

Maha Energy AB (publ) announce its 2021 Capital Plan and Production Guidance

Maha Energy AB (“Maha” or the “Company”) expects to allocate approximately USD 26 million on capital projects during 2021 and estimates the corporate average annual production to be between 4,000 – 5,000 BOEPD*. The 2021 Capital Plan will be funded through internal cashflows and a contemplated future financing.

The Company is pleased to provide details of its 2021 Capital Plan and Production Guidance as follows:

2021 Capital Plan Summary- Total Budget ~USD 26 Million

Field	Capital Program	2021 Quarter	Description/Purpose
Tie	New Well Tie-3	Q1 (ongoing)	Maintain Tie field long term production plateau
Tie	New Well Tie-4 (AG HZ)	Q2	Maintain Tie field long term production plateau
Tie	New Well Tie-5	Q3	Maintain Tie field long term production plateau
Tie	Facilities	Throughout 2021	Completion of upgrade work, automation work, and tie in of new wells.
Tartaruga	Facilities Upgrade	Q3	Increasing processing capacity
IB	4 New Wells	Q2 –Q3	Commitment wells
Mafraq	None	N/A	Preparatory work
LAK	None	N/A	No planned investments during 2021

Tie Field - Bahia, Brazil

Tie- 2021 Capital Plan

Tie-3

Tie-3 is a dual oil producer drilled on the western flank of the Tie structure. This well was originally planned for Q4 2020, but due to operational delays on Tie-2, this well was not started until late 2020. This well will eventually be converted to a water injector.

Tie-4

Tie-4 is earmarked to be the field’s first horizontal well. The well will be drilled from the GTE-4 pad and completed in the Agua Grande formation. This well is under license review by the Brazilian authorities. License approval is expected sometime in the 2nd quarter of 2021.

* BOEPD: Barrels of Oil Equivalent Per Day

Tie-5

Tie-5 will be drilled on the southern flank of the Tie structure as a water injector to maintain reservoir pressure and increase oil recovery.

Tie Facilities

The Tie facilities are all but complete, and the capital earmarked for the Tie facilities include tie-in work (flow lines and manifolding) for the new wells. Additional work includes automation of the plant and minor punch-list items.

Tartaruga Field – Sergipe, Brazil

Tartaruga- 2021 Capital Plan

Facility Upgrade

With the recent results from the TTG-3 well only minor work will continue during 2021 to upgrade the production facilities at Tararuga to handle up to 2,500 BOPD and 2,500 MSCFPD of gas.

LAK Ranch –Wyoming USA

LAK- 2021 Capital Plan

LAK Ranch

The LAK Ranch heavy oil field was shut in at the beginning of the Pandemic in 2020. No work is planned for 2021 and the field will remain shut in until oil prices recover. Whilst the Reserves valuation continues to point towards a full field development with lower but yet positive net present value, even at the current depressed oil prices, the Company maintains better yielding investments in Brazil, Illinois Basin and Oman

Illinois Basin (IB)–Illinois and Indiana, USA

IB- 2021 Capital Plan

Wells

Production will continue from the IB area during 2021. 4 wells are planned for the year, and these wells are considered to be commitment wells to keep all leases in good standing.

Mafraq Oil Field, Oman

Oman- 2021 Capital Plan

Wells

No wells are planned for 2021 in Oman – however, preparatory work will commence whereby personnel and equipment will be mobilized so that drilling can commence during 2022.

Production

The Company expects to complete most, if not all, of the Capital Plan prior to year-end 2021. The exact timing of the operations is dependent upon a number of factors including delivery of long lead items, rig availability, permitting and logistics which in turn might affect Company's total annual production. Continuing effects of the Covid-19 Pandemic is expected to affect the timing of the Capital Plan and the 2021 Production Guidance.

As such, this 2021 Production Guidance, net to the Company (but before government or freehold royalties) is expressed **in the range of 4,000 – 5,000 BOEPD***, of which approximately 8% is estimated to be gas. The guidance assumes continuing indirect effects of the Covid-19 Pandemic, such as logistical impediments due to reduced border access and depressed commodity prices. As the global pandemic eases and restrictions are reduced, the Company expects an increase in activity which in turn may affect the production guidance positively.

The Company estimates its Operating costs for 2021 (including oil transportation costs), to range between \$7 and \$8 per BOE applying the production guidance range provided above.

Funding of 2021 Capital Plan

2021 Capital Plan Budget

The 2021 Capital Plan has a total budget of ~USD 26 million for the above incremental projects and is expected to be funded fully through a combination of operating cash flow and proceeds from financing.

* *BOEPD: Barrels of Oil Equivalents Per Day*

¹ Normal units for expressing gas production is m3/day or ft3/day. An average industry conversion factor to barrels does not use a simple volumetric conversion factor from m3 (or ft3) to barrels. Instead the energy produced by burning 1 barrel of oil is equated to the same volume of gas required to produce the same amount of energy. This is of course dependent on the type of gas being burned, but an industry average is that 6,000 standard cubic feet (scf) of gas generate the same amount of energy as 1 barrel of oil. As such in this and future production guidance 6,000 scf of gas will be equal to 1 barrel of oil equivalent.

Miscellaneous

The information was submitted for publication, through the agency of the contact person set out below, at 22:05 CET on February 4, 2021.

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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 Basin in the United States. The shares are listed on Nasdaq Stockholm ([MAHA-A](#)). The head office is in Stockholm, Sweden with a technical office in Calgary, Canada, as well as operations offices in Grayville, Illinois, USA and Rio De Janeiro, Brazil. For more information, please visit our website www.mahaenergy.ca