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Press Release
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Maha Energy AB (publ) to be awarded new exploration block onshore Oman ("Block 70" or "Mafraq")

Maha Energy AB ("Maha" or the "Company") is pleased to announce that it will be awarded a new exploration block by the Ministry of Energy and Minerals of the Sultanate of Oman. Block 70 is an onshore block that includes the shallow undeveloped Mafraq heavy oil field. The Block is located in the middle of the prolific and oil producing Ghaba Salt Basin in the central part of Oman. Maha will (through a wholly owned subsidiary) be the operator of the Block and hold a 100% working interest. The entry into Oman marks a milestone for the Company's diversification strategy. The Block agreement is scheduled to be signed on 1 October 2020 and is further subject to a Royal Decree. Further details of the Block and the future work program will be communicated after the effective date of the EPSA.

Jonas Lindvall, President and Chief Executive Officer of Maha, comments: "To be allowed an opportunity to explore and develop the Mafraq oil field is an exceptional opportunity to add value to Maha and the people of Oman. The Mafraq oil field contains significant amounts of oil and previous and extensive pump tests has proven the productivity of the field."

The Mafraq oil field was discovered by Petroleum Development Oman (PDO) in 1988 and was further delineated by four wells and 3D seismic in stages until 2010. Two wells were placed on pump production tests, of which one was placed on an extended test in order to prove long term productivity. The Mafraq field is estimated by third parties to contain between 185 – 280 million barrels of original oil in place (OIP). The productive reservoir is shallow, at approximately 430 m. below ground level.

Jonas Lindvall further commented: "The fact that PDO did not develop this asset is by no means a reflection of the quality of the asset, it just reflects the reality of constrained resources and project ranking."

The Block covers an area of 639 km² and is covered by both 2D and 3D seismic data that has been acquired by previous operators has been made available to Maha. Eight wells have been drilled within the block boundary, five of which are on the Mafraq oil field.

The Exploration and Production Sharing Agreement (EPSA) for Block 70 covers an initial exploration period of three years with an optional extension period of another three years. In case of a commercial oil or gas discovery, the EPSA can be transformed into a fifteen year production license

which can be extended for another five years. In case of a commercial discovery the Oman Government Oil Company has a right to acquire up to a 30% interest in Block 70 against refunding the pro rata share of past expenditure. The initial work commitments during the first period include geological studies, seismic reprocessing and well commitments.

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The information was submitted for publication, through the agency of the contact person set out above, at 02:00 CET on 25 September 2020.

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 +46-8-528 00 399. 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 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 four oil fields, Tartaruga and Tie in Brazil, Powder River (LAK Ranch) and Illinois basins in the United States. For more information, please visit our website www.mahaenergy.ca.