

Press release
Stockholm
29 November 2016

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Maha Energy AB announces its third quarter and nine months ending September 30, 2016 report.

Maha Energy AB (the “Company” or “Maha”) today announces the release of its third quarter and nine months ending September 30, 2016 report. The report is available hereto and on the Company’s website at www.mahaenergy.ca.

Consolidated Key Ratios

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Revenue	77,219	145,588	180,304	559,273
Equity/assets ratio	97%	95%	97%	95%
Return on equity	(2%)	(4%)	(6%)	(8%)
Debt/equity ratio ¹	-	-	-	-
Interest coverage ratio ¹	-	-	-	-
Weighted average number of common shares outstanding ²	61,851,563	43,256,930	49,387,796	43,225,362
Basic and diluted loss per common share	(0.01)	(0.02)	(0.04)	(0.04)
Dividends paid per share	-	-	-	-

(1) The Company does not have any indebtedness nor interest payments

(2) Weighted average number of common shares is calculated based on the number of class A and class B shares outstanding during the period and does not include the convertible class C shares (C1 and C2) which have no interest in the net assets of the Company nor entitled to dividends until the underlying Maha (Canada) stock options and share purchase warrants are exercised and exchanged for Maha (Sweden) class A shares.

Listing on Nasdaq First North Stockholm

On July 29, 2016, Maha Energy AB’s class A shares (trading symbol Maha A) and share purchase warrants (trading symbol Maha A TO 1) commenced trading on the Nasdaq First North Stockholm stock exchange. Concurrent with the listing on the First North stock exchange, the Company completed a financing (the “Offering”) at 19 SEK per unit whereby each unit consisted of 4 Class A shares and 1 share purchase warrant. The Company raised SEK 108.0 million SEK (US\$ 12.6 million as at final closing date, August 5, 2016 US/SEK exchange rate 8.56) in cash proceeds and issued 6,204,963 units (24,819,852 A-Shares and 6,204,963 share purchase warrants) including 513,010 units that were issued to the guarantor group as payment of 9% fees owed under the guarantee agreements.

The Company intends to use the proceeds from the Offering along with the existing working capital to:

- fund the acquisitions in Brazil;
- fund drilling and workover operations in Brazil;
- start the initial phase 3 development at the Company’s LAK asset in Wyoming;
- fund general and administrative expenses.

Share data

As at September 30, 2016 the Company had 68,078,782 shares outstanding of which 54,469,388 were class A shares, 13,609,394 were class B shares. In addition, Maha (Sweden) issued 4,592,527 convertible class C shares (C1 and C2). In the event that the existing Maha (Canada) stock options and warrants are exercised these convertible class C shares will be redeemed and exchanged for Maha (Sweden) Class A shares. In the event that the Maha (Canada) stock options and warrants are not exercised, the convertible class C shares will be redeemed and cancelled.

On November 2, 2016, the Company issue 484,212 new shares of class A at fixed price of SEK 10.25 per share of class A (i.e. in total SEK 4,963,173). The shares were issued as a result of a breach in the Guarantor's agreement which required the new shares to be "locked up" until January 29, 2017.

Subsequent to September 30, 2016, 1,468,599 Convertible B-Shares were converted into Maha (Sweden) A-Shares. As a result of this conversion the total number of Maha (Sweden) A-Shares and Convertible B-shares did not change.

On November 17, 2016 1,742,887 Maha (Canada) share purchase warrants, with an exercise price of US\$1.75 (approximately SEK 16) expired. As such, 1,742,887 of the Convertible class C1 shares will be redeemed and cancelled.

On November 9, 2016 100,000 Maha (Canada) stock options with an exercise price of \$0.45 were exercised and a 100,000 Maha (Sweden) A-Shares were issued along with a corresponding retraction of the convertible class C2 shares

As at November 29, 2016, the number of shares outstanding is as follows:

	Number of Shares by Class				
	A	B	C1	C2	Total
Balance at September 30, 2016	54,469,388	13,609,394	1,844,527	2,748,000	72,671,309
Conversion of convertible B shares	1,468,599	(1,468,599)	-	-	-
Issuance of shares	484,212	-	-	-	484,212
Retraction of convertible C1 shares ⁽¹⁾	-	-	(1,742,887)	-	(1,742,887)
Exercise of Maha (Canada) options ⁽¹⁾	100,000	-	-	(100,000)	-
Total	56,522,199	12,140,795	101,640	2,648,000	71,412,634

(1) Retraction of convertible class C1 and C2 shares is subject to completion of the retraction process which as at November 29, 2016 had commenced but not formerly been

registered with the Swedish Companies Registration Office.

A full description of the class A and convertible class B and C shares can be found in note 10 to the third quarter and nine months report ending September 30, 2016.

Brazil Acquisitions

On March 10, 2016, the Company entered into a definitive purchase and sale agreement with a private, Texas based company, which has a 37.5% working interest in the Tartaruga development block, located in the Sergipe Alagoas Basin of Brazil and is the designated operator of the block. The acquisition is subject to the approval of the Brazilian Government and the Brazilian National Oil Agency ("ANP"). The Company has paid a refundable deposit in the amount of US\$ 500,000.

On January 18, 2016, the Company entered into a definitive purchase and sale agreement with Petro Vista Energy Corp whereby the Company will acquire an additional non-operated 37.5% working interest in the Tartaruga development block. The acquisition price of CAD \$2.5 million will be paid in equal installments with the first payment upon successful approval of the transaction by the Brazilian Government and ANP and the second payment by December 2016. Maha has also entered into a loan agreement with Petro Vista Energy Corp whereby funds were provided for Petro Vista to resolve outstanding joint interest billings for up to \$815,500. \$750,000 of the loan will form part of the acquisition purchase price in the event of closing while the remaining amount will be deducted from the first installment.

Upon closing of the two acquisitions, the Company would be the operator and hold a 75% working interest in the Tartaruga Block.

Executive Team

The Company is pleased to announce the appointment of Mr. Tom Walker, P.Eng. as the Company's Chief Operating Officer. Mr. Walker brings to the Company an impressive background of artificial lift and heavy oil experience. Tom received his degree in Petroleum Engineering from the Colorado School of Mines in 1989. Tom started in the industry with ARCO Alaska Inc. followed by Occidental Petroleum in 2000, until 2008. At Occidental, Tom worked in several senior positions in California, Qatar and later Oman where he led a major steam assisted heavy oil development. Since 2008 Tom has worked on projects in Colorado, Wyoming North Dakota, Montana and Utah.

Mr. Walker's extensive experience in artificial lift technologies, water floods and other enhanced oil recovery technologies will be a significant asset to the Company. Tom is a Licensed Professional Engineer in the States of Colorado, Wyoming, Utah, California, North Dakota and Alaska.

Jonas Lindvall, CEO of Maha Energy commented:

"We are thrilled to have Tom join our executive team. His international background and extensive experience in enhanced oil recovery technologies will serve the Company well and enhance the skill set of our technically driven team.

Tom will replace Dan Thompson who is stepping down to focus on his retirement. We are very grateful to Dan for his spirited guidance and his service to the Company. Dan will continue on as an advisor to the Board and management of Maha (and a significant shareholder) so that we can continue to tap into Dan's 45+ years of industry experience.

Thanks very much Dan – and good luck in your retirement."

Results of operations

Canadian Assets

For the nine months ended September 30, 2016, the Company generated revenue of \$180,304 on an average sales volume of 32 boepd compared with \$559,273 of revenue during the nine months ended September 30, 2015 from an average of 62 boepd. Lower production volumes were a result of lower field activity due to a change in operatorship and lower oil prices.

The crude oil produced from the Manitou and Marwayne areas is 12° API. The Canadian Assets produced a total of 8,808 barrels net to Maha in the first nine months of 2016. The average price received was CAD \$26.96

Operating costs associated with the Canadian Assets were \$149,487 for the nine months ended September 30, 2016 compared with \$312,517 for the comparable period ended September 30, 2015. Lower operating costs in 2016 were due to lower field activity.

In July 2016, the operator of the Canadian Assets, which had been in receivership since February 2015, was purchased by a Canadian Company. The new operator has indicated that field activity will increase during the second half of 2016 as they seek to increase production from existing wells by way of workovers.

LAK Ranch

As at September 30, 2016, the LAK Ranch asset is considered to be in the pre-production stage and is currently undergoing delineation and pre-development work. As such, operating costs net of revenues since the commencement of operations have been capitalized as part of the exploration and evaluation costs.

The LAK field was shut in starting April 2016 and remained shut in until August 2016, primarily due to low oil prices and the requirement for reservoir pressure maintenance. During the shut-in period, the Company commenced the capital investment to allow for produced water recycling, which is critical for handling of produced water and re-injection of water for pressure maintenance. The project was completed in August and production from a limited number of wells was re-established by the end of August 2016.

Technical work completed during 2015 has now laid the groundwork for the full field development plan. The full field development plan contemplates hot water injection, rather than steam playing a more significant role than originally anticipated. The extra cost of hot water injector wells are far offset by the elimination of steam requirements. The field development plan was evaluated by the Company's independent reserve auditors, and the Company reserves for LAK Field at the end of November 2015 were 12.9 million barrels of oil (Proven and Probable (2P)).

General and administrative

During the nine months ended September 30, 2016, general and administrative ("G&A") costs were \$1,187,485 compared to \$999,992 for the same period September 30, 2015.

Transaction costs

During the nine months ended September 30, 2016, the Company incurred \$435,972 in transaction costs which primarily related to marketing fees associated with the listing on Nasdaq First North and professional fees associated with the Brazil acquisition.

Stock-based compensation

Stock based compensation expense for the nine months ended September 30, 2016 was \$115,171 similar to \$118,493 for the comparable period September 30, 2015.

Maha Energy AB

Condensed Consolidated Interim Statement of Financial Position

As at (Unaudited - Expressed in U.S. dollars)	September 30 2016	December 31 2015
Assets		
Current assets		
Cash	\$ 11,879,919	\$ 4,592,780
Accounts receivable	57,932	103,622
Deposit & Loan (Note 5)	1,315,500	-
Prepaid expenses and other	141,799	53,615
	13,395,150	4,750,017
Non-current assets		
Exploration and evaluation assets (Note 6)	17,085,367	16,314,660
Property and equipment (Note 7)	1,704,907	1,745,058
Performance bonds and other (Note 8)	150,794	161,595
	\$ 32,336,218	\$ 22,971,330
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 206,778	\$ 350,461
Non-current liability		
Decommissioning provision (Note 9)	862,782	834,685
	1,069,560	1,185,146
Shareholders' equity (Note 10)	31,266,658	21,786,184
	\$ 32,336,218	\$ 22,971,330

Maha Energy AB

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss

(unaudited Expressed in U.S. dollars)

	Three months ended		Nine months ended	
	September 30		September 30	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Oil sales	\$ 77,219	\$ 145,588	\$ 180,304	\$ 559,273
Less: royalties	9,774	26,898	15,379	90,889
Total Oil revenues	67,444	118,690	164,924	468,384
Expenses				
Production and operating	84,052	110,329	149,487	312,517
General and administration	501,169	318,076	1,183,259	999,992
Transaction costs	-	-	435,972	-
Stock-based compensation (Note 10)	27,787	53,373	115,171	118,493
Impairment of PPE & E&E	-	617,451	-	617,451
Depletion depreciation and accretion (Note 9)	20,101	109,777	59,624	342,736
Foreign currency translation loss/(gain)	(10,380)	(25,840)	9,844	(35,422)
	622,729	1,183,166	1,953,357	2,355,757
Comprehensive loss for the period	\$ (555,285)	\$ (1,064,476)	\$(1,788,433)	\$ (1,887,383)
Basic and diluted loss per common share	(0.01)	(0.02)	(0.04)	(0.04)
Weighted average number of common shares outstanding	61,851,563	43,256,930	49,387,796	43,225,362

Maha Energy AB

Condensed Consolidated Interim Statement of Cash Flows

(Unaudited Expressed in U.S. dollars)

	Three months ended		Nine months ended	
	September 30		September 30	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Net loss for the period	\$ (555,285)	\$ (1,064,476)	\$ (1,788,433)	\$ (1,887,383)
Operating activities				
Add backs:				
Stock based compensation	27,787	53,373	115,171	118,493
Impairment	-	617,451	-	617,451
Depletion and depreciation and accretion	20,101	109,777	59,624	342,736
Unrealized foreign exchange (gain)/loss	(74,298)	(21,130)	(57,556)	(38,086)
Changes in non-cash working capital (note 14)	(430,041)	104,167	(191,455)	(140,177)
	(1,011,737)	(200,838)	(1,862,650)	(986,966)
Investing activities				
Brazil deposits & loans	-	-	(1,315,500)	-
Purchase of developed and producing assets (note 7)	-	(13,934)	(5,500)	(195,645)
Purchase of exploration and evaluation assets (note 6)	(227,018)	(529,084)	(770,707)	(2,082,715)
Purchase of performance bonds (note 8)	12,154	-	10,800	(198)
Changes in non-cash working capital (note 14)	-	(564,018)	-	(1,531,044)
	(214,864)	(1,107,036)	(2,080,907)	(3,809,602)
Financing activity activities				
Common stock and warrants issued for cash	12,683,206	-	12,683,206	35,784
Share issue costs	(1,076,471)	-	(1,457,789)	-
Changes in non-cash working capital (note 14)	5,279	-	5,279	-
	11,612,014	-	11,230,696	35,784
Net (decrease)/increase in cash during the period	10,385,413	(1,307,873)	7,287,139	(4,760,784)
Cash and cash equivalents, beginning of period	1,494,506	6,798,664	4,592,780	10,251,575
Cash and cash equivalents, end of period	11,879,919	5,490,791	11,879,919	5,490,791

This report has not been subject to review by the auditors of the company.

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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 29 November 2016, at 8 a.m. 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 will operate two oil-fields, Tartaruga in Brazil (subject to Brazilian Government approvals and closing) and LAK Ranch, in Wyoming, US. For more information, please visit our website www.mahaenergy.ca.

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