



**SHAMARAN**  
petroleum corp

**Pareto Securities Oil & Gas Conference**  
**10 September 2014, Oslo**



## Cautionary Statements

*This document contains statements about expected or anticipated future events and financial results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as legal and political risk, civil unrest, general economic, market and business conditions, the regulatory process and actions, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. Actual results may differ materially from those projected by management. References to regional and un-related company oil resources are sourced from industry and other websites. References to resource volume potential and potential flow rates are for general information only and are subject to confirmation. Further, any forward-looking information is made only as of a certain date and the Company undertakes no obligation to update any forward-looking information or statements to reflect events or circumstances after the date on which such statement is made or reflect the occurrence of unanticipated events, except as may be required by applicable securities laws. New factors emerge from time to time, and it is not possible for management of the Company to predict all of these factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking information. Test results are not necessarily indicative of long-term performance or of ultimate recovery.*

## Kurdistan – Political Developments

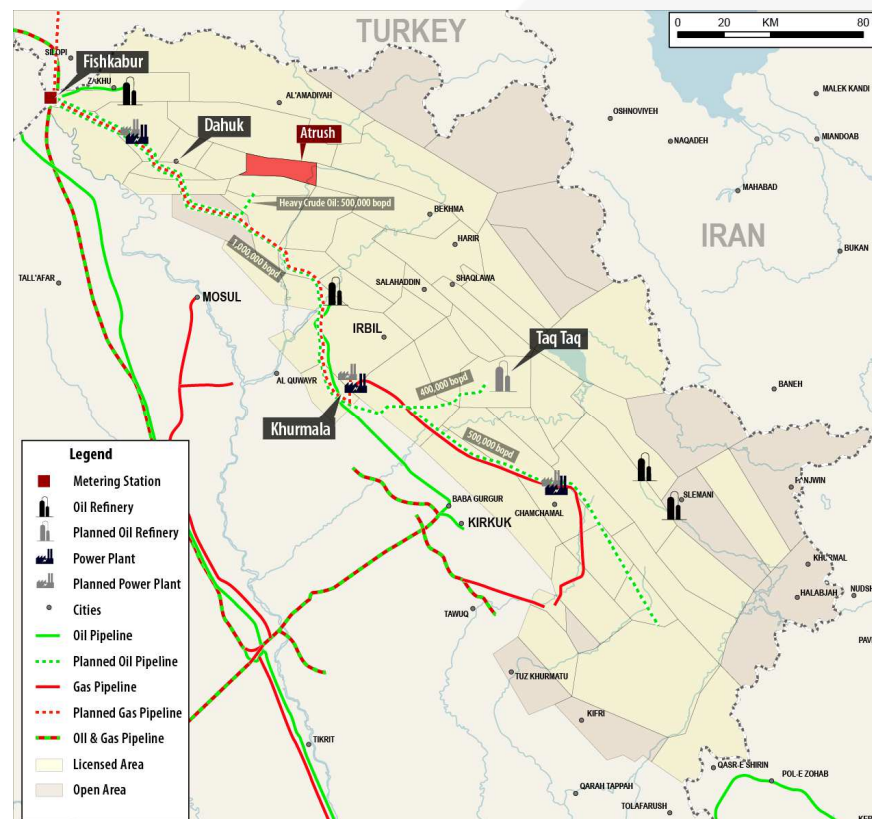
- » Security situation in Kurdistan has improved significantly with a number of oil companies recommencing drilling operations in the region.
- » Extensive international support for Kurdistan with a number of countries providing defence and other aid.
- » KRG-Baghdad: Political changes in Baghdad could result in the formation of an inclusive government and pave the way for resolutions of outstanding issues.
- » KRG-Turkey: Relationships remain strong with ongoing support from Turkey for continuing direct exports of Kurdish oil. Cementing of a long term relationship with a broad energy cooperation agreement in place.





## Kurdistan – Oil Exports

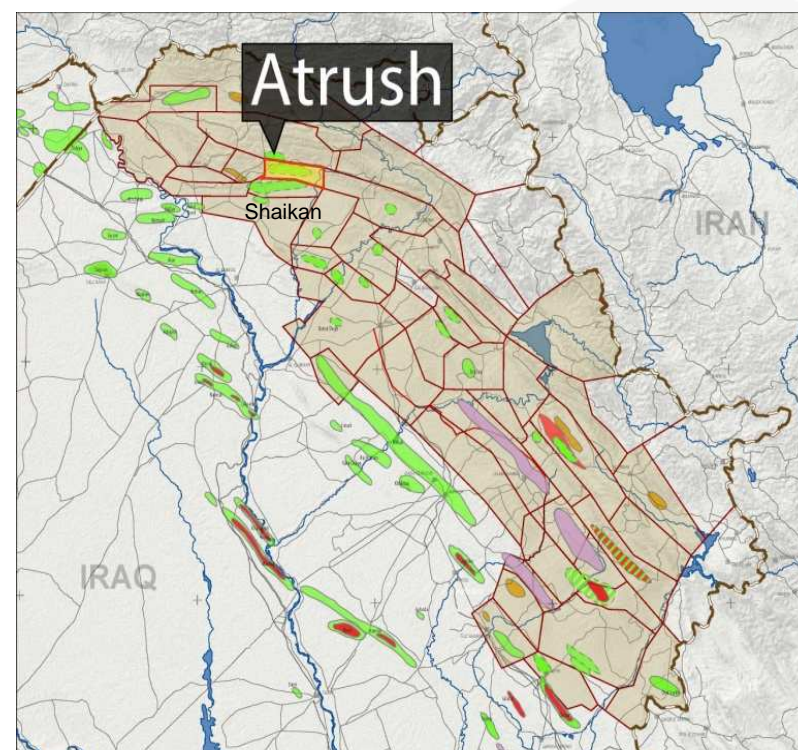
- » Kurdish oil exports ongoing through the KRG export crude pipeline. Operations uninterrupted by regional conflict with exports projected to reach 400,000 bopd by end 2014.
- » Kurdistan crude in Ceyhan being tendered for international sale. Few cargoes sold with a growing market for Kurdish crude.
- » Plans to further increase the capacity of the KRG export pipeline by 2015.
- » KRG formalising internal pipeline infrastructure connecting to export line (includes Atrush).



Source: KRG Oil & Gas Year Book 2012

## Atrush Block - History of a World Class Oil Discovery

- » 2011 Jurassic oil discovery. 2012 AT-2 appraisal well confirms deeper Jurassic formations and excellent reservoir properties and high well deliverability (tested 42,200 bopd\*, facilities constrained).
- » Commercial Declaration (Nov 2012). KRG exercises back-in rights (Mar 2013). Field Development Plan (“FDP”) submitted (May 2013).
- » Atrush-3 (2013) appraisal well confirms eastward extension and depth of oil column.
- » FDP approved (effective date Oct 1, 2013). Commencement of Phase 1 development & Phase 2 appraisal drilling.
- » Atrush-4 & Chiya Khere-5 Phase 1 producers drilled in 2014. Fourth producer (CK-8) being drilled.
- » Chiya Khere production facilities: Construction underway.
- » Work preparing Right of Way for Atrush feeder pipeline commenced in Q2 2014.



Block	Shamaran Working Interest	Partners	Operator	Gross Acres	Status
<b>Atrush</b>	20.1%	TAQA 39.9% KRG 25%, Marathon 15%	TAQA	66,469	Appraisal / Development

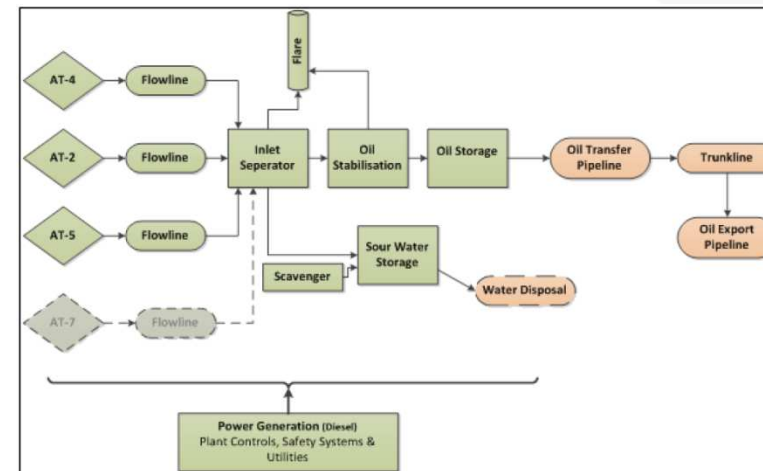
\*Reported test rates are not indicative of maximum production capability, long-term performance, or possible rates to the production facilities which will be determined by future reservoir performance and reservoir management policies.

## Overall FDP Philosophy

- » Field development is a phased, modular, expandable and value accretive process (Chiya Khere facilities).
- » Development initiated on the West/Central portion of the block leveraging knowledge from the AT-1 exploration and AT-2 appraisal wells.
- » A regional characterization of the reservoir is being used to support further development, addressing uncertainties and assess/capture upside potential of other reservoirs.
- » Subsequent phased development will target the eastern portion of the block, and expand both western and eastern production facilities.

Phase	Parameter	Design
Phase 1a	Oil production	25,000 - 30,000 bopd*
	Water production	0 - 5,000 bwpd*
	Total liquid capacity	30,000 bpd
	H2S content	23 mol% (gas phase)
	CO2 content	6 mol%
	Gathering Flowlines	10,000 bopd
	Oil Transfer Pipeline	40,000 bopd
	Export Trunkline	80,000 bopd
<i>Subsequent phased scopes of work depend on Phase 1a results</i>		
Phase 1b	Gas Utilization	Self sufficient for power and fuel needs Excess sweet gas for power or sale
Phase 1c	Acid Gas Solution	Acid Gas Injection or Sulfur Recovery
Phase 1d	Produced Water Solution	Water re-injection or alternative

\* 5,000 bwpd tankage w/ H<sub>2</sub>S scavenger

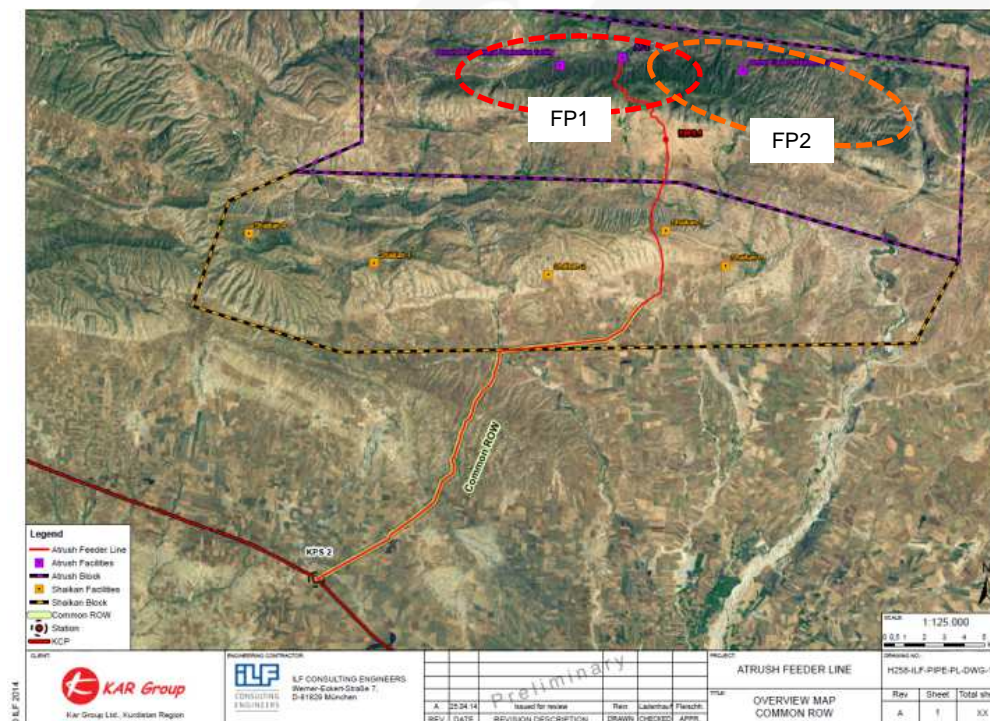


Source: TAQA



## Atrush Block - Part of an Accelerated Regional Development

- » FDP approved in Sep 2013. Phase 1 (FP1) execution underway.
- » Main contracts for the Chiya Khere production facilities modules and civil engineering works awarded.
- » Civil engineering for FP1 area ongoing with expected completion in Q3 2014.
- » Atrush block production agreed to be tied into the main Khurmala–Fishkabur export pipeline. Atrush spur pipeline tie-in length ~37km.
- » Single/dedicated feeder pipeline between Atrush to tie-in point at KCP2 (Kurdistan Crude Pipeline pumping station #2) at km92 on the KRG export line. Route finalised following agreed common Right of Way.
- » Work on Right of Way over Chiya Khere mountain commenced .
- » First Oil expected in Q3 2015.



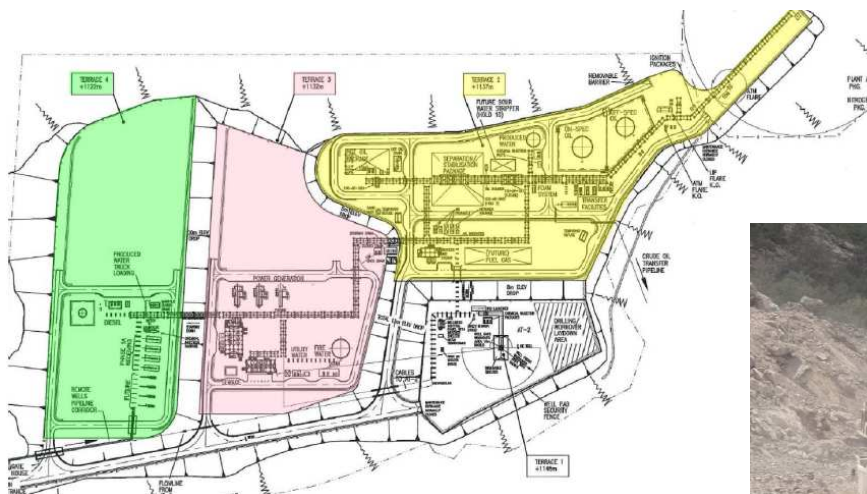
Final route of planned Atrush tie-in pipeline shown – Source: TAQA

## Atrush Block FP1: Chiya Khere Facilities

- » Modular concept, with provision included to expand and replicate. Capable of handling liquid rates of 30,000 bopd, initially.
- » Maximize gas utilization. Minimize sour gas flaring with provisions for future sulphur recovery, power generation, etc.
- » Four initial producers.



Civil construction at Chiya Khere (Phase 1 facilities) – July 2014



Photos: TAQA





## Recent Drilling Highlights

### » AT-4:

- High-angle deviated well demonstrating viability of developing field despite limited surface accessibility. Highest well on structure.
- Tested over 9000 bopd\* of 26° API oil from two tests. No indication of a possible gas cap.
- Instantaneous pressure communication with AT-2 during testing.
- Well suspended as the 2<sup>nd</sup> FP1 producer.

### » CK-5:

- 3<sup>rd</sup> FP1 development well reached TD in 43 days. 51 total operational days, significantly ahead of planned time and budget.
- Logs indicate one of the best matrix reservoir sections seen to date.
- High on structure, so logs indicate an Oil Down To only in the main Jurassic reservoir section. Approx. Vertical oil column of 540m in the well based on the estimated Free Water Level.
- Well to be tested in early 2015 prior to connection to facilities.

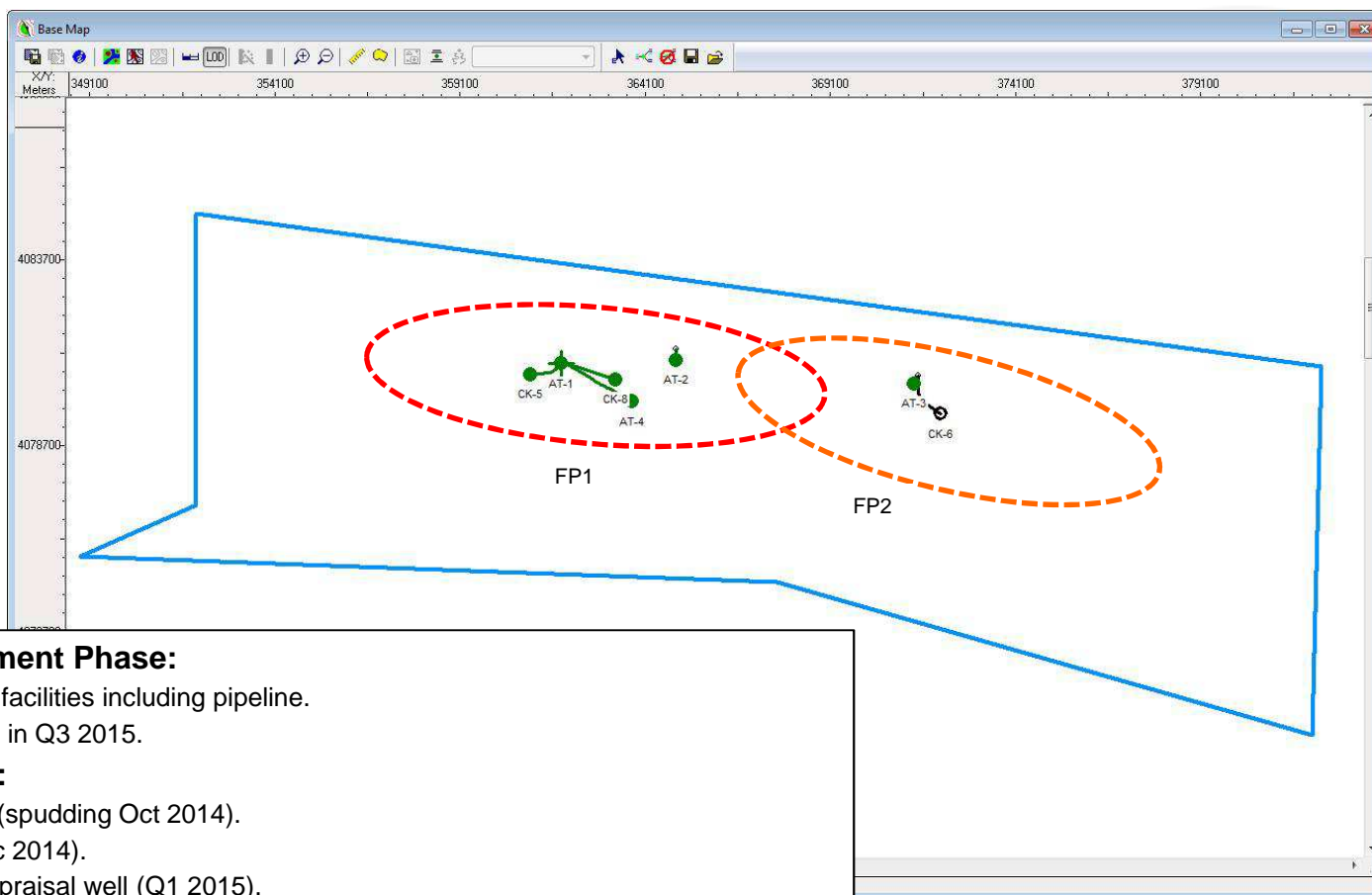
### » CK-8:

- 4<sup>th</sup> FP1 development well spudded on July 19, 2014.
- Drilling brought forward to avoid simops on same well pad as other producers.
- Well to be tested in early 2015 prior to connection to facilities.
- Drilling the reservoir section after 21 days precautionary operational suspension.

\*Reported test rates are not indicative of maximum production capability, long-term performance, or possible rates to the production facilities which will be determined by future reservoir performance and reservoir management policies.

## Wells in the FP1 Development & FP2 Appraisal Areas

10



### ➤ FP1 Initial Development Phase:

- 4 Producers and facilities including pipeline.
- First oil expected in Q3 2015.

### ➤ FP2 Appraisal Area:

- Drill & test CK-6 (spudding Oct 2014).
- Retest AT-3 (Dec 2014).
- Drill & test 3<sup>rd</sup> Appraisal well (Q1 2015).
- Review results with decision on FP2 FEED expected Q3 2015.

### ➤ Service Rig:

- “Just in time” final completion of producers (AT-2, AT-4, CK-5 & CK-8) as required during facilities commissioning.

## Atrush Block – YE2013 Reserves & Resource Summary

Gross Reserves* (MMBOE)	1P	2P	3P
<b>YE 2013 (Phase One, 3 wells only)</b>	<b>30.6</b>	<b>58.2</b>	<b>110.7</b>

Gross Contingent Resources* (MMBOE)	1C	2C	3C
YE 2011	275	465	813
YE 2012	404	627	982
<b>YE 2013 **</b>	<b>403</b>	<b>518</b>	<b>646</b>

Gross Prospective Resources* (MMBOE)	Low	Best	Mean	High
YE 2011	74	134	146	235
YE 2012 (some PR moved to CR)	41	96	121	233
<b>YE 2013 (based on 3D mapping)</b>	<b>121</b>	<b>173</b>	<b>180</b>	<b>247</b>

\* YE2013 McDaniel & Associates. In accordance with standards set out in the Canadian National Instrument NI 51-101 and the Canadian Oil and Gas Evaluation Handbook (COGEH).

\*\* YE2013 Contingent Resources are the remainder after Phase 1 Reserves have been deducted.

Details can be found in filings on [www.sedar.com](http://www.sedar.com).



## Corporate Financial Position

» Cash Position\* July 31, 2014: \$ 94 MM

» Forecasted Expenditure Aug-Dec 2014:

» <i>Atrush CAPEX Budget**</i>	\$42 MM
» <i>Debt Service / Other Costs</i>	\$12 MM
<i>Total:</i>	\$54 MM



GEP's Bonds were listed on Oslo Børs on May 15, 2014.

\*Includes \$26 mm of cash restricted for next 18 months' debt service.

\*\* Amount is net to ShaMaran at 20.1% working interest.

# The Lundin Group

11 Companies - Combined Market Cap >\$15.4 Billion





# Corporate Profile

- » **Symbol TSX V & NASDAQ OMX First North: SNM**
- » **Share Capital**
  - » Issued and outstanding: 810,983,860 shares
  - » Fully diluted 819,247,194 shares
- » **Market Capitalisation ( 3<sup>rd</sup> September 2014)**
  - » CDN \$ 310 MM
- » **Major Shareholders**
  - » Lorito Holdings S.a.r.l. : 6.1%
  - » Zebra Holdings and Investments S.a.r.l : 13.7%
  - » Columbia Wanger : 8.6%
  - » Lundin Petroleum : 6.2%
  - » Directors/Management : 0.05%



### Trading Information

- » **NASDAQ OMX Stockholm**
  - » 2013 total volume: 1.1 billion shares
  - » 2013 average daily volume: 4.39 million shares
- » **Toronto Venture Exchange TSX.V**
  - » 2013 total volume: 125 million shares
  - » 2013 average daily volume: 0.5 million shares

[www.shamaranpetroleum.com](http://www.shamaranpetroleum.com)





SHAMARAN  
petroleum corp

**Technical Appendices**



## 2014 Changes in Atrush Block Nomenclature

The Atrush Management Committee and MNR confirmed the following changes to terminology used with respect to activity on the Atrush Block, effective 2014:

- » “**Atrush Block**”, “**Atrush PSC**” & “**Atrush Field**” remain unchanged.
- » The structure (previously referred to as the “Atrush structure”) is renamed after the Chiya Khere mountain, i.e. the **Chiya Khere structure**.
- » The production facilities will be known as the **Chiya Khere facilities**.
- » All future wells will remain sequential but will be referred to as “**Chiya Khere**”, short-form “**CK**”, from well #5.
- » Well pads will be known as **Chamanke**-A, -B, etc.
- » Historic wells, AT-1 through AT-4, will remain with their original nomenclature.
- » All ShaMaran documents and public information now reflect this change.



## Atrush Block – Historic Well Summaries

- » **AT-1 (2011):** Discovery well with indicative large volumes but large volumetric uncertainty. ~510m gross oil column in well with nearly 400m of uncertainty on Free Water Level (FWL). Test rates limited by gas lift but high reservoir production potential demonstrated. Combined rates from 3 intervals of 6,393 bopd.
- » **AT-2 (2012):** Appraisal well that reduced volumetric uncertainty and proved physical high reservoir deliverability with ESP. Confirmed deeper Jurassic formations as productive (additional discovery). ~410m gross oil column in well with uncertainty on FWL reduced to nearly 300m. Deepest Proven Oil (DPO) -230m msl. Combined test rates of 42,200 bopd\*, facilities constrained. Tested Subsequent interference test with AT-1 showed that both wells are highly connected. Available as the 1st FP1 producer.
- » **AT-3 (2013):** Flank appraisal well targeting FWL. Result considerably reduced the downside volumetric uncertainty (increased P90 PIIP by 34%) and confirmed an apparent gradational oil column. Testing incomplete due to creation of emulsion (to be retested with more suitable technologies at the end of 2014). ~245m gross oil column in well with remaining uncertainty on FWL reduced to 90m. Deepest Proven Oil (DPO) -408m msl.
- » **AT-4 (2014):** 2<sup>nd</sup> FP1 development well. High-angle deviated well from the same well pad as AT-1 (max. hole angle attained 82 degrees) demonstrating viability of developing field despite limited surface accessibility. Reached Jurassic reservoir ~72m higher than AT-1. Two limited tests performed for fluid samples at combined rate of over 9,000 bopd of 26°API oil. No indication of gas cap. Instantaneous pressure communication with AT-2 during testing. Well suspended as FP1 producer.

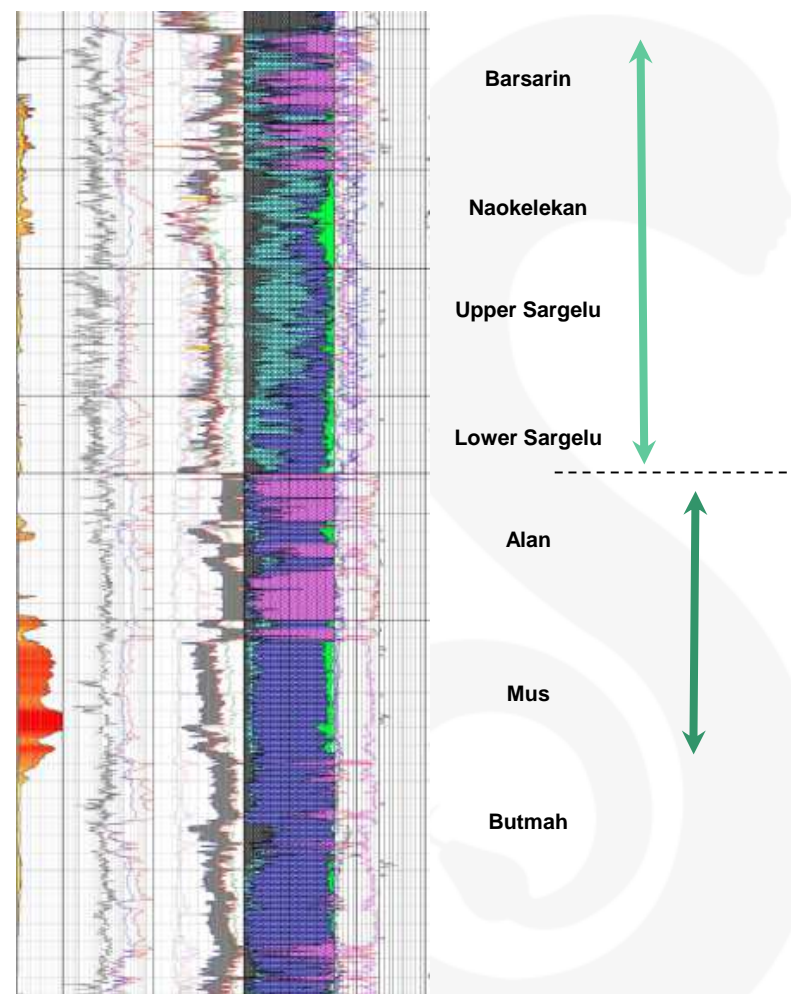
\*Reported test rates are not indicative of maximum production capability, long-term performance, or possible rates to the production facilities which will be determined by future reservoir performance and reservoir management policies.

Note: Depths revised following 2013 resurvey of wells. Column heights based on assumed highest FWL of -420m msl.



## Atrush Discovery – Reservoir Description

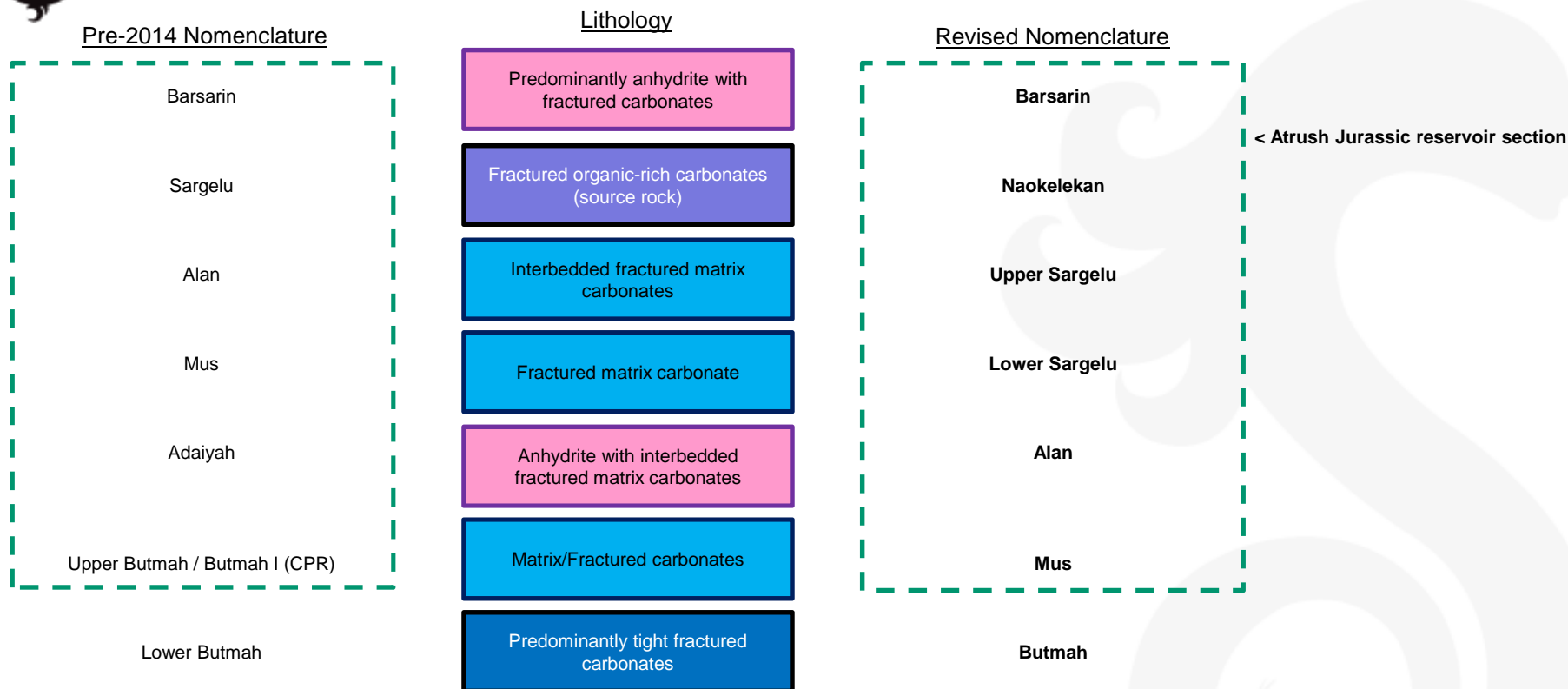
- » Reservoir comprised of stacked formations of Jurassic age: (Barsarin, Naokelekan, Upper & Lower Sargelu, Alan & Mus)\* .
- » Massive & interbedded carbonates: Type-I (fracture porosity being the main storage medium) & Type-II (mix of fracture & matrix porosity).
- » Multi-Darcy reservoir permeability from extensive fracture systems can provide well PIs between 250 & 550 bbls/day per psi of drawdown. Single zones tested up to 15,000 bopd with ESP (facilities constrained)\*\*.
- » PVT & pressure data suggests either a single oil column throughout the reservoir section with a compositional gradient, or separate oil columns above and below the Alan anhydrite. Sampling in current and future wells and targeted analyses/studies are ongoing.
- » Oil above the Alan is relatively low viscosity crude in the 26-27° API range, GOR <300. No water has been seen in any well in this section.
- » Oil within and below the Alan is around 22° API has a relatively higher viscosity than the section above, GOR <200. This section contains the only currently defined Free Water Level.



\*Revised 2014 Jurassic stratigraphy. Subject to change as regional nomenclature is developed. Not all operators use the same stratigraphy or terminology.

\*\* Reported test rates are not indicative of maximum production capability, long-term performance, or possible rates to the production facilities which will be determined by future reservoir performance and reservoir management policies.

## 2014 Changes in Jurassic Stratigraphic Nomenclature



- Based on regional information and data exchange.
- Used by the majority of operators and JVs in northern Kurdistan.
- Supported by biostratigraphic studies and LSI\* definitions.
- Lithology boundary picks remain unchanged.
- “Jurassic reservoir” replacing abbreviations “BSAM-AB”.
- SNM material adopted revised regional nomenclature in 2014

\*LSI: Lexique Stratigraphique International