

Press release
Stockholm
26 August 2019

Maha Energy AB Announces Filing of Second Quarter Report & Live Webcast

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

Second Quarter 2019

- Daily oil & gas production for Q2 2019 averaged 2,739 BOEPD (Q2 2018: 1,429 BOEPD).
- Revenue of USD 14.1 million (Q2 2018: USD 7.9 million)
- Operating netback of USD 10.7 million or USD 43.30 per BOE (Q2 2018: USD 5.1 million or USD 39.22 per BOE)
- EBITDA of USD 9.2 million (Q2 2018: USD 4.0 million)
- Net result of USD 6.2 million (Q2 2018: USD 1.9 million)
- Basic and diluted Earnings per share of USD 0.06 (Q2 2018: USD 0.02)

Six Months Ended 30 June 2019

- Daily oil & gas production for H1 2019 2,704 BOEPD (H1 2018: 1,595 BOEPD).
- Revenue of USD 25.8 million (H1 2018: USD 16.5 million)
- Operating netback of USD 19.7 million or USD 41.83 per BOE (H1 2018: 10.9 USD million or 38.01 USD per BOE)
- EBITDA of USD 16.9 million (H1 2018: USD 8.5 million)
- Net result for the period of USD 10.4 million (H1 2018: USD 4.2 million)
- Basic Earnings per share of USD 0.11 (H1 2018: USD 0.04)
- Diluted Earnings per share of USD 0.10 (H1 2018: USD 0.04)
- Cash and cash equivalents balance of USD 20.5 million.

Financial Summary

<i>(TUSD, unless otherwise noted)</i>	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	H1 2019	H1 2018	FY 2018
Net Daily Production (BOEPD)	2,739	2,669	2,454	1,565	1,429	2,704	1,595	1,804
Revenue	14,098	11,751	12,595	9,049	7,859	25,849	16,488	38,132
Operating netback	10,668	9,029	9,436	6,553	5,071	19,697	10,928	26,917
EBITDA	9,188	7,663	8,486	5,392	3,960	16,851	8,526	22,404
Net result for the period	6,157	4,248	18,267 ¹	3,213	1,859	10,405	4,165	25,645
Earnings per share – Basic (USD)	0.06	0.04	0.19	0.03	0.02	0.11	0.04	0.26
Earnings per share - Diluted (USD)	0.06	0.04	0.17	0.03	0.02	0.10	0.04	0.25
Cash and cash equivalents	20,504	19,768	20,255	22,292	20,914	20,504	20,914	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,

As usual the summer passed too quickly! Here at Maha we spent the summer months ramping up production and working toward achieving our 4,850 BOPD production goal at the Tie field. In order to reach that goal, three components must converge at the same time: (1) the combined well production capability on the field must exceed 4,850 BOPD, (2) the Tie Production Facility must be able to safely handle and separate the incoming oil, water and associated gas from the wells, and, (3) there need to be somewhere to take (sell) the finished product. To complicate matters, the Tie field is not connected to a pipeline system, the sales agreements need to cater for both oil and gas production. And since both products are co-dependent (oil and gas volumes are proportionally linked) it makes for many moving pieces that must come together, as is detailed below.

Well Productivity (Tie Field) - now at over 6,000 BOPD

During this reporting period, the Attic Well (7-Tie-1D-BA) was completed and brought on production. Both the Agua Grande and Sergi zones were completed individually allowing for independent production of each zone. The GTE-3 well was also recompleted from a co-mingled producer to a dual producer, also providing for individual zonal production. This completes the 2018/19 work program for well deliverability on the Tie field. The *total combined production* from the wells in the Field currently exceeds 6,000 BOPD and the field can be optimized to selectively produce the optimum mix of oil and gas.

Facility Handling Capacity (Tie Field) – now at 5,000 BOPD

By the end of 2018, temporary modifications to the Processing Facility at the Tie field were completed to allow for handling up to 5,000 BOPD of oil and associated gas. During the first half of 2019 the temporary modifications were permanently installed and commissioned. As of today, with only minor commissioning and testing items remaining, the Tie Processing Facility is capable of consistently gathering, separating, treating and storing up to 5,000 BOPD. The associated gas is separated and sent for sales.

Offtake Agreements (Tie Field) – now at 4,850 BOPD and 80,000 m³/day of gas

Gas

When the Tie Field was purchased in July of 2017 it was producing about 1,300 BOPD from a single well. The oil rate was limited by how much gas could be sold. At that time, if more gas could have been sold then more oil could have been produced. Through a series of negotiations with two primary gas customers, Maha was quickly able to increase the gas offtake volumes. As of today, the Company has secured approximately 80,000 m³/day of gas sales to a Compressed Natural Gas (CNG) customer and a Gas to Wire (GTW) customer. Additionally, +/- 6,000 m³/d is consumed internally by generators at the Processing Facility to provide electric power to the Tie Field operations. The target production of 4,850 BOPD currently generates production of approximately 86,000 m³ of gas per day – so with respect to gas, there are now sufficient arrangements in place to handle the target production rate.

Oil

With respect to oil, Maha has managed a very complicated picture. Tie oil will be trucked to two customers at three different terminals. The largest customer is a private refinery located very close to the Tie field. This refinery has progressively increased their demand for Tie oil; starting in late 2017 at 900 BOPD and now up to 2,200 BOPD. At the end of 2018, and in conjunction with refinery's decision to double its' processing capacity, Maha agreed with the refinery to increase deliveries to 3,000 BOPD by the middle of 2019. The refinery undertook a series of upgrades during the first half of 2019, with the last upgrade being completed in July 2019. The refinery is now awaiting final regulatory approvals to commence processing the expansion volumes which are expected by mid-September. Thereafter, Maha should be able to consistently deliver 3,000 BOPD to the refinery.

Petrobras, the State Oil Company of Brazil, which owns most of the oil and gas infrastructure in Bahia is the Company's second customer. From first production of Tie field, Petrobras has been receiving 500 - 1,100 BOPD at a nearby pipeline pumping terminal and since 2017, Maha has been in discussions with Petrobras about increasing the deliveries into the regional pipeline system. In early 2019, and as a result of these discussions, Petrobras proposed an alternative plan to accept an additional 750 BOPD through a second pumping terminal it would upgrade. There is

a new agreement in place with Petrobras for that volume. In June, a test delivery of Tie crude oil to the new Pumping terminal was undertaken with no issues. Petrobras now awaits regulatory approval to commence receiving oil from Maha there.

So long as the planned gas customer facilities are commissioned on time, the Company should regularly be able to deliver 3,300 BOPD from the Tie field from now on. Once the refinery and Petrobras receive final regulatory approvals, the Company will commence trucking the additional 1,550 BOPD (800 + 750). It is estimated that by the end of September, the Company should regularly deliver 4,850 BOPD of Tie crude oil for sale.

Tartaruga

The Tartaruga field, is producing at the current maximum plant capacity of about 500 - 800 BOPD (gross). The 7-TTG-3D-SES well was spudded on 12 July, 2019. 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 untested intervals of the Penedo sand reservoir. Upon completion of the 7-TTG-3D-SES well, the 107D well will be re-entered, recompleted, cleaned out and brought on production. Whilst currently the Tartaruga facility is operating at capacity handling production from the 7TTG well, when certain facility upgrades are completed it is expected that the 107D well will immediately increase production at Tartaruga; following which the 7-TTG-3D-SES well will be tied in and the permanent upgrade of the processing facility completed.

Production and Current Production Guidance

In our August 23rd 2019 Press Release I expressed my frustration that delays in normal course regulatory approvals/commissioning at our customers facilities caused the Company to revise downward its annual average production forecast. The frustration is that in all other respects we have made remarkable progress; we can produce more oil than we can sell, and as outlined above all the physical construction and upgrades are completed at the various required facilities. Our current production capacity in Brazil exceeds 6,500 BOPD while our current sales capabilities limits us to 3,900 BOPD of daily sales and production. Upon the above final approvals/commissioning the Company will be in a position to produce, deliver and sell 5,400 BOPD almost immediately. This is an outstanding accomplishment that the revised forecast should not detract from.

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

Q2 Webcast

There will be a live webcast today, 26 August 2019 at 16:00 CET (Stockholm time) to review and discuss the Second 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

Adviser

Certified Advisor: FNCA Sweden AB, info@fnca.se, Telephone: +46-8-528 00 399.

For more information, please contact:

Jonas Lindvall (CEO)
Tel: +1 403 454 7560
Email: jonas@mahaenergy.ca

or

Ron Panchuk (CCO)
Tel: +1 403 454 7560
Email: ron@mahaenergy.ca

or

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

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 26 August 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 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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