

Maha Energy AB (publ)
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Press release
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Maha Energy AB (publ) (“Maha” or the “Company”) July Production Volumes and Operational Update

Production Volumes

The Company's aggregate sales production for the month of July totaled 88,764¹ barrels of oil and 36.925 million scf of gas for a combined average production of approximately 3,062 BOE/day², before royalties and taxes.

The previously communicated customer refinery maintenance affected the production volumes during the month of July at the Tie field as did a few minor commissioning shut downs at the new plant facilities. At Tartaruga, the 7TTG well produced continuously and work continued to optimize production from this well through the month. The drilling of 7-TTG-3D-SES well is not impacting production there.

Operational Update

GTE-3 (Tie Field)

During July, work was completed on the GTE-3 well with the notable result that all production wells at the Tie Field are now dually completed allowing for production optimization, production redundancy and reservoir/production balancing.

7-TTG-3D-SES (Tartaruga Field)

7-TTG-3D-SES well was spudded on 12 July. As at 1 August, the 13-3/8” casing had been set and cemented at 886 m. The objective of this well is to delineate and test certain intervals of the Penedo sand reservoir. To date, only four (4) of the twenty-seven (27) sandstone intervals in the Penedo sandstone has been tested and only two (2) has been placed on production. A comprehensive evaluation program is planned for the well in order to fully evaluate the reservoir potential of the Penedo sandstone.

Tie Field Commercial Highlights

The Company is delighted to report the many and various pieces necessary to reach its previously announced production targets for the Tie field are now in place:

- With the completion of the GTE-3 well, well deliverability at the Tie field is comfortably now in excess of 5,000 BOPD.
- The Tie processing facility is capable of handling up to 5,000 BOPD and associated gas.
- The Company is advised expansion of the local refinery by 800 bbl/d to allow it to take up to 3000 bbl/d of Tie crude oil is complete and awaits final commissioning and regulatory sign offs. These are currently expected in mid- September. All crude oils sales agreements for this customer are in place. This refinery currently takes up to 2200 bbl/d of Tie Field production.
- Crude oil sales agreements are in place with Petrobras for deliveries to the existing truck receiving station for up to 1100 bbl/d of Tie crude **and** to a new truck receiving station 45 km from the Tie Field (the “New Station”) to take up to 750 bbl/d. The Company is advised necessary facility improvements at the New Station are complete and await final regulatory sign-off which is imminent.
- The “gas to wire” generation facilities are now fully constructed and await final hook up with the utility that runs the Bahia state electricity grid which is imminent. Once connected, the Company will supply approximately 25% of its expected associated gas production under this gas sales contract.
- The Company has amended its existing compressed gas sales contract to increase the minimum gas offtake to 60,000 m3/day representing 75% of the expected associated gas produced at Tie. The Company is advised there is currently sufficient compression capacity for these volumes on site and that minor facility upgrades for the increased volumes should be completed in time for an August start up. Once the “gas to wire” and “compression” facilities are taking the full gas volumes, the Company will have sufficient associated gas takeaway to produce up to 4850 bbl/d of oil without flaring. (Current Brazil state flaring restrictions would otherwise limit oil production).

Once approvals are obtained for these new third-party facilities (as above) and they are successfully commissioned - all the pieces will snap into place to allow the Company achieve the forecasted production from the Tie Field of 4850 bbl/d.

Maha Energy holds a 75% working interest in the SES-107 Tartaruga oil and gas concession onshore Brazil. Petrobras holds the remaining 25% and is non-operator.

¹ Subject to minor standard industry adjustments at the time of custody transfer.

² Barrels of oil equivalent (“BOE”) conversion ratio of 6,000 scf: 1 bbl is used.

Adviser

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Miscellaneous

The information was submitted for publication through the agency of the contact persons set out above on August 2, 2019, at 10:30 p.m. (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.

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