

Press Release
Stockholm
13th February 2017

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The board of directors of Maha Energy AB announces a Fully Guaranteed Rights issue of SEK 91.7 MM and Engagement of Arctic Securities AS as exclusive broker for Maha Energy AB's proposed debt financing of SEK 300-350 million

February 13th, 2017

On 10 February, 2017, by authority of the last general meeting of Maha Energy AB (publ) ("Maha" or the "Company"), the Board of Directors of the Company (the "Board") has resolved to complete a Rights Issue with a pre-emptive right for the shareholders and warrant holders (the "Rights Issue"). The Rights Issue was first announced in a press release dated 6 February 2017 regarding the Company's financing and acquisition of Gran Tierra Inc.'s Brazilian operations as guaranteed up to 100 per cent by a consortium consisting of Kvalitena AB (publ) and LMK Venture Partners AB among others. The subscription price in the Rights Issue is SEK 7.10 per share.

Background and reasons

On 6 February, 2017 Maha agreed to acquire the Brazil business unit of Gran Tierra Energy Inc. ("**Gran Tierra**") for a cash consideration of USD 35 million, subject to closing adjustments (the "**Acquisition**") and the assumption of certain Letters of Credit and Bonds in the approximate amount of USD 12 million. The Acquisition means that Maha will own and operate the 100% working interests in six concession agreements located in the Reconcavo Basin of Brazil comprising 41,606 gross acres with average production expected to be 1,200 – 1,500 boepd in 2017. 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, completion of a financing by Maha, and other closing conditions standard for similar transactions.

Maha has provided Gran Tierra a cash deposit of USD 3.5 million and is required to deposit into escrow the remaining cash consideration of USD 31.5 million on or before June 1, 2017. On 6 February, 2017 a fully committed Directed Share Issue of 12,919,326 Maha A shares at a share price of SEK 7.10 was resolved upon which will give Maha gross proceeds of SEK 91,727,214.60

(approximately USD 10.3 million). A 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 are set forth below. In order to finance the Acquisition, the Company's Board under the authority of the last general meeting, has resolved on the principal terms and timetable for the Rights Issue set forth below.

Principal Terms and Timetable of the Fully Guaranteed Rights Issue

On 10 February, 2017 by authority of the last general meeting the Board decided the principal terms and timetable for a Rights Issue (with a pre-emptive right for the shareholders and warrant holders) of a maximum of 12,919,326 shares, each with a quotient value of SEK 0.011. Existing shareholders and warrant holders of the Company will receive rights to subscribe for new shares in proportion to the shares and warrants held on the record date of participation of 7 April, 2017. Each share and warrant held on the record date of participation entitles to one (1) subscription right. Six (6) subscription rights confers right to subscribe for one (1) new share. The subscription price in the Rights Issue is SEK 7.10 per share. At full subscription, the total Rights Issue proceeds will be approximately SEK 92 million before transaction costs.

If not all shares are subscribed for by exercise of subscription rights in accordance with the shareholders and warrant holders preferential rights mentioned above, the Board shall resolve an allotment up to the maximum amount of the share issue. In such case, priority will be given firstly to those who have also subscribed for shares by exercise of subscription rights, on the occasion of oversubscription, pro rata in relation to their subscription for shares by exercise of subscription rights and, to the extent not possible, by drawing of lots. Secondly, allotment of shares shall be made to those who have submitted their interest in subscribing for new shares without priority preferential rights and, lastly, to those who have provided guarantees for the subscription of shares, pro rata in relation to the guarantee provided.

Guarantee Undertakings

The Rights Issue is fully guaranteed by the following existing shareholders and external guarantors: Kvalitena AB (publ), Invium Partners AB, Pervasive Capital AB, Phantome de Genolier AB, City Capital Partners AB, Litcap AB and LMK Venture Partners AB.

Timetable for the Rights Issue

5 April	Last day of trading inclusive subscription rights
7 April	Record date for participation in the Rights Issue
7 April	Estimated date for publication of the prospectus

12 April – 21 April	Trading in subscription rights
12 April – 25 April	Subscription period
1 May	Estimated day for announcement of outcome of the Rights Issue

Share Structure and Share Capital

Upon registration of the Directed Share Issue, the Company will have a share capital in the amount of SEK 926,577.52 divided between 84,234,320 shares (out of which 71,464,647 are A-shares listed on Nasdaq First North, 10,771,673 are B-shares and 1,998,000 are C2-shares). The Rights Issue may thus entail a dilution of approximately 15 percent of the share capital and number of votes represented by A-shares and approximately 13 percent of the total share capital and 13.5 percent of the total number of votes in the Company.

Engagement of Arctic Securities AS as exclusive broker for Maha Energy AB's proposed debt financing of SEK 300-350 million

The Company is pleased announce it today has engaged Arctic Securities AS ("Arctic") as its exclusive broker in connection with the Company's proposed debt financing of SEK 300-350 million the proceeds of which will be used to fund the Acquisition. While it is expected, at this point, the financing will be through a listed Bond, Arctic will as well assist the Company in exploring whether alternative debt financing could be available to finance the Acquisition on terms attractive to the Company. It is expected the debt financing will be in place by 1st June 2017.

Advisers

Stockholm Corporate Finance AB acts as financial adviser and Setterwalls Advokatbyrå AB acts as legal adviser (as to Swedish law) to the Company in connection with 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 13 February, 2017, at 08:01 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 two oil fields, Tartaruga in Brazil and LAK Ranch, in Wyoming, U.S. For more information, please visit our website www.mahaenergy.ca.

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