

Press release
Stockholm
28 February 2019

Maha Energy AB Announces Filing of Fourth Quarter Report & Live Webcast

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

Fourth Quarter 2018

- Daily oil & gas production for the fourth quarter averaged 2,454 BOEPD (Q4 2017: 1,597 BOEPD). The Tartaruga Field was shut-in during the fourth quarter as a result of ongoing drilling operations at 107D.
- Revenue of USD 12.6 million (Q4 2017: USD 6.9 million)
- EBITDA of USD 8.5 million (Q4 2017: USD 2.9 million)
- Net result for the period of USD 18.3 million, which includes USD 11.3 million of recognized deferred tax recovery and USD 0.8 million of other gains during the fourth quarter (Q4 2017: USD 2.5 million)
- Basic earnings per share of USD 0.19 (Q4 2017: USD 0.03)
- Diluted earnings per share of USD 0.17 (Q4 2017: USD 0.03)
- Operating netback of USD 9.4 million or USD 43.26 per barrel (Q4 2017: USD 4.6 million or USD 31.48 per barrel)
- Cash and cash equivalents balance of USD 20.3 million

Twelve Months Ended 31 December 2018

- Daily oil & gas production for the Twelve months 2018 averaged 1,804 BOEPD (2017: 917 BOEPD).
- Revenue of USD 38.1 million (2017: USD 14.6 million)
- EBITDA of USD 22.4 million (2017: USD 3.2 million)
- Net result for the period of 25.6 USD million which includes USD 11.3 million of recognized deferred tax recovery and USD 0.8 million of other gains during the fourth quarter (2017: USD -2.8 million)
- Basic earnings (loss) per share of USD 0.26 (2017: USD -0.03)
- Diluted earnings (loss) per share of USD 0.25 (2017: USD -0.03)
- Operating netback of USD 26.9 million or USD 41.57 per barrel (2017: USD 8.7 million or USD 26.73 per barrel)

FINANCIAL SUMMARY

(TUSD, unless otherwise noted)	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017 ¹	Twelve Months 2018	Twelve Months 2017
Net Daily Production (BOEPD)	2,454	1,565	1,429	1,762	1,597	1,804	917
Revenue	12,595	9,049	7,859	8,629	6,939	38,132	14,604
EBITDA	8,486	5,392	3,960	4,566	2,930	22,404	3,213
Net result for the period	18,267	3,213	1,859	2,306	2,482	25,645	(2,849)
Earnings (loss) per share (USD)							
– Basic	0.19	0.03	0.02	0.02	0.03	0.26	(0.03)
Earnings (loss) per share (USD)							
– Diluted	0.17	0.03	0.02	0.02	0.03	0.25	(0.03)
Cash and cash equivalents	20,255	22,292	20,914	22,779	18,729	20,255	18,729

Letter to Shareholders

Dear Friends and Fellow Shareholders of Maha Energy AB (“Maha” or the “Company”),

I am proud to confirm that in Q4, Maha continues to build on its quarter to quarter very strong financial results. Q4 highlights include; exceptional progress in completing our 2018 Capital Program, and excellent net revenues notwithstanding a mild ‘roller coaster’ ride in oil prices.

Oil Price

Oil price peaked at USD 86/bbl (Brent) in early October, only to drop by 40% before the year end. This was followed by a New Year rebound and a currently stabilized price of about USD 62/bbl. Because of efficient operations and the quality of its reserves - at USD 60/bbl, Maha receives a strong USD 41.57/bbl Yearly average netback. Maha continues to be bullish on an oil price above USD 60/bbl (Brent) for the foreseeable future which, of course, compares favorably to the USD 50/bbl price in May, 2017, when Maha’s 300M SEK Bond was placed.

Tie Field Processing

I am grateful to our Production Operations team that has successfully increased the Tie Field processing capacity to 5000 BOPD by the 31st December, 2018 target date under budget- though some ongoing work remains such as installing a permanent 4-bay loading facility and two remaining oil storage tanks. This work will be completed shortly. Therefore, opposite to before, the Tie facility can now process more oil and gas than the Tie Field wells can **currently** produce and deliver.

Attic Well (Tie Field), GTE-3 Recompletion and Offtake

Expected oil production from drilling the now spudded Attic Well together with production from the two currently Tie producing wells GTE-3 and GTE-4 should fill this excess processing capacity. As the Attic Well is being drilled “up dip” of the ‘free flowing’ GTE-4 well, Maha has good reason to expect excellent results. Once the Attic Well is on production, further operations at GTE-3 will finish the work started last June by recompleting the comingled well to a dual producer for additional production. At that point - if all goes well - Tie Field will be able to deliver more oil than it can **currently** sell.

To that end, Maha’s commercial team in Brazil and Canada has been busy securing additional offtake arrangements (over and above the current 4100 BOPD) and is confident there will be a ‘home’ for up to 5000 BOPD of Tie Field production in the very near future.

¹ Q4 2017 figures include previously disclosed changes to the 2017 Fourth Quarter Report in April 30, 2018 press release

7TTG Workover (Tartaruga)

The 7TTG Workover was completed quickly after the drilling rig was moved from the 107 D location and the 3-1/2" stuck tubing was fished out of the hole. A new and dedicated jet pump has now been installed that is currently cleaning stimulation fluids from the formation.

Prior to the Workover, 7TTG produced about 190 BOPD from the P6 zone using a surface jet pump that was shared with its sister well, 107D. Two new zones (P4 and the newly stimulated P1) have now been opened for production in addition to the existing P6 zone. The results from this operation are eagerly awaited. Once the above clean-up is complete, the 7TTG will be returned to production.

107D Well Testing (Tartaruga)

For those of you that have followed our news over the last 6 months, you know the 107D Well was an exercise in perseverance, endurance and self-belief for our drilling team. Despite multiple stuck pipe incidents caused by an unstable formation above the reservoir, a 500 m. horizontal hole was drilled through the productive P1 zone proving; a). the continued lateral extent of the P1 formation and b). the successful applicability of horizontal drilling at Tartaruga. We are currently mobilizing special slim-hole perforating equipment to perforate the 3-1/2" liner before we can production test this well.

Tartaruga Field Processing and Operations

At the Tartaruga Field, the correct sizing of processing equipment is dependent on liquid and gas throughput. Maha knows it will initially be constrained by the ability to process gas produced in association with oil at the field. To that end, Maha is working with a Brazilian contractor that will convert the associated gas to electricity. Required environmental licenses to proceed with the installation of gas to wire equipment were obtained during the quarter. As soon as Maha ascertains the expected production levels for the 107D and 7TTG Wells (above) it will design and upgrade the Tartaruga plant to handle the expected increases in production from the current production capability of +/- 500 bbl/d.

LAK Field Update

At the LAK Field, weather and staffing related issues have prevented Maha from bringing the newly drilled horizontals on production. The crew at LAK are currently working to commence production and injection before the end of the first quarter of 2019 with a goal of "proving up" the technology can create cashflow positive operations at LAK which could then, in turn, lead to a full field development.

Reserves

Industry Standard Reserve definitions and procedures that Chapman Petroleum Engineering Ltd. apply required a periodic economic and technical evaluation of the LAK technology implementation. As reported, this resulted in LAK's probable reserves being downgraded by 4.7 million barrels this year.

The Company's decision to accelerate the development plan at Tartaruga Field resulted in 3.1 million barrels of reserves being migrated from 3P Possible Reserves to 2P Probable reserves for an overall Companywide reduction in 2P reserves of about 5%. As the new drilling results from the 2018 Capital program were not available this year other expected increases in proven reserves were not recorded in 2018 but should appear in 2019. Total production volumes for 2018 were 647,607 BOE's- about 5% of Maha's proven reserves.

I continue to be grateful for all the support and encouraging e-mails we receive from our extended family of "Maha Investors". 2019 is shaping up to be a great year for Maha.

"Jonas Lindvall"

Managing Director

Q4 Webcast

There will be a live webcast today, 28 February at 17:00 CET (Stockholm time) to review and discuss Maha Energy's Fourth Quarter results and to provide an operational update. The webcast will be broadcast live on Nyhetsbyrån Direkts Youtube Channel and will be hosted by Laikas Mr. Mats Jonsson and will feature Maha Energy's CEO Jonas Lindvall and Maha Energy's CFO Andres Modarelli. For further details please consult the Company's website: www.mahaenergy.ca

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Miscellaneous

This information is published in accordance with the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact persons set out above on February 28, 2019, at 3:00 am CET.

Maha in Brief

Maha Energy AB is a Swedish public limited liability company. FNCA Sweden AB has been engaged as Certified Adviser. 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 26 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.

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