

Press release
Stockholm
12th February 2017

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Maha Energy AB (publ) ("Maha" or the "Company") Announces Sale of Canadian Assets

Sale of Canadian Assets

Maha has agreed a Purchase and Sale Agreement with Petrocapita Oil and Gas L.P. ("**Petrocapita**") pursuant to which Maha will sell to Petrocapita its entire interest in the Manitou and Marwayne properties (the "**Canadian Assets**") for a total of CAD\$1.65 million. The consideration is payable in two parts: (a) cash payment of a total of CAD \$750,000 to be paid over 9 months commencing March 15, 2017 and (b) the balance by convertible Debenture granted by Petrocapita Income Trust, the parent of Petrocapita (the "**Trust**") maturing December 1, 2023 (the "**Debenture**"). Under the Debenture arrangement, the Trust pays annual interest on the outstanding balance at 6%; and Maha may convert the outstanding balance at any time after December 31, 2017 to publically traded Trust Units based on the 20 day volume weighted average trading price of the Unit at the time of conversion. The outstanding balance will be secured by a registered charge on the Canadian Assets. The Trust is publically listed on TSX Venture Exchange and trades under the symbol "PCE-U:CN". The Canadian Assets, net of abandonment liabilities, have a book value of zero.

The Canadian Assets were originally purchased as part of a much larger proposed acquisition in 2014 that was not closed due to the substantial decline in oil prices during the third quarter of 2014. In February 2015 the then Operator ("**Palliser**") went into Receivership and as result no capital has been spent since. Petrocapita purchased Palliser from the Receiver Manager in May, 2016. Since the Canadian Assets are non-operated and small in comparison to Maha's other assets, it is in the best interest of the Company to divest these assets in order to focus on Brazil and Wyoming.

Jonas Lindvall, Maha's CEO commented:

"We have taken the decision to divest out of our non-operated Canadian operations in order to concentrate on our higher impact properties in South America. The low oil prices have impacted the Canadian assets hard and we can deploy the proceeds from the sale in areas where it can have a much higher impact. Under the current market conditions, the sale to Petrocapita is at a favorable price and on reasonable terms. We wish them every success with these assets."

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Miscellaneous

This information is published in accordance with the EU Market Abuse Regulation and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication through the agency of the contact persons set out above on 12th February 2017, at 0801 CET.

Maha in Brief

Maha Energy AB is a Swedish public limited liability company. Setterwalls Advokatbyrå AB acts as legal adviser to the Company. FNCA Sweden AB has been engaged as Certified Adviser. The Company's auditors are Deloitte.

The Company's predecessor Maha Energy Inc was founded in 2013 in Calgary, Canada, by Jonas Lindvall and Ron Panchuk. In May 2016, the new group was formed with Maha Energy AB as parent company for purposes of the Offering and the planned listing. Jonas Lindvall, CEO and Managing Director, has 26 years of international experience in the oil and gas industry, starting his career with Lundin Oil during the early days of E&P growth. After 6 years at Shell and Talisman, Jonas joined, and helped secure the success, of Tethys Oil AB. Maha's strategy is to target and develop underperforming hydrocarbon assets on global basis. The Company operates two oil-fields, Tartaruga in Brazil and LAK Ranch, in Wyoming, US. For more information, please visit our website www.mahaenergy.ca.

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