

Maha Energy AB announces December 31st, 2022 Reserve Report and Resource Report

McDaniel & Associates Consultants Ltd. (“McDaniel”) has completed their first annual reserve and resource determination for Maha Energy AB (publ) (“Maha” or the “Company”). Main changes from last year’s reserves and resources numbers are related to:

- A) the successful completion of the previously announced Farm Out and Joint Operating Agreement with Mafraq Energy LLC for Block 70 in Oman, in which Maha is the Operator of the block and reduces its working interest (“WI”) to 65%;
- B) The previously disclosed transaction involving the expected divestment of Maha’s Brazilian entity and, consequently, its oil and gas assets, which SPA was signed on December 27th, 2022, and is why no reserves are being reported for Tie and Tartaruga fields.

Maha Reserves¹ as of 31st December 2022

2022 Maha Energy AB Company Gross Reserves before income tax (Million barrels)			
Category	US Assets	Mafraq	Total
1P	1.34	0.42	1.76
2P	2.74	0.52	3.26
3P	3.59	0.62	4.21

The main changes to this year’s reserve volumes are:

- A reduction of 1.0 million barrels of oil (-66%) in 2P reserves (Proved + Probable) (“2P”) in Oman as a result of the reduction in the WI and changes in timing of upcoming wells. Those reserves reduced related to changes in well timing remain in the resource classification and will be captured if the project moves to commerciality;
- A reduction of 0.5 million barrels of oil (-14%) in 2P reserves in the US assets resulting from an adjustment of type curves, the number of locations and the estimated ultimate recoverable of future wells;
- An increase of 214 thousand barrels (+6%) in 3P reserves (Proved + Probable + Possible) (“3P”) in the US assets due to 9 additional locations.

[¹] Volumes are Gross Working Interest volumes and are expressed before royalties, Government allocations and taxes.

2022 Maha Energy AB Net Present Value (10) before tax (Million USD)			
Category	US Assets	Mafraq	Total
1P	10.53	2.15	12.68
2P	20.74	4.05	24.79
3P	37.28	6.10	43.38

Maha Contingent Resources as of 31st December 2022

- These resources are contingent upon approval of a Declaration of Commerciality and sanctioned Field Development Plan. At that point, field activity could move these resources towards a reserve category.

Resource Category Mafraq Block 70	(Million barrels) Gross	(Million barrels) Net (65% WI)
1C	17.08	11.10
2C	32.29	20.99
3C	53.99	35.09

McDaniel & Associates Consultants Ltd. uses the following oil price forecast for Brent Spot in \$USD/STB:

2023	2024	2025	2026	2027	2028	2029
\$84.00	\$80.58	\$79.59	\$78.53	\$80.10	\$81.70	\$83.34

The reserves review and issuance of this reserve report for the Company was made by the independent petroleum engineering consultants McDaniel & Associates Consultants Ltd., Calgary, Canada. The evaluation was carried out in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook, the professional practice standard under their Permit to Practice with APEGA and under the guidelines of the European Securities and Markets Authority (ESMA). The report has been prepared and supervised by a “Qualified Reserves Evaluator”.

Maha Energy AB, through its subsidiaries, (i) owns and operates a legal and beneficial 65% WI in the Block 70 Mafraq field under the Exploration and Production Sharing Agreement entered with the Sultanate of Oman; (ii) approximately 96% WI in the acreage in the Illinois Basin (USA); and (iii) a 99% WI in the LAK Ranch heavy oil field in Wyoming (USA).

The previously disclosed potential business combination with DBO and its related assets are not contemplated in the above numbers and would be further disclosed upon closing of the said transaction.

Due to the previously disclosed transaction involving the expected divestment of Maha’s Brazilian entity, together with Tie and Tartaruga assets, no reserves were reported hereunder and/ or will be disclosed for those fields.

About Reserves

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on:

- analysis of drilling, geological, geophysical, and engineering data,
- the use of established technology, and
- specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed

Reserves are classified according to the degree of certainty associated with the estimates.

Proved reserves (P90) are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves (1P).

Probable reserves (P50) are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved + probable reserves (2P).

Possible reserves (P10) are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved + probable + possible reserves (3P).

About Contingent Resources

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development (TUD), but which are not currently considered to be commercially recoverable due to one or more contingencies. There is uncertainty that it will be commercially viable to produce any portion of the resources.

Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Contingencies may include economic, environmental, social and political factors, regulatory matters, a lack of markets or prolonged timetable for development. Contingent Resources have a Chance of Development that is less than certain.

Project Maturity Sub-Classes are: Development Pending, Development on Hold, Development Unclassified and Development Not Viable.

Miscellaneous

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 21:45 CET on 03 February 2023.

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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 two properties: the Mafraq field in Block 70 in the Sultanate of Oman and the Illinois Basin/Indiana assets 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 Muscat, Oman. For more information, please visit our website www.mahaenergy.ca