

Maha Energy AB (“Maha” or the “Company”) announce revised 2022 annual average production guidance, spud in Oman and a general operational update

- The range for the 2022 annual average production is revised to 3,500 - 4,000 from 4,000 - 5,000 BOEPD¹.
- Drilling in Oman started today, the Mafraq-7 well was spudded 5 weeks ahead of schedule.
- A bid for Petrobras’ 25% Working Interest (“WI”) at the Tartaruga Field in Brazil was submitted on 1 September, 2022.

Delays in repairing production wells on the Tie Field in Brazil, and the effect of farming down 35% of the Mafraq Field in Oman will impact the Company’s 2022 full year production volume. On the Tie Field, in Brazil, three important producing wells (GTE-3, GTE-4 and Tie-1) have been shut in for much of 2022 primarily due to tubing leaks. The shortage of equipment and associated services in Brazil have resulted in repair delays and therefore lower than planned production at the Tie field. The new revised Maha production guidance for 2022 is 3,500 - 4,000 BOEPD. Details of the operations affecting the Company is provided below.

Jonas Lindvall, CEO of Maha Energy AB comments: “The combined effects of higher oil prices and the Petrobras onshore divestments in Brazil have created a huge demand on service contractors there. It has proven difficult to get equipment and services quickly and we were lucky to secure the “Braserv 144” workover rig earlier this summer. The rig is contracted until the end of 2022 and we are repairing the downed production wells as fast as we can.”

Details of Maha current operations:

Tie Field (Brazil)

ALV-2 (gas injector)

The ALV-2 well was converted to a gas injector earlier this summer. This conversion allows for uninterrupted oil production at all times and the well was recompleted with new premium (gas tight) tubing.

GTE-3 (producing well)

This well is being converted from a dual jet pump completion to a single comingled Electric Submersible Pump (ESP) producer. Currently the dual packer is being retrieved and estimated completion date is later in September.

Tie-1 (producing well)

The Tie-1 production well requires a workover to retrieve stuck jet pumps in both completion strings.

GTE-4 (producing well)

The GTE-4 well suffers from a leaking tubing string and the tubing will be replaced once Tie-1 has been completed.

Tie-5 (horizontal producing well)

The Tie-5 horizontal was completed earlier this year. It has been producing steadily under natural flow with no water. However, initial production information suggest that the horizontal reservoir may have been damaged by drilling fluids during the drilling phase. The measured inflow is significantly less than what can be expected from a reservoir with such excellent properties. Plans are underway to recover the ESP and perforate parts of the horizontal liner using Tubing Conveyed Perforating (TCP) guns later in the year. This should address any damage caused whilst drilling and add production from the entire horizontal hole.

Tie-6 water injector

The Tie-6 well penetrated the Agua Grande (AG) Reservoir 12 meter higher than prognosed. The well is currently undergoing a series of production and injectivity tests and this well may be placed on temporary oil production before being converted to a water injector.

Tie Water Supply Well (WSW)

The drilling rig Faxe 2 is now being moved to drill a shallow water supply well on the Tie field. The WSW is an important water provider for the water injection program currently being implemented at the Tie field.

Tartaruga

The Tartaruga field is producing steadily from two wells with very little production decline. The Company has submitted a competitive bid for Petrobras' 25% Working Interest in the field on 1 September, 2022. Immediate future work planned for the Tartaruga field is an additional horizontal well into the Penedo sandstone. The Tartaruga 3 (TTG-3) well has been identified as a possible candidate for the horizontal sidetrack.

Oman Block 70 (Mafraq field)

Plans are well developed to commence drilling on the Block. At the moment a total of six wells will be drilled. First, four (4) horizontal production test wells will be drilled and placed on long term test production. Two (2) appraisal wells will then be drilled to (a) identify the oil water contact on the structure, and (b) determine fracture orientation at various levels of the field. If results are deemed positive, the Company has secured

sufficient equipment and services to immediately drill additional wells to add to the long term well test production volumes.

Gulf Drilling Rig 109 spudded Mafrac-7 today, 5 weeks ahead of schedule. A total of four (4) drilling pads and 18 km. of roads have been refurbished and/or constructed on Block 70. Work is proceeding to negotiate temporary offtake agreements for the extended well test produced crude oil.

Illinois Basin and LAK Ranch

Production from the IB asset is as expected, and work is progressing in identifying various quick, low cost, production gains through simple stimulation work. The LAK Ranch production was restarted in June as regulatory requirements in Wyoming necessitated multiple well reactivations. To date about 1,000 barrels of oil has been recovered from the LAK Ranch property since the wells were restarted. The Company is exploring various options, including divestment, of the LAK Ranch property.

- 1 Barrels of oil equivalent ("BOE") conversion ratio of 6,000 scf: 1 bbl is used.
- 2 The Block 70 Farm Out is subject to the approval of the Omani Government.

Miscellaneous

This information is such information that 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 20:15 CET on 6 September, 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](#)). 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