

## Maha Energy Receive Royal Decree for Block 70 and reserve and contingent resource booking for Block 70 Mafraq Field

Maha Energy AB (publ) (“Maha” or the “Company”) is pleased to announce that the Royal Decree for Block 70 in Oman has been granted by His Majesty Haitham bin Tarik Al Said. The Royal Decree signals the beginning of the earlier signed and announced Exploration and Production Sharing Agreement (EPSA) for Block 70 covering an initial exploration period of three years with an optional extension period of another three years. In case of a commercial oil or gas discovery, the EPSA can be transformed into a fifteen-year production license which can be extended for another five years. Consideration for Block 70 is US\$ 10 million and is payable within 30 days of the Royal Decree. Block 70 contains the discovered and undeveloped Mafraq heavy oil field. The 13° API oil has been produced from two separate wells using conventional pumps and without the use of steam.

Jonas Lindvall, President and Chief Executive Officer of Maha, comments: “The entry into Oman marks a milestone for the Company’s diversification strategy. The Company is now firmly rooted in three jurisdictions with solid underlying oil assets on which to further grow our business.”

Under the EPSA, Maha acquires commercial rights to produce and sell any hydrocarbons discovered. As such, and in line with extensive work already undertaken on Block 70, the Maha third party reserve auditor Chapman Petroleum Engineering Ltd in Calgary, Canada, has assigned the following *reserves* and *contingent resources* to the Mafraq field as of 1 August, 2020:

Reserves <sup>1</sup>	Million bbls	Contingent Resource <sup>2</sup>	Million bbls
1P	0.253	1C	18.880
2P	0.975	2C	22.289
3P	2.044	3C	26.499

### About Block 70 and the Mafraq Field

Block 70 is an onshore block that includes the shallow undeveloped Mafraq oil field. The Mafraq oil field was discovered by Petroleum Development Oman (PDO) in 1988 and was further delineated by four wells and 3D seismic in stages until 2010. Two wells were placed on pump production tests, of which one was placed on a 22-day test and produced a stable and cumulative volume of over 15,700 barrels of oil before operations were suspended. The Mafraq oil field is estimated by third parties to contain between 185 – 280 million barrels of original oil in place (OOIP). The productive reservoir is shallow, at approximately 430 m. below ground level.

### <sup>1</sup>About Reserves

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: analysis of drilling, geological, geophysical, and engineering data, the use of established technology, and specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed.

Reserves are classified according to the degree of certainty associated with the estimates.

Proved (P) reserves (P90) are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves (P).

Probable reserves (P50) are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved + probable reserves (2P).

Possible reserves (P10) are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved + probable + possible reserves (3P).

## **<sup>2</sup> Contingent Resources**

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development (TUD), but which are not currently considered to be commercially recoverable due to one or more contingencies.

Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Contingencies may include economic, environmental, social and political factors, regulatory matters, a lack of markets or prolonged timetable for development. Contingent Resources have a Chance of Development that is less than certain.

Contingent Resources are further categorized according to their level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Project Maturity Sub-Classes are: Development Pending, Development on Hold, Development Unclassified and Development Not Viable.

Reports on Contingent Resources must specify the level of maturity and usually include the cumulative cases of 1C, 2C and 3C estimates, or if specified separately as incremental categories of C1, C2 and C3.

There is no certainty that it will be commercially viable to produce any portion of the Contingent Resources.

According to Chapman Petroleum Engineering Ltd, and with respect to the oil accumulation at the Mafraq Field:

“Contingent Resources are not currently considered to be commercially recoverable due to two contingencies. The Contingencies for this project include:

1) Currently unverified economics in the Pilot Project that affects the Development Plan

2) Acceptance by the Government of Oman of a "Declaration of Commerciality" and approval of a field development plan."

The information was submitted for publication, through the agency of the contact person set out above, at 22:00 CEST on 4 November 2020.

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**About Maha**

*Maha Energy AB (publ) is a listed, international upstream oil and gas company whose business activities include exploration, development and production of crude oil and natural gas. The strategy is to target and develop underperforming hydrocarbon assets on global basis. Maha operates four oil fields: Tartaruga and Tie in Brazil, Powder River (LAK Ranch) and Illinois basins in the United States. The shares are listed on Nasdaq First North Growth Market ([MAHA-A](#)) in Stockholm. FNCA Sweden AB is Certified Adviser and can be contacted at [info@fnca.se](mailto:info@fnca.se) or +46-8-528 00 399. The head office is in Stockholm, Sweden with a technical office in Calgary, Canada, as well as operations offices in Newcastle, WY, USA and Rio De Janeiro, Brazil. For more information, please visit our website [www.mahaenergy.ca](http://www.mahaenergy.ca).*