.295	55,678,194
December 2023	0.05	0.04	2,225,594	0.379	0.324	24,385,257
January 2024	0.05	0.04	2,989,124	0.399	0.314	42,578,331
February 2024	0.05	0.04	7,972,389	0.42	0.36	52,635,201
March 2024	0.065	0.05	3,708,895	0.509	0.376	68,340,015

ITEM 7. ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The Company has no securities currently held in escrow or that are subject to a contractual restriction on transfer.

ITEM 8 - DIRECTORS AND OFFICERS

Name, Address and Occupation

The Board of Directors of the Company currently comprises five Directors, each of whom is elected annually and whose term of office is until the next annual meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the articles of the Company. On May 15, 2023, Dr. Adel Chaouch resigned as President, CEO and Director of the Company and Mr. Garrett Soden was appointed by the Board to be his replacement. On November 8, 2023, Mr. Nick Walker resigned as a Director of the Company due to his new executive role in another oil and gas company.

The names, provinces/states and countries of residence of each of the Directors and officers of the Company, their respective positions and offices held with the Company and their principal occupations within the preceding five years as at December 31, 2023, are set forth in the following table:

Name, province or state and country of residence	Current position(s) held in the Company	Principal Occupation during the Past Five Years
Chris Bruijnzeels Abcoude, The Netherlands	Chairman since May 15, 2019, and Director since January 19, 2015	Mr. Bruijnzeels has over 35 years of experience in the oil and gas industry and has been Chairman of ShaMaran Petroleum Corp. since 2019. Previously, he was President, CEO and Director of ShaMaran from 2015 until 2019. From 2003 until 2015, Mr. Bruijnzeels was Senior Vice President Development at Lundin Petroleum where he was responsible for operations, reserves and the development of the asset portfolio. In 1998, he joined PGS Reservoir Consultants in the UK where he worked as Principal Reservoir Engineer and Director of Evaluations. From 1985 until 1998, Mr. Bruijnzeels worked for Shell International in the Netherlands, Gabon and Oman in several reservoir engineering functions. Mr. Bruijnzeels was born in the Netherlands in 1959 and is a graduate of Delft University where he obtained a degree in Mining Engineering.
Garrett Soden Madrid, Spain	President, CEO and Director since May 15, 2023	Mr. Soden has worked with the Lundin Group since 2007. He has been President, CEO and Director of ShaMaran Petroleum Corp. since May 2023. He was President, CEO and Director of Africa Energy Corp. from July 2017 until June 2023. Mr. Soden is currently Chairman of Africa Energy Corp. and a Director of Panoro Energy ASA. He holds a BSc honors degree from the London School of Economics and an MBA from Columbia Business School.

Name, province or state and country of residence	Current position(s) held in the Company	Principal Occupation during the Past Five Years
Michael Ebsary Geneva, Switzerland	Director since January 1, 2019	Mr. Ebsary was previously the Chief Executive Officer and a Director of Oryx Petroleum Limited from 2010 to 2016. Mr. Ebsary served as the Chief Financial Officer of Addax Petroleum Corporation, an international oil and gas exploration and production company, for 11 years between 1998 and 2009, after having held various positions in project finance and treasury with oil companies Elf Aquitaine and Occidental Petroleum both in France and the United Kingdom. Mr. Ebsary began his career with positions at multinational banking institutions in Canada and the United Kingdom. Mr. Ebsary holds an MBA from Queen's University.
Keith Hill Florida, USA	Director since February 19, 2007	Mr. Hill has over 35 years of experience in the oil and gas industry, including more than 25 years with the Lundin Group, as well as international new venture management and senior exploration positions at Occidental Petroleum and Shell Oil Company. He was until recently President and CEO of Africa Oil Corp., a publicly-traded oil and gas company focused on Africa, and he is still on their Board of Directors. Mr. Hill previously served as President of Valkyries Petroleum, Pearl Exploration and ShaMaran Petroleum Corp. He currently serves as a board member for several public oil and gas companies. His education includes a Master of Science degree in Geology and Bachelor of Science degree in Geophysics from Michigan State University, as well as an MBA from the University of St. Thomas in Houston.
William Lundin Geneva, Switzerland	Director since June 26, 2019	Mr. Lundin was appointed as President and Chief Executive Officer of International Petroleum Corp. in January 2024 and was previously Chief Operating Officer from December 2020. Prior to being appointed as Chief Operating Officer of IPC, he served in a project management position with IPC Canada. He has gained diverse experience in conventional and unconventional oil and gas resources working in operations, facilities and production engineering. Mr. Lundin is also a Director of International Petroleum Corp., Filo Corp. and Orrön Energy AB and serves on the Board of the Lundin Foundation. He is a registered professional engineer and holds a degree in Mineral Resource Engineering from Dalhousie University.

Name, province or state and country of residence	Current position(s) held in the Company	Principal Occupation during the Past Five Years
Elvis Pellumbi Canterbury, United Kingdom	Chief Financial Officer since October 1, 2022	Mr. Pellumbi has over 25 years of investing and capital market experience with an exclusive focus on the global energy markets for the last 15 years. Most recently, he held a senior advisory role to ShaMaran's management team, focusing on debt advisory and M&A, including the recently closed acquisition of TotalEnergies' affiliate holding an interest in the Sarsang Block in the Kurdistan Region. As part of his previous mandates, he has invested well in excess of $500 million in oil and gas companies focused in the Kurdistan Region since 2009 and is very familiar with the key players in the sector.
Alex Lengyel London, United Kingdom	Chief Commercial Officer since January 1, 2020, and Corporate Secretary since August 12, 2020	Mr. Lengyel has negotiated oil and gas transactions in over 20 countries over the past 30 years. He also has experience in energy project financings, bank finance, equipment leasing, U.S. securities, country debt restructuring and corporate matters (including oil and gas joint ventures and consortium work). He is a member of the Board of Directors of the Association of the Petroleum Industry of Kurdistan (APIKUR). He holds a Juris Doctorate from Notre Dame Law School and is a member of the New York bar. He was a Fulbright Scholar to Italy and holds a Bachelor of Music degree (violin performance) from Eastman School of Music.

There are four standing committees of the Board: the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee and the Reserves Committee.

The following table identifies the members of each of these Committees as at December 31, 2023:

Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee	Reserves Committee
Michael Ebsary* Chris Bruijnzeels Keith Hill	Keith Hill* Chris Bruijnzeels Michael Ebsary	Chris Bruijnzeels* Michael Ebsary William Lundin	William Lundin* Chris Bruijnzeels Keith Hill

**Committee Chair*

Security Holdings

As at the date of this AIF, the Directors and executive officers of the Company beneficially own, directly or indirectly, have control of or have direction over an aggregate of 13,421,198 Common Shares, representing approximately 0.5**%** of the issued and outstanding Common Shares (excluding securities issuable on exercise of stock options).

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

Other than as disclosed below, no Director or officer or person holding sufficient securities of the Company to affect materially the control of the Company, is, or within the past ten years before the date of this Annual Information Form has been, a Director or officer of any other issuer that, while such person was acting in that capacity:

(i) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days

(ii) was subject to an event that resulted in such an order after the person ceased to be a Director or officer

(iii) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or comprise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets, or

(iv) was subject to such bankruptcy proceedings within a year of that person ceasing to act in that capacity

Penalties or Sanctions

No Director or officer of the Company, or shareholder holding a sufficient number of shares of the Company to materially affect control of the Company, has been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered a settlement agreement with a Canadian securities regulatory authority, or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

During the ten years preceding the date of this AIF, no Director, officer or shareholder holding a sufficient number of shares of the Company to affect materially the control of the Company, or a personal holding company of any such person, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold his or her assets.

The foregoing information, not being within the knowledge of the Company, has been furnished by the respective Directors, officers and any control shareholder of the Company individually.

Conflicts of Interest

The Company's Directors and officers may serve as Directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the Directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. If such a conflict of interest arises at a meeting of the Company's Directors, a Director who has such a conflict will abstain from voting for or against the approval of such participation or the terms of such participation. In accordance with the laws of Canada, the Directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining if the Company will participate in a program and the interest therein to be acquired by it, the Directors will primarily consider the possible return and degree of risk to which the Company may be exposed, as well as the financial position of the Company at that time.

The Directors and officers of the Company are aware of the existence of laws governing the accountability of Directors and officers for corporate opportunity and requiring disclosure by the Directors of conflicts of interest and the Company will rely upon such laws in respect of any Directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its Directors and officers. All such conflicts will be disclosed by such Directors or officers in accordance with the *Business Corporations Act* (British Columbia) and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. The Directors and officers of the Company are not aware of any conflicts of interest in any existing or contemplated contracts with or transactions involving the Company.

ITEM 9 - LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

The Company is not involved in any legal proceedings that it believes might have a materially adverse effect on its business or results of operations.

Regulatory Actions

No penalties or sanctions were imposed by a court relating to securities legislation or by a securities regulatory authority during the Company's recently completed financial year, nor were there any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision, nor were any settlement agreements entered before a court relating to securities legislation or with a securities regulatory authority during the Company's recently completed financial year.

ITEM 10 - AUDIT COMMITTEE

The Audit Committee of the Company oversees the accounting and financial reporting processes of the Company and its subsidiaries and all audits and external reviews of the financial statements of the Company on behalf of the Board, and has general responsibility for oversight of internal controls, accounting and auditing activities of the Company and its subsidiaries. All auditing services and non-audit services to be provided to the Company by the Company's auditors are pre-approved by the Audit Committee. The Audit Committee is responsible for examining all financial information, including annual and quarterly financial statements, prepared for securities commissions and similar regulatory bodies prior to filing or delivery of the same. The Audit Committee also oversees the annual audit process, quarterly review engagements, the Company's internal accounting controls, the ShaMaran Business Code, any complaints and concerns regarding accounting, internal controls or auditing matters and the resolution of issues identified by the Company's external auditors. The Audit Committee recommends to the Board the firm of independent auditors to be nominated for appointment by the shareholders and the compensation of the auditors. The Audit Committee meets a minimum of four times per year.

The Company's Audit Committee Charter is attached as Schedule E to this AIF.

Composition of the Audit Committee

The current members of the Audit Committee are: Michael Ebsary (Chair), Chris Bruijnzeels and Keith Hill. Messrs. Ebsary and Hill are considered independent within the meaning of National Instrument 52-110 - Audit Committees ("**NI 52-110**") but Mr. Bruijnzeels is not considered "independent" within the meaning of NI 52-110 until after May 15, 2024, as he was a paid advisor to the Corporation compensated in excess of CAD 75,000 annually until May 15, 2021. All members of the Audit Committee are "financially literate" within the meaning of applicable Canadian securities regulations in that they each can read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

Mr. Ebsary was previously the Chief Executive Officer and a Director of Oryx Petroleum Limited from 2010 to 2016. He served as the Chief Financial Officer of Addax Petroleum Corporation, an international oil and gas exploration and production company, for 11 years between 1998 and 2009, after having held various positions in project finance and treasury with oil companies Elf Aquitaine and Occidental Petroleum both in France and the United Kingdom. Mr. Ebsary began his career with positions at multinational banking institutions in Canada and the United Kingdom. He holds an MBA from Queen's University.

Mr. Bruijnzeels was previously the President and Chief Executive Officer of the Company from January 2015 to May 2019 and became Chairman of the Board in May 2019. He is a graduate of Delft University where he obtained a degree in Mining Engineering and has obtained financial experience and exposure to accounting and financial issues through his roles in the Company as President, Chief Executive Officer, Director and Chairman of the Board.

Mr. Hill has been a Director of the Corporation since February 2007, and served as Chairman of the Board from February 2007 to May 2019. Mr. Hill was formerly the President and Chief Executive Officer of Africa Oil Corp. and continues to be a Director of that company, in addition to Africa Energy Corp., Eco (Atlantic) Oil & Gas Ltd. and TAG Oil Corp. Prior to his appointment as Chief Executive Officer of Africa Oil Corp., Mr. Hill was President and Chief Executive Officer of BlackPearl Resources Inc. and Valkyries Petroleum Corp. Mr. Hill holds a Master of Science degree in Geology and Bachelor of Science degree in Geophysics from Michigan State University, as well as an MBA in Finance from the University of St. Thomas in Houston.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor that was not adopted by the Board of Directors.

Reliance on Certain Exemptions

Since the commencement of the Company's recently completed financial year, the Company has not relied on the exemptions contained in section 2.4 (*De Minimis* Non-Audit Services) or an exemption from **NI 52-110**, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter.

External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Company by its external auditor during the last two years ended December 31, 2022 and December 31, 2023.

Financial Year Ending	Audit Fees(1)	Audit Related Fees(2)	Tax Fees(3)	All Other Fees(4)
2022	152,765	20,894	48,850	Nil
2023	263,572	67,794	31,151	Nil

Notes:
(1) The aggregate fees billed for audit services.
(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the audit fees column.
(3) The aggregate fees billed for tax compliance, tax advice, and tax planning services.
(4) The aggregate fees billed for professional services other than those listed in the other three columns.

Exemption

As a "venture issuer" (as such term is defined in NI 52-110) the Company is exempt from the requirements of Part 3, Composition of the Audit Committee, and Part 5, Reporting Obligations, of NI 52-110.

ITEM 11 - INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set out below, no Director or executive officer of the Company or any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over more than 10% of the Common Shares, and no associate or affiliate of any of the foregoing, has or has had, any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the most recently completed financial year, or any proposed transaction, that has materially affected or will materially affect the Company.

In connection with the Company's 2023 Bond, Nemesia agreed to guarantee ShaMaran's obligations under the 2023 Bond up to $22.8 million (an equivalent of one year of bond interest, the **"Liquidity Guarantee"**). In exchange for the Liquidity Guarantee, the Company entered into a Debenture in favour of Nemesia dated February 25, 2019 (the **"Debenture"**) and agreed to issue an initial 2,000,000 common shares to Nemesia for providing the Liquidity Guarantee and a further 50,000 common shares of the Company for each $500,000 drawdown per month until the drawn amount is repaid. In July 2020, ShaMaran announced a full drawdown of the Liquidity Guarantee in the amount of $22.8 million followed by the full and final discharge of such Liquidity Guarantee by Nordic Trust as Bond Trustee. The Company then commenced the monthly issuance of common shares to Nemesia. In addition, the Company was required to accrue interest on the amount due to Nemesia at an annual rate of 5% with payment of the accrued interest and principal by the Company to Nemesia being payable on or before July 5, 2023, and such claim for repayment was subordinated to all obligations under the Company's 2023 and 2025 Bond Terms. The Debenture was amended and restated in connection with the closing of the Sarsang Acquisition. After the successful closing of the Sarsang Acquisition and the 2023 Bond conversion into the 2025 Bond on September 27, 2022, $7.2 million of the existing $22.8 million debt owed by ShaMaran to Nemesia was refinanced into the new 2025 Bond. The balance of $15.6 million remains as a loan to ShaMaran with an adjusted interest rate to match the interest rate on the new 2025 Bond of 12% (payable in cash semi-annually) plus an additional interest amount of 2% per annum payable in kind. The monthly common share allotment to Nemesia by the Company has been eliminated.

ITEM 12 - REGISTRAR AND TRANSFER AGENT

Computershare Investor Services Inc. ("**Computershare**") acts as the registrar and transfer agent for the Common Shares at its offices in Vancouver. Computershare is located on the 3rd Floor, 510 Burrard Street, Vancouver, BC V6C 3B9.

ITEM 13 - MATERIAL CONTRACTS

Except as set forth below or as disclosed in this AIF, there were no contracts, other than those entered in the ordinary course of business, that were material to the Company and that were entered between January 1, 2023 (being the commencement of the Company's most recently completed financial year), and up to the date of this AIF or that were entered prior to January 1, 2023, and remain in effect during 2023, other than as disclosed in this AIF.

The Company was a party to material contracts that were in effect at the date of this AIF as follows:

- The Atrush PSC through the Company's wholly-owned subsidiary GEP and the Atrush JOA.
- The Sarsang PSC through the Company's wholly-owned subsidiary ShaMaran Sarsang and the Sarsang JOA.
- On May 30, 2019, ShaMaran, through its wholly-owned subsidiary GEP, completed its acquisition of an additional 7.5% working interest in the Atrush Block. Under two separate purchase and sale agreements, done in contemplation of one another, GEP acquired directly MOKDV's full 15% working interest in Atrush Block and immediately thereafter sold a 7.5% Atrush working interest to TAQA, bringing the Company's total working interest in Atrush Block to 27.6%. Only certain general and customary tax indemnities of the Seller still survive as at the date of this AIF.

- On July 30, 2021, the Company entered into the 2025 Bond Terms and issued the 2025 Bond on September 27, 2022, as further described in Item 3 - General Development of the Business "*Year Ended December 31, 2021*" of this AIF.

- On January 22, 2024, the Company's wholly-owned subsidiary GEP entered into definitive agreements with the sole shareholder of TAQA Atrush and with a subsidiary of HKN so that, upon completion, the working interest of GEP in Atrush block will increase to 50% and a subsidiary of HKN will become the Atrush operator, as further described in Item 3 – General Development of the Business *"Events Subsequent to Year Ended December 31, 2023"* of this AIF.

ITEM 14 - NAMES AND INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing made under NI 51-102 by the Company during the current financial year other than McDaniel, the Company's independent resource evaluators and PricewaterhouseCoopers SA, the Company's auditors. None of the employees of McDaniel have any registered or beneficial interests, direct or indirect, in any securities or property of the Company or of the Company's associates or affiliates either at the time they prepared the statement, report or valuation prepared by it, at any time thereafter, or to be received by them. PricewaterhouseCoopers SA, the Company's auditors, are independent in accordance with the auditor's rules of professional conduct in Canada. In addition, none of the aforementioned persons or companies, nor any Director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a Director, officer or employee of the Company or any associate or affiliate of the Company.

ITEM 15 - ADDITIONAL INFORMATION

Additional information, including Directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the Company's information circular for its most recent annual meeting of security holders that involved the election of Directors.

Additional financial information is provided in the Company's audited consolidated financial statements and the MD&A as at and for the year ended December 31, 2023.

Additional information relating to the Company may be found under the Company's profile on SEDAR+ at www.sedarplus.ca and on the Company's website at www.shamaranpetroleum.com.

SCHEDULE A

Form 51-101 F1

ShaMaran Petroleum Corp.

Statement of Reserves Data

And Other Oil and Gas Information

As of December 31, 2023

Table of Contents

Part 1 Date of Statement

Item 1.1 Relevant Dates

1. Date of Statement: February 14, 2024
2. Effective Date: December 31, 2023
3. Preparation Date: February 14, 2024

Part 2 Disclosure of Reserves Data

ShaMaran Petroleum Corp., herein after referred to as "ShaMaran" or the "Company", has as of December 31, 2023, reserves relating entirely to the Company's interest in the Atrush and Sarsang blocks, located in the Kurdistan Region of Iraq ("Kurdistan"). ShaMaran currently has a 27.6 percent working interest in the Atrush Block and an 18.0 percent working interest in the Sarsang Block. For stating the Company's oil and gas reserves publicly, the Company retained the services of McDaniel & Associates Consultants Ltd. ("McDaniel"), who are independent qualified reserves evaluators appointed by the Company pursuant to NI 51-101, to conduct independent evaluations of all the Company's oil and gas properties. McDaniel has provided the Company with an evaluation (the "McDaniel Report") prepared in compliance with NI 51-101 in respect of the Company's oil and gas reserves as at December 31, 2023.

The definitions of the various categories of reserves are those set out in NI 51-101 and in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook"). The Company engaged McDaniel to provide an evaluation of the Company's proved, probable and possible reserves. The following are the definitions of proved, probable and possible reserves as set out in the COGE Handbook:

> "**proved reserves**" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. At least a 90% probability that the quantities actually recovered will equal or exceed the estimated proved reserves is the targeted level of certainty.
>
> "**probable reserves**" are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. At least a 50% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves is the targeted level of certainty.
>
> "**possible reserves**" are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves. At least a 10% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable plus possible reserves is the targeted level of certainty.

It should not be assumed that the present worth of estimated future net revenue represents the fair market value of the reserves. There is no assurance that the forecast price and cost assumptions contained in the McDaniel Report will be attained and variances could be material. The reserves and revenue estimates set forth below are estimates only and the actual reserves and realized revenue may be greater or less than those calculated.

Unless otherwise stated herein all currency amounts indicated as "$" in this Statement of Reserves Data are expressed in thousands of United States dollars ("USD").

Item 2.1 Reserves Data (Forecast Prices and Costs)

Breakdown of Reserves (Forecast Case)

The following table discloses, in the aggregate, the Company's gross and net proved, probable and possible reserves, estimated using forecast prices and costs, by product type.

SUMMARY OF OIL AND GAS RESERVES AS OF DECEMBER 31, 2023
(Forecast Prices & Costs)

	ShaMaran's Interest in Reserves[(1)(2)(3)]							
	Light and Medium Oil (Mbbl)		**Heavy Oil (Mbbl)**		**Conventional Natural Gas (MMcf)**		**Natural Gas Liquids (Mbbl)**	
	Gross[(4)]	**Net[(5)]**	**Gross[(4)]**	**Net[(5)]**	**Gross[(4)]**	**Net[(5)]**	**Gross[(4)]**	**Net[(5)]**
Iraq								
Proved developed producing ...	21,253	11,280	2,919	1,607	–	–	–	–
Proved developed non–producing	-	-	-	-	–	–	–	–
Proved developed	21,253	11,280	2,919	1,607	–	–	–	–
Proved undeveloped	10,280	4,276	1,468	668	–	–	–	–
Total proved reserves............	**31,533**	**15,556**	**4,387**	**2,275**	**–**	**–**	**–**	**–**
Probable	26,485	7,914	3,009	1040	–	–	–	–
Total Proved Plus Probable Reserves	**58,018**	**23,470**	**7,396**	**3,314**	**–**	**–**	**–**	**–**
Possible....................................	35,651	9,312	3,932	1,280	–	–	–	–
Total Proved Plus Probable Plus Possible Reserves	**93,670**	**32,782**	**11,328**	**4,594**	**–**	**–**	**–**	**–**
Total								
Proved developed producing ...	21,253	11,280	2,919	1,607	–	–	–	–
Proved developed non–producing	-	-	-	-	–	–	–	–
Proved developed	21,253	11,280	2,919	1,607	–	–	–	–
Proved undeveloped	10,280	4,276	1,468	668	–	–	–	–
Total proved reserves............	**31,533**	**15,556**	**4,387**	**2,275**	**–**	**–**	**–**	**–**
Probable	26,485	7,914	3,009	1,040	–	–	–	–
Total Proved Plus Probable Reserves	**58,018**	**23,470**	**7,396**	**3,314**	**–**	**–**	**–**	**–**
Possible....................................	35,651	9,312	3,932	1,280	–	–	–	–
Total Proved Plus Probable Plus Possible Reserves	**93,670**	**32,782**	**11,328**	**4,594**	**–**	**–**	**–**	**–**

Notes:

(1) Totals may not add due to rounding.

(2) The definitions of the various categories of reserves and expenditures are those set out in NI 51-101.

(3) The Atrush Field contains crude oil of variable density. Fluid type is classified according to COGEH: Light/Medium Oil is based on density less than 920 kg/m^3 and Heavy Oil is between 920 and 1000 kg/m^3.

(4) "Gross" reserves refer to ShaMaran's working interest share before deducting royalties and are based on a 27.6 percent working interest share of the property gross resources of the Atrush field and 18.0 percent working interest of the Sarsang field.

(5) "Net" reserves refer to ShaMaran's share of total cost and profit revenues. Note, as the government pays income taxes on behalf of ShaMaran out of the government's profit oil share, the net reserves were based on the effective pre-tax profit revenues by adjusting for the tax rate.

Net Present Value of Future Net Revenue (Forecast Case)

The following table discloses, by country and in the aggregate, the net present value of the ShaMaran's future net revenue attributable to the reserves categories in the previous table, estimated using forecast prices and costs, before and after deducting future income tax expenses, and calculated without discount and using discount rates of 5%, 10%, 15% and 20%.

SUMMARY OF NET PRESENT VALUE OF FUTURE NET REVENUE
AS OF DECEMBER 31, 2023
(Forecast Prices & Costs)

	Net Present Values of Future Net Revenue[(1)(2)(3)(4)(5)(6)(7)]										Unit Value[(8)] before Income Tax Discounted at
	Before Income Taxes Discounted at (%/year)					After Income Taxes Discounted at (%/year)					
Reserves Category	0	5	10	15	20	0	5	10	15	20	10%/year
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$/bbl
Iraq											
Proved developed producing	400,274	356,669	320,635	290,572	265,233	400,274	356,669	320,635	290,572	265,233	24.88
Proved developed non-producing	-	-	-	-	-	-	-	-	-	-	-
Proved developed	400,274	356,669	320,635	290,572	265,233	400,274	356,669	320,635	290,572	265,233	24.88
Proved undeveloped	133,376	101,807	79,740	63,781	51,902	133,376	101,807	79,740	63,781	51,902	16.13
Total Proved Reserves	**533,649**	**458,476**	**400,376**	**354,352**	**317,135**	**533,649**	**458,476**	**400,376**	**354,352**	**317,135**	**22.45**
Probable	276,785	193,807	141,732	107,641	84,463	276,785	193,807	141,732	107,641	84,463	15.83
Total Proved Plus Probable Reserves	**810,434**	**652,283**	**542,107**	**461,994**	**401,597**	**810,434**	**652,283**	**542,107**	**461,994**	**401,597**	**20.24**
Possible	326,019	191,271	121,715	82,813	59,504	326,019	191,271	121,715	82,813	59,504	11.49
Total Proved Plus Probable Plus Possible Reserves	**1,136,452**	**843,554**	**663,823**	**544,807**	**461,102**	**1,136,452**	**843,554**	**663,823**	**544,807**	**461,102**	**17.76**
Total											
Proved developed producing	400,274	356,669	320,635	290,572	265,233	400,274	356,669	320,635	290,572	265,233	24.88
Proved developed non-producing	-	-	-	-	-	-	-	-	-	-	-
Proved developed	400,274	356,669	320,635	290,572	265,233	400,274	356,669	320,635	290,572	265,233	24.88
Proved undeveloped	133,376	101,807	79,740	63,781	51,902	133,376	101,807	79,740	63,781	51,902	16.13
Total Proved Reserves	**533,649**	**458,476**	**400,376**	**354,352**	**317,135**	**533,649**	**458,476**	**400,376**	**354,352**	**317,135**	**22.45**
Probable	276,785	193,807	141,732	107,641	84,463	276,785	193,807	141,732	107,641	84,463	15.83
Total Proved Plus Probable Reserves	**810,434**	**652,283**	**542,107**	**461,994**	**401,597**	**810,434**	**652,283**	**542,107**	**461,994**	**401,597**	**20.24**
Possible	326,019	191,271	121,715	82,813	59,504	326,019	191,271	121,715	82,813	59,504	11.49
Total Proved Plus Probable Plus Possible Reserves	**1,136,452**	**843,554**	**663,823**	**544,807**	**461,102**	**1,136,452**	**843,554**	**663,823**	**544,807**	**461,102**	**17.76**

Notes:

(1) Based on a Company working interest of 27.6 percent in Atrush and 18.0 percent in Sarsang.
(2) Totals may not add due to rounding.
(3) The definitions of the various categories of reserves and expenditures are those set out in NI 51-101.
(4) Based on forecast prices and costs at January 1, 2024.
(5) Interest expenses and corporate overhead, etc. were not included.
(6) The net present values may not necessarily represent the fair market value of the reserves.
(7) Government pays income taxes on behalf of ShaMaran out of the government's profit oil share and as such the before and after-tax values are identical.
(8) Unit values are calculated using estimated net present value of future net revenue before income taxes using a discount rate of 10% and the Company net reserves. Unit values are presented on a $/bbl basis for the light/medium and heavy oil reserves combined.

Total Future Net Revenue (Undiscounted)

Sub-Item 3b – Breakdown of Future Net Revenue

The following table discloses, by country and in the aggregate, certain elements of the Company's future net revenue attributable to proved reserves, proved plus probable reserves and proved plus probable plus possible reserves, estimated using forecast prices and costs, and calculated without discount.

Reserves Category	Revenue(1)	Royalties(2)	Operating Costs(3)	Development Costs	Abandonment and Reclamation Costs	Future Net Revenue Before Income Taxes(4)	Income Taxes(5)	Future Net Revenue after Income Taxes
	$000	$000	$000	$000	$000	$000	$000	$000
Iraq								
Total Proved Reserves................	1,094,030	-	453,580	84,700	22,110	533,650	-	533,650
Total Proved Plus Probable Reserves	1,699,100	-	737,520	124,220	26,920	810,430	-	810,430
Total Proved Plus Probable Plus Possible Reserves..	2,505,400	-	1,181,890	154,270	32,340	1,136,890	-	1,136,890
Total								
Total Proved Reserves................	1,094,030	-	453,580	84,700	22,110	533,650	-	533,650
Total Proved Plus Probable Reserves	1,699,100	-	737,520	124,220	26,920	810,430	-	810,430
Total Proved Plus Probable Plus Possible Reserves..	2,504,680	-	1,181,620	154,270	32,340	1,136,450	-	1,136,450

Notes:

(1) Revenue comprises cost oil, profit oil revenue and carry repayment.

(2) Royalties are taken off before determining revenue and so are not included in this table.

(3) Operating costs included bonuses and capacity building value.

(4) Totals may not add or subtract due to rounding.

(5) Government pays income taxes on behalf of ShaMaran out of the government's profit oil share and so income taxes are excluded.

Sub-Item 3c – Total Future Net Revenue by Production Group

The following table discloses, by production group, the net present value and the unit value of the Company's future net revenue attributable to its proved reserves, its proved plus probable reserves and its proved plus probable plus possible reserves, before deducting future income tax expenses, estimated using forecast prices and costs, and calculated using a 10% discount rate.

Reserves Category	Production Group[1]	Future Net Revenue before Income Taxes (Discounted at 10%/Year)	Unit Value[2]
		$000	($/bbl) ($/Mcf) ($/boe)
Proved Reserves..	Light and Medium Crude Oil	351,481	22.59
	Heavy Oil	48,899	21.50
	Conventional Natural Gas	–	–
	Natural Gas Liquids	–	–
	Total	**400,380**	**22.45**
Proved Plus Probable Reserves..................	Light and Medium Crude Oil	480,817	20.49
	Heavy Oil	61,293	18.49
	Conventional Natural Gas	–	–
	Natural Gas Liquids	–	–
	Total	**542,110**	**20.24**
Proved Plus Probable Plus Possible Reserves...	Light and Medium Crude Oil	592,206	18.06
	Heavy Oil	71,617	15.59
	Conventional Natural Gas	–	–
	Natural Gas Liquids	–	–
	Total	**663,823**	**17.76**

Notes:

(1) The Atrush Field contains crude oil of variable density even within a single reservoir unit and as such the actual split between Light/Medium Oil and Heavy Oil is uncertain. To give an indicative split of the "Future Net Revenue before Income Taxes by Production Group," the ratio of the Light/Medium and Heavy Oil reserves has been applied in a simplistic manner to calculate the total future net revenue.

(2) Unit values are calculated using estimated net present value of future net revenue before income taxes using a discount rate of 10% and the Company net reserves. Unit values are presented on a $/bbl basis for crude oil reserves.

A Summary of Contingent Resources as at December 31, 2023, has been included in the Appendix at the end of this document.

Part 3 Pricing Assumptions

Item 3.1 Supplemental Estimates

Not relevant.

Item 3.2 Forecast Prices Used in Estimates

The following table sets forth the benchmark reference prices as at January 1, 2024, provided by McDaniel that were McDaniel's then current forecast prices at the effective date of the McDaniel Report.

Year	Brent Crude Oil Price(1)	Atrush field Price differential(2) (Atrush, Iraq)	Atrush field Sales Oil Price(2) (Atrush, Iraq)	Sarsang Block Price differential(2) (Sarsang, Iraq)	Sarsang Block Sales Oil Price(2) (Sarsang, Iraq)	Inflation Rates
	($/bbl)	($/bbl)	($/bbl)	($/bbl)	($/bbl)	(%/Year)
2023 achieved sales price	82.49	N/A	57.99	N/A	47.29	N/A
2024	77.00	N/A	31.50	N/A	42.00	2.00
2025	78.03	15.78	62.25	6.86	71.17	2.00
2026	79.59	15.78	63.81	6.86	72.73	2.00
2027	81.18	15.78	65.40	6.86	74.32	2.00
2028	82.81	15.78	67.03	6.86	75.95	2.00
2029	84.46	15.78	68.68	6.86	77.60	2.00
2030	86.15	15.78	70.37	6.86	79.29	2.00
2031	87.87	15.78	72.09	6.86	81.01	2.00
2032	89.63	15.78	73.85	6.86	82.77	2.00
Inflation after 2032						2.00

Notes:

(1) Brent price forecast based on the McDaniel January 1, 2024, price forecast.

(2) Atrush and Sarsang field prices are adjusted for quality differential, transportation tariffs and marketing fees and are based on ShaMaran's current marketing agreements.

Part 4 Reconciliations of Changes in Reserves

Item 4.1 Reserves Reconciliation

The following table provides a reconciliation of ShaMaran's gross reserves between December 31, 2022, and December 31, 2023, based on forecast prices and costs.

Iraq (and Total)	Light and Medium Oil (Mbbl)			Heavy Oil (Mbbl)			Conventional Natural Gas (MMcf)		
	Gross Proved	Gross Probable	Total Gross Proved plus Probable	Gross Proved	Gross Probable	Total Gross Proved plus Probable	Gross Proved	Gross Probable	Total Gross Proved plus Probable
Opening balance[(1)(2)] December 31, 2022	34,407	26,485	60,891	4,436	3,009	7,445	-	-	-
Plus:							-	-	-
Extensions	-	-	-	-	-	-	-	-	-
Improved recovery	-	-	-	-	-	-	-	-	-
Technical revisions	-	-	-	-	-	-	-	-	-
Discoveries	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-	-	-
Less:									
Dispositions	-	-	-	-	-	-	-	-	-
Economic factors	-	-	-	-	-	-	-	-	-
Production	(2,874)	-	(2,874)	(49)	-	(49)	-	-	-
Ending balance – December 31, 2023	31,533	26,485	58,018	4,387	3,009	7,396	-	-	-

Notes:

(1) Gross reserves are based on a Company working interest of 27.6 percent in Atrush and 18.0 percent in Sarsang.

(2) Reserves reconciliation for year ended December 31, 2023, was based on forecast prices and costs.

Part 5 Additional Information Relating to Reserves Data

Atrush Block

Atrush reserves were first recognized in the year ended December 31, 2013. In addition to sufficient accumulated technical data supporting recoverability, the declaration of commerciality by the contractor group in November 2012 and the KRG approval of the initial Field Development Plan ("**FDP**") in October 2013 formed an adequate commercial basis for initial reserves recognition. During 2014 and 2015, several well tests and re-tests were executed and established the well-connected nature of the upper Jurassic reservoir in the Atrush field. These tests also demonstrated the producibility of the heavy oil in the lower part of the oil column. The combined effect of these results allowed a reclassification of a portion of the contingent resources into reserves. In November 2015, an update to the FDP was presented to the KRG and later approved. In second quarter 2017, installation and commissioning of the Atrush Production Facilities was completed. Production started on July 3, 2017. In 2017, one new well Chiya Khere-7 ("**CK-7**") was drilled and found the top of the reservoir 114m shallow to prognosis, which resulted in upwards shift of the mapped reservoirs and thus an increase in medium and a decrease in heavy oil in place.

Drilling, testing and completion of CK-7 was completed in early 2018. The Chiya Khere-10 ("**CK-10**") production well and the Chiya Khere-9 ("**CK-9**") water disposal wells were also drilled, tested and completed. CK-10 found the top of the reservoir 45m shallow to prognosis in a crestal part of the structure, whilst CK-9, targeting the aquifer for water disposal, encountered the top of the Barsarin formation about 55m low to prognosis.

During the testing phases of the CK-7 well, the lower Jurassic Mus reservoir produced oil of a gravity of 20.1-degree API at a depth shallower than anticipated. This resulted in an upwards shift of the medium to heavy oil transition in the Mus reservoir and thus in a readjustment of medium versus heavy oil in place in that reservoir.

Following positive well test results, the CK-7 and CK-10 wells were connected to the Production Facilities and came online during July 2018.

An extended well test was run on AT-3 during 2019 to evaluate the productivity and characteristics of the heavy (13-degree API) oil within the Lower Sargelu and Naokelekan. This testing was inconclusive and a further testing is currently being planned.

Development plans for 2020 were put on hold due to the COVID-19 pandemic, however subsurface work continued to be matured to support resumption of field development activities in 2021 as the HSSE and oil price environment improve.

During 2021, as measures imposed to mitigate the operational impacts of the COVID-19 pandemic were proven effective, suspended capital programs were restarted. The CK-17 well was drilled from the Pad A targeting the Naokelekan and Upper Sargelu reservoirs to the southeast and brought online in June 2021.

Continuation of drilling program delivered the CK-16 water disposal well and the CK-18 production well in 2022. During the testing of the CK-16 Triassic Kurra Chine C reservoir, the well flowed hydrocarbons to surface indicating development potential further up dip on the Triassic structures. The CK-18 well produced only trace hydrocarbons during the initial flowback and was shut-in until November 2023 when it was produced at lower rate and ~50% BS&W.

During 2023, the CK-19 and CK-20 wells were drilled from Pad C and Pad G, respectively. These two wells were only briefly produced during 2023 as closure of the ITP in March 2023 resulted in the suspension of development plans for 2023.

Crude oil reserves have been assigned as part of this evaluation to the development of the core medium-oil region. The remainder of the discovered, potentially recoverable volumes are classified as contingent resources.

Sarsang Block

The Sarsang PSC was originally signed in 2007 between HKN and the KRG. In April 2014, HKN assigned 30 percent of its interest to Maersk giving Maersk Kurdistan an 18 percent working interest (22 percent paying interest). This became known as TEPKRI following the acquisition of Maersk by Total Energies S.E. On July 12, 2021, ShaMaran announced its entry into the Sarsang PSC with the acquisition of TEPKRI Sarsang A/S, the subsidiary of Total Energies S.E. HKN Energy now holds a 62 percent interest and operatorship of the Sarsang Block, and ShaMaran holds an 18 percent working interest, with the remaining 20 percent carried interest held by the KRG.

In 2011, the Main Swara Tika discovery was made with the exploration well Swara Tika-1, which encountered multiple hydrocarbon-bearing zones and ultimately tested light oil from all three reservoirs of the Kurra Chine Formation. Swara-Tika 1 was subsequently completed in the Kurra Chine C Reservoir. In late 2012, the Swara Tika-2 well was drilled and successfully tested all three reservoirs of the Kurra Chine Formation, confirming the results of the initial exploration well. This well also produced 1,360 barrels of 12-14-degree API crude oil from the Jurassic Naokelekan-Sargelu over 13 hours. The well was subsequently completed in the Kurra Chine B Reservoir. A pressure interference test was performed between the two wells in October and November 2012 to investigate the pressure communication between the two wells through the Kurra Chine C Reservoir and investigate any possible cross-communication between the Kurra Chine B and Kurra Chine C reservoirs. The test confirmed communication of the two wells but no cross communication between the Kurra Chine B and Kurra Chine C reservoirs. Commercial production from the Main Swara Tika Field began in 2014, and production was approximately 29,000 bopd as of December 2021 from six wells.

During 2022, the Sarsang operator, HKN, expanded the scope of ST FDP from 8 to 17 additional development wells incremental to the existing 12 at yearend 2022. The impact of this was to increase base case field 2P reserves by more than 40MMstb.

A second discovery, East Swara Tika, located approximately 10 kilometers from the Main Swara Tika, was subsequently made in 2014 through the drilling of the ESWT-1 well and its sidetracks. ESTW-1Z successfully tested light crude oil from the Kurra Chine B and Kurra Chine C reservoirs. This well also tested 10-degree API crude from the Jurassic Sargelu at 580 bopd with an ESP. ESTW-1Y tested crude oil from the Kurra Chine A and Kurra Chine B reservoirs although the rates for the Kurra Chine B were much lower and intermittent. Commercial production from the East Swara Tika Field began in 2018 and there were two wells producing over 2,000 bopd as of December 2022.

The 2023 WP&B included one firm production well, ST-A2, one water disposal well, ST-AW1 and one contingent production well, ST-9. The ST-A2 well, drilled from Pad A, TD'd on January 7, 2023, was completed over the Kurra Chine A and B zones, and came online in November 2023 at 6000 bopd and 0% BS&W. The ST-AW1 well, drilled from Pad A, was TD'd in the Jurassic Butmah formation on March 27, 2023, completed and is currently suspended pending hookup of water injection infrastructure expected to be installed in Q1-2024. The contingent well, ST-9 was not drilled.

Item 5.1 Undeveloped Reserves

The following tables set forth the proved undeveloped gross reserves and the probable undeveloped gross reserves, each by product type, attributed to ShaMaran's assets for the years ended December 31, 2016-2023, in the aggregate, and, before that time, based on forecast prices and costs. The reserves have been classified as undeveloped due to the significant facility expenditure required to get to first oil production.

SUMMARY OF COMPANY UNDEVELOPED RESERVES
(Forecast Prices & Costs)

	Light/Medium Oil		Heavy Oil		Conventional Natural Gas	
Proved Undeveloped	First Attributed	Booked	First Attributed	Booked	First Attributed	Booked
	(Mbbl)	(Mbbl)	(Mbbl)	(Mbbl)	(MMcf)	(MMcf)
Prior to 2015	–	4,653	–	–	–	–
2016	–	4,653	–	2,287	–	–
2017	2,607	3,026	–	282	–	–
2018	576	3,402	–	484	–	–
2019	3,323	4,058	–	414	–	–
2020	1,932	4,929	379	957	–	–
2021	–	4,758	–	882	–	–
2022	6,462	10,575	223	1,523	–	–
2023	–	10,280	–	1,468	–	–

Probable Undeveloped	First Attributed	Booked	First Attributed	Booked	First Attributed	Booked
	(Mbbl)	(Mbbl)	(Mbbl)	(Mbbl)	(MMcf)	(MMcf)
Prior to 2015	–	7,779	–	–	–	–
2016	–	7,779	–	2,394	–	–
2017	3,684	9,779	–	745	–	–
2018	1,254	9,654	–	740	–	–
2019	1,667	5,142	–	287	–	–
2020	1,795	4,666	572	1,190	–	–
2021	–	3,336	–	945	–	–
2022	5,379	7,938	168	1,071	–	–
2023	–	8,336	–	1,130	–	–

Item 5.2 Significant Factors or Uncertainties

McDaniel conducted its independent reserves evaluation on ShaMaran's reserves as at December 31, 2023. The process of establishing reserves requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change.

As circumstances change and additional data become available, reserves estimates also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and governmental restrictions.

Although every reasonable effort is made to ensure that reserves estimates are accurate, reserves estimation is an inferential science. As a result, the subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserves estimates can arise from changes in year-end oil and gas prices, and reservoir performance.

On March 25, 2023, the ITP was closed for the export of Kurdistan oil production resulting in the suspension of all purchases by the Kurdistan Regional Government of oil from all Kurdistan producers (including the Company's Atrush and Sarsang Blocks). As a result of the ITP closure, (i) the Sarsang Block reduced its production rate, postponed much of its 2023 drilling activities and after a brief shut-in in April 2023 commenced trucking its produced oil for sale to the local market at a substantially lower sales price than would be available in the export market and (ii) the Atrush Block, lacking trucking facilities, shut-in production once on-site storage capacity had been reached, postponed all 2023 drilling activities, and then in November 2023 restarted production for sales to the local market via pipeline reverse flow but such production was also sold at a substantially lower local sales price than would be available in the export market. As at the date of this Form F1, there remains uncertainty as to when (x) the ITP will reopen for oil exports from Kurdistan, (y) an amended Iraqi federal budget law will be implemented and (z) surety of payment for such exports will be provided to Kurdistan oil producers (including ShaMaran).

Item 5.3 Future Development Costs

The following table provides information regarding the development costs deducted in the estimation of future net revenue attributable to the ShaMaran's reserves.

FUTURE DEVELOPMENT COSTS (UNDISCOUNTED)(1)(2)

	Proved Reserves	Proved Plus Probable Reserves	Proved Plus Probable Plus Possible Reserves
	$ millions	$ millions	$ millions
Iraq (and Total)			
2024	5.99	5.99	5.99
2025	20.73	20.73	20.73
2026	29.82	29.82	39.42
2027	20.37	28.01	31.83
2028	7.79	15.59	15.59
Thereafter	-	24.08	40.72
Total Future Development Costs	**84.7**	**124.22**	**154.27**

Note:

(1) Future Development Costs shown are associated with booked reserves in the McDaniel Report and do not necessarily represent the Company's full exploration and development budget.

Part 6 Other Oil and Gas Information

Item 6.1 Oil and Gas Properties and Wells

Summary of Producing and Non-Producing Wells

	Light/Medium Oil (wells)	Heavy Oil (wells)	Conventional Natural Gas (wells)	Total
Iraq (and Total)				
Gross Wells[1]				
Producing[3]	20	–	–	20
Non-producing[4]	12	–	–	12
Total Gross Wells	32	–	–	32
Net Wells[2]				
Producing[3]	4.6	–	–	4.6
Non-producing[4]	2.8	–	–	2.8
Total Net Wells	**7.4**	**–**	**–**	**7.4**

Notes:

(1) "Gross Wells" represent the number of wells in which the Company has a working-interest.

(2) "Net Wells" represent the number of wells obtained by aggregating the Company's working-interests in each of its Gross Wells.

(3) "Producing" includes wells presently producing and contributing revenue or wells presently producing that are expected to contribute revenue in the foreseeable future through the sale of presently produced oil. Light/Medium Oil wells are completed in the medium oil zones, but there is a contribution from the heavy oil zones through life of field.

(4) "Non-Producing" includes wells that are presently non-producing or wells presently producing but are not expected to contribute revenue in the foreseeable future through the sale of presently produced oil. Oil wells are completed in the medium oil zones, but there is a contribution from the heavy oil zones through life of field.

The Company currently holds a 27.6% working interest in the Atrush PSC and, since September 15, 2022, an 18% working interest in the Sarsang PSC. Details of the Blocks are provided below.

Atrush Block

Production Facility and Pipeline

The Atrush Field came online in July 2017, reaching peak rates in excess of 50,000 bopd during 2019 before suspension of development activities in 2020 resulted in declines thereafter. With the resumption of development activities in 2021 (facilities expansion and development well drilling), field decline is being stabilized through increased water handling capacity and delivery of additional dry oil producing wells. During 2023, two new development wells were added and facility capacity enhancement projects progressed until reduction in capital programs associated with the ITP shutdown in March 2023 led to suspension of non-critical development activities.

Development Wells

In 2014, three development wells were drilled:

- The AT-4 well was drilled up-dip towards the undrilled crest of the structure from the AT-1 drilling site. AT-4 was tested, producing a 27-28-degree API oil at a combined rate of 9,059 bopd from two of the intervals tested.
- The CK-5 was drilled from the Chamanke-A well pad with the bottom hole location in the Adaiyah formation approximately 870 metres west/southwest of the surface location, penetrating a gross vertical oil column of approximately 540 metres.
- CK-8 was also drilled from the Chamanke-A well and encountered the reservoir higher than expected some 1.4 kilometres east/southeast of the surface location.

In 2015, the CK-5 and CK-8 development wells were successfully tested and completed. The CK-5 well tested 3 separate intervals at a combined rate of 7,350 bopd. The CK-8 well tested 2 intervals at a combined rate of 8,400 bopd.

The completions for both the AT-4 and the AT-2 well were installed and successfully tested in the second and third quarters of 2016, respectively.

The CK-7 well was spudded in Q4-2017, and the reservoir section was encountered 114 metres shallower than prognosis. In March and April 2018, three intervals were successfully tested: the Mus formation tested 20.1-degree API oil at a rate of 0.8 Mbopd, with a final productivity of 13 stb/d/psi; the Alan formation tested 27.1-degree API oil at a rate of 900 bopd, with a final productivity of 6 stb/d/psi; and the main Lower Sargelu formation tested 26.4-degree API oil at 1.0 Mbopd at a drawdown of only 2 psi, yielding a final productivity of 446 stb/d/psi. No water was produced at the end of the test.

CK-7 is now completed over the Alan and Lower Sargelu formation with an electric submersible pump. During the final completion test the well produced 7,040 bopd at only 14 psi drawdown.

The CK-10 well was spudded on May 15, 2018, was drilled to a total depth of 1,985 metres, which was reached on time and within budget on June 16, 2018. The reservoir section was encountered some 60 metres shallow to prognosis. The well flow tested approximately 4,400 bopd at a low drawdown, yielding a final productivity index of 313 stb/d/psi. The well is now completed over the Lower Sargelu formation.

The Chiya Khere-9 ("**CK-9**") water disposal well was spudded on July 20, 2018, and was drilled to a total depth of 3015 metres, which was reached on time and within budget on October 18, 2018. The well was injection tested November 7-20, achieving the targeted daily injection volume of 10,000 bopd.

The 2019 development campaign entailed drilling CK-11, CK 12, CK-13 and CK-15:

- The CK-11 well targeted the upper and lower Sargelu which produced at 8,200 bopd with an estimated maximum reservoir rate of 8,550 bopd.
- The CK-12 well targeted the Mus formation; however, it initially tested with a lower than expected reservoir productivity index, and subsequently only reached initial rates of approximately 600 bopd.
- The CK-13 well targeted the Naokelekan and the upper Sargelu and produced at 5,500 bopd with an estimated maximum reservoir rate of 8,160 bopd.

- CK-15 targeted the upper and lower Sargelu and produced at rates of 5,000 bopd with the potential to exceed 7,000 bopd.

Due to the COVID-19 pandemic, the 2020 Work Plan was revised, suspending the ongoing drilling and completion campaign as well as all non-critical projects.

During 2021, as measures imposed to mitigate the operational impacts of the COVID-19 pandemic were proven effective, suspended capital programs were restarted. The CK-12 well was worked over in March/April 2021 to recomplete over the Upper Jurassic reservoir and was successful in increasing rate from ~500 bopd to over 4,500 bopd. The CK-17 well was then drilled from Pad A targeting the Naokelekan and Upper Sargelu reservoirs to the southeast and brought online in June 2021.

The CK-16 well was spudded from Pag G in March 2022, drilled vertically through the Triassic reservoirs and TD'd in the Geli Khane interval at 3293mMD in May 2022. Planned as a water disposal well, the well was tested over the Kurra Chine C, Kurra Chine B and Kurra Chine A zones for injectivity. During the KCC testing, the well flowed hydrocarbons to surface indicating development potential further updip on the Triassic structures. The KCC was isolated and the well was eventually completed for water disposal over the KCA where high injectivities were measured during testing.

The CK-18 well was spudded from pad G in July 2022, drilled and landed with a 1000m horizonal drain section in the Mus in September 2022. The well was completed to allow selective production from the horizontal section, however losses during the drilling and stimulation phases established a connection to the aquifer and the well produced only trace volumes of hydrocarbons during the flowback phase. The CK-18 well remained shut-in until November 2023 when, following a prolonged field shut-in due to ITP closure, the well was brought online at ~800 bopd and ~50% BS&W

The CK-19 and CK-20 development wells were delivered during Q1-2023. The CK-19 well was drilled west from Pad C, completed over the Naokelekan and Upper Sargelu and came online in February 2023 at an average rate of 3,200 bopd and ~1% BS&W. The CK-20 well, drilled south from Pad E, was also completed over the Naokelekan and Upper Sargelu, coming online in November 2023 (following field production restart) at an average rate of 4,082 bopd and ~0.5% BS&W.

It is envisaged that an updated Atrush Field Development Plan will be delivered during 2024 and that this plan, production, and surveillance data recovered during 2024, as well as clarification on any modifications to PSC terms, will define the basis for future development wells.

Location and Operational History

The Atrush Block is located approximately 85 kilometres northwest of Erbil, the capital of Kurdistan, and has a surface area of 269 square kilometres. Oil has been proven in Jurassic fractured carbonates in the Chiya Khere structure and is estimated to contain a low estimate of 1.5 billion barrels, a best estimate of 2.0 billion barrels and a high estimate of 2.6 billion barrels of discovered oil in place. The structure is expressed at surface by the Chiya Khere mountain which runs east-west for approximately 25 kilometres with an approximate width of 3.5 kilometres.

In 2008, GEP acquired 143 kilometres of 2D seismic data covering the Atrush Block. In April 2011, the Atrush structure was confirmed as an oil discovery by the Atrush-1 ("AT-1") exploration well. This was followed by the AT-2 appraisal well in July 2012. 3D seismic covering the entire Atrush Block was acquired between July 2011 and August 2012 and a Declaration of Commerciality made on November 7, 2012. The eastern part of the field was successfully appraised in June 2013 by the Atrush-3 ("AT-3") well.

The AT-2 appraisal well was drilled to a depth of 1,750 metres, below the base of Jurassic reservoir section, which was reached in July 2012. The Company announced on September 13, 2012, the results of the comprehensive AT-2 well testing program, which confirmed through three separate DSTs the AT-1 Jurassic oil discovery. Individual test rates for the three Jurassic DSTs, constrained by surface testing equipment, were over 10,000 bopd (approximately 27-degree API) and confirmed the significant potential for production from the highly fractured Jurassic reservoir.

An additional two DSTs conducted in two deeper Jurassic formations confirmed them to be oil bearing and productive, with test rates limited by the gas lift test method. GEP submitted in October 2012 to the Ministry of Natural Resources ("MNR") of Kurdistan an AT-2 Discovery Report giving notice of the additional discovery formations in the lower part of the Jurassic.

On November 7, 2012, TAQA, GEP and MOKDV, collectively being the Contractor under the Atrush PSC at that time, submitted to the Atrush Block Management Committee a Declaration of Commercial Discovery ("DCD") with effect from November 7, 2012, in accordance with the terms of the Atrush PSC. The DCD was submitted together with an Appraisal Report covering the Atrush field.

The AT-3 eastern area appraisal well was spudded on March 25, 2013, and the well was drilled to a measured depth of 1,806 metres, which was reached on June 23, 2013. The well encountered an estimated oil column of 286 metres in the Jurassic reservoir and successfully extended the Atrush accumulation 6.5 kilometres further to the east, while proving producible oil 180 metres deeper than previous wells thereby reducing the uncertainty on the Oil Water Contact/Free Water Level. AT-3 was suspended pending the planned re-entry and successful retest in January 2015.

In June 2013, an interference test was conducted between AT-1 and AT-2. The wells, which are 3.1 kilometres apart, confirmed excellent pressure communication and multi-Darcy horizontal permeability through the fracture system in the Jurassic reservoir. This reservoir connectivity was further confirmed, as announced by the Company in February 2015, by pressure communication between the tested Chiya Khere-6 ("CK-6") and AT-3 wells and the AT-2 well, over a distance of 6.5 kilometres, demonstrating that the eastern appraisal area is in pressure communication with the Phase 1 development area.

The Atrush Block Field Development Plan ("FDP") was submitted for approval to the KRG on May 6, 2013, in accordance with the terms of the Atrush PSC within 180 days after the DCD made on November 7, 2012. The FDP was presented in detail to the MNR in June 2013. Phase 1 of the FDP was duly approved with an effective date October 1, 2013.

On October 7, 2013, the Company announced that Phase 1 of the FDP for the Atrush Block had been approved by the KRG. The initial 20-year Development Phase (as defined in the Atrush PSC) commenced on October 1, 2013.

Following submission of the FDP, the AT-1 discovery well was determined to be unsuitable for long-term production and was plugged and abandoned in October 2013.

In 2014, CK-6, an eastern area appraisal well, was drilled from the Chamanke-C well pad and reached the Jurassic reservoir approximately 139 metres structurally higher than the nearby AT-3 well, approximately 600 metres south/southeast of the surface location. Three well tests were conducted showing excellent reservoir quality and demonstrating producible oil as deep as -460m AMSL, nearly 200m deeper than the equivalent interval that successfully tested the higher viscosity oil in the AT-2 well.

Also in 2015, the AT-3 eastern appraisal well was re-entered and tested at a maximum oil rate of 4,900 bopd comingled from two intervals.

The Atrush field facilities were completed and commissioned in the second quarter of 2017. Production started up on July 3, 2017, taking production from AT-2, AT-4, CK-5 and CK-8 and ramping up to an average production of 26,300 bopd of 25.1-degree API for the month of December 2017.

Production remained stable at 26,800 bopd and 24,000 bopd for the months of January 2018 and February 2018, respectively. In March 2018, production dropped to approximately 20.3 Mbopd due to a partial blockage of a Production Facility heat exchanger by sediments. In early April 2018, production was temporarily suspended to address the partial blockage of the heat exchanger. The sediments were successfully removed from the heat exchanger during this plant shutdown.

Analysis of the removed sediments indicated high concentrations of salts lost to the formation during drilling operations. These materials were flowed back into the production facilities with the produced dry oil where they caused capacity restrictions. To target these materials, fresh water was introduced at the CK-5 wellhead from June

2018 onwards. The salt materials are now diluted into the fresh water, which is then separated and disposed of during normal processing operations.

During the third quarter of 2018, daily production was constrained by exceptionally high export pipeline downtime during the month of August 2018 (over 6 days) as well as salt fill in the Production Facilities stripper column. The stripper column fill became apparent once additional well capacity from the Chiya Khere-7 (“CK-7”) and Chiya Khere-10 (“CK-10”) wells enabled Production Facility rates to exceed 26,000 bopd. The stripper column was flushed during a two-day shutdown in late September 2018 that successfully removed all salt restrictions and enabled the high stabilized rates throughout the fourth quarter.

During the fourth quarter 2018, well rates were steadily increased to test and evaluate the limits of the Production Facility. By end November 2018 and through early December 2018, several days with daily rates over 30,000 bopd were recorded until the onset of failure of the CK-10 Electric Submersible Pump (ESP), which reduced the available well capacity and therefore daily production rates. The CK-10 well was brought back on production late January 2019 after a successful work-over.

The AT-3 well was re-completed as a Heavy Oil production well during December 2018. An extended well test was run on AT-3 during 2019 to evaluate the productivity and characteristics of the heavy (13-degree API) oil within the Lower Sargelu and Naokelekan. This testing was inconclusive, and a further testing is currently being planned.

The 2019 development campaign entailed drilling CK-11, CK 12, CK-13 and CK-15. The CK-11 well targeted the upper and lower Sargelu and produced at 8,200 bopd. The CK-13 well targeted the Naokelekan and the upper Sargelu and produced at 5,500 bopd. CK-15 targeted the upper and lower Sargelu and produced at rates of 5,000 bopd. The CK-12 well targeted the Mus formation; however, it initially tested with a lower-than-expected reservoir productivity index, and subsequently only reached initial rates of approximately 600 bopd.

Due to the COVID-19 pandemic, the 2020 Work Plan was revised, suspending the ongoing drilling and completion campaign as well as all non-critical projects.

During 2021, as measures imposed to mitigate the operational impacts of the COVID-19 pandemic were proven effective, suspended capital programs were restarted. The CK-17 well was drilled from Pad A targeting the Naokelekan and Upper Sargelu reservoirs to the southeast and brought online in June 2021.

Continuation of the drilling program in 2022 delivered the CK-16 water disposal well and the CK-18 production well.

Reservoir surveillance and modelling work during 2021 and 2022 indicated positive reservoir performance, with the delayed onset of water production and slow gas cap growth justifying increases in recovery factor assumptions. The resumption of development activities in 2021 aimed to stabilize production declines observed since 2020 and maintain Atrush production at a long-term plateau rate between 30,000 and 40,000 bopd.

Following delivery of the two development wells, CK-19 and CK-20, the closure of the Iraq-Turkiye pipeline (“ITP”) in March 2023 prevented production at Atrush until November 7, 2023, when Atrush local sales started at reduced rates. The ITP closure resulted in suspension of 2023 capital programs and field development activities.

It is envisaged that an updated Field Development Plan will be delivered during 2024, and that this plan will define the development planning and operating mode for the remainder of the Atrush development.

Sarsang Block

Production Facility and Pipeline

The Swara Tika fields have been developed using Early Well Testing facilities (“EWT”) with export via road tanker to achieve early production and de-risk the subsurface uncertainties. The combined well, processing and export capacity before 2022 was approximately 30,000 bopd.

During Q3-2022, the Sarsang permanent production facility (“ST PPF”) processing and export pipeline was brought online. This increased field processing capacity to from ~30,000 bopd to over 50,000 bopd, provides oil storage of up to 160,000 stb (four 40,000 stb storage tanks) and allows for export of production via pipeline or road tanker.

During 2023, further ST PPF systems were commissioned to support increase of Sarsang field rates up to a target 50,000 bopd plateau rate.

Development Wells

Pre-2023 wells include:

- EST-1 Facility; EST-1, EST-A1W wells
- ST-1 (Pad B) Facility; ST-1Z, ST-B1A & STB2Y wells
- ST-2 (Pad A) Facility; ST-2, ST-4Z & ST-A1 wells (ST-A1 not producing at end 2022 due to high BS&W)
- 25K facility (Pad B); ST-B3, ST-B4, ST-B5, ST-B6 & ST-B7 wells

A batch drilling campaign comprising five wells (ST-B3, ST-B4, ST-B5, ST-B6 & ST-B7) was started at Pad ST-B during 2021 to provide well capacity to the permanent production facility. This campaign continued over into 2022 with all wells coming online with the permanent facility startup on September 22, 2022.

The 2023 WP&B included one firm production well, ST-A2, one water disposal well, ST-AW1 and one contingent production well, ST-9. The ST-A2 well, drilled from Pad A, TD'd on January 7, 2023, was completed over the Kurra Chine A and B zones, and came online in November 2023 at 6,000 bopd and 0% BS&W. The ST-AW1 well, drilled from Pad A, was TD'd in the Jurassic Butmah formation on March 27, 2023, completed and is currently suspended pending hookup of water injection infrastructure expected to be installed in Q1-2024. The contingent well, ST-9 was not drilled.

Due to the closure of the ITP during 2023, no further development wells are planned for 2024.

Location and Operational History

The Sarsang Block is located along the northern border of the Atrush Block approximately 85 kilometers northwest of Ebril, the capital of the Kurdish administered part of Iraq. Spanning 420 km^2, the block is currently operated by HKN and comprises twelve production wells across two fields: Swara Tika and East Swara Tika.

In 2011, the Main Swara Tika discovery was made with the exploration well Swara Tika-1, which encountered multiple hydrocarbon-bearing zones and ultimately tested light oil from all three reservoirs of the Kurra Chine Formation. Swara-Tika 1 was subsequently completed in the Kurra Chine C Reservoir. In late 2012, the Swara Tika-2 well was drilled and successfully tested all three reservoirs of the Kurra Chine Formation, confirming the results of the initial exploration well. This well also produced 1,360 barrels of 12-14-degree API crude oil from the Jurassic Naokelekan-Sargelu over 13 hours. The well was subsequently completed in the Kurra Chine B Reservoir. A pressure interference test was performed between the two wells in October and November 2012 to investigate the pressure communication between the two wells through the Kurra Chine C Reservoir and investigate any possible cross-communication between the Kurra Chine B and Kurra Chine C reservoirs. The test confirmed communication of the two wells but no cross communication between the Kurra Chine B and Kurra Chine C reservoirs. Commercial production from the Main Swara Tika Field began in 2014, and production was approximately 29,000 bopd as of December 2021 from six wells.

In alignment with the Swara Tika Field Development Plan ("ST FDP"), five additional development wells (ST-B3, ST-B4, ST-B5, ST-B6 & ST-B7) were drilled and completed over 2021/2022, coming online on September 22, 2022, to produce in to the newly constructed and commissioned Swara Tika permanent production facility ("ST PPF"). The ST-PPF has a processing capacity of 25,000 bopd, with 160,000 stb of storage capacity (four 40,000 stb floating roof storage tanks) and ability to export up to 100,000 stb/d via export pipeline tied into the existing Atrush feeder pipeline. The wells and facility came online at initial rates of ~18,000 bopd. Total Swara Tika field production was approximately 40,000 bopd from 10 wells as of December 2022.

During 2022, the Sarsang operator, HKN, expanded the scope of ST FDP from 8 to 17 additional development wells incremental to the existing 12 at year end 2022. The impact of this was to increase base case field 2P reserves by more than 40 MMstb.

A second discovery, East Swara Tika, located approximately 10 kilometers from the Main Swara Tika, was subsequently made in 2014 through the drilling of the ESWT-1 well and its sidetracks. ESTW-1Z successfully tested light crude oil from the Kurra Chine B and Kurra Chine C reservoirs. This well also tested 10-degree API crude from the Jurassic Sargelu at 580 bopd with an ESP. ESTW-1Y tested crude oil from the Kurra Chine A and Kurra Chine B reservoirs although the rates for the Kurra Chine B were much lower and intermittent. Commercial production from the East Swara Tika Field began in 2018, and there were two wells producing over 2,000 bopd as of December 2022.

Following delivery of the ST-A2 and ST-AW1 well in Q1-2023, the closure of the Iraq-Turkiye pipeline (“ITP”) in March 2023 resulted in reduced field production rates and a rationalization of development activities.

Item 6.2 Properties With No Attributed Reserves

The Company held no properties through the year ended December 31, 2023, which have no attributed reserves.

Item 6.3 Forward Contracts

The Company has not entered into any forward contracts.

Item 6.4 Additional Information Concerning Abandonment and Reclamation Costs

	Abandonment and Reclamation Costs	
Properties	Undiscounted $ millions	Discounted @ 10% $ millions
Atrush Block	15.82	10.04
Sarsang Block	6.29	3.00
Kurdistan Region of Iraq (including wells and production facilities)	22.11	13.04

The table above shows the Company’s working interests at December 31, 2023, in the estimated well and facilities abandonment and reclamation costs (not including any “credits” for equipment salvage). Abandonment and reclamation costs have been estimated using industry practice and are in line with estimates provided in the Atrush Field Development Plan.

Future net revenue as prepared by McDaniel and as disclosed in item 2.1 is based on McDaniel’s estimate of well abandonment timing and cost, excluding facilities and site reclamation costs. According to the Atrush Production Sharing Contract, all abandonment and site reclamation costs are cost recoverable. Should there not be sufficient cost recovery to cover abandonment and site reclamation costs, which is likely to be the case at end of field life when final abandonment occurs, the Government will pay any remaining balance. Therefore, final facilities abandonment and site reclamation costs do not impact the Company’s future net revenue.

Item 6.5 Tax Horizon

The Company has no foreseeable material tax liabilities associated with its oil and gas operations.

Item 6.6 Costs Incurred

The costs included in the following represent the Company's share of the total costs incurred.

	Costs incurred in the year ended Dec 31, 2023			
Properties in Kurdistan	Acquisition Costs $ millions	Exploration Costs $ millions	Development Costs $ millions	Other Costs $ millions
Atrush Block	0	0.0	13.2	0.0
Sarsang Block	0	0.0	9.8	0.0
TOTAL	0.0	0.0	23.0	0.0

Item 6.7 Exploration and Development Activities

Summary of Exploration and Development wells drilled in 2023

Iraq (and Total)	Exploration wells (wells)	Stratigraphic Test wells (wells)	Production wells (wells)	Service wells (wells)	Total (wells)
Atrush Gross Wells(1)			2.0	0.0	2.0
Sarsang Gross Wells(1)			1.0	1.0	2.0
Total Gross Wells	**–**	**–**	**3.0**	**1.0**	**4.0**
Atrush Net Wells(2)			0.6	0.0	0.6
Sarsang Net Wells(2)			0.3	0.2	0.5
Total Net Wells.......................................	**–**	**–**	**0.9**	**0.2**	**1.1**

Notes:

(1) "Gross Wells" represent the number of wells in which the Company has a working-interest.

(2) "Net Wells" represent the number of wells obtained by aggregating the Company's working-interests in each of its Gross Wells.

Atrush Block

Production Facility and Pipeline

During 2023, the Atrush permanent production facility processing capacity was increased with the addition of water processing infrastructure. This project was suspended due to reductions in development activities (linked to ITP closure in March 2023) but on completion will deliver a base case capacity of 35,000 bopd and 18,000 bwpd.

Development Wells Development Wells

The CK-19 and CK-20 development wells were delivered during Q1-2023. The CK-19 well was drilled west from Pad C, was completed over the Naokelekan and Upper Sargelu and came online in February 2023 at an average rate of 3,200 bopd and ~1% BS&W. The CK-20 well, drilled south from Pad E, was also completed over the Naokelekan and Upper Sargelu, coming online in November 2023 at average rate of 4,082 bopd and ~0.5% BS&W.

Sarsang Block

Production Facility and Pipeline

Additional water processing capacity was installed at Pad A during 2023.

Development Wells

The ST-A2 well, drilled from Pad A, TD'd on January 7, 2023, was completed over the Kurra Chine A and B zones, and came online in November 2023 at 6,000 bopd and 0% BS&W. The ST-AW1 well, drilled from Pad A, was TD'd in the

Jurassic Butmah formation on March 27, 2023, completed and is currently suspended pending hookup of water injection infrastructure expected to be installed in Q1-2024.

Item 6.8 Production Estimates

At Atrush, first oil was produced on July 3, 2017. The operator reported a total exported field production of 3.557 MMbbl for the year 2023 or a company share of 0.960 MMbbl.

At Sarsang, first oil was produced on March 13, 2013. The operator reported a total exported field production of 10.791 MMbbl for the year 2023 or a company share of 1.942 MMbbl.

The Company forecast for 2024 is:

SUMMARY OF COMPANY GROSS PRODUCTION ESTIMATES[1][2]
(Forecast Prices & Costs)

Iraq (and Total)	Light and Medium Oil (Mbbl) Year 2024	Heavy Oil (Mbbl) Year 2024	Conventional Natural Gas (MMcf) Year 2024
Proved			
Atrush	1,103.0	408.2	-
Sarsang	1,971.0	-	
Total	3074.0	408.2	-
Probable			
Atrush	-	-	-
Sarsang	-	-	
Total	-	-	-
Possible			
Atrush	-	-	-
Sarsang	-	-	
Total	-	-	-

Notes:
(1) Estimates are calculated based on the McDaniel Report.
(2) Represents estimated production from January 1, 2024, to December 31, 2024.

Item 6.9 Production History

Atrush Block

- Between July 3, 2017, and December 31, 2017, the Atrush field operator TAQA reported sales of 3,355,462 bbl of medium gravity oil from the Atrush field.
- For the full-year 2018, the sales from the Atrush field reported by TAQA was 8,071,703 bbl of oil.
- In 2019, annual sales from the Atrush field reported by TAQA was 11,813,366 bbl of oil.
- In 2020, annual sales from the Atrush field reported by TAQA was 16,512,640 bbl of oil.
- In 2021, annual sales from the Atrush field reported by TAQA was 14,080,346 bbl of oil.
- In 2022, annual sales from the Atrush field reported by TAQA was 13,097,703 bbl of oil.
- In 2023, annual sales from the Atrush field reported by TAQA was 3,557,034 bbl of oil.

Sarsang Block

- In 2022, the annual sales from the Sarsang field reported by HKN was 12,342,857 bbl of oil.
- In 2023, the annual sales from the Sarsang field reported by HKN was 10,791,122 bbl of oil.

Appendix

SUMMARY OF CONTINGENT RESOURCES
AS OF DECEMBER 31, 2023

McDaniel has prepared for ShaMaran an assessment of the crude oil and conventional natural gas contingent resources as of December 31, 2023.

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters, or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage. Contingent resources are further classified in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

The resource estimates have been prepared in accordance with standards set out in the Canadian National Instrument
NI 51-101 and the COGE Handbook.

The Atrush and Sarsang Blocks (see descriptions from page 9 onwards) crude oil and conventional natural gas contingent resources as of December 31, 2023, were estimated to be as follows:

	Light & Medium Oil (Mbbl)(3)			Heavy Oil (Mbbl)(3)			Conventional Natural Gas (MMcf)		
	Gross	Company Interest		Gross	Company Interest		Gross	Company Interest	
Contingent Resources(2)(4)(5)	100%	Gross(1)	Net(6)	100%	Gross(1)	Net(6)	100%	Gross(1)	Net(6)
Low Estimate (1C) (Development On Hold)	12,812	2,799	N/A	12,189	3,364	N/A			
Low Estimate (1C) (Development Not Viable)				42,149	11,633	N/A			N/A
Best Estimate (2C) (Development On Hold)	49,360	9,486	N/A	22,692	6,263	N/A			
Best Estimate (2C) (Development Not Viable)				93,453	25,793	N/A			N/A
High Estimate (3C) (Development On Hold)	201,084	36,895	N/A	75,840	20,932	N/A			
High Estimate (3C) (Development Not Viable)				120,795	33,339	N/A			N/A
Risked Best Estimate(4)	30,242	5,864	N/A	25,230	6,963	N/A			N/A

Notes:

(1) Company gross interest resources are based on a 27.6 percent working interest share of the property gross resources of Atrush and 18.0 percent in Sarsang.
(2) There is no certainty that it will be commercially viable to produce any portion of the contingent resources.
(3) The Atrush Field contains crude oil of variable density. Fluid type is classified according to COGEH: Light/Medium Oil is based on a density less than 920 kg/m^3, and Heavy Oil is between 920 and 1000 kg/m^3.
(4) The “Risked Best Estimate” contingent resources account for the chance of development, which is defined as the probability of a project being commercially viable. Quantifying the chance of development requires consideration of both economic contingencies and other contingencies, such as legal, regulatory, market access, political, social license, internal and external approvals and commitment to project finance and development timing. As many of these factors are extremely difficult to quantify, the chance of development is uncertain and must be used with caution. The chance of development was estimated to be 70 percent for the Light/Medium and Heavy Crude Oil Development On Hold contingent resources and 10 percent for the Heavy Oil Crude Oil Development Not Viable contingent resources.
(5) The contingent resources are sub-classified as “development unclarified” with an “undetermined” economic status.
(6) Company net interest resources are not available as McDaniel did not undertake a valuation of the resources.

The resources included in the table above have been sub-classified into development on hold for additional drilling beyond the current commitment and development not viable for the heavy oil resources where there are currently no plans to further appraise the extended heavy oil development and which would require a significant increase in the oil price to warrant this activity, as well as for the natural gas development.

SCHEDULE B
FORM 51-101 F2

February 14, 2024

ShaMaran Petroleum Corp.
2000, 885 West Georgia Street
Vancouver, British Columbia
Canada V6C 3E8

Attention: The Board of Directors of ShaMaran Petroleum Corp.

Re: **Form 51-101F2**
Report on Reserves and Contingent Resources Data
by Independent Qualified Reserves Evaluator
of ShaMaran Petroleum Corp. (the "Company")

To the Board of Directors of ShaMaran Petroleum Corp. (the "Company"):

1. We have evaluated the Company's reserves and contingent resources data as at December 31, 2023. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2023 estimated using forecast prices and costs. The contingent resources data are risked estimates of volume of contingent resources as at December 31, 2023.

2. The reserves and contingent resources data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves and contingent resources data based on our evaluation.

3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "COGE Handbook") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).

4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves and contingent resources data are free of material misstatement. An evaluation also includes assessing whether the reserves and contingent resources data are in accordance with principles and definitions presented in the COGE Handbook.

5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved + probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2023, and identifies the respective portions thereof that we have evaluated and reported on to the Company's Board of Directors:

Independent Qualified Reserves Evaluator	Effective Date of Evaluation Report	Location of Reserves	Net Present Value of Future Net Revenue $M US (before income taxes, 10% discount rate)			
			Audited	Evaluated	Reviewed	Total
McDaniel	Dec 31, 2023	Iraq	-	542,107		542,107

6. The following table sets forth the risked volume of contingent resources included in the Company's statement prepared in accordance with Revised Form 51-101F1 and identifies the respective portions of the contingent resources data that we have evaluated and reported on to the Company's Board of Directors:

Classification	Independent Qualified Reserves Evaluator	Effective Date of Evaluation Report	Location of Resources Other than Reserves	Risked Volume
Contingent Resources - Development On Hold	McDaniel	Dec 31, 2023	Iraq	5,864 Mbbl Light and Medium Oil; 4,384 Mbbl Heavy Oil
Contingent Resources – Development Not Viable	McDaniel	Dec 31, 2023	Iraq	2,579 Mbbl Heavy Oil;

7. In our opinion, the reserves and contingent resources data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data and contingent resources data that we reviewed but did not audit or evaluate.

8. We have no responsibility to update our report referred to in paragraphs 5 and 6 for events and circumstances occurring after the effective date of our report.

9. Because the reserves and contingent resources data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

MCDANIEL & ASSOCIATES CONSULTANTS LTD.

Cam Boulton

Cameron T. Boulton, P. Eng.
Executive Vice President
Calgary, Alberta, Canada
February 14, 2024

SCHEDULE C
FORM 51-101 F3

This is the form referred to in item 3 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("*NI 51-101*"). Terms to which a meaning is ascribed in *NI 51-101* have the same meaning in this form.[1]

Report of Management and Directors on Reserves Data and Other Information

Management of **ShaMaran Petroleum Corp.** (the "Company") is responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2023, estimated using forecast prices and costs, and resources data, which are estimates of contingent resources of the Company as at December 31, 2023.

An independent qualified reserves evaluator has evaluated the Company's reserves and contingent resources data. The reports of the independent qualified reserves evaluator are attached hereto as Schedule "A" (Form 51-101 F2).

The Reserves Committee of the Board of Directors of the Company has:

(a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator.

(b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and

(c) reviewed the reserves and contingent resources data with management and the independent qualified reserves evaluator.

The Reserves Committee of the Board of Directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management of the Company. The Board of Directors has, on the recommendation of the Reserves Committee, approved:

(a) the content and filing with securities regulatory authorities of Form 51-101 F1;

(b) the filing of Form 51-101 F2, which is the report of the independent qualified reserves evaluator on the reserves data, and is included as Schedule "A" to this Form 51-101 F3; and

(c) the content and filing of this report.

Because the reserves and contingent resources data are based on judgments regarding future events, actual results will vary, and the variations may be material. However, any variations should be consistent with the fact that reserves and contingent resources are categorized according to the probability of their recovery.

Date: February 14, 2024

/s/Garrett Soden	/s/Chris Bruijnzeels
Garrett Soden, President and Chief Executive Officer	Chris Bruijnzeels, Director
/s/Elvis Pellumbi	/s/William Lundin
Elvis Pellumbi, Chief Financial Officer	William Lundin, Director

[1]For the convenience of readers, CSA Staff Notice 51-324 *Glossary to NI 51-101 Standards of Disclosure for Oil and Gas Activities* sets out the meanings of terms.

SCHEDULE D
FORM 51-101 F4

Notice of
Filing of 51-101 F1 Information

On February 14, 2024, ShaMaran Petroleum Corp. (the "Company") filed its reports under section 2.1 of National Instrument 51-101, which can be found under the Company's profile on SEDAR+ at www.sedarplus.ca.

SCHEDULE E
AUDIT COMMITTEE CHARTER

(As adopted by the Board of Directors on April 20, 2010, amended on March 9, 2017 and reviewed on March 7, 2019 and on March 3, 2020 and further amended on May 5, 2021)

I. MANDATE

The Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of ShaMaran Petroleum Corp. (the "**Corporation**") shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Corporation's financial statements and other financial information;
2. The compliance of such financial statements and financial information with legal and regulatory requirements;
3. The qualifications and independence of the Corporation's independent external auditor (the "**Auditor**"); and
4. The performance of the Corporation's internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS

A. Composition

The Committee will be comprised of a minimum of three members.

B. Qualifications

Each member of the Committee must be a member of the Board.

A majority of the members of the Committee must, with the exception of certain qualifying exemptions, be "independent" (as definedin Sec. 1.4 of National Instrument 52-110 (Audit Committees)) ("NI 52-110").

Each member of the Committee must be "financially literate" (as defined in NI 52-110) or must become financially literate within a reasonable period of time after his or her appointment to the Committee.

Each member of the Committee must not be executive officers, employees or control persons of the Corporation or of an affiliate of the Corporation (as defined in NI-52-110).

C. Appointment and Removal

In accordance with the By-laws of the Corporation, the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. Chair

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. Sub-Committees

The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that a decision of such subcommittee to grant a pre- approval shall be presented to the full Committee at its next scheduled meeting.

F. Meetings

The Committee shall meet at least four times in each fiscal year, or more frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Corporation's annual and interim financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Corporation.

At each meeting, a quorum shall consist of a majority of members that are not executive officers, employees or control persons of the Corporation or of an affiliate of the Corporation.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditorto discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Corporation's financial statements in a manner consistentwith Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Corporation, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

III. DUTIES

A. Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Corporation's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with thepowers and authorities set forth below, namely, the Committee will:

Independence of Auditor

1. Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditorand the Corporation, consistent with Independence Standards Board Standard 1.
2. Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
3. Require the Auditor to report directly to the Committee.
4. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Corporation.

Performance & Completion by Auditor of its Work

5. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.

6. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Corporation's shareholders of the existing, Auditor.

7. Pre-approve all auditing services and permitted non-audit services, including the fees and terms thereof, to be performed for the Corporation by the Auditor unless such non-audit services:

   (a) which are not pre-approved, are reasonably expected not to constitute, in the aggregate, more than 5% of the total amountof revenues paid by the Corporation to the Auditor during the fiscal year in which the non-audit services are provided;

   (b) were not recognized by the Corporation at the time of the engagement to be non-audit services; and

   (c) are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authorityto grant such approvals has been delegated by the Committee.

Internal Financial Controls & Operations of the Corporation

8. Establish procedures for:

   (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accountingcontrols, or auditing matters; and

   (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accountingor auditing matters.

Preparation of Financial Statements

9. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including any significant changes in the Corporation's selection or application of accounting principles, any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies.

10. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Corporation's financial statements or accounting policies.

11. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structureson the Corporation's financial statements.

12. Discuss with management the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Corporation's risk assessment and risk management policies.

13. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:

   (a) The adoption of, or changes to, the Corporation's significant auditing and accounting principles and practices assuggested by the Auditor, internal auditor or management.

   (b) The management inquiry letter provided by the Auditor and the Corporation's response to that letter.

   (c) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or accessto requested information, and any significant disagreements with management.

Public Disclosure by the Corporation

14. Review the Corporation's annual and interim financial statements, management discussion and analysis (MD&A) and earnings press releases and provide a recommendation to the Board with respect to the approval of the financial statements, MD&A and earnings press release prior to their release to the public.

15. Where reasonably possible, review the Corporation's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Corporation's public disclosures containing financial information, includingnews releases, prior to release to the public. The Committee must be satisfied that adequate procedures are in place for the reviewof the Corporation's public disclosures of financial information extracted or derived from the Corporation's financial statements,other than disclosure described in the previous paragraph, and periodically assess the adequacy of those procedures.

16. Review disclosures made to the Committee by the Corporation's Chief Executive Officer and Chief Financial Officer during theircertification process of the Corporation's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Corporation's internal controls.

Other Responsibilities

17. Review the findings of any examinations by securities regulatory authorities and stock exchanges.

18. Review with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements.

19. Consult with the Auditor, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.

20. Request any officer or employee of the Corporation or the Corporation's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

21. Meet with management, any internal auditor and the Auditor in separate executive sessions at least quarterly.

22. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or otherconsultants to advise the Committee advisors.

23. Make regular reports to the Board about the Committee's activities and make appropriate recommendations.

24. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

25. Annually review the Committee's own performance.

26. Provide an open avenue of communication among the Auditor, the Corporation's financial and senior management and the Board.

27. Not delegate these responsibilities other than to one or more independent members of the Committee the authority to pre-approve,which the Committee must ratify at its next meeting, non-audit services to be provided by the Auditor.

C. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct auditsor to determine that the Corporation's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.