

Maha Energy AB (publ)
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Press Release
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Maha Energy AB (publ) – Announces an operational update

- Maha's 2 x 1,380 HP compression project at Tie has been successfully commissioned
- Drilling rig is now onsite at the "Tie 2" location in Brazil and has commenced drilling

Maha Energy AB ("Maha" or the "Company") today announce an operational update for its activities in Brazil and the United States.

Jonas Lindvall, President and Chief Executive Officer of Maha, comments: "Notwithstanding Covid-19 continuing to challenge some of our operations we have achieved two important milestones at the Tie Field. We are very happy to announce commencement of our gas compression and injection project and the spud of the next production well at the Tie field."

Operational update

Tie Field

Compression Project

During the month of August, a dedicated commissioning team has been onsite to commission the two 1,380 HP compression units that have been installed. On 11 September, the units commenced operations and started to inject gas while simultaneously delivering conditioned gas to GTW and CDGN. Any excess gas produced at Tie will now be injected back into the reservoir affording significant operational flexibility and redundancy for Tie field oil production. This fast track project commenced in November 2019 and teams from both Enerflex and Maha ensured an on-time delivery even whilst managing the Covid-19 pandemic.

GTE-4

During the second quarter the GTE-4 well was converted to a dual pumping well. The Sergi zone is producing above expectations. However, after swabbing the Agua Grande zone and running the downhole jetpump assembly in the hole, a blanking sleeve became stuck downhole which requires further fishing. At the moment, the rig is shut down due to several active Covid-19 cases and operations will only resume once personnel are clear of Covid-19. GTE-4 is currently only producing from the Sergi zone.

Tie 2 and Tie 3 Wells (new wells)

The Tie south drilling pad has been built and a drilling rig has mobilized to site and drilling operations at Tie 2 (previously known as TS-1) commenced at 20:00 hrs on 22 September. The Tie 3 (previously known

as TS-2) injector is planned to be drilled immediately after Tie 2 is completed. Each well is anticipated to take 40 – 45 days to drill and complete. Tie 2 is a near vertical dual zone producer whilst the Tie 3 well is planned to be a dual zone water injector.

Facility and Covid-19

Due to ten positive Covid-19 tests amongst both staff and contractor personnel several smaller capital expansion projects have been temporarily suspended within the Tie station to reduce headcount and protect the core operating team. At the moment, there is no direct impact on production.

Tartaruga

The Tartaruga field continues to meet production targets and is operating currently with only limited impact from Covid-19. Gas sales from Tartaruga commenced in July via the third-party company GTW (“Gas to Wire”), who generates electricity from the associated gas produced at Tartaruga to the local grid.

Illinois Basin

Operations continue to run smoothly on our new asset in Illinois and Indiana with successful maintenance workovers being carried out to maintain production at approximately 150 bbl/d.

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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 +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 Basin in the United States For more information, please visit our website www.mahaenergy.ca.