

The board of directors of Maha Energy AB (publ) (“Maha” or the “Company”) announces the sale of Maha Energy Brasil Ltda. (“Maha Brazil”) to PetroRecôncavo S.A. (“PetroRecôncavo”).

The total acquisition consideration is USD 174.1 million, with a purchase price of USD 138 million, subject to specific adjustments, plus USD 36.1 million to be paid upon successful achievement of earnout milestones.

In line with the Company’s new strategic positioning, the board approved the divestment of Maha’s Brazilian subsidiary (Maha Brazil) to PetroRecôncavo, one of the major E&P onshore players in Brazil. The quota purchase agreement for the sale of the entirety of Maha’s stake in its Brazilian subsidiary was signed on December 27, 2022 (“Transaction”), with its closing subject to customary precedent conditions, including approval by the Brazilian antitrust authority.

The total acquisition consideration can reach USD 174.1 million, comprised of the purchase price of USD 138 million, subject to specific adjustments and to be paid in two installments, (i) USD 82.8 million at the Closing Date and (ii) 55.2 million six months after the Closing Date, and an additional USD 36.1 million based on certain contractual conditions established by Maha and PetroRecôncavo, dependent on applicable earnout structure.

The Transaction with PetroRecôncavo was considered by the board of directors as advantageous and aligned with the Company’s new portfolio management strategy, and was driven, in part, by the following:

(i) **Optimization of the Company’s asset portfolio:** the Transaction will grant the necessary liquidity and cash reserves to enable the Company to pursue the optimization of its asset allocation strategy via new investments and acquisition of new assets at attractive entry multiples, with a focus on creating value for its shareholders;

(ii) **Operational Synergies with PetroRecôncavo:** while maintaining the regular course of business and operating Maha Brazil’s current portfolio, PetroRecôncavo will be able to generate significant synergies by leveraging their strong presence in the Recôncavo basin.

According to Maha’s CEO, Paulo Thiago Mendonça:

“This divestment is a significant step within the Company’s new strategic positioning, continuously focusing on generating value for shareholders. This transaction will enhance Maha’s balance sheet and enable the Company to pursue accretive opportunities in the O&G space at attractive entry multiples, targeting stronger cash-flow streams and profits.”

This Transaction, along with the potential DBO business combination and the recent direct new share issue, will grant the necessary liquidity to pursue the Company's current investment plan and new strategic positioning with an enhanced capital structure.

Miscellaneous

This information is such information that 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 10:00 CET on 28 December 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