

Press release  
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## **Maha Energy AB Announces the Acquisition of Gran Tierra's Brazilian Operations, a Fully Committed Directed Share Issue of SEK 91.7 MM, and a Fully Guaranteed Rights Offering of SEK 91.7 MM**

### **Acquisition of Gran Tierra's Brazilian Operations**

Maha Energy AB (“**Maha**” or the “**Company**”) (NASDAQ OMX First North: MAHA A) is pleased to announce that it has entered into an agreement to acquire the Brazil business unit of Gran Tierra Energy Inc. (“**Gran Tierra**”) (NYSE MKT:GTE)(TSX:GTE) through the purchase of all of the shares and outstanding intercompany debt<sup>1</sup> of Gran Tierra Finance (Luxembourg) S.Á.R.L., including assumed liabilities involved with the going-concern operations, for a cash consideration of \$35 million<sup>2</sup>, subject to closing adjustments (the “**Acquisition**”). Upon closing, Maha will own and operate, through a 100%-owned subsidiary, the 100% working interests in six concession agreements located<sup>3,4</sup> in the Reconcavo Basin of Brazil comprising 41,606 gross acres with average production expected to be 1,200 - 1,500 boepd in 2017<sup>5</sup>. Closing of the Acquisition is subject to receiving the approval of the Acquisition from the Agencia Nacional do Petroleo, Gas Natural e Biocombustiveis of Brazil (“**ANP**”), completion of a financing by Maha, and other closing conditions standard for similar transactions.

"The Acquisition represents a unique opportunity to further grow Maha's position in Brazil. It will provide Maha an immediate cash-flowing production base that can be readily grown through low-risk development initiatives, which will be complementary to our Tartaruga asset in Brazil and LAK Ranch asset in Wyoming, U.S.," stated Jonas Lindvall, CEO of Maha.

"The acquisition of a low-risk, producing asset close to our existing Tartaruga Field is a strategically important milestone for Maha. This will provide a very solid foundation upon which to grow the Company," stated Wayne Thomson, Chairman of the Board of the Company.

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<sup>1</sup> Normal course debt owed to affiliate of vendor is being acquired

<sup>2</sup> All dollar amounts are in United States dollars unless otherwise indicated

<sup>3</sup> Gran Tierra corporate presentation dated February 2017 posted on [www.grantierra.com](http://www.grantierra.com)

<sup>4</sup> The Brazilian operations of Gran Tierra currently comprise seven concession agreements. One concession is in the process of being relinquished which is expected to be completed before the closing date

<sup>5</sup> Maha management estimate

Below are certain transaction highlights relating to the transaction.

### Key Transaction Highlights<sup>2</sup>

- 10.2 MMboe of 2P Reserves<sup>3</sup> associated with the Tie Field
  - Estimated NPV (10%) of 2P reserves: \$188 million before tax<sup>3</sup>
  - 91% light oil (38° API)<sup>6</sup>
  - 1P reserves of 7.7 MMboe<sup>3</sup> represent 75% of 2P Reserves
- Attractive operating netbacks of \$22.77 per Boe (Q3 2016)
  - Operating expenses of \$9.74 per Boe and transportation expenses of \$1.70 per Boe (Q3 2016)
  - Competitive fiscal regime
- Maha management estimates 2017 average WI production to be 1,200 - 1,500 boepd<sup>5</sup>
- Upside potential
  - 3P working interest Reserves of 14.3 MMboe<sup>3</sup>, including southern lobe of Tie Field
  - 10 prospects totalling gross mean unrisked Prospective Resources of 45 MMboe<sup>5</sup>
- Operating synergies and administrative savings with existing Brazilian assets of Maha at Tartaruga

### Deposit

Maha has provided Gran Tierra a cash deposit ("**Initial Deposit**") of \$3.5 million which is non-refundable in certain circumstances, including if the Company has not deposited into escrow the remaining cash consideration of \$31.5 million on or before June 1, 2017 or has not provided a further cash deposit ("**Second Deposit**") of \$1.5 million by such date. If the Second Deposit is paid, the Company is required to place into escrow the remaining cash consideration of \$30 million by August 1, 2017. The \$35 million purchase price will be released upon all closing conditions being satisfied, including receiving the approval of the Acquisition from ANP.

### Financing of the Transaction

To complete the Acquisition, Maha will be required to pay cash consideration of \$35 million and arrange financial guarantees (letters of credit or surety bonds) for certain work commitments totalling approximately \$12 million. The Acquisition will be financed through a fully committed Directed Share Issue of SEK 91,727,214.60 (approximately \$10.5 million)<sup>7</sup> (see below). A Rights Issue with pre-emption rights for existing shareholders (see below) will be performed on or before June 1, 2017 corresponding to 12,919,326 shares at the same price (SEK 7.10 per share) as the Directed Share Issue totalling SEK 91,727,214.60 (together with the Directed Share Issue a total of SEK 183.4 million, approximately \$21 million). This pricing reflects an approximately 19.9 percent discount from the five day, volume weighted average price of the Class A Shares for the period up to and including February 1, 2017. The Rights Issue is 100% guaranteed by a consortium consisting of Kvalitena AB (SEK 40 million) and LMK Venture Partners AB (SEK 18.3 million) among others. Debt financing of a minimum gross proceeds of SEK 300 - 350 million is planned to take place on or before June 1, 2017, the details of which will be announced shortly.

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<sup>6</sup> Based on Gran Tierra December 31, 2015 annual reserves disclosure

<sup>7</sup> Based on February 2, 2017 exchange rate of 0.114 US Dollars per 1 SEK

## **Directed Share Issue of SEK 92 Million**

The Company, through lead finance adviser, Stockholm Corporate Finance, has secured a Directed Share Issue of 12,919,326 Maha A shares at a share price of SEK 7.10 for gross proceeds of SEK 91,727,214.60 (approximately \$10.5 million).

The following parties have committed to subscribe in the Directed Share Issue: Kvalitena AB (publ), Inviium Partners AB, Pervasive Capital AB, Nerthus Investments Ltd., Erik Penser Bank AB, Litcap AB and City Capital Partners AB. These subscribers have committed contractually to not subscribe for such number of shares to be issued in the Rights Issue or use any such Rights (see below) that corresponds to the number of shares subscribed by each subscriber in the Directed Share Issue. The Directed Share Issue is expected to be completed within the next few days.

## **Fully Guaranteed Rights Issue of SEK 92 Million In Place**

The Company will also arrange, through Stockholm Corporate Finance, a Rights Issue of 12,919,326 Maha A shares at a share price of SEK 7.10 for gross proceeds of SEK 91,727,214.60. The Rights Issue has been 100 percent guaranteed through a guarantee consortium consisting of the following guarantors: Kvalitena AB (publ), Inviium Partners AB, Pervasive Capital AB, Phantome de Genolier AB, City Capital Partners AB, Litcap AB and LMK Venture Partners AB. The Guaranteed Rights Issue is anticipated to commence March 15, 2017. The principal terms for the Rights Issue and a detailed timetable will be announced in a subsequent press release.

## **Advisers**

Stockholm Corporate Finance AB is acting as financial adviser and Setterwalls Advokatbyrå AB is acting as legal adviser (as to Swedish law) to the Company in connection with the Directed Share Issue and the Rights Issue. FNCA Sweden AB is the Company's Certified Adviser.

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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 6 February 2017, at 0801 CET.

## **Maha in Brief**

Maha Energy AB is a Swedish public limited liability 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 completing an initial public offering on the NASDAQ OMX First North Sweden stock exchange. Jonas Lindvall, CEO and Managing Director, has 25 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, U.S. For more information, please visit our website [www.mahaenergy.ca](http://www.mahaenergy.ca).

## **Important Information**

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