

Maha Energy AB Announces Filing of Second Quarter 2022 Report & Live Webcast

Maha Energy AB (publ) (“Maha” or the “Company”) is pleased to announce its second quarter results. The report is attached to this press release and available on the Company’s website at www.mahaenergy.ca.

Second Quarter 2022

- The Tie-5 well was completed free-flowing 766 BOEPD (590 BOPD and 1,054 MSCFPD) and is now producing through the Tie field’s permanent facilities.
- The Tie-6 well was spudded in June and can potentially be hooked up for production during Q3.
- Daily oil & gas production for Q2 2022 averaged 3,292 BOEPD (Q2 2021: 3,104 BOEPD)
- Revenue of USD 24.0 million (Q2 2021: USD 15.2 million)
- Operating netback of USD 17.4 million or USD 64.72 per BOE (Q2 2021: USD 9.5 million or USD 35.46 per BOE)
- EBITDA of USD 14.6 million (Q2 2021: USD 9.0 million)
- Net result of USD 8.2 million (Q2 2021: USD 2.6 million)
- Basic and Diluted Earnings per share of USD 0.07 (Q2 2021: USD 0.02)
- Cash and cash equivalents balance of USD 23.9 million (Q2 2021: 34.1 million)

Six Months Ended 30 June 2022

- Daily oil & gas production for H1 2022 averaged 3,933 BOEPD (H1 2021: 3,421 BOEPD)
- Revenue of USD 54.8 million (H1 2021: USD 31.0 million)
- Operating netback of USD 39.9 million or USD 60.69 per BOE (H1 2021: USD 20.6 million or USD 34.56 per BOE)
- EBITDA of USD 36.7 million (H1 2021: USD 19.2 million)
- Net result for the period of USD 20.2 million (H1 2021: USD 8.1 million)
- Basic and Diluted Earnings per share of USD 0.17 (H1 2021: USD 0.08)
- Cash and cash equivalents balance of USD 23.9 million (31 December 2021: USD 25.5 million)

Financial Summary

<i>(TUSD, unless otherwise noted)</i>	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	H1 2022	H1 2021	FY 2021
Net Daily Production (BOEPD)	3,292	4,580	3,098	3,610	3,104	3,933	3,421	3,387
Revenue	24,018	30,831	17,818	19,496	15,178	54,849	30,992	68,306
Operating netback	17,408	22,528	11,913	13,568	9,548	39,936	20,579	46,060
EBITDA	14,621	22,069	15,615	12,909	8,988	36,690	19,201	47,725
Net result for the period	8,219	12,030	7,363	6,083	2,603	20,249	8,141	21,587
Earnings per share – Basic (USD)	0.07	0.10	0.06	0.05	0.02	0.17	0.08	0.19
Earnings per share – Diluted (USD)	0.07	0.10	0.06	0.05	0.02	0.17	0.08	0.19
Cash and cash equivalents	23,863	29,416	25,535	31,778	34,139	23,863	34,139	25,535

Letter to shareholders

Dear Friends and Fellow Shareholders of Maha Energy AB,

Near record high oil prices helped our bottom line this quarter as our quarterly production volumes were lower than planned, and at the moment we are tracking around the bottom end of our 2022 production guidance of 4,000 BOEPD. Maha delivered a record first half of the year (H1) on all fronts, including production, revenues and net results. H1 average daily production landed at 3,933 BOEPD and H1 EBITDA was USD 36.7 million, almost double compared to last year's record. Our result for H1 was twice that of our previous highest H1 result recorded. But even though we experienced unwanted and frustrating temporary production setbacks in Brazil during the quarter, we are making real progress in securing long-term production stability at the Tie field. Despite higher than normal operating expenses during the quarter, our Netback per barrel is at an all time high at USD 65 per BOE. Of course, we are not happy with the temporary reduction in production volumes from the Tie field, but we are working hard on getting all of our producing wells back on production again as soon as possible. Only two out of six wells contributed to our oil production at the Tie field this quarter.

Brazil

At our core asset in Brazil, the Tie field, production was lower during the second quarter due to; natural production decline, converting the Tie-3 well from an oil producer to a water injector, oil production from Tie-5 horizontal coming on late, and losing production from three key production wells (Tie-1, GTE-3, and GTE-4). These three wells are scheduled for repair using the contracted Braserv rig during the third and fourth quarters to restore production levels.

Operationally at the Tie field, the Tie-5 well was completed as a horizontal producer in July and flowed naturally 770 BOEPD on a 24 hour test. The Tie-5 continues to produce steadily with negligible water and will contribute to offset other temporary setbacks on the Tie-field. Further, unexpected positive news was encountered on Tie-6, where the Agua Grande (AG) reservoir was penetrated 12 meters higher than predicted. This is very good news, since the reservoir is higher structurally than anticipated, the seismic mapping of the structure will have to be redefined. Furthermore, and because most of the AG is now above the oil water contact, we are currently evaluating the possibility of initially producing the oil in the AG before converting the well to a water injector, as was originally planned.

Unfortunately, delays in the drilling of the Tie-4 and Tie-5 wells have adversely impacted the schedule for Tie-1, GTE-3 and GTE-4 workovers. The Brasserv workover rig was contracted in June to commence the well intervention work to restore production on the Tie field. To date, work on completing the Tie-5 oil producer and converting the ALV-2 well to a gas injector has been completed. Next, GTE-3, GTE-4 and Tie-1 will be restored to full production during the second half of the year. Importantly, Electric Submersible Pumps (ESP) will be installed in GTE-3 and then later in Tie-2 to further boost production at Tie.

Oman

After the contracted GBS-1 drilling rig was withdrawn by the drilling contractor, the Maha team in Oman acted swiftly to secure the Gulf Drilling Company Rig-109 and drilling is now expected to commence in October. The Company also decided to strategically farm down 35% of the Block 70 Exploration and Production Sharing Agreement to Mafraq Energy LLC. Not only does the farm down manage the Company's asset risk exposure, but it also reduces cost and increase confidence in the project. Mafraq Energy brings important technical expertise as well as a strategic partnership in Oman to aid in future growth. It is probably the best proof yet of the robustness of the Mafraq field.

The Mafraq field is a delineated and tested heavy oil field onshore Oman. A previous operator tested 15,700 barrels of heavy oil from a single well over a 23 day well test period in 1991. Maha's plan is to start drilling the first six appraisal and production pilot test wells on the field starting in October.

USA

Production from the Illinois Basin was steady during the quarter and the Company continues to evaluate the results from the 2021 drilling campaign along with potential growth opportunities in the USA. At LAK Ranch in Wyoming, the Company commenced a series of regulatory well tests and well reactivations. A

strategic process was initiated during the quarter to evaluate the best future options for the LAK Ranch property.

It was a 'mixed' bag of events this quarter - some good and some not so good. As previously mentioned at the Tie field, we produced from only two wells, Tie-4 and Tie-2, for most of the quarter. This affected production significantly. Delays in the drilling of Tie-5 and the tubing leaks in GTE-3, GTE-4 and Tie-1 resulted in lower production volumes during the quarter. These three wells will be returned to production now that the drilling rig is moved out of the field and the workover rig has finished the work on the ALV-2 gas injection well. The fact that the AG was penetrated higher than prognoses in the Tie-6 well is very encouraging.

The future looks bright and busy for the second half of the year. With the workovers on the Tie field, we will add important barrels to our production and with the unexpected results of Tie-6, we may have a total of seven producing wells there, providing important production redundancy. Finally, in Oman, we will start the drilling of the large Mafrag structure and commence well test production at a commercial level. It is going to be a very busy second half of the year.

Finally, I wish to thank my fellow Maha colleagues who work so tirelessly for all of us, and to all loyal shareholders who support us. Thank you!

Yours truly,

Jonas Lindvall
Managing Director

Q2 Webcast today at 16:00 CET

There will be a live webcast today, 15 August at 16:00 CET (Sweden time) to present the quarterly results and provide an operational update. A link to the webcast is available on the Company's website: www.mahaenergy.ca. Questions posted on the day of the presentation should be made directly in the YouTube Comments/Questions field. The webcast will be broadcast live on Nyhetsbyrån Direkts Youtube Channel and is hosted by Laikas' Mr. Kaarlo Airaxin, and will feature Maha's CEO Jonas Lindvall and CFO Andres Modarelli.

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 07:30 CET on 15 August 2022.

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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