

Maha Energy AB Announces Filing of First Quarter 2023 Report & Live Webcast

Maha Energy AB (publ) (“Maha” or the “Company”) is pleased to announce its first quarter 2023 results. The report is attached to this press release and available on the Company’s website at www.mahaenergy.ca.

First Quarter 2023

The amounts below are related only to continuing operations.

- The Company completed on February 28, 2023 the sale of its Brazilian subsidiary (discontinued operations) for a total consideration of up to USD 186.9 million (including contingent consideration), with a purchase price of USD 138 million plus USD 9.3 million in net working capital adjustment, USD 3.7 million net cash adjustment, and USD 36.1 million to be paid upon successful achievement of earnout milestones.
- The Company enters into a definitive agreement regarding the business combination with DBO 2.0 S.A. An extra general meeting on March 29, 2023, confirmed the acquisition.
- Farmout of 35% work interest to Mafrag Energy LLC on Block 70 and launch of production test.
- Daily oil production for Q1 2023 from continuing operations averaged 233 BOEPD (Continuing operations Q1 2022: 462 BOEPD).
- Revenue of 1.5 million (Q1 2022: 3.7 million).
- Operating netback of 0.6 million (Q1 2022: 1.9 million).
- EBITDA of -0.2 million (Q1 2022: USD 0.5 million).
- Net result of -2.4 million (Q1 2022: USD 2.7 million).
- Basic and Diluted earnings per share of -0.02 (Q1 2022: -0.02).
- Cash and cash equivalents balance on 31 March 2023 of USD 63.8 million (31 December: USD 19.5 million excluding cash from assets held for sale).
- Restricted cash balance on 31 March 2023 of USD 46.5 million (31 March 2022: nil).
- Total cash balance on 31 March 2023 (including restricted cash of USD 46.5 million) of USD 110.4 million (31 December: USD 19.5 million excluding cash from assets held for sale).

Financial Summary

The table below presents the highlights of the continuing operations:

<i>(TUSD, unless otherwise noted)</i>	Q1 2023	Q1 2022¹	FY 2022
Net Daily Production (BOEPD)	233	462	401
Revenue	1,486	3,716	12,327
Operating netback	648	1,923	6,523
EBITDA	(237)	533	(420)
Net result for the period	(2,378)	(2,693)	(12,529)
Earnings per share – Basic & Diluted (USD)	(0.02)	(0.02)	(0.10)
Cash and cash equivalents	63,849	29,416	19,520

¹ The comparative period (Q1 2022) has been restated to reflect continuing operations.

Letter to shareholders

Dear Friends and Fellow Shareholders of Maha Energy AB,

The first quarter 2023 was a transitional quarter from a financial and operational standpoint. Maha completed two major transactions, being: (i) the sale of its Brazilian subsidiary, Maha Brazil, to PetroRecôncavo, and (ii) the completion of the assignment of Maha's 35% working interest in Block 70 and the launch of the production test on the block. In addition to that, Maha also announced the signing of the definitive agreement with the shareholders of DBO 2.0.

On February 28th, 2023, we announced the completion of the sale of the Brazilian subsidiary Maha Energy Brasil for a total consideration of up to USD 186.9 million. This divestment was a significant step within the Company's new strategic positioning, continuously focusing on generating value for shareholders. This sale strengthened our balance sheet and cash position substantially and is enabling us to pursue further opportunities in the O&G market.

Earlier in the quarter, we announced that we had entered into a Joint Operating Agreement with Mafraq Energy LLC for Block 70 in Oman. This agreement marked the conclusion of the assignment of 35% work interest to Mafraq Energy LLC. By partnering with Mafraq, a local entity with regional expertise, Maha has gained further validation of the value of this asset.

We also launched the production test on Block 70 in mid-March. The first well connected to the testing system was Mafraq-9. We will continue to add wells to the test until all eight new production wells have been connected and safely tested.

Our business combination with DBO 2.0 was approved by an extraordinary general meeting in March, being its closing subject to customary condition precedent, which are in the process of being completed by the parties. In April, updated 2P reserves of 18.8 MMBO was reported for Peroá and Papa Terra Clusters, under which DBO currently holds indirect participating interest, as a shareholder of 3R Offshore. This transaction shall re-establish Maha's pro-forma's production to 2,291 boe/d (April numbers).

I am also happy to welcome both our new CFO Guilherme Guidolin de Campos and our new Chief Legal and Compliance Officer Barbara Bittencourt during the quarter. Guilherme is now based in Oman and has a unique combination of managerial and financial expertise, and a developed understanding of the company. Barbara has an extensive career as partner in top tier legal firms, with the past 10 years exclusively dedicated to the oil & gas market.

The first quarter was indeed a transformational and exciting quarter, that also marks the starting point for the new Maha with a robust capital structure. We aim to continue on our growth path, and we have established a robust pipeline of potential M&A transactions, which are now being analyzed and evaluated. We appreciate you taking this journey with us.

Yours truly,

Paulo T. Arantes de Mendonça, CEO

Q1 Webcast today at 16:00 CEST

The Company invites all interested parties to a live webcasted presentation today at 16.00 CEST. Paulo Thiago Mendonça, CEO, and Guilherme Guidolin de Campos, CFO, will present the report and recent developments.

The webcast will be held in English and will be broadcasted live. An on-demand version will also be available on Maha's website and YouTube channel. Questions to the presenters can be emailed in advance to the Company at info@mahaenergy.ca or be made directly on the day of the presentation in the YouTube Comments/Questions field.

Link to webcast: https://youtube.com/live/lpxW_FDRDYM?feature=share

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 CEST on 22 May 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 the Mafraq field in Block 70 in the Sultanate of Oman and 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, Rio De Janeiro, Brazil and Muscat, Oman. For more information, please visit our website www.mahaenergy.ca.