Maha Energy AB (publ)
Biblioteksgatan 1
SE-111 46 Stockholm
www.mahaenergy.ca

Press release
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Maha Energy AB Announces Filing of Second Quarter Report

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

Second Quarter 2018

- Daily oil & gas production for the second quarter averaged 1,429 BOEPD (Q2 2017: 259 BOEPD). Planned production shutdowns at the Tartaruga field due to well workover operations reduced second quarter production compared to first quarter of 2018
- Revenue of USD 7.9 million (Q2 2017: USD 1.0 million)
- EBITDA of USD 4.0 million (Q2 2017: USD -1.0 million)
- Net result for the period of USD 1.9 million (Q2 2017: USD -3.6 million)
- Earnings per share of USD 0.02 (Q2 2017: USD -0.04)
- Operating netback of USD 5.1 million or USD 39.22 per barrel (Q2 2017: USD 0.2 million or USD 11.76 per barrel)
- Following the quarter end, the Company recompleted the GTE-3 well. The Sergi formation has, on its own, initially tested at 960 BOPD, 218 BWPD and 261 MSCFPD of gas with the assistance of the newly acquired jet pump and has now been placed on production.

Financial Summary

(TUSD, unless otherwise noted)	**Q2 2018**	Q1 2018	Q4 2017[1]	Q3 2017	Q2 2017	**H1 2018**	H1 2017	FY 2017
Net Daily Production (BOEPD)	**1,429**	1,762	1,597	1,671	259	**1,595**	187	917
Revenue	**7,859**	8,629	6,939	6,173	1,043	**16,488**	1,492	14,604
EBITDA	**3,960**	4,566	2,930	2,259	(967)	**8,526**	(1,976)	3,213
Net result for the period	**1,859**	2,306	2,482[2]	(402)	(3,626)	**4,165**	(4,875)	(2,849)
Earnings per share (USD)	**0.02**	0.02	0.03	(0.00)	(0.04)	**0.04**	(0.06)	(0.03)
Cash and equivalents	**20,914**	22,779	18,729	18,372	13,324	**20,914**	13,324	18,729

[1] *Q4 2017 figures include previously disclosed changes to the 2017 Fourth Quarter Report in April 30, 2018 press release*

[2] *Includes positive adjustment of TUSD 1,423 in relation to FY 2017. Result for the Q4 2017 period before adjustment was $1,059 and Earnings per share of 0.01.*

Letter to Shareholders

Dear Friends and Fellow Shareholders of Maha Energy AB,

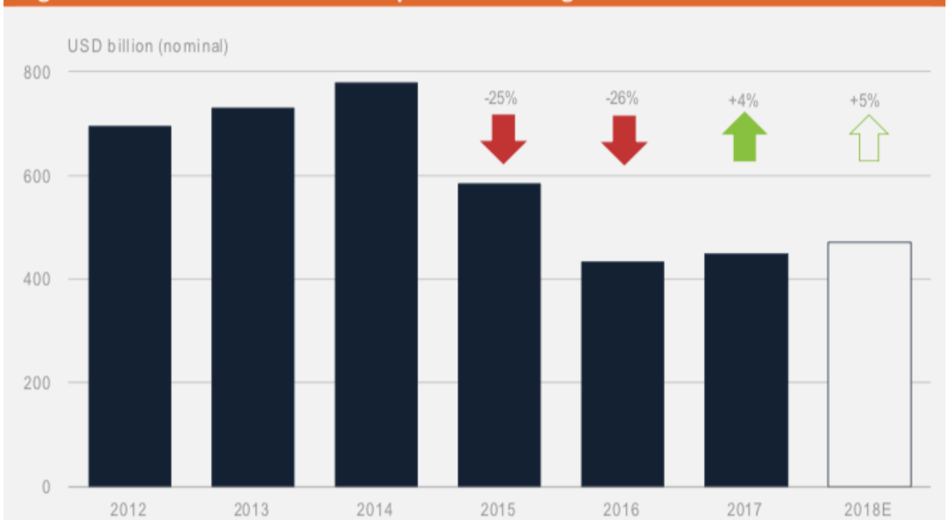
It is noteworthy Maha's acquisition of the Tie and Tartaruga producing oil fields in Brazil is well timed with the ongoing recovery and stabilization of world oil markets. Globally:

"*2017 was the third consecutive year of decline in global energy investment with energy efficiency the lone sector of growth*" (*) writes the International Energy Agency (IEA) in the World Energy Investment Report for 2018 that was released in July, 2018. The report goes on:

"***Oil and gas companies are doing more with less ...***

Following the peaks in oil and gas upstream investment reached in 2014, investment collapsed abruptly as a result of lower prices. 2017 investment rebounded by 2% in real terms, and we estimate the same level of growth for 2018. The oil and gas industry has been traditionally characterized by long-lead time projects with predictable production profiles. Yet as a result of the shale revolution in the United States this trend is changing and the industry is re-thinking the way they choose, execute and manages projects. Furthermore, investment in conventional assets (responsible for the bulk of supply) remains focused on expansion of existing projects rather than developing new sources of production."

Figure 1.29 Global investment in upstream oil and gas



Upstream investment is set to increase modestly in 2018 in response to rising prices and demand.

Notes: E= Expected. Based on announced company spending plans and guidance as of May 2018.

Source : World Energy Investment Report for 2018, International Energy Agency, pg 79, July 2018.

The report shows that after the recent downturn, capital investment in the upstream oil and gas sector bottomed out in 2016. In 2017 there was a slight (2%) increase in capital spending – but annual spending is still 40% less than what it was in 2014. At the peak in 2014, annual capital expenditures in the oil and gas sector were almost USD 800 billion. In 2017, capital spending was USD 440 billion, up modestly from USD 425 billion in 2016.

It is 4 years since world oil price fell from USD 110/bbl to a low of USD 26/bbl. The evidence would suggest it is now safe to assume that the sector has stabilized; Oil prices are up and stable; capital investment has stabilized; the US rig count is stable. Demand, on the other hand, continues its' relentless upward march with the world poised to breach a 100 million barrel/day of consumption this year notwithstanding efforts towards electric vehicles and efficiencies. Demand has increased, on average, about 1.5% per year since 1980. Rising consumption, the shift away from investment in long-term projects and the USD 1 ***trillion*** reduction in upstream investments from 2015-2017 raises serious questions about the industry's ability to adequately supply the world's future oil & gas requirements. The threat of new sanctions on Russia and Iran will also, in all likelihood, affect supply.

These observations should be cause for concern. I encourage everyone to read the report – it is full of interesting analysis and facts, including the rise of Electric Vehicles (EV's) and the corresponding massive demand for mobility as China, India and Africa continue to modernize their economies.

That said I remain bullish on the oil price and I think Maha's timing is near perfect. The work in Brazil will increase production just as price fully recovers. There is a lot going on, the most exciting of which are Maha's two announced drilling projects in Brazil.

The first - the 107D sidetrack will be the first horizontal well drilled at **Tartaruga**. It should spud any day. The Penedo sandstone target is an excellent candidate for this type of technology. The aim is to drill a 500 meter horizontal production hole into a zone that has produced over 650,000 barrels of oil with hardly any water. We are confident the outcome will be oil - drilling will tell how much.

The second - a vertical production well (the Attic Well) is planned to be drilled on the crest of the **Tie** structure. The structure is a 3-way fault bounded structure that extends across multiple reservoirs. Both the Agua Grande and the Sergi reservoirs are known to be oil bearing and the structurally high well location is expected to access previously unproduced oil and gas from both reservoirs. Both zones are expected to be free flowing and will not initially require artificial lift. The Attic well is now anticipated to be spudded in October. The Attic Well will also explore the previously undrilled Boipeba structure, which could contain oil.

Financially, the second quarter was healthy for Maha despite the planned production shutdowns at the Tartaruga field. Higher oil prices and more production at the Tie field contributed to good consistent results for Maha.

Operationally, while work at **Tartaruga** did run into some problems because the work over unit hired was too small to pull an (unexpected) stuck existing completion string, the plan is to move the contracted drilling rig across the Tartaruga license area to the 7TTG well to finish the recompletion after the 107D sidetrack is finished.

At the **Tie Field** there is excellent response to the water flood project started in October last year. The Agua Grande zone remains free flowing with very little water and the gas oil rate has returned to normal. While the Sergi zone has started to experience some water influx which could lead to an accelerated decline, the introduction of the newly purchased (and delivered) jet pump at GTE4 will increase production from both zones and prevent the decline in the Sergi zone.

We thank you for your continued support.

"Jonas Lindvall"
Managing Director

[*] World Energy Investment 2018, International Energy Agency (IEA) 17 July, 2018. (https://webstore.iea.org/world-energy-investment-2018)

Adviser

FNCA Sweden AB is the Company's Certified Adviser.

For more information, please contact:
Jonas Lindvall (CEO)
Tel: +1 403 454 7560
Email: jonas@mahaenergy.ca

or

Ron Panchuk (CCO)
Tel: +1 403 454 7560
Email: ron@mahaenergy.ca

or

Andres Modarelli (CFO)
Tel: +1-403-454-7560
Email: andres@mahaenergy.ca

Miscellaneous

This information is published in accordance with the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact persons set out above on August 29, 2018, at 7:00 am 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 First North Sweden stock exchange. 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 three oil fields, Tartaruga and Tie in Brazil and LAK Ranch, in Wyoming, U.S. For more information, please visit our website www.mahaenergy.ca.

Important Information