

Press release  
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## **Maha Energy AB (publ) ("Maha" or the "Company") Provides Operational Update for Brazil.**

### **OPERATIONAL UPDATE - BRAZIL**

The operations concerning the workover (the "Workover") of the SES107D well (the "Well") on the Company's Tartaruga Field near Aracaju, Brazil will commence Tuesday, January 17, 2017. Schlumberger Servicos de Petroleo Ltda ("Schlumberger") slick line equipment arrived on location on Sunday January 15, 2017 and Schlumberger will commence preparatory work to allow rig provider, Braserv Petroleo Ltda, to mobilize its 500 hp Drilling Rig 147 (the "Rig") later in the week and access the Well.

The objective of the Workover is to recomplate the Well, install a hydraulic jet pump and to return the Well to continuous production. It is anticipated that the Rig will take 3 days to mobilize and rig up. The current estimate is workover operations will begin on Sunday January 22, 2017.

#### *History*

The SES107D Well was originally drilled in 1994 and was the discovery well for the Tartaruga Field. Oil was tested in the Penedo 6 sand and was immediately placed on production. The Well free flowed oil for 14 months, after which a shallower oil bearing zone -the Penedo-1- was perforated and completed. The Penedo-1 has been free flowing oil since 1996. No pump has ever been run in the SES-107D Well.

The use of a pump should provide lift for the oil like the currently producing 7TTG well at the Tartaruga Field, which has been on continuous pump production since December 2015.

#### *The Workover*

The SES107D Well was recompleted as a free flowing well in 1996 in the Penedo-1 reservoir Attempts were made in 2013 to cut and recover the production string deep in the well as part of a recompletion of the Well to install a downhole pump. Unfortunately, the cut was unsuccessful, and the pipe cutter became stuck at 3014 m.; this and 2300 m. of wireline was left in the in the production tubing which together with some partially cut 2-7/8" production tubing need to be recovered before the jet pump can be installed.

A very detailed program has been developed to fish the stuck pipe cutter, the associated wireline and the partially cut 2-7/8" production tubing out of the hole. Once recovered, a new hydraulic jet pump will be run in the hole. The Operator has been preparing the well and surface facilities since December for the installation of the jet pump (which was designed and purchased in the United States). As with any fishing operation, many contingencies have been planned for that can impact operations and the schedule

### *The Pump*

Jet pumps generate high-velocity fluid jets to lower downhole pressures and increase production rates. The basic operating principles of the subsurface jet pump mimic those of the jet engine. Both the pump and engine contain a nozzle that converts pressurized, slow moving fluid into lower pressure, fast-moving fluid by adiabatic expansion. In the case of a jet engine, the fast-moving fluid—a burning mixture of air and jet fuel—generates the thrust that propels a plane forward. The thrust generated by the movement of a high-velocity jet pump fluid, on the other hand, lifts hydrocarbons to the surface.

The selected hydraulic jet pump is ideally suited to handle Tartaruga's 40 deg API crude's associated gas rate and the paraffinic characteristics. The 'non-moving' parts of this pump and its surface access encourages more efficient production operations and less 'wear and tear' on downhole production equipment than other artificial lift choices.

Upon completion of the Workover, the Company will provide updates on results of the Workover.

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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 16 January 2017, at 0759 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 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, US. For more information, please visit our website [www.mahaenergy.ca](http://www.mahaenergy.ca).

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