

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

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

Third Quarter 2022

- Daily oil & gas production for Q3 2022 averaged 2,389 BOEPD (Q3 2021: 3,610 BOEPD)
- Revenue of USD 17.7 million (Q3 2021: USD 19.5 million)
- Operating netback of USD 11.0 million or USD 50.81 per BOE (Q3 2021: USD 13.6 million or USD 41.17 per BOE)
- EBITDA of USD 9.6 million (Q3 2021: USD 12.9 million)
- Net result of USD 2.6 million (Q3 2021: USD 6.1 million)
- Basic and Diluted Earnings per share of USD 0.02 (Q3 2021: USD 0.05)

Nine Months Ended 30 September 2022

- Daily oil & gas production averaged 3,412 BOEPD (Nine months 2021: 3,485 BOEPD)
- Revenue of USD 72.5 million (Nine months 2021: USD 50.5 million)
- Operating netback of USD 50.9 million or USD 58.25 per BOE (Nine months 2021: USD 34.1 million or USD 36.92 per BOE)
- EBITDA of USD 46.3 million (Nine months 2021: USD 32.1 million)
- Net result for the period of USD 22.8 million (Nine months 2021: USD 14.2 million)
- Basic and Diluted Earnings per share of USD 0.19 (Nine months 2021: USD 0.13)
- Cash and cash equivalents balance of USD 11.3 million (31 December 2021: USD 25.5 million)

Financial Summary

<i>(TUSD, unless otherwise noted)</i>	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Nine Months 2022	Nine Months 2021	FY 2021
Net Daily Production (BOEPD)	2,389	3,292	4,580	3,098	3,610	3,412	3,485	3,387
Revenue	17,657	24,018	30,831	17,818	19,496	72,506	50,488	68,306
Operating netback	10,998	17,408	22,528	11,913	13,568	50,934	34,147	46,060
EBITDA	9,648	14,621	22,069	15,615	12,909	46,338	32,110	47,725
Net result for the period	2,593	8,219	12,030	7,363	6,083	22,842	14,224	21,587
Earnings per share – Basic (USD)	0.02	0.07	0.10	0.06	0.05	0.19	0.13	0.19
Earnings per share – Diluted (USD)	0.02	0.07	0.10	0.06	0.05	0.19	0.13	0.19
Cash and cash equivalents	11,338	23,863	29,416	25,535	31,778	11,338	31,778	25,535

Letter to shareholders

Dear Friends and Fellow Shareholders of Maha Energy AB,

We are pleased to announce that throughout the third quarter of 2022, the Company has completed a number of important changes in its board of directors and executive management positions, enhancing Maha's governance structure and leadership. First, the shareholders of Maha resolved to elect Fabio Vassel, Paulo Thiago Mendonça and Enrique Peña as new ordinary board members until the next annual general meeting to be held in 2023, replacing Jonas Lindvall, Nicholas Walker, and Christer Lindholm, and to elect Fabio as chairman of the board, replacing Harald Pousette who will remain as an ordinary member of the board of directors. The new board members are representatives of Starboard Group, a Brazilian private equity firm with significant experience and a strong track record in the oil and gas business, especially in the Brazilian market.

Starboard was the architect and creator of 3R Petroleum, a Brazilian independent oil and gas company listed on the Brazilian Stock Exchange with a current market cap of over USD 2 billion. 3R was the most successful participant in Petrobras' divestment program, raising more than USD 2 billion in equity and debt. Paulo and Fabio are former chairmen and board members of 3R and were paramount in developing 3R into one of the leading junior oil companies in Latin America.

The new board has appointed Paulo Mendonça as the new CEO of the Company and Bernardo Guterres as the new CFO. Along with his experience at 3R, Paulo has also led over USD 5 billion in significant transactions in the O&G industry. Prior to this, Paulo was Head of Investment Banking at Brasil Plural's Investment Banking division, responsible for M&A, equity, and capital market transactions.

Bernardo has an extensive background in the Brazilian financial market and O&G sectors, working at top-tier firms such as Itaú BBA, Deutsche Bank, Opportunity Private Equity, and Safra's Private Equity and Investment Banking division. He is also a former board member of Petroreconcavo, an important Brazilian junior oil company, where he structured and led the first O&G onshore acquisition financing in Brazil, amounting to around USD 300 million.

These changes are part of the Company's new strategic positioning, which will focus on expanding the Company's footprint through organic and inorganic growth, maximizing the return to shareholders. Procurement and execution of opportunistic M&A transactions will be essential to the realization of this objective.

This new direction also comes with workstreams to materialize, such as:

- (i) Improvement of Maha's current capital structure, strengthening the balance sheet and cash position;
- (ii) Optimization of Capex and Opex to capture enhanced returns for deployed capital;
- (iii) Analysis of asset portfolio optimization, including divestments and new developments.
- (iv) Appointment of a new independent company to assess and certify reserves and resources;
- (v) Design of a dynamic and agile workplan for drilling and workover activities.

The third quarter was not Maha's strongest, as quarterly production volumes were lower than planned and expected. Consequently, 2022 annual production guidance has been revised to 3,000 to 3,400 BOEPD. Production for the nine months ending September 2022 was 3,412 BOEPD; however, due to higher prices, revenues, and net results for the first nine months have increased, with nine months 2022 EBITDA of USD 46.3 million compared to EBITDA of USD 32.1 million for the same period last year. Nine months 2022 revenue was USD 72.5 million compared to nine months 2021 revenue of USD 50.5 million. Operating netback for the third quarter was impacted by workover costs and lost production; however, Maha's nine months 2022 operating netback of USD 50.9 million has already surpassed the full year 2021 operating netback of USD 46.1 million. Maha closed the quarter with gross debt of USD 49.4 million and a cash position of USD 11.3 million, resulting in a Net Debt/EBITDA of 0.62. On a more operational prospective, there is robust indicators on the workover campaign in Brazil which has been completed and the Tie wells are onstream, showing a positive trend.

Finally, thank you for the confidence in the new Board of Directors and Executive Management that will lead Maha into its next stage. The Board of Directors and Executive Management are dedicated to increasing shareholder value, improving the Company's desirability via improved performance, and ensuring close collaboration with our employees, clients, the Public Administrations and Society as a whole.

On behalf of everyone at Maha, we would like to personally thank each of you for your invaluable support as well as Jonas Lindvall for founding the company. We will work to ensure your trust is maintained as we strengthen and grow into the next chapter with full transparency, humility, and hard work.

We look forward to the future of the Company and all the potential it holds, and we will keep you closely informed of all major events and progress going forward.

Yours sincerely,
Paulo Mendonça (CEO)

Q3 Webcast today at 16:00 CET

There will be a live webcast today, 15 November 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 the Company Laika and will feature representatives from Maha.

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 November 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