

Maha Energy AB Announce Filing of Third Quarter Report & Live Webcast

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

Third Quarter 2020

- Daily oil & gas production for Q3 2020 averaged 3,580 BOEPD (Q3 2019: 3,593 BOEPD)
- Revenue of USD 11.2 million (Q3 2019: USD 16.1 million)
- Operating netback of USD 7.0 million or USD 21.12 per BOE (Q3 2019: USD 12.0 million or USD 38.22 per BOE)
- EBITDA of USD 5.5 million (Q3 2019: USD 10.7 million)
- Net result of USD 1.8 million (Q3 2019: USD 6.6 million)
- Basic earnings per share of USD 0.02 (Q3 2019: USD 0.07)
- Diluted earnings per share of USD 0.02 (Q3 2019: USD 0.06)
- The Company signed Block 70 (Mafraq oil field) Production Sharing Agreement in Oman on 5 October, 2020 adding 23.2 million barrels of 2P + 2C volumes to the Company’s asset base.

Nine Months Ended 30 September 2020

- Daily oil & gas production for the nine months 2020 averaged 3,490 BOEPD (2019: 3,004 BOEPD).
- Revenue of USD 30.4 million (2019: USD 41.9 million)
- Operating netback of USD 19.3 million or USD 20.67 per BOE (2019: 31.7 USD million or 40.38 USD per BOE)
- EBITDA of USD 15.4 million (2019: USD 27.5 million)
- Net result for the period of USD 5.4 million (2019: USD 17.0 million)
- Basic Earnings per share of USD 0.05 (2019: USD 0.17)
- Diluted Earnings per share of USD 0.05 (2019: USD 0.16)
- Cash and cash equivalents balance of USD 18.0 million (2019: 20.4 million)

Financial Summary

| <i>(TUSD, unless otherwise noted)</i> | Q3 2020 | Q2 2020 | Q1 2020 | Q4 2019 | Q3 2019 | Nine Months 2020 | Nine Months 2019 | FY 2019 |
|---------------------------------------|---------------|------------|------------|------------|------------|------------------------|------------------------|---------|
| Net Daily Production (BOEPD) | 3,580 | 3,602 | 3,288 | 3,165 | 3,593 | 3,490 | 3,004 | 3,044 |
| Revenue | 11,226 | 7,926 | 11,207 | 13,672 | 16,068 | 30,359 | 41,917 | 55,589 |
| Operating netback | 7,041 | 4,377 | 7,858 | 9,825 | 12,017 | 19,276 | 31,714 | 41,539 |
| EBITDA | 5,514 | 3,436 | 6,434 | 8,354 | 10,663 | 15,384 | 27,514 | 35,868 |
| Net result for the period | 1,845 | 407 | 3,191 | 2,679 | 6,570 | 5,443 | 16,975 | 19,654 |
| Earnings per share – Basic (USD) | 0.02 | 0.00 | 0.03 | 0.03 | 0.07 | 0.05 | 0.17 | 0.20 |
| Earnings per share – Diluted (USD) | 0.02 | 0.00 | 0.03 | 0.02 | 0.06 | 0.05 | 0.16 | 0.18 |
| Cash and cash equivalents | 18,034 | 15,699 | 19,190 | 22,450 | 20,421 | 18,034 | 20,421 | 22,450 |

Letter to shareholders

Dear Friends and Fellow Shareholders of Maha Energy AB,

12 consecutive profitable quarters

This marks the 12th consecutive profitable quarter in our Company's short four year history. A truly remarkable achievement, given the current unprecedented economic downturn. 2020 will prove to be a disastrous year for the oil and gas industry – even worse than the 1984 – 1986 meltdown. The Baker Hughes active U.S. drilling rig count is a good barometer of the health of the global oil and gas industry. It recorded 250 active drilling rigs in the U.S. during the month of August. This is a record – by far. The number of drilling rigs in the U.S. has never been this low (average working rigs for the past 35 years is around 1,200). Previous low was 407 rigs in 2016 and 496 rigs in 1999. The lowest it got between 1984 and 1986 was 688 and still, we continue to deliver profitable numbers – that is something to celebrate!

Production volumes

Back in April, when COVID-19 was sweeping the world with uncertainty, we decided to postpone the drilling of Tie- 2 and Tie-3 along with suspending testing operations on Maha-1 (Tartaruga). This and a water loading issue in the GTE-4 Agua Grande (AG) zone (Tie) are the main reasons why the 2020 production guidance was revised in October. Happily, drilling resumed with the spudding of Tie-2 at the end of September, and testing operations recommenced at Tartaruga (Maha-1) as well. We look forward to adding these two wells to our Brazilian production volumes very soon.

At the moment we are experiencing delays and operational set backs on Tie-2, Tie-1 (AG zone) and GTE-4 (AG zone) which we are in the full swing of resolving. In addition to re-establishing production from these zones, we are finishing off stimulation work on Maha-1 and we are completing 2 wells in the Illinois Basin (IB). In fact, at the moment we have 3 rigs working in Brazil and 1 rig and 1 stimulation crew working in IB. All these wells will, individually, contribute to ensure we leave 2020 in our 5200 – 5700 BOEPD target range.

Oman

At the beginning of November, we received the Royal Decree for Block 70 from His Majesty Haitham Bin Tarik Al Said, the Sultan of Oman. This signals the start of the Exploration Production Sharing Agreement signed earlier in October. Block 70 is ideally located between multiple large and high-volume producing oil fields and contain the appraised and undeveloped Mafraq field. The Mafraq field was discovered in 1988 and is estimated to contain between 180 – 280 million barrels of 13° API Oil In Place (OIP). What is exceptional about this heavy oil field is that it cold flows – meaning it does not necessarily need heat to extract it. In fact, one of the delineation wells was tested with a progressive cavity pump for 22 days during which a total of 15,750 barrels of oil was collected. The fact Mafraq has been delineated means reserves and contingent resources can be booked against this asset. As such, we were very pleased to publish a combined 2P + 2C volumes of 23.2 million barrels to our asset base. We have great plans for developing this field.

Future

The oil price continues to be a side-show to the COVID-19 pandemic. It is clear we are in the midst of a violent upswing in COVID-19 cases, and there is lots of suffering. However, hopefully that we are nearing the end of this pandemic. The end is in sight. As vaccines are rolled out, the oil market will start to recover and I predict a strong rebound in oil prices as the world starts to open up and resume activities. We are now absolutely optimally placed to take advantage of a strengthening market with 4 solid assets. We have quadrupled our production in 4 years and now we are positioned to quadruple it again!

I want to thank all my fellow Maha colleagues for their tireless efforts during these dark days. And I want to thank all our shareholders for the continued support we receive. The many e-mails of support are truly appreciated.

Stay safe, stay healthy and stay with us – we are lining up all the pieces for a very bright future.

“Jonas Lindvall”
Managing Director

Q3 Webcast 23 November 2020

There will be a live webcast today, 23 November at 16:00 CET (Stockholm time) to present the quarterly results and provide an operational update. A link to the webcast is available on the Company’s website: www.mahaenergy.ca. Interested parties are encouraged to e-mail questions ahead of time to victoria@mahaenergy.ca. Questions posted on the day of the presentation should be made directly in the YouTube Comments/Questions field. The webcast will be broadcast live on Nyhetsbyrån Direkts Youtube Channel and hosted by Laikas’ Mr. Kaarlo Airaxin, and will feature Maha’s CEO Jonas Lindvall and CFO Andres Modarelli.

This information is such information that 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 08:00 a.m. CET on 23 November, 2020.

For more information, please contact:

Jonas Lindvall (CEO)
Tel: +46 8 611 05 11
jonas@mahaenergy.ca

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

Victoria Berg (Investor Relations)
Tel: +46 8 611 05 11
victoria@mahaenergy.ca

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 four oil fields: Tartaruga and Tie in Brazil, Powder River (LAK Ranch) and Illinois basins in the United States. The shares are listed on Nasdaq First North Growth Market ([MAHA-A](#)) in Stockholm. FNCA Sweden AB is Certified Adviser and can be contacted at info@fnca.se or +46-8-528 00 399. The head office is in Stockholm, Sweden with a technical office in Calgary, Canada, as well as operations offices in Newcastle, WY, USA and Rio De Janeiro, Brazil. For more information, please visit our website www.mahaenergy.ca.