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SHAMARAN
Petroleum Ltd.

ShaMaran Petroleum Ltd. 10.25% senior unsecured USD 450,000,000 bonds 2026/2031

ISIN NO0013773457

Admission Document

This admission document (the "**Admission Document**") has been prepared by ShaMaran Petroleum Ltd. (the "**Issuer**") in connection with the listing of the bonds (the "**Bonds**") issued under the Issuer's senior unsecured USD 450,000,000 bonds 2026/2031 with ISIN NO0013773457 (the "**Bond Issue**") governed by the bond terms entered into between the Issuer and Nordic Trustee AS on 3 November 2026 (the "**Bond Terms**"). The Bond Terms are attached to this Admission Document as Appendix 2. The Bond Issue is currently guaranteed by 2 group companies, ShaMaran Atrush, Ltd. and ShaMaran Sarsang Ltd. (the "**Guarantors**"), both of which are directly wholly-owned subsidiaries of the Issuer.

This Admission Document does not constitute a prospectus under the Prospectus Regulation (Regulation (EU) 2017/1129) or the Norwegian Securities Trading Act of 29 June 2007 no. 75 (together with ancillary rules and regulations, the "**Prospectus Regulations**"), and has not been prepared to comply with the Prospectus Regulations. This Admission Document has been inspected by Euronext ABM as part of the Euronext ABM listing process, but has not been reviewed by or approved by the Norwegian Financial Supervisory Authority or any other public authority.

This Admission Document has been prepared solely for information purposes in connection with listing of the Bonds on the Euronext ABM, a list of registered bonds operated by Oslo Børs ASA and for which Oslo Børs ASA determines the rules (the "**ABM Rules**") in consultation with market participants. The Admission Document does not constitute or form part of any offer or other solicitation to subscribe for or purchase any bonds or other securities, and is not intended to form the basis of any investment decision.

Distribution of this Admission Document may be restricted by local securities legislation and failure to comply with these restrictions may violate applicable securities legislation. Persons who become in possession of this Admission Document may be required to inform themselves about, and to observe, all such restrictions.

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Neither the Issuer, the Guarantors nor any of their Affiliates (as defined in the bond terms attached hereto) shall be held responsible or liable for any violation of such restrictions by recipients of this Admission Document.

THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**US SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES. ACCORDINGLY, THE BONDS MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A "US PERSON" EXCEPT IN TRANSACTIONS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS.

The information included in this Admission Document is as of the date hereof. Any publication or distribution of this Admission Document subsequent to such date shall not be taken as a representation that the information included herein is still correct and accurate.

This Admission Document is subject to Norwegian law. Any dispute arising in respect of this Admission Document is subject to the exclusive jurisdiction of Norwegian courts, with Oslo District Court (*No. Oslo tingrett*) as legal venue.

RESPONSIBILITY STATEMENT

This Admission Document is dated 19 November 2026 and has been prepared by the Issuer in connection with the listing of the Bonds on Euronext ABM. The person responsible for the information given in this Admission Document is as follows:

ShaMaran Petroleum Ltd.
Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda

The Issuer confirm that to the best of its knowledge the information contained in this Admission Document is in accordance with the facts and the document contains no omission likely to affect its import.

19 November 2026
ShaMaran Petroleum Ltd.

Signed by:
Elvis Pellumbi
8A291FC9439842D...

Name: Elvis Pellumbi
Title: Authorised signatory

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APPENDIX 1

1. AUDITED FINANCIAL STATEMENTS FOR SHAMARAN PETROLEUM LTD. COVERING THE FINANCIAL YEAR 2025

2. UNAUDITED FINANCIAL STATEMENTS FOR SHAMARAN PETROLEUM LTD COVERING THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2026 (Q3).

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2025

SHAMARAN
petroleum corp

Annual Report

For the year ended December 31, 2025

Docusign Envelope ID: 128A24D1-3F55-8DEC-81B9-CEAC7B073C72

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Management's Discussion and Analysis

For the three months and year ended December 31, 2025

INTRODUCTION

Management's discussion and analysis ("MD&A") of the financial and operating results of ShaMaran Petroleum Corp. (together with its subsidiaries, "ShaMaran" or the "Company") is prepared with an effective date of March 4, 2026, and is intended to provide an overview of the Company's operations, financial performance and current and future business opportunities. The MD&A should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2025, together with the accompanying notes ("Financial Statements"), the annual information form for the year ended December 31, 2024 ("2024 Annual Information Form") and the fourth quarter 2025 results press release.

Company Overview

The Company is engaged in the business of oil and gas exploration and production and holds the following interests in production sharing contracts ("PSCs"):

- 50% non-operated working interest (66.7% paying interest) in the Atrush Block production sharing contract ("Atrush PSC") in the Kurdistan Region of Iraq ("KRI"). On August 6, 2024, the Company closed the acquisition of TAQA Atrush B.V. and the subsequent sale of an indirect interest in Atrush to HKN Energy IV, Ltd., as previously announced on January 22, 2024 (the "Atrush Acquisition"). As a result of the transaction, ShaMaran's working interest in the Atrush Block increased from 27.6% to 50%. The Atrush Block twenty-year development period commenced in Q4 2013, and oil production on the Atrush Block commenced in Q3 2017.

- 18% non-operated working interest (22.5% paying interest) in the Sarsang Block production sharing contract ("Sarsang PSC") in the KRI. This interest is consolidated in the Company's Financial Statements from September 14, 2022, when ShaMaran closed the acquisition of TEPKRI Sarsang A/S, a subsidiary of TotalEnergies S.E. (the "Sarsang Acquisition"). The Sarsang Block twenty-year development period commenced in Q2 2013, and oil production on the Sarsang Block commenced in Q1 2013.

ShaMaran's common shares are listed on the TSX Venture Exchange in Canada and the NASDAQ First North Growth Market in Sweden. The Company is incorporated and domiciled in British Columbia, Canada under the *Business Corporations Act* (British Columbia). The address of its registered and records office is 1075 West Georgia Street, Suite 1200, Vancouver, BC V6E 3C9, Canada, and its business address is 1055 Dunsmuir Street, Suite 2800, PO Box 49225, Vancouver, BC V7X 1LC, Canada.

Basis of Preparation

The MD&A and Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Unless otherwise stated herein, all currency amounts indicated as "$" in this MD&A are expressed in United States dollars ("USD").

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2025 HIGHLIGHTS

- International oil exports from the KRI through the Iraq-Türkiye pipeline ("ITP") restarted on September 27, 2025, and continued uninterrupted during Q4 2025, in line with the interim agreements executed between the Kurdistan Regional Government ("KRG"), Government of Iraq and several international oil companies ("IOCs"), including ShaMaran.
    - IOCs are entitled to receive export payments "in kind" under the interim agreements, with cargoes sold by the IOC-appointed marketing firm on a regular basis, and payments for the sales received approximately 30 days after each lifting.
    - The interim agreements were extended to March 31, 2026, in order to facilitate the reconciliation of IOC invoices with the respective PSCs by the appointed international consulting firm. Payment for each participating IOC's full PSC entitlement is expected when the review is completed.
- The Company's working interest proved plus probable ("2P") reserves[1] decreased from 71.5 MMbbls at December 31, 2024, to 67.1 MMbbls at December 31, 2025, primarily due to produced volumes offset by positive technical revisions, representing a replacement ratio of 42% for year-end 2025;
- The Company's working interest best estimate ("2C") contingent resource[2] volumes increased from 72.2 MMbbls at December 31, 2024, to 72.8 MMbbls at December 31, 2025;
- Average gross daily oil production from Atrush and Sarsang in Q4 2025 on a combined basis was 57.3 Mbopd (14% lower than the 66.4 Mbopd in Q4 2024) and 58.4 Mbopd for the full-year ("FY") 2025 (2% lower than the 59.5 Mbopd in FY 2024) primarily due to lower production at the Sarsang Block and the impact of the drone strike in July 2025;
- Average Company net daily oil production from Atrush and Sarsang in Q4 2025 on a combined basis was 20.0 Mbopd (7% lower than the 21.6 Mbopd in Q4 2024) and 20.9 Mbopd for FY 2025 (32% higher than the 15.8 Mbopd in FY 2024) primarily due to a planned shutdown at the Atrush Block during the quarter as part of the central processing facility ("CPF") debottlenecking project, lower production at the Sarsang block and higher working interest in Atrush for FY 2025;
- Revenue in Q4 2025 was $54.7 million (57% higher than the $34.7 million in Q4 2024) and $154.9 million for FY 2025 (42% higher than the $109.4 million in FY 2024) primarily due to oil sales at international prices following the restart of pipeline exports;
- Oil sales in Q4 2025 averaged a net oil price of $58.17/bbl from the two blocks on a combined basis (72% higher than the $33.74/bbl in Q4 2024) and $39.61/bbl for FY 2025 (11% higher than the $35.65/bbl in FY 2024) due to international pricing since the restart of pipeline exports;
- Lifting costs in Q4 2025 were $11.5 million (46% higher than the $7.9 million in Q4 2024) and $39.2 million for FY 2025 (55% higher than the $25.3 million in FY 2024) mainly due to the impact of the Q3 2025 drone attack and a full year of a higher working and paying interest in the Atrush Block;
- Gross margin on oil sales in Q4 2025 was $30.5 million (60% higher than the $19.1 million in Q4 2024) and $65.0 million for FY 2025 (50% higher than $43.3 million in FY 2024) mainly due to Q4 2025 pipeline export sales at international pricing, higher local oil sales during the year and a higher working and paying interest in the Atrush Block;
- Adjusted EBITDAX[3] in Q4 2025 was $39.9 million (71% higher than the $23.4 million in Q4 2024) and $107.1 million for FY 2025 (41% higher than the $76.0 million in FY 2024) due to a combination of the effects described above;
- The Company generated $4.7 million in cash flow from operating activities during Q4 2025 mainly from local sales and pipeline interim payments (86% lower than the $34.7 million in Q4 2024) and $69.1 million during FY 2025 (29% lower than the $98.0 million in FY 2024). The decrease is due to timing of cash receipts for pipeline export sales, as well as higher expenditures related to drilling, debottlenecking and maintenance works on both blocks; and
- At December 31, 2025, the Company had cash of $42.1 million and gross debt (corporate bond) of $143.8 million. Net debt[3] was $101.6 million.

[1] Reserves and contingent resources estimates were provided by McDaniel & Associates Consultants Ltd. ("McDaniel"), the Company's independent qualified resources evaluator, and were prepared in accordance with standards set out in the Canadian National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities and the Canadian Oil and Gas Evaluation Handbook.

[2] The Company's working interest 2C contingent resources are defined as the best estimate of working interest 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.

[3] Non-IFRS Accounting Standards measures do not have any standardized meaning prescribed by IFRS Accounting Standards and are therefore unlikely to be comparable to similar measures presented by other public companies. Non-IFRS Accounting Standards measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS Accounting Standards. The Company uses non-IFRS Accounting Standards measures to provide investors with supplemental measures. Refer to the "Non-IFRS Accounting Standards Measures" section of this MD&A for more information.

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SUBSEQUENT EVENTS:

- On January 19, 2026, the Company announced that it is pursuing a change in the Company's primary listing on the TSXV to the Euronext Growth Oslo market operated by the Oslo Stock Exchange. The Company will continue to fully support the secondary listing on Nasdaq First North Growth Market in Stockholm. ShaMaran plans to simultaneously effect a corporate continuance from Canada to Bermuda to have a more efficient corporate structure. If ShaMaran completes both transactions, the Company will no longer be incorporated in British Columbia and subject to the laws of Canada, it will cease to be listed on the TSXV, and it will no longer be a reporting issuer in any jurisdiction in Canada. ShaMaran will instead be incorporated in and subject to the laws of Bermuda. ShaMaran intends to hold a special meeting of shareholders on March 10, 2026, to seek approval of a special resolution approving the continuance of the Company from British Columbia, Canada to Bermuda (the "Continuance"). If approved by shareholders, the continuance is expected to be effective on or around March 16, 2026; and
- On March 2, 2026, the Company announced a temporary production shut-in at both the Atrush and Sarsang blocks as a precautionary measure due to the regional security environment. HKN plans to restart production as soon as possible.

OPERATIONS REVIEW

Reserves and Resources

On March 4, 2026, the Company reported estimated reserves and contingent resources for the Atrush and Sarsang fields as at December 31, 2025, as reported by the Company's independent reserves and resources evaluator, McDaniel.

For 2025, total property gross production was 21.3 MMbbls, and total Company working interest production was 7.6 MMbbls. As of December 31, 2025, Atrush had achieved cumulative production of approximately 91.5 MMbbls, and Sarsang had achieved cumulative production of approximately 86.8 MMbbls since development commenced in both fields in 2013.

The Company's working interest 2P reserves decreased from 71.5 MMbbls on December 31, 2024 to 67.1 MMbbls on December 31, 2025. Atrush working interest 2P reserves decreased by 2.5 MMbbls, reflecting a reserve replacement ratio of 58%. The reserve change is due to strong field performance resulting in a technical increase in reserves, offset by barrels produced during 2025. At Sarsang, working interest 2P reserves decreased by 2.0 MMbbls, including the barrels produced during 2025, representing a reserves replacement ratio of minus 14%. The Company's 2P reserves revisions for 2025 led to an overall reserves replacement ratio of 42%.

The Company's working interest 2C contingent resource volumes increased from 72.2 MMbbls at December 31, 2024, to 72.8 MMbbls at December 31, 2025.

For more information on reserves and resources, please reference our Form 51-101 F1 Statement of Reserves Data and Other Oil and Gas Information as at December 31, 2025, and available under the Company's profile on SEDAR+ at www.sedarplus.ca.

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Production

	Three months ended Dec 31,		Year ended Dec 31,	
	2025	2024	2025	2024
Average daily oil production – gross 100% field (Mbopd)				
- Atrush	30.2	30.0	32.5	25.5
- Sarsang	27.1	36.4	25.9	34.0
Total	**57.3**	**66.4**	**58.4**	**59.5**
Average daily oil production – Company net (Mbopd)				
- Atrush (27.6% until August 6, 2024; 50% thereafter)	15.1	15.0	16.2	9.7
- Sarsang (18%)	4.9	6.6	4.7	6.1
Total	**20.0**	**21.6**	**20.9**	**15.8**
Oil sales – gross 100% field (Mbbl)				
- Atrush	2,775	2,764	11,843	9,324
- Sarsang	2,451	3,264	9,418	12,180
Total	**5,226**	**6,028**	**21,261**	**21,504**
ShaMaran oil sales entitlement (Mbbl)				
- Atrush (27.6% until August 6, 2024; 50% thereafter)	665	665	2,848	1,701
- Sarsang (18%)	275	365	1,062	1,372
Total	**940**	**1,030**	**3,910**	**3,073**

Atrush and Sarsang delivered international exports via the ITP in the fourth quarter of 2025.

At Atrush, average production in Q4 2025 was 30.2 Mbopd. Production was lower than potential during this period due to planned downtime in connection with the commissioning of new facilities as part of the Atrush CPF debottlenecking project and the workover of wells CK-18 and CK-19 to replace ageing electrical submersible pumps ("ESPs"). Following the commissioning of the CPF enhancement project, the successful completion of the CK-21 well and the replacement of three ESPs (CK-10 ESP replaced in early 2026), Atrush production reached 40.0 Mbopd in mid-February 2026. Assuming continued export sales and receipt of full PSC entitlement post reconciliation of invoices, drilling is planned to continue in the field in order to keep the facility full at plateau production.

At Sarsang, average production in Q4 2025 was 27.1 Mbopd. Sarsang gas generators were commissioned during the quarter. The B1(25k) facility is now running fully on fuel gas for the hot oil system and power generation. Sarsang production during January 2026 was stable at approximately 24.0 Mbopd, a decrease since the previous quarter due to field decline and the suspension of the ST-2 well pending installation of water handling facilities later in 2026.

During 2025, the major event impacting production at both blocks was the drone attack at the start of Q3 2025. At the Atrush Block, the focus during the year was to debottleneck the CPF and "drill-to-fill" with minimal cost. At the Sarsang Block, the focus during the year was to optimize the water handling solution and production costs.

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FINANCIAL REVIEW

Financial Results

Selected Quarterly Financial Information

The following is a summary of selected quarterly financial information for the Company:

USD Thousands (except per share data)	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Continuing operations:								
Revenue	**54,663**	28,936	35,385	35,885	34,749	29,425	22,630	22,588
Cost of goods sold	**(24,146)**	(19,658)	(22,610)	(23,409)	(15,673)[4]	(19,470)	(15,225)	(15,748)
Bargain purchase gain on acquisitions	**-**	-	-	-	-	70,336	-	-
General and administrative expense	**(4,592)**	(1,492)	(1,552)	(5,076)	(3,340)	(1,282)	(1,426)	(1,780)
Share-based payments expense	**1,115**	(1,477)	(1,004)	(3,471)	(1,533)	(273)	(887)	(997)
Depreciation and amortization	**(27)**	(20)	(37)	(1)	(32)	(26)	(42)	(59)
Credit loss provision	**(420)**	(390)	1,042	1,314	24	1,591	298	2,796
Finance expense	**(4,625)**	(4,594)	(8,286)	(6,982)	(6,793)	(5,569)	(6,812)	(8,555)
Finance income	**582**	584	655	641	782	384	1,046	1,320
Income tax expense	**(7)**	(18)	(75)	(7)	(65)	(17)	(91)	(58)
Net income/(loss)	**22,543**	**1,871**	**3,518**	**(1,106)**	**8,119**	**75,099**	**(509)**	**(493)**
EBITDAX[5]	**39,568**	16,391	23,846	17,777	21,885	21,509	14,707	14,234
Adjusted EBITDAX[65]	**39,887**	17,868	24,850	24,465	23,418	21,782	15,594	15,231
Earnings per share in $								
- Basic	**0.008**	0.001	0.001	-	0.003	0.026	-	-
- Diluted	**0.008**	0.001	0.001	-	0.003	0.025	-	-

EBITDAX is calculated as the net result before financial items, taxes, depletion of oil and gas properties, impairment costs, the gains on acquisitions, depreciation and exploration expenses and adjusted for non-recurring profit/loss on sale of assets and other income. Explanations of the significant variances between periods are provided in the following sections.

Summary of Principal Changes in the Fourth Quarter Financial Information

The $22.5 million net income generated in Q4 2025 was primarily driven by the increase in revenue as the Q4 2025 oil sales are recorded at the Kirkuk blend official selling price. The income and expenses in Q4 2025 are explained in more detail in the following sections.

[4] Costs of goods sold at year-end includes an annual depletion true-up based on the updated year-end reserve report.

[5] Non-IFRS Accounting Standards measures do not have any standardized meaning prescribed by IFRS Accounting Standards and are therefore unlikely to be comparable to similar measures presented by other public companies. Non-IFRS Accounting Standards measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS Accounting Standards. The Company uses non-IFRS Accounting Standards measures to provide investors with supplemental measures. Refer to the "Non-IFRS Accounting Standards Measures" section of this MD&A for more information.

[6] Adjusted EBITDAX adds back the non-cash share-based payments expense each quarter, as well as non-recurring, transaction and project related expenses in 2025.

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Selected Annual Financial Information

USD Thousands (except per share data)	For the year ended December 31,		
	2025	**2024**	**2023**
Revenues	**154,869**	109,392	82,886
Cost of goods sold	**(89,823)**	(66,116)	(52,363)
Bargain purchase gain on acquisitions	**-**	70,336	-
General and administrative expense	**(12,712)**	(7,828)	(10,287)
Share-based payments expense	**(4,837)**	(3,690)	(2,064)
Depreciation and amortization expense	**(85)**	(159)	(236)
Credit loss provision	**1,546**	4,709	(13,938)
Finance income	**2,370**	3,394	7,393
Finance expense	**(24,394)**	(27,591)	(37,932)
Income tax expense	**(107)**	(231)	(165)
Income/(loss) for the year	**26,827**	**82,216**	**(26,706)**
Earnings per share in $:			
Basic	0.01	0.03	(0.01)
Diluted	0.01	0.03	(0.01)

	As at December 31,		
Financial position – net book value of principal items	**2025**	**2024**	**2023**
Property, plant & equipment	**324,505**	365,708	302,192
Loans and receivables	**84,903**	51,322	74,334
Cash and other assets	**42,620**	77,656	73,816
Other non-current assets	**735**	-	69
Total assets	**452,763**	**494,686**	**450,411**
Net borrowings	**(131,799)**	(188,501)	(238,746)
Other liabilities	**(71,187)**	(82,984)	(72,234)
Shareholders' equity	**249,777**	**223,201**	**139,431**
Common shares outstanding ('000)	**2,875,449**	2,845,961	2,824,362

Summary of Principal Changes in Annual Financial Information

The net income in 2025 of $26.8 million is attributable to a number of key drivers:

- Continual local sales during the year until the start of ITP export sales at the end of Q3 2025, then a full quarter of ITP export sales at international prices;
- A full year of higher entitlement at Atrush due to the acquisition in 2024; and
- Reduced finance costs linked to the bond repayments.

The income and expense details and the principal changes in annual financial information are further explained in the sections below.

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Gross margin on oil sales

	Three months ended December 31,		Year ended December 31,	
USD Thousands	2025	2024	2025	2024
Revenue from oil sales	54,663	34,749	154,869	109,392
Lifting costs	(11,503)	(7,881)	(39,240)	(25,258)
Other costs of production	(115)	(110)	(498)	(281)
Depletion costs	(12,528)	(7,682)	(50,085)	(40,577)
Cost of goods sold	**(24,146)**	**(15,673)**	**(89,823)**	**(66,116)**
Gross margin on oil sales	**30,517**	**19,076**	**65,046**	**43,276**

Revenue from oil sales relates to the Company's entitlement share of local oil sales until September 26, 2025, and then ITP export sales for the rest of the year, from the Atrush and Sarsang blocks. Revenue was 57% higher in Q4 2025 compared to Q4 2024. The revenue of $154.9 million in the 2025 was 42% higher than 2024, driven by the increased working interest in the Atrush Block from August 2024 and the higher international prices of ITP export sales. The average net oil price in Q4 2025 was $58.17/bbl from the two blocks on a combined basis (72% higher than the $33.74/bbl in Q4 2024). The average net oil price for the year 2025 was $39.61 /bbl, 11% higher than the average net oil price of $35.65 /bbl for the year 2024. The Company's entitlement share of oil sales in 2025 was 3.9 MMbbls, 26% higher than the 3.1 MMbbls entitlement in 2024.

Lifting costs comprise the Company's share of expenses related to the production of oil from the Atrush and Sarsang blocks, including operations and maintenance of wells and production facilities, insurance and the operator's related support costs as charged to the Company. Lifting costs were 46% higher in Q4 2025 compared to Q4 2024, and 55% higher in 2025 compared to 2024, mainly due to the impact of the Q3 2025 drone attack and a full year of increased working and paying interest in the Atrush Block (as the KRG working interest was converted to a carried interest during the Atrush Acquisition).

Other costs of production include the Company's share of other costs prescribed under the Atrush and Sarsang PSCs.

Depletion costs were 63% higher in Q4 2025 compared to Q4 2024, and 23% higher in 2025 compared to 2024, due to an annual depletion true-up based on the updated year-end reserve report resulting in a credit in Q4 2024 and higher production in the year due to the higher working interest in the Atrush Block.

Gross margin on oil sales was 60% higher in Q4 2025 versus Q4 2024, and 50% higher in 2025 versus 2024, due to ITP export sales at international prices from the end of Q3 2025, higher local oil sales during the year and a higher working and paying interest in the Atrush Block.

General and administrative expense

	Three months ended December 31,		Year ended December 31,	
USD Thousands	2025	2024	2025	2024
Salaries and benefits	2,602	2,486	8,227	4,994
Legal, accounting and audit fees	1,325	394	2,164	850
Management and consulting fees	404	171	1,319	842
General and other office expenses	105	153	451	642
Travel expenses	86	71	181	137
Listing costs and investor relations	69	65	350	308
Corporate sponsorship	1	-	20	55
General and administrative expense	**4,592**	**3,340**	**12,712**	**7,828**

The increase in general and administrative expenses in the quarter is mainly due to legal costs associated with the proposed continuance to Bermuda and primary listing move to Oslo. The increase in the year 2025 compared to the year 2024 is due to non-recurring, transaction-related management compensation, as well as consulting, legal and audit fees. Part of the compensation-related increase is linked to contractual obligations under employment agreements, including severance payments and M&A triggers.

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Finance expense

USD Thousands	Three months ended December 31,		Year ended December 31,	
	2025	**2024**	**2025**	**2024**
Interest/amortization charges on bonds	4,858	6,659	21,078	31,839
Amortization of related-party loan	-	555	1,326	2,040
Finance cost for bond purchase	-	26	-	26
Adjustment of bond and loan amortization	(392)	909	2,499	(3,076)
Total borrowing costs	**4,466**	**8,149**	**24,903**	**30,829**
Re-measurement of contingent consideration	552	(84)	663	110
Unwinding discount on decommissioning provision	255	21	1,000	81
Interest expense	19	-	19	-
Lease – interest expense	15	-	58	9
Total finance expense before borrowing costs capitalized	**5,307**	**8,086**	**26,643**	**31,029**
Borrowing costs capitalized	(682)	(1,293)	(2,249)	(3,438)
Total finance expense	**4,625**	**6,793**	**24,394**	**27,591**

Interest and amortization charges relate to the Company's bond and related-party loan. The bond amendments effective May 2, 2025, as well as the repayments of the related-party loan, were treated as a modification to the bond and loan, and the amortization schedules were adjusted accordingly.

Interest charges were lower in 2025 than 2024 due to the repayments made during these years.

Borrowing costs directly attributable to the preparation of development assets for their intended use have been capitalized together with the related oil and gas assets. All other borrowing costs are recognized in the income statement in the period in which they are incurred.

For further information on the Company's borrowings, refer to the discussions in the section below entitled "Borrowings".

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Capital Expenditures

Capital Expenditures on Property, Plant & Equipment ("PP&E")

The net book value of PP&E principally comprises development costs related to the Company's share of the Atrush PSC, before the Atrush Acquisition, and the fair values of the Sarsang Acquisition and Atrush Acquisition, plus development costs related to the Company's share of the PSCs since these acquisitions, less the accumulated depletion and depreciation expense recorded on the PP&E balance.

The movements in PP&E are explained below:

	Year ended December 31, 2025			Year ended December 31, 2024		
USD Thousands	Oil and gas assets	Office equipment	Total	Oil and gas assets	Office equipment	Total
Opening net book value	**365,705**	**3**	**365,708**	**302,091**	**101**	**302,192**
Additions/(credit)	8,883	-	8,883	18,935	(2)	18,933
Atrush Acquisition	-	-	-	85,256	-	85,256
Depletion and depreciation expense	(50,085)	(1)	(50,086)	(40,577)	(96)	(40,673)
Net book value	**324,503**	**2**	**324,505**	**365,705**	**3**	**365,708**

Financial Position and Liquidity

Accounts receivable

At December 31, 2025, the Company had the following outstanding receivables:

	For the year ended December 31,	
USD Thousands	2025	2024
Accounts receivable on oil sales	96,093	64,058
Credit loss provision	(11,190)	(12,736)
Total accounts receivable	**84,903**	**51,322**

The accounts receivable balance at December 31, 2025, relates to $52.8 million in oil deliveries to the KRG from October 2022 through March 2023 (the "Overdue Receivables") and $43.3 million representing the remaining PSC entitlement amounts owed for the 2025 ITP export sales. It is Management's view that the counterparty risk related to oil sales under the 2025 interim agreements is better diversified than that of the Overdue Receivables from the KRG. The compensation for the Company's sales under the interim agreements is paid by the Iraqi State Organization for Marketing of Oil ("SOMO") on behalf of the KRG in barrels allocated to the IOC-appointed trader, and the Company benefits from contractual recourse against both the KRG and/or SOMO for non-payment. There have been no delays in receiving payment from SOMO as part of the interim agreements since the start of exports in September 2025. The Company continues to discuss recovery of the Overdue Receivables with the KRG, but timing is uncertain. The Company has reassessed the credit loss provision for the Overdue Receivables and has compared the carrying value of the relevant trade receivables with the present value of the estimated future cash flows based on reasonable recovery scenarios, weighted by the relative probability of these potential outcomes. A relevant discount rate has been applied to reflect counterparty credit risk to provide a reasonable approximation of the fair value of these trade receivables at December 31, 2025. The result of the Company's assessment under IFRS 9 is a $1.5 million credit adjustment to these trade receivables in 2025, included in the Statement of Comprehensive Income (2024: $4.7 million).

Borrowings

On June 10, 2024, the Company announced bondholder approval of certain amendments to the terms of the Company's $300 million bond, which originally matured in July 2025 (the "2025 Bond"). The amended terms included a two-year extension of the maturity date to July 2027 and several other amendments. Following a successful tender on June 26, 2024, $47 million of the 2025 Bond and $5.9 million of the 2025 Bond held by the Company were cancelled. Following the tender and satisfaction of other conditions precedent, the amended terms became effective July 1, 2024 (the "2027 Bond"). The annual interest rate on the 2027 Bond remained the same at 12%, but the interest payment timing changed from semi-annual to quarterly. A key amendment in the 2027 Bond terms was a mandatory quarterly cash sweep mechanism as of Q3 2024 that resulted in partial bond repayments at par of $26.8 million in January 2025 and a further $29.4 million in April 2025.

On April 11, 2025, the Company announced bondholder approval of certain further amendments to the terms of the Company's outstanding bond. The new amendments became effective on May 2, 2025, and included converting the mandatory cash sweep to voluntary and extending the maturity by an additional two years to July 2029 (the "2029 Bond"). All amendments to the bond have been treated as a modification to the Borrowings with the difference in fair values on modification recorded in Financing Expense.

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The bond has a financial covenant stating that at all times the ratio of reserve value to net debt ("Asset Coverage Ratio") shall be a minimum of 1.25x. The reserve value is based on the latest 2P reserve value as set out in the latest published reserve report. Net debt is calculated as total debt less cash and cash equivalents. The Company calculates the Asset Coverage Ratio each quarter and has been in full compliance since the covenant was included in the bond terms.

The movements in borrowings are explained below:

	For the year ended December 31,	
USD Thousands	2025	2024
Opening balance	**198,296**	**257,255**
Interest/amortization charges	23,572	28,762
Own bond	-	28,402
Bond transaction costs	(556)	(1,061)
Payments to bondholders – interest	(19,818)	(37,476)
Bond cancellation	(56,146)	(77,586)
Ending balance	**145,348**	**198,296**

Liquidity and Capital Resources

Cash in the bank at December 31, 2025, was $42.1 million, compared to $76.8 million at December 31, 2024. In the year 2025, the balance decreased by $34.7 million compared to an increase of $5.1 million in the year 2024. The main components of the movement in funds during 2025 were as follows:

- The operating activities of the Company in 2025 resulted in an increase of $69.1 million in the cash position (2024: increase of $98.0 million);
- Net cash outflows related to investing activities in 2025 were $6.1 million (2024: net cash outflows of $4.1 million). Cash outflows to investing activities comprised $8.5 million for capital investments in the Atrush and Sarsang development work programs, plus cash inflows of $2.4 million for interest received; and
- Net cash outflows for financing activities in 2025 were $97.8 million (2024: $89.1 million) and comprised $56.2 million for the quarterly bond cash sweeps, $19.8 million of interest payments to bondholders, $2.6 million of interest payments and the $15.6 million repayment of the Nemesia loan, $0.6 million of bond transaction costs and $3.0 million of cash taxes on the share and stock compensation plan.

Repayment of related party loan

The Company had a loan from a related party, Nemesia S.à.r.l. ("Nemesia"), with an interest rate of 12% per annum payable in cash semi-annually, plus an additional interest amount of 2% per annum payable in kind at maturity. In May 2025, the Company elected to make a partial repayment of the loan of $5.0 million, as permitted under the amendments to the bond terms. In August 2025, the remaining $10.6 million balance of the loan was repaid plus all accrued and unpaid interest.

The Financial Statements were prepared on a going-concern basis, which assumes that the Company will be able to realize into the foreseeable future its assets and liabilities in the normal course of business as they come due. Refer also to the discussion in the section below on "Risks and Uncertainties."

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Non-IFRS Accounting Standards Measures

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

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

The following tables set out how the Non-IFRS Accounting Standards Measures are calculated from figures shown in the Financial Statements:

EBITDAX

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

	Three months ended December 31,		Year ended December 31,	
USD Thousands	2025	2024	2025	2024
Revenues	54,663	34,749	154,869	109,392
Lifting costs	(11,503)	(7,881)	(39,240)	(25,258)
Other costs of production	(115)	(110)	(498)	(281)
General and administrative expense	(4,592)	(3,340)	(12,712)	(7,828)
Share-based payments	1,115	(1,533)	(4,837)	(3,690)
EBITDAX	**39,568**	**21,885**	**97,582**	**72,335**
Share-based payments	(1,115)	1,533	4,837	3,690
Non-recurring costs	1,434	0	4,651	0
Adjusted EBITDAX	**39,887**	**23,418**	**107,070**	**76,025**

Free cash flow before debt service

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

	Three months ended December 31,		Year ended December 31,	
USD Thousands	2025	2024	2025	2024
Net cash inflows from operating activities	4,671	34,692	69,074	97,965
Net cash inflows from investing activities	(12,196)	3,357	(6,118)	(4,054)
Free cash flow before debt service	**(7,525)**	**38,049**	**62,956**	**93,911**

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Net debt

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

	For the year ended December 31,	
USD Thousands	2025	2024
Outstanding principal of ShaMaran Bond	(143,768)	(199,914)
Loan from related party	-	(15,600)
Total debt	**(143,768)**	**(215,514)**
Cash and cash equivalents	42,131	76,801
Net debt	**(101,637)**	**(138,713)**

All figures in the net debt calculation are based on their nominal value at the balance sheet date. See Notes 17, 18 and 22 in the Financial Statements.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

	Payments during the year		Amounts owing at December 31,	
USD Thousands	2025	2024	2025	2024
Nemesia	17,785	2,041	-	1,291
Orrön Energy AB	202	93	1	-
International Petroleum Corp.	347	206	36	23
Namdo Management Services Ltd.	31	113	74	52
Lundin Foundation	19	55	-	-
Total	**18,384**	**2,508**	**111**	**1,366**

Nemesia is a company controlled by a trust settled by the estate of the late Adolf H. Lundin and is a shareholder and bondholder of the Company. The Company had a loan from Nemesia and the obligation to accrue 12% annual interest payable in cash semi-annually, plus an additional interest amount of 2% per annum payable in kind based on the principal balance outstanding. In May 2025, the Company elected to make a partial repayment of the loan of $5.0 million, as permitted under the recent amendments to the bond terms. In August 2025, the remaining $10.6 million balance of the loan was repaid plus all accrued and unpaid interest.

The Lundin Foundation is a non-profit organization, of which the Company is a member, that provides services for Lundin Group companies.

International Petroleum Corp., Namdo Management Services Ltd. and Orrön Energy AB are companies affiliated with shareholders of the Company and provide corporate, technical and administrative support services to the Company.

All transactions with related parties are conducted in the normal course of business and are made on an arm's-length basis, as with all third parties.

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Outstanding Share Data, Share Units and Stock Options

Common shares

The Company had 2,875,449,249 outstanding shares and 2,977,536,136 fully-diluted shares at December 31, 2025, and 2,878,272,704 outstanding shares and 2,973,104,241 fully-diluted shares at the date of this MD&A.

A summary of the share issuances in the year 2025 is below:

- 12,753,177 common shares were issued from restricted share units ("RSUs") that vested in accordance with the Share Unit Plan (defined below). The carrying value of the RSUs has been determined based on the Company's average closing share price over the five-day period prior to the vesting date; and
- 16,734,707 common shares were issued as a result of options exercised in accordance with the Stock Option Plan (defined below).

Share units and stock options

ShaMaran has established a deferred share unit plan (the "DSU Plan"), a share unit plan (the "Share Unit Plan") and a stock option plan (the "Stock Option Plan") whereby the Company may, from time to time, grant up to a total of 10% of the issued share capital to directors, officers, employees or consultants. At December 31, 2025, a total of 102,086,887 shares, 4% of the issued share capital, had been granted of the potential 287,544,924 shares that could be granted under the plans. Under the plans, the Company may also grant performance share units ("PSUs") or RSUs. As at December 31, 2025, and the date of this MD&A, there are no PSUs outstanding. The DSU Plan is for non-executive directors of the Company.

During the year 2025, a total of 24,476,673 RSUs vested, and 46,193,336 options were exercised.

At December 31, 2025, there were 27,403,328 stock options outstanding under the Company's employee incentive Stock Option Plan, which represents 1% of the total shares outstanding at December 31, 2025.

The Company has no warrants outstanding.

Movements in the Company's outstanding options and share units in the year are explained below:

	Number of stock options outstanding	Number of RSUs outstanding	Number of DSUs outstanding
At December 31, 2024	**65,296,664**	**65,349,997**	**22,270,235**
Granted in the year	8,300,000	11,540,000	-
Options exercised	(46,193,336)	-	-
RSUs vested	-	(24,476,673)	-
At December 31, 2025	**27,403,328**	**52,413,324**	**22,270,235**
Quantities vested and unexercised:			
At December 31, 2024	29,660,839	-	22,270,235
At December 31, 2025	9,816,670	-	22,270,235

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Contractual Obligations and Commitments

Production Sharing Contracts

The Company is responsible for its pro-rata share of petroleum costs incurred in executing the development and production work programs on the Atrush and Sarsang blocks. ShaMaran also carries its pro-rata share of the KRG's petroleum costs in the Sarsang and Atrush blocks.

As at December 31, 2025, the outstanding commitments of the Company were as follows:

	For the year ended December 31,				
USD Thousands	2026	2027	2028	Thereafter	Total
Atrush and Sarsang block development and PSC	101,117	400	400	1,800	**103,717**
Sarsang contingent consideration	-	-	-	15,000	**15,000**
Corporate office and other	73	63	63	382	**581**
Total commitments	**101,190**	**463**	**463**	**17,182**	**119,298**

Amounts relating to Atrush and Sarsang block developments represent the Company's unfunded paying interest share of the approved 2026 work program and other obligations under the PSCs. The capital expenditure commitments in the work plans and budgets are contingent upon continuation of sales and other economic factors.

The contingent consideration relates to the purchase consideration for the Sarsang Acquisition and is payable to the seller upon (i) cumulative gross oil production from the Sarsang PSC reaching 130 MMbbls and (ii) Brent crude oil prices averaging at least $60/bbl for the preceding twelve-month period. The Company estimates the fair value of this contingent consideration based on forecasted results from the reserves report at the end of each quarter and treats any difference as a finance income/cost.

Critical Accounting Policies and Estimates

The Financial Statements of the Company have been prepared by management using IFRS Accounting Standards. In preparing financial statements, management makes informed judgments and estimates that affect the reported amounts of assets and liabilities as at the date of the Financial Statements and affect the reported amounts of revenues and expenses during the period. Specifically, estimates are utilized in calculating depletion, asset retirement obligations, fair values of assets on acquisition of control, share-based payments, amortization and impairment write-downs, as required. Actual results could differ from these estimates, and differences could be material.

Accounting for Oil and Gas Operations

Oil and gas assets comprise development and production costs for areas where technical feasibility and commercial viability have been established and include any exploration and evaluation assets transferred after conclusion of appraisal activities, as well as costs of development drilling, completion, gathering and production infrastructure, directly attributable overheads, borrowing costs capitalized and the cost of recognizing provisions for future restoration and decommissioning. Oil and gas costs are accumulated separately for each contract area.

Exploration well costs are initially capitalized and, if subsequently determined to have not found sufficient reserves to justify commercial production, are charged to exploration expense. Exploration well costs that have found sufficient reserves to justify commercial production, but whose reserves cannot be classified as proved, continue to be capitalized if sufficient progress is being made to assess the reserves and economic viability of the well or related project.

Capitalized costs of proved oil and gas properties are depleted using the unit of production method based on estimated gross proved and probable reserves of petroleum and natural gas as determined by independent engineers. Successful exploratory wells, development costs and acquired resource properties are depleted over proved and probable reserves. Acquisition costs of unproved reserves are not depleted or amortized while under active evaluation for commercial reserves. Costs associated with significant development projects are depleted once commercial production commences. A revision to the estimate of proved and probable reserves can have a significant impact on earnings as they are a key component in the calculation of depreciation, depletion and accretion.

Producing properties and significant unproved properties are assessed annually, or more frequently as economic events dictate, for potential indicators of impairment. Economic events that would indicate impairment include:

- The period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of petroleum resources in the specific area is neither budgeted nor planned;

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- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amounts of exploration and evaluation costs and oil and gas assets is unlikely to be recovered in full from successful development or by sale;
- Extended decreases in prices or margins for oil and gas commodities or products; and
- A significant downwards revision in estimated volumes or an upward revision in future development costs.

For impairment testing, the assets are aggregated into CGU cost pools based on their ability to generate largely independent cash flows. The recoverable amount of a CGU is the greater of its fair value less costs to sell and its value-in-use. Fair value is determined to be the amount for which the asset could be sold in an arm's-length transaction. Value-in-use is determined by estimating the present value of the future net cash flows expected to be derived from the continued use of the asset or CGU.

Where conditions giving rise to the impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the statement of comprehensive income net of any depletion and depreciation that would have been charged since the impairment.

In 2025, all of the Company's development activities were conducted jointly with others.

RESERVES AND RESOURCE ESTIMATES

The Company engaged McDaniel to evaluate 100% of the Company's reserves and resource data as at December 31, 2025. The conclusions of this evaluation have been presented in a detailed property report that has been prepared in accordance with standards set out in the Canadian National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook ("COGEH").

The Company's crude oil reserves as at December 31, 2025, were based on the Company's 50% working interest (66.7% paying interest) in the Atrush Block and 18% working interest (22.5% paying interest) in the Sarsang Block and estimated to be as follows:

Company estimated reserves
As at December 31, 2025

	Proved Developed	Proved Undeveloped	**Total Proved**	Probable	**Total Proved & Probable**	Possible	**Total Proved, Probable & Possible**
Light/Medium Oil (Mbbl) [1]							
Gross [2]	25,785	11,006	**36,791**	16,429	**53,220**	18,604	**71,824**
Net [3]	12,902	3,706	**16,609**	5,098	**21,707**	4,650	**26,358**
Heavy Oil (Mbbl) [1]							
Gross [2]	6,439	2,633	**9,072**	4,824	**13,896**	5,462	**19,358**
Net [3]	3,346	743	**4,089**	1,518	**5,607**	1,287	**6,894**
Total Oil (Mbbl)							
Gross	32,224	13,639	**45,863**	21,253	**67,116**	24,066	**91,182**
Net	16,248	4,449	**20,697**	6,617	**27,314**	5,937	**33,251**

Notes:
(1) 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.
(2) Company gross reserves are based on the Company's 50% 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) Company net reserves are based on Company share of total cost and revenues. Note, as the government pays income taxes on behalf of the Company out of the government's profit-oil share, the net reserves were based on the effective pre-tax revenues by adjusting for the tax rate.

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The Company's crude oil resources as at December 31, 2025, were estimated to be as follows:

Company estimated contingent resources [(1) (2) (4) (5)]
As at December 31, 2025

	Low Estimate (1C)	Best Estimate (2C)	High Estimate (3C)	Risked Best Estimate
Light/Medium Oil (Mbbl) [(3)]				
Gross (Development On Hold)	5,444	16,830	57,112	10,573
Gross (Development Not Viable)	-	-	-	-
Heavy Oil (Mbbl) [(3)]				
Gross (Development On Hold)	7,752	13,013	37,948	9,109
Gross (Development Not Viable)	16,769	43,002	59,963	4,300
Gross Total	**29,966**	**72,845**	**155,023**	**23,982**

Notes:
(1) Company gross interest resources are based on a 50% 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 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 between 60% and 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.

Risks in estimating resources

There are uncertainties inherent in estimating the quantities of reserves and resources, including factors that 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 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, such as 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 respective operator; and risks associated with international operations.

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.

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FINANCIAL INSTRUMENTS

The Company's financial instruments currently consist of cash, cash equivalents, advances to joint operations, other receivables, borrowings, related-party loans, accounts payable and accrued expenses, accrued interest on bonds, provisions for decommissioning costs and current tax liabilities. The Company classifies its financial assets and liabilities at initial recognition in the following categories:

- Financial Assets at Amortized Cost – Assets that are held for collection of contractual cash flow where that cash flow represents solely payments of principal and interest. This includes the Company's receivables that consist of fixed or determined cash flow related solely to principal and interest amounts or contractual sales of oil. The Company's intent is to hold these receivables until cash flow is collected. Financial assets at amortized cost are recognized initially at fair value, net of any transaction costs incurred and subsequently measured at amortized cost using the effective interest method. The Company recognizes a loss allowance for any expected credit losses on a financial asset that is measured at amortized cost.
- Financial Liabilities at Amortized Cost – Financial liabilities are measured at amortized cost using the effective interest method, unless they are required to be measured at Fair Value through Profit or Loss ("FVTPL"), or the Company has opted to measure them at FVTPL. Borrowings and accounts payable are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method.

With the exception of borrowings, accrued interest on bonds and provisions for decommissioning costs, which have fair-value measurements based on valuation models and techniques where the significant inputs are derived from quoted prices or indices, the fair values of the Company's other financial instruments did not require valuation techniques to establish fair values as the instrument was either cash and cash equivalents or, due to the short-term nature, readily convertible to or settled with cash and cash equivalents.

The Company is exposed in varying degrees to a variety of financial instrument-related risks that are discussed in the following sections:

Financial Risk Management Objectives

The Company's management monitors and manages the Company's exposure to financial risks facing the operations. These financial risks include market risk (including commodity-price, foreign-currency and interest-rate risks), credit risk and liquidity risk.

The Company does not presently hedge against these risks as the benefit of entering into such agreements is not considered to be significant enough as to outweigh the significant cost and administrative burden associated with such hedging contracts.

Commodity-price risk is a risk as the prices that the Company receives for its oil production may have a significant impact on the Company's revenues and cash flow from operations.

The Company does not hedge against commodity price risk.

Foreign-currency risk is a low risk since all of the Company's revenues and most of its purchases are denominated in USD, and therefore the Company maintains a substantial portion of its cash and cash equivalents in the currency. Certain of its operations require the Company 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, such as CHF and CAD. 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 small amounts of foreign currencies at any point in time and because its volume of foreign currency transactions is relatively low. Therefore, the Company does not hedge its exposure to changes in foreign currency exchange rates.

Interest-rate risk is a risk due to the fluctuation in short-term interest rates as the Company earns interest income at variable rates on its cash and cash equivalents.

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 in relatively short-term deposits.

ShaMaran is leveraged through bond financing at the corporate level. However, the Company is not exposed to interest-rate risks associated with its corporate bond as the interest rate is fixed.

Credit risk is a risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is primarily exposed to credit risk on its cash and cash equivalents and 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.

The carrying amounts of the Company's financial assets recorded in the Financial Statements represent the Company's maximum exposure to credit risk.

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Liquidity risk is a risk that the Company will have difficulties meeting its financial obligations as they become due. Like with many oil and gas companies, the Company raises financing for its development activities in discrete tranches to finance its activities for limited periods. The Company will seek additional funding as and when required. The Company anticipates making substantial capital expenditures in the future for the development and production of oil and gas reserves, and, as the Company continues to develop projects, 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, will be available or sufficient to meet these requirements or, if debt or equity financing is available, that it will be on terms acceptable to the Company.

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecasted and actual cash flow. Annual capital expenditure budgets are prepared, monitored and updated, as necessary. In addition, the Company requires authorization for expenditures on both of its non-operated projects to further manage capital expenditures.

RISKS AND UNCERTAINTIES

ShaMaran is engaged in the exploration and production of crude oil and natural gas, and its operations are subject to various risks and uncertainties that include but are not limited to those listed below. Additional risks and uncertainties not presently known to the management of the Company, or that the management of the Company presently deem to be immaterial, may also impair the business and operations of the Company and cause the price of the shares in the Company to decline. If any of the risks described below materialize, the effect on the Company's business, financial condition or operating results could be materially adverse.

Implementation of the 2023-2025 Federal Budget Law ("Federal Budget Law")
On September 25, 2025, the Company announced that interim agreements were executed between the KRG, Government of Iraq and several IOCs, including ShaMaran. These agreements enabled the restart of international oil exports from the KRI via the ITP on September 27, 2025. The agreements are based on the Iraqi Budget Law amendment in February 2025 and Iraq's recognition of the KRI PSCs. The agreements were extended until March 31, 2026, to allow the international consultant to complete a reconciliation of export invoices to PSC terms for each block that is party to the export agreements. There is no certainty that the interim agreements entered into will be implemented as agreed or extended beyond the expiry date of March 31, 2026, especially in light of the ongoing negotiations regarding the formation of a new government in Iraq following parliamentary elections in November 2025. If the implementation of all material aspects of the interim agreements fails, or if there is no extension of these agreements, KRI oil exports may stop again.

2026 ITP renegotiation
On July 26, 2025, Türkiye notified Iraq of its intent to terminate the ITP agreement on the maturity date of July 27, 2026. Following various press reports, it is expected that Türkiye and Iraq will enter negotiations on a new ITP agreement (where Türkiye would like a non-exclusive deal) before the expiration of the current contract. It may also be possible for the KRG to enter negotiations with Türkiye on a new export deal via the ITP. There is a risk that exports via the ITP could stop in their current form if there is no new agreement reached between Türkiye and Iraq by the time the ITP agreement expires in July 2026.

Federal Supreme Court of Iraq ruling
As previously noted in the Company's 2024 Annual Information Form, the Federal Supreme Court of Iraq's ("FSC") 2022 ruling that the Kurdistan Region's 2007 Oil and Gas Law is unconstitutional and the instruction to the Ministry of Oil to take steps to implement the FSC's decision are still in place. In October 2024, a Baghdad commercial court ruled that various KRI PSCs are valid (including the Atrush and Sarsang PSCs to which a ShaMaran subsidiary is a party). It has been reported that the Ministry of Oil has failed in its appeals of the October 2024 decisions and that those decisions now stand as final, confirming the legality and validity of the KRI PSCs under Iraqi law. The interim agreements signed by the KRG, Government of Iraq and several IOCs in September 2025 confirm the validity of KRI PSCs under Iraqi law.

Iran conflict, Russia-Ukraine war and other regional escalations
At the date of this MD&A, most of the oil production in the KRI, including from the Atrush and Sarsang blocks, is being sold at international prices via the ITP. The impact of Russia-Ukraine and Israel-Palestine conflicts has been limited on the oil market to date. The more recent conflict between Iran, Israel and the United States, and its spillover into neighboring Gulf states, however, could have more serious implications, both in terms of market pricing and the ability of KRI-based producers to safely operate their fields. If these conflicts continue or escalate, they may have further adverse impacts on production volumes and realized pricing for international oil markets.

The evolving situation in Iran has already had an impact on the Company's operations in the KRI. The proximity of Kurdistan to Iran and the presence of pro-Iranian militias in Iraq exposes the Company's operations to potential risks, such as the temporary production shut-in announced in March 2026. Although the actual impact of regional geopolitics on physical infrastructure has been limited to date, the closure of Iraqi airspace, recent rocket and drone attacks reported on US forces stationed in the KRI and drone attacks on several KRI fields, including Sarsang in July 2025, highlight the potential risk of injury to personnel and disruption to production. It is possible that further disruptions may be experienced during times of heightened geopolitical tensions, and the Company continues to work closely with HKN and the local government and security forces to minimize the impact of any such activities.

For more information on risk factors that may affect the Company's business, refer also to the discussion of risks under the "*Reserves and Resource Estimates*" and "*Financial Instruments*" sections of this MD&A, as well as to the "*Risk Factors*" section of the 2024 Annual Information Form.

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DISCLOSURE CONTROLS AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure controls and procedures have been designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation. Management, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operation of disclosure controls and procedures.

Design of internal controls over financial reporting is the responsibility of management to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards. However, due to inherent limitations, internal control over financial reporting may not prevent or detect all misstatements and fraud. There have been no material changes to the Company's internal control over financial reporting during the three and twelve month periods ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains statements and information about expected or anticipated future events and financial results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, including, but not limited to: legal and political risk, civil unrest, general economic, market and business conditions, the regulatory process and actions, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans.

Any statements that are contained in this MD&A that are not statements of historical fact may be deemed to be forward-looking information. Forward- looking information typically contains statements with words such as "may", "will", "should", "expect", "assume", "intend", "plan", "anticipate", "believe", "estimate", "projects", "potential", "scheduled", "forecast", "outlook", "budget" or the negative of those terms or similar words suggesting future outcomes. The Company cautions readers regarding the reliance placed by them on forward-looking information as by its nature, it is based on current expectations regarding future events that involve a number of assumptions, inherent risks and uncertainties, which could cause actual results to differ materially from those anticipated by the Company.

Actual results may differ materially from those projected by management. Further, any forward-looking information is made only as of a certain date and the Company undertakes no obligation to update any forward-looking information or statements to reflect events or circumstances after the date on which such statement is made or reflect the occurrence of unanticipated events, except as may be required by applicable securities laws. New factors emerge from time to time, and it is not possible for management of the Company to predict all of these factors and to assess in advance the impact of each such factor on the Company's business or the extent to that any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking information.

RESERVES AND RESOURCE ADVISORY

ShaMaran's reserve and contingent resource estimates are as at December 31, 2025, and have been prepared and audited in accordance with NI 51-101 and the COGEH. Unless otherwise stated, all reserves estimates contained herein are the aggregate of "proved reserves" and "probable reserves", together also known as "2P reserves". Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

Contingent resources are those quantities of petroleum estimated, as at a given date, to be potentially recoverable from known accumulations using established technology or technology under development but 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. There is no certainty that it will be commercially viable for the Company to produce any portion of the contingent resources.

Contingent resources are further categorized according to the level of certainty associated with the estimates and may be sub-classified based on a project maturity and/or characterized by their economic status. There are three classifications of contingent resources: low estimate, best estimate and high estimate. Best estimate is a classification of estimated resources described in the COGEH as the best estimate of the quantity that will be actually recovered; it is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability that the quantities actually recovered will equal or exceed the best estimate.

The project maturity subclasses include development pending, development on hold, development unclarified and development not viable. The contingent resources disclosed in this MD&A are classified as either development on hold or development not viable. Development on hold is defined as a contingent resource where there is a reasonable chance of development, but there are major non-technical contingencies to be resolved that are usually beyond the control of the operator. Development not viable is defined as a contingent resource where no further data acquisition or evaluation is currently planned and hence there is a low chance of development.

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BOEs may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf per 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

This MD&A contains an oil and gas metric, being 2P reserves replacement ratio, which does not have a standardized meaning or a standard method of calculation, and therefore such measure may not be comparable to similar measures used by other companies. This metric is commonly used in the oil and gas industry and has been included herein to provide readers with an additional measure to evaluate ShaMaran's performance, however, such measure is not a reliable indicator of the future performance of ShaMaran, and future performance may not compare to the performance in previous periods.

ADDITIONAL INFORMATION

Additional information related to the Company, including its 2024 Annual Information Form, is available on SEDAR+ at www.sedarplus.ca under the Company's profile and on the Company's website at www.shamaranpetroleum.com.

ShaMaran plans to publish its financial statements for the three months ending March 31, 2026, on May 6, 2026.

OTHER SUPPLEMENTARY INFORMATION

Abbreviations

CAD	Canadian dollar
CHF	Swiss franc
USD	US dollar

Oil-related terms and measurements

bbl	Barrel (1 barrel = 159 litres)
boe	Barrels of oil equivalent
boepd	Barrels of oil equivalent per day
bopd	Barrels of oil per day
kg	Kilograms
Mbbl	Thousand barrels
MMbbl	Million barrels
Mboe	Thousand barrels of oil equivalent
Mboepd	Thousand barrels of oil equivalent per day
Mbopd	Thousand barrels of oil per day
Mcf	Thousand cubic feet
MMboe	Million barrels of oil equivalent
m^3	Cubic metres

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Independent auditor's report

To the Shareholders of ShaMaran Petroleum Corp.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of ShaMaran Petroleum Corp. and its subsidiaries (together, the Company) as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of comprehensive income for the years ended December 31, 2025 and December 31, 2024;
- the consolidated balance sheets as at December 31, 2025 and 2024;
- the consolidated statements of cash flow for the years then ended;
- the consolidated statements of changes in equity for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

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Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to note 2b to the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
The impact of oil and gas reserves on the Company's net oil and gas assets included in Property, Plant and Equipment (PP&E) Refer to note 3 – Material accounting policies, note 4 – Critical accounting judgments and key sources of estimation	Our approach to addressing the matter included the following procedures, among others: • The work of management's experts was used in performing the procedures to evaluate the reasonableness of the proved and probable oil and gas

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Key audit matter	How our audit addressed the key audit matter
uncertainty and note 13 – Property, plant and equipment to the consolidated financial statements. The Company had $324.5 million of oil and gas assets as at December 31, 2025. Depletion and depreciation expense for the oil and gas assets was $50.1 million for the year then ended. Oil and gas assets are depleted using the unit of production method based on proved and probable reserves. The proved and probable oil and gas reserves are prepared by the Company's independent qualified reserve evaluators (management's experts). The assumptions used by management to determine proved plus probable reserves include production forecasts, forward commodity prices, production costs and future development expenditures. We considered this a key audit matter due to (i) the critical judgment by management, including the use of management's experts, when developing the proved and probable oil and gas reserves; and (ii) a high degree of auditor judgment, subjectivity and effort in performing procedures relating to the assumptions.	reserves used to determine the depletion and depreciation expense for the oil and gas assets. As a basis for using this work, the competence, capabilities and objectivity of management's experts were evaluated, the work performed was understood and the appropriateness of the work as audit evidence was evaluated. The procedures performed also included evaluation of the methods and assumptions used by management's experts, tests of the data used by management's experts and an evaluation of their findings. • Tested how management determined the proved plus probable reserves used to determine depletion and depreciation expense of the oil and gas assets, which included the following: – Evaluated the appropriateness of the methods used by management in making these estimates. – Tested the data used in determining these estimates. – Evaluated the reasonableness of the assumptions used by management in developing the underlying estimates, including: o production forecasts, production costs and future development expenditures by considering the current and past performance of the oil and gas CGUs, and whether these assumptions were consistent with evidence obtained in other areas of the audit, as applicable; and o forward commodity prices by comparing them to reputable third party industry forecasts. • Recalculated the unit of production rates used to calculate depletion and depreciation expense for the oil and gas assets.

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Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Alisa Sorochan.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants
Calgary, Alberta
March 4, 2026

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Consolidated Statement of Comprehensive Income

For the year ended December 31

Expressed in thousands of United States dollars	Note	2025	2024
Revenues	6	**154,869**	**109,392**
Cost of goods sold:			
Lifting costs	7	(39,240)	(25,258)
Other costs of production	7	(498)	(281)
Depletion	7	(50,085)	(40,577)
Gross margin on oil sales		**65,046**	**43,276**
Credit loss provision	14	1,546	4,709
Depreciation and amortization expense		(85)	(159)
Share-based payments expense	21	(4,837)	(3,690)
General and administrative expense	8	(12,712)	(7,828)
Income from operating activities		**48,958**	**36,308**
Bargain purchase gain on acquisition	9	**-**	**70,336**
Finance income	10	2,370	3,394
Finance expense	11	(24,394)	(27,591)
Net finance expense		**(22,024)**	**(24,197)**
Income before income tax expense		**26,934**	**82,447**
Income tax expense	12	(107)	(231)
Income for the year		**26,827**	**82,216**
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss:			
Re-measurements on defined pension plan		139	(253)
Items that may be reclassified to profit or loss:			
Currency translation differences		84	(97)
Total other comprehensive income / (loss)		**223**	**(350)**
Total comprehensive Income for the year		**27,050**	**81,866**
Earnings in dollars per share (Note 20):			
Basic		0.01	0.03
Diluted		0.01	0.03

The accompanying Notes are an integral part of these consolidated financial statements.

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Consolidated Balance Sheet

As at December 31

Expressed in thousands of United States dollars	Note	2025	2024
ASSETS			
Non-current assets			
Property, plant and equipment	*13*	324,505	365,708
Accounts receivable	*14*	22,938	27,358
Right-of-use asset	*15*	656	-
Intangible assets		79	-
		348,178	**393,066**
Current assets			
Accounts receivable	*14*	61,965	23,964
Cash and cash equivalents, unrestricted		41,150	76,792
Cash and cash equivalents, restricted		981	9
Other current assets		489	855
		104,585	**101,620**
TOTAL ASSETS		**452,763**	**494,686**
LIABILITIES			
Non-current liabilities			
Borrowings	*17*	131,799	161,730
Provisions	*19*	44,212	44,336
Cash-settled deferred share units	*21*	3,904	1,854
Lease liability	*15*	625	-
Pension liability		402	500
Loan from related party	*18*	-	16,891
		180,942	**225,311**
Current liabilities			
Accrued interest expense on corporate bond	*17*	13,549	9,795
Accounts payable and accrued expenses	*16*	8,474	9,583
Other current liabilities		21	25
Borrowings	*17*	-	26,771
		22,044	**46,174**
EQUITY			
Share capital	*20*	674,622	672,530
Share-based payments reserve		9,985	12,551
Cumulative translation adjustment		192	108
Accumulated deficit		(435,022)	(461,988)
		249,777	**223,201**
TOTAL EQUITY AND LIABILITIES		**452,763**	**494,686**

The accompanying Notes are an integral part of these consolidated financial statements.

Going concern (Note 2b)
Commitments and contingencies (Note 23)
Subsequent events (Note 26)

Signed on behalf of the Board of Directors

/s/Michael Ebsary
Michael Ebsary, Director

/s/Chris Bruijnzeels
Chris Bruijnzeels, Director

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Consolidated Statement of Cash Flow

For the year ended December 31

Expressed in thousands of United States dollars	Note	2025	2024
Operating activities			
Income for the year		**26,827**	**82,216**
Adjustments for non-cash related items:			
Depreciation, depletion and amortization expense		50,170	40,736
Borrowing costs – net of amount capitalized		23,317	27,475
Share-based payment expense		4,597	3,194
Unwinding discount on decommissioning provision		1,000	81
Re-measurements on defined pension plan		139	(253)
Bargain purchase gain	*9*	-	(70,336)
Foreign exchange gain	*10*	(102)	(18)
Interest income	*10*	(2,268)	(3,376)
Changes in other current assets		240	55
Changes in current tax liabilities		(58)	(61)
Changes in pension liability		(98)	126
Changes in accounts payable and accrued expenses		(1,109)	454
Changes in accounts receivables on oil sales		(33,581)	17,672
Net cash inflows from operating activities		**69,074**	**97,965**
Investing activities			
Interest received on cash deposits		2,394	4,712
Purchase of intangible assets		(89)	-
Purchase of property, plant and equipment		(8,423)	(8,766)
Net cash outflows to investing activities		**(6,118)**	**(4,054)**
Financing activities			
Bond amortization		-	28,402
Principal element of lease payments		(49)	(60)
Bond transaction costs		(556)	(506)
Cash taxes on share and stock compensation plan		(3,021)	-
Related-party loan repayment	*18*	(15,600)	-
Payments to bondholders and related party – interest	*17,18*	(22,435)	(39,348)
Repayment of bonds		(56,146)	(77,586)
Net cash outflows to financing activities		**(97,807)**	**(89,098)**
Effect of exchange rate changes on cash and cash equivalents		181	266
Change in cash and cash equivalents		**(34,670)**	**5,079**
Cash and cash equivalents, beginning of the year*		76,801	71,722
Cash and cash equivalents, end of the year*		**42,131**	**76,801**
***Inclusive of restricted cash**		**981**	**9**

The accompanying Notes are an integral part of these consolidated financial statements.

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Consolidated Statement of Changes in Equity

For the year ended December 31

Expressed in thousands of United States dollars	Share capital	Share-based payments reserve	Cumulative translation adjustment	Accumulated deficit	Total
Balance at January 1, 2024	**671,136**	**12,041**	**205**	**(543,951)**	**139,431**
Total comprehensive loss for the year:					
Income for the year	-	-	-	82,216	82,216
Other comprehensive loss	-	-	(97)	(253)	(350)
Transactions with owners in their capacity as owners:					
Share-based payments expense (excluding DSUs, Note 21)	-	510	-	-	510
Options exercised*	1,023	-	-	-	1,023
RSU shares issued*	371	-	-	-	371
	1,394	510	(97)	81,963	83,770
Balance at December 31, 2024	**672,530**	**12,551**	**108**	**(461,988)**	**223,201**
Total comprehensive income for the year:					
Income for the year	-	-	-	26,827	26,827
Other comprehensive income	-	-	84	139	223
Transactions with owners in their capacity as owners:					
Share-based payments expense (excluding DSUs, Note 21)	-	(2,566)	-	-	(2,566)
Options exercised*	2,524	-	-	-	2,524
RSU shares issued*	(432)	-	-	-	(432)
	2,092	(2,566)	84	26,966	26,576
Balance at December 31, 2025	**674,622**	**9,985**	**192**	**(435,022)**	**249,777**

*Refer to Note 20

The accompanying Notes are an integral part of these consolidated financial statements.

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1. General information

ShaMaran Petroleum Corp. ("ShaMaran" and, together with its subsidiaries, the "Company") is incorporated under the Business Corporations Act, British Columbia, Canada. The address of the registered office is 1075 West Georgia Street, Suite 1200, Vancouver, British Columbia V6E 3C9, Canada. The Company's shares trade on the TSX Venture Exchange ("TSXV") in Canada and NASDAQ First North Growth Market in Sweden under the symbol "SNM".

The Company is engaged in the business of oil and gas exploration and production and holds the following interests at December 31, 2025:

- 50% non-operated working interest (66.7% paying interest) in the Atrush Block production sharing contract ("Atrush PSC") in the Kurdistan Region of Iraq ("KRI"). On August 6, 2024, the Company closed the acquisition of TAQA Atrush B.V. and the subsequent sale of an indirect interest in Atrush to HKN Energy IV, Ltd., as previously announced on January 22, 2024 (the "Atrush Acquisition"). As a result of the transaction, ShaMaran's working interest in the Atrush Block increased from 27.6% to 50%. The Atrush Block twenty-year development period commenced in Q4 2013, and oil production on the Atrush Block commenced in Q3 2017.

- 18% non-operated working interest (22.5% paying interest) in the Sarsang Block production sharing contract ("Sarsang PSC") in the KRI. This interest is consolidated in the Company's financial statements from September 14, 2022, when ShaMaran closed the acquisition of TEPKRI Sarsang A/S, a subsidiary of TotalEnergies S.E. (the "Sarsang Acquisition"). The Sarsang Block twenty-year development period commenced in Q2 2013, and oil production on the Sarsang Block commenced in Q1 2013.

2. Basis of preparation and going concern

a. Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The significant accounting policies of the Company have been applied consistently throughout the year. The policies applied in these consolidated financial statements are based on IFRS Accounting Standards as of March 4, 2026, the date these consolidated financial statements were approved and authorized for issuance by the Company's board of directors ("the Board").

b. Going concern

These consolidated financial statements have been prepared on a going-concern basis, which assumes that the Company will be able to realize its assets and liabilities in the normal course of business as they come due in the foreseeable future.

The closure of the Iraq-Türkiye pipeline ("ITP") on March 25, 2023, heavily impacted the Company's operations. On September 25, 2025, the Company announced that interim agreements were executed between the Kurdistan Regional Government ("KRG"), Government of Iraq and several international oil companies ("IOCs"), including ShaMaran. These agreements enabled the restart of international oil exports by pipeline from the KRI on September 27, 2025. The agreements to resume oil exports from the KRI are based on the Iraqi Budget Law amendment in February 2025 and Iraq's recognition of the KRI PSCs. The Budget Law provides for an initial period of approximately three months, later extended to six months, during which IOCs are compensated at $16 per barrel for the cost of production and transportation, resulting in similar economics to the recent KRI local oil sales, with a reconciliation to full PSC entitlement following a review of the IOC invoices and contractual entitlements by an industry consultant. The Iraqi State Organization for Marketing of Oil ("SOMO") is marketing the KRI crude at the Kirkuk blend official selling price, and IOCs are being paid in arrears from the sale of their allocation at Ceyhan via their nominated trader.

The agreements also provide that the IOCs and KRG will continue discussions about recovering outstanding accounts receivable from past oil sales. As uncertainty remains regarding the timing and viability of payments by the KRG for these receivables, the Company has adjusted the credit loss provision to reflect this. Refer to Note 14 for additional information.

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Management believes that the signing of the interim agreements and restart of pipeline exports are positive steps towards improving the operating environment for IOCs with assets in the KRI. However, long-term agreements are needed with regular payments for oil sales based on PSC invoices before the Company can be confident that the uncertainties introduced by the ITP closure are resolved. Additionally, on March 2, 2026, the Company announced a temporary production shut-in at both the Atrush and Sarsang blocks as a precautionary measure due to the security environment, and there is no certainty as to the duration of the shut-in (refer to Note 26). These material uncertainties lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent on its ability to generate positive cash flow from operations or to secure additional funding from shareholders or lenders. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company was unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

3. Material accounting policies

a. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries and entities controlled by the Company that apply accounting policies consistent with those of the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases.

Intercompany balances and unrealized gains and losses on intercompany transactions are eliminated upon consolidation.

b. Interest in joint operations

A joint operation is a contractual arrangement whereby the Company and other parties undertake an economic activity that is subject to joint control.

Where the Company undertakes its activities under joint operation arrangements directly, the Company's share of jointly controlled operations and any liabilities incurred jointly with other joint operations are recognized in the financial statements of the relevant company and classified according to their nature.

Liabilities and expenses incurred directly in respect of interests in jointly-controlled operations are accounted for on an accrual basis. Income from the sale or use of the Company's share of the output of jointly-controlled operations and its share of the joint operations are recognized when it is probable that the economic benefit associated with the transactions will flow to/from the Company and the amount can be reliably measured.

c. Business combinations

The acquisition method of accounting is used to account for business combinations under IFRS 3. The consideration transferred is measured at the aggregate of the fair values at the date of acquisition of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. Acquisition-related costs are expensed as incurred. The fair value of assets acquired and liabilities assumed is estimated based on information available at the date of acquisition. Various valuation techniques are applied for measuring fair value, including analysis of the present value of the expected future cash flow derived from the acquired oil and gas reserves that rely on assumptions such as production forecasts, forward commodity prices, production costs, future development expenditures and discount rates. Changes in these variables could significantly impact the carrying value of the net assets.

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d. Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates (the "functional currency"). The functional and presentation currency of the Company is the United States dollar ("USD").

The results and financial position of subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing exchange rate at the date of that balance sheet.
- Income and expenses are translated at the average exchange rate for the period in which they were incurred as a reasonable approximation of the cumulative effect of rates prevailing on transaction dates.
- All resulting exchange-rate differences are recognized in other comprehensive income as part of the cumulative translation reserve.

Transactions and balances

Transactions in currencies other than the functional currency are recorded in the functional currency at the exchange rates prevailing on the dates of the transactions or valuation where items are re-measured. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the balance sheet date. Exchange-rate differences are recognized in the statement of comprehensive income during the period in which they arise.

e. Property, plant and equipment

Oil and gas assets

Oil and gas assets are composed of development and production costs for areas where technical feasibility and commercial viability have been established and include any exploration and evaluation assets transferred after conclusion of appraisal activities, as well as costs of development drilling, completion, gathering and production infrastructure, directly attributable overheads, borrowing costs capitalized and the cost of recognising provisions for future restoration and decommissioning. Oil and gas costs are accumulated separately for each contract area.

Depletion of oil and gas assets

Oil and gas assets are depleted using the unit of production method based on proved and probable ("2P") reserves using estimated production forecasts, forward commodity prices, production costs and future development expenditures necessary to bring those reserves into production.

Other property, plant and equipment

Other property, plant and equipment ("PP&E") include expenditures that are directly attributable to the acquisition of an asset. Subsequent costs are included in the assets' carrying value or recognized as a separate asset as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company, and the cost can be measured reliably.

Repairs and maintenance costs are charged to the statement of comprehensive income during the period in which they are incurred.

The carrying amount of an item of PP&E is derecognized on disposal. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of comprehensive income during the period.

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PP&E assets are carried at cost less accumulated depreciation and any recognized impairment loss and are depreciated on a straight-line basis over their expected useful economic lives as follows:

- Furniture and office equipment: 5 years
- Computer equipment: 3 years

f. Impairment of non-financial assets

Oil and gas assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Such indicators include:

- Extended decreases in prices or margins for oil and gas commodities or products.
- A significant downwards revision in estimated volumes or an upward revision in future development costs.

For impairment testing, the assets are aggregated into cash generating unit ("CGU") cost pools based on their ability to generate largely independent cash flows. The recoverable amount of a CGU is the greater of its fair value less cost of disposal and its value in use. Fair value is determined to be the amount for which the asset could be sold in an arm's-length transaction. Value-in-use is determined by estimating the discounted cash flows of 2P oil and gas reserves using forward prices, development costs and operating costs consistent with estimates prepared by ShaMaran's independent qualified reserves evaluator's estimates and may also consider an evaluation of comparable asset transactions, as applicable.

Where conditions giving rise to an impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the statement of comprehensive income net of any depreciation that would have been charged since the impairment.

g. Financial instruments

Financial assets and liabilities are recognized in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to cash flows from the assets expire or the Company transfers the financial asset and substantially all the risks and rewards of ownership. Gains and losses on derecognition are generally recognized in the consolidated statement of income. The Company derecognizes financial liabilities when the Company's obligations are discharged, cancelled or expelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of income.

Classification and measurement

The Company classifies its financial assets and liabilities at initial recognition in the following categories:

- Financial Assets at Amortized Cost – Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. This includes the Company's cash and cash equivalents, as well as receivables that consist of fixed or determined cash flows related solely to principal and interest amounts or contractual sales of oil. The Company's intent is to hold these receivables until cash flows are collected. Financial assets at amortized cost are recognized initially at fair value, net of any transaction costs incurred, and subsequently measured at amortized cost using the effective interest method. The Company recognizes a loss allowance for any expected credit losses on a financial asset that is measured at amortized cost.
- Financial Liabilities at Amortized Cost – Financial liabilities are measured at amortized cost using the effective interest method, unless they are required to be measured at Fair Value through Profit or Loss ("FVTPL"), or the Company has opted to measure them at FVTPL. Borrowings and accounts payable are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method.

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Impairment of financial assets

The Company measures impairment of financial assets based on expected credit losses ("ECL"). Where financial assets have a significant financing component, they are assessed and a lifetime ECL is determined, measured and recognized at the date of initial recognition of the receivables. For its receivables, the Company applies the simplified approach to providing for ECLs. In estimating the lifetime ECL provision, the Company considers historical industry default rates, as well as the history of its customer.

h. Cash and cash equivalents

Cash and cash equivalents are composed of cash on hand and demand deposits and other short-term liquid investments that are readily convertible to a known amount of cash within three months or less from the acquisition date. Restricted cash is cash held in a trust account for a specific purpose and is therefore not available for general business use.

i. Borrowings

Borrowings are recognized initially at fair value, net of any transaction costs incurred. Borrowings are subsequently carried at amortized cost using the effective interest rate method. General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized together with the qualifying assets. Once a qualified asset is fully prepared for its intended use and is producing, borrowing costs are no longer capitalized. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

j. Taxation

Income tax expense comprises current income tax. Current income tax is the expected tax payable on the taxable income for the period. It is calculated based on the tax laws enacted or substantively enacted at the balance sheet date and includes any adjustment to tax payable in respect of previous years.

Deferred income tax is the tax recognized in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases and is accounted for using the balance sheet liability method. Deferred income tax liabilities are generally recognized for all taxable temporary differences, and deferred income tax assets are recognized to the extent that it is probable that taxable profits will be available, against which deductible temporary differences can be utilized. Deferred income tax is not recorded if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither the accounting profit nor loss.

Deferred income tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates and interests in joint ventures except where the Company can control the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.
The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax is calculated at the tax rates that are expected to apply in the year when the deferred tax liability is settled, or the asset is realized. Deferred tax is charged or credited in the statement of comprehensive income except when it relates to items charged or credited directly to equity, in which case the deferred tax is also recognized directly in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority, and the Company intends to settle its current tax assets and liabilities on a net basis.

Income tax arising from the Company's activities in Kurdistan is settled by the KRG on behalf of the Company as part of the compensation arrangements under the production sharing contracts. However, the Company is not able to measure with sufficient accuracy the tax that has been paid on its behalf, and consequently revenue is not reported gross of income tax paid.

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k. Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive, due to a past event when it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, accounting for the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flow estimates to settle the present obligation, its carrying amount is the present value of those cash flows.

l. Decommissioning and site restoration

Provisions for decommissioning and site restoration are recognized when the Company has a present legal or constructive obligation to dismantle and remove production, storage and transportation facilities and to carry out site restoration work. The provision is calculated as the net present value of the Company's share of the expenditure expected to be incurred at the end of the producing life of each field using a discount rate that reflects the market assessment of the time value of money at that date. Unwinding of the discount on the provision is charged to the statement of comprehensive income within finance costs during the period. The amount recognized as the provision is included as part of the cost of the relevant asset and is charged to the statement of comprehensive income in accordance with the Company's policy for depreciation, depletion and amortization.

Changes in the estimated timing of decommissioning and site restoration cost estimates are dealt with prospectively by recording an adjustment to the provision and a corresponding adjustment to the relevant asset.

m. Pension obligations

The Company's Swiss subsidiary, ShaMaran Services SA, has a defined benefit pension plan that is managed through a private pension plan. Independent actuaries determine the cost of the defined benefit plan on an annual basis, and ShaMaran Services SA pays the annual insurance premium. The pension plan provides benefits coverage to the employees of ShaMaran Services SA in the event of retirement, death or disability. ShaMaran Services SA and its employees jointly finance retirement and risk benefits. Employees of ShaMaran Services SA pay 40% of the savings, risk and cost contributions, and ShaMaran Services SA contributes the difference between the total of all required pension plan contributions and the total of all employees' contributions.

n. Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or share options are shown in equity as a deduction, net of tax, from the proceeds.

o. Share-based payments

The Company issues cash and equity-settled, share-based payments to certain directors, employees and third parties. The fair value of the cash-settled, share-based payments is remeasured at the end of each quarter at the closing share price until settled. The fair value of the equity-settled, share-based payments is measured at the date of grant. The total expense is recognized over the vesting period, which is the period where all conditions to entitlement are to be satisfied. The cumulative expense recognized for equity-settled, share-based payments at each balance sheet date represents the Company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit for the period and the corresponding adjustment to the share-based payments reserve account during the period represents the movement in the cumulative expense recognized for all equity instruments expected to vest. The fair value of equity-settled, share-based payments is determined using the Black-Scholes option pricing model.

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p. Revenue recognition

Sales of oil production

Revenue for sales of oil is recognized when the significant risks and rewards of ownership are deemed to have been transferred to the buyer, the amount can be measured reliably, and it is assessed as probable that the economic benefit associated with the sale will flow to the Company. This occurs when oil reaches the delivery point enroute to the KRG's main export pipeline, or when oil loaded into a buyer's truck crosses the field boundary.

Revenue is recognized at fair value, which is composed of the Company's entitlement production due under the terms of the Atrush and Sarsang Joint Operating Agreements and the Atrush and Sarsang PSCs that have two principal components: cost oil, the mechanism by which the Company recovers qualifying costs it has incurred in exploring and developing an asset; and profit oil, the mechanism through which profits are shared between the Company, its partners and the KRG. The Company pays capacity-building payments on profit oil that are due for payment once the Company has received the related profit-oil proceeds. Profit-oil revenue is reported net of any related capacity-building payments. The revenue for local sales was recognized using the same method.

The Company's oil sales made to the KRG are under the terms of the most recently effective sales agreements that reflect a benchmark rate less estimated oil quality adjustments and all local and international transportation costs. The Company's oil sales made to local buyers were under the terms of a local sales agreement with an agreed oil price and volume nomination. The Company's single performance obligation in its contracts with its customers is the delivery of crude oil at the agreed delivery point (currently the block boundary) where control is transferred to the buyer and revenue is recognized for crude that will be compensated on the basis of an agreed pricing mechanism.

Interest income

Interest income is recognized using the effective interest method. The effective interest rate exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

q. Changes in accounting policies

There are no IFRS Accounting Standards or interpretations that have been issued effective for financial years beginning on or after January 1, 2025, that would have a material impact on the Company's consolidated financial statements.

r. Accounting standards issued but not yet applied

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18") which will replace IAS 1 and includes requirements for all entities applying IFRS Accounting Standards for the presentation and disclosure of information in the financial statements. IFRS 18 will introduce new totals, subtotals and categories for income and expenses in the statements of comprehensive income, as well as classification changes to the consolidated statements of cash flows. IFRS 18 also requires disclosures of management-defined performance measures ("MPMs") and additional requirements regarding the aggregation and disaggregation of certain information. The new guidance is expected to improve the usefulness of information presented and disclosed in the financial statements of companies. IFRS 18 will be effective for annual reporting periods beginning on or after January 1, 2027, and must be adopted on a retrospective basis.

ShaMaran is currently assessing system changes, preparing draft disclosures and planning comparative restatements ahead of the 2027 effective date.

IFRS 9 amendment

In May 2024, the International Accounting Standards Board issued amendments to *IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments* relating to settling financial liabilities using electronic payment systems and assessing contractual cash flow characteristics of financial assets. The amendments will be effective on January 1, 2026, and the Company has assessed the impact that are not material.

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There are no other new accounting standards that will come into effect for annual periods beginning on or after January 1, 2026, that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable-future transactions.

4. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 3, management has made judgments, estimates and assumptions about the carrying amounts of the assets, liabilities, revenues, expenses and related disclosures. These estimates and associated assumptions are based on historical experience, current trends and other factors that management believes to be relevant at the time these consolidated financial statements were prepared. Actual results may differ as future events and their effects cannot be determined with certainty, and such differences could be material. Management reviews the accounting policies, underlying assumptions, estimates and judgments on an on-going basis to ensure that the financial statements are presented fairly in accordance with IFRS Accounting Standards.

The following are the critical judgments and estimates that management has made in the process of applying the Company's accounting policies in these consolidated financial statements:

a. Revenue recognition

As explained in Note 3(p), the Company recognizes revenues when oil reaches the delivery point on the basis that control is deemed to have passed to the buyer, and that the mechanism for calculating the transaction price has been agreed upon. The conclusion that the economic benefits will flow to the Company at this point is a significant judgment and is based on management's evaluation that it is probable that the Company will collect the consideration from the KRG in exchange for oil deliveries.

b. Oil and gas reserves and resources

The business of the Company is the exploration and development of oil and gas reserves in the KRI. Estimates of commercial oil and gas reserves are used in the calculations for impairment and depletion. Changes in estimates of oil and gas reserves resulting in different future production profiles will affect the discounted cash flows used for impairment testing purposes and the depletion charges based on the unit of production method. Reserves are estimated using standard recognised evaluation techniques. Key assumptions used in estimating reserve volumes include the following: production forecasts, production costs, future development expenditures and forward commodity pricing. The Company uses independent qualified evaluators to evaluate the reserves.

c. Recoverability of receivables

The Company has reported non-current and current receivables composed of the Company's share of Atrush and Sarsang oil sales to the KRG.

The recovery of the receivable amounts from the KRG depends on several factors, including the continued production and exports of oil from the Atrush and Sarang blocks, the financial environment in the KRI and global oil prices. Under the terms of the relevant agreements, the receivable balances are recoverable in several ways, including by cash settlement and/or through payment in kind with oil production.

d. Impairment of assets

IAS 36 Impairment of Assets require that a review for impairment be carried out if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment is recorded if the net book value of the asset exceeds its recoverable amount. Refer to Note 13.

Future cash flow estimates that are used to calculate the fair value of the Company's CGUs are based on expectations about future operations, primarily comprising estimates about production and export volumes, oil prices, operating costs and capital expenditures. Changes in such estimates could impact recoverable values.

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e. Decommissioning and site restoration provisions

The Company recognizes a provision for decommissioning and site restoration costs expected to be incurred to remove and dismantle production, storage and transportation facilities and to carry out site restoration work. The provisions are estimated taking into consideration existing technology and current prices after adjusting for expected inflation and discounted using rates reflecting current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The Company makes an estimate based on its experience and data from the operator. Refer also to Note 19.

5. Business and geographical segments

The Company operates in one business segment, oil and gas exploration and production, and one geographical segment, the KRI. As a result, in accordance with *IFRS 8: Operating Segments,* the Company has presented its financial information collectively for one operating segment.

6. Revenues

As discussed in Note 2b, the ITP was closed from March 25, 2023, until September 27, 2025. The revenues recorded during this period relate entirely to oil sold to local refineries from the Sarsang Block since April 2023 and from the Atrush Block since November 2023. Prices for these crude oil sales to local refineries were in line with the local market and at a significant discount to international benchmark prices but with upfront or prompt payment. From September 27, 2025, all oil sales are to the KRG, and revenues are recorded as per the interim agreements at the Kirkuk blend official selling price, with payments in arrears.

Refer also to Note 14.

7. Cost of goods sold

Lifting costs are composed of the Company's share of expenses related to the production of oil from the Atrush and Sarsang blocks, including operation and maintenance of wells and production facilities, insurance and the operator's related support costs charged to the Company.

Other costs of production include the Company's share of other costs prescribed under the PSCs.

Oil and gas assets are depleted using the unit of production method based on proved and probable reserves using estimated future prices and costs and accounting for future development expenditures necessary to bring those reserves into production.

Refer also to Notes 6 and 13.

8. General and administrative expense

General and administrative expenses principally include the Company's cost of technical and administrative personnel, travel, office, business development, stock exchange listing and regulatory costs.

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9. Atrush Acquisition

a. Summary of acquisition

On August 6, 2024, the Company closed the Atrush Acquisition. The two-step transaction increased the Company's indirect 27.6% stake in the Atrush Block to a 50% working interest (66.67% paying interest) following the sale of an indirect 25% working interest (33.33% paying interest) to HKN Energy IV, Ltd. The purchase and sale were carried out simultaneously, and the net acquired position was therefore 22.4%. An affiliate of HKN Energy Ltd ("HKN") is now operator of the Atrush Block, and the KRG's 25% working interest in the Atrush Block was converted to a carried interest.

The Atrush Acquisition was accounted for using the acquisition method pursuant to IFRS 3. Refer to Note 3c. Under the acquisition method, assets and liabilities are recorded at fair value on the date of acquisition. The fair value of the PP&E acquired was assessed using fair value less cost of disposal methodology (level 3 analysis) using the present value of the expected future cash flows. The expected future cash flows used as part of the fair value were derived from a reserve report prepared by ShaMaran's independent qualified reserves evaluators.

The value of the net assets was recorded as a bargain purchase gain because the Atrush Acquisition was acquired for nominal consideration. As the only other independent joint venture partner at Atrush, the Company was able to provide the seller with a relatively quick exit and a high degree of certainty, at a time when Atrush was incurring monthly losses with production shut-in due to the ITP closure and the lack of trucking facilities. The bargain purchase gain arose from the fact that Atrush was able to restart production by establishing, growing and maintaining local sales.

b. Identifiable assets acquired and liabilities assumed

The preliminary purchase price allocation was based on management's best estimate of fair value. Upon finalizing the fair value of net assets acquired, adjustments to initial estimates, including the bargain purchase gain, may be required, and can be made up to twelve months from the closing date of the acquisition. No adjustments have been made.

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition.

	Fair Value
Property, plant, and equipment	85,256
Decommissioning liabilities	(9,580)
Accounts receivable on oil sales adjustment	(5,340)
Net identifiable assets acquired	**70,336**
Purchase consideration	-
Bargain purchase gain	**70,336**

There were no acquisitions in the year ending December 31, 2025.

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10. Finance income

	For the year ended December 31,	
	2025	2024
Interest on deposits	2,268	2,741
Interest from own corporate bond	-	635
Total interest income	**2,268**	**3,376**
Foreign exchange gain	102	18
Total finance income	**2,370**	**3,394**

11. Finance expense

	For the year ended December 31,	
	2025	2024
Interest/amortization charges on bonds	21,078	31,839
Adjustment of bond and loan amortization	2,499	(3,076)
Amortization of related-party loan	1,326	2,040
Finance cost for bond purchase	-	26
Total borrowing costs	**24,903**	**30,829**
Unwinding discount on decommissioning provision	1,000	81
Re-measurement of contingent consideration	663	110
Lease – interest expense	58	9
Interest expenses	19	-
Total finance expense before borrowing costs capitalized	**26,643**	**31,029**
Borrowing costs capitalized	(2,249)	(3,438)
Total finance expense	**24,394**	**27,591**

Interest and amortization charges relate to the Company's bond and related-party loan. The bond amendments effective May 2, 2025, as well as the repayments of the related-party loan, were treated as a modification to the bond and loan, and the amortization schedules were adjusted accordingly. Refer to Notes 17 and 18 for additional information.

Refer to Note 19 regarding the contingent consideration and decommissioning provision.

Borrowing costs directly attributable to the preparation of development assets for their intended use have been capitalized together with the related oil and gas assets. All other borrowing costs are recognized in the income statement in the period in which they are incurred.

Refer also to Note 15 regarding lease interest.

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12. Taxation

a. Income tax expense

The current tax expense is incurred on the profits of the Swiss administrative company and the Danish company that is currently winding down. The Company is not required to pay any cash corporate income taxes on its activities in the KRI, as disclosed in Note 3(j).

b. Tax losses carried forward

The Company has tax losses and costs that are available to apply to future taxable income as follows:

	For the year ended December 31,	
	2025	2024
Canadian losses from operations	136,945	226,196
Canadian exploration expenses	2,464	2,464
Canadian unamortized share-issue costs	2	1
Total tax losses carried forward	**139,411**	**228,661**

The Canadian losses from operations may be used to offset future Canadian taxable income and will expire over the period from 2031 to 2045. The Canadian exploration expenses may be carried forward indefinitely to offset future taxable Canadian income. Canadian unamortized share-issue costs may offset future taxable Canadian income from years 2026 to 2028.

The Company has not recognized deferred tax assets amounting to approximately $38 million (2024: $62 million) as it is not probable that these amounts will be realized.

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13. Property, plant and equipment

	Oil and gas assets	Computer equipment	Furniture and office equipment	Total
At January 1, 2024				
Cost	484,707	140	241	485,088
Accumulated depletion and depreciation	(182,616)	(73)	(207)	(182,896)
Net book value	**302,091**	**67**	**34**	**302,192**
For the year ended December 31, 2024				
Opening net book value	302,091	67	34	302,192
Atrush Acquisition	85,256	-	-	85,256
Additions	18,935	-	(2)	18,933
Depletion and depreciation expense	(40,577)	(64)	(32)	(40,673)
Net book value	**365,705**	**3**	**-**	**365,708**
At December 31, 2024				
Cost	588,898	129	222	589,249
Accumulated depletion and depreciation	(223,193)	(126)	(222)	(223,541)
Net book value	**365,705**	**3**	**-**	**365,708**
For the year ended December 31, 2025				
Opening net book value	365,705	3	-	365,708
Additions	8,883	-	-	8,883
Depletion and depreciation expense	(50,085)	(1)	-	(50,086)
Net book value	**324,503**	**2**	**-**	**324,505**
At December 31, 2025				
Cost	597,781	22	19	597,822
Accumulated depletion and depreciation	(273,278)	(20)	(19)	(273,317)
Net book value	**324,503**	**2**	**-**	**324,505**

PP&E principally comprises development costs related to the Company's share of the Atrush PSC before the Atrush Acquisition and the fair values of the Sarsang Acquisition and Atrush Acquisition, plus development costs related to the Company's share of the PSCs since these acquisitions, less the accumulated depletion and depreciation expense recorded on the PP&E balance.

At each reporting date, the Company assesses its CGUs for indicators of impairment or when facts and circumstances suggest the carrying amount may exceed the recoverable amount. At December 31, 2025, there was no indicator for impairment and the carrying amounts did not exceed the recoverable amounts.

Refer also to Notes 6 and 7.

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14. Accounts receivable

At December 31, 2025, the Company had outstanding receivables as follows:

	For the year ended December 31,	
	2025	2024
Accounts receivable on oil sales	96,093	64,058
Credit loss provision	(11,190)	(12,736)
Total accounts receivable, net of provisions	**84,903**	**51,322**
Current portion	61,965	23,964
Non-current portion	22,938	27,358

The accounts receivable balance at December 31, 2025, relates to $52.8 million in oil deliveries to the KRG from October 2022 through March 2023 (the "Overdue Receivables") and $43.3 million representing the remaining PSC entitlement amounts owed for the 2025 ITP export sales. The Company continues to discuss recovery of the Overdue Receivables with the KRG, but timing is uncertain. Refer to Note 2b. The Company has reassessed the credit loss provision for the Overdue Receivables and has compared the carrying value of the relevant trade receivables with the present value of the estimated future cash flows based on reasonable recovery scenarios, weighted by the relative probability of these potential outcomes. A relevant discount rate has been applied to reflect counterparty credit risk to provide a reasonable approximation of the fair value of these trade receivables at December 31, 2025. The result of the Company's assessment under IFRS 9 is a $1.5 million credit adjustment to these trade receivables in 2025, included in the Statement of Comprehensive Income (2024: $4.7 million). The portion of these receivables that is estimated to be received after 2026 is classified as non-current due to uncertainty in the timing of recovery.

The remaining PSC entitlement amounts owed for the 2025 ITP export sales are all classified as current receivables. Following the review of the IOC invoices and contractual entitlements by an industry consultant at the end of March 2026, it is expected that the remaining amounts will be paid.

Refer also to Note 6.

15. Right-of-use asset and lease liability

The right-of-use asset relates to the ten-year office lease for the Company's technical and administrative services office in Vésenaz, Switzerland. At December 31, 2025, the balance sheet shows a value of $656 for the right-of-use asset and a total lease liability value of $679; split $54 as a current liability (within other current liabilities) and $625 as a non-current liability. The income statement for the year 2025 includes the depreciation charge of the right-of-use asset of $59 plus an interest expense of $58 included in the finance cost. There were no right-of use assets or lease liabilities in the year 2024.

Refer also to Note 11.

16. Accounts payable and accrued expenses

	For the year ended December 31,	
	2025	2024
Payables to joint-operations partners	5,583	8,547
Accrued expenses	2,372	614
Trade payables	519	422
Total accounts payable and accrued expenses	**8,474**	**9,583**

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17. Borrowings

On June 10, 2024, the Company announced bondholder approval of certain amendments to the terms of the Company's $300 million bond, which originally matured in July 2025 (the "2025 Bond"). The amended terms included a two-year extension of the maturity date to July 2027 and several other amendments. Following a successful tender on June 26, 2024, $47 million of the 2025 Bond and $5.9 million of the 2025 Bond held by the Company were cancelled. Following the tender and satisfaction of other conditions precedent, the amended terms became effective July 1, 2024 (the "2027 Bond"). The annual interest rate on the 2027 Bond remained the same at 12%, but the interest payment timing changed from semi-annual to quarterly. A key amendment in the 2027 Bond terms was a mandatory quarterly cash sweep mechanism as of Q3 2024 that resulted in partial bond repayments at par of $26.8 million in January 2025 and a further $29.4 million in April 2025.

On April 11, 2025, the Company announced bondholder approval of certain further amendments to the terms of the Company's outstanding bond. The new amendments became effective on May 2, 2025, and included converting the mandatory cash sweep to voluntary and extending the maturity by an additional two years to July 2029 (the "2029 Bond"). All amendments to the bond have been treated as a modification to the Borrowings with the difference in fair values on modification recorded in Financing Expense. Refer to Note 11 for more information. The total outstanding nominal amount of the 2029 Bond as of the date these financial statements were approved is $143.8 million.

The bond has a financial covenant stating that at all times the ratio of reserve value to net debt ("Asset Coverage Ratio") shall be a minimum of 1.25x. The reserve value is based on the latest 2P reserve value as set out in the latest published reserve report. Net debt is calculated as total debt less cash and cash equivalents. The Company calculates the Asset Coverage Ratio each quarter and has been in full compliance since the covenant was included in the bond terms.

The movements in borrowings are explained below:

	For the year ended December 31,	
	2025	2024
Opening balance:	**198,296**	**257,255**
Interest/amortization charges	23,572	28,762
Own bond	-	28,402
Bond transaction costs	(556)	(1,061)
Payments to bondholders – interest	(19,818)	(37,476)
Bond cancellation	(56,146)	(77,586)
Ending balance	**145,348**	**198,296**
Non-current portion – net borrowings	131,799	161,730
Current portion – accrued bond interest expense	13,549	9,795
Current portion – amortization instalments	-	26,771

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18. Loan from related party

The Company had a loan from a related party, Nemesia S.à.r.l. ("Nemesia"), with an interest rate of 12% per annum payable in cash semi-annually, plus an additional interest amount of 2% per annum payable in kind at maturity. In May 2025, the Company elected to make a partial repayment of the loan of $5.0 million, as permitted under the amendments to the bond terms. In August 2025, the remaining $10.6 million balance of the loan was repaid plus all accrued and unpaid interest.

The movements in the Nemesia loan balance are explained below:

	For the year ended December 31,	
	2025	2024
Opening balance	**16,891**	**16,723**
Amortization	1,326	2,040
Repayment	(15,600)	-
Payment to Nemesia – interest	(2,617)	(1,872)
Ending balance	**-**	**16,891**

Refer also to Notes 11 and 25.

19. Provisions

	For the year ended December 31,	
	2025	2024
Opening balance	**32,972**	**16,585**
Unwinding discount on decommissioning provision	1,000	81
Atrush Acquisition obligations acquired	-	9,580
Discount rate adjustment on obligations acquired	-	6,553
Changes in estimates and obligations incurred	(698)	416
Changes in discount and inflation rates	(1,089)	(243)
Total decommissioning and site restoration provisions	**32,185**	**32,972**
Contingent consideration	12,027	11,364
Total provisions	**44,212**	**44,336**

The decommissioning and site restoration provision relates to the Company's share of future costs in respect of the Company's 50% interest (66.7% paying interest) in the Atrush Block and 18% interest (22.5% paying interest) in the Sarsang Block. The provision assumes these works will commence in 2032 for Atrush and in 2038 for Sarsang and will take ten years to abandon. The undiscounted provision at December 31, 2025, is $34.0 million (2024: $33.8 million), and was discounted using a risk-free rate of 3.24% for the Atrush Block and 3.8% for the Sarsang Block (2024: both blocks 3.12%), and an inflation rate of 2.68% (2024: 2.89%).

In 2024, the decommissioning obligations associated with the Atrush Acquisition were subsequently re-measured at the end of the reporting period using a risk-free discount rate, with any changes recognized in the decommissioning liabilities and PP&E in the consolidated financial statements, in line with the Company's accounting policy for decommissioning obligations.

The contingent consideration relates to the purchase consideration for the Sarsang Acquisition and is payable to the seller upon (i) cumulative gross oil production from the Sarsang PSC reaching 130 MMbbls and (ii) Brent crude oil prices averaging at least $60/bbl for the preceding twelve-month period. The Company estimates the fair value of this contingent consideration based on forecasted results from the reserves report at the end of each quarter and treats any difference as a finance income/cost.

Refer also to Note 11.

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20. Share capital

The Company is authorized to issue an unlimited number of common shares with no par value. The Company's issued share capital is as follows:

	Number of shares	Share capital
At January 1, 2024	**2,824,362,157**	**671,136**
RSUs	6,873,839	371
Options	14,725,369	1,023
At December 31, 2024	**2,845,961,365**	**672,530**
RSUs	12,753,177	(432)
Options	16,734,707	2,524
At December 31, 2025	**2,875,449,249**	**674,622**

During 2025, a total of 12,753,177 common shares from vested Restricted Share Units ("RSUs") and 16,734,707 common shares from exercised options were issued to plan participants in accordance with the Company's Share Unit Plan (2024 full year: 6,873,839 RSUs and 14,725,369 options). The carrying value of the RSU shares has been determined based on the Company's average closing share price over the five-day period prior to the vesting date.

Refer also to Note 21.

Earnings per share

	For the year ended December 31,	
	2025	2024
Net income, in dollars	26,827,000	82,216,000
Weighted average number of shares outstanding during the year	2,866,319,855	2,832,926,845
Weighted average diluted number of shares outstanding during the year	2,968,406,742	2,988,598,758
Basic income per share, in dollars	0.01	0.03
Diluted income per share, in dollars	0.01	0.03

21. Share-based payments expense

The Company has established share unit plans and a share purchase option plan whereby a committee of the Board may, from time to time, grant up to a total of 10% of the issued share capital to directors, officers, employees and consultants. At December 31, 2025, a total of 102,086,887 shares (4% of the issued share capital) had been granted of the potential 287,544,925 shares that could be granted under the plans. 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. Under the plans, the Company may grant stock options, performance share units, RSUs and deferred share units ("DSUs"). The DSU Plan is for non-executive directors of the Company.

Stock options vest in three equal tranches over two years with the first vesting immediately on the grant date, the next on the first anniversary date and the remaining third on the second anniversary date. RSUs vest in three equal tranches over three years with the first vesting on the first anniversary of the grant date, the next on the second anniversary date and the remaining third on the third anniversary date. The grants are subject to continued employment with the Company. DSUs vest immediately on grant but are not available until the non-executive director leaves the Company.

In 2025, a total of 24,476,673 RSUs vested, 46,193,336 options were exercised and no DSUs were redeemed (2024: 12,952,465 RSUs vested, 47,223,004 options were exercised and 1,475,335 DSUs were redeemed in cash, and 8,747,540 RSUs and 10,023,332 options were forfeited).

The result of the movements in 2025 resulted in charges to the Statement of Comprehensive Income for options of $893 (2024: $1,029), for RSUs of $1,654 (2024: $1,312) and for DSUs of $2,290 (2024: $1,349). The carrying amount of the DSU liability at December 31, 2025, is $3,904 (December 31, 2024: $1,854), which is valued at the year-end closing share price.

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A summary of movements in the Company's outstanding options and share units is below:

	Number of stock options outstanding	Number of RSUs outstanding	Number of DSUs outstanding
At December 31, 2024	**65,296,664**	**65,349,997**	**22,270,235**
Granted in the year	8,300,000	11,540,000	-
Options exercised	(46,193,336)	-	-
RSUs vested	-	(24,476,673)	-
At December 31, 2025	**27,403,328**	**52,413,324**	**22,270,235**
Quantities vested and unexercised:			
At December 31, 2024	29,660,839	-	22,270,235
At December 31, 2025	9,816,670	-	22,270,235
Weighted average exercise price of options exercised in the year:			
2024	CAD 0.06		
2025	CAD 0.07		
Weighted average remaining contractual life of options:			
At December 31, 2024	3.8 years		
At December 31, 2025	4.1 years		
Weighted average exercise price of outstanding options:			
At December 31, 2024	CAD 0.08		
At December 31, 2025	CAD 0.14		

The Company recognizes compensation expense on stock options granted to both employees and non-employees using the fair value method at the date of grant. The share-based payments expense for these options is calculated using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

The Company's stock options granted in 2025 were calculated using a risk-free rate of 2.77% (2024: 2.98%), volatility rate of 72.96% (2024: 73.94%) and have a strike price of CAD 0.245 (2024: CAD 0.12) which represents the share price at grant.

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22. Financial instruments

Financial assets

The financial assets of the Company on the balance sheet dates were as follows:

	Fair value hierarchy [6]	Carrying and fair values at [1] December 31, 2025	December 31, 2024
Accounts receivable [5]	Level 3	84,903	51,322
Cash and cash equivalents, unrestricted [2]	Level 1	41,150	76,792
Cash and cash equivalents, restricted [2]	Level 1	981	9
Other receivables [2]	Level 2	142	529
Total financial assets		**127,176**	**128,652**

Financial assets classified as other receivables are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method, less any provision for impairment.

Financial liabilities

The financial liabilities of the Company on the balance sheet dates were as follows:

	Fair value hierarchy [6]	Carrying values at December 31, 2025	December 31, 2024
Borrowings [3]	Level 2	131,799	188,501
Accrued interest on bond	Level 2	13,549	9,795
Contingent consideration	Level 3	12,027	11,364
Accounts payable and accrued expenses [2]	Level 2	8,474	9,583
Related-party loan [4]	Level 2	-	16,891
Current tax liabilities	Level 2	-	25
Total financial liabilities		**165,849**	**236,159**

Financial liabilities other than the contingent consideration are initially recognized at the fair value of the amount expected to be paid and are subsequently measured at amortized cost using the effective interest rate method. The contingent consideration is recorded at its estimated fair value at the end of each quarter with any movements recorded to finance income/cost. Refer to Note 19 for additional information.

[1] The carrying amount of the Company's financial assets approximate their fair values at the balance sheet dates.

[2] No valuation techniques have been applied to establish the fair value of these financial instruments as they are either cash and cash equivalents, correspond to payment terms fixed by contract or, due to the short-term nature, are readily convertible to or settled with cash and cash equivalents.

[3] The Company's estimate of the fair value of its net borrowings (the gross outstanding amount of the 2029 Bond) at the balance sheet date is $150.6 million (December 31, 2024: $201.9 million) based on recent trading in the Company's bond and indicative pricing provided by brokers.

[4] The Company's related-party loan was fully repaid at the balance sheet date (Estimated fair value at December 31, 2024: $15.6 million, based on its nominal value).

[5] Provisions have been made to the accounts receivable. Refer to Note 14 for additional information.

[6] *Fair value measurements*

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a fair value hierarchy of three levels to classify the inputs to valuation techniques used to measure fair value:

- Level 1: fair value measurements are based on unadjusted quoted market prices;
- Level 2: fair value measurements are based on valuation models and techniques where the significant inputs are derived from quoted prices or indices; and
- Level 3: fair value measurements are derived from valuation techniques that include inputs that are not based on observable market data.

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Capital risk management

The Company manages its capital to ensure that entities within the Company will be able to continue as a going concern while maximising return to shareholders. The capital structure of the Company consists of cash and cash equivalents and equity, comprising issued share capital, reserves and retained earnings as disclosed in the consolidated statement of changes in equity. The Company had debt relating to borrowings and accrued interest of $146.6 million as at December 31, 2025 (2024: $224.0 million).

Financial risk management objectives

The Company's management monitors and manages the Company's exposure to financial risks facing the operations. These financial risks include market risk (including commodity-price, foreign-currency and interest-rate risks), credit risk and liquidity risk.

The Company does not presently hedge against these risks as the benefit of entering into such agreements is not considered to be significant enough as to outweigh the significant cost and administrative burden associated with such hedging contracts.

Commodity-price risk

The prices that the Company receives for its oil and gas production may have a significant impact on the Company's revenues and cash flows provided by operations. Global market prices for oil and gas are characterised by significant fluctuations that are determined by the global balance of supply and demand and worldwide geopolitical developments. The price received for the Company's oil and gas production in the KRI is dependent upon international oil prices and the KRG's ability to continue exporting production outside of Iraq. A decline in the price of ICE Brent crude oil and Kirkuk blend crude oil official selling price, a reference in determining the price at which the Company can sell future oil production, could adversely affect the amount of funds available for capital reinvestment purposes, as well as the Company's value-in-use calculations for impairment test purposes. Refer also to Note 4(d).

The Company does not hedge against commodity-price risk.

Foreign-currency risk

All of the Company's revenues and most of its purchases are denominated in USD, and therefore the Company maintains a substantial portion of its cash and cash equivalents in the currency. Certain of its operations require the Company 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, such as Swiss Francs ("CHF") and Canadian dollars ("CAD"). 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 small amounts of foreign currencies at any point in time, and because its volume of transactions in foreign currencies is relatively low. Therefore, the Company does not hedge its exposure to changes in foreign currency exchange rates.

The carrying amounts of the Company's principal monetary assets, liabilities and equity denominated in foreign currency at the reporting date are as follows:

	Assets at December 31,		Liabilities at December 31,	
	2025	2024	2025	224
Canadian dollars in thousands ("CAD '000")	138	299	394	115
Swiss francs in thousands ("CHF '000")	312	1,383	814	372

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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.

The Company is highly leveraged though financing at the corporate level due to the 2029 Bond. However, the Company is not exposed to interest-rate risks associated with the bonds as the coupon rate is fixed.

Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is primarily exposed to credit risk on its cash and cash equivalents, oil receivables 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.

The carrying amounts of the Company's financial assets recorded in the consolidated financial statements represent the Company's maximum exposure to credit risk.

Refer to Note 14.

Liquidity risk

Liquidity risk is the risk that the Company will have difficulties meeting its financial obligations as they become due. Like many oil and gas exploration companies, the Company raises financing for its exploration and development activities in discrete tranches to finance its activities for limited periods. The Company seeks to acquire additional funding as and when required. The Company anticipates making substantial capital expenditures in the future for the acquisition, exploration, development and production of oil and gas reserves, and, as the Company continues to develop projects, 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 is available, that it will be on terms acceptable to the Company.

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

The maturity profile of the Company's financial liabilities is indicated by their classification in the consolidated balance sheet as "current" or "non-current".

The remaining maturities of financial liabilities, including associated interest, are shown in the table below:

	Less than one year	From one to two years	Total
Borrowings	17,252	191,212	**208,464**
Payables to joint-operations partner	5,583	-	**5,583**
Trade payables and accrued expenses	2,891	-	**2,891**
Total	**25,726**	**191,212**	**216,938**

Refer to Notes 2b, 16 and 17.

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23. Commitments and contingencies

At December 31, 2025, the outstanding commitments of the Company were as follows:

	For the year ended December 31,				
	2026	2027	2028	Thereafter	Total
Atrush and Sarsang block development and PSC	101,117	400	400	1,800	**103,717**
Sarsang contingent consideration	-	-	-	15,000	**15,000**
Corporate office and other	73	63	63	382	**581**
Total commitments	**101,190**	**463**	**463**	**17,182**	**119,298**

Amounts relating to Atrush and Sarsang block developments represent the Company's unfunded paying interest share of the approved 2026 work program and other obligations under the PSCs. The capital expenditure commitments in the work plans and budgets are contingent upon continuation of sales and other economic factors.

Refer to Note 19 for further information regarding the Sarsang contingent consideration.

24. Interests in joint operations and other entities

Interests in joint operation – Atrush Block Production Sharing Contract

ShaMaran holds a 50% participating interest (66.7% paying interest) in the Atrush PSC through ShaMaran Atrush Ltd. (formerly General Exploration Partners, Inc). HKN is the Operator of the Atrush Block with a 25% direct interest (33.3% paying interest), and the KRG holds a 25% direct carried interest. HKN, the KRG and ShaMaran Atrush Ltd. together are "the Contractors" to the Atrush PSC.

Under the terms of the Atrush PSC, the development period is for 20 years with an automatic right to a five-year extension and the possibility to extend for an additional five years. All qualifying petroleum costs incurred by the Contractors shall be recovered from a portion of available petroleum production, defined under the terms of the Atrush PSC. All modifications to the Atrush PSC are subject to the approval of the KRG. The Company is responsible for its pro-rata share of the KRG's costs and its own pro-rata share of the costs incurred in executing the development work program on the Atrush Block, which commenced on October 1, 2013.

Interests in joint operation – Sarsang Block Production Sharing Contract

ShaMaran holds an 18% participating interest (22.5% paying interest) in the Sarsang PSC through ShaMaran Sarsang Ltd. HKN is the Operator of the Sarsang Block with a 62% direct interest (77.5% paying interest), and the KRG holds a 20% direct carried interest. HKN, the KRG and ShaMaran Sarsang Ltd. together are "the Contractors" to the Sarsang PSC.

Under the original terms of the Sarsang PSC, the development period is for 20 years with an automatic right to a five-year extension and the possibility to extend for an additional five years. All qualifying petroleum costs incurred by the Contractors shall be recovered from a portion of available petroleum production, defined under the terms of the Sarsang PSC. All modifications to the Sarsang PSC are subject to the approval of the KRG. The Company is responsible for its pro-rata share of the KRG's costs and its own pro-rata share of the costs incurred in executing the development work program on the Sarsang Block, which commenced on June 30, 2013.

Refer also to Notes 7 and 19.

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Information about subsidiaries

The consolidated financial statements of the Company include:

Subsidiary	Principal activities	Country of incorporation	% Equity interest as at Dec 31, 2025	% Equity interest as at Dec 31, 2024
ShaMaran Atrush Ltd.	Oil exploration and production	Cayman Islands	100	100
Sunrise Atrush B.V.	Oil exploration and production	Netherlands	0	100
ShaMaran Sarsang A/S	Oil exploration and production	Denmark	100	100
ShaMaran Sarsang Ltd.	Oil exploration and production	Cayman Islands	100	0
ShaMaran Services S.A.	Technical and admin. services	Switzerland	100	100

Sunrise Atrush B.V. is the Dutch company acquired in 2024, formerly TAQA Atrush B.V., which was liquidated in 2025.

ShaMaran Sarsang Ltd. is a newly created company in 2025 to which all the assets and liabilities of ShaMaran Sarsang A/S were sold at the end of June 2025. ShaMaran Sarsang A/S is in the process of liquidation.

25. Related-party transactions

Transactions with corporate entities

	Payments during the year		Amounts owing at December 31,	
	2025	2024	2025	2024
Nemesia	17,785	2,041	-	1,291
International Petroleum Corp.	347	206	36	23
Orrön Energy AB	202	93	1	-
Namdo Management Services Ltd.	31	113	74	52
Lundin Foundation	19	55	-	-
Total	**18,384**	**2,508**	**111**	**1,366**

Nemesia is a company controlled by a trust settled by the estate of the late Adolf H. Lundin and is a shareholder and bondholder of the Company. The Company had a loan from Nemesia and the obligation to accrue 12% annual interest payable in cash semi-annually, plus an additional interest amount of 2% per annum payable in kind based on the principal balance outstanding. The loan plus all outstanding interest was fully repaid in 2025. Refer also to Note 18 for further details.

The Lundin Foundation is a non-profit organization, of which the Company is a member, that provides services for Lundin Group companies.

International Petroleum Corp., Namdo Management Services Ltd. and Orrön Energy AB are companies affiliated with shareholders of the Company and provide corporate, technical and administrative support services to the Company.

All transactions with related parties are conducted in the normal course of business and are made on an arm's-length basis, as with all third parties.

Refer also to Note 11.

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Key management compensation

The Company's key management included its directors and executive officers that were remunerated as follows:

	For the year ended December 31,	
	2025	2024
Management short-term benefits	4,240	1,623
Management share-based payments	3,818	1,685
Director share-based payments	2,140	1,413
Management salaries	1,088	1,404
Director fees	335	240
Management pension benefits	213	221
Total	**11,834**	**6,586**

Short-term employee benefits include non-equity incentive plan compensation and other short-term benefits. Share-based payments compensation represents the portion of the Company's share-based payments expense incurred during the year attributable to key management, accounted for in accordance with *IFRS 2 'Share-Based Payments'.*

26. Subsequent Events

On January 19, 2026, the Company announced that it is pursuing a change in the Company's primary listing on the TSXV to the Euronext Growth Oslo market operated by the Oslo Stock Exchange. The Company will continue to fully support the secondary listing on Nasdaq First North Growth Market in Stockholm. ShaMaran plans to simultaneously effect a corporate continuance from Canada to Bermuda to have a more efficient corporate structure. If ShaMaran completes both transactions, the Company will no longer be incorporated in British Columbia and subject to the laws of Canada, it will cease to be listed on the TSXV, and it will no longer be a reporting issuer in any jurisdiction in Canada. ShaMaran will instead be incorporated in and subject to the laws of Bermuda. ShaMaran intends to hold a special meeting of shareholders on March 10, 2026, to seek approval of a special resolution approving the continuance of the Company from British Columbia, Canada to Bermuda. If approved by shareholders, this is expected to be effective on or around March 16, 2026.

On March 2, 2026, the Company announced a temporary production shut-in at both the Atrush and Sarsang blocks as a precautionary measure due to the regional security environment.

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NON-EXECUTIVE DIRECTORS

Chris Bruijnzeels
Director, Chairman

Michael Ebsary
Director

Keith Hill
Director

William Lundin
Director

OFFICERS

Garrett Soden
Director, President and Chief Executive Officer

Elvis Pellumbi
Chief Financial Officer and Corporate Secretary

INVESTOR RELATIONS

Robert Eriksson

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Canada

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Calgary, Canada

TRANSFER AGENT

Computershare Trust Company of Canada
Vancouver, Canada

STOCK EXCHANGE LISTINGS

Toronto: TSX Venture Exchange

Stockholm: NASDAQ First North
Growth Market

Trading Symbol: SNM

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SHAMARAN
Petroleum Ltd.

Financial Report

For the three and nine months ended September 30, 2026

(UNAUDITED)

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the management of the Company. The Company's independent auditor has not performed a review of these financial statements.

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Management's Discussion and Analysis

For the three and nine months ended September 30, 2026

INTRODUCTION

Management's discussion and analysis ("MD&A") of the financial and operating results of ShaMaran Petroleum Ltd. (together with its subsidiaries, "ShaMaran" or the "Company") is prepared with an effective date of November 9, 2026, and is intended to provide an overview of the Company's operations, financial performance and current and future business opportunities. The MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2026, together with the accompanying notes ("Financial Statements") and the third quarter 2026 results press release.

Company Overview

ShaMaran Petroleum Ltd., formerly ShaMaran Petroleum Corp., completed the previously announced corporate continuance from Canada to Bermuda on May 27, 2026. The Company is now incorporated in and subject to the laws of Bermuda, and the address of the registered office is Richmond House, 12 Par-la-Ville, Hamilton HM08, Bermuda.

Simultaneously with the continuance, the Company's shares were delisted from the TSX Venture Exchange in Toronto and, on June 5, 2026, began trading on the Euronext Growth Oslo market ("EGO") operated by the Oslo Stock Exchange. The Company maintains its secondary listing on the Nasdaq First Growth North in Stockholm. The Company's shares on both markets trade under the ticker symbol "SNM".

The Company is engaged in the business of oil and gas exploration and production and holds the following interests at September 30, 2026:

- 50% non-operated working interest (66.7% paying interest) in the Atrush Block production sharing contract ("Atrush PSC") in the Kurdistan Region of Iraq ("KRI"). The Atrush Block twenty-year development period commenced in Q4 2013, and oil production on the Atrush Block commenced in Q3 2017.

- 18% non-operated working interest (22.5% paying interest) in the Sarsang Block production sharing contract ("Sarsang PSC") in the KRI. The Sarsang Block twenty-year development period commenced in Q2 2013, and oil production on the Sarsang Block commenced in Q1 2013.

Basis of Preparation

The MD&A and Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Unless otherwise stated herein, all currency amounts indicated as "$" in this MD&A are expressed in United States dollars ("USD").

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INTERIM MD&A QUARTERLY HIGHLIGHTS

- Atrush and Sarsang production and pipeline exports restarted in mid-August 2026, following temporary disruptions since March 2026 caused by the regional security situation. Other international oil companies ("IOCs") in the region also announced temporary production shut-ins over the same period. The volume of oil being exported by the industry from the KRI via the Iraq-Türkiye pipeline ("ITP") has steadily increased back to the level of exports before the Iran war;
    - International oil exports from the KRI through the ITP restarted on September 27, 2025, and have continued in line with the interim Tri-Party Agreement ("TPA") executed between the Kurdistan Regional Government ("KRG"), Government of Iraq and several IOCs, including ShaMaran.
    - IOCs are entitled to receive export payments "in-kind" under the interim agreements, with cargoes sold by the IOC-appointed marketing firm on a regular basis, and payments for the sales received approximately 30 days after each lifting. The payments due from the Iraqi State Organization for Marketing of Oil ("SOMO") as part of the interim agreements have been received on a regular basis since the start of exports in September 2025.
    - The TPA has been extended until January 27, 2027, and a long-term agreement is expected after the reconciliation of IOC invoices with the respective PSCs by the appointed international consulting firm. With the review of the initial invoices now complete, IOCs expect to receive payment of their full PSC entitlements (the "Top-up payments"). Top-up payments commenced in October 2026, and IOCs are working with SOMO to collect the remaining amounts due.
- Average gross daily oil production from Atrush and Sarsang in Q3 2026 on a combined basis was 32.0 Mbopd (33% lower than the 47.6 Mbopd in Q3 2025) due to shut-ins during Q3 2026 (28 days in total) and is currently approximately 52.0 Mbopd;
- Average Company net daily oil production from Atrush and Sarsang in Q3 2026 on a combined basis was 14.3 Mbopd (21% lower than the 18.0 Mbopd in Q3 2025) due to shut-ins during Q3 2026 and is currently approximately 22.2 Mbopd;
- Revenue in Q3 2026 was $84.6 million (193% higher than the $28.9 million in Q3 2025) due to the impact of higher international oil prices in Q3 2026 (versus local sales for most of Q3 2025);
- Oil sales in Q3 2026 averaged an estimated net oil price of $107.23/bbl from the two blocks on a combined basis (208% higher than the $34.76/bbl in Q3 2025) due to international pricing since the restart of pipeline exports;
- Lifting costs in Q3 2026 were $7.5 million (20% lower than the $9.4 million in Q3 2025) mainly due to lower production and costs following the shut-ins;
- Gross margin on oil sales in Q3 2026 was $69.6 million (648% higher than the $9.3 million in Q3 2025) mainly due to Q3 2026 pipeline export sales at higher international pricing and lower costs due to the shut-ins;
- Adjusted EBITDAX[1] in Q3 2026 was $76.0 million (325% higher than the $17.9 million in Q3 2025) due to a combination of the effects described above;
- The Company generated $12.9 million in cash flow from operating activities during Q3 2026 (119% higher than the $5.9 million in Q3 2025). The increase is due to timing of cash receipts for pipeline export sales, with a significant amount of the quarterly sales proceeds and top-up payments expected after the end of the quarter; and
- At September 30, 2026, the Company had cash of $21.8 million and gross debt (corporate bond) of $143.8 million. Net debt[1] was $121.9 million.

SUBSEQUENT EVENTS:

- On October 15, 2026, the Company announced the commencement of top-up payments for export oil sales following the allocation by SOMO of additional oil cargoes to IOCs under the October 2026 lifting program. The extra barrels lifted are intended to compensate IOCs at full international prices under the TPA interim export agreements and start the payment of outstanding top-up receivables accrued on export sales from September to December 2025;

[1] Non-IFRS Accounting Standards measures do not have any standardized meaning prescribed by IFRS Accounting Standards and are therefore unlikely to be comparable to similar measures presented by other public companies. Non-IFRS Accounting Standards measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS Accounting Standards. The Company uses non-IFRS Accounting Standards measures to provide investors with supplemental information. Refer to the "Non-IFRS Accounting Standards Measures" section of this MD&A for more information.

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- On October 20, 2026, ShaMaran announced the extension of its cooperation with HKN Energy Ltd. ("HKN") into Federal Iraq through the Hamrin oil development and production contract ("DPC"). As part of this expansion, ShaMaran will have a 25% shareholding in HKN Hamrin Ltd., the joint venture company holding 100% of the Hamrin DPC. The transaction closed on November 9, 2026.;
- On October 20, 2026, the Company also announced the signing of a merger and combination agreement with Gulf Keystone Petroleum Ltd. ("Gulf Keystone") to combine the two businesses. The Transaction will be structured as a statutory merger under corporate law in Bermuda, where both companies are incorporated, whereby Gulf Keystone will remain as the surviving legal entity., and inherit. Completion of the Transaction is subject to customary closing conditions and is expected to occur in mid-2027;
- On October 21, 2026, the Company announced the successful placement of a new $200 million five-year senior unsecured bond maturing in 2023 and carrying an annual coupon rate of 10.25%. The proceeds will be used to refinance the Company's existing bond maturing in 2029 that has a 12.0% coupon, as well as to fund investments in the Hamrin field in Federal Iraq and for general corporate purposes. Settlement of the bond issue was completed on November 5, 2026; and
- The Company has received $26.7 million of oil sales proceeds and top-up payments since the end of the third quarter 2026.

OPERATIONS REVIEW

	Three months ended Sept 30,		Nine months ended Sept 30,	
	2026	2025	2026	2025
Average daily oil production – gross 100% field (Mbopd)				
- Atrush	26.6	29.4	16.2	33.2
- Sarsang	5.4	18.2	7.1	25.5
Total	**32.0**	**47.6**	**23.3**	**58.7**
Average daily oil production – Company net (Mbopd)				
- Atrush (50%)	13.3	14.7	8.1	16.6
- Sarsang (18%)	1.0	3.3	1.3	4.6
Total	**14.3**	**18.0**	**9.4**	**21.2**
Oil sales – gross 100% field (Mbbl)				
- Atrush	2,473	2,701	4,412	9,068
- Sarsang	522	1,599	1,945	6,967
Total	**2,995**	**4,300**	**6,357**	**16,035**
ShaMaran oil sales entitlement (Mbbl)				
- Atrush (50%)	732	652	1,205	2,183
- Sarsang (18%)	57	181	219	787
Total	**789**	**833**	**1,424**	**2,970**

Production at Atrush and Sarsang restarted when the security situation improved in mid-August 2026, and both fields resumed exports through the ITP. Production at Sarsang has gradually increased with repairs to the damage from drone attacks in March and April 2026.

Operational plans for the remainder of 2026 involve a further ramping up of production at Sarsang as production facilities are gradually enhanced and stranded wells put back online, together with installation of drone detection technology across both blocks.

At Atrush, average production in Q3 2026 was 26.6 Mbopd, with current production at approximately 40.0 Mbopd. When not shut-in, the field produced at approximately 41.5 Mbopd during the third quarter. The successful completion of the 2026 Atrush Capacity Extension (ACE) project increased production capacity to 43 Mbopd. As a result, completion and stimulation of well CK25, initially planned for 2027, will be accelerated to Q4 2026 and is expected to add 2 Mbopd of immediate production. CK25 potential is estimated at 5-8 Mbopd and is expected to maintain Atrush at maximum processing capacity of 43 Mbopd for the near future.

At Sarsang, average production in Q3 2026 was 5.4 Mbopd, with current production at approximately 12.0 Mbopd. The field is producing from the recommissioned Early Production Facilities ("EPF") on pad A and B, with a potential of 14 Mbopd. Approximately 9.8 Mbopd remain stranded and will progressively come back online as desalting work progresses. Sarsang production is expected to reach 22 Mbopd in early 2027.

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FINANCIAL REVIEW

Financial Results

Selected Quarterly Financial Information

The following is a summary of selected quarterly financial information for the Company:

USD Thousands (except per share data)	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
Continuing operations:								
Revenue	**84,643**	17,759	38,031	54,663	28,936	35,385	35,885	34,749
Cost of goods sold	**(15,079)**	(4,496)	(15,333)	(24,146)	(19,658)	(22,610)	(23,409)	(15,673)
General and administrative expense	**(1,544)**	(2,036)	(1,871)	(4,592)	(1,492)	(1,552)	(5,076)	(3,340)
Share-based payments expense	**(909)**	(611)	166	1,115	(1,477)	(1,004)	(3,471)	(1,533)
Depreciation and amortization	**(26)**	(25)	(26)	(27)	(20)	(37)	(1)	(32)
Credit loss provision	**(227)**	539	(185)	(420)	(390)	1,042	1,314	24
Finance expense	**(3,581)**	(2,610)	(4,076)	(4,625)	(4,594)	(8,286)	(6,982)	(6,793)
Finance income	**163**	292	338	582	584	655	641	782
Income tax expense	**(4)**	7	(20)	(7)	(18)	(75)	(7)	(65)
Net income/(loss)	**63,436**	**8,819**	**17,024**	**22,543**	**1,871**	**3,518**	**(1,106)**	**8,119**
EBITDAX[2]	**74,571**	11,030	28,294	39,568	16,391	23,846	17,777	21,885
Adjusted EBITDAX[3]	**75,983**	11,882	28,128	39,887	17,868	24,850	24,465	23,418
Earnings per share in $								
- Basic	**0.022**	0.003	0.006	0.008	0.001	0.001	-	0.003
- Diluted	**0.021**	0.003	0.006	0.008	0.001	0.001	-	0.003

EBITDAX is calculated as the net result before financial items, taxes, depletion of oil and gas properties, impairment costs, the gains on acquisitions, depreciation and exploration expenses and adjusted for non-recurring profit/loss on sale of assets and other income. Explanations for the significant variances between periods are provided in the following sections.

Summary of Principal Changes in the Third Quarter Financial Information

The $63.4 million net income generated in Q3 2026 was primarily driven by the estimated crude selling price for ITP export sales, in line with international benchmark prices. The income and expenses in Q3 2026 are explained in more detail in the following sections.

[2] Non-IFRS Accounting Standards measures do not have any standardized meaning prescribed by IFRS Accounting Standards and are therefore unlikely to be comparable to similar measures presented by other public companies. Non-IFRS Accounting Standards measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS Accounting Standards. The Company uses non-IFRS Accounting Standards measures to provide investors with supplemental information. Refer to the "Non-IFRS Accounting Standards Measures" section of this MD&A for more information.

[3] Adjusted EBITDAX adds back the non-cash share-based payments expense each quarter, as well as non-recurring, transaction and project related expenses.

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Gross margin on oil sales

	Three months ended September 30,		Nine months ended September 30,	
USD Thousands	2026	2025	2026	2025
Revenue from oil sales	84,643	28,936	140,433	100,206
Lifting costs	(7,535)	(9,426)	(19,464)	(27,737)
Other costs of production	(84)	(150)	(269)	(383)
Depletion costs	(7,460)	(10,082)	(15,175)	(37,557)
Cost of goods sold	**(15,079)**	**(19,658)**	**(34,908)**	**(65,677)**
Gross margin on oil sales	**69,564**	**9,278**	**105,525**	**34,529**

Revenue from oil sales relates to the Company's entitlement share of local oil sales until September 26, 2025, and then ITP export sales from the Atrush and Sarsang blocks. The revenue in the third quarter and the first nine months of 2026 was higher than the same periods of 2025, mainly due to higher international oil prices for exports. The Company's entitlement share of oil sales in the first nine months was 1.4 MMbbls, 53% lower than the 3.0 MMbbls entitlement in 2025 due to the production shut-ins during 2026. Revenue benefited in 2026 from higher sales prices with the average net oil price for the first nine months of 2026 at $98.62/bbl for the two blocks on a combined basis (192% higher than the $33.74/bbl for the same period in 2025) due to ITP sales at international prices.

Lifting costs comprise the Company's share of expenses related to the production of oil from the Atrush and Sarsang blocks, including operations and maintenance of wells and production facilities, insurance and the operator's related support costs as charged to the Company. Lifting costs were 20% lower in the third quarter and 30% lower in the first nine months of 2026 compared to the same periods of 2025, mainly due to immediate cost control following the shut-ins and lower production levels.

Other costs of production include the Company's share of other costs prescribed under the Atrush and Sarsang PSCs.

Depletion costs were 26% lower in the third quarter and 60% lower in the first nine months of 2026, compared to the same periods of 2025, due to the loss of production during the 2026 shut-ins.

Gross margin on oil sales was 648% higher in the third quarter and 206% higher in the first nine months of 2026, versus the same periods of 2025, despite the lower production. This was due to higher average net oil prices in 2026 and lower cost of goods sold.

General and administrative expense

	Three months ended September 30,		Nine months ended September 30,	
USD Thousands	2026	2025	2026	2025
Salaries and benefits	726	743	2,638	5,625
Legal, accounting and audit fees	408	302	968	839
Management and consulting fees	228	234	1,080	915
General and other office expenses	89	116	224	346
Listing costs and investor relations	50	81	366	281
Travel expenses	26	16	158	95
Corporate sponsorship	17	-	17	19
General and administrative expense	**1,544**	**1,492**	**5,451**	**8,120**

The increase in general and administrative expenses in the third quarter of 2026 was mainly due to additional legal and listing costs related to the corporate continuance from Canada to Bermuda and the change of the Company's primary listing from Toronto to Oslo. The decrease in expenses in the nine-month period is mainly due to non-recurring, transaction-related management compensation incurred in 2025, part of which was linked to contractual obligations under employment agreements, including severance payments and M&A triggers.

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Finance expense

USD Thousands	Three months ended September 30,		Nine months ended September 30,	
	2026	**2025**	**2026**	**2025**
Interest/amortization charges on bonds	4,865	4,867	14,426	16,374
Amortization of related-party loan	-	168	-	1,173
Adjustment of bond and loan amortization	-	(242)	(691)	2,891
Re-measurement of contingent consideration	(454)	53	(1,200)	111
Total borrowing costs	**4,411**	**4,846**	**12,535**	**20,549**
Unwinding discount on decommissioning provision	346	256	906	745
Foreign exchange loss	63	21	143	92
Lease – interest expense	13	14	42	43
Interest expense	-	-	52	-
Total finance expense before borrowing costs capitalized	**4,833**	**5,137**	**13,678**	**21,429**
Borrowing costs capitalized	(1,252)	(543)	(3,411)	(1,568)
Total finance expense	**3,581**	**4,594**	**10,267**	**19,861**

The Company previously had a loan from a related party, Nemesia S.à.r.l. ("Nemesia"). In Q3 2025, the Company repaid the full balance of the loan plus all accrued and unpaid interest.

Interest and amortization charges relate to the Company's bond and related-party loan. The bond amendments effective May 2, 2025, as well as the repayments of the related-party loan, were treated as a modification to the bond and loan, and the amortization schedules were adjusted accordingly.

Interest/amortization charges on bonds were lower in 2026 due to the repayments made during 2025.

Borrowing costs directly attributable to the preparation of development assets for their intended use have been capitalized together with the related oil and gas assets. All other borrowing costs are recognized in the income statement in the period in which they are incurred.

For further information on the Company's borrowings, refer to the discussions in the section below entitled "Borrowings".

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Capital Expenditures

Capital expenditures on Property, Plant & Equipment ("PP&E")

PP&E principally comprises development costs related to the Company's share of the PSCs, less the accumulated depletion and depreciation expense recorded on the PP&E balance.

The movements in PP&E are explained below:

USD Thousands	At September 30, 2026	At December 31, 2025
Opening net book value	**324,505**	**365,708**
Additions	43,584	8,883
Depletion and depreciation expense	(15,116)	(50,086)
Net book value	**352,973**	**324,505**

The PP&E additions in the first nine months of 2026 for drilling new wells were mostly committed to during the first quarter of 2026, before the start of the Iran war. Some additional, unbudgeted costs were also incurred in connection with the recommissioning of EPF in Sarsang following the damage caused by drone strikes in March and April 2026.

Financial Position and Liquidity

Accounts receivable

At September 30, 2026, the Company had the following outstanding receivables:

USD Thousands	At September 30, 2026	At December 31, 2025
Accounts receivable on oil sales	177,607	96,093
Credit loss provision	(11,062)	(11,190)
Total accounts receivable	**166,545**	**84,903**

The accounts receivable balance at September 30, 2026, includes $52.8 million for oil deliveries to the KRG from October 2022 through March 2023 (the "Overdue Receivables") and $124.8 million for the remaining PSC entitlement amounts owed for the 2025-2026 ITP export sales. Management believes the counterparty risk related to oil sales under the 2025 interim agreements is better diversified than that of the Overdue Receivables from the KRG. The compensation for the Company's sales under the interim agreements is paid by SOMO on behalf of the KRG in barrels allocated to the IOC-appointed trader, and the Company benefits from contractual recourse against both the KRG and/or SOMO for non-payment. There have been no delays in receiving payment from SOMO as part of the interim agreements since the restart of exports in September 2025, and the start of top-up payments in October 2026 should lead to a reduction in these balances. The Company continues to discuss recovery of the Overdue Receivables with the KRG, but timing is uncertain. The Company has reassessed the credit loss provision for the Overdue Receivables and has compared the carrying value of the relevant trade receivables with the present value of the estimated future cash flows based on reasonable recovery scenarios, weighted by the relative probability of these potential outcomes. A relevant discount rate has been applied to reflect counterparty credit risk to provide a reasonable approximation of the fair value of these trade receivables at September 30, 2026. The result of the Company's assessment under IFRS 9 is a $0.1 million adjustment to these trade receivables in the first nine months of 2026, included in the Statement of Comprehensive Income (Q3 2025: $2.0 million).

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Borrowings

On April 11, 2025, the Company announced bondholder approval for certain further amendments to the terms of the Company's outstanding bond. The new amendments became effective on May 2, 2025, and included converting the mandatory cash sweep to voluntary and extending the maturity by an additional two years to July 2029 (the "2029 Bond"). All amendments to the bond have been treated as a modification to the Borrowings with the difference in fair values on modification recorded in Financing Expense.

The 2029 Bond has a financial covenant stating that at all times the ratio of reserve value to net debt ("Asset Coverage Ratio") shall be a minimum of 1.25x. The reserve value is based on the latest 2P reserve value as set out in the latest published reserve report. Net debt is calculated as total debt less cash and cash equivalents. The Company calculates the Asset Coverage Ratio each quarter and has been in full compliance since the covenant was included in the bond terms.

The movements in borrowings are explained below:

USD Thousands	At September 30, 2026	At December 31, 2025
Opening balance	**145,348**	**198,296**
Interest/amortization charges	13,735	23,572
Bond transaction costs	-	(556)
Bond cancellation	-	(56,146)
Payments to bondholders – interest	(12,939)	(19,818)
Ending balance	**146,144**	**145,348**

Liquidity and capital resources

Cash in the bank at September 30, 2026, was $21.8 million, compared to $42.1 million at December 31, 2025. The main components of the $20.3 million decrease in funds during the first nine months of 2026 were as follows:

- The operating activities of the Company at September 30, 2026, resulted in an increase of $36.5 million in the cash position (Q3 2025: increase of $64.4 million);
- Net cash outflows related to investing activities in 2026 were $40.9 million (Q3 2025: net cash inflows of $6.1 million). Cash outflows to investing activities comprised $41.8 million for capital investments in the Atrush and Sarsang development work programs, plus cash inflows of $0.9 million for interest received; and
- Net cash outflows for financing activities in 2026 were $15.6 million (Q3 2025: $92.6 million) and comprised $12.9 million of interest payments to bondholders, $1.1 million of income from the retail private placement in connection with the EGO listing and $3.8 million of cash taxes and payments related to the employee share and stock compensation plan.

The Financial Statements were prepared on a going-concern basis, which assumes that the Company will be able to realize into the foreseeable future its assets and liabilities in the normal course of business as they come due. Refer also to the discussion in the section below on "Risks and Uncertainties."

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Non-IFRS Accounting Standards Measures

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

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

The tables below set out how the Non-IFRS Accounting Standards Measures are calculated from figures shown in the Financial Statements.

EBITDAX

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

	Three months ended September 30,		Nine months ended September 30,	
USD Thousands	2026	2025	2026	2025
Revenues	86,643	28,936	140,433	100,206
Lifting costs	(7,535)	(9,426)	(19,464)	(27,737)
Other costs of production	(84)	(150)	(269)	(383)
General and administrative expense	(1,544)	(1,492)	(5,451)	(8,120)
Share-based payments	(909)	(1,477)	(1,354)	(5,952)
EBITDAX	**74,571**	**16,391**	**113,895**	**58,014**
Share-based payments	909	1,477	1,354	5,952
Non-recurring costs	503	-	503	3,217
Adjusted EBITDAX	**75,983**	**17,868**	**115,752**	**67,183**

Free cash flow before debt service

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

	Three months ended September 30,		Nine months ended September 30,	
USD Thousands	2026	2025	2026	2025
Net cash inflows from operating activities	12,863	5,923	36,495	64,403
Net cash (outflows)/inflows from investing activities	(15,567)	(1,165)	(40,925)	6,078
Free cash flow before debt service	**(2,704)**	**4,758**	**(4,430)**	**70,481**

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Net debt

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

	At September 30,	
USD Thousands	2026	2025
Outstanding principal of the 2029 Bond	(143,768)	(143,768)
Cash and cash equivalents	21,835	54,713
Net debt	**(121,933)**	**(89,055)**

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

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

	Transactions for periods ended September 30				Amounts owing at the balance sheet dates	
	three months		nine months			
USD Thousands	2026	2025	2026	2025	September 30, 2026	December 31, 2025
International Petroleum Corp.	41	70	217	252	-	36
Orrön Energy AB	41	123	126	171	10	1
Namdo Management Services Ltd.	-	7	10	23	-	74
Nemesia	-	11,657	-	17,785	-	-
Lundin Foundation	17	-	17	19	-	-
Total	**99**	**11,857**	**370**	**18,250**	**10**	**111**

Nemesia is a company controlled by a trust settled by the estate of the late Adolf H. Lundin and is a shareholder and bondholder of the Company. The Company had a loan from Nemesia that was fully repaid in 2025.

The Lundin Foundation is a non-profit organization, of which the Company is a member, that provides services for Lundin Group companies.

International Petroleum Corp., Namdo Management Services Ltd. and Orrön Energy AB are companies affiliated with shareholders of the Company and provide corporate, technical and administrative support services to the Company.

All transactions with related parties are conducted in the normal course of business and are made on an arm's-length basis, as with all third parties.

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RISKS AND UNCERTAINTIES

ShaMaran is engaged in the exploration and production of crude oil and natural gas, and its operations are subject to various risks and uncertainties that include but are not limited to those listed below. Additional risks and uncertainties not presently known to the management of the Company, or that the management of the Company presently deem to be immaterial, may also impair the business and operations of the Company and cause the price of the shares in the Company to decline. If any of the risks described below materialize, the effect on the Company's business, financial condition or operating results could be materially adverse.

Risk factors related to the Group's business and industry in which the Group operates

Geopolitical instability arising from the conflict in Iran

The Group's operations in the KRI are exposed to significant risks arising from geopolitical instability in the wider region, and in particular from the ongoing military conflict involving Iran. Since February 2026, the United States and Israel have conducted large-scale military operations against Iran, targeting Iran's missile and nuclear programmes, military infrastructure and senior leadership. Iran has retaliated with missile and drone strikes against targets in multiple neighbouring countries, including Iraq, and has effectively disrupted commercial maritime traffic through the Strait of Hormuz, creating what the International Energy Agency has described as the largest supply disruption in the history of the global oil market. In connection with the conflict, attacks have also been conducted on sites in the KRI, including drone strikes on HKN-managed fields that resulted in temporary production shut-ins at both the Atrush Block and the Sarsang Block.

The conflict has materially disrupted global energy markets with significant volatility in Brent crude oil prices and substantial reductions in oil flows through the Strait of Hormuz. Although the Group's crude oil is primarily exported by pipeline rather than through the Strait of Hormuz, the conflict and associated instability may adversely affect regional security conditions, the operability of export infrastructure, and the Group's ability to produce from and access its assets. The conflict has also prompted heightened international sanctions activity, including the reimposition of comprehensive United Nations sanctions on Iran. Any expansion, prolongation or escalation of hostilities, including further strikes on energy infrastructure in the region, the potential introduction of ground forces, or retaliatory actions by Iran-aligned groups, could lead to further disruptions to the Group's operations, supply chains and export routes.

The ultimate outcome of the conflict remains highly uncertain with the potential for prolonged severe regional instability, altering the Group's ability to conduct its operations. Such scenario could have a material adverse effect on the Group's business, results of operations, financial condition, cash flow and prospects.

The oil and gas industry is subject to commodity price risk

The prices that the Group receives for its oil production may have a significant impact on the Group's revenues and cash flow provided by operations and net result. World prices for oil and gas are characterized by significant fluctuations, which are determined by the global balance of supply and demand and by worldwide political developments. In particular, the price received for the Group's oil production in the KRI is dependent upon its ability to export production outside of Iraq. A significant decline in the price at which the Company can sell future oil production could adversely affect the amount of funds available for capital reinvestment purposes and impair the value of the Company's oil assets. The Company does not hedge against commodity price risk.

The Group is subject to development and production risks

The Group's business is presently not 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, including drilling of unsuccessful wells, fire, explosions, blowouts, sour gas releases, pipeline ruptures and oil spills, each of which could result in substantial damage to oil wells, production facilities, other property or the environment, or in personal injury. The Group's operations are carried out onshore in the KRI and depend on a network of wells, surface facilities, gathering systems, processing plants, storage and export infrastructure (including third-party export pipelines and terminals); damage to, or failure of, any such infrastructure may result in prolonged production interruptions, reduced production rates, evacuation of personnel and increased remediation and repair costs.

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The operations in which the Group has interests involve geological, technical and commercial risks. The Group'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, i.e., wells that 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 that could adversely affect production and increase the cost of operations. Operational disruptions may also arise from subcontractor or third-party non-performance (including inadequate workmanship, insolvency, strikes and delays), logistical failures, shortages of critical equipment or supplies and personnel shortages. Diligent operations can contribute to maximizing production rates over time, but production delays and declines resulting from normal field operating conditions cannot be eliminated and can adversely affect revenue and cash flow levels.

The Group's operations are subject to insurance limitations

The Group is not fully insured against all of these risks, nor are all such risks insurable. Certain risks may be uninsurable or only insurable at prohibitive cost, and insurance policies typically contain exclusions, coverage limits, deductibles and conditions that may reduce or eliminate recovery for a particular loss. In addition, contractual indemnities provided by counterparties may be unenforceable, limited in scope, or of limited value if the counterparty lacks sufficient financial resources or insurance. Accordingly, the Group may retain material risk through self-insurance for losses in excess of policy limits, and it may in the future elect to retain additional risk. No assurance can be given that the Group will be able to maintain adequate insurance or enforceable indemnities in all circumstances. These risks could result in adverse effects to the Group's business, including increased costs or losses due to events arising from accidents or other unforeseen occurrences, including cleanup, repair, containment and/or evacuation activities; settlement of claims associated with injury to personnel or damage to property; and/or loss of revenue as a result of downtime due to an accident. The occurrence of a significant accident, major environmental incident or other adverse event that is not fully covered by insurance or by enforceable indemnities could result in substantial liabilities, loss of production, impairment of assets and could materially and adversely affect the Group's results of operations, cash flow, financial condition and prospects.

The Group's primary operating market is in Kurdistan

The Group's assets and operations are in Kurdistan, a federally recognized semi-autonomous political region of Iraq, and may be influenced by political developments between Kurdistan and the Federal Government of Iraq (the "Federal Government"), as well as by political developments in neighbouring states in the MENA region, Türkiye and in surrounding areas. Kurdistan and Iraq have a history of political instability with disputes between the Federal Government and the KRG. 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 the financial support to be provided to the KRG by the Federal Government and the jurisdiction over oil and gas matters in Kurdistan.

There is also a risk that levels of authority of the KRG, and corresponding systems in place, could be transferred to the Federal Government. The oil and gas exploration, development and production activities in Kurdistan and Iraq are consequently subject to significant political, social and economic uncertainties, including the risk of changes in government policies and legislations, 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 KRG's ability to export, and the imposition of currency controls.

Kurdistan also has a history of security problems, and the operations in Kurdistan are subject to uncertainties such as the risk of war, terrorism, and criminal activity, which may put the safety of the Company's personnel at risk and interfere with the efficient execution of the Company's operations. This could result in adverse effects to the Company's business, including 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.

Infrastructure-related risks

The Group is dependent on access to available and functioning infrastructure (including third-party services in Kurdistan) relating to the properties in which it has interests, such as roads, power and water supplies, pipelines and gathering systems, including ITP and the Kurdistan pipeline. The Group is particularly dependent on the ITP to transport its products. This pipeline has previously been subject to minor acts of sabotage, earthquake damage, military operations or terrorism and consequently been disrupted for periods of days at a time. If this pipeline were disrupted for a significant period of time, IOCs would be unable to market their product, which would significantly impair the Company's sales and cash generation.

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More recently, the ITP was shut for an extended period from March 2023 until late September 2025, during which exports were largely limited to local sales and trucking, materially impacting sales and cash generation. International pipeline exports have since resumed under interim arrangements, with current sales flowing via the ITP to Ceyhan. The treaty governing the ITP was set to expire on July 27, 2026, subsequent to the expiration, on August 1, 2026, Iraq and Türkiye signed a 12-month extension to the agreement. Beyond legal disagreements and regional politics, the pipeline may be subject to interruption for a variety of reasons, including, but not limited to, technical, maintenance, repairs, damage (e.g., as a result of earthquake, military operations or terrorism), theft, smuggling or sanctions. Restrictions on the Group's ability to export crude oil by use of the pipeline may require the Group to explore alternative transportation at increased cost or to sell crude oil to local markets at lower prices, and may have a material adverse effect on its cash flow, results of operations, financial condition and prospects.

Risks in estimating resources

The Company's interests in the area covered by the Atrush Block PSC and the Sarsang Block PSC are expected to continue producing for a number of years in the future, and additional information must be obtained by further seismic surveys, well drilling and testing to ultimately determine the economic viability of developing contingent or prospective resources of those fields. There is no certainty that the Group will be able to commercially produce any portion of such contingent or prospective resources. There are uncertainties inherent in estimating quantities of reserves and resources and the results of drilling, testing, production and new data from seismic may cause revisions to current estimates. Furthermore, 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.

The Group's risks associated with share ownership and dependency on operators

The Group'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 a Joint Operating Agreement ("JOA"). As a result, the Group has limited ability to exercise influence over the deployment of those assets or their associated costs, and this could adversely affect the Group's financial performance. The Group's return on assets operated by others will therefore depends upon factors that may be outside of the Group's control, including the timing and amount of capital expenditures, the operator's expertise and financial resources, and the selection of technology and risk management practices. The operator may have a different opinion from the Group on how to conduct certain operations, which may result in delays, losses, or increased costs not anticipated by the Group. In addition, if the operator or the KRG fails to perform, the Company may, among other things, risk losing rights or revenues or incur additional obligations or costs to perform itself in place of its partners. If a dispute arises with the operator or the KRG, such dispute may have significant negative effects on the Group's operations relating to its projects.

Petroleum cost recovery

Under the terms of the PSCs in respect of the blocks entered into between the KRG and the Group, as amended, the KRG is entitled to conduct an audit to verify the validity of incurred petroleum costs that the operator of each block has reported to the KRG and is therefore entitled under the terms of the Atrush Block PSC and the Sarsang Block PSC respectively, to recover such costs through cash payments from future petroleum production. Should any future audits conclude in negative findings concerning the validity of reported incurred petroleum costs, the Company's petroleum cost recovery entitlement could ultimately be reduced.

The Group's risk relating to community relations and labour disruptions

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

Risks related to the concentration of operations

The Group conducts its operations solely in the KRI and holds interests only in the Atrush Block and the Sarsang Block. Consequently, the Group's business, future revenues and prospects are entirely dependent on commercial production in these two blocks; if these blocks do not contain commercially recoverable hydrocarbons, or if production from these blocks materially underperforms current expectations (e.g., due to reservoir performance, unsuccessful appraisal/drilling, technical failures, mechanical breakdowns, excessive water or sand production, rapid pressure decline, prolonged shut-ins, or loss/suspension of contractual or regulatory approvals), the Group would have no material operations.

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Since the Group has no significant operations outside these blocks, it has limited ability to mitigate these risks in the short term by reallocating activity to other regions or assets. While the Group seeks to reduce exposure through contractor selection, technical due diligence, phased development and maintaining contingency arrangements, such measures may be insufficient to avoid material adverse effects in the event of one or more of the scenarios described above, and such scenarios may have a material adverse effect on the Group's revenues, financial condition, results of operations, and cash flow.

Climate change, renewable energy and the regulatory framework may impact the Group's business and reputation
The ongoing issue of climate change, along with the regulation of greenhouse gases and the growing development of renewable energy alternatives, may negatively impact the Group's industry, business, and reputation. Scientific consensus highlights that increasing concentrations of greenhouse gases in the Earth's atmosphere result in climate change, leading to severe weather events such as storms and floods. Such events can materially affect the Group's operations, particularly given the possibility of operation curtailment or rig damage during significant weather incidents.

Present and future regulations concerning greenhouse gases and climate change may impose higher compliance costs or additional operational constraints on the Group's activities. The negative consequences of greenhouse gases and climate change have previously garnered adverse publicity for the oil and gas industry and could similarly harm the Group's reputation. Furthermore, because the Group's business closely correlates with offshore oil and natural gas industry activity, existing or future regulations and agreements related to greenhouse gases and climate change, including carbon taxes, greenhouse gas fees, or incentives for energy conservation and renewable energy adoption, could decrease oil and natural gas demand or exploration activity. Any of these factors may materially and adversely affect the Group's business, reputation, financial condition, operational results, and cash flow.

Supplier-related risks
The Group relies on third-party suppliers, manufacturers, and service providers for procuring equipment essential to its operations. The Group is exposed to potential fluctuations in quality, pricing (due to e.g., inflation), and availability of services from its third-party suppliers, manufacturers and other service providers. Certain specialized components and equipment necessary for the Group's operations may be sourced exclusively from a single or a limited number of suppliers. Disruptions in deliveries from such third-party suppliers, including capacity constraints, production interruptions, price escalations, defects, quality issues, recalls, or reduced availability of parts and equipment, may negatively impact the Group's ability to fulfil its commitments to its customers. Such disruptions may result in unremunerated downtime, reduced exploration and production, or contract cancellations or terminations, ultimately affecting the Group's operations and increasing operational costs. Any of these scenarios could have a material adverse effect on the Group's revenue, operational results, and cash flow.

Risks related to the Group's financial situation

Risks related to the payments for oil deliveries that the KRG exports
Since September 2025, cash payments to IOCs for oil exported from Kurdistan rely on interim agreements between the KRG, SOMO and IOCs. All the parties have fulfilled their commitments under these agreements as of the date of this MD&A, and payments to IOCs have been regular.

Nevertheless, there remains a risk that the Company may face significant delays in receiving cash for its entitlement share of future oil deliveries to the KRG for export to the international market via SOMO, and that the agreements may not be extended or made permanent following their expiry. Should the Company not receive payments as expected, or should exports be curtailed in the future, this could have a material effect on the Company's liquidity and operations.

The Group's failure to comply with covenants under the PSCs and JOAs
The PSCs for the blocks and the respective JOAs include provisions if a party fails to meet its obligations under these contracts. Defaults include failure to carry out drilling as prescribed, interruption of production for more than 90 consecutive days without reasonable cause, intentional extraction of materials other than those permitted, bankruptcy or a change of control in a party that is not approved in advance by the KRG. If a default is not remedied within three months following notice of intention to terminate, the KRG may terminate the respective 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 field without compensation.

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The respective JOA definition of "default" includes payment default and failure to provide security as required under the JOA. If a party does not remedy such a default within five business days after notification, its entitlement shall vest in and become the property of the other parties if the default remains unremedied after a 60-day period. During this period, the operator is entitled to sell the entitlement on arm's-length, reasonable terms and apply the proceeds to cover costs, liabilities and a reserve fund before releasing any remaining surplus. If a default has continued for 60 days or more, a non-defaulting party has the option to acquire the defaulter's participating interest on specified terms.

Should the Company fail to meet its obligations under the PSCs and/or JOAs, it could suffer adverse effects to its business, including, but not limited to, a default under one or both contracts, termination of future revenue generating activities, and impairment of its ability to meet contractual commitments as they fall due.

The Group's failure to comply with covenants under its existing financing agreement or debt financing could trigger an event of default

The Company is subject to certain covenants under its 10.25% senior unsecured $200 million bond 2026/2031 (the "Bond") documented through bond terms dated November 5, 2026, between the Company as issuer and Nordic Trustee AS, the bond trustee (the "Bond Terms"). The Company's failure to comply with the covenants under the Bond Terms could result in an Event of Default that, if not cured or waived, could lead to an acceleration of the Bond, requiring the Company to repay the Bond before its scheduled maturity. The need to refinance the Bond on less favourable terms, or the inability to refinance the Bond at all, could adversely affect the Group's results of operations and financial condition.

Risks related to Laws, Regulations and Litigation

Risks associated with the validity of petroleum contracts in Kurdistan

The Constitution of Iraq grants the regions of Iraq a role in awarding petroleum contracts for certain types of operations and in regulating petroleum operations occurring within those regions. No federal Iraqi legislation has yet been agreed to or enacted by the Iraqi Federal Parliament to govern the future organization and management of Iraq's petroleum industry (including in Kurdistan), as a number of substantive issues remain to be resolved between the Federal Government and the KRG.

The Iraqi Ministry of Oil ("MoO") has historically disputed the validity of the KRG's PSCs and, consequently, the Company's right and title to its oil assets in Kurdistan. The KRG has disputed the Federal Government's claims and maintains that the PSCs comply with the Constitution of Iraq.

A number of Iraqi court rulings in recent years have affirmed the validity of the KRG PSC contracts, and the MoO has ceased all litigation against the IOCs. However, it is possible that such cases may restart again in the future, and it is possible that they may result in changes that negatively alter the economic or operating terms of the Atrush Block PSC and Sarsang Block PSC. This may adversely affect the Company's business, including, but not limited to, impairing the Company's claim to and title in assets held and/or increasing the obligations required under those PSCs.

Risks associated with legal claims and disputes relating to PSCs and JOAs

The Group may incur unexpected costs or other losses if a counterparty to any contractual arrangement entered into by the Company does not meet its obligations under such agreements. In particular, the Company cannot control the actions or omissions of its partners in the Atrush Block PSC and the Sarsang Block PSC. If such parties were to breach the terms of the PSCs or any other agreements affecting the Company's interest in those PSCs, the KRG could revoke, terminate or unfavourably amend the PSCs.

Furthermore, disputes relating to the PSCs and JOAs may disrupt business operations and could materially and adversely affect the Company's business prospects or results of operations.

The Group's ability to operate its operations could be impaired by governmental regulations, licenses and permits

The Group's operations are subject to various changes in taxes, regulations, and other laws or policies affecting the oil and gas industry in general, as well as by changes in taxes, regulations, and other laws or policies applicable specifically to oil and gas development in Kurdistan and in Iraq. Potential government regulation relating to prices, quotas, and other aspects of the oil and gas business could have adverse effects on the Company's operations, including impairing the Company's ability to sell oil and to receive full payment for all deliveries.

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The Group conducts its operations pursuant to the rights granted under the Atrush Block PSC and the Sarsang Block PSC, as well as related licenses, permits, and other authorisations. 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 if such 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 Group's operating activities in Kurdistan is governed by the Oil and Gas Law, by general Kurdistan tax law, and by the terms of the PSCs. However, the arrangements under those PSCs could be overridden or adversely affected by the enactment of future oil and gas or tax legislation in Iraq or in the Kurdistan Region. Furthermore, the Group has entities incorporated in and resident for tax purposes in Bermuda, the Cayman Islands and Switzerland. Changes in tax legislation or tax practices in any of the jurisdictions where group entities are registered, are tax resident, or conduct business may increase the Company's expected future tax obligations arising from its activities.

Risks related to Controlled foreign company ("CFC") taxation

If Norwegian shareholders (and foreign shareholders that hold the shares in connection with a business that is taxable in Norway), in the aggregate, directly or indirectly own or control 50% or more of the share capital of a company resident in a low-tax jurisdiction at the beginning and end of a fiscal year, or more than 60% at the end of a fiscal year, then such shareholders may become subject to CFC taxation in Norway. A jurisdiction is considered a low-tax jurisdiction if the general income tax on the company's total profits amount to less than two thirds of the tax that would be assessed on the company had it been a Norwegian resident company. Bermuda is currently on the list of countries that are generally considered a low-tax jurisdiction. In the event that CFC taxation applies, the relevant company's annual profits will be taxable for the Norwegian shareholders according to their proportionate share of the company's equity.

CFC taxation applies regardless of whether, and to what extent, the profits are distributed to the Norwegian shareholders. The relevant company's profits will, for the purpose of the CFC taxation, be calculated according to Norwegian tax rules as if the relevant company was a Norwegian taxpayer and assessed at the hands of the Norwegian shareholder(s). For shareholders that are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("Norwegian Corporate Shareholder") who is subject to CFC taxation, dividends distributed from the relevant company are exempt from further taxation to the extent the dividends do not exceed such shareholder's taxable share of the relevant company's net income. Special rules may apply for Norwegian shareholders if a company subject to CFC taxation cease to be subject to CFC taxation. Special rules also apply to the calculation of taxable gains/losses upon realization of shares by a Norwegian Corporate Shareholder that is or has been subject to CFC taxation. While the Board of Directors of the Company, pursuant to the Bye-Laws, can decline to register transfer of shares likely to result in the Company being classified as a CFC and its Norwegian shareholders being subject to CFC taxation, this can be challenging for the Board of Directors to enforce in practice, and there is no guarantee that the Norwegian shareholders will not become subject to CFC taxation. If the Norwegian shareholders are at risk of becoming subject to CFC taxation, this could also affect the price of the shares as Norwegian shareholders may prefer to sell their shares instead of becoming subject to CFC taxation. In such scenarios, the Board of Directors may, if deemed in the Company's and the shareholders best interest, also consider different alternatives to seek that the Company does not become classified as a CFC (e.g., stock exchange announcements, share issues, etc.).

Legislation enacted in Bermuda as to Economic Substance may affect operations

The Company is incorporated under the laws of Bermuda. Pursuant to the Economic Substance Act 2018 (as amended) of Bermuda (the "ES Act") that came into force on January 1, 2019, a registered entity other than an entity that is resident for tax purposes in certain jurisdictions outside Bermuda ("Non-resident entity") that carries on as a business any one or more of the "relevant activities" referred to in the ES Act must comply with economic substance requirements. The ES Act may require in-scope Bermuda entities that are engaged in such "relevant activities" to be directed and managed in Bermuda, have an adequate level of qualified employees in Bermuda, incur an adequate level of annual expenditure in Bermuda, maintain physical offices and premises in Bermuda or perform core income-generating activities in Bermuda. The list of "relevant activities" includes carrying on any one or more of: banking, insurance, fund management, financing and leasing, headquarters, shipping, distribution and service centre, intellectual property and holding entity. At the date of this MD&A, the Company believes it does not carry on any relevant activity and is out of scope of the economic substance requirements in Bermuda, but to the extent the Company is required to increase its substance in Bermuda to satisfy additional requirements in the future, it could result in additional costs that could adversely affect the Company's financial condition or results of operations. If the Company was required to satisfy economic substance requirements in Bermuda but failed to do so, the Company could face automatic disclosure to competent authorities in the European Union or certain other jurisdictions of the information filed by the entity with the Bermuda Registrar of Companies in connection with the economic substance requirements and may also face financial penalties, restriction or regulation of the Company's business activities and/or may be struck off as a registered entity in Bermuda.

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ADDITIONAL INFORMATION

Additional information related to the Company is available on the Company's website at www.shamaranpetroleum.com.

ShaMaran plans to publish its financial statements for the year ending December 31, 2026, on March 8, 2027.

OTHER SUPPLEMENTARY INFORMATION

Oil-related terms and measurements

bbl	Barrel (1 barrel = 159 litres)
boe	Barrels of oil equivalent
boepd	Barrels of oil equivalent per day
bopd	Barrels of oil per day
kg	Kilograms
Mbbl	Thousand barrels
MMbbl	Million barrels
Mboe	Thousand barrels of oil equivalent
Mboepd	Thousand barrels of oil equivalent per day
Mbopd	Thousand barrels of oil per day
Mcf	Thousand cubic feet
MMboe	Million barrels of oil equivalent
m^3	Cubic metres

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Condensed Interim Consolidated Statement of Comprehensive Income (unaudited)

For the three and nine months ended September 30

Expressed in thousands of United States dollars	Note	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Revenues	5	**84,643**	**28,936**	**140,433**	**100,206**
Cost of goods sold:					
Lifting costs	6	(7,535)	(9,426)	(19,464)	(27,737)
Other costs of production	6	(84)	(150)	(269)	(383)
Depletion	6	(7,460)	(10,082)	(15,175)	(37,557)
Gross margin on oil sales		**69,564**	**9,278**	**105,525**	**34,529**
Depreciation and amortization expense		(26)	(20)	(77)	(58)
Credit loss provision	12	(227)	(390)	127	1,966
Share-based payments expense	18	(909)	(1,477)	(1,354)	(5,952)
General and administrative expense	7	(1,544)	(1,492)	(5,451)	(8,120)
Income from operating activities		**66,858**	**5,899**	**98,770**	**22,365**
Finance income	8	163	584	793	1,880
Finance expense	9	(3,581)	(4,594)	(10,267)	(19,861)
Net finance expense		**(3,418)**	**(4,010)**	**(9,474)**	**(17,981)**
Income before income tax expense		**63,440**	**1,889**	**89,296**	**4,384**
Income tax expense	10	(4)	(18)	(17)	(100)
Income for the period		**63,436**	**1,871**	**89,279**	**4,284**
Other comprehensive income					
Items that may be reclassified to profit or loss:					
Currency translation differences		-	(12)	-	84
Total other comprehensive Income		**-**	**(12)**	**-**	**84**
Total comprehensive Income for the period		**63,436**	**1,859**	**89,279**	**4,368**
Earnings in dollars per share (Note 17):					
Basic		0.02	-	0.03	-
Diluted		0.02	-	0.03	-

The accompanying Notes are an integral part of these condensed interim consolidated financial statements.

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Condensed Interim Consolidated Balance Sheet (unaudited)

As at September 30, 2026, and December 31, 2025

Expressed in thousands of United States dollars	Note	September 30, 2026	December 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	*11*	352,973	324,505
Accounts receivable	*12*	19,341	22,938
Right-of-use asset	*13*	602	656
Intangible assets		57	79
		372,973	**348,178**
Current assets			
Accounts receivable	*12*	147,204	61,965
Cash and cash equivalents, unrestricted		21,835	41,150
Other current assets		290	489
Cash and cash equivalents, restricted		-	981
		169,329	**104,585**
TOTAL ASSETS		**542,302**	**452,763**
LIABILITIES			
Non-current liabilities			
Borrowings	*15*	131,799	131,799
Provisions	*16*	42,359	44,212
Cash-settled deferred share units	*18*	3,367	3,904
Lease liability	*13*	581	625
Pension liability		381	402
		178,487	**180,942**
Current liabilities			
Accrued interest expense on corporate bond	*15*	14,345	13,549
Accounts payable and accrued expenses	*14*	11,186	8,474
Other current liabilities		58	21
		25,589	**22,044**
EQUITY			
Share capital	*17*	673,438	674,622
Share-based payments reserve		10,339	9,985
Cumulative translation adjustment		192	192
Accumulated deficit		(345,743)	(435,022)
		338,226	**249,777**
TOTAL EQUITY AND LIABILITIES		**542,302**	**452,763**

The accompanying Notes are an integral part of these condensed interim consolidated financial statements.

Going concern (Note 2b)
Commitments and contingencies (Note 20)
Subsequent events (Note 22)

Signed on behalf of the Board of Directors

/s/Michael Ebsary
Michael Ebsary, Director

/s/Chris Bruijnzeels
Chris Bruijnzeels, Director

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Condensed Interim Consolidated Statement of Cash Flow (unaudited)

For the three and nine months ended September 30

Expressed in thousands of United States dollars	Note	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Operating activities					
Income for the period		**63,436**	**1,871**	**89,279**	**4,284**
Adjustments for non-cash related items:					
Depreciation, depletion and amortization expense		7,486	10,102	15,252	37,615
Borrowing costs – net of amount capitalized		3,159	4,302	9,124	18,981
Share-based payment expense		909	1,477	1,354	5,952
Unwinding discount on decommissioning provision		346	256	906	745
Foreign exchange loss	*9*	63	21	143	92
Interest income		(163)	(584)	(793)	(1,880)
Changes in accounts payable and accrued expenses		5,608	(4,857)	2,712	(4,377)
Changes in other current assets		121	95	126	397
Changes in pension liability		9	1	-	65
Changes in current tax liabilities		4	(23)	34	(48)
Changes in accounts receivables on oil sales		(68,115)	(6,738)	(81,642)	2,577
Net cash inflows from operating activities		**12,863**	**5,923**	**36,495**	**64,403**
Investing activities					
Interest received on cash deposits		236	617	866	1,937
Purchase of Intangible		-	(34)	-	(34)
Purchase of property, plant and equipment		(15,803)	(1,748)	(41,791)	4,175
Net cash (outflows to) / inflows from investing activities		**(15,567)**	**(1,165)**	**(40,925)**	**6,078**
Financing activities					
Private placement cash received		-	-	1,105	-
Cash taxes on share and stock compensation plan		-	-	(3,826)	(2,115)
Bond transaction costs		-	(526)	-	(541)
Related-party loan repayment		-	(10,630)	-	(15,600)
Repayment of bonds		-	-	-	(56,146)
Principal element of lease payments	*13*	(13)	(12)	(37)	(37)
Payments to bondholders and related party – interest	*15*	(4,313)	(5,994)	(12,939)	(18,122)
Net cash outflows to financing activities		**(4,326)**	**(17,162)**	**(15,697)**	**(92,561)**
Effect of exchange rate changes on cash and cash equivalents		(85)	(33)	(169)	(8)
Change in cash and cash equivalents		**(7,115)**	**(12,437)**	**(20,296)**	**(22,088)**
Cash and cash equivalents, beginning of the period		28,950	67,150	42,131	76,801
Cash and cash equivalents, end of the period		**21,835**	**54,713**	**21,835**	**54,713**

The accompanying Notes are an integral part of these condensed interim consolidated financial statements.

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Consolidated Statement of Changes in Equity

For the nine months ended September 30

Expressed in thousands of United States dollars	Share capital	Share-based payments reserve	Cumulative translation adjustment	Accumulated deficit	Total
Balance at January 1, 2025	**672,530**	**12,551**	**108**	**(461,988)**	**223,201**
Total comprehensive income for the period:					
Income for the period	-	-	-	4,284	4,284
Other comprehensive income	-	-	84	-	84
Transactions with owners in their capacity as owners:					
Share-based payments expense (excluding DSUs, Note 18)	-	(3,134)	-	-	(3,134)
Options exercised*	2,524	-	-	-	2,524
RSU shares issued*	1,901	-	-	-	1,901
	4,425	(3,134)	84	4,284	5,659
Balance at September 30, 2025	**676,955**	**9,417**	**192**	**(457,704)**	**228,860**
Balance at December 31, 2025	**674,622**	**9,985**	**192**	**(435,022)**	**249,777**
Total comprehensive income for the period:					
Income for the period	-	-	-	89,279	89,279
Transactions with owners in their capacity as owners:					
Share-based payments expense (excluding DSUs, Note 18)	-	412	-	-	412
Options exercised*	64	-	-	-	64
RSU shares vested*	(2,411)	-	-	-	(2,411)
Shares issued on private placement*	1,163	(58)	-	-	1,105
	(1,184)	354	-	89,279	88,449
Balance at September 30, 2026	**673,438**	**10,339**	**192**	**(345,743)**	**338,226**

*Refer to Note 17

The accompanying Notes are an integral part of these condensed interim consolidated financial statements.

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1. General information

ShaMaran Petroleum Ltd., formerly ShaMaran Petroleum Corp., ("ShaMaran" and, together with its subsidiaries, the "Company") completed the previously announced corporate continuance from Canada to Bermuda on May 27, 2026. The Company is now incorporated in and subject to the laws of Bermuda, and the address of the registered office is Richmond House, 12 Par-la-Ville Road, Hamilton HM08, Bermuda.

Simultaneously with the continuance, the Company's shares were delisted from the TSX Venture Exchange in Toronto and, on June 5, 2026, began trading on the Euronext Growth Oslo market ("EGO") operated by the Oslo Stock Exchange. The Company maintains its secondary listing on the Nasdaq First Growth North in Stockholm. The Company's shares on both markets trade under the ticker symbol "SNM".

The Company is engaged in the business of oil and gas exploration and production and holds the following interests at September 30, 2026:

- 50% non-operated working interest (66.7% paying interest) in the Atrush Block production sharing contract ("Atrush PSC") in the Kurdistan Region of Iraq ("KRI"). The Atrush Block twenty-year development period commenced in Q4 2013, and oil production on the Atrush Block commenced in Q3 2017.

- 18% non-operated working interest (22.5% paying interest) in the Sarsang Block production sharing contract ("Sarsang PSC") in the KRI. The Sarsang Block twenty-year development period commenced in Q2 2013, and oil production on the Sarsang Block commenced in Q1 2013.

2. Basis of preparation and going concern

a. Basis of preparation

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The significant accounting policies of the Company have been applied consistently throughout the period. The policies applied in these unaudited consolidated financial statements are based on IFRS Accounting Standards as of November 9, 2026, the date these unaudited condensed consolidated financial statements were approved and authorized for issuance by the Company's board of directors ("the Board").

b. Going concern

These unaudited condensed interim consolidated financial statements have been prepared on a going-concern basis, which assumes that the Company will be able to realize its assets and liabilities in the normal course of business as they come due in the foreseeable future.

The closure of the Iraq-Türkiye pipeline ("ITP") on March 25, 2023, heavily impacted the Company's operations. On September 25, 2025, the Company announced that interim agreements were executed between the Kurdistan Regional Government ("KRG"), Government of Iraq and several international oil companies ("IOCs"), including ShaMaran. These agreements enabled the restart of international oil exports by pipeline from the KRI on September 27, 2025. The agreements to resume oil exports from the KRI are based on the Iraqi Budget Law amendment in February 2025 and Iraq's recognition of the KRI PSCs. The Budget Law provided for the period to September 30, 2026, during which IOCs were compensated at $16 per barrel for the cost of production and transportation, resulting in similar economics to the previous KRI local oil sales, with a reconciliation to full PSC entitlement following a review of the IOC invoices and contractual entitlements by an international consulting firm. The Iraqi State Organization for Marketing of Oil ("SOMO") is marketing the KRI crude at the Kirkuk blend official selling price, and IOCs are being paid in arrears from the sale of their allocation at Ceyhan via their nominated trader. The interim agreements were recently extended to January 27, 2027, in order to facilitate the reconciliation of IOC invoices with the respective PSCs by the appointed international consulting firm. IOCs expect full PSC entitlement payment now that the review of the initial invoices is completed and are working with SOMO to collect the top-up payments. Refer to Note 22 for additional information.

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The agreements also provide that the IOCs and KRG will continue discussions about recovering outstanding accounts receivable from past oil sales. As uncertainty remains regarding the timing and viability of payments by the KRG for these receivables, the Company has adjusted the credit loss provision to reflect this. Refer to Note 12 for additional information. In addition, subsequent to the expiration of the ITP agreement on July 27, 2026, Iraq and Türkiye signed a one-year interim agreement on August 1, 2026, to extend the operation of the ITP. Management believes that the signing of the interim agreements and restart of pipeline exports are positive steps towards improving the operating environment for IOCs with assets in the KRI. However, long-term agreements are needed with regular payments for oil sales based on PSC invoices before the Company can be confident that the uncertainties introduced by the ITP closure are resolved.

On March 2, 2026, the Company announced a temporary production shut-in at both the Atrush and Sarsang blocks as a precautionary measure due to the regional security environment related to the Iran war. On March 5, 2026, and April 1, 2026, the Company announced explosions at the Sarsang field. After the first shut-in (early March 2026 until late June 2026), the fields briefly resumed delivering international exports via the ITP before being suspended again due to renewed security concerns from mid-July 2026. Production from both blocks restarted during mid-August 2026 and have continued uninterrupted through the date of this document.

These factors represent material uncertainties that lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent on its ability to generate positive cash flow from operations or to secure additional funding from shareholders or lenders. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company was unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

c. Significant accounting policies

These unaudited condensed interim consolidated financial statements have been prepared following the same accounting policies and methods of application as those in the Company's audited annual consolidated financial statements for the year ended December 31, 2025.

3. Critical accounting judgments and key sources of estimation uncertainty

Areas of critical accounting judgments that have the most significant effect on the amounts recognized in the financial statements are disclosed in Note 4 of the Company's audited annual consolidated financial statements for the year ended December 31, 2025.

4. Business and geographical segments

The Company operates in one business segment, oil and gas exploration and production, and one geographical segment, the KRI. As a result, in accordance with *IFRS 8: Operating Segments,* the Company has presented its financial information collectively for one operating segment.

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5. Revenues

As discussed in Note 2b, the ITP was closed from March 25, 2023, until September 27, 2025. The revenues recorded during this period relate entirely to oil sold to local refineries. Prices for these crude oil sales were in line with the local market and at a significant discount to international benchmark prices but with upfront or prompt payment. From September 27, 2025, all oil sales have been to the KRG for ITP export, and revenues are recorded as per the interim agreements at the Kirkuk blend official selling price, with payments in arrears. As also discussed in Note 2b, production was suspended during 2026 for most of the second quarter and for part of the third quarter due to the regional security environment. However, the estimated oil selling price for the third quarter of 2026 is considerably higher compared to the previous year, in line with international benchmark prices.

Refer also to Note 12.

6. Cost of goods sold

Lifting costs are composed of the Company's share of expenses related to the production of oil from the Atrush and Sarsang blocks, including operation and maintenance of wells and production facilities, insurance and the operator's related support costs charged to the Company.

Other costs of production include the Company's share of other costs prescribed under the PSCs.

Oil and gas assets are depleted using the unit of production method based on proved and probable reserves using estimated future prices and costs and accounting for future development expenditures necessary to bring those reserves into production.

Refer also to Notes 5 and 11.

7. General and administrative expense

General and administrative expenses principally include the Company's cost of technical and administrative personnel, travel, office, business development, stock exchange listing and regulatory costs.

8. Finance income

Finance income relates to the interest received on cash deposits.

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9. Finance expense

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Interest/amortization charges on bonds	4,865	4,867	14,426	16,374
Amortization of related-party loan	-	168	-	1,173
Adjustment of bond and loan amortization	-	(242)	(691)	2,891
Re-measurement of contingent consideration	(454)	53	(1,200)	111
Total borrowing costs	**4,411**	**4,846**	**12,535**	**20,549**
Unwinding discount on decommissioning provision	346	256	906	745
Foreign exchange loss	63	21	143	92
Lease – interest expense	13	14	42	43
Interest expenses	-	-	52	-
Total finance expense before borrowing costs capitalized	**4,833**	**5,137**	**13,678**	**21,429**
Borrowing costs capitalized	(1,252)	(543)	(3,411)	(1,568)
Total finance expense	**3,581**	**4,594**	**10,267**	**19,861**

The Company previously had a loan from a related party, Nemesia S.à.r.l. ("Nemesia"). In Q3 2025, the Company repaid the full balance of the loan plus all accrued and unpaid interest.

Interest and amortization charges relate to the Company's bond and related-party loan. The bond amendments effective May 2, 2025, as well as the repayments of the related-party loan, were treated as a modification to the bond and loan, and the amortization schedules were adjusted accordingly.

Refer to Note 15 regarding the Company bond, Note 16 regarding the contingent consideration and decommissioning provision and Note 13 regarding the lease interest.

Borrowing costs directly attributable to the preparation of development assets for their intended use have been capitalized together with the related oil and gas assets. All other borrowing costs are recognized in the income statement in the period in which they are incurred.

10. Taxation

The tax expense is incurred on the profits of the Swiss administrative company and the Danish company that was dissolved as of June 23, 2026.

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11. Property, plant and equipment

PP&E principally comprises development costs related to the Company's share of the PSCs, less the accumulated depletion and depreciation expense recorded on the PP&E balance.

During the first nine months of 2026, movements in PP&E include general additions of $43.6 million (2025 full year: $8.9 million of general additions), which included capitalized borrowing costs of $3.4 million (2025 full year: $2.2 million) that, net of depletion and depreciation expense of $15.1 million (2025 full year: $50.1 million), resulted in a net increase to PP&E assets of $28.5 million.

Refer also to Notes 5 and 6.

12. Accounts receivable

At September 30, 2026, the Company had outstanding receivables as follows:

	At September 30, 2026	At December 31, 2025
Accounts receivable on oil sales	177,607	96,093
Credit loss provision	(11,062)	(11,190)
Total accounts receivable, net of provisions	**166,545**	**84,903**
Current portion	147,204	61,965
Non-current portion	19,341	22,938

The accounts receivable balance at September 30, 2026, includes $52.8 million for oil deliveries to the KRG from October 2022 through March 2023 (the "Overdue Receivables") and $124.8 million for the remaining PSC entitlement amounts owed for 2025-2026 ITP export sales. The Company continues to discuss recovery of the Overdue Receivables with the KRG, but timing is uncertain. Refer to Note 2b. The Company has reassessed the credit loss provision for the Overdue Receivables and has compared the carrying value of the relevant trade receivables with the present value of the estimated future cash flows based on reasonable recovery scenarios, weighted by the relative probability of these potential outcomes. A relevant discount rate has been applied to reflect counterparty credit risk to provide a reasonable approximation of the fair value of these trade receivables at September 30, 2026. The result of the Company's assessment under *IFRS 9* is a $0.1 million adjustment to these trade receivables in the first nine months of 2026, included in the Statement of Comprehensive Income (2025: $2.0 million). The portion of these receivables that is estimated to be received after September 2027 is classified as non-current due to uncertainty in the timing of recovery.

The remaining PSC entitlement amounts owed for the 2025-2026 ITP export sales are all classified as current receivables. It is expected that these amounts will be paid now that the review of the initial IOC invoices and contractual entitlements was completed by the appointed international consulting firm, refer to Note 22.

Refer also to Note 5.

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13. Right-of-use asset and lease liability

The right-of-use asset relates to the ten-year office lease for the Company's technical and administrative services office in Vésenaz, Switzerland. At September 30, 2026, the balance sheet shows a value of $602 (2025: $656) for the right-of-use asset and a total lease liability value of $638 (2025: $679); split $57 (2025: $54) as a current liability (within other current liabilities) and $581 (2025: $625) as a non-current liability. The income statement for the nine months ended September 30, 2026, includes the depreciation charge of the right-of-use asset of $44 (2025: $44) plus an interest expense of $42 (2025: $43) included in finance expense.

Refer also to Note 9.

14. Accounts payable and accrued expenses

	At September 30, 2026	At December 31, 2025
Payables to joint-operations partners	10,226	5,583
Accrued expenses	746	2,372
Trade payables	214	519
Total accounts payable and accrued expenses	**11,186**	**8,474**

15. Borrowings

On April 11, 2025, the Company announced bondholder approval for certain further amendments to the terms of the Company's outstanding bond. The new amendments became effective on May 2, 2025, and included converting the mandatory cash sweep to voluntary and extending the maturity by an additional two years to July 2029 (the "2029 Bond"). All amendments to the bond have been treated as a modification to the Borrowings with the difference in fair values on modification recorded in Financing Expense. Refer to Note 9 for more information. The total outstanding nominal amount of the 2029 Bond at September 30, 2026, was $143.8 million.

The 2029 Bond has a financial covenant stating that at all times the ratio of reserve value to net debt ("Asset Coverage Ratio") shall be a minimum of 1.25x. The reserve value is based on the latest 2P reserve value as set out in the latest published reserve report. Net debt is calculated as total debt less cash and cash equivalents. The Company calculates the Asset Coverage Ratio each quarter and has been in full compliance since the covenant was included in the bond terms.

Refer also to Note 22.

The movements in borrowings are explained below:

	September 30, 2026	December 31, 2025
Opening balance	**145,348**	**198,296**
Interest/amortization charges	13,735	23,572
Bond transaction costs	-	(556)
Bond cancellation	-	(56,146)
Payments to bondholders – interest	(12,939)	(19,818)
Ending balance	**146,144**	**145,348**
Non-current portion – net borrowings	131,799	131,799
Current portion – accrued bond interest expense	14,345	13,549

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16. Provisions

	At September 30, 2026	At December 31, 2025
Opening balance	**32,185**	**32,972**
Unwinding discount on decommissioning provision	906	1,000
Changes in estimates and obligations incurred	-	(698)
Changes in discount and inflation rates	(1,558)	(1,089)
Total decommissioning and site restoration provisions	**31,533**	**32,185**
Contingent consideration	10,826	12,027
Total provisions	**42,359**	**44,212**

The decommissioning and site restoration provision relates to the Company's share of future costs in respect of the Company's 50% interest (66.7% paying interest) in the Atrush Block and 18% interest (22.5% paying interest) in the Sarsang Block. The provision assumes these works will commence in 2032 for Atrush and in 2038 for Sarsang and will take ten years to abandon. The undiscounted provision at September 30, 2026, is $34.0 million (2025: $34.0 million) and was discounted using a risk-free rate of 5.09% for the Atrush Block and 5.29% for the Sarsang Block (2025: 3.24% for the Atrush Block and 3.8% for the Sarsang Block) with an inflation rate of 3.70% (2025: 2.70%).

The contingent consideration relates to the purchase consideration for the acquisition of the interest in the Sarsang Block, purchased in September 2022, and is payable to the seller upon (i) cumulative gross oil production from the Sarsang PSC reaching 130 MMbbls and (ii) Brent crude oil prices averaging at least $60/bbl for the preceding twelve-month period. The Company estimates the fair value of this contingent consideration based on forecasted results from the reserves report at the end of each quarter and treats any difference as a finance income/cost.

Refer also to Note 9.

17. Share capital

The Company is authorized to issue an unlimited number of common shares with no par value. The Company's issued share capital is as follows:

	Number of shares	Share capital ($)
At January 1, 2025	**2,845,961,365**	**672,530**
RSUs	12,753,177	(432)
Options	16,734,707	2,524
At December 31, 2025	**2,875,449,249**	**674,622**
RSUs	-	(2,411)
Options	3,055,065	64
Private placement	8,999,999	1,163
At September 30, 2026	**2,887,504,313**	**673,438**

During the first nine months of 2026, a total of 3,055,065 common shares from exercised options and nil common shares from vested Restricted Share Units ("RSUs") were issued to plan participants in accordance with the Company's Share Unit Plan (2025 full year: 12,753,177 RSUs and 16,734,707 options). The carrying value of the RSU shares has been determined based on the Company's average closing share price over the five-day period prior to the vesting date.

On June 2, 2026, the Company announced that 8,999,999 offer shares were placed through a retail private placement in connection with the listing of the Company on the EGO.

Refer also to Notes 1 and 18.

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Earnings per share

	For the nine months ended September 30,	
	2026	2025
Net income, in dollars	89,279	4,284
Weighted average number of shares outstanding during the period	2,882,230,300	2,863,243,282
Weighted average diluted number of shares outstanding during the period	2,961,457,190	2,952,603,506
Basic income per share, in dollars	0.03	-
Diluted income per share, in dollars	0.03	-

18. Share-based payments expense

The Company has established share unit plans and a share purchase option plan whereby a committee of the Board may, from time to time, grant up to a total of 10% of the issued share capital to directors, officers, employees and consultants. At September 30, 2026, a total of 79,226,890 shares (3% of the issued share capital) had been granted of the potential 288,750,431 shares that could be granted under the plans. 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. Under the plans, the Company may grant stock options, performance share units, RSUs and deferred share units ("DSUs"). The DSU Plan is for non-executive directors of the Company.

Stock options vest in three equal tranches over two years with the first vesting immediately on the grant date, the next on the first anniversary date and the remaining third on the second anniversary date. RSUs vest in three equal tranches over three years with the first vesting on the first anniversary of the grant date, the next on the second anniversary date and the remaining third on the third anniversary date. The grants are subject to continued employment with the Company. DSUs vest immediately on grant but are not available until the non-executive director leaves the Company, unless redeemed early at the Company's option.

In the first nine months of 2026, a total of 14,951,316 RSUs vested, 332,015 RSUs were forfeited, 7,366,666 options were exercised and 210,000 options were forfeited (2025: 17,363,336 RSUs vested and 46,193,336 options were exercised).

The movements in the first nine months of 2026 resulted in charges to the Statement of Comprehensive Income for options of $447 (2025: $456), for RSUs of $1,444 (2025: $2,951) and for DSUs of $(537) (2025: $2,545). The carrying amount of the DSU liability at September 30, 2026, is $3,367 (December 31, 2025: $3,904), which is valued at the quarter-end closing share price. The closing share price at September 30, 2026, was SEK 1.51 (December 31, 2025, CAD 0.24, SEK 1.58).

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A summary of movements in the Company's outstanding options and share units is below:

	Number of stock options outstanding	Number of RSUs outstanding	Number of DSUs outstanding
At December 31, 2025	**27,403,328**	**52,413,324**	**22,270,235**
Options exercised	(7,366,666)	-	-
Expired/forfeited	(210,000)	(332,015)	-
RSUs vested	-	(14,951,316)	-
At September 30, 2026	**19,826,662**	**37,129,993**	**22,270,235**
Quantities vested and unexercised:			
At December 31, 2025	9,816,670	-	22,270,235
At September 30, 2026	9,503,333	-	22,270,235
Weighted average exercise price of options exercised:			
At December 31, 2025	CAD 0.07 (SEK 0.47)		
At September 30, 2026	SEK 1.0046		
Weighted average remaining contractual life of options:			
At December 31, 2025	4.1 years		
At September 30, 2026	3.4 years		
Weighted average exercise price of outstanding options:			
At December 31, 2025	CAD 0.14 (SEK 0.94)		
At September 30, 2026	SEK 0.7407		

The Company recognizes compensation expense on stock options granted to both employees and non-employees using the fair value method at the date of grant. The share-based payments expense for these options is calculated using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

Comparative share price figures above for 2025 are shown in CAD and SEK due to the former listing on the TSX Venture Exchange in Toronto. Refer to Note 1. The 2026 figures are taken from the Nasdaq First North Growth Market in Stockholm in SEK because the Company's share plans reference this market.

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19. Financial instruments

Financial assets

The financial assets of the Company on the balance sheet dates were as follows:

	Fair value hierarchy [5]	Carrying and fair values at [1]	
		September 30, 2026	December 31, 2025
Accounts receivable [4]	Level 3	166,545	84,903
Cash and cash equivalents, unrestricted [2]	Level 1	21,835	41,150
Other receivables [2]	Level 2	52	142
Cash and cash equivalents, restricted [2]	Level 1	-	981
Total financial assets		**188,432**	**127,176**

Financial assets classified as other receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any provision for impairment.

Financial liabilities

The financial liabilities of the Company on the balance sheet dates were as follows:

	Fair value hierarchy [5]	Carrying values at [1]	
		September 30, 2026	December 31, 2025
Borrowings [3]	Level 2	131,799	131,799
Accrued interest on bond	Level 2	14,345	13,549
Accounts payable and accrued expenses [2]	Level 2	11,186	8,474
Contingent consideration	Level 3	10,826	12,027
Current tax liabilities	Level 2	1	-
Total financial liabilities		**168,157**	**165,849**

Financial liabilities other than the contingent consideration are initially recognized at the fair value of the amount expected to be paid and subsequently measured at amortized cost using the effective interest rate method. The contingent consideration is recorded at its estimated fair value at the end of each quarter with any movements recorded to finance income/cost. Refer to Note 16 for additional information.

[1] The carrying amount of the Company's financial assets approximate their fair values at the balance sheet dates.

[2] No valuation techniques have been applied to establish the fair value of these financial instruments as they are either cash and cash equivalents, correspond to payment terms fixed by contract or, due to the short-term nature, are readily convertible to or settled with cash and cash equivalents.

[3] The Company's estimate for the fair value of its net borrowings (the gross outstanding amount of the 2029 Bond) at the balance sheet date is $149.5 million (December 31, 2025: $150.6 million) based on recent trading in the Company's bond and indicative pricing provided by brokers.

[4] Provisions have been made to the accounts receivable. Refer to Note 12 for additional information.

[5] *Fair value measurements*

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a fair value hierarchy of three levels to classify the inputs to valuation techniques used to measure fair value:

- Level 1: fair value measurements are based on unadjusted quoted market prices;
- Level 2: fair value measurements are based on valuation models and techniques where the significant inputs are derived from quoted prices or indices; and
- Level 3: fair value measurements are derived from valuation techniques that include inputs that are not based on observable market data.

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20. Commitments and contingencies

At September 30, 2026, the outstanding commitments of the Company were as follows:

	For the year ended September 30,				
	2027	2028	2029	Thereafter	Total
Atrush and Sarsang block development and PSC	40,571	400	400	1,200	**42,571**
Sarsang contingent consideration	-	-	-	15,000	**15,000**
Corporate office and other	63	61	61	321	**506**
Total commitments	**40,634**	**461**	**461**	**16,521**	**58,077**

Amounts relating to Atrush and Sarsang block developments represent the Company's unfunded paying interest share of the approved 2026 work program and other obligations under the PSCs. The capital expenditure commitments in the work plans and budgets are contingent upon the security situation, continued production, continuation of sales and other economic factors.

Refer to Note 16 for further information regarding the Sarsang contingent consideration.

21. Related-party transactions

Transactions with corporate entities

	Transactions for periods ended September 30,				Amounts owing at the balance sheet dates	
	three months		nine months			
	2026	2025	2026	2025	September 30, 2026	December 31, 2025
International Petroleum Corp.	41	70	217	252	-	36
Orrön Energy AB	41	123	126	171	10	1
Namdo Management Services Ltd.	-	7	10	23	-	74
Nemesia	-	11,657	-	17,785	-	-
Lundin Foundation	17	-	17	19	-	-
Total	**99**	**11,857**	**370**	**18,250**	**10**	**111**

Nemesia is a company controlled by a trust settled by the estate of the late Adolf H. Lundin and is a shareholder and bondholder of the Company. The Company had a loan from Nemesia that was fully repaid in 2025. Refer to Note 9 for further details.

The Lundin Foundation is a non-profit organization, of which the Company is a member, that provides services for Lundin Group companies.

International Petroleum Corp., Namdo Management Services Ltd. and Orrön Energy AB are companies affiliated with shareholders of the Company and provide corporate, technical and administrative support services to the Company.

All transactions with related parties are conducted in the normal course of business and are made on an arm's-length basis, as with all third parties.

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22. Subsequent events

On October 15, 2026, the Company announced the commencement of top-up payments for export oil sales following the allocation by SOMO of additional oil cargoes to IOCs under the October 2026 lifting program. The extra barrels lifted are intended to compensate IOCs at full international prices under the tripartite interim export agreements and start the payment of outstanding top-up receivables accrued on export sales from September to December 2025.

On October 20, 2026, ShaMaran announced the extension of its cooperation with HKN Energy Ltd. ("HKN") into Federal Iraq through the Hamrin oil development and production contract ("DPC"). As part of this expansion, ShaMaran will have a 25% shareholding in HKN Hamrin Ltd., the joint venture company holding 100% of the Hamrin DPC. The transaction closed on November 9, 2026.

On October 20, 2026, the Company also announced the signing of a merger agreement and combination agreement with Gulf Keystone Petroleum Ltd. ("Gulf Keystone") to combine the two businesses. The Transaction will be structured as a statutory merger under corporate law in Bermuda, where both companies are incorporated, whereby Gulf Keystone will remain as the surviving legal entity. Completion of the Transaction is subject to customary closing conditions and is expected to occur in mid-2027.

On October 21, 2026, the Company announced the successful placement of a new $200 million five-year senior unsecured bond maturing in 2031 and carrying an annual coupon rate of 10.25%. The proceeds will be used to refinance the Company's existing bond maturing in 2029 that has a 12.0% coupon, as well as to fund investments in the Hamrin field in Federal Iraq and for general corporate purposes. Settlement of the bond issue was completed on November 5, 2026.

The Company has received $26.7 million of oil sales proceeds and top-up payments since the end of the third quarter 2026.

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NON-EXECUTIVE DIRECTORS

Chris Bruijnzeels
Director, Chairman

Michael Ebsary
Director

Keith Hill
Director

William Lundin
Director

OFFICERS

Garrett Soden
Director, President and Chief Executive Officer

Elvis Pellumbi
Chief Financial Officer and Corporate Secretary

INVESTOR RELATIONS

Robert Eriksson

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Bermuda

INDEPENDENT AUDITORS

PricewaterhouseCoopers AG
Geneva, Switzerland

TRANSFER AGENT

DNB Bank ASA
Oslo, Norway

STOCK EXCHANGE LISTINGS

Oslo: Euronext Growth Market

Stockholm: Nasdaq First North
Growth Market

Trading Symbol: SNM

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APPENDIX 2

BOND TERMS

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Execution version

BOND TERMS

FOR

ShaMaran Petroleum Ltd. 10.25% senior unsecured USD 450,000,000 bonds 2026/2031

ISIN NO0013773457

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BOND TERMS between	
ISSUER:	ShaMaran Petroleum Ltd., a company incorporated under the laws of Bermuda, with company registration number 202605870 and LEI-code 529900227RVB89NZH924 and
BOND TRUSTEE:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
DATED:	3 November 2026
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

1. INTERPRETATION

1.1 Definitions

The following terms will have the following meanings:

"**Acceptable Bank**" means a bank or financial institution which has a rating for its long-term unsecured and non-credit-enhanced debt obligations of BBB+ or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or Baa1 or higher by Moody's Investors Service Limited or a comparable rating from an internationally recognized credit rating agency.

"**Acquired Financial Indebtedness**" means Financial Indebtedness incurred as a result of any Group Company acquiring another entity (or operations), including by way of merger, and which is due to such acquired entity owing such Financial Indebtedness prior to the completion of the acquisition and where such Financial Indebtedness was not put in place or increased in anticipation of the acquisition.

"**Additional Bonds**" means the debt instruments issued under a Tap Issue, including any Temporary Bonds and Temporary Tap Issue Bonds.

"**Additional Permitted Bond Issue**" means an issuance of bonds:

(a) made by the Issuer and where such bond issue does not mature earlier than six months after the Maturity Date and which does not contain any scheduled amortisation prior to the Maturity Date; or

(b) made by GKP prior to GKP Merger Completion Date, provided that any such bond issue does not have a maturity date falling earlier than the Maturity Date.

"**Adjusted EBITDAX**" means, in relation to a Relevant Period, EBITDAX for that Relevant Period adjusted by:

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(a) including, pro forma for the entire Relevant Period, the operating profit before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDAX) of a Restricted Group Company (or attributable to a business or assets) acquired during the Relevant Period, or after the end of that Relevant Period but on or before the relevant testing date; and

(b) excluding pro forma for the entire Relevant Period the operating profit before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDAX) attributable to any Restricted Group Company (or to any business or assets) disposed of during the Relevant Period or after the end of that Relevant Period but on or before the relevant testing date,

provided that no adjustment shall be made in respect of any acquisition or disposal between Restricted Group Companies.

"**Affiliate**" means, in relation to any person:

(a) any person which is a Subsidiary of that person;

(b) any person with Decisive Influence over that person (directly or indirectly); and

(c) any person which is a Subsidiary of an entity with Decisive Influence over that person (directly or indirectly).

"**Agreed Security Principles**" means the agreed security principles set out in Attachment 3 (*Agreed Security Principles*) hereto.

"**Annual Financial Statements**" means the audited unconsolidated and consolidated annual financial statements of the Issuer for any financial year, prepared in accordance with GAAP, such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.

"**Atrush Assets**" means, with respect to the Atrush PSC, the following agreements and assets:

(a) the relevant facilities and infrastructure used for the extraction, production, storage and transportation of oil and gas;

(b) joint operating agreements;

(c) agreements relating to the transportation, processing and storage of hydrocarbon production;

(d) agreements for sale or marketing of hydrocarbon production; and

(e) any other material agreements directly linked to the Atrush PSC.

"**Atrush Block**" means the Atrush block contract area as defined in the Atrush PSC, covering an area of 269 km^2 and located approximately 85 km northwest of Erbil, the capital of the Kurdistan Region of Iraq.

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"**Atrush JOA**" means the "Joint Operating Agreement" between SNM Atrush and its partners dated 30 November 2011, the "First Amendment to Joint Operating Agreement" between SNM Atrush and its partners dated 31 December 2012, the "Second Amendment to Joint Operating Agreement" between SNM Atrush and its partners dated 7 November 2016, the "Third Amendment to Joint Operating Agreement" between SNM Atrush and its partners dated 12 October 2017, and the "Fourth Amendment to Joint Operating Agreement" between SNM Atrush and its partners dated 30 May 2019, all relating to the Atrush Block.

"**Atrush PSC**" means the production sharing contract between SNM Atrush and the Kurdistan Regional Government of Iraq under which SNM Atrush holds a working interest of 50.00%; named "Production Sharing Contract, Atrush Block, Kurdistan Region between The Kurdistan Regional Government of Iraq and General Exploration Partners, Inc." dated 10 November 2007, "First Amendment" dated 1 August 2010, "TPI Assignment, Novation, and Second Amendment Agreement" dated 20 October 2010, "Assignment, Novation, Third Amendment Agreement" dated 31 December 2012 and "Assignment, Novation, and Fourth Amendment Agreement" dated 7 November 2016 and "Assignment, Novation and Fifth Amendment Agreement" dated 30 May 2019.

"**Attachment**" means any schedule, appendix or other attachment to these Bond Terms.

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**Bank Financing**" means a loan provided from bank(s), financial institutions, trading companies or other lenders to a Group Company under a loan facility in respect of which the loan amount is, inter alia, based on the value of its Hydrocarbon Assets, provided that at least one lender must be a bank or financial institution which is regularly active in the bank financing market for oil & gas.

"**Bond Currency**" means the currency in which the Bonds are denominated, as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"**Bond Terms**" means these terms and conditions, including all Attachments which form an integrated part of these Bond Terms, in each case as amended and/or supplemented from time to time.

"**Bond Trustee**" means the company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

"**Bondholder**" means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 3.3 (*Bondholders' rights*).

"**Bondholders' Meeting**" means a meeting of Bondholders as set out in Clause 15 (*Bondholders' Decisions*).

"**Bonds**" means (a) the debt instruments issued by the Issuer pursuant to these Bond Terms, including any Additional Bonds, and (b) any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the regulations of the CSD from time to time.

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"**Book Equity**" means total equity, including share capital, Subordinated Loans (which shall count as equity), share premium, retained earnings, current year's earnings, reserves and adjustments, attributable to the Group's shareholders plus minority interests, as per the balance sheet set out in the relevant Financial Report.

"**Book Equity Ratio**" means Book Equity divided by Total Assets.

"**Business Day**" means a day on which both the relevant CSD settlement system is open and the relevant settlement system for the Bond currency is open.

"**Business Day Convention**" means that if the last day of any Interest Period originally falls on a day that is not a Business Day, no adjustment will be made to the Interest Period.

"**Call Notice**" has the meaning ascribed to such term in paragraph (c) of Clause 10.2 (*Voluntary early redemption – Call Option*).

"**Call Option**" has the meaning ascribed to such term in paragraph (a) of Clause 10.2 (*Voluntary early redemption – Call Option*).

"**Call Option Repayment Date**" means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*), Clause 10.4 (*Clean-up Call – Put Option and GKP Exchange*) or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

"**Cash and Cash Equivalents**" means at any time:

(a) cash in hand or amounts standing to the credit of any current and/or deposit accounts with an Acceptable Bank; and

(b) time deposits with Acceptable Banks and certificates of deposit issued, and bills of exchange accepted, by an Acceptable Bank,

in each case to which any Restricted Group Company is beneficially entitled at the time.

"**Change of Control Event**" means the occurrence of an event or series of events whereby a person or group of persons acting in concert gains Decisive Influence over the Issuer, other than as a result of the Permitted GKP Merger.

"**Closing Procedure**" has the meaning ascribed to such term in paragraph (c) of Clause 6.1 (*Conditions precedent for disbursement to the Issuer*).

"**Compliance Certificate**" means a statement substantially in the form as set out in Attachment 1 hereto.

"**CSD**" means the central securities depository in which the Bonds are registered, being Euronext Securities Oslo (Verdipapirsentralen ASA (VPS)).

"**Cure Amount**" means cash actually received by the Issuer (i) in exchange for fully paid shares in the Issuer or (ii) as Subordinated Loans.

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"**Decisive Influence**" means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):

(a) a majority of the voting rights in that other person; or

(b) a right to elect or remove a majority of the members of the board of directors of that other person.

"**Default Notice**" has the meaning ascribed to such term in Clause 14.2 (*Acceleration of the Bonds*).

"**DFI Financing**" means any unsecured or secured debt provided to an Unrestricted Group Company by a direct foreign investment capital provider (including development finance institutions) supported by governments or major credit institutions (banks, central banks or similar) as lender.

"**Distribution**" means any dividend payment, repurchase of shares or loans or other equity or capital distributions (including group contributions) by a person to its direct or indirect shareholders, whether in cash or in kind, including without limitation any total return swaps or instruments with similar effect or any servicing of Subordinated Loans.

"**Default Repayment Date**" means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

"**EBITDAX**" means, in respect of any Relevant Period, the consolidated operating profit of the Restricted Group before taxation:

(a) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by any member of the Restricted Group (calculated on a consolidated basis) in respect of that period;

(b) not including any accrued interest owing to any member of the Restricted Group;

(c) after adding back any amount attributable to the amortisation, depreciation or impairment of assets of members of the Restricted Group as well as non-cash expenses related to share-based compensation schemes;

(d) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Restricted Group which is attributable to minority interests;

(e) before taking into account (i) any exceptional, non-recurring items up to an aggregate amount for the Restricted Group equal to five per cent. (5%) of EBITDAX (prior to making any adjustments for such exceptional, non-recurring items) and (ii) any non-recurring transaction costs, fees and expenses related to the HKN Hamrin Transaction and the Permitted GKP Merger, in respect of that Relevant Period;

(f) before taking into account any unrealised gains or losses on any financial or derivative instrument (other than any derivative instruments which are accounted for on a hedge account basis);

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(g) after deducting any gain over book value and after adding back any loss arising on the disposal of any asset of any member of the Restricted Group (other than the sale of trading stock) during such period; and

(h) after adding back any exploration and evaluation cost or write off expense incurred during such period,

in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profits of the Restricted Group before taxation, and where any EBITDAX attributable to an Unrestricted Group Company shall be excluded, but where the amount of any cash Distribution made by an Unrestricted Group Company or a Qualified Minority Owned Company to a Restricted Group Company shall be included in the EBITDAX of the Restricted Group.

"**Escrow Account**" means a bank account in USD to be established by the Issuer with the Paying Agent (as escrow agent) prior to the Issue Date, blocked (or otherwise restricted, as determined by the Bond Trustee) and pledged on first priority in favour of the Bond Trustee (on behalf of the Bondholders), to which the Net Proceeds shall be transferred in connection with the issuance of the Bonds on the Issue Date, provided that all conditions precedent set out in paragraph (a) of Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have been satisfied.

"**Escrow Account Pledge**" means the pledge over the Escrow Account, where the bank operating the account has waived any set-off rights.

"**Event of Default**" means any of the events or circumstances specified in Clause 14.1 (*Events of Default*).

"**Exchange**" means Euronext ABM, a self-regulated marketplace organised and operated by Euronext Oslo Børs.

"**Existing Bonds**" means the bonds issued under ISIN NO0011057622.

"**Fee Agreement**" means the agreement entered into between the Issuer and the Bond Trustee relating, among other things, to the fees to be paid by the Issuer to the Bond Trustee for the services provided by the Bond Trustee relating to the Bonds.

"**Finance Documents**" means these Bond Terms, the Fee Agreement, the Intercreditor Agreement, any Transaction Security Document, any Security Agent Agreement, any subordination agreement in respect of any Subordinated Loan and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

"**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) moneys borrowed (and debit balances at banks or other financial institutions);

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

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(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be capitalised as an asset and booked as a corresponding liability in the balance sheet;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under GAAP are met);

(f) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price and, when calculating the value of any derivative transaction, only the mark to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);

(g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a person which is not a Group Company which liability would fall within one of the other paragraphs of this definition;

(h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under GAAP;

(i) any amount of any liability under an advance or deferred purchase agreement, if (a) the primary reason behind entering into the agreement is to raise finance or (b) the agreement is in respect of the supply of assets or services and payment is due more than 120 calendar days after the date of supply;

(j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under GAAP; and

(k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

"**Financial Reports**" means each of the Annual Financial Statements and the Interim Accounts.

"**Financial Support**" means any loans, guarantees, Security securing obligations of another person or other financial assistance (whether actual or contingent), including the investment in the equity capital of any person.

"**First Call Date**" means the Interest Payment Date falling in May 2029.

"**First Call Price**" has the meaning ascribed to such term in paragraph (a) (ii) of Clause 10.2 (*Voluntary early redemption - Call Option*).

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"**Free Cash Flow**" means the free cash flow of the Restricted Group, based on the reported Annual Financial Statements or the Interim Accounts (as relevant), defined as net cash generated from operating activities, including net interest expense/income, and after investing activities not financed with dedicated external financing, provided (in each case, without double counting) that (i) the up to USD 75,000,000 permitted to be used under Clause 13.19 (*Investments in and loans to Unrestricted Group Companies and Qualified Minority Owned Companies*) below shall not reduce Free Cash Flow and (ii) distributions received from Unrestricted Group Companies and Qualified Minority Owned Companies shall increase Free Cash Flow.

"**GAAP**" means the generally accepted accounting practices and principles in the country in which the Issuer is incorporated including, if applicable, the International Financial Reporting Standards (IFRS) and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof), in force from time to time.

"**GKP**" means Gulf Keystone Petroleum Limited (company number 31165).

"**GKP Bond**" means the senior unsecured bond issue planned to be issued by GKP in 2026 in an initial amount of USD 175,000,000 and a maximum amount of USD 450,000,000 (or such other amounts agreed).

"**GKP Exchange**" has the meaning ascribed to such term in Clause 10.4 (*Clean-up Call – Put Option and GKP Exchange*).

"**GKP Group**" means GKP and its Subsidiaries.

"**GKP Merger Completion Date**" means the date on which the Permitted GKP Merger becomes legally effective, provided that each of the conditions set out in paragraphs (a) to (j) in such definition have been or are satisfied (or waived by the Bond Trustee) on or before that date. The Issuer shall notify the Bond Trustee and the Bondholders of the GKP Merger Completion Date promptly upon its occurrence.

"**GKP Rollover**" means a one-time exchange, in whole or in part, of bonds issued under any GKP Bond for Additional Bonds issued by way of a Tap Issue, at an exchange price which may be at, above or below the Nominal Amount (in accordance with the standard principles for trading of bonds in the secondary bond market).

"**Group**" means the Issuer and its Subsidiaries from time to time (and shall, from and including the GKP Merger Completion Date, include GKP's Subsidiaries (being the members of the GKP Group as of the GKP Merger Completion Date other than GKP itself)).

"**Group Company**" means any person which is a member of the Group.

"**Guarantee**" means a Norwegian law guarantee (No.: *selvskyldnergaranti*) and indemnity to be issued by each Guarantor (each of which shall be in form and content satisfactory to the Bond Trustee).

"**Guarantor**" means each Original Guarantor and each Material Group Company (not being an Unrestricted Group Company) from time to time.

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"**Hamrin DPC**" means the development and production contract for Hamrin Contract Area — Contract No. 46/HAMRIN/NOC/2026 entered into between North Oil Company of the Iraqi Ministry of Oil and HKN Hamrin on 9 July 2026.

"**HKN Hamrin**" means HKN Hamrin Ltd, registration number 424821, an exempted company established and existing under the laws of the Cayman Islands, having its registered office at Offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

"**HKN Hamrin Assets**" means, with respect to the Hamrin DPC, the following agreements and assets:

(a) the relevant facilities and infrastructure used for the extraction, production, storage and transportation of oil and gas;

(b) joint operating agreements;

(c) agreements relating to the transportation, processing and storage of hydrocarbon production;

(d) agreements for sale or marketing of hydrocarbon production; and

(e) any other material agreements directly linked to the Hamrin DPC.

"**HKN Hamrin Shareholders' Agreement**" means the shareholders' agreement originally dated on or about 18 October 2026 entered into between, among others, HKN Hamrin, SNM Hamrin and HKN Energy VII Ltd.

"**HKN Hamrin Transaction**" means the acquisition by the Issuer (directly or indirectly) of twenty-five per cent. (25%) of the shares in HKN Hamrin, under the HKN Hamrin Transaction Agreement.

"**HKN Hamrin Transaction Agreement**" means the share purchase agreement originally dated 18 October 2026 regarding the HKN Hamrin Transaction and entered into between HKN Energy VII Ltd. as seller and SNM Hamrin as buyer.

"**Hydrocarbon Assets**" means, from time to time, each Hydrocarbon Licence and block or other oil and gas accumulations in which any Group Company or any Qualified Minority Owned Company holds an ownership interest (either directly or indirectly through (i) interests in production sharing contracts, licences, concessions or similar participation arrangements or (ii) through ownership interests in holding companies), including the Atrush Assets and the Sarsang Assets and, subject to the completion of the HKN Hamrin Transaction, the HKN Hamrin Assets.

"**Hydrocarbon Licences**" means any concessions, licences, production sharing contracts or similar carrying the rights to explore, develop and extract hydrocarbon resources which are held by any Group Company or Qualified Minority Owned Company, including the PSCs and the JOAs.

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"**Hydrocarbon Asset Termination Event**" means an event where a Hydrocarbon Asset is revoked, cancelled or terminated for any reason.

"**Incurrence Test**" has the meaning ascribed to such term in Clause 13.27 (*Incurrence Test*).

"**Initial Bond Issue**" means the amount to be issued on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"**Initial Nominal Amount**" means the Nominal Amount of each Bond on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"**Initial Security**" has the meaning ascribed to such term in Clause 2.6 (*Transaction Security*).

"**Initial Security Documents**" has the meaning ascribed to such term in Clause 2.6 (*Transaction Security*).

"**Insolvent**" means that a person:

(a) is unable or admits inability to pay its debts as they fall due;

(b) suspends making payments on any of its debts generally; or

(c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its centre of main interest as such term is understood pursuant to Regulation (EU) 2015/848 on insolvency proceedings (as amended from time to time).

"**Intercreditor Agreement**" means an intercreditor agreement based on the Intercreditor Principles.

"**Intercreditor Principles**" means the intercreditor principles set out in Attachment 4 (*Intercreditor Principles*) hereto.

"**Interest Payment Date**" means the last day of each Interest Period, the first Interest Payment Date being 5 May 2027 and the last Interest Payment Date being the Maturity Date.

"**Interest Period**" means, subject to adjustment in accordance with the Business Day Convention, the periods between 5 May and 5 November each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

"**Interest Rate**" means 10.25 percentage points per annum.

"**Interim Accounts**" means the unaudited consolidated quarterly financial statements of the Issuer for the three-month periods ending on each 31 March, 30 June, 30 September and 31 December in each of its financial years, each of which shall include a balance sheet, profit and loss account and cashflow statement together with management commentary on the performance.

"**Intra-Group Claims**" means any liability or monetary claim which is or will become owing by one Group Company or a Qualified Minority Owned Company to another Group Company.

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"**ISIN**" means International Securities Identification Number.

"**Issue Date**" means 5 November 2026.

"**Issuer**" means (i) up to, but excluding, the GKP Merger Completion Date, the company designated as such in the preamble to these Bond Terms, and (ii) from and including the GKP Merger Completion Date, GKP.

"**Issuer VPS Account**" means the VPS account to be established by the Issuer with Pareto Securities AS (as escrow agent) prior to the Issue Date for the purpose of holding all the Rollover Bonds until the first release of funds from the Escrow Account. The account shall be pledged on a first priority basis pursuant to a VPS account pledge agreement so that the Rollover Bonds are pledged in favour of the Bond Trustee (on behalf of the Bondholders holding the Temporary Settlement Bonds only) and the Issuer VPS Account, in respect of the Rollover Bonds, is blocked until the Rollover Bonds are either deleted or returned to the Bondholders holding Temporary Settlement Bonds.

"**Issuer VPS Account Pledge**" has the meaning ascribed to such term in Clause 2.6 (*Transaction Security*).

"**Issuer VPS Cash Account**" means either (i) USD cash accounts in the name of the Issuer held with Pareto Securities AS, or (ii) USD settlement accounts in the name of Pareto Securities AS, into which shall be deposited all payments in respect of the Rollover Bonds credited to the Issuer VPS Account. The Issuer VPS Cash Account shall be pledged on a first priority basis in favour of the Bond Trustee (on behalf of the Bondholders holding Temporary Settlement Bonds only) pursuant to an escrow account pledge agreement or a tripartite assignment agreement (as the case may be), and blocked so that no withdrawals can be made from such account without the Bond Trustee's consent, and the account bank shall waive any set-off rights to such account.

"**Issuer VPS Cash Account Pledge**" has the meaning ascribed to such term in Clause 2.6 (*Transaction Security*).

"**Issuer's Bonds**" means any Bonds which are owned by the Issuer, any Group Company or any of their respective Affiliates.

"**JOAs**" means the Atrush JOA, the Sarsang JOA and any other joint operating agreement relating to Hydrocarbon Assets to which a Restricted Group Company or Qualified Minority Owned Company is a party.

"**Leverage Ratio**" means, in respect of any Relevant Period, the ratio of Total Net Debt to Adjusted EBITDAX in respect of that Relevant Period.

"**Licence Documents**" means:

(a) the Hydrocarbon Licences and any Authorisation required for the lawful exploration, exploitation, development or operation of the Hydrocarbon Licences or the production, transportation or sale of production therefrom;

(b) each agreement for the sale or marketing of production;

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(c) each material agreement (other than the agreements set forth in items (a) and (b) above) related to the Hydrocarbon Licences, including any material decommissioning security agreement, any material pipeline transmission agreement, any material drilling agreement, any material equipment supply agreement, any material installation and/or supply contract or material maintenance and management agreement;

(d) each present and future contract or policy of insurance and reinsurance in respect of the Hydrocarbon Licences in which the Issuer and/or any relevant Group Company has or may from time to time have an interest; and

(e) any other document designated as such by the Issuer and the Bond Trustee.

"**Liquidity**" means the amount of Cash and Cash Equivalents of the Restricted Group in respect of which the Restricted Group has free and unrestricted access in readily available funds and which is not subject to Security (other than as Security for the account bank under its general terms for bank accounts) or blocked.

"**Listing Failure Event**" means:

(a) that the Bonds have not been admitted to listing on the Exchange within 6 months following the Issue Date, or

(b) in the case of a successful admission to listing, that a period of 6 months has elapsed since the Bonds ceased to be admitted to listing on the Exchange.

"**Longstop Date Redemption Event**" means that the first release of funds from *the* Escrow Account has not occurred within 90 days of the Issue Date.

"**Longstop Date Redemption Repayment Date**" means the settlement date for the Longstop Date Redemption Event pursuant to Clause 10.7 (*Early redemption due to a Longstop Date Redemption Event*).

"**Make Whole Amount**" means an amount equal to the sum of the present value on the Repayment Date of:

(a) the Nominal Amount of the redeemed Bonds at the First Call Price as if such payment originally had taken place on the First Call Date; and

(b) the remaining interest payments of the redeemed Bonds (less any accrued and unpaid interest on the redeemed Bonds as at the Repayment Date) to the First Call Date,

where the present value shall be calculated by using a discount rate of 5.16 per cent. per annum.

"**Manager**" means Pareto Securities AS.

"**Material Adverse Effect**" means a material adverse effect on:

(a) the ability of the Issuer and the Guarantors (taken as a whole) to perform and comply with their obligations under the Finance Documents; or

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(b) the validity or enforceability of any Finance Document.

"**Material Asset**" means cash and/or Hydrocarbon Assets of a Group Company or a Qualified Minority Owned Company where the aggregate amount and/or value of such assets for such Group Company or Qualified Minority Owned Company exceeds USD 20,000,000 (or the equivalent in other currencies).

"**Material Disposal Account**" has the meaning ascribed to such term in paragraph (a)(i) of Clause 10.5 (*Material Disposal Event – Put Option*).

"**Material Disposal Event**" means:

(a) a Significant Asset Disposal Event; or

(b) a Significant Insurance Event.

"**Material Disposal Event Amount**" means:

(a) a Significant Asset Disposal Event Amount; or

(b) a Significant Insurance Event Amount.

"**Material Group Company**" means a Group Company (other than the Issuer) that (i) directly owns a Material Asset or (ii) owns (directly or indirectly) shares in a Group Company that owns a Material Asset.

"**Maturity Date**" means 5 November 2031, adjusted according to the Business Day Convention.

"**Maximum Issue Amount**" means the maximum amount that may be issued under these Bond Terms as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"**Net Proceeds**" means the proceeds from the issuance of the Bonds (net of fees and legal costs of the Manager and, if required by the Bond Trustee, the Bond Trustee fee, and any other costs and expenses incurred in connection with the issuance of the Bonds).

"**Nominal Amount**" means the nominal value of each Bond at any time. The Nominal Amount may be amended pursuant to paragraph (k) of Clause 16.2 (*The duties and authority of the Bond Trustee*).

"**Obligor**" means the Issuer and any Guarantor.

"**Original Guarantor**" means each of:

(a) SNM Sarsang (owner of the Sarsang PSC interest); and

(b) SNM Atrush (owner of the Atrush PSC interest).

"**Outstanding Bonds**" means any Bonds not redeemed or otherwise discharged.

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"**Overdue Amount**" means any amount required to be paid by an Obligor under the Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date.

"**Partial Payment**" means a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents.

"**Paying Agent**" means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.

"**Payment Date**" means any Interest Payment Date or any Repayment Date.

"**Permitted Distribution**" means any Distribution (provided that no Event of Default has occurred and is continuing):

(a) by the Issuer, any Distribution made by the Issuer, if the Issuer can demonstrate that Total Net Debt is equal to or less than zero on a consolidated basis immediately after the Distribution has been completed;

(b) by the Issuer, constituting a Permitted GKP Payment (and which shall not be subject to the Incurrence Test);

(c) notwithstanding paragraph (a) above, by the Issuer, subject to being in compliance with the relevant Incurrence Test;

(d) by the Issuer, in connection with customary employee incentive schemes; and

(e) any Distribution by a Group Company (other than the Issuer), if:

(i) such Distribution is from a Restricted Group Company to another Restricted Group Company; or

(ii) such Distribution is from an Unrestricted Group Company to another Group Company; or

(iii) made by a Group Company which is not wholly-owned, is made pro rata to its shareholders on the basis of their respective ownership at the time, provided that the shareholders not being Group Companies are Third Party Shareholders.

There shall be no carry forward of unused Distribution capacity under paragraph (c) to subsequent financial quarters, provided that, in respect of each financial quarter ending prior to the Relevant Date, the Issuer may elect to carry forward up to fifty per cent. (50%) of the Distribution capacity under paragraph (c) (which has not been used in respect of that financial quarter) (each a "**Carry Forward Amount**"). Carry Forward Amounts shall be cumulative and may be applied, in whole or in part and on one or more occasions, towards Distributions to the shareholders of the Issuer or the shareholders of GKP (or for ordinary use in the Restricted Group) at any time up to and including the date falling six (6) months after the Relevant Date, after which any unused Carry Forward Amount shall lapse. Any Distribution of a Carry Forward Amount shall be subject to no Event of Default continuing or resulting therefrom, shall not be aggregated with other Distributions made by reference to the Free Cash Flow of

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the relevant financial quarter, and any payment hereunder to the shareholders of GKP shall come in addition to any Permitted GKP Payment.

"**Permitted Financial Indebtedness**" means:

(a) the Bonds (including, for the avoidance of doubt, any Additional Bonds issued pursuant to a Tap Issue, subject to the satisfaction of the Incurrence Test unless the Tap Issue is made to complete a GKP Rollover);

(b) subject to the satisfaction of the Incurrence Test and the entry into (or accession to) of the Intercreditor Agreement, any Additional Permitted Bond Issue (including in respect of any such Additional Permitted Bond Issue issued by the Restricted Group, however any such Additional Permitted Bond Issue made prior to the merger and that becomes part of the Restricted Group through the Permitted GKP Merger (including the GKP Bond) shall not be subject to the Incurrence Test);

(c) any Financial Indebtedness incurred under the Permitted Unrestricted Group Company Financing owed by an Unrestricted Group Company with no recourse to the Restricted Group;

(d) any Financial Indebtedness incurred by the Issuer under a Subordinated Loan;

(e) any Financial Indebtedness incurred under Permitted Hedging;

(f) any Financial Indebtedness incurred under any Acquired Financial Indebtedness, provided that such Financial Indebtedness is repaid or refinanced within ninety (90) calendar days after the completion of the relevant acquisition (unless permitted by any of the other paragraphs in this definition);

(g) any Financial Indebtedness incurred under any pension and tax liabilities incurred in the ordinary course of business;

(h) any Financial Indebtedness owed (i) by an Unrestricted Group Company to a Restricted Group Company and permitted under Clause 13.19 (*Investments in and loans to Unrestricted Group Companies and Qualified Minority Owned Companies*) below and (ii) by an Unrestricted Group Company to another Unrestricted Group Company;

(i) any Financial Indebtedness owed by the Issuer to an Unrestricted Group Company, provided that such Financial Indebtedness is subordinated to the amounts outstanding under the Finance Documents and does not contain any acceleration rights;

(j) any Financial Indebtedness owed by a Restricted Group Company to another Restricted Group Company, provided that if such Financial Indebtedness is owed by an Obligor to a Restricted Group Company who is not an Obligor, such Financial Indebtedness is subordinated to the amounts outstanding under the Finance Documents and does not contain any acceleration rights, provided that such Obligor may service and repay such Financial Indebtedness until an Event of Default has occurred and is continuing or would occur as a result thereof;

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(k) any Financial Indebtedness under finance or capital leases of office buildings, vehicles, equipment, computers, production, storage or other relevant assets incurred in the ordinary course of business;

(l) any Financial Indebtedness in the form of rental deposits or other guarantees in respect of any lease agreement including in relation to real property entered into by a Group Company in the ordinary course of business and on normal commercial terms;

(m) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability in the ordinary course of business of a Group Company, including with respect to a Group Company's obligations under a PSC and/or JOA (other than from a Restricted Group Company in favour of an Unrestricted Group Company);

(n) any Financial Indebtedness arising under any loan, guarantee or indemnity permitted by the definition of "Permitted Financial Support" (other than paragraph (p) thereof);

(o) any Financial Indebtedness arising as a result of a contemplated refinancing of the Bonds or any Additional Permitted Bond Issue in full provided that (i) a call notice has been served on such bonds (in full) or will be served in connection with the refinancing and (ii) such debt is held in escrow until full repayment of such bonds (or is subject to a similar closing procedure);

(p) any Financial Indebtedness arising under supplier credits on normal commercial terms in the ordinary course of business, including any forward sale of hydrocarbons with a maturity date not exceeding 180 days;

(q) any Financial Indebtedness arising under any advance or deferred purchase agreement towards any of its trading partners in the ordinary course of its trading activities on arm's length basis and provided the incurrence of any such liabilities would not have a Material Adverse Effect;

(r) from and including the GKP Merger Completion Date, any Financial Indebtedness assumed by the Issuer as a result of the Permitted GKP Merger, provided that such Financial Indebtedness was permitted under the terms of the GKP Bond immediately prior to the GKP Merger Completion Date;

(s) up until the date of the first release of funds from the Escrow Account to the Issuer, Financial Indebtedness under the Existing Bonds; and

(t) any other Financial Indebtedness not covered by the preceding paragraphs, which does not exceed the aggregate amount of (i) prior to the GKP Merger Completion Date USD 20,000,000 (or the equivalent in any other currency) or (ii) from and including the GKP Merger Completion Date USD 40,000,000 (or the equivalent in any other currency).

"**Permitted Financial Support**" means Financial Support:

(a) arising under the Finance Documents;

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(b) in the form of guarantees and indemnities from any Guarantor in respect of any Additional Permitted Bond Issue, subject to the Intercreditor Agreement;

(c) granted in respect of Acquired Financial Indebtedness by a company becoming a Restricted Group Company through the relevant acquisition or merger, provided that such Financial Support was not granted or increased in anticipation of, or as a consequence of, the relevant acquisition or merger and is released and terminated within ninety (90) calendar days after its completion (unless permitted by any of the other paragraphs in this definition);

(d) in relation to Financial Indebtedness listed in paragraphs (k) (finance leases) and (l) (other leases) in "Permitted Financial Indebtedness" above;

(e) any guarantee, indemnity or counter-indemnity given by a Group Company in the ordinary course of business under or in connection with any Licence Document, PSC, JOA or other agreement relating to the exploration, development, decommissioning or operation of a Hydrocarbon Asset, including work commitment, performance, abandonment or decommissioning guarantees required by a host government, regulator or joint venture partner, in each case limited to the relevant Restricted Group Company's pro rata working-interest share of the relevant obligations (save to the extent a greater amount is required by the relevant host government, regulator or joint venture partner);

(f) from a Restricted Group Company to or for the benefit of another Restricted Group Company;

(g) from an Unrestricted Group Company to or for the benefit of another Unrestricted Group Company;

(h) from a Restricted Group Company to an Unrestricted Group Company if such Financial Support consists of a group contribution, provided that no cash or other funds are transferred from the Restricted Group as a result thereof (i.e. the group contributions are merely accounting measures), however so that group contributions made for tax netting purposes may be made by way of cash contributions, and provided that such distribution, net of the tax effect, is subsequently re-injected as a shareholder’s contribution to the Restricted Group Company as soon as possible and in any event within 30 Business Days;

(i) in the form of a guarantee, indemnity, loan (or investment) from a Restricted Group Company to or to the benefit of an Unrestricted Group Company or Qualified Minority Owned Company, as permitted under Clause 13.19 (*Investments in and loans to Unrestricted Group Companies and Qualified Minority Owned Companies*) below;

(j) any guarantee given by a Restricted Group Company in respect of netting or set-off arrangements permitted pursuant to paragraph (g) of the definition of "Permitted Security";

(k) any guarantee given by an Unrestricted Group Company in respect of netting or set-off arrangements permitted pursuant to paragraph (h) of the definition of "Permitted Security";

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(l) any indemnity given in the ordinary course of the documentation of an acquisition permitted hereunder;

(m) any Financial Support granted by a member of the GKP Group in existence on the GKP Merger Completion Date, provided that such Financial Support was not granted or increased in contemplation of the Permitted GKP Merger and it is not increased after the GKP Merger Completion Date (other than in accordance with its terms in existence on the GKP Merger Completion Date or except as otherwise permitted by these Bond Terms);

(n) any trade credit extended on normal commercial terms and in the ordinary course of trading;

(o) deferred consideration on disposals of assets (in respect of disposals not prohibited by these Bond Terms);

(p) any Permitted Financial Indebtedness or Permitted Security constituting Financial Support;

(q) granted as customary employee loans in the ordinary course of business and in connection with customary employee incentive schemes;

(r) any guarantee or indemnity in the ordinary course of business (other than in respect of any obligations of an Unrestricted Group Company or a Qualified Minority Owned Company) or guarantees by the Issuer for liabilities of any Material Group Company which liabilities are not Financial Indebtedness;

(s) any guarantee that is or which guarantees or indemnifies Permitted Financial Indebtedness;

(t) any loans existing at the time of (but not incurred in contemplation of) an acquisition of any person that becomes a member of the Group and made by that member of the Group, provided that the amount of that loan is not increased after completion of the acquisition other than in accordance with terms in existence prior to completion of the acquisition or except as otherwise permitted by the Bond Terms;

(u) any investment in the equity capital of, or loan to, a person in connection with that person becoming, or in order for that person to become, a Restricted Group Company, provided it is on arms' length terms, it does not have a Material Adverse Effect and no Event of Default is continuing or would result from such investments or loan; and

(v) any other Financial Support not covered by the preceding paragraphs in the aggregate amount of (i) prior to the GKP Merger Completion Date USD 20,000,000 (or the equivalent in any other currency) or (ii) from and including GKP Merger Completion Date USD 40,000,000 (or the equivalent in any other currency),

provided, for the sake of clarity, that other than explicitly permitted under paragraphs (a) to (v) above, no Restricted Group Company shall provide Financial Support to or for the benefit of an Unrestricted Group Company or a Qualified Minority Owned Company.

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"**Permitted GKP Merger**" means any merger between the Issuer and GKP and where GKP is the surviving entity, provided that:

(a) no Event of Default is continuing or would result from the Permitted GKP Merger;

(b) no material default, material event of default or mandatory repayment is outstanding with respect to the Financial Indebtedness of the GKP Group or will result from the merger;

(c) no Material Adverse Effect (other than such effects which are intrinsic to any merger, including that ShaMaran Petroleum Ltd will cease to exist as a separate legal entity), Hydrocarbon Asset Termination Event or material default under any material agreement (or similar events with respect to the assets of the GKP Group) will result therefrom;

(d) all such governmental approvals, approvals by requisite shareholders and governing corporate bodies and other required third-party approvals required for the merger (including the transfer of shares, assets, interests and change of ownership and/or control and the fact that ShaMaran Petroleum Ltd. will not be the surviving entity of the merger) (the absence of which could have a Material Adverse Effect), have been obtained;

(e) the merger will be legal, valid and binding under relevant laws;

(f) the financial covenants set out in Clause 13.26 (*Financial covenants*) will, calculated pro forma for the combined entity, be satisfied immediately after the completion of the merger;

(g) all the obligations and liabilities of the Issuer under the Finance Documents will be assumed by GKP;

(h) GKP on the GKP Merger Completion Date is incorporated in Bermuda and listed on a regulated market or multilateral trading facility (each as defined in MiFID II and MiFIR, and including any SME growth market such as Euronext Growth), or any other multilateral trading venue, exchange or marketplace on which securities of a corresponding nature are regularly admitted to trading;

(i) all KYC, on-boarding and other formalities requirements by the Bond Trustee, Paying Agent and the CSD are satisfied; and

(j) immediately prior to the completion of the merger, and in each case as required by the Bond Trustee:

  (i) the Issuer and/or GKP and/or the Guarantors shall enter into such confirmations and/or accession agreements and/or amendment agreements to or under the Finance Documents ensuring the continuation of the obligations and liabilities of the Issuer in the merged entity and the obligations and liabilities of the Guarantors in the merged Group;

  (ii) the Issuer and GKP shall provide to the Bond Trustee a joint written confirmation that the conditions above are satisfied; and

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(iii) the Issuer and GKP shall provide to the Bond Trustee such legal opinions and similar legal confirmations with respect to the Finance Documents and the documents to be signed thereunder in relation to the merger as the Bond Trustee may require.

"**Permitted GKP Payments**" means one or more payments (in the form of a Distribution, payment, payment for consideration or otherwise) made by the Restricted Group to one or more of the shareholders in GKP, provided that:

(a) such payment is made prior to the Permitted GKP Merger to satisfy a condition precedent for its completion or after the Permitted GKP Merger to satisfy a condition subsequent thereto;

(b) the aggregate amount of such payments does not exceed USD 50,000,000 (or its equivalent in other currencies);

(c) Liquidity shall be not less than an amount equal to USD 50,000,000 (or its equivalent in other currencies) immediately following the payment; and

(d) no Event of Default is continuing or would result therefrom.

"**Permitted Hedging**" means any non-speculative hedging of interest, currency and commodity risks or other similar derivative transactions including, without limitation, swaps, forward contracts, call options and put options in whatever form.

"**Permitted Security**" means:

(a) any Security in relation to the Bonds, including any Additional Bonds;

(b) any Security over assets subject to Transaction Security securing any Additional Permitted Bond Issue subject to and in accordance with the Intercreditor Agreement or which is limited to interim Security over escrow accounts or similar arrangements for settlement purposes;

(c) any Security granted by an Unrestricted Group Company securing its obligations as a borrower under its Permitted Unrestricted Group Company Financing;

(d) any Security granted over the ownership interests in and/or Intra-Group Claims against an Unrestricted Group Company, in each case securing the obligations of that Unrestricted Group Company as an obligor under its Permitted Unrestricted Group Company Financing;

(e) any Security arising by operation of law, provided that such Security does not relate to any default;

(f) with respect to any Financial Indebtedness referred to in paragraph (k) (finance leases) in "Permitted Financial Indebtedness" above, Security over the assets financed by the finance or capital lease;

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(g) any netting or set-off arrangement entered into by the Issuer or any other Restricted Group Company in the ordinary course of its banking arrangements and/or for the purpose of netting debit and credit balances of the Group Companies;

(h) any netting or set-off arrangement entered into by an Unrestricted Group Company in the ordinary course of its banking arrangements and/or for the purpose of netting debit and credit balances of that Group Company;

(i) any Security arising over any bank accounts or custody accounts or other clearing banking facilities held with any bank or financial institution under the standard terms and conditions of such bank or financial institution;

(j) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to the Issuer or any other Group Company (as the case may be) in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by the Issuer or such other Group Company;

(k) any Security arising under the terms of any Licence Documents (or pursuant thereto) towards partners, operators, regulators or governmental bodies;

(l) any Security in the form of rental deposits or other guarantees in respect of any lease agreement including in relation to real property entered into by a Group Company in the ordinary course of business and on normal commercial terms;

(m) any Security securing Acquired Financial Indebtedness, provided that such Security was not granted or perfected as a consequence of the relevant acquisition and that such Security is released and terminated within ninety (90) calendar days after the completion of the relevant acquisition (unless permitted by any of the other paragraphs in this definition);

(n) any Security created for the benefit of the finance providers in relation to a refinancing of the Bonds or any Additional Permitted Bond Issue in full;

(o) any Security granted by a member of the GKP Group in existence on the GKP Merger Completion Date, provided that such Security secures Financial Indebtedness permitted under paragraph (r) of "Permitted Financial Indebtedness" above;

(p) up until the date of the first release of funds from the Escrow Account to the Issuer, any Security in respect of the Existing Bonds; and

(q) any Security not otherwise permitted by the preceding paragraphs, in the ordinary course of business and which does secure the indebtedness of the Restricted Group and not in excess of the aggregate amount of (i) prior to the GKP Merger Completion Date USD 20,000,000 (or the equivalent in any other currency) or (ii) from and including GKP Merger Completion Date USD 40,000,000 (or the equivalent in any other currency),

provided that no Security other than Transaction Security or as permitted under paragraph (b) above shall be permitted to be taken over assets subject to Transaction Security, and, for the

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sake of clarity, that no Restricted Group Company shall grant any Security securing the obligations of an Unrestricted Group Company other than under paragraphs (d) and (q) above.

"**Permitted Unrestricted Group Company Financing**" means:

(a) Bank Financing; and

(b) DFI Financing.

"**PSCs**" means each of the Atrush PSC, the Sarsang PSC and any other production sharing contract to which a Restricted Group Company or Qualified Minority Owned Company is a party (including, subject to the completion of the HKN Hamrin Transaction, the Hamrin DPC).

"**Put Option**" has the meaning ascribed to such term in Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

"**Put Option Event**" means a Change of Control Event or a Share De-Listing Event.

"**Put Option Repayment Date**" means the settlement date for the Put Option pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

"**Qualified Minority Company Claim**" means each monetary claim exceeding USD 2,000,000 (or its equivalent in other currencies) owed by a Qualified Minority Owned Company to a Restricted Group Company.

"**Qualified Minority Owned Company**" means a company which is not a Group Company and that owns a Material Asset, and (i) which holds (either directly or indirectly through (a) interests in production sharing contracts, licences, concessions or similar participation arrangements or (b) through ownership interests in other Qualified Minority Owned Companies) ownership interests in a Hydrocarbon Asset and (ii) where a Group Company owns shares or other ownership interests in the equity of that company (including, for the avoidance of doubt, HKN Hamrin (subject to the completion of the HKN Hamrin Transaction)).

"**Quarter Date**" means, in each financial year, 31 March, 30 June, 30 September and 31 December.

"**Relevant Date**" means the earlier of (i) the GKP Merger Completion Date and (ii) the date on which the Issuer publicly announces that the Permitted GKP Merger will not be completed.

"**Relevant Jurisdiction**" means the country in which the Bonds are issued, being Norway.

"**Relevant Period**" means each period of twelve consecutive calendar months ending on the last day of the preceding financial quarter.

"**Relevant Record Date**" means the date on which a Bondholder's ownership of Bonds shall be recorded in the CSD as follows:

(a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time; or

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(b) for the purpose of casting a vote with regard to Clause 15 (*Bondholders' Decisions*), the date falling on the immediate preceding Business Day to the date of that Bondholders' decision being made, or another date as accepted by the Bond Trustee.

"**Repayment Date**" means any Call Option Repayment Date, the Default Repayment Date, any Put Option Repayment Date, any settlement date for the put option set out in paragraph (a)(ii) of Clause 10.5 (*Material Disposal Event – Put Option*), the Tax Event Repayment Date, the Longstop Date Redemption Repayment Date or the Maturity Date.

"**Restricted Group**" means all Restricted Group Companies taken together.

"**Restricted Group Company**" means each of:

(a) the Issuer;

(b) SNM Atrush and any Group Company which directly or indirectly holds an ownership interest in SNM Atrush;

(c) SNM Sarsang and any Group Company which directly or indirectly holds an ownership interest in SNM Sarsang;

(d) any Obligor; and

(e) any Group Company not falling within the categories of (a) to (d) above that is not an Unrestricted Group Company.

"**Rollover Bonds**" has the meaning ascribed to such term in Clause 2.2 (*Settlement procedures*).

"**Sarsang Assets**" means, with respect to the Sarsang PSC, the following agreements and assets:

(a) the relevant facilities and infrastructure used for the extraction, production, storage and transportation of oil and gas;

(b) joint operating agreements;

(c) agreements relating to the transportation, processing and storage of hydrocarbon production;

(d) agreements for sale or marketing of hydrocarbon production; and

(e) any other material agreements directly linked to the Sarsang PSC.

"**Sarsang Block**" means the Sarsang block contract area as defined in the Sarsang PSC. The Sarsang Block is situated northwest of Erbil currently covering an area of 420 km² (subject to any further relinquishments under the Sarsang PSC terms).

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"**Sarsang JOA**" means the Joint Operating Agreement between SNM Sarsang and partner(s) in the Sarsang PSC named: "Joint Operating Agreement in respect of the Sarsang Block, Kurdistan Region" dated 31 August 2011 and relevant amendments and related contracts.

"**Sarsang PSC**" means the production sharing contract between SNM Sarsang, HKN Energy Ltd. and the Kurdistan Regional Government of Iraq in relation to the Sarsang Block dated 6 November 2007 as amended from time to time, under which HKN Energy Ltd. holds a 62% participating interest.

"**Secured Parties**" means (a) before any Intercreditor Agreement has been entered into, the Security Agent and the Bond Trustee on behalf of itself and the Bondholders and (b) after an Intercreditor Agreement has been entered into, "Secured Parties" shall have the meaning given to that term in the Intercreditor Agreement.

"**Securities Trading Act**" means the Securities Trading Act of 2007 no.75 of the Relevant Jurisdiction.

"**Security**" means any encumbrance, mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Security Agent**" means the Bond Trustee in its capacity as security agent or any successor Security Agent, acting for and on behalf of the Secured Parties in accordance with any Security Agent Agreement or any other Finance Document.

"**Security Agent Agreement**" means any agreement other than these Bond Terms whereby the Security Agent is appointed to act as such in the interest of the Bond Trustee (on behalf of itself and the Bondholders).

"**Security Provider**" means any person granting Transaction Security.

"**Share De-Listing Event**" means an event where the Issuer shares are no longer listed on any of Euronext Oslo Børs, Euronext Growth Oslo, the London Stock Exchange or Nasdaq First North Stockholm, other than in relation to a substantially concurrent re-listing (unless already listed) on any regulated market (as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR)) or other internationally reputable stock exchange (including the New York Stock Exchange), and provided that the Permitted GKP Merger shall not constitute a Share De-Listing Event.

"**Significant Asset Disposal Event**" means any sale, farm-out, transfer, disposal or any other transaction involving a Hydrocarbon Asset (each a "**Disposal**") (including through Disposals of shares in a Restricted Group Company or a Qualified Minority Owned Company or their respective assets) which individually or collectively exceeds USD 100,000,000 (or its equivalent in other currencies) in net cash proceeds received (the entire such received net amount both up to and beyond the USD 100,000,000 threshold being the "**Significant Asset Disposal Event Amount**") by a Restricted Group Company during any 12 month period (and for calculation purposes, no disposal proceeds received by a non-Group company before such company became a Group Company shall be included in the calculation), provided that no sale

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or other disposal of oil, gas or petroleum (or other hydrocarbon production or output), including any forward sale thereof, made in the ordinary course of business of marketing and selling production from a Hydrocarbon Asset, shall constitute a Disposal or be included in the calculation of the Significant Asset Disposal Event Amount.

"**Significant Insurance Event**" means, at any time and calculated during any 12-month period, any event or circumstance which, individually or collectively during that period, results in insurance payments to a Restricted Group Company related to Hydrocarbon Assets, in excess of USD 100,000,000 (or its equivalent in other currencies) (the entire such received amounts both up to and beyond the USD 100,000,000 threshold being the "**Significant Insurance Event Amount**") during that 12-month period (and for calculation purposes, no insurance proceeds received by a non-Group company before such company became a Group Company shall be included in the calculation).

"**SNM Atrush**" means ShaMaran Atrush, Ltd., company registration no. 198520, an exempted company which is incorporated under the laws of the Cayman Islands, whose registered office is located at P.O. BOX 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

"**SNM Sarsang**" means ShaMaran Sarsang Ltd., company registration no. 416465, an exempted company which is incorporated under the laws of the Cayman Islands, whose registered office is located at P.O. BOX 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

"**SNM Hamrin**" means ShaMaran Hamrin Ltd., company registration no. 439622, an exempted company which is incorporated under the laws of the Cayman Islands, whose registered office is located at P.O. BOX 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

"**Subordinated Loan**" means any loan granted to the Issuer which is fully subordinated to the Bonds (and any other amounts due or to become due under the Finance Documents) to the satisfaction of the Bond Trustee and where any servicing of interest or principal of such loan is subject to all present and future obligations and liabilities under the Finance Documents having been discharged in full.

"**Subsidiary**" means a person over which another person has Decisive Influence.

"**Summons**" means the call for a Bondholders' Meeting or a Written Resolution as the case may be.

"**Tap Issue**" has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"**Tap Issue Addendum**" has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"**Tap Issue Escrow Account**" has the meaning ascribed to such term in Clause 6.4 (*Tap Issues*).

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"**Tax Event Repayment Date**" means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.6 (*Early redemption option due to a tax event*).

"**Temporary Bonds**" has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"**Temporary Settlement Bonds**" has the meaning ascribed to such term in Clause 2.2 (*Settlement procedures*).

"**Temporary Tap Issue Bonds**" has the meaning ascribed to such term in Clause 6.4 (*Tap Issues*).

"**Third Party Shareholders**" means any third-party shareholders of Group Companies that are not wholly-owned, always excluding direct and indirect shareholders of the Issuer.

"**Total Assets**" means consolidated book value of total assets of the Group, calculated in accordance with GAAP.

"**Total Debt**" means, at any time, the sum of all interest-bearing Financial Indebtedness of the Restricted Group on a consolidated basis in accordance with GAAP, excluding Subordinated Loans.

"**Total Net Debt**" means, at any time, Total Debt less Cash and Cash Equivalents at that time.

"**Transaction Security**" means the Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents.

"**Transaction Security Documents**" means, collectively, the Escrow Account Pledge and all of the documents which shall be executed or delivered pursuant to Clause 2.6 (*Transaction Security*).

"**Unrestricted Group Company**" means a Group Company (and its Subsidiaries) which is not an Obligor and which is the borrower in respect of Permitted Unrestricted Group Company Financing, and nominated as an "Unrestricted Group Company" by the Issuer in writing to the Bond Trustee and so that, for clarity, an Obligor cannot become an Unrestricted Group Company, provided that such Group Company shall cease to be an Unrestricted Group Company when no Permitted Unrestricted Group Company Financing is outstanding unless, at any time, new Permitted Unrestricted Group Company Financing is intended to be incurred during the next 90 days.

"**Voting Bonds**" means the Outstanding Bonds less the Issuer's Bonds.

"**Written Resolution**" means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 15.5 (*Written Resolutions*).

1.2 Construction

In these Bond Terms, unless the context otherwise requires:

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(a) headings are for ease of reference only;

(b) words denoting the singular number will include the plural and vice versa;

(c) references to Clauses are references to the Clauses of these Bond Terms;

(d) references to a time are references to Central European Time unless otherwise stated;

(e) references to a provision of "**law**" are a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;

(f) references to a "**regulation**" includes any regulation, rule, official directive, request or guideline by any official body;

(g) references to a "**person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;

(h) references to Bonds being "**redeemed**" means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;

(i) references to Bonds being "**purchased**" or "**repurchased**" by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer's purchase of Bonds*);

(j) references to an "**instruction**" from the Bondholders includes any instruction or demand in writing or a resolution in accordance with Clause 15 (*Bondholders' decision*);

(k) references to persons "**acting in concert**" shall be interpreted pursuant to the relevant provisions of the Securities Trading Act;

(l) an Event of Default is "**continuing**" if it has not been remedied or waived; and

(m) for the avoidance of doubt, any reference to "ShaMaran Petroleum Ltd." or the "Issuer" in any Finance Document shall from and including the GKP Merger Completion Date be construed to be GKP (being the legal successor of ShaMaran Petroleum Ltd. and the surviving entity under the Permitted GKP Merger).

2. THE BONDS

2.1 Amount, denomination and ISIN of the Bonds

(a) The Issuer has resolved to issue a series of Bonds up to USD 450,000,000 (the "**Maximum Issue Amount**"). The Bonds may be issued on different issue dates and the Initial Bond Issue will be in the amount of USD 200,000,000. The Issuer may, provided that the conditions set out in Clause 6.4 (*Tap Issues*) are met, at one or more occasions up until, but excluding, the Maturity Date or any earlier date prior to the date when the Bonds have been redeemed in full, issue Additional Bonds (each a "**Tap Issue**") until the Nominal Amount of all Additional Bonds equals in aggregate the Maximum Issue

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Amount less the Initial Bond Issue. Each Tap Issue will be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue in all respects as set out in these Bond Terms, except that Additional Bonds may be issued (i) at a different price than for the Initial Bond Issue and which may be below or above the Nominal Amount, and/or (ii) for in-kind/non-cash consideration (including Additional Bonds). For Tap Issues not falling on an Interest Payment Date, accrued interest will be calculated using standard market practice in the secondary bond market. The Bond Trustee shall prepare an addendum to these Bond Terms evidencing the terms of each Tap Issue (a "**Tap Issue Addendum**").

If the Bonds are, or are contemplated to be, listed on the Exchange and there is a requirement for a new prospectus in order for the Additional Bonds to be listed together with the Bonds, the Additional Bonds may be issued under a separate ISIN (such Bonds referred to as the "**Temporary Bonds**"). Upon the approval of the prospectus, the Issuer shall (i) notify the Bond Trustee, the Exchange and the Paying Agent and (ii) ensure that the Temporary Bonds are converted into the ISIN for the Bonds.

(b) The Bonds are denominated in US Dollars (USD), being the legal currency of the United States of America.

(c) The Initial Nominal Amount of each Bond is USD 10,000.

(d) The ISIN of the Bonds is set out on the front page. These Bond Terms apply with identical terms and conditions to (i) all Bonds issued under this ISIN, (ii) any Temporary Bonds, and (iii) any Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time.

(e) Holders of Overdue Amounts related to interest claims will not have any other rights under these Bond Terms than their claim for payment of such interest claim which claim shall be subject to paragraph (b) of Clause 15.1 (*Authority of the Bondholders' Meeting*).

2.2 Settlement procedures

(a) The Bonds may be settled:

(i) in cash; and/or

(ii) in kind by delivery of Existing Bonds (such delivered bonds, the "**Rollover Bonds**").

(b) Any Rollover Bonds shall be discharged/cancelled when the Existing Bonds are repaid following the release of the Net Proceeds from the Escrow Account to the Issuer.

(c) Bonds settled in cash will be settled against receipt of Bonds issued with ISIN NO0013773457, which will be the surviving ISIN for the Bond Issue. Bonds settled in kind with Rollover Bonds will be settled against Bonds issued with temporary ISIN NO0013773440 (the "**Temporary Settlement Bonds**"). The Temporary Settlement Bonds will be merged with the Bonds with ISIN NO0013773457 in connection with the disbursement of funds from the Escrow Account and the release of the Rollover Bonds

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(for discharge) from the Issuer VPS Account. The CSD and the Bond Trustee are authorised to carry out the aforesaid in the best practical way.

2.3 Tenor of the Bonds

The tenor of the Bonds is from and including the Issue Date to but excluding the Maturity Date.

2.4 Use of proceeds

(a) The Net Proceeds of the issuance of Bonds shall be employed by the Issuer:

(i) towards repayment in full of the Existing Bonds;

(ii) towards development capex/investments into HKN Hamrin; and

(iii) towards the general corporate purposes of the Restricted Group (including acquisitions).

(b) The Net Proceeds from any Tap Issue shall be applied towards the general corporate purposes of the Restricted Group (including acquisitions) or such other purpose set out in the relevant Tap Issue Addendum.

2.5 Status of the Bonds

(a) The Bonds will constitute senior debt obligations of the Issuer, secured by Transaction Security, and rank:

(i) pari passu between themselves;

(ii) pari passu with any other Additional Permitted Bond Issue in accordance with the Intercreditor Agreement;

(iii) at least pari passu with all other senior unsecured obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application); and

(iv) ahead of any subordinated debt.

(b) The Guarantees will constitute senior secured or unsecured (as the case may be) obligations of the Guarantors.

2.6 Transaction Security

(a) Subject to the Agreed Security Principles, exceptions expressly set out herein and/or otherwise agreed, all present, future, actual and contingent obligations and liabilities of the Obligors under the Finance Documents, including but not limited to principal, interest, premiums, and expenses, shall be secured by the following security, granted in favour of (i) the Bond Trustee or the Security Agent on behalf of itself and the Secured Parties or, as applicable, the (ii) Security Agent as security agent under the Transaction Security Documents:

Pre-Settlement Security:

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From the Issuer:

(i) the Escrow Account Pledge;

(ii) a Norwegian law pledge over the Issuer VPS Account (the "**Issuer VPS Account Pledge**");

(iii) a Norwegian law pledge over the Issuer VPS Cash Account (the "**Issuer VPS Cash Account Pledge**");

(and provided that the Transaction Security described in (A) paragraph (i) above shall not secure the Temporary Settlement Bonds, and (B) paragraphs (ii) and (iii) above shall only secure the relevant Temporary Settlement Bonds)

Pre-Release Security:

From each Guarantor:

(iv) a Guarantee; and

Post-Release Security:

From each relevant Restricted Group Company:

(v) a security assignment over all of the Qualified Minority Company Claims in respect of which it is the creditor, from time to time.

(b) The Transaction Security and the Guarantees shall, subject to the Agreed Security Principles, be entered into on such terms and conditions as the Security Agent and the Bond Trustee in their discretion deem appropriate in order to create the intended benefit for the Secured Parties under the relevant document.

(c) The Escrow Account Pledge shall be established in favour of the Security Agent on behalf of the Bondholders only (except the holders of Temporary Settlement Bonds (if any)). The Issuer VPS Account Pledge and the Issuer VPS Cash Account Pledge shall be established in favour of the Security Agent on behalf of the Bondholders holding Temporary Settlement Bonds (as the case may be). The Security Agent shall have the right (acting in its sole discretion) to release the Pre-Settlement Security in connection with the release of funds from the Escrow Account and the completion of the settlement procedures set out in Clause 2.2 (*Settlement procedures*).

(d) Subject to the Agreed Security Principles, the Pre-Settlement Security and Pre-Release Security shall be established as described under and subject to the terms set out in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) below and the Post-Release Security shall be established as described under and subject to the terms set out in Clause 6.3 (*Conditions subsequent*) below.

(e) The guarantees, indemnities and Security listed in paragraphs (a)(i) to (a)(v) above shall be referred to herein as the "**Initial Security**" and the agreements, documents and

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instruments documenting the granting, terms and perfection thereof are referred to as the "**Initial Security Documents**".

(f) The Transaction Security shall constitute first priority security (or, to the extent a joint first priority security is not permitted by mandatory law, first and second priority) to be shared (with the exception of the Escrow Account Pledge, the Issuer VPS Account Pledge and the Issuer VPS Cash Account Pledge) on a pari passu basis together with the Security granted for any Additional Permitted Bond Issue (as further set out in the Intercreditor Agreement).

(g) Additional Transaction Security and Guarantees shall be provided as set out in the Agreed Security Principles.

(h) The Security Agent shall have the right (acting in its sole discretion) to release the Escrow Account Pledge, the Issuer VPS Account Pledge and the Issuer VPS Cash Account Pledge after all funds on the Escrow Account have been fully and irrevocably released to the Issuer.

(i) The Bond Trustee (as bond trustee or in its capacity as Security Agent) shall under these Bond Terms or pursuant to the terms of the Intercreditor Agreement (if applicable) be irrevocably authorised to: (i) release any Transaction Security (1) over assets which are sold or otherwise disposed of in connection with any merger, de-merger, disposal or other transaction permitted by the Finance Documents and the other Debt Documents (as defined in the Intercreditor Principles), or (2) in connection with any enforcement or insolvency, and (ii) release any Transaction Security or Guarantee provided by a Guarantor which is sold or otherwise disposed of in accordance with sub-paragraph (i)(1) above or otherwise ceases to be a Material Group Company.

3. THE BONDHOLDERS

3.1 Bond Terms binding on all Bondholders

(a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.

(b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

3.2 Limitation of rights of action

(a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures or take other legal action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including the right to exercise the Put Option.

(b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and

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substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

3.3 Bondholders' rights

(a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.

(b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

4. ADMISSION TO LISTING

The Issuer shall ensure that the Bonds are listed on the Exchange within 6 months of the Issue Date and thereafter remain listed on the Exchange until the Bonds have been redeemed in full.

5. REGISTRATION OF THE BONDS

5.1 Registration in the CSD

The Bonds shall be registered in dematerialised form in the CSD (as the primary recording of the Bonds) according to the relevant securities registration legislation and the requirements of the CSD.

5.2 Obligation to ensure correct registration

The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the CSD of any such amendment or variation.

5.3 Country of issuance

The Bonds have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

6. CONDITIONS FOR DISBURSEMENT

6.1 Conditions precedent for disbursement to the Issuer

(a) Issuance of the Bonds, payment of the Net Proceeds to the Escrow Account and transfer of the Rollover Bonds to the Issuer VPS Account shall be conditional on the Bond Trustee having received, or being satisfied that it will receive, in due time (as determined by the Bond Trustee) prior to the Issue Date each of the following documents, in form and substance reasonably satisfactory to the Bond Trustee:

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Finance Documents

(i) these Bond Terms duly executed by all parties hereto;

(ii) the Escrow Account Pledge, the Issuer VPS Account Pledge and the Issuer VPS Cash Account Pledge duly executed by all parties thereto and perfected in accordance with applicable law (including all applicable notices, acknowledgements and consents from the account bank);

(iii) the Fee Agreement duly executed by all parties thereto;

Corporate and formalities documents

(iv) with respect to the Issuer:

(A) copies of all necessary corporate resolutions required to issue the Bonds and execute and perform the Finance Documents to which it is a party;

(B) unless included in the corporate resolutions, a copy of a power of attorney to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the Issuer;

(C) copies of its certificate of continuance, memorandum of continuance and by-laws;

Other documents and evidence

(v) copies of the Issuer's latest Financial Reports (if any);

(vi) confirmation that the applicable prospectus requirements (ref. the EU prospectus regulation ((EU) 2017/1129)) concerning the issuance of the Bonds have been fulfilled or that no such prospectus is required;

(vii) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds);

(viii) a certificate from the Issuer confirming that the Bond Issue would not cause any borrowing, issuance, or similar limit binding on it to be exceeded or breached;

(ix) confirmation of acceptance from any process agent;

(x) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Manager in connection with the issuance of the Bonds; and

(xi) legal opinions as may be required by the Bond Trustee in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of the Bond Terms and the other Finance Documents.

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(b) The Net Proceeds (on the Escrow Account) will not be disbursed to the Issuer unless the Bond Trustee has received or is satisfied that it will receive in due time (as determined by the Bond Trustee) prior to such disbursement to the Issuer each of the following documents, in form and substance reasonably satisfactory to the Bond Trustee:

Finance Documents

(i) the Initial Security Documents relating to the Pre-Release Security duly executed and perfected in accordance with applicable law;

Corporate and formalities documents

(ii) with respect to each relevant Group Company (unless delivered under paragraph (a) above, as pre-settlement conditions precedent):

(A) copies of all necessary corporate resolutions required to execute and perform the Finance Documents to which it is a party;

(B) unless included in the corporate resolutions, a copy of a power of attorney to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on its behalf;

(C) copies of its articles and certificate of incorporation and by-laws (or equivalent constitutional documents);

(iii) with respect to HKN Hamrin, a confirmation from the Issuer that neither the HKN Hamrin Transaction Agreement nor the HKN Hamrin Shareholders' Agreement has been materially amended compared to the versions thereof reviewed by the Manager;

Other documents and evidence

(iv) a duly executed release notice from the Issuer, as set out in Attachment 2;

(v) a confirmation in writing from the Issuer that no Event of Default has occurred or is likely to occur as a result of the release of the relevant amount of Net Proceeds; and

(vi) legal opinions as may be required by the Bond Trustee in respect of corporate matters relating to each relevant Group Company, and including without limitation, the legality, validity and enforceability of the Bond Terms (in respect of the Issuer) and the other Finance Documents.

(c) The Bond Trustee, acting in its sole discretion, may, regarding this Clause 6.1, waive or postpone the requirements for documentation or decide that delivery of certain documents shall be made subject to an agreed closing procedure (the "**Closing Procedure**") between the Bond Trustee and the Issuer. Under the Closing Procedure, the Bond Trustee and the Issuer may agree that certain conditions precedent that are to

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be delivered prior to or in connection with the release of funds from the Escrow Account are delivered as conditions subsequent.

6.2 Issuance of the Bonds and disbursement of the Net Proceeds

Issuance of the Bonds to the Bondholders and disbursement of the Net Proceeds are conditional on the Bond Trustee's confirmation to the Paying Agent and the Manager that the conditions in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to paragraph (c) of Clause 6.1 (*Conditions precedent for disbursement to the Issuer*).

6.3 Conditions subsequent

The Issuer shall procure, as soon as reasonably practicable and in no event later than 60 days after the date of the first disbursement from the Escrow Account to the Issuer, that the following documents are received by the Bond Trustee, in form and substance reasonably satisfactory to the Bond Trustee:

Finance Documents

(a) the Initial Security Documents relating to the Post-Release Security duly executed and perfected in accordance with applicable law;

Corporate and formalities documents

(b) with respect to each relevant Group Company:

(i) copies of all necessary corporate resolutions required to execute and perform the Finance Documents to which it is a party;

(ii) unless included in the corporate resolutions, a copy of a power of attorney to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on its behalf;

(iii) copies of its articles and certificate of incorporation and by-laws (or equivalent constitutional documents);

Other documents and evidence

(c) legal opinions as may be required by the Bond Trustee in respect of corporate matters relating to each relevant Group Company, and including without limitation, the legality, validity and enforceability of the Bond Terms (in respect of the Issuer) and the other Finance Documents.

6.4 Tap Issues

(a) The Issuer may issue Additional Bonds, and the Net Proceeds thereof may be released to the Issuer (or to a separate escrow account for such Additional Bonds, as relevant), if:

(i) the Bond Trustee has received, or is satisfied that it will receive, in due time (as determined by the Bond Trustee) prior to the issue date for the Additional Bonds

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each of the following documents, in form and substance reasonably satisfactory to the Bond Trustee:

Finance Documents

(A) a Tap Issue Addendum duly executed by all parties thereto;

(B) if applicable, a pledge agreement in respect of any Tap Issue Escrow Account duly executed by all parties thereto and perfected in accordance with applicable law (including all applicable notices, acknowledgements and consents from the account bank);

(C) any amendment or security and guarantee confirmation required in respect of any Finance Documents in relation to the Tap Issue;

Corporate and formalities documents

(D) with respect to each Obligor and Security Provider:

(1) copies of all necessary corporate resolutions required to issue the Additional Bonds and execute and perform the Finance Documents to which it is a party;

(2) unless included in the corporate resolutions, a copy of a power of attorney to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on its behalf;

(3) copies of its articles and certificate of incorporation and by-laws (or equivalent constitutional documents);

Other documents and evidence

(E) a Compliance Certificate which includes (in reasonable detail) calculations and figures evidencing compliance with the Incurrence Test (unless the Tap Issue is made to complete a GKP Rollover, in which case the Incurrence Test shall not apply);

(F) copies of the Issuer's latest Financial Reports (if any);

(G) confirmation that the applicable prospectus requirements (ref. the EU prospectus regulation ((EU) 2017/1129)) concerning the issuance of the Additional Bonds have been fulfilled or that no such prospectus is required;

(H) confirmation that the Additional Bonds are registered in the CSD (by obtaining an ISIN for the Additional Bonds, if applicable);

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(I) copies of any written documentation used in marketing the Additional Bonds or made public by the Issuer or any Manager in connection with the issuance of the Additional Bonds; and

(J) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of the Tap Issue Addendum and any other Finance Documents (if applicable));

(ii) no Event of Default is continuing; and

(iii) the representations and warranties contained in Clause 7 (*Representations and* Warranties) of these Bond Terms are true and correct in all material respects and repeated by the Issuer as at the date of issuance of such Additional Bonds.

(b) Issue of the Additional Bonds and/or the release of the Net Proceeds thereof to the Issuer (or to a separate escrow account for such Additional Bonds, if relevant) may be made subject to such additional conditions precedent set out in the marketing material for such Additional Bonds, including relating to separate escrow accounts and any pledge over or blocking of such escrow account and conditions related to completion of transactions to be funded by the Net Proceeds.

(c) The Issuer may establish a separate escrow account (a "**Tap Issue Escrow Account**"), where the Net Proceeds from the Tap Issue may be deposited until all conditions precedent (as determined in relation to the Tap Issue) for release from such escrow account have been fulfilled. Such escrow account may, in each case at the election of the Issuer, be pledged on a first priority basis in favour of the Bond Trustee (on behalf of the Bondholders under the relevant Tap Issue), and/or be blocked (or otherwise restricted) so that no withdrawals can be made therefrom without the Bond Trustee's prior written consent.

(d) If the Net Proceeds from the Tap Issue will be deposited on a Tap Issue Escrow Account in accordance with paragraph (c) above, the Additional Bonds will be issued under a separate ISIN as Temporary Bonds (the "**Temporary Tap Issue Bonds**"). The Temporary Tap Issue Bonds will, until the Temporary Tap Issue Bonds are converted into the ISIN for the Bonds, only be secured with the pledge over the Tap Issue Escrow Account and only the Temporary Tap Issue Bonds will be secured under the Tap Issue Escrow Account. After all funds on the escrow account have been fully and irrevocably released to the Issuer, the Issuer shall ensure that the Temporary Tap Issue Bonds are converted into the ISIN for the Bonds.

(e) Temporary Tap Issue Bonds may (as determined in relation to the Tap Issue), until the relevant Net Proceeds are released to the Issuer, be subject to a separate longstop date or similar conditional voluntary or mandatory redemption provisions (as elected by the Issuer) with the relevant longstop or redemption date falling no later than 120 days after the issue date of those Temporary Tap Issue Bonds and with such redemption premia agreed by the Issuer. Moreover, it may be determined by the Issuer in relation to the Tap Issue that the settlement of the Additional Bonds and the release of the Net Proceeds therefrom to the Issuer shall be subject to certain funds-arrangements and whereby such

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settlement and release shall be made regardless of whether Events of Default are outstanding under the Finance Documents and where the Bond Trustee shall not be able to enforce any security against the Tap Issue Escrow Account or block the Tap Issue Escrow Account during a certain funds period.

(f) The Bond Trustee may (at its sole discretion and in each case) waive or postpone the delivery of certain conditions precedent, and the Bond Trustee may (on behalf of the Bondholders) agree to a closing procedure with the Issuer, substantially on the same terms as the Closing Procedure (to the extent applicable).

7. REPRESENTATIONS AND WARRANTIES

The Issuer makes the representations and warranties set out in this Clause 7, in respect of itself and each Group Company to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

(a) on the date of these Bond Terms;

(b) on the Issue Date;

(c) on each date of disbursement of proceeds from the Escrow Account;

(d) on the GKP Merger Completion Date (by reference, for the avoidance of doubt, to the Group as enlarged by the Permitted GKP Merger); and

(e) on the date of issuance of any Additional Bonds.

7.1 Status

It is an exempted company limited by shares, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, and has the power to own its assets and carry on its business as it is being conducted.

7.2 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated by those Finance Documents.

7.3 Valid, binding and enforceable obligations

These Bond Terms and each other Finance Document to which it is a party constitutes (or will constitute, when executed by the respective parties thereto) its legal, valid and binding obligations, enforceable in accordance with their respective terms, and (save as provided for therein) no further registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it.

7.4 Non-conflict with other obligations

The entry into and performance by it of these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any law or regulation or judicial or official order; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon it or any of its assets.

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7.5 No Event of Default

(a) No Event of Default exists or is likely to result from the making of any disbursement of proceeds or the entry into, the performance of, or any transaction contemplated by, any Finance Document.

(b) No other event or circumstance has occurred which constitutes (or with the expiry of any grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is likely to have a Material Adverse Effect.

7.6 Authorisations and consents

All authorisations, consents, approvals, resolutions, licences, exemptions, filings, notarisations or registrations required:

(a) to enable it to enter into, exercise its rights and comply with its obligations under these Bond Terms or any other Finance Document to which it is a party; and

(b) to carry on its business as presently conducted and as contemplated by these Bond Terms,

have been obtained or effected and are in full force and effect.

7.7 Litigation

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is likely to have a Material Adverse Effect and have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

7.8 Financial Reports

Its most recent Financial Reports fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared in accordance with GAAP, consistently applied.

7.9 No Material Adverse Effect

Since the date of the most recent Financial Reports, there has been no change in its business, assets or financial condition that is likely to have a Material Adverse Effect.

7.10 No misleading information

Any factual information provided by it to the Bondholders or the Bond Trustee for the purposes of the issuance of the Bonds was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

7.11 No withholdings

The Issuer is not required to make any deduction or withholding from any payment which it may become obliged to make to the Bond Trustee or the Bondholders under the Finance Documents.

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7.12 Pari passu ranking

Its payment obligations under these Bond Terms or any other Finance Document to which it is a party ranks as set out in Clause 2.5 (*Status of the Bonds*).

7.13 Security

No Security exists over any of the present assets of any Group Company in conflict with these Bond Terms.

8. PAYMENTS IN RESPECT OF THE BONDS

8.1 Covenant to pay

(a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.

(b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD on the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.

(c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.

(d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary has been set out for such payment in the relevant Finance Document.

8.2 Default interest

(a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus 3 percentage points per annum.

(b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.

(c) Upon the occurrence of a Listing Failure Event and for as long as such Listing Failure Event is continuing, the interest on any principal amount outstanding under these Bond Terms will accrue at the Interest Rate plus 1 percentage point per annum.

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8.3 Partial Payments

(a) If the Paying Agent or the Bond Trustee receives a Partial Payment, such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:

(i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee (and any Security Agent);

(ii) secondly, towards accrued interest due but unpaid; and

(iii) thirdly, towards any other outstanding amounts due but unpaid under the Finance Documents.

(b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders, shall, after the above mentioned deduction of outstanding fees, liabilities and expenses, be applied (i) firstly towards any principal amount due but unpaid and (ii) secondly, towards accrued interest due but unpaid, in the following situations;

(i) if the Bond Trustee has served a Default Notice in accordance with Clause 14.2 (*Acceleration of the Bonds*); or

(ii) if a resolution according to Clause 15 (*Bondholders' Decisions*) has been made.

8.4 Taxation

(a) The Issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.

(b) The Issuer shall, if any tax is withheld in respect of the Bonds under the Finance Documents:

(i) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and

(ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.

(c) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.

(d) The Bond Trustee shall not have any responsibility to obtain information about the Bondholders relevant for the tax obligations pursuant to these Bond Terms.

8.5 Currency

(a) All amounts payable under the Finance Documents shall be payable in the Bond Currency. If, however, the Bond Currency differs from the currency of the bank account

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connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.

(b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within 5 Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

8.6 Set-off and counterclaims

No Obligor may apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

9. INTEREST

9.1 Calculation of interest

(a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.

(b) Any Additional Bond will accrue interest at the Interest Rate on the Nominal Amount commencing on the first date of the Interest Period in which the Additional Bonds are issued and thereafter in accordance with paragraph (a) above.

(c) Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each (30/360-days basis), unless:

(i) the last day in the relevant Interest Period is the 31st calendar day but the first day of that Interest Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be shortened to a 30–day month; or

(ii) the last day of the relevant Interest Period is the last calendar day in February, in which case February shall not be lengthened to a 30-day month.

9.2 Payment of interest

Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.

10. REDEMPTION AND REPURCHASE OF BONDS

10.1 Redemption of Bonds

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.

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10.2 Voluntary early redemption - Call Option

(a) The Issuer may redeem all or a part of the Outstanding Bonds (the "**Call Option**") on any Business Day from and including:

(i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;

(ii) the First Call Date to, but not including, the Interest Payment Date in November 2029 at a price equal to 105.125 per cent. of the Nominal Amount for each redeemed Bond (the "**First Call Price**");

(iii) Interest Payment Date in November 2029 to, but not including, the Interest Payment Date in May 2030 at a price equal to 104.100 per cent. of the Nominal Amount for each redeemed Bond;

(iv) Interest Payment Date in May 2030 to, but not including, the Interest Payment Date in November 2030 at a price equal to 103.075 per cent. of the Nominal Amount for each redeemed Bond;

(v) Interest Payment Date in November 2030 to, but not including, the Interest Payment Date in May 2031 at a price equal to 102.05 per cent. of the Nominal Amount for each redeemed Bond; and

(vi) the Interest Payment Date in May 2031 to, but not including, the Maturity Date at a price equal to 100.50 per cent. of the Nominal Amount for each redeemed Bond.

(b) Any redemption of Bonds pursuant to paragraph (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.

(c) The Call Option may be exercised by the Issuer by written notice (the "**Call Notice**") to the Bond Trustee and the Bondholders at least 10 Business Days prior to the proposed Call Option Repayment Date. Such Call Notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date, but may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent, to be satisfied or waived by the Issuer no later than 3 Business Days prior to the Call Option Repayment Date. If such conditions precedent have not been satisfied or waived by that date, the Call Notice shall be null and void.

(d) The Call Option Repayment Date may, at the Issuer's discretion, be postponed maximum 3 times by written notice to the Bond Trustee at least 3 Business Days before the then applicable Call Option Repayment Date, provided that the Call Option Repayment Date will not be delayed with more than a total of 10 Business Days from the original Call Option Repayment Date.

(e) Unless the Make Whole Amount is set out in the Call Notice, the Issuer shall calculate the Make Whole Amount and provide such calculation by written notice to the Bond Trustee as soon as possible and at the latest within 3 Business Days from the date of the Call Notice.

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(f) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

10.3 Mandatory repurchase due to a Put Option Event

(a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the "**Put Option**") to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101 per cent. of the Nominal Amount.

(b) The Put Option must be exercised within 15 Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders via the CSD that a Put Option Event has occurred pursuant to Clause 12.3 (*Put Option Event*). Once notified, the Bondholders' right to exercise the Put Option is irrevocable.

(c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the 5th Business Day after the end of 15 Business Days exercise period referred to in paragraph (b) above. However, the settlement of the Put Option will be based on each Bondholders holding of Bonds at the Put Option Repayment Date.

10.4 Clean-up Call – Put Option and GKP Exchange

If Bonds representing more than 90 per cent. of the Outstanding Bonds have been:

(a) repurchased as a result of the exercise of the Put Option; or

(b) repurchased as a result of the Issuer having completed an offer to the Bondholders to exchange or otherwise use Bonds as consideration for subscription of bonds in the GKP Bond (a "**GKP Exchange**"),

the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph 10.3(a) of Clause 10.3 (*Mandatory repurchase due to a Put Option Event*) by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the (i) Put Option Repayment Date (in case of a Put Option), or (ii) the date the GKP Exchange first exceeded the above 90 per cent. threshold. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.

10.5 Material Disposal Event – Put Option

(a) Upon the occurrence of a Material Disposal Event, the Issuer shall immediately notify the Bond Trustee and the Bondholders in writing thereof and, (1) in respect of a Significant Asset Disposal Event, no later than thirty (30) calendar days following the Significant Asset Disposal Event, and (2) in respect of a Significant Insurance Event, no later than thirty (30) calendar days after the insurance proceeds in respect thereof are received, in each case either, by notice to the Bond Trustee and the Bondholders, elect (in the Issuer's sole discretion):

(i) to deposit the Material Disposal Event Amount (less any amount used under paragraph (ii) below) on an account (the "**Material Disposal Account**") pledged and blocked in favour of the Bond Trustee (on behalf of the Bondholders) and

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where the amount deposited must either be used to acquire new or increased working interests (directly or indirectly) or other investments in Hydrocarbon Assets and/or to repair, replace and/or rebuild assets subject to the relevant insurance event (in which case the Bond Trustee shall release such funds on request and the Issuer shall ensure that the released funds are either used towards the relevant purpose within five (5) Business Days after release or immediately after the lapse of such deadline returned to the pledged and blocked account); and/or

(ii) to give the Bondholders a right to require that the Issuer repurchases a number of Bonds (plus accrued and unpaid interest thereon) with an aggregate Nominal Amount equal to the Material Disposal Event Amount (less any amount used under paragraph (i) above) at a price of 101.00 per cent. of the Nominal Amount of the repurchased Bonds, in an amount for each Bondholder up to its pro rata part of the Material Disposal Event Amount (less any amount used under paragraph (i) above), such right by each Bondholder to be exercised no later than 15 Business Days after the notice of the Material Disposal Event, provided that if any of the amounts deposited on the Material Disposal Account remain deposited 12 months after the relevant Material Disposal Event Amount was deposited and such amount has not been committed by the Issuer towards a purpose in accordance with paragraph (i) above (as notified by the Issuer to the Bond Trustee and the Bondholders) by the last day of such 12-month period, the Bondholders shall have the right to require that the Issuer repurchases a number of Bonds (plus accrued and unpaid interest thereon) with an aggregate Nominal Amount equal to the remaining Material Disposal Event Amount as deposited on the Material Disposal Account at a price of 101.00 per cent. of the Nominal Amount of the repurchased Bonds, in an amount for each Bondholder up to its pro rata part of the relevant Material Disposal Event Amount (less any amount used under paragraph (i) above), such right by each Bondholder to be exercised no later than 15 Business Days after the 12 months' notice from the Issuer to the Bond Trustee mentioned above.

(b) Notwithstanding the foregoing, no repurchase of Bonds in aggregate amounts less than USD 5,000,000 shall be required to be completed, and any amount deposited on the Material Disposal Account which is not required to be used for a repurchase as a consequence thereof shall be released to the Issuer. No release to the Issuer shall take place for as long as an Event of Default is continuing.

(c) Notwithstanding anything herein to the contrary, to the extent a Material Disposal Event results in an obligation of the Issuer to, under the terms of any Additional Permitted Bond Issue, either redeem or repurchase bonds issued thereunder or deposit amounts on accounts, similar to as set out in paragraphs (a)(i)-(ii) above, then the amounts required hereunder to be used for repurchase of Bonds and/or deposited on the Material Disposal Account shall be reduced by the amount required to be used for repurchase or deposits on account under the Additional Permitted Bond Issue, provided that the reduction shall not be greater than what is required to ensure a proportionate allocation of the repurchase/redemption/deposit amounts between the outstanding Bonds and the bonds

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outstanding under the Additional Permitted Bond Issue (based on outstanding principal amounts).

10.6 Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 40 Business Days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

10.7 Early redemption due to a Longstop Date Redemption Event

(a) Upon a Longstop Date Redemption Event, the Issuer is permitted (but not required) to repay all Outstanding Bonds at a price equal to 101.00 per cent. of the Nominal Amount for each redeemed Bond, plus accrued and unpaid interest on each redeemed Bond, by *inter alia* applying the funds deposited on the Escrow Account for such redemption.

(b) Notice of redemption shall be dispatched by the Issuer to the Bondholders no later than 10 Business Days prior to the Longstop Date Redemption Repayment Date.

11. PURCHASE AND TRANSFER OF BONDS

11.1 Issuer's purchase of Bonds

The Issuer, any Group Company and their respective Affiliates may purchase and hold Bonds and such Bonds may be retained or sold in the sole discretion of the Issuer, that Group Company or that Affiliate (as applicable), but not discharged (other than in relation to a process of full redemption of all Outstanding Bonds).

11.2 Restrictions

(a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible for ensuring compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.

(b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

12. INFORMATION UNDERTAKINGS

12.1 Financial Reports

(a) The Issuer shall prepare Annual Financial Statements in the English language and make them available on its website (alternatively on another relevant publicly available

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information platform) as soon as they become available, and not later than 120 days after the end of the financial year, first time for the financial year ending 31 December 2026.

(b) The Issuer shall prepare Interim Accounts in the English language and make them available on its website (alternatively on another relevant publicly available information platform) as soon as they become available, and not later than 60 days after the end of the relevant interim period, first time for the quarter ending 31 December 2026.

(c) The Issuer shall procure that the Financial Reports are prepared using GAAP consistently applied.

12.2 Requirements for Compliance Certificates

(a) The Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports pursuant to Clause 12.1 (*Financial Reports*) (but not including the periods ending prior to the Issue Date), a Compliance Certificate with a copy of the Financial Reports attached thereto. The Compliance Certificate shall be duly signed by the chief financial officer of the Issuer, certifying *inter alia* that the Financial Reports fairly represent its financial condition as at the date of the relevant Financial Report and setting out (in reasonable detail) computations evidencing compliance with Clause 13.26 (*Financial covenants*) as at such date.

(b) If there is an event which is subject to the Incurrence Test, the Compliance Certificate shall include (in reasonable detail) calculations and figures evidencing compliance with the Incurrence Test.

12.3 Put Option Event

The Issuer shall promptly inform the Bond Trustee in writing after becoming aware that a Put Option Event has occurred.

12.4 Listing Failure Event

The Issuer shall promptly inform the Bond Trustee in writing if a Listing Failure Event has occurred. However, no Event of Default shall occur if the Issuer fails (i) to list the Bonds in accordance with Clause 4 (*Admission to Listing*) or (ii) to inform of such Listing Failure Event, and such failure shall result in the accrual of default interest in accordance with paragraph (c) of Clause 8.2 (*Default interest*) for as long as such Listing Failure Event is continuing.

12.5 Information: Miscellaneous

The Issuer shall:

(a) promptly inform the Bond Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default and the steps, if any, being taken to remedy it;

(b) promptly inform the Bond Trustee in writing of the occurrence of any event which could reasonably be expected to result in the revocation, withdrawal, cancellation, termination, suspension, forfeiture or variation of any of the licences held by the Group, any material agreement, and/or any other Hydrocarbon Asset, if such revocation, withdrawal,

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cancellation, termination, suspension, forfeiture or variation is likely to have a Material Adverse Effect;

(c) promptly inform the Bond Trustee in writing of any Hydrocarbon Asset Termination Event or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to a Hydrocarbon Asset Termination Event;

(d) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);

(e) send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;

(f) if the Bonds are listed on the Exchange, send a copy to the Bond Trustee of its notices to the Exchange;

(g) if the Issuer and/or the Bonds are rated, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;

(h) inform the Bond Trustee of changes in the registration of the Bonds in the CSD; and

(i) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Bond Trustee may reasonably request.

13. GENERAL AND FINANCIAL UNDERTAKINGS

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in this Clause 13.

13.1 Authorisations

The Issuer shall, and shall procure that each other Group Company will, in all material respects obtain, maintain and comply with the terms of any Authorisation required for the conduct of its business as carried out from time to time.

13.2 Compliance with laws

The Issuer shall, and shall procure that each other Group Company will, comply in all material respects with all laws and regulations (including, without limitation, any applicable sanctions laws) to which it may be subject from time to time.

13.3 Operations

The Issuer shall, and shall ensure that each other Group Company will, ensure that the operations of each Group Company are conducted in accordance with reputable practices related to the oil and gas industry (taken as a whole) in all material respects.

13.4 Continuation of business

The Issuer shall procure that no material change is made to the general nature of the business from that carried on by the Group at the Issue Date (or, from and including the GKP Merger Completion Date, by the Group as enlarged by the Permitted GKP Merger).

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13.5 Corporate status

The Issuer shall not change its type of organisation or jurisdiction of incorporation, other than in connection with or as a result of the Permitted GKP Merger.

13.6 Mergers and de-mergers

The Issuer shall not, and shall procure that no other Group Company will, carry out:

(a) any merger, amalgamation or other business combination or corporate reorganisation involving the consolidation of assets and obligations of the Issuer or any other Group Company with any other person other than with any Group Company; or

(b) any demerger or other corporate reorganisation having the same or equivalent effect as a demerger involving the Issuer and/or any Group Company,

if such merger, amalgamation, demerger, combination or reorganisation would have a Material Adverse Effect and provided that if the Issuer is party to any merger it shall be the surviving entity, it being agreed that notwithstanding the above the Permitted GKP Merger shall be permitted if it meets the conditions set out in the definition of "Permitted GKP Merger". The Bond Trustee is authorised to agree to such waivers under or amendments to the Finance Documents which are necessary or advisable in the context of or to complete the Permitted GKP Merger, provided that such waivers or amendments do not have a Material Adverse Effect.

13.7 Pari passu ranking

The Issuer shall, and shall ensure that each Obligor will, ensure that its obligations under the Bond Terms and any other Finance Document shall at all times rank at least pari passu with each other and with all other unsecured obligations of the relevant Obligor (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application) and shall rank ahead of subordinated debt.

13.8 Insurances

(a) The Issuer shall ensure that each relevant Group Company will maintain with financially sound and reputable insurance companies, funds or underwriters, or otherwise receive the benefit of adequate insurance or captive arrangements with respect to its assets, equipment and business against such liabilities, casualties and contingencies and of such types and in such amounts as would normally be maintained by owners and/or operators owning similar assets to those owned by the relevant Group Company, in accordance with good industry practice in their relevant jurisdiction.

(b) The Issuer shall not, and shall ensure that no other Group Company will, do, or knowingly permit to be done, anything which may make any insurance void, voidable, unavailable or unenforceable or render any sums which may be paid out under any insurance repayable in whole or in part. The Issuer shall, and shall ensure that each other Group Company will, promptly pay all premiums, calls and contributions due from it and do all other things necessary to keep each insurance taken out by or for it maintained in full force and effect.

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13.9 Related party transactions

Without limiting Clause 13.2 (*Compliance with laws*), the Issuer shall, and shall procure that each other Obligor will, conduct all business transactions with any Affiliate which is not an Obligor on an arm's length basis.

13.10 Distributions

The Issuer shall not and shall procure that no other Group Company shall make any Distributions to the shareholders of the Issuer, other than any Permitted Distribution.

13.11 Subsidiaries' distributions

Other than any restrictions applicable to an Unrestricted Group Company under its Permitted Unrestricted Group Company Financing, the Issuer shall procure that no Group Company creates or permits to exist any contractual obligation (or encumbrance) restricting the right to pay dividends or make other Distributions to its shareholders, other than where such obligation or encumbrance is not reasonably likely to prevent the Issuer from complying with its payment obligations under the Finance Documents.

13.12 Hedging

The Issuer shall not, and shall procure that no other Group Company will, enter into any hedging arrangements not being Permitted Hedging.

13.13 Financial Indebtedness

The Issuer shall not, and shall procure that no other Group Company will, incur or allow to remain outstanding or prolong any Financial Indebtedness, other than any Permitted Financial Indebtedness.

13.14 Financial Support

The Issuer shall not, and shall procure that no other Group Company will, grant or allow to subsist, prolong or renew any Financial Support other than Permitted Financial Support.

13.15 Negative pledge

The Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, prolong or renew any Security over any of its/their assets or revenues (whether present or future), other than any Permitted Security.

13.16 Disposals

The Issuer shall not, and shall procure that no other Group Company will, sell, transfer or otherwise dispose of any assets (including shares or other securities in any person) or operations (other than as permitted pursuant to Clause 13.17 (*Maintenance of ownership*) below or in connection with the Permitted GKP Merger), unless:

(a) the transaction is carried out at fair market value, on terms and conditions customary for such transactions; and

(b) such transaction does not have a Material Adverse Effect.

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13.17 Maintenance of ownership

The Issuer shall maintain a more than fifty per cent. (50%) direct or indirect ownership of the shares and voting rights of each Material Group Company, and the Issuer shall ensure that no Group Company (directly or indirectly) novates, transfers, reduces, sells or otherwise disposes of any working interest in any Hydrocarbon Assets to any person not being a Group Company, in each case unless:

(a) the transaction is carried out at fair market value, on terms and conditions customary for such transactions, provided that there shall be no deferred payment of consideration (other than customary earn-outs and similar arrangements) and that the consideration shall consist of cash or interests in other Hydrocarbon Assets (directly or indirectly);

(b) such transaction does not have a Material Adverse Effect; and

(c) the disposal proceeds (including any earn-outs and similar arrangements when received) are applied as set out in Clause 10.5 (*Material Disposal Event – Put Option*) above.

13.18 Additional Permitted Bond Issue

The Issuer shall not, and shall procure that no other Group Company will, repurchase, repay or prepay any principal under any Additional Permitted Bond Issue prior to its scheduled maturity (or redeem or purchase any such bonds), unless the Bonds are at the same time repaid, or offered repayment, at least on a pro rata basis (based on the outstanding principal amounts of the Bonds and each Additional Permitted Bond Issue being repaid), provided that this Clause 13.18 shall not (subject in each case to the pro rata repayment or redemption as set out above) restrict any repurchase, repayment, prepayment or refinancing of the Bonds or the GKP Bond and provided further that the requirement for pro-rata treatment above shall not apply to any repurchase, repayment or prepayment of the Bonds in connection with any GKP Exchange.

13.19 Investments in and loans to Unrestricted Group Companies and Qualified Minority Owned Companies

The Issuer shall not, and shall ensure that no Restricted Group Company will, other than the initial investments of up to USD 75,000,000 (or its equivalent in other currencies) in HKN Hamrin in connection with the acquisition and initial funding thereof (including by way of loans), make any new investment (including in the equity or ownership interest) in any Unrestricted Group Company or any Qualified Minority Owned Company or become the creditor of new Financial Indebtedness owed by any Unrestricted Group Company or any Qualified Minority Owned Company or provide any other Financial Support to any such entity or in respect of the obligations or liabilities of such entities, unless permitted above or under paragraphs (a)-(d) below:

(a) the aggregate amount applied for such purpose could, at the relevant time, otherwise have been used to make a Distribution under Clause 13.10 (*Distributions*) above by meeting the Incurrence Test for Distributions; or

(b) such amount is funded using the net proceeds from Subordinated Loans or the raising of new cash equity at the Issuer level; or

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(c) in the form of a guarantee or indemnity granted by a Restricted Group Company in the ordinary course of business to or for the benefit of a Qualified Minority Owned Company, in each case in connection with the operation of that Qualified Minority Owned Company's Hydrocarbon Assets (including work commitment or performance guarantees required by a host government or joint venture partner), provided that such guarantee or indemnity is subordinated to the obligations under the Finance Documents to the extent permitted by applicable law; or

(d) such investments or financial support constitute Permitted Financial Support.

13.20 Transaction Security Documents

The Issuer shall, and shall ensure that each other Group Company will, ensure that the Transaction Security Documents to which it is party remain in full force and effect (other than as a result of a transaction permitted under these Bond Terms) in accordance with the Transaction Security Documents, the Agreed Security Principles and the Intercreditor Agreement, and do all acts, and promptly take all acts as the Bond Trustee may reasonably require in order to ensure that such Security or Guarantee remains duly created, enforceable and perfected with such ranking and priority contemplated herein, at the expense of the Issuer.

13.21 Licence Documents

The Issuer shall, and shall ensure that each other Group Company will, (i) perform all material obligations under the Licence Documents applicable to it, and (ii) not amend, terminate or waive, or where relevant, vote in favour of any amendment, termination or waiver, in respect of any terms under any of the Licence Documents, in each case which would have a Material Adverse Effect and promptly upon request provide the Bond Trustee with copies of any Licence Document to the extent permitted under any applicable confidentiality restrictions.

13.22 Payments on Rollover Bonds

The Issuer shall procure that all amounts received by it or to which the Issuer is entitled in respect of payments on the Rollover Bonds, including all amounts of interest or principal in respect thereof received by the Issuer, are paid into the Issuer VPS Cash Account.

13.23 Permitted GKP Payments

Notwithstanding any provision to the contrary in these Bond Terms, the Restricted Group shall be permitted to complete the Permitted GKP Payments.

13.24 Anti-corruption and sanctions

The Issuer shall, and shall procure that all other Group Companies will:

(a) ensure that no proceeds from the issuance of the Bonds are used by any of them for any purpose which would breach any applicable acts, regulations or laws on bribery, corruption, money laundering or similar; and

(b) conduct their respective businesses in all material respects in compliance with applicable anti-corruption and sanctions laws.

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13.25 Preservation of assets

The Issuer shall, and shall procure that each Group Company will, maintain in good working order and condition (ordinary wear and tear excepted) all of its assets necessary or desirable in the conduct of its business.

13.26 Financial covenants

(a) The Issuer shall ensure that the Group complies with the following financial covenants:

(i) *Book Equity Ratio:* Book Equity Ratio shall not be less than 30 per cent.

(ii) *Liquidity:* Liquidity of the Restricted Group at any time shall not be less than 10 per cent. of the Restricted Group's Total Debt.

(b) The Issuer undertakes to comply with the financial covenants in paragraph (a) above (i) in respect of Liquidity, at all times, and (ii) in respect of Book Equity Ratio, at each Quarter Date. Compliance with the financial covenants shall be measured on each Quarter Date (for the first time with respect to 31 December 2026) and certified by the Issuer in each Compliance Certificate.

(c) If the Issuer does not comply with Book Equity Ratio and the Issuer receives or has received any Cure Amount during the period from the last Quarter Date up to the date of delivery to the Bond Trustee of the Compliance Certificate in respect of such period, then the Book Equity Ratio shall be recalculated on the basis that the Cure Amount so received shall be deemed to increase the Book Equity on the relevant testing date.

(d) If, after the Book Equity Ratio is recalculated as set out in paragraph (c) above, the breach has been remedied, the Book Equity Ratio shall be deemed to have been satisfied on the relevant testing date.

(e) The Issuer shall be limited to a maximum of 2 cures of actual failures to satisfy the Book Equity Ratio during the term of the Bonds, and no consecutive Book Equity Ratio cures are permitted.

13.27 Incurrence Test

(a) The Incurrence Test is satisfied with respect to any (1) Distribution by a Group Company to the direct or indirect shareholders of the Issuer subject to the satisfaction of the Incurrence Test or (2) incurrence of Financial Indebtedness subject to the satisfaction of the Incurrence Test, in each case if the following conditions are satisfied:

(i) in each case, no Event of Default is continuing or would result therefrom;

(ii) in case of incurrence of Financial Indebtedness, a maximum Leverage Ratio of 1.75x on a pro forma basis, immediately following the incurrence of the relevant Financial Indebtedness;

(iii) in case of any Distribution which, when aggregated with all other Distributions and amounts applied under paragraph (a) of Clause 13.19 (*Investments in and loans to Unrestricted Group Companies and Qualified Minority Owned Companies*) by reference to the Free Cash Flow from the same previous financial

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quarter, does not exceed fifty per cent. (50%) of that Free Cash Flow, a maximum Leverage Ratio of 1.50x on a pro forma basis, immediately following completion of the Distribution;

(iv) in case of any Distribution which, when aggregated with all other Distributions and amounts applied under paragraph (a) of Clause 13.19 (*Investments in and loans to Unrestricted Group Companies and Qualified Minority Owned Companies*) by reference to the Free Cash Flow from the same previous financial quarter, exceeds fifty per cent. (50%) but does not exceed one hundred per cent. (100%) of that Free Cash Flow, a maximum Leverage Ratio of 1.00x on a pro forma basis, immediately following completion of the Distribution; and

(v) in case of any Distribution under paragraphs (iii) and (iv) above, Liquidity shall be not less than an amount equal to USD 50,000,000 (or its equivalent in other currencies) immediately following the Distribution.

(b) From and including the GKP Merger Completion Date, the relevant Free Cash Flow shall be calculated on an annual basis based on the latest Annual Financial Statements of GKP (as the surviving entity of the Permitted GKP Merger and adjusted for such merger), taking into account Free Cash Flow for the combined entity and relevant Distributions made and relevant amounts applied by each of the Issuer and GKP prior to the GKP Merger Completion Date.

(c) The calculation of the Leverage Ratio and Liquidity shall for the purposes of the Incurrence Test be made as per a testing date determined by the Issuer, falling no earlier than 1 month prior to the event relevant for the application of the Incurrence Test.

(d) For the purpose of calculating the Leverage Ratio in respect of the Incurrence Test, Total Net Debt and Adjusted EBITDAX shall be calculated as at the relevant testing date with the following adjustments:

(i) Total Net Debt shall be measured on the relevant testing date so determined, and include the drawn commitments under new Financial Indebtedness in respect of which the Incurrence Test is applied.

(ii) If any mandatory repayment (through put, call or otherwise) or redemption of Financial Indebtedness has been determined but not yet completed, any cash to be used for such purpose shall be excluded when calculating Total Net Debt and Liquidity and the Financial Indebtedness to be repaid shall be excluded when calculating Total Net Debt.

(iii) The additional Financial Indebtedness shall be included in the calculations, provided that any cash balance resulting from the incurrence of any new Financial Indebtedness in respect of which the Incurrence Test is made shall not increase Liquidity or reduce Total Net Debt.

(iv) In respect of any Distribution, any cash to be distributed or contributed in any way shall be deducted from each of Cash and Cash Equivalents when calculating Total Net Debt and Liquidity.

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(v) In case any Restricted Group Company has merged with any company not being a Group Company, any financial calculation measured with respect to a Relevant Period shall be measured, pro forma, on the combined entity and as if the merger had been completed on the first day of that Relevant Period.

(vi) Adjusted EBITDAX shall be calculated in accordance with the most recent Financial Report for which a compliance certificate has been delivered, and, to the extent relevant, further adjusted so that Adjusted EBITDAX shall take into account the operating profit before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDAX) of any company, business or undertaking to be acquired after the testing date by the Restricted Group with the proceeds from new Financial Indebtedness in respect of which the Incurrence Test is applied, pro forma, for the entire relevant period.

14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

14.1 Events of Default

Each of the events or circumstances set out in this Clause 14.1 shall constitute an Event of Default:

(a) Non-payment

The Issuer or any Group Company fails to pay any amount payable by it under the Finance Documents when such amount is due for payment, unless:

(i) its failure to pay is caused by administrative or technical error in payment systems or the CSD and payment is made within 5 Business Days following the original due date; or

(ii) in the discretion of the Bond Trustee, the Issuer has substantiated that it is likely that such payment will be made in full within 5 Business Days following the original due date.

(b) Breach of other obligations

The Issuer or any Group Company does not comply with any provision of the Finance Documents other than set out under paragraph (a) (*Non-payment*) above, unless such failure is capable of being remedied and is remedied within 20 Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee.

(c) Misrepresentation

Any representation, warranty or statement (including statements in Compliance Certificates) made by the Issuer or any Group Company under or in connection with any Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made, unless the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within 20 Business Days of

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the earlier of the Bond Trustee giving notice to the Issuer or the Issuer becoming aware of such misrepresentation.

(d) Cross default

If for the Issuer, any Group Company (excluding any Unrestricted Group Company) or any Qualified Minority Owned Company:

(i) any Financial Indebtedness is not paid when due nor within any applicable grace period; or

(ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or

(iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described); or

(iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described),

provided however that (A) the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds a total of USD 10,000,000 (or the equivalent thereof in any other currency), and (B) paragraphs (i), (iii) and (iv) shall not apply to any Qualified Minority Owned Company.

(e) Insolvency and insolvency proceedings

The Issuer or any Group Company (excluding any Unrestricted Group Company):

(i) is Insolvent; or

(ii) is object of any corporate action or any legal proceedings is taken in relation to:

(A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganisation; or

(B) a composition, compromise, assignment or arrangement with any creditor which may materially impair the Issuer's ability to perform its obligations under these Bond Terms; or

(C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or

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(D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph (d) (*Cross default*) above; or

(E) for paragraphs (A) to (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company.

However, this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement.

(f) Creditor's process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Issuer or any Group Company (excluding any Unrestricted Group Company) having an aggregate value exceeding the threshold amount set out in paragraph (d) (*Cross default*) above and is not discharged within 20 Business Days.

(g) Unlawfulness

It is or becomes unlawful for the Issuer or any Group Company to perform or comply with any of its obligations under the Finance Documents to the extent this may materially impair:

(i) the ability of the Issuer or any such Group Company (as applicable) to perform its obligations under these Bond Terms; or

(ii) the ability of the Bond Trustee or any Security Agent to exercise any material right or power vested to it under the Finance Documents.

14.2 Acceleration of the Bonds

If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 14.3 (*Bondholders' instructions*) below, by serving a notice (a "**Default Notice**") to the Issuer:

(a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or

(b) exercise (or direct the Security Agent to exercise) any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

14.3 Bondholders' instructions

The Bond Trustee shall serve a Default Notice if:

(a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or

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(b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.

14.4 Calculation of claim

The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be calculated at the call prices set out in Clause 10.2 (*Voluntary early redemption – Call Option*), as applicable at the following dates (and regardless of the Default Repayment Date):

(a) for any Event of Default arising out of a breach of paragraph (a) (*Non-payment*) of Clause 14.1 (*Events of Default*), the claim will be calculated at the call price applicable at the date when such Event of Default occurred; and

(b) for any other Event of Default, the claim will be calculated at the call price applicable at the date when the Default Notice was served by the Bond Trustee.

However, if the situations described in paragraph (a) or (b) above takes place prior to the First Call Date, the calculation shall be based on the First Call Price.

15. BONDHOLDERS' DECISIONS

15.1 Authority of the Bondholders' Meeting

(a) Subject to Clause 17.1 (*Procedure for amendments and waivers*), a Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.

(b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

(c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.

(d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting.

(e) Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.

(f) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.

(g) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (h) below.

(h) Save for any amendments or waivers which can be made without resolution pursuant to paragraph (a)(i) and (ii) of Clause 17.1 (*Procedure for amendments and waivers*), a

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majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.

15.2 Procedure for arranging a Bondholders' Meeting

(a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:

(i) the Issuer;

(ii) Bondholders representing at least 1/10 of the Voting Bonds;

(iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or

(iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

(b) If the Bond Trustee has not convened a Bondholders' Meeting within 10 Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may call the Bondholders' Meeting itself.

(c) Summons to a Bondholders' Meeting must be sent no later than 10 Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on www.stamdata.com (or other relevant information platform).

(d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.

(e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.

(f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).

(g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by

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the Bondholders' Meeting (the Bond Trustee or such other representative, the "**Chairperson**").

(h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairperson may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt regarding whether a person is a Representative or entitled to vote, the Chairperson will decide who may attend the Bondholders' Meeting and exercise voting rights.

(i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.

(j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.

(k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on www.stamdata.com (or other relevant electronically platform or stock exchange announcement).

(l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

15.3 Voting rules

(a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The Chairperson may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.

(b) Issuer's Bonds shall not carry any voting rights. The Chairperson shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.

(c) For the purposes of this Clause 15, a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the

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Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.

(d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairperson will have the deciding vote.

15.4 Repeated Bondholders' Meeting

(a) Even if the necessary quorum set out in paragraph (f) of Clause 15.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within 10 Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.

(b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 15.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (f) of Clause 15.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.

(c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 15.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

15.5 Written Resolutions

(a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 15.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.

(b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.

(c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at www.stamdata.com, or other relevant electronic platform or via stock exchange announcement.

(d) The provisions set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), 15.2 (*Procedure for arranging a Bondholders' Meeting*), Clause 15.3 (*Voting rules*) and

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Clause 15.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:

(i) the provisions set out in paragraphs (g), (h) and (i) of Clause 15.2 (*Procedure for arranging Bondholders Meetings*); or

(ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5,

shall not apply to a Written Resolution.

(e) The Summons for a Written Resolution shall include:

(i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and

(ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority, which shall be at least 10 Business Days but not more than 15 Business Days from the date of the Summons (the "**Voting Period**").

(f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*), will be counted in the Written Resolution.

(g) A Written Resolution is passed when the requisite majority set out in paragraph (g) or (h) of Clause 15.1 (*Authority of Bondholders' Meeting*) has been obtained, based on a quorum of the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution will also be resolved if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.

(h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being obtained.

(i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the time specified in the summons on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (f) to (h) of Clause 15.1 (*Authority of Bondholders' Meeting*).

16. THE BOND TRUSTEE

16.1 Power to represent the Bondholders

(a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.

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(b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.

16.2 The duties and authority of the Bond Trustee

(a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, *inter alia*, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.

(b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other Obligor unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.

(c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.

(d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.

(e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.

(f) The Bond Trustee shall facilitate that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law. The Bond Trustee may, but is not obligated to, assess or monitor whether any instruction or resolution may be in conflict with these Bond Terms, any other Finance Document or any applicable law.

(g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.

(h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:

(i) complying with instructions or resolutions of the Bondholders; or

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(ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 16.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions or resolutions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

(i) If the Bond Trustee, in its reasonable opinion, may incur any cost, loss or liability for not acting in accordance with any request or demand from any party to a Finance Document or any court or governmental authority, which will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or Bondholders to its satisfaction, the Bond Trustee may act in accordance with any such request or demand, without any liability towards the Bondholders, the Issuer or others.

(j) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.

(k) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal value in order to facilitate partial redemptions, write-downs or restructurings of the Bonds or in other situations where such split is deemed necessary.

16.3 Equality and conflicts of interest

(a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act only as representative for the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.

(b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

16.4 Expenses, liability and indemnity

(a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions or resolutions given by the Bondholders in accordance with these Bond Terms.

(b) The Bond Trustee will not be liable to the Issuer for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless caused

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by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss.

(c) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.

(d) The Bond Trustee shall not be considered to have acted negligently in:

(i) acting in accordance with advice from or opinions of reputable external experts;

(ii) taking, delaying or omitting any action if acting with reasonable care and provided the Bond Trustee considers that such action is in the interests of the Bondholders; or

(iii) requesting funding, indemnities or security as conditions for taking any action.

(e) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.

(f) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. In this respect, if the Bond Trustee may borrow funds from Bondholders or others, the costs of such borrowings shall be considered as such costs and expenses incurred by the Bond Trustee. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Fee Agreement.

(g) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged in relation to events or circumstances which (i) constitute an Event of Default, (ii) which the Bond Trustee reasonably believes is or may lead to an Event of Default or (iii) which the Bond Trustee reasonably believes may constitute or lead to a breach of any Finance Document or otherwise be detrimental to the interests of the Bond Trustee or Bondholders under the Finance Documents.

(h) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to the Issuer or any Group Company, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee or the Security Agent in connection therewith. The Bond

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Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds. The Bond Trustee may also refrain from taking any further action until such fees, costs and expenses are paid to the Bond Trustee from others, hereunder the Bondholders and the Issuer, if the Bond Trustee such demands.

(i) As a condition to effecting any instruction or resolution from the Bondholders (including, but not limited to, instructions set out in Clause 14.3 (*Bondholders' instructions*) or Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and including a resolution pursuant to Clause 16.5 (*Replacement of the Bond Trustee*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any potential liability, loss, costs and expenses which may arise as a result of effecting such instruction or resolution (and, at its discretion, which may arise or have already arisen as a result of the Bond Trustee's engagement or previous actions in relation to the Bonds) from those Bondholders who have given that instruction or resolution and/or who voted in favour of the decision to instruct the Bond Trustee.

16.5 Replacement of the Bond Trustee

(a) The Bond Trustee may be replaced by a majority of 2/3 of Voting Bonds in accordance with the procedures set out in Clause 15 (*Bondholders' Decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.

(b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 16.5, initiated by the retiring Bond Trustee.

(c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 16.5. The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.

(d) The Bond Trustee may in its discretion decide that the change of Bond Trustee shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, hereunder covering of such fees, loss, costs and expenses referred to in Clause 16.4 (*Expenses, liability and indemnity*). The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.

(e) Upon change of Bond Trustee, the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

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16.6 Security Agent

(a) The Bond Trustee is appointed to act as Security Agent for the Bonds, unless any other person is appointed. The main functions of the Security Agent may include holding Transaction Security on behalf of the Secured Parties and monitoring compliance by the Issuer and other relevant parties of their respective obligations under the Transaction Security Documents with respect to the Transaction Security on the basis of information made available to it pursuant to the Finance Documents.

(b) The Bond Trustee shall, when acting as Security Agent for the Bonds, at all times maintain and keep all certificates and other documents received by it, that are bearers of right relating to the Transaction Security in safe custody on behalf of the Bondholders. The Bond Trustee shall not be responsible for or required to insure against any loss incurred in connection with such safe custody.

(c) Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.

(d) The functions, rights and obligations of the Security Agent may be determined by a Security Agent Agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require each Obligor and any other party to a Finance Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters, whether or not a separate Security Agent Agreement has been entered into.

(e) The provisions set out in Clause 16.4 (*Expenses, liability and indemnity*) shall apply *mutatis mutandis* to any expenses and liabilities of the Security Agent in connection with the Finance Documents.

17. AMENDMENTS AND WAIVERS

17.1 Procedure for amendments and waivers

(a) The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:

(i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;

(ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or

(iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Bondholders' Decisions*).

(b) Any changes to these Bond Terms necessary or appropriate in connection with the appointment of a Security Agent other than the Bond Trustee shall be documented in an

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amendment to these Bond Terms, signed by the Bond Trustee (in its discretion). If so desired by the Bond Trustee, any or all of the Transaction Security Documents shall be amended, assigned or re-issued, so that the Security Agent is the holder of the relevant Security (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

17.2 Authority with respect to documentation

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.

17.3 Notification of amendments or waivers

(a) The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 17, setting out the date from which the amendment or waiver will be effective, unless such notice according to the Bond Trustee's sole discretion is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.

(b) Prior to agreeing to an amendment or granting a waiver in accordance with paragraph (a)(i) of Clause 17.1 (*Procedure for amendments and waivers*), the Bond Trustee may inform the Bondholders of such waiver or amendment at a relevant information platform.

18. MISCELLANEOUS

18.1 Limitation of claims

All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.

18.2 Access to information

(a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.

(b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.

(c) The information referred to in paragraph (b) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

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18.3 Notices, contact information

(a) Unless otherwise specified, written notices to the Bondholders shall be provided as follows:

(i) if made by the Bond Trustee, on www.stamdata.com or other relevant information platform;

(ii) if made by the Issuer, by stock exchange announcement (if the Bonds are listed) or other relevant information platform.

(b) Any notice sent to the Bondholders via the CSD will be deemed to be given or made when sent from the CSD, unless otherwise specifically provided.

(c) Unless otherwise specified, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter or e-mail. Any such notice or communication will be deemed to be given or made as follows:

(i) if by letter, when delivered at the address of the relevant party;

(ii) if by e-mail, when received; and

(iii) if by publication on a relevant information platform, when published.

(d) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address, telephone number and contact persons.

(e) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):

(i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;

(ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and

(iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

18.4 Defeasance

(a) Subject to paragraph (b) below and provided that:

(i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the relevant Repayment Date (including, to the extent applicable, any premium payable upon exercise of a Call Option), and always subject to paragraph (c) below (the "**Defeasance Amount**") is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the "**Defeasance Account**");

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(ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the "**Defeasance Pledge**"); and

(iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,

then;

(A) the Issuer will be relieved from its obligations under paragraph (a) of Clause 12.2 (*Requirements for Compliance Certificates*), Clause 12.3 (*Put Option Event*), Clause 12.5 (*Information: miscellaneous*) and Clause 13 (*General and Financial Undertakings*);

(B) any Transaction Security shall be released and the Defeasance Pledge shall be considered replacement of the Transaction Security; and

(C) any Obligor shall be released from any Guarantee or other obligation applicable to it under any Finance Document.

(b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.

(c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems necessary.

A defeasance established according to this Clause 18.4 may not be reversed.

19. GOVERNING LAW AND JURISDICTION

19.1 Governing law

These Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions.

19.2 Main jurisdiction

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

19.3 Alternative jurisdiction

Clause 19 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

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(a) to commence proceedings against the Issuer or any other Obligor or any of their respective assets for another competent court of a contracting state to the Lugano Convention of 2007, the applicable court in the jurisdiction of the Issuer or any other Obligor (as applicable) or in any court in any other jurisdiction (to the extent possible under applicable law); and

(b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

19.4 Service of process

(a) Without prejudice to any other mode of service allowed under any relevant law, the Issuer:

(i) irrevocably appoints Advokatfirmaet Selmer AS, a company incorporated under the laws of Norway with company registration number 920 969 798, as its agent for service of process in relation to any proceedings in connection with these Bond Terms; and

(ii) agrees that failure by an agent for service of process to notify the Issuer of the process will not invalidate the proceedings concerned.

(b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Issuer must immediately (and in any event within 10 Business Days of such event taking place) appoint another agent on terms acceptable to the Bond Trustee. Failing this, the Bond Trustee may appoint another agent for this purpose.

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These Bond Terms have been executed by way of electronic signatures.

SIGNATURES:

The Issuer:	**As Bond Trustee and Security Agent:**
ShaMaran Petroleum Ltd.	**Nordic Trustee AS**
Signed by: Elvis Pellumbi 6A291FC9439842D...	Signed by: Jørgen Andersen 58A2C1FDB37C410...
By: Elvis Pellumbi	By: Jørgen Andersen (p.p.)
Position: Authorised signatory	Position: Authorised signatory

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ATTACHMENT 1
COMPLIANCE CERTIFICATE

[date]

ShaMaran Petroleum Ltd. 10.25% senior unsecured USD 450,000,000 bonds 2026/2031 ISIN NO0013773457

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer. Pursuant to Clause 12.2 (*Requirements for Compliance Certificates*) of the Bond Terms, a Compliance Certificate shall be issued in connection with each delivery of Financial Reports to the Bond Trustee.

This letter constitutes the Compliance Certificate for the period [●].

Capitalised terms used herein will have the same meaning as in the Bond Terms.

With reference to Clause 12.2 (*Requirements for Compliance Certificates*), we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate. Copies of our latest consolidated [Annual Financial Statements] / [Interim Accounts] are enclosed.

[The financial covenants set out in Clause 13.26 (*Financial covenants*) are met, please see the calculations and figures in respect of the covenants attached hereto.]

[With reference to the definition of "Unrestricted Group Company" the following Group Companies are nominated as Unrestricted Group Companies: [●]]

We confirm that, to the best of our knowledge, no Event of Default has occurred or is likely to occur.

Yours faithfully,

ShaMaran Petroleum Ltd.

_____

Name of authorised signatory

Enclosure: Annual Financial Statements / Interim Accounts; [and any other written documentation]

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ATTACHMENT 2
RELEASE NOTICE – ESCROW ACCOUNT

[date]

ShaMaran Petroleum Ltd. 10.25% senior unsecured USD 450,000,000 bonds 2026/2031 ISIN NO0013773457

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer.

Capitalised terms used herein will have the same meaning as in the Bond Terms.

We hereby give you notice that we on [date] wish to draw the amount specified in Enclosure I (*Flow of Funds*) from the Escrow Account to be applied pursuant to the purpose set out in the Bond Terms, and request you to instruct the bank to release the above mentioned amount.

We hereby represent and warrant that (i) no Event of Default has occurred and is continuing or is likely to occur as a result of the release from the Escrow Account, and (ii) we confirm that the representations and warranties set out in the Bond Terms are true and accurate in all material respects at the date hereof.

Yours faithfully,

ShaMaran Petroleum Ltd.

_____

Name of authorised signatory

Enclosure I: Flow of Funds

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ATTACHMENT 3
AGREED SECURITY PRINCIPLES

Part 1 – Additional Security and Guarantees

(a) If any Group Company (other than the Issuer) becomes (through incorporation, merger, amalgamation, acquisition or acquisition of assets (directly or indirectly), ceasing to be an Unrestricted Group Company or otherwise) a Material Group Company (in each case the "**New Material Group Company**"), the Issuer shall promptly notify the Bond Trustee thereof in writing and promptly procure that as soon as possible and in any event within 90 days of the Group Company becoming a New Material Group Company, the New Material Group Company becomes a Guarantor by providing a Guarantee.

(b) If any Restricted Group Company acquires a Qualified Minority Company Claim, or an existing claim becomes a Qualified Minority Company Claim, and that claim is not already subject to Transaction Security (the "**New Claim**"), the Issuer shall promptly notify the Bond Trustee thereof in writing and procure that the relevant Group Company will, as soon as reasonably possible and in any event within 90 days after the claim is acquired or becomes a Qualified Minority Company Claim, as applicable, provide Security with first priority, on terms substantially the same as the relevant Initial Security Documents, over the New Claim.

(c) If any Restricted Group Company has provided any guarantee, indemnity or Security in respect of any Additional Permitted Bond Issue (other than in respect of a bond settlement account (an escrow account or similar) and which is not intended to hold funds beyond a period during which conditions for settlement and release are to be satisfied), the Issuer shall ensure the same guarantee, indemnity or Security is provided with respect to the Bonds on similar terms and with equal priority (and such guarantee, indemnity and Security shall be subject to the Intercreditor Agreement) within 90 days after the Additional Permitted Bond Issue was incurred by the Restricted Group or such guarantee, indemnity or Security was granted in respect thereof (whichever is later).

(d) The Issuer shall, and shall procure that each Group Company will, without undue delay and within the same deadlines as set out above, provide such documents and evidence as the Bond Trustee shall reasonably require with respect to any relevant Group Company and any asset over which Security is or will be taken, including constitutional documents, corporate authorizations and governmental and other approvals. The Bond Trustee may, at the cost of the Issuer, require legal opinions to be issued.

(e) The Guarantees and Security listed above and otherwise put in place in favour of the Bond Trustee (on behalf of itself and the Bondholders) after the Issue Date are collectively referred to as the "**Additional Security**" (and together with the Initial Security, the "**Transaction Security**") and the agreements, documents and instruments documenting the granting, terms and perfection thereof are, together with the Initial Security Documents, the "**Transaction Security Documents**".

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(f) If no Initial Security exists for any asset to be subject to Additional Security, the Additional Security shall be made on terms agreed between the Bond Trustee and the Issuer (both acting reasonably) based, as applicable, on the terms of the Initial Security.

(g) Transaction Security to be shared with any Additional Permitted Bond Issue will be granted in favour of the Security Agent subject to and in accordance with the Intercreditor Agreement.

(h) Notwithstanding the above, no Additional Security shall be taken if the same conflicts with the terms of Acquired Financial Indebtedness, and the deadlines above for when Additional Security shall be taken and related documents shall, in respect of Additional Security restricted by Acquired Financial Indebtedness, be calculated from the date the relevant Acquired Financial Indebtedness is repaid or at the latest should have been repaid.

Part 2 – Certain Security Principles

(a) No Unrestricted Group Company or Qualified Minority Owned Company shall be required to become a Guarantor.

(b) No Transaction Security over Qualified Minority Owned Company Claims shall be required to become subject to Transaction Security if such Transaction Security will require the consent of (i) any third-party lender(s) (or their agents) under any financing related to such Qualified Minority Owned Company or (ii) any party to a Licence Document or governmental or regulatory body in order to be valid or to not cause a breach of the terms of a Licence Document or to avoid a change of control, termination or other material adverse effect thereunder, in each case if no relevant consent has been provided by the relevant party and provided that reasonable endeavours (for not more than 30 days) shall have been used by the relevant Restricted Group Company to obtain the consent of the relevant party.

(c) In respect of a Restricted Group Company or a Qualified Minority Owned Company (the "**Relevant Company**"):

(i) where a person (a "**Third Party**") who is not a Group Company or an Affiliate of a Group Company owns shares in the Relevant Company;

(ii) the Relevant Company is subject to arrangements ("**Existing Shareholder Arrangements**") with or for the benefit of the Third Party and which either (1), in respect of a Relevant Company that was a Relevant Company at the Issue Date, were in place at the Issue Date or (2), in respect of a Relevant Company that became a Relevant Company after the Issue Date, were in place prior to such date; and

(iii) where the Existing Shareholder Arrangements (legally or commercially) prevent (1) the Relevant Company from granting (in part or in full) a Guarantee or Transaction Security over all or some of its relevant assets without the consent of the Third Party and/or (2) Transaction Security to be taken over the shares in or Intra-Group Claims against the Relevant Company,

(i) the (X) Relevant Company shall be excluded from the requirement to provide such Guarantee or Transaction Security and/or (Y) no Transaction Security shall be required to be taken over the shares in or Intra-Group Claims against that Relevant Company unless the Third Party has

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provided relevant consents thereof, provided that reasonable endeavours (for not more than 30 days) shall have been used by the relevant Group Company to obtain the consent of the Third Party.

(d) Without limiting the foregoing, (1) no Additional Security shall be required to be taken over any asset if, under the laws of the relevant jurisdiction, it is not possible (as such and generally applicable to the relevant type of asset) to take Security over the relevant asset, provided that if a consent is required, reasonable endeavours (for not more than 30 days) shall have been used by the relevant Group Company to obtain the relevant consent and (2) no perfection of Additional Security will be required if it would (i) materially adversely affect the ability of the relevant Obligor or the holding company of the Issuer (as applicable) to conduct its operations or business in the ordinary course or (ii) trigger any change of control issues that are otherwise not possible to waive by using a reasonable effort (for not more than 30 days).

(e) Where relevant (as decided by the Bond Trustee), trust deeds or similar documents and arrangements with respect to Transaction Security will be entered into between the relevant Security Providers and/or Obligors and/or the Bond Trustee or the relevant security agent, in each case as a condition precedent with respect to any Initial Security or within the timelines required for any Additional Security (as relevant).

(f) All Transaction Security Documents (regardless of whether the same constitutes Initial Security or Additional Security) shall be delivered together with such evidence of creation, perfection and registration and such ancillary documentation as requested by the Bond Trustee, including copies of registration transcripts, notices and acknowledgements, required consents/waivers from shareholders/third parties, delivery of original share certificates, stock transfer forms and other instruments of transfer, resignation letters etc.

(g) Where legally permissible, Transaction Security Documents shall automatically create Security over future assets of the same type as those already subject to Transaction Security.

(h) Any Transaction Security and any Guarantee shall secure or guarantee (as applicable) all present and future obligations and liabilities of the Obligors under the Bond Terms and the other Finance Documents.

(i) Where legally permissible, any Transaction Security and any Guarantee shall be created in favour of the Security Agent and not the other secured parties individually. Parallel debt provisions shall be used where legally necessary.

(j) To the extent legally permissible, Transaction Security will be first ranking unless any prior ranking Security is permitted by the Finance Documents and all other relevant Debt Documents.

(k) No other contractual Security will be permitted to be granted over assets subject to Transaction Security.

(l) General statutory limitations (including, but not limited to, such relating to financial assistance, corporate benefit, fraudulent preference, "thin capitalisation" rules, capital maintenance, retention of title claims and similar principles) may limit the ability of a Group Company to provide any Transaction Security or Guarantee or require that such Security or Guarantee is limited by an amount or otherwise.

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(m) Additional Security and the extent of its perfection and scope shall take into account the costs and expenses (including, without limitation, any stamp duty, taxes, registration fees and similar) of providing such Security which must be proportionate to the benefit accruing to the secured parties with respect to such Security, and Additional Security shall only be required to be granted to the extent (as agreed between the Issuer and the Security Agent) that such Additional Security may be granted by using reasonable and customary endeavours, and where the costs incurred in connection with such granting is proportionate to the benefit accruing to the secured parties.

(n) No Obligor will be required to provide a Guarantee or enter into any Transaction Security Document if it would conflict with the fiduciary duties of their directors or officers, contravene any legal prohibition or result in a material risk of personal, civil or criminal liability on the part of any director or officer, provided that the relevant Guarantor or the holding company of the Issuer (as applicable) shall use reasonable endeavours to overcome any such obstacle.

(o) Transaction Security Documents shall operate to create Security rather than to impose any new commercial obligations and shall, accordingly, not contain additional or duplicate representations or undertakings to those contained in the relevant Debt Documents unless (i) required for the creation, perfection, preservation, robustness or enforcement of the Transaction Security or which are (ii) customarily included in similar Transaction Security Documents in the relevant jurisdiction.

(p) If any Transaction Security may be enforced in various manners under the laws by which such Transaction Security is governed, then the Transaction Security Document in question shall, to the extent legally permissible, include and permit the various manners of such enforcement, including the manner which may reasonably be considered to be the most efficient in terms of time, costs and method from the perspective of the secured parties, and (subject to the terms of the Intercreditor Agreement) leave it to the Security Agent to decide the manner of enforcement at any given time.

(q) The Security Agent shall only be able to exercise any powers of attorney (including, but not limited to, in respect of voting rights appertaining to any shares and elect to replace board members) granted under any Transaction Security Document or have the right to receive any dividends or other sums payable in respect of any shares if an Event of Default is continuing.

(r) Unless the restriction is required by law, the constitutional documents of or any shareholders' agreement for the Group Company whose shares have been charged will be amended to remove any restriction on the transfer or the registration of the transfer of the shares on enforcement of the security granted over them except to the extent that the consent of any person (not being a member of the Group) is required for that purpose, but cannot be obtained and the relevant provider of the Transaction Security has used reasonable endeavours to obtain that consent.

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ATTACHMENT 4
INTERCREDITOR PRINCIPLES

The Intercreditor Agreement and the granting of any Security, guarantee or indemnity in respect of the Liabilities (as defined below) shall be based on the principles described in this Attachment 4.

Terms not defined herein shall have the same meaning as in the Bond Terms.

Parties:

To establish the respective rights of the parties to the Bond Issues, the Intercreditor Agreement will be entered into (or acceded to where relevant) by the following parties:

(i) the Issuer;

(ii) any other Obligor(s) (as relevant);

(iii) the Bond Issue Trustee(s); and

(iv) the Security Agent.

Ranking and priority:

Liabilities: The Liabilities shall rank *pari passu* in right and priority of payment and without any preference between them.

Transaction Security: The Transaction Security and any Guarantees shall rank and secure the Liabilities (but only to the extent that such Transaction Security is expressed to secure those Liabilities) *pari passu* on a joint first priority (or, to the extent joint first priority is not permitted by mandatory law, on first and second priority on the shared basis contemplated by the Intercreditor Agreement) and without any preference between them (regardless of the order in which or dates on which such Guarantees and Transaction Security are executed, registered or perfected).

Permitted Payments:

All Payments of Liabilities must be Permitted Payments.

Enforcement Actions:

Subject to certain exceptions, the right to issue enforcement instructions to the Security Agent shall in the event of conflicting enforcement instructions first go to the Bond Trustee.

The Bond Trustee may not initiate any Enforcement Action, unless: (i) such Enforcement Action is an Exempted Enforcement Action with respect to any Bond Issue; or (ii) such Enforcement Action has been approved by the Bond Issues through a Majority Bond Issues Instruction.

If the Bond Trustee receives any instruction to initiate an Enforcement Action which, in the opinion of the Bond Trustee, is not an Exempted Enforcement Action, the Bond Trustee shall promptly summon bondholders' meetings in each Bond Issue for the purpose of receiving a

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Majority Bond Issues Instruction with respect to that Enforcement Action.

If the Bond Trustee receives a Majority Bond Issues Instruction to initiate an Enforcement Action, each Bond Issue shall be deemed to have given the Bond Trustee such instructions.

In relation to any Exempted Enforcement Action, the Bond Trustee shall act as the Bond Trustee for each Bond Issue (a "**Relevant Bond Issue**") in respect of which such Enforcement Action is an Exempted Enforcement Action and the Bond Trustee shall follow any Majority Bond Issues Instruction which are given by the Relevant Bond Issues in respect thereof.

Release of Transaction Security (non-distressed): The Bond Trustee shall, at the cost and request of the Issuer, release Transaction Security over any asset which is directly or indirectly disposed of, provided that such disposal is permitted under the terms of the Debt Documents.

In case of a permitted disposal of all shares in a Guarantor, such Guarantor shall be released from its obligations as a Guarantor.

Application of proceeds: The proceeds of enforcement of the Transaction Security or any Guarantee, any Distressed Disposal or any other Enforcement Proceeds shall be applied as follows:

(i) first, towards payment of any unpaid fees, costs and expenses incurred by the Security Agent (or its delegate) or any Bond Issue Trustee;

(ii) second, on a *pro rata* basis, towards payment to the Bondholders in respect of any Liabilities in accordance with the payment provisions of the relevant Bond Issue Terms;

(iii) third, if no Obligor has any further actual or contingent liability towards the Secured Parties, towards payment to any person to whom the Security Agent is obliged to pay in priority to the relevant Obligor; and

(iv) fourth, subject to the irrevocable discharge of all the Liabilities having occurred, the balance, if any, shall be paid to the person entitled thereto, including the relevant Obligor or other security provider, as applicable.

Miscellaneous: The Intercreditor Agreement will contain customary provisions relating to: (i) appointment of the Bond Trustee as joint security agent; (ii) the role and liability of the Bond Issue Trustees and the Security Agent; (iii) bond trustee and security agent protection provisions; (iv) turnover of

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receipts; (v) change of any Bond Issue Trustee; (vi) costs and expenses; (vii) indemnities; (viii) information; (ix) notices; (x) consents, amendments and override; (xi) counterparts; and (xii) invalidity.

Governing law and jurisdiction: The Intercreditor Agreement shall be governed by Norwegian law and be subject to the jurisdiction of the Oslo District Court (*Oslo tingrett*).

Definitions:

"**Acceleration Event**" means any Bond Issue Trustee exercising any of its rights under any acceleration provisions, or any acceleration provisions being automatically invoked, in each case under the relevant Bond Issue Terms.

"**Bond Issue**" means each of the Bonds, the GKP Bond and any other Additional Permitted Bond Issue.

"**Bond Issue Terms**" means the Bond Terms and the bond terms for each other Bond Issue.

"**Bond Issue Trustee**" means the Bond Trustee and the bond trustee in respect of each other Bond Issue.

"**Bondholder**" means, for the purposes of the Intercreditor Agreement, a person who is registered in the CSD as directly registered owner or nominee holder of a bond in each respective Bond Issue, in accordance with the relevant Bond Issue Terms.

"**Debt Documents**" means, in respect of each Bond Issue, all documents referred to as "Finance Documents" in the relevant Bond Issue Terms.

"**Distress Event**" means any of: (i) an Acceleration Event; (ii) the enforcement of any Security created in respect of the Liabilities; or (iii) (unless the context otherwise requires) the making of any demand under any guarantee or indemnity granted in respect of the Liabilities.

"**Distressed Disposal**" means any disposal of any asset subject to the Transaction Security Documents being effected (i) at the request of the relevant instructing group pursuant to the Intercreditor Agreement in circumstances where the relevant Transaction Security has become enforceable, (ii) by enforcement of the Transaction Security Documents, or (iii) after a Distress Event.

"**Enforcement Action**" means: (i) in relation to any Liabilities: (a) the acceleration of any Liabilities or the making of any declaration that any Liabilities are prematurely due and payable (other than as a result of it becoming unlawful for any person to perform its obligations under any document or any voluntary or mandatory redemption); (b) the making of any declaration that any such Liabilities are payable on demand or the making of a demand in relation to such a Liability that is payable on demand; (c) the exercise of any right of set-off, account combination or

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payment netting against any Obligor in respect of any Liabilities; (d) the suing for, commencing or joining of any legal or arbitration proceedings against any Obligor to recover any Liabilities; (ii) the taking of any steps to enforce or require the enforcement of any Transaction Security granted by an Obligor; (iii) the entering into of any composition, compromise, assignment or arrangement with any Obligor; or (iv) the petitioning, applying or voting for, or the taking of any steps (including the appointment of a liquidator, receiver, administrator or similar officer) in relation to, the winding up, dissolution, administration, reorganisation, moratorium or suspension of payments of any Obligor, or any analogous procedure or step in any jurisdiction.

"**Enforcement Proceeds**" means any amount paid to or otherwise realised by a Secured Party under or in connection with (a) any Enforcement Action and, following the occurrence of a Distress Event, any other proceeds of, or arising from, any of the Transaction Security or (b) (unless the context otherwise requires) any demand made under any guarantee or indemnity granted in respect of the Liabilities.

"**Exempted Enforcement Action**" means any Enforcement Action: (i) initiated by the Bond Trustee under the customary powers and authorisations of the Bond Trustee and without the instructions of a bondholder meeting, which the Bond Trustee deems to be necessary to preserve the validity, existence or priority of claims in respect of Liabilities, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring or join proceedings by reason of applicable limitation periods; or (ii) any Enforcement Action initiated after the occurrence of an Insolvency Event.

"**Guarantee**" means any guarantee, indemnity or other assurance against loss granted by any Obligor in respect of the obligations of any of the Obligors under any of the Debt Documents.

"**Insolvency Event**" means, in relation to an Obligor: (i) any resolution is passed or order made for the winding up, dissolution, administration or reorganisation of the Obligor, a moratorium is declared in relation to any indebtedness of that Obligor or an administrator is appointed to that Obligor; (ii) any composition, compromise, assignment or arrangement is made with any of the Secured Parties; (iii) the appointment of any liquidator, receiver, administrative receiver, administrator, compulsory manager or similar officer in respect of that Obligor or its assets; or (iv) any analogous procedure or step is taken in any jurisdiction.

"**Liabilities**" means all present and future liabilities and obligations at any time of any Obligor to any Secured Party under the Debt Documents, in all cases both actual and contingent and whether incurred solely or

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jointly or as principal or surety or another capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations: (i) any refinancing, novation, deferral or extension; (ii) any claim for breach of representation, warranty or undertaking or on any event of default or under any indemnity given under or in connection with any agreement, document or deed evidencing or constituting any other liability or obligation falling within this definition; (iii) any claim for damages, recourse, restitution or re-transfer of assets; and (iv) any claim as a result of any recovery by any Obligor of a payment on the grounds of preference or otherwise, and any amount which would be included in any of the above but for the discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings.

"**Majority Bond Issues Instruction**" means, in relation to any decisions among and between the Bond Issues to be made in relation to an Enforcement Action and any related issues, the instructions and resolutions given in respect thereof by those Bond Issues whose principal amounts outstanding at that time aggregate more than 50.00 per cent. of the total principal amounts outstanding under all Bond Issues at that time (and where the Bond Trustee shall act (and be considered to act) on behalf of all the Bondholders under each Bond Issue regardless of whether all or only the required majority of those Bondholders voted in favour or against the decision to be made by the Bond Issues at any relevant preceding meeting(s) of those Bondholders, in accordance with the terms and voting provisions of that Bond Issue).

"**Payment**" means, in respect of any Liabilities (or any other obligations or liabilities), a payment, prepayment, redemption, defeasance or discharge of those Liabilities (or other liabilities or obligations).

"**Permitted Payments**" means: (i) in relation to the Bonds, all Payments made in accordance with the Finance Documents; and (ii) in relation to the GKP Bond and any other Additional Permitted Bond Issue, all Payments made in accordance with the Debt Documents applicable to that Bond Issue (in the form thereof as at the date the relevant Bond Issue was settled).

"**Secured Party**" means any Bondholder, any Bond Issue Trustee or the Security Agent (together, the "Secured Parties").

"**Transaction Security**" means any Security created or purported to be created over the assets of any Obligor pursuant to the Debt Documents, except for any cash deposits on any escrow account established to facilitate the disbursement of proceeds from any Bond Issue (including any Escrow Account Pledge).

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APPENDIX 3

LOAN DESCRIPTION

Docusign Envelope ID: 128A24D1-3F55-8DEC-81B9-CEAC7B073C72

Term sheet written in connection with application for registration on Euronext ABM

Date 19 November 2026

ISIN: NO0013773457

SHAMARAN
Petroleum Ltd.

ShaMaran Petroleum Ltd. 10.25% senior unsecured USD 450,000,000 bonds 2026/2031

Terms:

Documentation: *The Loan Agreement [1] is described more closely in Standard Terms*	Before investing in the bond, the investor is encouraged to become familiar with relevant documents such as this term sheet, the Loan Agreement and the Issuer's financial accounts and articles of association and if relevant, admission document, cf. ABM-rules section 2.7.2.3. The documents are available with the Issuer and in Relevant Places. In the case of any discrepancies between the Loan Agreement and this term sheet, the Loan Agreement will apply.
Relevant places:	https://shamaranpetroleum.com/investors/
Issuer:	ShaMaran Petroleum Ltd.
Borrowing Limit – Tap Issue:	USD 450,000,000 – Tap Issue(s) until the Nominal Amount of all Additional Bonds equals in aggregate the Maximum Issue Amount (USD 450,000,000) less the Initial Bond Issue
First Tranche / Loan Amount : [2]	USD 200,000,000 The Initial Nominal Amount of each Bond is USD 10,000
Disbursement Date: [3]	5 November 2026
Maturity Date: [4]	5 November 2031
Interest Rate:	10.25% p.a.
Yield on Disbursement Date:	10.25% p.a.
Day Count Fraction– Interest rate:[5]	30/360
Business Day Convention: [6]	Business day convention is unadjusted
Interest Payment Date(s): [7]	5 May and 5 November each year
Interest accrual date:	Disbursement Date, 5 November 2026
Date until which interest accrues:	Maturity Date, 5 November 2031
Status of the loan: [8]	Senior unsecured (subject to the Transaction Security described under "*Supplementary information about status of the loan and collateral*" below)
Issue Price: [9]	100% of Nominal Amount
Denomination:	The Initial Nominal Amount is USD 10,000. The minimum permissible subscription and allocation in the Bonds is USD 150,000, but in no circumstances less than an amount equivalent to EUR 100,000, and higher amounts may be subscribed for in integral multiples of USD 10,000 in excess thereof.
Call: [10]	**Redemption Date(s):** See Special (distinct) conditions **Price:** See Special (distinct) conditions

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Issuer's org. number/LEI number:	202605870/529900227RVB89NZH924
Number / Codes:	**Sector code:** 9100 **Geographic code:** 9612/CA **Industry (trade) Code:** 06100
Usage of funds:	The Net Proceeds of any issuance of Bonds shall be employed by the Issuer: (a) towards repayment in full of the Existing Bonds; (b) towards development capex/investments into HKN Hamrin; and (c) towards the general corporate purposes of the Restricted Group (including acquisitions).

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	The Net Proceeds from any Tap Issue(s) shall be applied towards the general corporate purposes of the Restricted Group (including acquisitions) or such other purpose set out in the relevant Tap Issue Addendum. Please refer to the Loan Agreement clause 1.1 (*Definitions*) for definitions and clause 2.4 (*Use of proceeds*).
Approvals / Permissions:	• The issuance was approved by the board of directors on 3 November 2026 • The admission document has been inspected by Oslo Børs, cf. ABM-rules sec 2.7
Trustee:	Nordic Trustee AS, P.O. Box 1470, N-0016 Oslo, Norway
Arranger(s):	Pareto Securities AS, Dronning Mauds gate 3, 0250, OSLO, Norway
Paying Agent:	Pareto Securities AS, Dronning Mauds gate 3, 0250, OSLO, Norway
Securities Depository:	Euronext Securities Oslo (Verdipapirsentralen ASA (VPS)
FISN- and CFI-code	FISN: SHAMARAN/10.25 BD 20311105 , CFI: DBFGGR
Market Making:	No market-maker agreement has been entered into for the issuance of the Bonds
MiFiD II target market of end clients:	Non-professional, professional and eligible counterparties (all distributions channels subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable), who (a) have at least a common/normal understanding of the capital markets, (b) are able to bear the losses of their invested amount and, (c) are willing to accept risks connected with the Bonds, and (d) have an investment horizon which takes into consideration the liquidity of the Bonds. No PRIIPS, No KID.
Withholding tax: [11)]	Gross up, with customary repayment option at par value if gross up is required due to change in applicable laws following the date of the Loan Agreement. Please refer to the Loan Agreement clause 1.1 (*Definitions*), clause 8.4 (*Taxation*) and clause 10.6 (*Early redemption option due to a tax event*).
Special (distinct) conditions:	**Default interest** The default interest rate is the Interest Rate plus 3 percentage points per annum. Please refer to the Loan Agreement clause 8.2 (*Default interest*). **Redemption of Bonds** The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount. Upon the occurrence of a Listing Failure Event and for as long as it is continuing, interest on any principal amount outstanding will accrue at the Interest Rate plus 1 percentage point per annum. *Please refer to the Loan Agreement Clause 1.1 (Definitions) for definitions and Clause 10.1 (Redemption of Bonds).* **Voluntary early redemption – Call Option** The Issuer may redeem all or a part of the Outstanding Bonds (the "**Call Option**") on any Business Day from and including: (a) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount; (b) the First Call Date to, but not including, the Interest Payment Date in November 2029 at a price equal to 105.125 per cent. of the Nominal Amount for each redeemed Bond (the "**First Call Price**"); (c) the Interest Payment Date in November 2029 to, but not including, the Interest Payment Date in May 2030 at a price equal to 104.100 per cent. of the Nominal Amount for each redeemed Bond; (d) the Interest Payment Date in May 2030 to, but not including, the Interest Payment Date in November 2030 at a price equal to 103.075 per cent. of the Nominal Amount for each redeemed Bond; (e) the Interest Payment Date in November 2030 to, but not including, the Interest Payment Date in May 2031 at a price equal to 102.05 per cent. of the Nominal Amount for each redeemed Bond; and (f) the Interest Payment Date in May 2031 to, but not including, the Maturity Date at a price equal to 100.50 per cent. of the Nominal Amount for each redeemed Bond. The First Call Date is the Interest Payment Date falling in May 2029. The Make Whole Amount is calculated as the present value of the First Call Price and the remaining interest payments to the First Call Date, using a discount rate of 5.16 per cent. per annum.

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Please refer to the Loan Agreement clause 1.1 (*Definitions*) and clause 10.2 (*Voluntary early redemption – Call Option*).

Mandatory repurchase due to a Put Option Event

(a) Upon the occurrence of a Put Option Event (being a Change of Control Event or a Share De-Listing Event), each Bondholder will have the right (the "**Put Option**") to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101 per cent. of the Nominal Amount.
(b) The Put Option must be exercised within 15 Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders via the CSD that a Put Option Event has occurred pursuant to Clause 12.3 (Put Option Event). Once notified, the Bondholders' right to exercise the Put Option is irrevocable.
(c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the 5th Business Day after the end of 15 Business Days exercise period referred to in paragraph (b) above. However, the settlement of the Put Option will be based on each Bondholders holding of Bonds at the Put Option Repayment Date.

Please refer to the Loan Agreement clause 1.1 (*Definitions*) and clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

Clean-up Call – Put Option and GKP Exchange
If Bonds representing more than 90 per cent. of the Outstanding Bonds have been:

(a) repurchased as a result of the exercise of the Put Option; or
(b) repurchased as a result of the Issuer having completed an offer to the Bondholders to exchange or otherwise use Bonds as consideration for subscription of bonds in the GKP Bond (a "**GKP Exchange**"),

the Issuer is entitled to repurchase all the remaining Outstanding Bonds at a price equal to 101 per cent. of the Nominal Amount by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after (i) the Put Option Repayment Date (in case of a Put Option), or (ii) the date the GKP Exchange first exceeded the 90 per cent. threshold. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.

Please refer to the Loan Agreement clause 1.1 (*Definitions*) and clause 10.4 (*Clean-up Call – Put Option and GKP Exchange*).

Material Disposal Event – Put Option

(a) Upon the occurrence of a Material Disposal Event (being a Significant Asset Disposal Event or a Significant Insurance Event, in each case exceeding USD 100,000,000 within any 12-month period), the Issuer shall immediately notify the Bond Trustee and the Bondholders in writing and, no later than 30 calendar days following the Significant Asset Disposal Event (or, in respect of a Significant Insurance Event, after the insurance proceeds are received), elect (in the Issuer's sole discretion):

    (i) to deposit the Material Disposal Event Amount on a Material Disposal Account pledged and blocked in favour of the Bond Trustee, to be used to acquire new or increased working interests or other investments in Hydrocarbon Assets and/or to repair, replace and/or rebuild assets subject to the relevant insurance event; and/or
    (ii) to give the Bondholders a right to require that the Issuer repurchases Bonds (plus accrued and unpaid interest) with an aggregate Nominal Amount equal to the Material Disposal Event Amount (less any amount used under paragraph (i) above) at a price of 101.00 per cent. of the Nominal Amount, pro rata, such right to be exercised no later than 15 Business Days after the notice of the Material Disposal Event.

(b) If any amount deposited on the Material Disposal Account has not been committed in accordance with paragraph (a)(i) above within 12 months, the Bondholders shall have the right to require the Issuer to repurchase Bonds in an amount equal to the remaining deposited amount on the same terms.
(c) No repurchase of Bonds in aggregate amounts less than USD 5,000,000 shall be required. Where a Material Disposal Event also triggers a repurchase or deposit obligation under any Additional Permitted Bond Issue, the amounts shall be allocated proportionately between the Bonds and such Additional Permitted Bond Issue.

Please refer to the Loan Agreement clause 1.1 (*Definitions*) and clause 10.5 (*Material Disposal Event – Put Option*).

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Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of the Loan Agreement, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 40 Business Days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

Please refer to the Loan Agreement clause 1.1 (*Definitions*), clause 8.4 (*Taxation*) and clause 10.6 (*Early redemption option due to a tax event*).

Early redemption due to a Longstop Date Redemption Event

(a) If the first release of funds from the Escrow Account has not occurred within 90 days of the Issue Date (a "**Longstop Date Redemption Event**"), the Issuer is permitted (but not required) to repay all Outstanding Bonds at a price equal to 101.00 per cent. of the Nominal Amount for each redeemed Bond, plus accrued and unpaid interest on each redeemed Bond, by inter alia applying the funds deposited on the Escrow Account for such redemption.
(b) Notice of redemption shall be dispatched by the Issuer to the Bondholders no later than 10 Business Days prior to the Longstop Date Redemption Repayment Date.

Please refer to the Loan Agreement clause 1.1 (*Definitions*) and clause 10.7 (*Early redemption due to a Longstop Date Redemption Event*).

Undertakings

Information undertakings

The Issuer shall comply with certain information undertakings as set forth in the Loan Agreement clause 12 (Information undertakings). This includes, inter alia, delivering certain annual and interim accounts, a Compliance Certificate, as well as promptly informing the Bond Trustee of any Put Option Event and a Listing Failure Event. A Listing Failure Event shall not constitute an Event of Default, but will result in the accrual of default interest pursuant to clause 8.2(c) (Default interest) for as long as it is continuing.

Please refer to the Loan Agreement clause 1.1 (*Definitions*) for definitions and clause 12 (*Information Undertakings*).

General and financial undertakings

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in the Loan Agreement clause 13 (*General and Financial Undertakings*). This includes, inter alia, financial covenants requiring (i) a Book Equity Ratio of not less than 30 per cent. (tested on each Quarter Date) and (ii) Liquidity of the Restricted Group of not less than 10 per cent. of the Restricted Group's Total Debt (at all times), as well as an Incurrence Test for the incurrence of certain Financial Indebtedness and Distributions.

Please refer to the Loan Agreement clause 1.1 (*Definitions*) for definitions and clause 13 (*General and financial undertakings*).

Purchase and transfer of Bonds

The Issuer, any Group Company and their respective Affiliates may purchase and hold Bonds and such Bonds may be retained or sold, but not discharged (other than in relation to a process of full redemption of all Outstanding Bonds), in their sole discretion.

Please refer to the Loan Agreement clause 1.1 (*Definitions*) for definitions and clause 11 (*Purchase and transfer of Bonds*).

Supplementary information about status of the loan and collateral: [8)]

Status of the Bonds

The Bonds will constitute senior debt obligations of the Issuer, secured by Transaction Security, and rank:

(a) pari passu between themselves;
(b) pari passu with any other Additional Permitted Bond Issue in accordance with the Intercreditor Agreement;
(c) at least pari passu with all other senior unsecured obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application); and
(d) ahead of any subordinated debt.

The Guarantees will constitute senior secured or unsecured (as the case may be) obligations of the Guarantors.

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Please refer to the Loan Agreement clause 1.1 (*Definitions*) and clause 2.5 (*Status of the Bonds*).

Transaction Security

As Security for the due and punctual fulfilment of all present, future, actual and contingent obligations and liabilities of the Obligors under the Finance Documents, and subject to the Agreed Security Principles, the Issuer shall procure that Transaction Security (as defined in the Loan Agreement) is granted in favour of the Security Agent on behalf of the Secured Parties within the times agreed in the Loan Agreement Clause 6 (*Conditions for Disbursement*) and paragraph (d) of the Loan Agreement Clause 2.6 (*Transaction Security*).

Please refer to the Loan Agreement Clause 1.1 (*Definitions*) for definitions and Clause 2.6 (*Transaction Security*).

Standard terms: *If any discrepancy should occur between this Loan description and the Loan Agreement, then the Loan Agreement should apply.*

Loan Agreement: [1)]	The Loan Agreement will be entered into between the Issuer and the Trustee prior to Disbursement Date. The Loan Agreement regulates the Bondholder's rights and obligations in relations with the Issue. The Trustee enters into this agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Loan Agreement. When bonds are subscribed/purchased, the Bondholder has accepted the Loan Agreement and is bound by the terms of the Loan Agreement. For tap issues, the Loan Agreement will apply for later issues made within the Borrowing Limit. The parties' rights and obligations are also valid for subsequent issued bonds within the Borrowing Limit.
Open / Close: [3) 4)]	Tap Issues will be opened on Disbursement Date and closed no later than five bank days before Maturity Date.
Disbursement date: [3)]	Payment of the First Tranche / Loan Amount takes place on the banking date ahead of Disbursement Date as agreed with the Manager(s). In case of late payment, the applicable default interest rate according to "lov 17. desember 1976 nr 100 om renter ved forsinket betaling m.m." will accrue.
Expansions – Tap Issues: [2)]	For Tap Issues the Issuer can increase the loan above the First Tranche/Loan Amount. For taps not falling on Interest Payment Dates, Accrued Interest will be calculated using standard market practice in the secondary bond market. The Issuer may apply for an increase in the Borrowing Limit.
Issue price – Tap Issues: [9)]	Any taps under the Tap Issue will be made at market prices.
Interest Period: [7)]	The interest rate is due in arrears on the Interest Payment Date. The first Interest Rate is paid on the first Interest Payment Date after Disbursement Date. The subsequent period runs from this date until the next Interest Payment Date. Last Interest Payment Date corresponds to Maturity Date.
Day Count Fraction– Interest rate: [5)]	Interest shall be calculated on the basis of a 360 day year consisting of 12 months of 30 days, in case of a non-finished month the actual number of calendar days (30/360-basis), with the exception of periods where a) the last day in the period is the 31st calendar day, and the first day of the period is neither the 30th nor the 31st of the month, in which the month containing the period shall not be reduced to 30 days; or b) the last day of the period is the last calendar day in February, in which February shall not be extended to a 30-day month.
Standard Business Day Convention [6)]	Interest Payment Date will not be moved even if it is on a day that is not a banking day. If Interest Payment Date is not a banking day, payments will be made on the following banking day.
Accrued interest:	Accrued Interest rates for trades in the secondary bond market are calculated on the basis of current recommendations of Norske Finansanalytikerers Forening (*The Norwegian Society of Financial Analysts*).
Condition – Call: [10)]	Exercise of Call shall be notified by the Issuer to the Bondholders and the Bond Trustee at least ten Business Days prior to the relevant Call Date. Partial exercise of Call shall be carried out pro rata between the Bonds (according to the procedures in the Securities Register).
Registration:	The loan must prior to disbursement be registered in the Securities Depository. The bonds are being registered on each Bondholders account or nominee account in the Securities Depository.
Issuer's acquisition of bonds:	The Issuer has the right to acquire Bonds and to retain, sell or discharge such Bonds in the Securities Depository. Subordinated bonds may not be purchased, sold or discharged by the Issuer without the consent of Finanstilsynet, provided that such consent is required.
Amortisation: [4)]	The bonds will run without instalments and be repaid in full on Maturity Date at par, provided the Issuer has not called the bonds.
Redemption:	Matured interest rate and matured principal will be credit each Bondholder directly from the Securities Registry. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of May 18 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.
Sale:	Tranche 1/ Loan amount has been sold by the Arranger. Later taps can also take place by other authorized investment firms.

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Legislation:	Disputes arising from or in connection with, the Loan Agreement which are not resolved amicably, shall be resolved in accordance with Norwegian law and the Norwegian courts. Legal suits shall be served at the Trustee's competent legal venue.
Fees and expenses:	Any public fees payable in connection with the Bond Agreement and fulfilling of the obligations pursuant to the Bond Agreement shall be covered by the Issuer. The Issuer is not responsible for reimbursing any public fees levied on the trading of Bonds.
Withholding tax: [11)]	The issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the bonds. In case of Gross up, the issuer shall be liable to gross up any payments in relation to the bonds by virtue of withholding tax, public levy or similar taxes. In case of No gross up, the issuer shall not be liable to gross up any payments in relation to the bonds by virtue of withholding tax, public levy or similar taxes.

19 November 2026