

Maha Energy AB awards Drilling Contract to Global Business Services in Oman for a six well drilling campaign

Maha Energy AB (publ) is pleased to announce the signing of a Letter of Award (“LOA”) with Global Business Services (“GBS”) in Muscat, Oman for the drilling of a minimum of six wells, on Block 70, onshore Oman.

The LOA is binding and precedes a Drilling Contract which is expected to be finalized in the near future. The Drilling Rig, GBS-1 (formerly OGI-4) is a 1,000 hp super single top drive rig, built in 2010 and is currently located in Muscat, Oman.

The rig will be prepared for the campaign and expected mobilization is in June, 2022. The drilling program will consist of two appraisal wells followed by four horizontal pilot production wells on the Mafraq structure.

Jonas Lindvall, CEO at Maha comments: “We are very excited about working with GBS on this project. The GBS-1 rig is an ideal drilling rig for this project since it can move very quickly between well sites. We are also very excited about breaking ground on the Mafraq field and look forward with anticipation to the preliminary results of the pilot well tests.”

Immediate plans for the Mafraq oilfield include obtaining important reservoir information to assist in developing a full Field Development Plan. Information that will be acquired in the first two appraisal wells includes, but is not limited to, the Oil Water Contact (OWC), petrophysical properties, cores and identification of possible water disposal zones. After the two appraisal wells are drilled and completed, four horizontal pilot production wells will be drilled. These four wells will be completed with state-of-the-art PCP pumps from Canada and then placed on an extended well test to further ascertain oil productivity.

About the Mafraq field

Maha was successful in securing Block 70, which contains the Mafraq heavy oil discovery, in a 2019 – 2020 bid round. The Mafraq structure is a delineated heavy oil field that was extensively tested by Petroleum Development Oman (PDO) in 1988 and 1991. The field tested 15,700 barrels of 13° API oil over a period of 24 days using a Progressive Cavity Pump (PCP) from a single well. The test well, MF-5, tested 100% oil for less than a day after which water encroachment stabilized at a 25 - 28% watercut. It is unknown why PDO did not develop the field at the time, but it is likely that prevailing commodity prices (US\$ 18 – US\$ 20 per bbl) and access to other lower cost opportunities precluded Mafraq as a development option at the time.

According to the independent reserve auditor, Chapman Petroleum Engineering Ltd. of Calgary, Canada, the Mafraq field may hold approximately 35 million barrels of recoverable oil (2C + 2P as at 31 December 2021). The OWC has not been penetrated yet which renders possible further upside to these volumes. The Mafraq structure is an East-West fault bounded anticline with the productive interval being at +/- 430 meters below

the ground level. The oil flows freely in the reservoir at 51° C and is expected to cold flow to surface in commercial quantities.

Miscellaneous

The information was submitted for publication, through the agency of the contact person set out below, 15:00 CET on 14 April, 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