

Press release
 Stockholm
 25 November 2019

Maha Energy AB Announces 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 2019

- Daily oil & gas production for Q3 2019 averaged 3,593 BOEPD (Q3 2018: 1,565 BOEPD).
- Effective August 1, 2019, the Company grew its Proven (1P) and Proven plus Probable (2P) reserves, by 14% and 62% respectively, at the Tie Field in Brazil.
- During the quarter, the Maha-1 well on the Tartaruga Field was successfully drilled with production testing operations to follow.
- Revenue of USD 16.1 million (Q3 2018: USD 9.0 million)
- Operating netback of USD 12.0 million or USD 38.22 per BOE (Q3 2018: USD 6.6 million or USD 46.17 per BOE)
- EBITDA of USD 10.7 million (Q3 2018: USD 5.4 million)
- Net result of USD 6.6 million (Q3 2018: USD 3.2 million)
- Basic Earnings per share of USD 0.07 (Q3 2018: USD 0.03)
- Diluted Earnings per share of USD 0.06 (Q3 2018: USD 0.03)

Nine Months Ended 30 September 2019

- Daily oil & gas production for the nine months 2019 3,004 BOEPD (2018: 1,585 BOEPD).
- Revenue of USD 41.9 million (2018: USD 25.5 million)
- Operating netback of USD 31.7 million or USD 40.38 per BOE (2018: 17.5 USD million or 40.70 USD per BOE)
- EBITDA of USD 27.5 million (2018: USD 13.9 million)
- Net result for the period of USD 17.0 million (2018: USD 7.4 million)
- Basic Earnings per share of USD 0.17 (2018: USD 0.08)
- Diluted Earnings per share of USD 0.16 (2018: USD 0.07)
- Cash and cash equivalents balance of USD 20.4 million (2018: 22.3 million).

Financial Summary

<i>(TUSD, unless otherwise noted)</i>	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Nine Months 2019	Nine Months 2018	FY 2018
Net Daily Production (BOEPD)	3,593	2,739	2,669	2,454	1,565	3,004	1,585	1,804
Revenue	16,068	14,098	11,751	12,595	9,049	41,917	25,537	38,132
Operating netback	12,017	10,668	9,029	9,436	6,553	31,714	17,481	26,917
EBITDA	10,663	9,188	7,663	8,486	5,392	27,514	13,918	22,404
Net result for the period	6,570	6,157	4,248	18,267 ¹	3,213	16,975	7,378	25,645
Earnings per share – Basic (USD)	0.07	0.06	0.04	0.19	0.03	0.17	0.08	0.26
Earnings per share – Diluted (USD)	0.06	0.06	0.04	0.17	0.03	0.16	0.07	0.25
Cash and cash equivalents	20,421	20,504	19,768	20,255	22,292	20,421	22,292	20,255

¹ Q4 2018 Net result includes USD 11.3 million of recognized deferred tax recovery and USD 0.8 million of other gains.

Letter to shareholders

Dear Friends and Fellow Shareholders of Maha Energy AB,

Notwithstanding the recently announced reduction in the estimated 2019 annual production volumes, the third quarter was very positive for Maha with many significant 'bright spots'.

Of particular note:

- the drilling and completing of the Attic well at the Tie Field resulted in a **62% increase** in Proven and Probable (2P) reserves from 10.734 MMbbl of oil to 17.365 MMbbl of oil which nearly doubled the predicted plateau production rate at the Tie field from 3 to almost 6 years;

- the successful drilling of the Maha -1 well with better than expected indications of **72 m of net pay**, that will be tested using a smaller and 'fit for purpose' workover rig; and,

- final approval and commissioning of Petrobras' second receiving terminal at Comboata that now takes delivery of **750 BOPD** of Tie Field oil.

2019 Annual Average Production Rates were reduced to 2750 BOPD – 2900 BOPD

Subsequent to this reporting period, Maha's 2019 estimated annual average production rate was unfortunately revised for a second time this year due to delays in start-up and commissioning of gas handling and disposal equipment at the Tie Field. A string of simultaneous events culminated in requiring to reduce oil production to prevent exceeding Government imposed flaring restrictions during the last 2 months of the year. This revision is in no way indicative of the Tie Field's current or future oil producing capacity and we are working very hard to "get back on track" to earlier expectations.

2P Reserves up by 62% at the Tie Field – now at 17.365 Million Barrels of Oil

By far the biggest news of the third quarter were the results of the re-mapping of the Tie structures following the results of the recently drilled 'Attic Well'. Remapping of the structure resulted in a substantially larger structure and more "in situ" oil volumes. With these increased reserves the Field Development Plan will be revised to include more wells, and a longer plateau production rate. To this end, the Company is commencing a new field modelling project for this expansion. Notably it appears clear the Tie Field production plateau of 4,850 BOPD will extend by up to 3 years resulting in a significant corresponding positive effect on the Tie Field's, and therefore the Company's, Net Present Value.

Petrobras Comboata Terminal Commissioned

After nearly a year of 'to and from' -the Comboata Oil Terminal commenced taking oil deliveries from the Tie Field. Following 2 weeks of "teething" issues, the Terminal now takes its daily allotment of 750 BOPD and Petrobras is now therefore able to receive a total of 1,850 BOPD from the Tie Field at two terminals. With the local refinery currently taking up to 2,200 BOPD – the Company has off-take capacity for up to 4,050 BOPD for Tie Field oil right now. This is a significant increase from July 2017 when the Tie Field was purchased and offtake was limited to 1,100 BOPD.

The local refinery still awaits a final Government permit to utilize its new expansion upon which the Company can increase its deliveries from the Tie field by a further 800 BOPD. At that point - Maha will be able to sell and deliver 4,850 BOPD from the Tie field.

Tartaruga

Maha-1 (7-TTG-3D-SES) well was spudded on 12 July, 2019 and total depth was reached on 3 October, 2019. After an extensive coring and electric logging program, initial results show that all the Penedo sandstone stringers are continuous and a total of 72 m. of net pay has been calculated. The Drilling rig was demobilized allowing for a smaller workover rig ("test rig") to be mobilized. This test rig is expected at the Tartaruga site towards the end of November, after which the Maha-1 well will be extensively tested over a period of up to 90 days. While the test rig is at the Tartaruga site, the 107D horizontal well will finally be cleaned out and tested properly. At the moment, the plan is to test 107D before commencing testing of the Maha-1 well.

As is apparent, there is a lot going on and much to be excited about. The increase in 2P reserves at the Tie field is significant to the fundamental value of the Company. The facility improvement investments already made and the newly extended Tie Field production plateau secures long term positive cash flow for the Company. The testing of new Penedo sands at Tartaruga are, if positive, a gateway to continued solid organic growth!

I continue to be grateful to all Maha employees for their hard work and dedication that has made all this possible.

“Jonas Lindvall” Managing Director

Q3 Webcast

There will be a live webcast tomorrow, 26 November 2019 at 16:00 CET (Stockholm time) to review and discuss the Third Quarter results and provide an operational update. The webcast will be broadcast live on Nyhetsbyrån Direkts Youtube Channel and hosted by Laikas’ Mr. Mats Jonsson and will feature Maha’s CEO Jonas Lindvall and CFO Andres Modarelli. For further details please consult the Company’s website: www.mahaenergy.ca

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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 25 November 2019, at 1:00 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 Growth Market 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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