

Maha Energy AB (publ)
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Press release
Stockholm
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Maha Energy AB (publ) - Comments on current market conditions

Maha maintains a very close eye on the current market conditions. Using up-to-date production information, pricing and spending limits, the Company monitors the financial well-being of the company very closely. As of today, the company has determined that all future financial obligations can be met, including full repayment of the bond in May 2021, given the current oil market conditions. Furthermore, and if necessary, the company has many operational options at its disposal to address a prolonged depressed oil price.

Maha has already taken steps to reduce operating expenses. For example, at the end of March, operations at the LAK Ranch oil field will be suspended until further notice. The 'pre-development' LAK Ranch heavy oil field is uneconomic at the current oil prices.

CEO Jonas Lindvall comments: "During these turbulent times we are acting at all levels to safeguard the health of our employees and to ensure that the production and testing operations continue without interruption. Naturally many circumstances are outside our control, but we are doing everything within our power to ensure a safe working environment for our employees and subcontractors so that we minimize impact to our operations."

Maha is implementing a three-pronged approach to the threat of the virus:

1. Health and safety of our workers and subcontractors. Monitoring the health of all employees, minimizing travel, avoiding attending large meetings, educating and encouraging personal hygiene, ensuring more frequent sanitizing at all Maha facilities, avoiding public transport and promoting general well-being.
2. Monitoring the performance of subcontractors. The Operations team are in close contact with subcontractors promoting similar steps to that which Maha is implementing.
3. Stress testing the financial well-being of the Company. The Management Team run an economic model which is updated bi-weekly and continuously stress tested using current production rates and oil prices.

“We appreciate the support of our shareholders and understand that there are many questions about the Company and the operations, especially now. However, as a publicly listed company, there are strict regulations that govern communication that make it difficult to answer individual specific questions. We will therefore continue to communicate with our shareholders via the conventional channels of press releases and interim reports. We will also address questions from shareholders at specific occasions, primarily in connection with each quarterly report. Our analyst coverage also provides an excellent source of information to those who may wish to examine our production and financial metrics closer. I encourage interested investors to use this readily available information in order to help us ensure that all shareholders receive the same information simultaneously”, says CEO Jonas Lindvall.

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Maha in Brief

Maha Energy AB is a Swedish public limited liability company. FNCA Sweden AB has been engaged as Certified Adviser and can be contacted at info@fnca.se or +46-8-528 00 399. The Company's auditor is 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 30 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.