

Update on the production test and request for extension of the Initial Phase of Block 70, onshore Oman

Maha Energy AB (publ) (“Maha” or the “Company”) announces the results of the initial short-term production test on Block 70 in the Sultanate of Oman (“Initial Phase”). All 8 (eight) production wells drilled in the 2022/2023 drilling program were tested for short term and 5 (five) produced oil to surface at an initial estimated average rate of 300 barrels of oil per day per well, while 3 (three) had to be suspended after producing water and gas but before producing any oil.

Even though more than 4,000 barrels of heavy, high viscosity oil (between 11-13 degrees API) were produced, filling all tank capacity available at Block 70, oil offloading has not yet initiated. Maha is now scaling up chemical treatment of the produced oil, based on those products that provided the best results in the lab to reduce viscosity and enhance flowability. Thereafter, the aim is to achieve the required specification to offload the produced oil to the third-party facility for further processing and transportation through the Omani national pipeline system. Once it becomes possible to offload the oil currently stored, Maha intends to restart the cold production of wells for further data gathering and production information.

During the second quarter of 2023, the Minimum Work Obligations of the EPSA have been fully concluded as planned and, as Maha approaches the end of the Initial Phase in late October 2023, different extension scenarios were evaluated by the Company and discussed with Omani authorities.

Hence, driven by Maha’s commitment to conclude testing effectively, and to ensure an appropriate and robust request for a potential declaration of commerciality, the Company has requested the extension of the Initial Phase of the EPSA to the Ministry of Energy and Minerals of the Sultanate of Oman (“MEM”).

During the extended Initial Phase, Maha intends to implement activities necessary to support any decision regarding Block 70’s declaration of commerciality, such as: (i) run detailed simulations of the long-term behavior of the reservoir and wells at Block 70; (ii) restart the cold production of wells and troubleshoot for the maximum possible sustained rates contingent on reaching specifications; and (iii) prepare a detailed plan for enhanced oil recovery (“EOR”) such as steam, waterflooding or other production enhancement methods to be performed during a possible second stage of the extended Initial Phase.

Maha is the Operator of Block 70 with 65% working interest, with Mafraq Energy holding the remaining 35%.



Miscellaneous

The information was submitted for publication, through the agency of the contact person set out below, at 13:00 CEST on 2 August 2023.

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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 the Mafraq field in Block 70 in the Sultanate of Oman and assets in the United States. The shares are listed on Nasdaq Stockholm (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.