

Maha Energy AB (publ) (“Maha” or the “Company”) confirm 42° API oil in new Itaparica oil reservoir and announce the hook up of Tie-3 well to Tie production facilities

The Tie-3 oil producing well has tested a combined 628 BOEPD¹, (549 BOPD, 0 BWPD and 470 MSCFPD of gas) from the Itaparica and Agua Grande reservoirs. The Sergi reservoir was not tested at this time.

The recently completed rig-site test of the Tie-3 well flowed oil and gas at a rate of 410 BOPD and 369 MSCFPD (472 BOEPD¹) from the Agua Grande reservoir only. The deeper Itaparica and Sergi reservoirs have not been completed at this time. The newly discovered Itaparica formation was extensively tested and flowed 42° API oil to surface at an initial peak and unstable² rate of approximately 139 BOPD. It is too early to determine the impact of this find on the Tie field oil volumes, if any.

Jonas Lindvall, CEO of Maha Energy commented “Tie-3 is designed as a water injector on the southwestern flank of the field. Whilst drilling the well, a new and hereto untested formation was encountered above the Sergi reservoir (called the Itaparica) which we have tested with encouraging results. The oil is of higher quality compared to the Agua Grande and Sergi reservoirs. Although initial indications are that the Itaparica formation is tight, oil free flowed to surface and we believe modern stimulation technologies can be applied to improve productivity of this zone. Work will now focus on determining the potential size of the Itaparica and an appropriate stimulation technology to increase the productivity.”

Tie-3 Test Results

The Tie-3 well was designed as a long term water injector well at the southwestern flank of the Tie structure with an initial oil production phase prior to use as an injector. With the discovery of the Itaparica and the full oil column in the Agua Grande, the well will produce oil until water cut increases and allows for an efficient water injection point in the Tie field. Three reservoirs were penetrated at the Tie-3 location; the Agua Grande (11 m. net pay), Itaparica (3.1 m net pay) (new) and Sergi (1.6 m net pay above the oil water contact).

The Itaparica was flow tested whilst recording bottom hole flowing pressures which confirmed the reservoir was at virgin pressure and not connected to the Agua Grande or Sergi reservoirs. After an initial unloading of the diesel cushion, the well flowed a mixture of oil and gas at an unstable rate of 139 BOPD. After the initial flow period, swabbing assistance was required to provide continuous inflow to the tubing string, suggesting either a low permeability or skin-damaged wellbore. Upon retrieval of downhole gauges and a series of build-up tests, initial analysis suggests a permeability of 1-3 mD, and a skin damage of ~+25.

Further studies are now underway to determine the best stimulation technology to improve productivity of the Itaparica. A direct analogy in Brazil, is the Penedo sandstone in the Tartaruga field where initial and unstimulated productivity can be increased significantly by the application of hydraulic stimulation.

Upon completion of the Itaparica tests, the Agua Grande zone was opened up for clean-up flow. During a short 24 hour clean up period the Agua Grande free flowed 37° API oil to surface at an average rate of 410 BOPD, 0 BWPD and 369 MSCFPD. The well was then hooked up to the production facilities.

Tie-3 (Itaparica)

Initial free flow test results from the Itaparica are as follows:

Oil Production	: 139 BOPD ² (unstable rate)
Water Production	: 0 BWPD
Gas Production	: 101 MSCFPD
BOEPD	: 156 BOEPD
Choke Size	: 1-1/2"
Flowing Wellhead Pressure	: 0 psi

Tie-3 (Agua Grande)

Initial free flow test results from the Agua Grande are as follows:

Oil Production	: 410 BOPD
Water Production	: 0 BWPD
Gas Production	: 369 MSCFPD
BOEPD	: 472 BOEPD
Choke Size	: 1"
Flowing Wellhead Pressure	: 80 psi

¹ BOEPD : Barrels of Oil Equivalent per Day; 6,000 SCF = 1 barrel of oil

² It was not possible to attain a stable rate during the Itaparica test and the test was cut short after the swabbing equipment failed prompting the operations to focus on the shallower Agua Grande reservoir.

MSCFPD = thousand standard cubic feet per day

BWPD = Barrel of water per day

BOPD = Barrels of Oil per Day

This information is such information as 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 below, at 19:40 CET on May 6, 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