

## Maha Energy AB Announces Filing of First Quarter 2022 Report & Live Webcast

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

### First Quarter 2022

- Daily oil & gas production for Q1 2022 averaged 4,580 BOEPD (Q1 2021: 3,742 BOEPD)
- Revenue of USD 30.8 million (Q1 2021: USD 15.8 million)
- Operating netback of USD 22.5 million or USD 57.90 per BOE (Q1 2021: USD 11.0 million or USD 33.80 per BOE)
- EBITDA of USD 22.1 million (Q1 2021: USD 10.2 million)
- Net result of USD 12.0 million (Q1 2021: USD 5.5 million)
- Basic Earnings per share of USD 0.10 (Q1 2021: USD 0.05)
- Diluted Earnings per share of USD 0.10 (Q1 2021: USD 0.05)
- Cash and cash equivalents balance of USD 29.4 million (Q1 2021: 5.7 million)

### Financial Summary

<i>(TUSD, unless otherwise noted)</i>	<b>Q1 2022</b>	<b>Q4 2021</b>	<b>Q3 2021</b>	<b>Q2 2021</b>	<b>Q1 2021</b>	<b>FY 2021</b>
Net Daily Production (BOEPD)	<b>4,580</b>	3,098	3,610	3,104	3,742	<b>3,387</b>
Revenue	<b>30,831</b>	17,818	19,496	15,178	15,814	<b>68,306</b>
Operating netback	<b>22,528</b>	11,913	13,568	9,548	11,031	<b>46,060</b>
EBITDA	<b>22,069</b>	15,615	12,909	8,988	10,213	<b>47,725</b>
Net result for the period	<b>12,030</b>	7,363	6,083	2,603	5,538	<b>21,587</b>
Earnings per share – Basic (USD)	<b>0.10</b>	0.06	0.05	0.02	0.05	<b>0.19</b>
Earnings per share – Diluted (USD)	<b>0.10</b>	0.06	0.05	0.02	0.05	<b>0.19</b>
Cash and cash equivalents	<b>29,416</b>	25,535	31,778	34,139	5,698	<b>25,535</b>

## Letter to shareholders

Dear Friends and Fellow Shareholders of Maha Energy AB,

To say that the first quarter of 2022 was very good for Maha is an understatement. All our previous financial records were broken. First, Maha produced an average of 4,580 BOEPD during the quarter for a record revenue of USD 30.8 million. Previous Company highs were 3,610 BOEPD and USD 19.5 million. Second, the key metric of EBITDA of USD 22.1 million was significantly higher than the previous high of USD 15.6 million reached in 2021. Finally, the price of oil averaged USD 101 per barrel (Brent), a price not seen since the third quarter 2014 which led to a very healthy net result for the quarter of USD 12.0 million.

Notwithstanding the very positive financial development of the Company, it is worth mentioning some of the key events across our assets for the quarter;

### **Brazil**

At our core asset in Brazil, the Tie field, the Tie-4 production well was completed and tied into the production facilities. Shortly thereafter, the Tie-5 horizontal well was spudded. Drilling of the first horizontal well in the Tie field has been slow and difficult. But perseverance pays off, and current depth is 2,548 m, and a total of 271 m of horizontal Agua Grande (AG) sand has been drilled so far. The total length of the AG horizontal is planned to approximately 600 meters, but this may be reduced in case of hole conditions and reservoir quality.

At Tartaruga, production has now returned to pre Q4 2021 workover levels and work is proceeding with planning for a horizontal well starting at the end of this year.

### **Oman**

A drilling rig has now been contracted to initially drill six wells on the Mafraq field. The Mafraq field is a delineated and tested heavy oil field onshore Oman. A previous operator tested 15,700 barrels of heavy oil from a single well over a 23 day well test period in 1991. Maha's plan is to start drilling the first six wells on the field starting at the end of June. The first two wells will gather important reservoir information, whilst the remaining four wells will test oil productivity from the reservoir.

### **USA**

The Company drilled two wells in the Illinois Basin during the first quarter. Both wells are now on production. As activity levels pick up in the region as a result of the high price of oil, we managed to secure a new lease covering 463 acres and containing up to 23 new drill sites. The lease is adjacent to our existing leases in the area and forms a natural extension to our development program in the Illinois Basin. Lastly, work continues to evaluate the production results of the 2021 drilling campaign along with sub-surface mapping of the area to determine future drilling locations.

### **Price of Oil and Inflation**

USD 100/bbl oil is not a new occurrence. In fact, Brent oil price remained above USD 100 per bbl for 45 straight months between January 2011 - September 2014. Since then, the oil industry has endured over 7 years of depressed oil prices. This has led to significant investment reductions which in turn has led to the current crude oil supply shortages. To address the supply shortages, significant investment into the upstream oil and gas sector is immediately required. Unfortunately, this is easier said than done, as it takes a long time for these investments to impact the market. I believe we have entered another 'super-cycle' for the oil and gas commodities.

Even though our product, oil, is fetching healthy prices, we are also subject to the effects of higher oil prices. As we have seen, the combined effects of Government Covid-19 spending, and higher gasoline prices is now fueling inflation. And Maha is not immune. Apart from higher prices on casing, tubing, pumps and services, to name a few, we are experiencing a serious lack of all types of materials. Most equipment we need for our operations have seen increasing delivery times. This may have an impact on our near future operations.

To conclude; the first quarter of 2022 was the best quarter ever for the Company. We made record profits. We grew our quarter end cash balance to USD 29.4 million and we expanded our position in the USA. In

Oman, we are poised to start drilling very soon which should deliver more positive news during the second half of the year. It is a very exciting time at Maha!

Finally, I wish to thank my fellow Maha colleagues who work so tirelessly for all of us, and to all loyal shareholders who support us. Thank you!

Yours truly,

“Jonas Lindvall”  
Managing Director

### **Q1 Webcast today at 16:00 CET**

There will be a live webcast today, 19 May at 16:00 CET (Sweden time) to present the quarterly results and provide an operational update. A link to the webcast is available on the Company’s website: [www.mahaenergy.ca](http://www.mahaenergy.ca). Questions posted on the day of the presentation should be made directly in the YouTube Comments/Questions field. The webcast will be broadcast live on Nyhetsbyrån Direkts Youtube Channel and is hosted by Laikas’ Mr. Kaarlo Airaxin, and will feature Maha’s CEO Jonas Lindvall and CFO Andres Modarelli.

*This information is such information as Maha Energy AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 07:30 CET on 19 May, 2022.*

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#### **About Maha**

*Maha Energy AB (publ) is a listed, international upstream oil and gas company whose business activities include exploration, development and production of crude oil and natural gas. The strategy is to target and develop underperforming hydrocarbon assets on global basis. Maha operates four oil fields: Tartaruga and Tie in Brazil, Powder River (LAK Ranch) and Illinois Basin in the United States. The shares are listed on Nasdaq Stockholm ([MAHA-A](https://www.nasdaq.com/stocks/MAHA-A)). The head office is in Stockholm, Sweden with a technical office in Calgary, Canada, as well as operations offices in Grayville, Illinois, USA and Rio De Janeiro, Brazil. For more information, please visit our website [www.mahaenergy.ca](http://www.mahaenergy.ca)*