

Press release
Stockholm
October 15, 2020

Maha Energy AB (publ) (“Maha”, or the “Company”) announce partial restoration to the revised 2020 investment capital plan and comments on 2020 production guidance

- 2020 annual average production rate is expected to land between 3,700 – 4,000 BOEPD
- 2020 Investment Capital Plan is increased by US\$ 8.7 m
- Year-end expected daily production rate of 5,200 – 5,700 BOEPD

2020 Annual Production Guidance

Due to effects from Covid-19, the Company currently expects the 2020 annual average production volumes to land at about 5% below the lower end of the previously communicated guidance of 4,000 – 5,000 BOEPD. Effects from Covid-19 still impact ‘on the ground’ logistics and personnel movements in Brazil, which in turn has a direct impact on production uptime.

“2020 has been a tough year so far and our production capacity has been affected by the Covid-19 pandemic. Although Covid-19 continues to impact all aspects of our operations, I am pleased to announce that we are increasing our investment pace to further grow production in Brazil into 2021 and beyond. With this increase in investment we expect to end 2020 with a daily production rate between 5,200 – 5,700 BOEPD.” said Jonas Lindvall, CEO of Maha Energy AB.

2020 Investment Capital Plan

In light of the higher than budgeted oil price, and the subsequent stabilization of the oil market, the Company has decided to partially restore the 2020 revised Investment Capital Plan (as communicated on 22 May, 2020) as follows:

- (a) Drill and complete the Tie-2 well (TS-1) well during Q4.
- (b) Drill and complete the Tie-3 well (TS-2) well during Q4.
- (c) Resume testing operations on Maha-1 (7TTG-3D-SES) at Tartaruga in Q4.
- (d) Undertake a recompletion of GTE-4 to restore Agua Grande (AG) zone production.
- (e) Complete the previously announced work program in the Illinois Basin, of 1 production well plus complete a drilled-but-uncompleted well.
- (f) Commence various facility support projects at Tie and Tartaruga.

With the completion of the revised work program described above; the Company expects to end 2020 with a daily production rate in the range of 5,200 – 5,700 BOEPD.

The additional capital projects now included in 2020 is estimated at US\$ 8.7 m bringing the total 2020 capital spend to US\$ 24.2 million for the year. Funding of the Capital Plan is through Company cash on hand and operating cash flow.

Investment Capital Plan Details

Tie-2 & Tie-3 – Tie Field

Tie-2 is expected to be completed by 15 November and production from this well is expected by 1 December. Tie-3 (water injector) will be drilled immediately after the Tie-2 well is completed and will provide important reservoir pressure support.

GTE-4 – Tie Field

The GTE-4 well was converted to a dual pumping well during the second quarter this year. A subsequent well test proved inflow restrictions in the AG zone which was ultimately resolved, but unfortunately during the pump installation, a blanking sleeve became stuck in the well. Depending on rig availability and associated manpower, a workover is now scheduled during November to recomplete and restore the GTE-4 well to a comingled producer.

Maha-1 (7TTG-3D-SES) – Tartaruga Field

The Maha-1 well testing operations were suspended in March due to Covid-19 impediments. The Company will resume testing operations later this month. Once tests are completed, which are expected at the end of November, the Company will communicate well test results and place the well on production.

Illinois Basin

The Company has contractual obligations to drill one production well and to complete an already drilled-but-uncompleted well before the end of the year.

This information is such information that Maha Energy AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, 02:00 a.m. CET on 15 October, 2020.

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Maha in Brief

Maha Energy AB is a Swedish public limited liability company. FNCA Sweden AB has been engaged as Certified Adviser and can be contacted at info@fnca.se or +46-8-528 00 399. The Company's auditors are Deloitte. The Company's predecessor Maha Energy Inc. was founded in 2013 in Calgary, Canada, by Jonas Lindvall and Ron Panchuk. In May 2016, the new group was formed with Maha Energy AB as parent company for purposes completing an initial public offering on the Nasdaq First North Sweden stock exchange. Jonas Lindvall, CEO and Managing Director, has 30 years of international experience in the oil and gas industry, starting his career with Lundin Oil during the early days of E&P growth. After 6 years at Shell and Talisman, Jonas joined, and helped secure the success of, Tethys Oil AB. Maha's strategy is to target and develop underperforming hydrocarbon assets on global basis. The Company operates four oil fields, Tartaruga and Tie in Brazil, Powder River (LAK Ranch) and Illinois basins in the United States For more information, please visit our website www.mahaenergy.ca.