

## Maha Energy announce preliminary 2022 Capital Plan and production guidance

Maha Energy AB (publ) (“Maha” or the “Company”) is providing production guidance of 4,000 - 5,000 BOEPD for 2022, compared to the estimated volume of 7,000 BOEPD presented in the 5 year operational strategy in early March 2021<sup>1</sup>. The preliminary guidance accounts for the impact of the previously published delay and recent reconfiguration of Tie-4 production well from a horizontal well to a vertical well and is subject to certain assumptions as detailed below, including a potential farm down of parts of Block 70 in Oman. The guidance is subject to final approval of the proposed 2022 Capital Plan by the Company Board, which is expected early in the first quarter, 2022.

The Company is pleased to provide preliminary details of its 2022 Capital Plan and Production Guidance as follows (subject to Board approval):

### 2022 Capital Plan Summary

Field	Capital Program	2022 Quarter	Description/Purpose
Tie	New Well Tie-5 (Ag-Hz)	Q1	Horizontal well to maintain Tie field long term production plateau
Tie	New Well Tie-6 Water Injector	Q2	Maintain Tie field long term production plateau
Tie	New Well Tie-7 Water Injector	Q3	Maintain Tie field long term production plateau
Tie	Water Source Well	Q1	Provide make-up water for water injection
Tie	Tie-3	Q1	Conversion to water injector as per development plan
Tie	Facilities	Throughout 2022	Well tie-ins, pipelines, new well pads and facilities, water handling upgrades
Tartaruga	TTG-4 HZ Well	Q4	Increase production at TTG in core reservoir area
IB	2 Gross Wells/1.5 Net	Q2 –Q3	Commitment wells
Oman (Mafrag)	8 New Wells	Q2-4	Appraisal and production pilot wells
Oman (Mafrag)	Extended well test facility	Q2	Temporary test facilities for pilot wells
LAK	None	N/A	Regulatory well interventions may occur

<sup>1</sup> [5 Year Operational Strategy Corporate Presentation](#)

## **Tie Field - Bahia, Brazil**

### Tie- 2022 Capital Plan

#### Tie-5 Hz

Tie-5 will be drilled from the GTE-4 pad and completed in the Agua Grande formation. This is a completely re-designed horizontal production well with an electrical submersible pump.

#### Tie-6

Tie-6 is a dual-zone water injector drilled on the south pad targeting to sweep the southwestern part of the structure

#### Tie-7

Tie-7 is a dual-zone water injector drilled on the new northwest pad targeting to sweep the northwestern part of the structure.

#### Tie-3 Conversion

Tie-3 was designed and drilled as a hybrid oil producer, with subsequent conversion to water injection. This conversion will commence earlier than planned and will be carried out with a workover rig during Q1.

#### Tie Facilities

Capital for the facilities is focused on future well tie-ins, construction of the new northwestern pad and water handling facilities, including injection.

## **Tartaruga Field – Sergipe, Brazil**

### Tartaruga- 2022 Capital Plan

#### TTG-4 Hz

A horizontal production well targeting the Penedo 1 reservoir is now delayed and scheduled to spud towards the end of Q4, 2022 and brought onstream in 2023.

## **LAK Ranch –Wyoming USA**

### LAK- 2022 Capital Plan

#### Production Optimization

The LAK Ranch heavy oil field was shut in at the beginning of the Pandemic in 2020. No work is planned for 2022 other than regulatory requirements.

## **Illinois Basin–Illinois and Indiana, USA**

### *IB- 2022 Capital Plan*

#### **Wells**

Production will continue from the IB area during 2022. 2 gross/1.5 net wells are planned for the year, and these wells are considered to be commitment wells to keep all leases in good standing. Once final results are received from the 2021 drilling program during the first quarter of 2022, further evaluation will occur of the future IB wells.

## **Mafraq Oil Field, Oman**

### *Oman- 2022 Capital Plan*

#### **Farm-Down**

A non-binding term sheet has been signed that contemplates a potential farm down of Block-70. This farm down is expected to close during Q1 2022 and all potential production from Block-70 assumes this farm down occurs.

#### **Wells**

With the ongoing placement of equipment purchase orders and rig contract negotiations, eight wells are currently planned for 2022. Two of these are appraisal wells, predominantly designed to acquire reservoir data and may not be placed on test production, and the balance are horizontal pilot wells testing Mafraq reservoir deliverability.

#### **Facilities**

A temporary Extended Well Test (“EWT”) package will be procured and constructed to allow extended well test production to commence from the pilot wells.

## **Production**

The Company expects to complete most of the Capital Plan prior to year-end 2022 with the exception of the TTG 4 production well which is planned to be drilled towards the end of Q4 2022/Q1 2023. The exact timing of the operations is dependent upon a number of factors that may be outside Maha’s control, including delivery of long lead items, rig availability, regulatory permitting and logistics which in turn might affect Company’s total annual production.

As such, this preliminary 2022 production guidance, is net to the Company and after Oman farm down (but before government or freehold royalties and/or government production share) and is expressed in the range of **4,000 – 5,000 BOEPD**, of which approximately 8% is estimated to be gas<sup>2</sup>.

<sup>2</sup> 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.

*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 15:00 CET on December 30, 2021.*

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*equipment, reliance on key personnel, reserve estimates, health, safety and environmental issues, legal risks and regulatory changes, competition, geopolitical risk, and financial risks. These risks and uncertainties are described in more detail under the heading “Risk management” and elsewhere in Maha Energy’s Annual Report. Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive. Actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements are expressly qualified by this cautionary statement.*

**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](http://www.mahaenergy.ca)*