

# ShaMaran Reports Third Quarter 2025 Results

05.11.2025 | [CNW](#)

[ShaMaran Petroleum Corp.](#) ("ShaMaran" or the "Company") (TSXV: SNM) (Nasdaq First North: SNM) today released its financial and operating results and related management's discussion and analysis ("MD&A") for the three and nine months ended September 30, 2025. [View PDF](#)

Garrett Soden, President and CEO of ShaMaran, commented: "The highlight of the third quarter was the reopening of the Iraq-Türkiye pipeline after being closed for more than two and a half years. The resumption of pipeline exports benefits all Iraqis and enables oil companies producing in Kurdistan to receive their full contractual entitlement at international export prices rather than relying on local sales at a discount. Our production was impacted by the July drone attacks, but both Sarsang and Atrush returned to full capacity during the quarter, and we began exporting oil via the pipeline on September 27, 2025. We are now focused on finalizing long-term agreements with Erbil and Baghdad to ensure that we are paid the contractual value for our production."

## Corporate Highlights:

- 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 from the Kurdistan Region of Iraq ("KRI") via the Iraq-Türkiye pipeline ("ITP") on September 27, 2025. Key terms include the following:
  - The agreements are based on the Iraqi Budget Law amendment in February 2025 and Iraq's recognition of the KRI production sharing contracts ("PSCs"). The Budget Law provides for an initial period of approximately three months during which IOCs will be 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") will market the KRI crude at the Kirkuk blend official selling price, and IOCs will be paid in arrears from the sale of their allocation at Ceyhan via their nominated trader;
  - The Company will recognize oil sales revenues for pipeline exports according to its PSC entitlement at international prices (versus selling locally at a discount with prompt payment), leading to an increase in accounts receivable balances due to the longer payment terms, especially for the incremental amount due above the initial \$16 per barrel that will be paid following the reconciliation of invoices by the industry consultant (expected to be completed within the next few months); and
  - The agreements also provide that the IOCs and KRG will continue discussions about recovering outstanding accounts receivable from past oil sales.
- In August 2025, the Company repaid the outstanding \$10.6 million balance of the related-party loan plus all accrued and unpaid interest (as permitted under the recent amendments to the bond terms) in order to simplify the balance sheet and reduce financing costs.
- On July 15, 2025, a drone strike damaged three storage tanks and related pipes at the Sarsang Block and resulted in the full shutdown of production at both the Sarsang and Atrush blocks for seven days. On July 22, 2025, the Atrush Block restarted at full capacity, and the Sarsang Block restarted at a reduced rate due to the damage. Note the following:
  - The rapid shutdown at Atrush likely triggered an electronic submersible pump ("ESP") failure after the restart of CK#8209;7, one of the most prolific wells in the field, leading to a partial loss of production during August 2025. The replacement of the ESP was carried out successfully, and Atrush returned to full production from late August 2025; and
  - The repair works at Sarsang were completed on September 20, 2025, nearly one month ahead of schedule, and the field has returned to full capacity.

## Financial Highlights:

USD Thousands	Three months ended Sept 30		Nine months ended Sept 30	
	2025	2024	2025	2024
Revenue	28,936	29,425	100,206	74,643
Gross margin on oil sales	9,278	9,955	34,529	24,200
Free cash flow before debt service <sup>1</sup>	4,758	21,573	70,481	55,861
Adjusted EBITDAX <sup>2</sup>	17,868	21,782	67,183	52,607

- Revenue in Q3 2025 was \$28.9 million (2% lower than the \$29.4 million in Q3 2024) primarily due to the impact of the drone strike, partially offset by four days of sales at international prices following the restart of exports via the ITP;
- Gross margin on oil sales in Q3 2025 was \$9.3 million (7% lower than the \$10.0 million in Q3 2024) due to the impact of the drone strike and the higher working and paying interest in the Atrush Block;
- ShaMaran generated \$4.8 million of free cash flow before debt service<sup>1</sup> in Q3 2025 (78% lower than the \$21.6 million in Q3 2024). This is due to lower sales, delayed cash receipts for both local sales and ITP sales (connected with the pipeline export restart), as well as higher expenditures related to repair works on both blocks;
- Adjusted EBITDAX<sup>2</sup> in Q3 2025 was \$17.9 million (18% lower than the \$21.8 million in Q3 2024) due to a combination of the effects described above;
- At September 30, 2025, the Company had cash of \$54.7 million and gross debt of \$143.8 million (corporate bond). Net debt<sup>[3]</sup> was \$89.1 million; and
- At November 5, 2025, after payment of the quarterly interest on October 30, 2025, the Company has cash of \$44.3 million and gross debt of \$143.8 million. Net debt<sup>3</sup> is \$99.5 million.

<sup>1</sup> Free cash flow before debt service is a non-IFRS financial measure. Refer to "Non-IFRS Accounting Standards Measures" below for more information.

<sup>2</sup> Adjusted EBITDAX is a non-IFRS financial measure. Refer to "Non-IFRS Accounting Standards Measures" below for more information.

<sup>3</sup> Net debt is a non-IFRS financial measure. Refer to "Non-IFRS Accounting Standards Measures" below for more information.

Operational Highlights:

	Three months ended Sept 30	Nine months ended Sept 30	2025	2024	2025	2024
Average daily oil production - gross 100% field (Mbopd)						
- Atrush	29.4	26.8	33.2	23.9		
- Sarsang	18.2	32.5	25.5	33.2		
Total	47.6	59.3	58.7	57.1		
Average daily oil production - Company net (Mbopd)						
- Atrush (27.6% until August 6, 2024; 50% thereafter)	14.7	11.1	16.6	7.9		
- Sarsang (18%)	3.3	5.9	4.6	6.0		
Total	18.0	17.0	21.2	13.9		
Oil sales - gross 100% field (Mbbl)						
- Atrush	2,701	2,463	9,068	6,559		
- Sarsang	1,599	2,949	6,967	8,916		
Total	4,300	5,412	16,035	15,475		

- At Atrush, average gross daily oil production in Q3 2025 was 29.4 Mbopd;
- At Sarsang, average gross daily oil production in Q3 2025 was 18.2 Mbopd;
- Average gross daily oil production from Atrush and Sarsang in Q3 2025 on a combined basis was 47.6 Mbopd (20% lower than the 59.3 Mbopd in Q3 2024) primarily due to the impact of the drone strike in July 2025; and
- Average Company net daily oil production from Atrush and Sarsang in Q3 2025 on a combined basis was 18.0 Mbopd (6% higher than the 17.0 Mbopd in Q3 2024) due to the higher working interest in the Atrush Block, offset by the impact of the drone strike.

#### Abbreviations:

Mbbl Thousand barrels of crude oil

Mbopd Thousand barrels of crude oil per day

USD United States dollar

ShaMaran plans to publish its financial statements for the year ending December 31, 2025, on March 4, 2026. Except as otherwise indicated, all currency amounts indicated as "\$" in this news release are expressed in United States dollars.

#### Non-IFRS Accounting Standards Measures

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

The non-IFRS financial measures used in this news release are used by the Company as key measures of financial performance and are not intended to represent operating profits nor should they be viewed as an

alternative to cash provided by operating activities, net income or other measures of financial performance calculated in accordance with IFRS Accounting Standards.

The following tables set out how the non-IFRS Accounting Standards measures are calculated from figures shown in the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2025, together with the accompanying notes (the "Financial Statements"):

#### EBITDAX and Adjusted EBITDAX

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

USD Thousands	Three months ended Sept 30		Nine months ended Sept 30	
	2025	2024	2025	2024
Revenues	28,936	29,425	100,206	74,643
Lifting costs	(9,426)	(6,330)	(27,737)	(17,377)
Other costs of production	(150)	(31)	(383)	(171)
General and administrative expense	(1,492)	(1,282)	(8,120)	(4,488)
Share-based payments	(1,477)	(273)	(5,952)	(2,157)
EBITDAX	16,391	21,509	58,014	50,450
Adjusted EBITDAX	17,868	21,782	67,183	52,607

#### Free cash flow before debt service

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

USD Thousands	Three months ended Sept 30		Nine months ended Sept 30	
	2025	2024	2025	2024
Net cash inflows from operating activities	5,923	29,127	64,403	63,272
Net cash inflows from investing activities	(1,165)	(7,554)	6,078	(7,411)
Free cash flow before debt service	4,758	21,573	70,481	55,861

#### 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 Sept 30,

USD Thousands	2025	2024
Outstanding principal of ShaMaran Bond (143,768) (202,098)		
Loan from related party	-	(15,600)
Total debt	(143,768) (217,698)	
Cash and cash equivalents	54,713	46,778
Net debt	(89,055) (170,920)	

All figures in the net debt calculation are based on their nominal value at the balance sheet date. See Notes 15, 16 and 20 in the Financial Statements.

About ShaMaran Petroleum Corp.

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

#### Important Information

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

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

#### Forward-Looking Statements

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

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

The Company cautions readers regarding the reliance placed by them on forward-looking information

as by its nature, it is based on current expectations regarding future events that involve a number of assumptions, inherent risks and uncertainties, which could cause actual results to differ materially from those anticipated by the Company.

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

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

SOURCE ShaMaran Petroleum Corp.

#### Contact

Elvis Pellumbi, CFO, +41 22 560 8600, [info@shamaranpetroleum.com](mailto:info@shamaranpetroleum.com), [www.shamaranpetroleum.com](http://www.shamaranpetroleum.com)

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