Q2

Report for the

SIX MONTHS ENDED
30 JUNE 2020

(org number: 559018-9543)

Highlights

(all amounts are in US dollars unless otherwise noted)

Second Quarter 2020

- Record daily oil & gas production for Q2 2020 averaged 3,602 BOEPD (Q2 2019: 2,739 BOEPD)
- Illinois Basin, acquired at the end of Q1 2020, averaged at 144 BOEPD for Q2 2020
- Revenue of USD 7.9 million (Q2 2019: USD 14.1 million)
- Operating netback of USD 4.4 million or USD 13.80 per BOE (Q2 2019: USD 10.7 million or USD 43.30 per BOE)
- EBITDA of USD 3.4 million (Q2 2019: USD 9.2 million)
- Net result of USD 0.4 million (Q2 2019: USD 6.2 million)
- Basic and Diluted Earnings per share of USD 0.00 (Q2 2019: USD 0.06)
- Cash and cash equivalents balance of USD 15.7 million (Q2 2019: 20.5 million)

Six Months Ended 30 June 2020

- Daily oil & gas production for H1 2020 averaged 3,445 BOEPD (H1 2019: 2,704 BOEPD).
- Revenue of USD 19.1 million (H1 2019: USD 25.8 million)
- Operating netback of USD 12.2 million or USD 20.42 per BOE (H1 2019: 19.7 USD million or 41.83 USD per BOE)
- EBITDA of USD 9.9 million (H1 2019: USD 16.9 million)
- Net result for the period of USD 3.6 million (H1 2019: USD 10.4 million)
- Basic Earnings per share of USD 0.04 (H1 2019: USD 0.11)
- Diluted Earnings per share of USD 0.03 (H1 2019: USD 0.10)
- Cash and cash equivalents balance of USD 15.7 million (2019: 22.4 million)

Financial Summary

(TUSD, unless otherwise noted)	**Q2 2020**	Q1 2020	Q4 2019	Q3 2019	Q2 2019	**H1 2020**	H1 2019	FY 2019
Net Daily Production (BOEPD)	**3,602**	3,288	3,165	3,593	2,739	**3,445**	2,704	3,044
Revenue	**7,926**	11,207	13,672	16,068	14,098	**19,133**	25,849	55,589
Operating netback	**4,377**	7,858	9,825	12,017	10,668	**12,235**	19,697	41,539
EBITDA	**3,436**	6,434	8,354	10,663	9,188	**9,870**	16,851	35,868
Net result for the period	**407**	3,191	2,679	6,570	6,157	**3,598**	10,405	19,654
Earnings per share – Basic (USD)	**0.00**	0.03	0.03	0.07	0.06	**0.04**	0.11	0.20
Earnings per share – Diluted (USD)	**0.00**	0.03	0.02	0.06	0.06	**0.03**	0.10	0.18
Cash and cash equivalents	**15,699**	19,190	22,450	20,421	20,504	**15,699**	20,504	22,450

Definitions

Abbreviations

CAD	Canadian Dollar
SEK	Swedish Krona
BRL	Brazilian Real
USD	US Dollar
TSEK	Thousand SEK
TUSD	Thousand USD
MSEK	Million SEK
MUSD	Million USD

Oil related terms and measurements

BOE or boe	Barrels of Oil Equivalents
BBL or bbl	Barrel
BOEPD	Barrels of Oil Equivalents Per Day
BOPD	Barrels of Oil Per Day
Mbbl	Thousand barrels of Oil
MMbbl	Million barrels of Oil
Mboe	Thousand barrels of oil equivalents
MMBoe	Millions of barrels of oil equivalents
Mboepd	Thousand barrels of oil equivalents per day
Mbopd	Thousand barrels of oil per day
MCF	Thousand Cubic Feet
MSCFPD	Thousand Standard Cubic Feet per day
MMSCF	Million Standard Cubic Feet
MMSCFPD	Million Standard Cubic Feet Per Day
BWPD	Barrels of Water Per Day

Gas to oil conversion

6,000 cubic feet = 1 barrel of oil equivalent

Letter to shareholders

Dear Friends and Fellow Shareholders of Maha Energy AB,

Record Quarter

The COVID-19 pandemic continues to challenge our business. Despite a record quarter for production, quarterly revenue is just over half of the comparable period last year. Three individuals (contractors) working at the Tie field tested positive for the virus, directly impacting operations (all three have since recovered). And finally, travel restrictions continue to cause real problems for the movement of equipment and people in Brazil. Despite this, Maha had a record quarter in terms of production, the quarterly netback is a healthy US$ 13.80 per boe, OPEX is US$ 7.66 per boe and our G&A cost is a stellar US$ 2.61 per boe. Simply put at the average quarterly Brent price of US$ 29.34, Maha is still generating significant positive netbacks (US$ 13.80 per boe). Corrected for G&A expenses, on a per barrel basis, and Maha will continue to generate positive cashflows at a Brent Oil price as low as US$ 16 per bbl. We are pleased to report our highest production quarter on record and 11th straight quarter of positive net results – we are still profitable, even at these challenging times. A true testament to the robustness of our assets and our team.

The first two months of the second quarter was in the epicenter of the COVID-19 storm. Our production capability suffered; as did the oil price. OPEX and CAPEX were reduced to conserve cash and the Company temporarily prepared for survival mode. Towards the end of the quarter, however, as the OPEC+ production cuts started to bite, and as oil prices stabilized, our operations and project work could resume. In terms of field activity, we are almost back to pre-COVID-19 levels.

Field work in Brazil

An unseasonably wet 'rainy season' has affected civil works for the remaining minor project works at the Tie field. The effect of this are a few weeks delay in flowline installations between GTE-4 and the battery, the compressor installation and the GTE-7 water supply line. Construction progress of the Tie south drilling locations have also been delayed by the rain. Further, and as mentioned, COVID-19 has caused labor issues as contractors reported in sick. An important event during the quarter was the recompletion of GTE-4 from a free flowing well to a dual pumping well. Positively, the GTE-4 Sergi zone is now producing 800 BOPD on pump, some 300 BOPD more than what was anticipated. Finally, at Tartaruga, Gas-To-Wire started delivering electricity to the local grid allowing for the associated gas there to be monetized.

Government Incentives

In response to the tough times, the Brazilian Government is considering temporarily reducing the oil and gas royalty from 10% to 5%. If this proposal is implemented, Maha will be profitable at an even lower oil price.

Negative Oil Price on 20 April.

On 20th April, history was made when, for one day, WTI oil was sold at a negative US$ 36.98/bbl, meaning that sellers were paying buyers to take their oil. Of course, there was no fundamental supply and demand cause for this, instead it stemmed from oil traders having to pay to get out of their future contracts. Something we are not likely to see again. Note that this event affected only WTI oil, Brent oil was largely unaffected. Even as unusual as that was, it demonstrates how uncertain and volatile the oil markets were (and still are) due to the demand erosion of COVID-19.

The short version of the current oil market is;

- unprecedented reduction in demand for oil (although not as much as originally believed),
- there is still a large surplus of oil available, keeping prices low,
- high cost production has been hit very hard (shale oil, deepwater, oilsands)
- CAPEX has been slashed from already depressed expenditure levels,
- hundreds of independent oil companies have filed for bankruptcy since 2015.

Surprisingly, according to the Energy Information Agency (EIA), crude oil and gasoline inventories in the United States is only 16% and 8% higher respectively than the 5-year moving average[1]. Furthermore, on 4 August, the EIA Monthly Crude Oil and Natural Gas Production Report stated: "Production of crude oil decreased in the United States in May 2020 by 1.99 million barrels per day (b/d), the largest monthly decrease since at least January 1980."

Given the OPEC+ cuts, the smaller than originally forecasted demand reduction, the knee-jerk reaction of industry CAPEX slashing, and as the world reboots, an upcoming crude oil shortage is easy to see. The timing of the balancing of the markets have constantly been updated and brought forward. Some analysts believe that the supply/demand curves will cross already in the third quarter of this year. Of course, OPEC+ will easily be able to accommodate the increase in oil demand to the pre-COVID-19 levels, but thereafter it will become challenging. Slashing of CAPEX this year is compounded by five consecutive years of depressed investments into oil and gas projects. Given the very long lag time for oil to be brought on stream and onto the markets, the lack of investments for the past 6 years is concerning.

As the old adage goes: "the cure for high prices are high prices" – and the inverse of this is true as well.

To still turn a profit during the absolute worst quarter in modern history says a lot about the tenacity and resilience of the Maha team. I am super thankful to all of my fellow Maha colleagues for keeping the Company going whilst we all battle this pandemic. We think we are superbly prepared for the upcoming upturn in oil prices.

Stay well and stay healthy,

"Jonas Lindvall"

Managing Director

[1] EIA. August 4, 2020 U.S. Energy Information Administration's (EIA) Monthly Crude Oil and Natural Gas Production Report. And 31 July,2020 Weekly Petroleum Data Report.

Financial Report for the Second Quarter ended 30 June 2020

OPERATIONAL AND FINANCIAL REVIEW

Strategy

The Company's business activities include the exploration for and development and production of hydrocarbons. The Company's core expertise is in primary, secondary and enhanced oil and gas recovery technologies and, as such, its business strategy is to target and develop underperforming hydrocarbon assets. By focusing on assets with proven hydrocarbon presence and applying modern and tailored technology solutions to recover the hydrocarbons in place, the Company's primary risk is not uncertainty in reservoir content but in the fluid extraction.

COVID-19 and Low oil price response

The COVID-19 crisis, its economic impact along with the oil price decline provides an exceptionally challenging market situation. Maha closely monitors the COVID-19 related developments with the main focus on reducing the risk of the virus spreading in its operations and safeguarding the well-being of the Company's employees and contractors, whilst at the same time minimising the potential impact on the business. The COVID-19 pandemic has had significant negative effects on economies of the jurisdictions where the Company operate, including a substantial decline in crude oil and natural gas product prices. Additionally, it has resulted in volatility and disruptions in regular business operations, supply chains and financial markets as well as declining trade and market sentiment.

Maha has high quality, low cost assets, which are well positioned in a low oil price environment. Nevertheless, the Company has taken steps to defer activity and reduce spend, in order to further strengthen near term cash flow and liquidity of the business. Maha has revised the 2020 capital budget to 15.5 million, a reduction of 25% from the original budget, with further reductions in operating costs being implemented. During March, operations at the LAK Ranch oil field were suspended until prices improve. Maha has continued to evolve its management practices to ensure the health and safety of our workers and contractors. Where possible Maha have temporarily scaled back headcount, implemented work from home policies, implemented practices to monitor and control access to our sites via typical COVID monitoring protocols and continue to, at a very minimum, comply with local country legislation. During the current quarter, Maha continued to make cost reductions and other operational improvements to be able to continue profitable operations in the low oil price environment.

The Company believes that measures it has taken will provide it with the financial capability to maintain its operations in safe and reliable manner and continue to challenge its cost structure. The Company is confident that commodity prices will eventually improve, however the timing of the improvement is uncertain, and continued volatility is expected.

Assets

Country	Concession name	Maha Working Interest (%)	Status	Gross Area (acres)	BOEPD ([1])	Partner
USA	LAK Ranch	99%	Pre-Production	6,475	-	SEC (1%)
USA	IL basin (various)	100% (*)	Producing	4,039	144	
Brazil	Tartaruga	75%	Producing	13,201	731	Petrobras (25%)
Brazil	Tie (REC-T 155)	100%	Producing	1,511	2,727	
Brazil	REC-T 155	100%	Exploration	4,276	-	
Brazil	REC-T 129	100%	Exploration	7,241	-	
Brazil	REC-T 142	100%	Exploration	6,856	-	
Brazil	REC-T 224	100%	Exploration	7,192	-	
Brazil	REC-T 117	100%	Exploration	6,795	-	
Brazil	REC-T 118	100%	Exploration	7,734	-	

(*) Average working interest of 95% based on a net area of 3,826 acres.

BRAZIL

Tie Field (Reconcavo Basin)

Maha owns and operate, through a wholly-owned subsidiary, 100% working interests in six onshore concession agreements located in the Reconcavo Basin of Brazil, including the oil producing Tie field. The Tie field and the six concessions are located in the state of Bahia, onshore Brazil. The six concessions are in varying stages of exploration and development. A total of 8 wells had been drilled and 212 km² of 3D seismic had been acquired by the previous Operator over the 41,606 total acres.

GTE-3 (oil producer)
During the third quarter of 2018, the GTE-3 well was recompleted with a newly acquired jet pump immediately adding about 900 BOPD to the Tie field production. Due to a stuck pressure plug in the short string, GTE-3 was comingled from both the Agua Grande (AG) and Sergi zones. Work to convert the GTE-3 well from a single comingled well to a separate dual completion was completed in July 2019. GTE-3 now produces individually from both the AG and Sergi zones.

GTE-4 (oil producer)
During the month of October 2019, and as expected, the GTE-4 Sergi formation (long string) temporarily stopped free-flowing which led the Company to commence advanced plans to reconfigure GTE-4 to install a downhole jet pump artificial lift system, as and when operations permit. This was not unexpected, for which in anticipation of this, the Company had already installed the surface jet pumping equipment at the well site. During April 2020, GTE-4 was worked over and dually completed. The well is currently on pump and is being flow-tested.

7-Tie-1DP-BA (Attic Well) or (Tie-1)
On February 18, 2019 Maha spudded its first development well to boost production at the Tie field. The primary objective of this well was to dually complete the AG and Sergi zones at a structurally higher position to the already free flowing GTE-4 well. A secondary objective was to penetrate and evaluate the slightly deeper Boipeba sandstone reservoir. However, poor reservoir development of the Boipeba formation resulted in no hydrocarbon presence at

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[1] As per the current quarter reported net production volumes to Maha before royalties. 1BBL = 6,000 SCF of gas. Approximately 94% of Maha's oil equivalent production is crude oil.

this location. Following the initial single completion, the well was recompleted using a dual 2-3/8" tubing completion with initial free flowing tests from the Sergi and AG formations of 985 BOPD (1,088 BOEPD) and 1,726 BOPD (1,844 BOEPD) respectively with neither zone producing any noticeable water amount. During these tests the AG production had to be choked back (restricted) due to surface equipment limitations, suggesting potential higher production rates. The well was hooked up in June 2019 and is currently producing under natural flow from both zones.

Future wells: Tie South-1 (Tie-2) and Tie South-2 (Tie-3)
Final environmental approvals were obtained in February for these two wells. Tie-2 is planned as a near vertical dual producer whilst the Tie-3 is planned to be a dual water injector. Planning is far advanced and location preparation work started. A drilling rig has been located and was contracted at the beginning of August. All tangible equipment for these wells has already been purchased. Drilling of these two wells has been rescheduled for the last quarter of 2020 and early 2021 for the water injector (Tie-3), due to the unique challenges emerging as a result of the COVID-19 effect in Brazil. Each well is anticipated to take 40 – 45 days to drill and complete.

Production Facilities
During 2019, the production facilities at the Tie field were upgraded from its original 2,000 BOPD handling capacity to 5,000 BOPD. As the Tie field is not connected to a pipeline system, all oil is exported by trucks. The associated gas is separated and sold locally to two customers. Additionally, the Tie Compression Project, which will add two (2) 1,380 HP Ariel Compressors at the Tie field, will provide 'spill over' gas reinjection capabilities to ensure oil can be produced uninterruptedly. The gas compressors are expected to be commissioned towards the end of Q3 2020.

Average production from the Tie field during the current quarter was 2,727 BOEPD (2,521 BOPD of oil and 1,232 MSCFPD of gas). Oil production at the Tie field continues to remain stable despite movement restrictions due to the COVID-19 pandemic. Maha was able to increase oil production during the quarter resulting from ability to sell more gas to its customer as a new gas end-user started taking deliveries during the quarter.

Tartaruga Field

Maha has a 75% working interest in the Tartaruga development block, located in the Sergipe Alagoas Basin onshore Brazil. The Tartaruga field is located in the northern half of the 13,201 acre (53.4 km^2) Tartaruga Block and produces light (41° API) oil from the Penedo sandstone reservoir. The Penedo sandstone consists of 27 separate stacked sandstone stringers, having all been electrically logged and are believed to contain oil, and of which only 2 of the 27 have been produced (Penedo 1 and Penedo 6).

7TTG Well
The workover to recomplete the 7TTG well with larger tubing and a dedicated jet pump was completed in 2019. The P1 and P4 sandstones were perforated, and the P1 zone stimulated using high pressure hydraulic stimulation technology. Subsequent clean-up operations have yielded a stabilized production rate of 750 BOPD (gross) from the P1 zone only. The Penedo 1 sandstone had never been produced in the 7TTG well and was considered 'pay-behind-pipe'. The well is currently on production.

107D Sidetrack
In early 2019, drilling of the 107D horizontal sidetrack was completed with a 500 meters long horizontal hole in the Penedo-1 sandstone penetrating 312 meters of very good to excellent oil and gas shows. These results are important because they prove up horizontal continuity of the Penedo sandstone stringers and the applicability of horizontal drilling technology in the Tartaruga field. The liner has now been perforated using a coiled tubing unit with immediate indications of hydrocarbons observed. A workover operation was planned for the end of 2019 to repair a hole in the 7" casing and to properly test the horizontal; production capacity. Delays in workover rig mobilization pushed this work out to the beginning of 2020. The 7" casing repair operations were completed during January 2020 and the well placed on production tests. After a 20 day test, the 107D well flowed 937 BOPD with the assistance of a jet pump. Flow was restricted due to surface handling limitations. It is expected that the well can and will produce

at higher rates once the Tartaruga Facility has been upgraded to handle larger volumes. The 107D well is currently on production.

Maha has demonstrated the applicability of horizontal drilling as a very beneficial extraction technology for the Penedo sandstone reservoirs. This is the first horizontal wellbore to have been drilled in the Penedo sandstone reservoir.

Maha-1 (7-TTG-3D-SES) Delineation (new) Well

On 12 July 2019, the Company spudded Maha-1 and Total Depth (TD) was reached on 3 October 2019. The well was cased and cemented and the rig released in mid-October. Because of space limitations at the Tartaruga location, a smaller rig had to be brought in to assist in well testing operations. The plan was for Maha-1 to undergo extensive well tests to evaluate previously untested Penedo sandstone stringers. On 23 January, 2020, a workover rig was positioned over the Maha-1 well and well testing operations commenced.

Maha-1 is primarily an appraisal well to provide much needed well information for the Tartaruga field Development Plan. Well testing on Maha-1 was expected to take between 60 – 90 days, and targeted up to five different intervals in the Penedo sandstone. Results of the first testing interval(s) will dictate the final number of testing intervals.

Unfortunately, during March 2020, the Company elected to suspend testing of Maha-1 until 2021 due to the effects of the COVID-19 pandemic:

(a) movement of specialized stimulation equipment, including explosives, in and out of the Tartaruga location became impossible due to reduced Government administrative availability;
(b) the remaining testing operations cover previously tested and hydrocarbon bearing zones that will become 'trapped' behind pipe due to the current Tartaruga Facility +/- 800 BOPD handling limit; and
(c) it allows the Company to utilize capital more effectively elsewhere in the organization in response to the low oil prices.

The higher than expected oil rates from the 107D well, which tested at a surface restricted rate of 939 BOPD in February, is adequate to fill the current production handling capacity at the Tartaruga Facility of approximately 800 BOPD. While important subsurface information would be gathered from the well test, little is gained by completing the Maha-1 testing program until such time the Tartaruga Facility is able to handle volumes greater than 800 BOPD.

Production Facilities

Current handling facilities at Tartaruga Field allow for approximately 800 BOPD of processing and handling with storage limited at 1,350 barrels of oil. Current oil production is limited by associated gas flare limitations, and plant handling capacity. Currently, crude oil export is via oil trucks as the facility is not linked to a pipeline system. During the second half of 2019, facilities upgrade work began to handle up to 2,500 BOPD and 2,500 MSCFPD of associated gas. Environmental licenses have already been obtained for the implementation of a Gas-to-Wire (GTW) project that will handle the excess gas for this upgrade. GTW equipment is now in place, and as of early July, the Company is delivering associated natural gas to four gas electric generators. The facilities upgrades were planned to be fully completed during the first half of 2020. However, due to the indirect effect of the COVID-19 pandemic, which is now impacting both the administrative and logistics of the project along with the addition of Maha-1 (well), it has been decided to delay the implementation of the facility upgrade. The Company plans to dovetail the finalization of the upgrade work with the completion of the Maha-1 well once the market and pandemic conditions improve.

The Company has plans in place whereby a temporary production facility will be made available by a third party, to ensure production is not reduced due to facility handling constraints should the current conditions ease and the Maha-1 brought on stream before the Facility is fully upgraded.

Average net production from the Tartaruga field during the current quarter was 731 BOPD of oil.

USA

Illinois Basin

On 31 March, 2020. Maha acquired certain oil producing assets in the Illinois Basin, USA, adding 3,374 net acres of oil and gas leases to Maha's USA footprint. The Illinois Basin is one of the oldest oil producing basins in North America having produced over 4 billion barrels of oil to date. Oil was initially discovered by accident in 1853 according to historical records and oil is found in multiple shallow Dolomite and sandstone reservoirs. Most producers in the area produce oil from 3 separate reservoirs that act independent of each other. This is a low risk conventional oil play that requires low cost drilling and stimulation operations. During 2019, Dome AB Inc (the acquired company) produced a total of 64,000 barrels of oil at a netback of approximately US$ 31/bbl. Realized price is WTI minus US $3/bbl.

As part of the acquired assets, Maha has acquired contractual commitments to drill one well and to complete a drilled but uncompleted well. This activity is scheduled to be completed in the third and fourth quarter of this year. Other commitments have been successfully rescheduled to fiscal year 2021.

Since acquiring the Illinois Basin asset from Dome AB Inc, Maha has undertaken workovers on seven wells that were either shut-in, poorly performing or had recently failed. In addition, Maha completed perforation and stimulation of a new geological zone in one of the existing wells which will enhance Maha's ability to produce from this well.

Average net production from the Illinois basin during the current quarter was 144 BOPD of oil.

LAK Ranch (LAK)

The Company owns and operates a 99% working interest in the LAK Ranch oil field, located on the eastern edge of the multi-billion barrel Powder River Basin in Wyoming, USA.

The crude oil density produced from the LAK area is 19° API. Since the purchase of this field in 2013, the Company has been evaluating different oil recovery mechanisms and is currently working towards a staged full field development using a hot water injection scheme. Multiple attempts have been made on the field since its discovery in the 1960's, including cyclic steam, steam assisted gravity drainage and solvent injection. Maha has determined through drilling results, core analysis, and computer aided modelling, core tests and field pilot tests that a simple water flood using hot water produces the best economic results. The LAK Ranch asset is still considered to be in the pre-production stage and undergoing delineation and pre-development work. As such royalties and operating costs, net of revenues, since the commencement of operations have been capitalized as part of exploration and evaluation costs.

Phase 3 of Development Plan

The Company is monitoring the effect of the combined injection and production operations of Phase 3. No further work will be undertaken at LAK until the results of the Phase 3 development program have been analyzed. LAK field operations were suspended beginning of March and remained suspended for the second quarter. As a result of suspension of operations, Phase 3 analysis work will be completed once the operations resume.

During the current quarter, the Company generated incidental revenue from LAK Ranch of TUSD nil, on average sales volumes of nil as LAK field was considered uneconomic due to decline in the oil prices.

Production

	Q2 2020	Q2 2019	**H1 2020**	H1 2019	Full Year 2019
Delivered Oil (Barrels)[2]	**309,063**	232,439	**580,045**	457,116	1,019,047
Delivered Gas (MSCF)	**112,105**	101,079	**281,290**	194,032	552,862
Delivered Oil & Gas (BOE)[3]	**327,747**	249,286	**626,927**	489,455	1,111,191
Daily Volume (BOEPD)	**3,602**	2,739	**3,445**	2,704	3,044

Production volumes shown are net working interest volumes before government, gross overriding and freehold royalties. Approximately 94% (Q2 2019: 93%) of total oil equivalent production was crude oil for Q2 2020.

Average daily production volumes increased by 31% for the current quarter as compared to Q2 2019 and increased by 27% for the first half of 2020 ("H1 2020") in comparison to the same period in 2019. Maha's production continues to be impacted by the COVID-19 pandemic as the end gas user at the Tie field is impacted by the municipal border closures and product demand reduction; however, despite these restrictions, the Company was able to increase the quarter over quarter production because of higher oil and gas production from the Attic well (Tie), production commencing from the 107D well (Tartaruga) and Illinois basin during the quarter. During the quarter, the main gas customer at the Tie field secured a new end gas user, allowing for slightly higher oil and gas production.

Revenue

(TUSD, unless otherwise noted)	**Q2 2020**	Q2 2019	**H1 2020**	H1 2019	Full Year 2019
Oil and Gas revenue	**7,926**	14,098	**19,133**	25,849	55,589
Sales volume (BOE)	**317,470**	246,393	**599,055**	470,821	1,066,084
Oil realized price (USD/bbl)	**26.88**	60.83	**34.75**	58.35	56.32
Gas realized price (USD/MSCF)	**0.62**	1.35	**0.71**	1.33	1.11
Equivalent oil realized price (USD/Boe)	**24.97**	57.22	**31.94**	54.90	52.14
Reference price – Brent (USD/bbl)	**29.34**	68.92	**39.89**	66.05	64.36

Revenue for the current quarter amounted to TUSD 7,926 (Q2 2019: TUSD 14,098), a decrease of 44% as compared to Q2 2019. During the current quarter, despite higher sales volumes by 29% from Q2 2019, realized prices were lower by 56% as compared to Q2 2019. Lower realized prices are in line with the fluctuations in the Brent oil marker during the related periods. Included in the Q2 2020 revenue are sales from the Illinois Basin of TUSD 357. Increase in sales volumes was in line with the higher production volumes during the current quarter.

Revenue for the H1 2020 amounted to TUSD 19,133 (H1 2019: TUSD 25,849), a decrease of 26% as compared to H1 2019. The decrease in revenue is in line with the depressed oil and gas market and prices resulting from the current economic conditions from the COVID-19 pandemic. Maha increased the sales volume by 27% for the H1 2020 as compared to the same period in 2019 from higher oil production during the period.

LAK Ranch production volumes are excluded from sold volumes as this field is still in pre-production stage. More revenue information can be found in Note 4 to the Condensed Consolidated Financial Statements.

Crude oil realized prices in Brazil are based on Brent price less/plus current contractual discounts/premiums as follows:

[2] Includes LAK Ranch Oil delivered during the period
[3] BOE is Barrels of Oil Equivalent and takes into account gas delivered and sold. 1 bbl = 6,000 SCF of gas

Tie Field crude oil
Crude oil from the Tie field is sold to Petrobras and a nearby refinery. For crude oil sold to the refinery, effective April 1, 2020, the discount is price-based scale as follows:

BRENT Price (USD/bbl)	Discount (USD/bbl
< $30	$5
Between 30.1 and 40	$6
Over 40.1	$8

Crude oil sales to Petrobras from the TIE field are sold at a discount to Brent oil price of $11.53/bbl for the first 22,680 monthly delivered barrels, and $7.01 thereafter.

Tartaruga Field crude oil
Crude oil from the Tartaruga field is entirely sold to Petrobras. Since July 1, 2019, it has been sold at a premium to Brent of USD 0.16/bbl. Beginning July 1, 2020 Maha will sell at a discount to Brent of USD $2.91/bbl to Petrobras.

Illinois Basin
Crude oil from the Illinois Basin is sold on one customer at the benchmark monthly average WTI price minus US $3/bbl.

Royalties

(TUSD, unless otherwise noted)	**Q2 2020**	Q2 2019	**H1 2020**	H1 2019	Full Year 2019
Royalties	**1,116**	1,869	**2,646**	3,379	7,449
Per unit (USD/BOE)	**3.51**	7.59	**4.42**	7.18	6.99
Royalties as a % of revenue	**14.1%**	13.3%	**13.8%**	13.1%	13.4%

Royalties are settled in cash and based on realized prices before discounts. Royalty expense decreased by 40% and 22% for Q2 2020 and H1 2020, respectively, as compared to the same periods in 2019. This decrease in royalty expense is consistent with the decline in revenue for the same periods. Effective royalty rates are higher in Q2 2020 and H1 2020 as compared to the same periods mainly due to increased sales from the Tartaruga field that has a higher royalty rate than the Tie field in Brazil and addition of sales from the Illinois Basin, acquired at the end of Q1 2020, that also has a higher royalty rate.

Production expenses

(TUSD, unless otherwise noted)	**Q2 2020**	Q2 2019	**H1 2020**	H1 2019	Full Year 2018
Production costs	**1,953**	1,196	**3,288**	2,106	5,022
Transportation costs	**480**	365	**964**	667	1,579
Total Production expenses	**2,433**	1,561	**4,252**	2,773	6,601
Per unit (USD/BOE)	**7.66**	6.33	**7.10**	5.89	6.19

Production expenses are higher by 56% for the current quarter and amounted to TUSD 2,433 (Q2 2019: 1,561) and higher by 53% for the H1 2020 and amounted to TUSD 4,252 (H1 2019: 2,773) as compared to the same periods in 2019.

Maha's production is mainly trucked to the delivery points therefore transportation costs are directly correlated to the sales volumes. Higher transportation costs were in line with increased sales volumes by 29% and 27% for Q2 2020 and H1 2020, respectively, over the same comparative periods and increased handling costs from Petrobras' export facility for the Tartaruga field oil.

Production costs were high during the current quarter and H1 2020 as compared to the same periods in 2019 due to several reasons: first, newly acquired Illinois Basin added TUSD 305 to the production costs as Maha performed workovers on seven wells that were either poorly performing or had recently failed; second, higher sales volumes from Tartaruga field resulted in higher production costs as most of these costs are variable in nature; and third, certain one-time costs in Brazil attributable to the COVID-19 pandemic. As the majority of the expenses are denominated in Brazilian real, the costs increase for the quarter have been partially offset by currency gains in US dollar terms, from a weakening Brazilian real.

On a per BOE (or unit) basis, production expense increased by 21% for the current quarter and was USD 7.66 per BOE and increased by 20% for the H1 2020 and was USD 7.10 per BOE as compared to the comparative periods due to the same reasons as above.

Operating netback

(TUSD, unless otherwise noted)	**Q2 2020**	Q2 2019	**H1 2020**	H1 2019	Full Year 2018
Operating Netback	**4,377**	10,668	**12,235**	19,697	41,539
Netback (USD/BOE)	**13.80**	43.30	**20.42**	41.83	38.96

Operating netback is calculated as revenue less royalties and production expenses and is a metric used in the oil and gas industry to compare performance internally and with industry peers. Operating netbacks for Q2 2020 and H1 2020 were 59% and 38% lower against the comparative periods as a result of overall decrease in revenue despite higher sales volumes in the respective periods. This was further affected by higher production costs during these periods.

LAK Ranch is still in pre-production stage therefore royalties and operating costs, net of revenues, are being capitalized as part of exploration and evaluation costs and is not included in the Company's netback.

Depletion, depreciation, and amortization ("DD&A")

(TUSD, unless otherwise noted)	**Q2 2020**	Q2 2019	**H1 2020**	H1 2019	Full Year 2018
DD&A	**1,356**	1,317	**2,488**	2,755	5,671
DD&A (USD/BOE)	**4.27**	5.34	**4.15**	5.85	5.32

The depletion rate is calculated on proved and probable oil and natural gas reserves, accounting for the future development costs to produce the reserves. Depletion expense is computed on a unit-of-production basis. The depletion rate will fluctuate on each re-measurement period based on the capital spending and reserves additions for the period.

DD&A expense for the current quarter amounted to TUSD 1,356 (at an average rate of USD $4.27 per boe) is in line with the comparative period of Q2 2019 that amounted to TUSD 1,317 (at an average rate of USD $5.34 per boe). The decrease in the depletion rate on a per boe basis resulted from the higher 2P reserves for 2020 as compared to 2019 and higher sales volume than the comparative period. Illinois Basin DD&A expense was not significant for the quarter.

DD&A expense decreased by 10% for H1 2020 and amounted to TUSD 2,488 (at an average rate of USD $4.15 per boe) as compared to TUSD 2,755 (at an average rate of USD $5.85 per boe). Decrease in the depletion rate is mainly contributed to the increased 2P reserves base at 2019 yearend. Depletion expense was further impacted by the BRL/USD exchange rate as Brazilian Reals has weakened against the US dollar as compared to the comparative periods and depletion is calculated in the functional currency of Brazilian Reals.

General and Administration ("G&A")

(TUSD, unless otherwise noted)	**Q2 2020**	Q2 2019	**H1 2020**	H1 2019	Full Year 2018
G&A	**828**	1,460	**2,039**	2,784	5,464
G&A (USD/BOE)	**2.61**	5.93	**3.40**	5.91	5.13

G&A expense for the current quarter amount to TUSD 828 and is lower by 43% as compared to the same period in 2019 as higher G&A amount was capitalized due to higher activity and lower travel costs as compared to the same period in 2019 which also included certain one-time costs. On a per BOE basis, G&A expenses are lower by 56% than the comparative period due to higher sales volumes as well as lower G&A expense.

G&A expense for H1 2020 amounted to TUSD 2,039 ($3.40 per BOE) which is a decrease of 27% from the comparative period G&A of TUSD 2,784 ($5.91 per BOE). H1 2020 G&A is lower due to the similar reasons as stated above.

G&A amounts are presented net, following allocation of certain costs into production expense and property, plant and equipment based on activity levels.

Exploration and business development costs

Exploration and business development costs amounted to TUSD 34 for Q2 2020 and TUSD 166 for H1 2020 as compared to nil for the comparative periods. Exploration and business development costs are related to costs incurred for the maintenance of the exploration blocks in Brazil and Maha's pre-exploration study of new areas.

Foreign currency exchange gain or loss

The net foreign currency exchange loss for the current quarter amounted to TUSD 23 (Q2 2019: TUSD 99 loss) and for the H1 2020 amount to loss of TUSD 143 (H1 2019: TUSD 94 loss). Foreign exchange movements occur on settlement of transactions denominated in foreign currencies and the revaluation of working capital to the prevailing exchange rate at the balance sheet date where those monetary assets and liabilities are held in currencies other than the functional currencies of the Company's reporting entities.

Net finance costs

Net finance items for the current quarter amounted to TUSD 1,176 (Q2 2019: TUSD 945) and for the H1 2020 amounted to TUSD 2,358 (H1 2019: 2,116) and are detailed in Note 5.

Income Taxes

Current tax expense amounted to TUSD 226 for Q2 2020 and TUSD 563 for H1 2020 as compared to TUSD 396 and TUSD 916 for the same comparative periods. Current tax expense is lower by 43% and 39% for the current quarter and H1 2020, respectively, as compared to the same periods in 2019 mainly due to lower taxable income in Brazil resulting from lower oil and gas prices realized during these periods. Taxation of corporate profits in Brazil is a combined 34% rate (25% corporate income tax and 9% Social contribution); however, Maha Energy Brazil has certain tax incentives (SUDENE) in both of its fields allowing for the reduction of 75% of the corporate income tax from 25% to 6.25%, bringing the combined net tax rate to 15.25%.

Deferred tax expense amounted to TUSD 248 for the quarter as compared to TUSD 274 for the same comparative periods and for the H1 2020 was TUSD 720 as compared to TUSD 565 for H1 2019. The deferred tax expense in the quarter is a result of the unwinding of the deferred tax asset related to estimated tax deductible temporary differences and tax loss carry-forwards.

Exchange differences on translation of foreign operations

The exchange differences on translation of foreign operations presented in Statement of Comprehensive Earnings increased significantly during the first quarter 2020 mainly due to US Dollars exchange rate strengthening against other currencies. This trend continued during the current quarter as the COVID-19 pandemic further strengthened the US Dollar. The functional currency of Company's subsidiary in Brazil is Brazilian Reals; however, for the presentation purpose all assets and liabilities are translated at the period end exchange rate and the Statement of Operations is translated at the average exchange rate of the period. During the first quarter, USD/BRL exchange rate increased by 29% as compared to 31 December 2019 exchange rate and further increased by 5.3% as at 30 June 2020 as compared to 31 March 2020 exchange rate. This increase in the exchange rate added TUSD 5,021 (Q2 2019: TUSD 1,053 gain) currency translation loss to the current quarter's total comprehensive loss. Total currency exchange translation loss for H1 2020 amounted to TUSD 23,517 (H1 2019: 1,089 gain).

Liquidity and capital resources

The Company manages its capital structure to support the Company's strategic growth. The Company's objectives when managing its capital structure are to maintain financial flexibility, preserve access to capital markets, ensure its ability to finance internally generated growth and to fund potential acquisitions while maintaining the ability to meet the Company's financial obligations as they come due. The Company considers its capital structure to include shareholders' equity of USD $68.7 million (31 December 2019: USD $87.9 million) plus net debt of USD $15.5 million (31 December 2019: 8.2 million). At 30 June 2020, the Company's working capital was USD $12.2 million (31 December 2019: USD $23.3 million surplus), which includes USD $15.7 million of cash (31 December 2019: USD $22.5 million) and USD $1.2 million of restricted cash (31 December 2019: $1.6 million). The restricted cash relates to cash posted in Brazil to guarantee letters of credit for certain work commitments and support of abandonment guarantees (See Note 16). Maha considers working capital operational in nature, therefore, it excludes the current portion of the Bonds payables, which corresponds to financing activities of the Company.

The Company may adjust its capital structure by issuing new equity or debt and adjusting its capital expenditure program, as allowed pursuant to contracted work commitments. The Company does not have any externally imposed material capital requirements to which it is subject except for the Bond covenants (See Note 8). In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Bonds mature in May 2021 and Maha is compliant with all Bond covenants. There is risk that the Company either has insufficient funds to settle the principal amount of the Bond or is unable to successfully refinance or rollover the Bond for an additional term. At this time, the Company expects to refinance or repay the Bonds through either existing cash, future operating cashflows, or issuance of new debt or equity.

Risks and Uncertainties

The Company thoroughly examines the various risks to which it is exposed and assesses the impact and likelihood of those risks. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and to monitor market conditions and the Company's activities. This approach actively addresses risk as an integral and continual part of decision making within the Company and is designed to ensure that all risk is identified, fully acknowledged, understood and communicated well in advance. Nevertheless, oil and gas exploration, development and production involve high operational and financial risks, which even a combination of experience, knowledge and careful evaluation may not be able to fully eliminate or which are beyond the Company's control. The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management.

A detailed analysis of Maha's operational, financial, and external risks and mitigation of those risks through risk management is described in Maha Energy's 2019 Annual Report and updated in Note 12. The current and any future COVID-19 outbreaks may increase the Company's exposure to, and magnitude of, each of the risks and uncertainties identified in our Annual Report for the year ended December 31, 2019. The extent to which the COVID-19 impacts Maha's business, results of operations and financial conditions will depend on future developments, which are highly uncertain and are difficult to predict. Even after the COVID-19 outbreaks have subsided, the Company may continue to experience materially adverse impacts to the business as a result of the global economic impact. The Company will continue to monitor this situation and will work to adapting its business to further developments as determined necessary or appropriate.

Legal matters

The Company has a number of disclosed legal matters concerning labor, regulatory and operations. All of these are considered routine and consistent with doing business in Brazil. Provisions for lawsuits are estimated in consultation with the Company's Brazilian legal counsel and have been recorded under Other long-term liabilities and provisions.

Health, Safety and the Environmental ("HSE")

At Maha, HSE is a key component of its management systems. Maha Energy strives to provide a safe and healthy work environment for all employees, contractors and suppliers. This means the safety of life, limb, environment and property always comes first. The Company actively monitors all operational sites and proactively encourages everyone to be mindful of all the Company's HSE Values. This is achieved through education, enforcement and reporting. Everyone working or visiting our sites have the right to stop work at any time to prevent potential HSE incidents occurring. Maha's HSE Values set the tone for how employees, contractors, stakeholders and the environment are approached.

In light of the ongoing COVID-19 pandemic Maha has continued to evolve its management practices to ensure the health and safety of our workers and contractors. Where possible Maha has temporarily scaled back headcount, implemented work from home policies, implemented practices to monitor and control access to our operation sites via typical COVID monitoring protocols and continue to, at a very minimum, comply with local country legislations. To date Maha has been able to operate all our facilities throughout the pandemic and believe that it will continue to do so going forward.

Additional information on environmental, decommissioning and abandonment obligations in relation to oil and gas assets is presented in Note 9 to the Condensed Consolidated Financial Statements.

Corporate Governance and Sustainability

Part of contributing to society and being a good global citizen must entail doing 'what is right', in addition to adhering to laws and regulations. One of the ways we ensure sustainability is to maximize recovery from existing energy sources and in order to do so effectively it is important to minimize scope changes. If we can prevent costly and impactful changes in development plans, we contribute to sustainability. Another way to contribute to a sustainable planet, is to ensure all resources are used. We therefore recycle or reinject produced water at all our facilities which not only reduces having to find water from another source, but also reduces waste water treatment requirements. In Brazil, we are reducing the release of natural gas by using the waste gas from oil production to generate electricity.

Maha does not tolerate any form of corrupt practices and has in place Corporate Governance Policies that clearly define how we must conduct business. The best way to prevent corruption is through transparency - one of our core values. The Company has established a Code of Business Conduct and Anti-Corruption policies for all its employees, contractors and workers. More information on Corporate Governance can be found in Maha's Corporate Governance Report in the 2019 Annual Report (page 36 – 40).

Parent Company

Business activities for Maha Energy AB focuses on: a) management and stewardship of all Group affiliates, subsidiaries and foreign operations; b) management of publicly listed Swedish entity; c) fundraising as required for acquisitions and Group business growth; and d) business development.

The net result for the Parent Company for Q2 2020 amounted to TSEK -16,764 (Q2 2019: TSEK -6,968) which is higher than the comparative period partially due to higher exchange losses incurred as the US Dollars strengthened against the Swedish Krona. The result includes general and administrative expenses of TSEK 2,591 (Q2 2019: TSEK 1,809) and net finance costs of TSEK 5,939 (Q2 2019: TSEK 5,160) and foreign currency exchange loss of TSEK 8,234 (Q2 2019: 195 gain).

Related Party Transactions

The Company did not enter into any transactions with related parties during the quarter.

Subsequent Events

There are no subsequent events to report.

The financial information relating to the three and six months ended 30 June 2020 has not been subject to review by the auditors of the Company.

Approved by the Board

__``Jonas Lindvall``_____________________
Jonas Lindvall, Director

__``Harald Pousette``_____________________
Harald Pousette, Chairman

Financial Statements

Condensed Consolidated Statement of Operations

(TUSD) except per share amounts	**Note**	**Q2 2020**	Q2 2019	**H1 2020**	H1 2019
Revenue					
Oil and gas sales	4	**7,926**	14,098	**19,133**	25,849
Royalties		**(1,116)**	(1,869)	**(2,646)**	(3,379)
Net Revenue		**6,810**	12,229	**16,487**	22,470
Cost of sales					
Production expense		**(2,433)**	(1,561)	**(4,252)**	(2,773)
Depletion, depreciation and amortization	7	**(1,356)**	(1,317)	**(2,488)**	(2,755)
Gross profit		**3,021**	9,351	**9,747**	16,942
General and administration		**(828)**	(1,460)	**(2,039)**	(2,784)
Stock-based compensation	10	**(79)**	(20)	**(160)**	(62)
Exploration and business development costs		**(34)**	-	**(166)**	-
Foreign currency exchange gain (loss)		**(23)**	(99)	**(143)**	(94)
Operating result		**2,057**	7,772	**7,239**	14,002
Net finance costs	5	**(1,176)**	(945)	**(2,358)**	(2,116)
Result before tax		**881**	6,827	**4,881**	11,886
Current tax expense		**(226)**	(396)	**(563)**	(916)
Deferred tax expense		**(248)**	(274)	**(720)**	(565)
Net result for the period		**407**	6,157	**3,598**	10,405
Earnings per share basic		**0.00**	0.06	**0.04**	0.11
Earnings per share diluted		**0.00**	0.06	**0.03**	0.10
Weighted average number of shares:					
Before dilution		**101,249,326**	99,208,126	**101,183,193**	98,792,071
After dilution		**105,152,620**	108,659,352	**106,818,674**	107,685,196

Condensed Consolidated Statement of Comprehensive Earnings

(TUSD)	**Note**	**Q2 2020**	Q2 2019	**H1 2020**	H1 2019
Net Result for the period		**407**	6,157	**3,598**	10,405
Items that may be reclassified to profit or loss:					
Exchange differences on translation of foreign operations		**(5,021)**	1,053	**(23,517)**	1,089
Comprehensive result for the period		**(4,614)**	7,210	**(19,919)**	11,494
Attributable to:					
Shareholders of the Parent Company		**(4,614)**	7,210	**(19,919)**	11,494

Condensed Consolidated Statement of Financial Position

(TUSD)	Note	June 30, 2020	December 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	6	**69,867**	76,243
Exploration and evaluation assets	7	**21,401**	21,216
Deferred tax assets		**4,315**	7,955
Performance bonds and others		**225**	178
Total non-current assets		**95,808**	105,592
Current assets			
Prepaid expenses and deposits		**948**	1,255
Crude oil inventory		**526**	414
Accounts receivable	12	**2,666**	4,739
Restricted cash	16	**1,181**	1,567
Cash and cash equivalents		**15,699**	22,450
Total current assets		**21,020**	30,425
TOTAL ASSETS		**116,828**	136,017
EQUITY AND LIABILITIES			
Equity			
Shareholder's equity	10	**68,731**	87,859
Liabilities			
Non-current liabilities			
Bonds payable	8	**-**	30,621
Decommissioning provision	9	**2,317**	2,175
Lease liabilities		**232**	380
Other long-term liabilities and provisions		**5,750**	7,812
Total non-current liabilities		**8,299**	40,988
Current liabilities			
Bonds payable	8	**31,239**	-
Accounts payable		**3,735**	4,533
Accrued liabilities and other		**4,672**	2,406
Current portion of lease liabilities		**152**	231
Total current liabilities		**39,798**	7,170
TOTAL LIABILITIES		**48,097**	48,158
TOTAL EQUITY AND LIABILITIES		**116,828**	136,017

Condensed Consolidated Statement of Cash Flows

(TUSD)	Note	Q2 2020	Q2 2019	H1 2020	H1 2019
Operating Activities					
Net result		**407**	6,157	**3,598**	10,405
Depletion, depreciation and amortization	6	**1,356**	1,317	**2,488**	2,755
Stock based compensation	10	**79**	20	**160**	62
Accretion of decommissioning provision	5,9	**20**	29	**53**	56
Accretion of bond payable	5	**251**	249	**501**	504
Interest expense		**934**	956	**1,870**	1937
Income tax expense		**226**	396	**563**	916
Deferred tax expense		**248**	274	**720**	565
Unrealized foreign exchange amounts		**42**	(834)	**650**	(622)
Interest received		**28**	143	**65**	234
Interest paid		**(1,849)**	(1,892)	**(1,849)**	(1892)
Tax paid		**(210)**	(430)	**(1,628)**	(962)
Changes in working capital	14	**(205)**	(279)	**2,038**	(375)
Cash from operating activities		**1,327**	6,106	**9,229**	13,583
Investing activities					
Acquisition (net of cash)	6	**(56)**	-	**(4,152)**	-
Capital expenditures - property, plant and equipment	6	**(4,746)**	(6,313)	**(9,393)**	(12,889)
Capital expenditures - exploration and evaluation assets	7	**(86)**	(205)	**(185)**	(647)
Restricted cash		**(6)**	(42)	**(30)**	(84)
Cash used in investment activities		**(4,894)**	(6,560)	**(13,760)**	(13,620)
Financing activities					
Lease payments		**(55)**	(96)	**(115)**	(96)
Exercise of stock options and warrants (net of issue costs)	10	**(2)**	798	**632**	797
Cash from financing activities		**(57)**	702	**517**	701
Change in cash and cash equivalents		**(3,624)**	-	**(4,014)**	-
Cash and cash equivalents at the beginning of the period		**19,190**	19,768	**22,450**	20,255
Currency exchange differences in cash and cash equivalents		**133**	736	**(2,737)**	(415)
Cash and cash equivalents at the end of the period		**15,699**	20,504	**15,699**	20,504

Condensed Consolidated Statement of Changes in Equity

(TUSD)	Share Capital	Contributed Surplus	Other Reserves	Retained (Deficit) Earnings	Total Shareholders' Equity
Balance at 1 January 2019	**120**	**63,009**	**(7,870)**	**14,015**	**69,274**
Comprehensive result					
Result for the period	-	-	-	10,405	10,405
Currency translation difference	-	-	1,089	-	1,089
Total comprehensive result	-	-	1,089	10,405	11,494
Transactions with owners					
Stock based compensation	-	62	-	-	62
Exercise of warrants and stock options (net of issue costs)	1	797	-	-	798
Total transactions with owners	1	859	-	-	860
Balance at 30 June 2019	**121**	**63,868**	**(6,781)**	**24,420**	**81,628**
Comprehensive result					
Result for the period	-	-	-	9,249	9,249
Currency translation difference	-	-	(3,991)	-	(3,991)
Total comprehensive result	-	-	(3,991)	9,249	5,258
Transactions with owners					
Stock based compensation	-	145	-	-	145
Exercise of warrants and stock options (net of issue costs)	1	827	-	-	828
Total transactions with owners	1	972	-	-	973
Balance at 31 December 2019	**122**	**64,840**	**(10,772)**	**33,669**	**87,859**
Comprehensive result					
Result for the period	-	-	-	3,598	3,598
Currency translation difference	-	-	(23,517)	-	(23,517)
Total comprehensive result	-	-	(23,517)	3,598	(19,919)
Transactions with owners					
Stock based compensation	-	160	-	-	160
Exercise of warrants (net of issue costs)	1	630	-	-	631
Total transactions with owners	1	790	-	-	791
Balance at 30 June 2020	**123**	**65,630**	**(34,289)**	**37,267**	**68,731**

Parent Company Statement of Operations

(Expressed in thousands of Swedish Krona)	**Q2 2020**	Q2 2019	**H1 2020**	H1 2019
Revenue	-	-	-	-
Expenses				
General and administrative	**(2,591)**	(1,809)	**(5,616)**	(3,207)
Stock-based compensation	**-**	(194)	**-**	(576)
Foreign currency exchange gain(loss)	**(8,234)**	195	**(8,047)**	783
Operating result	**(10,825)**	(1,808)	**(13,663)**	2096
Net finance costs	**(5,939)**	(5,160)	**(11,858)**	(9,597)
Result before tax	**(16,764)**	(6,968)	**(25,521)**	(12,597)
Income tax	**-**	-	**-**	-
Net and comprehensive result for the period	**(16,764)**	(6,968)	**(25,521)**	(12,597)

Parent Company Balance Sheet

(Expressed in thousands of Swedish Krona)	**Note**	**30 June 2020**	31 December 2019
Assets			
Non-current assets			
Investment in subsidiaries		**194,015**	192,468
Loans to subsidiaries		**413,001**	365,139
		607,016	557,607
Current assets			
Loans to subsidiaries – current		**3,689**	7,358
Accounts receivable and other		**383**	243
Restricted cash		**50**	50
Cash and cash equivalents		**95,677**	152,115
		99,799	159,766
Total Assets		**706,815**	717,373
Equity and Liabilities			
Restricted equity			
Share capital		**1,122**	1,113
Unrestricted equity			
Contributed surplus		**512,338**	504,682
Retained earnings		**(104,613)**	(79,092)
Total unrestricted equity		**407,725**	425,590
Total equity		**408,847**	426,703
Non-current liabilities			
Bonds Payable	8	**-**	286,037
Current liabilities			
Bonds Payable	8	**290,889**	-
Accounts payable and accrued liabilities		**7,079**	4,633
		297,968	4,633
Total liabilities		**297,968**	290,670
Total Equity and Liabilities		**706,815**	717,373

Parent Company Statement of Changes in Equity

	Restricted equity	Unrestricted equity		
(Thousands of Swedish Krona)	**Share capital**	**Contributed surplus**	**Retained Earnings**	**Total Equity**
1 January 2019	**1,091**	**487,374**	**(35,139)**	**453,326**
Stock based compensation	-	1,955	-	1,955
Exercise of warrants and stock options (net of issue costs)	22	15,353	-	15,375
Result for the period	-	-	(43,953)	(43,953)
31 December 2019	**1,113**	**504,682**	**(79,092)**	**426,703**
Stock based compensation	-	1,547	-	1,547
Exercise of warrants (net of issue costs)	9	6,109	-	6,118
Result for the period	-	-	(25,521)	(25,521)
30 June 2020	**1,122**	**512,338**	**(104,613)**	**408,847**

Notes to the Condensed Consolidated Financial Statements

1. Corporate information

Maha Energy AB ("Maha (Sweden)" or "the Company") Organization Number 559018-9543 and its subsidiaries (together "Maha" or "the Group") are engaged in the acquisition, exploration and development of oil and gas properties.

The Company has operations in Brazil and the United States. The head office is located at Strandvägen 5A, SE-114 51 Stockholm, Sweden. The Company's subsidiary, Maha Energy Inc., maintains its technical office at Suite 240, 23 Sunpark Drive SE, Calgary, Canada. The Company has an office in Rio de Janeiro, Brazil and operations offices in Grayville, IL and Newcastle, WY, USA.

2. Basis of presentation

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, the IFRS adopted by the EU and the Swedish Annual Accounts Act. The financial reporting of the Parent Company (Maha Energy AB) has been prepared in accordance with accounting principles generally accepted in Sweden, with the Swedish Financial Reporting Board recommendation, RFR2, reporting for legal entities and the Swedish Annual Accounts Act.

These condensed consolidated financial statements are stated in thousands of US dollars (TUSD), unless otherwise noted, and have been prepared on a historical cost basis, except for certain financial instruments which are stated at fair value.

The accounting principles as described in the Annual Report 2019 have been used in the preparation of this report, except as identified in the *New and Revised Accounting Standards below*. Certain information and disclosures normally included in the notes to the annual Consolidated Financial Statements have been condensed or have been disclosed on an annual basis only. Accordingly, these condensed consolidated financial statements should be read in conjunction with the annual Consolidated Financial Statements for the year ended 31 December 2019, which have been prepared in accordance with IFRS as adopted by the European Union (EU).

Changes in Accounting Policies
In October 2018, the IASB issued amendments to IFRS 3 "Definition of a Business" that narrowed and clarified the definition of a business. The amendments permit a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. The amendments apply to business combinations after the date of adoption. The Company adopted the amendments on January 1, 2020.

In October 2018, the IASB issued amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The amendments make minor changes to the definition of the term "material" and align the definition across all IFRS Standards. Materiality is used in making judgments related to the preparation of financial statements. The Company adopted the amendments on January 1, 2020.

Going Concern
The Company prepared these consolidated financial statements on a going concern basis, which contemplates the realization of assets and liabilities in the normal course of business as they become due.

3. Segment Information

The Company operates in Canada, Sweden, Brazil and the United States of America. Operating segments are based on a geographic perspective and reported in a manner consistent with the internal reporting provided to the executive management. During the current quarter, Maha's management established a new operating segment in the USA, which combined the operating results of both LAK Ranch, USA and newly acquired oil producing assets in the Illinois Basin, USA (See Note 6). In addition, Corporate segment has been revised to represent activities of Maha

Canada and Maha Sweden which Management views as the technical and support segment. Accordingly, all prior period operating segment results have been adjusted to reflect these changes.

The following tables present the operating result for each segment from continuing operations. Revenue and income relate to external (non-intra group) transactions.

(TUSD)	**Brazil**	**USA**	**Corporate**	**Other[4]**	**Consolidated**
30 June 2020					
Revenue	18,776	357	-	-	**19,133**
Royalties	(2,558)	(88)	-	-	**(2,646)**
Production and operating	(3,947)	(305)	-	-	**(4,252)**
Depletion, depreciation and amortization	(2,302)	(181)	(5)	-	**(2,488)**
General and administration	(10)	(104)	(1,925)	-	**(2,039)**
Exploration and business development cost	-	(40)	(126)	-	**(166)**
Stock-based compensation	-	-	(160)	-	**(160)**
Foreign currency exchange loss (gain)	381	-	(117)	(407)	**(143)**
Operating results	**10,340**	**(361)**	**(2,333)**	**(407)**	**7,239**
Net finance costs	(1,124)	(8)	(1,226)	-	**(2,358)**
Current tax	(563)	-	-	-	**(563)**
Deferred tax	(720)	-	-	-	**(720)**
Net results	**7,933**	**(369)**	**(3,559)**	**(407)**	**3,598**

(TUSD)	**Brazil**	**USA**	**Corporate**	**Other[4]**	**Consolidated**
30 June 2019					
Revenue	25,849	-	-	-	25,849
Royalties	(3,379)	-	-	-	(3,379)
Production and operating	(2,773)	-	-	-	(2,773)
General and administration	(749)	(101)	(1,934)	-	(2,784)
Exploration and business development cost	-	-	-	-	-
Stock-based compensation	-	-	(62)	-	(62)
Depletion, depreciation and amortization	(2,705)	(44)	(6)	-	(2,755)
Foreign currency exchange loss (gain)	6	-	139	(239)	(94)
Operating results	16,249	(145)	(1,863)	(239)	14,002
Net finance costs	327	(8)	(2,435)	-	(2,116)
Current tax	(916)	-	-	-	(916)
Deferred tax	(565)	-	-	-	(565)
Net results	15,095	(153)	(681)	(282)	10,405

Oil and gas revenue and operating expenses are from the following two operational segments: Brazil and USA. The Company had two main customers during Q2 2020 (Q2 2019: two) that individually accounted for more than 10 percent of the Company's consolidated gross sales. Total sales to these customers were approximately USD $15.1 million (H1 2019: $25.4 million) for the first half of 2020, which are included in the Company's Brazil operating segment. Approximately, 62 percent of the total revenue is contracted with one customer in the Brazil segment. There were no intercompany sales or purchases of oil and gas during the period.

[4] Other represents intercompany eliminations and consolidation adjustments.

4. Revenue

The Company's oil and gas sales revenues are predominantly derived from two major customers, under contracts based on floating prices utilizing the Brent oil benchmark adjusted for contracted discounts or premiums. For the Q2 2020, 100% (Q2 2019: 100%) of the Company's revenue resulted from oil and gas sales in Brazil and USA.

Disaggregated revenue information:
The Company derives revenue from the transfer of goods at a point in time in the following major commodities from oil and gas production and the only geographical region of Brazil:

TUSD	**Q2 2020**	Q2 2019	**H1 2020**	H1 2019
Crude oil	7,829	13,961	18,900	25,591
Natural gas	97	137	233	258
Total revenue from contracts with customers	**7,926**	14,098	**19,133**	25,849

The Company had no contract asset or liability balances during the period presented. As at 30 June 2020, accounts receivable included $1.9 million of accrued sales revenue which related to the second quarter production. Revenue is measured at the consideration specified in the contracts and represents amounts receivable net of discounts and sales taxes. Performance obligations associated with the sale of crude oil are satisfied when control of the product is transferred to the customer. This occurs when the oil is physically transferred at the delivery point agreed with the customer and the customer obtains legal title.

LAK revenue, net of expenditures, is capitalized as part of the exploration and evaluation assets and will continue until commercial viability of the field is achieved as the property is still in pre-production stage.

5. Finance Costs

TUSD	**Q2 2020**	Q2 2019	**H1 2020**	H1 2019
Interest on bond payable	**929**	952	**1,860**	1,934
Accretion of bond payable (note 11)	**251**	249	**501**	504
Accretion of decommissioning provision	**20**	29	**53**	56
Interest income and other	**(24)**	(285)	**(56)**	(378)
	1,176	945	**2,358**	2,116

6. Property, Plant and Equipment (PP&E)

(TUSD)	**Oil and gas properties**	**Equipment and Other**	**Right-of-use assets**	**Total**
Cost				
1 January 2019	**62,125**	**2,061**	**427**	**64,613**
Additions	24,615	118	413	25,146
Change in decommissioning cost	436	-	-	436
Currency translation adjustment	(3,259)	(16)	(27)	(3,302)
31 December 2019	**83,917**	**2,163**	**813**	**86,893**
Additions	11,739	8	29	11,776
Acquisition	4,564	-	-	4,564
Change in decommissioning cost	387	-	-	387
Currency translation adjustment	(23,138)	(77)	(215)	(23,430)
30 June 2020	**77,469**	**2,094**	**627**	**80,190**

Accumulated depletion, depreciation and amortization				
1 January 2019	**(4,919)**	**(433)**	**-**	**(5,352)**
DD&A	(5,178)	(288)	(204)	(5,670)
Currency translation adjustment	346	24	2	372
31 December 2019	**(9,751)**	**(697)**	**(202)**	**(10,650)**
DD&A	(2,484)	(26)	(90)	(2,446)
Currency translation adjustment	2,814	50	63	2,927
30 June 2020	**(9,421)**	**(673)**	**(229)**	**(10,323)**

Carrying amount				
31 December 2019	74,166	1,466	611	76,243
30 June 2020	**68,048**	**1,421**	**398**	**69,867**

Given the recent change in the overall business environment and current decrease in the global crude oil markets, at 31 March 2020, the Company identified an indication of impairment for all its cash generating units ("CGUs") and impairment tests were performed. The Company used appropriate externally available forward commodity price forecasts as at 31 March 2020, a future cost inflation factor of 2% per annum, production and cost profiles based on proved and probable reserves (2P reserves) as at 31 December 2019 and a discount rate of 10% to calculate the estimated future cash flows. As a result of the testing, the Company had determined the carrying value of all of its CGUs to be recoverable at 31 March 31 2020 and no impairments were recorded. Sensitivity scenarios were run and showed that a USD 2/bbl decrease in the oil price curve would result in no impairment and the use of a discount rate of 12% would result in no impairment.

As at 30 June 2020, there were no triggers to perform an impairment test as the oil prices started to recover from the first quarter.

Dome AB Inc Acquisition

On 31 March 2020, the Company acquired certain oil producing assets in the Illinois Basin, USA, through the purchase of all outstanding shares in Dome AB Inc. (“Dome Acquisition”) for a cash consideration of USD $4.0 million and assumption of TUSD 346 in net current liabilities. In addition, Maha capitalized TUSD 151 of the transaction costs as acquisition cost. A future contingent consideration of USD 3.0 million is possible if certain oil prices and production level milestones are met before 2023. Maha and its subsidiaries are under no obligation to reach the production level set out for the production milestone. The acquisition resulted in an increase in Property, Plant and Equipment of approximately $4.6 million, and the assumption of $68 thousand in decommissioning liabilities. The assets acquired strengthened the Company’s operating position in the United States of America (“USA”).

As per IFRS 3, the Company applied the optional concentration test to the Dome Acquisition that resulted in the acquired assets being accounted for as an asset acquisition.

7. Exploration and Evaluation Assets (E&E)

	TUSD
1 January 2019	**20,685**
Additions in the period	165
Change in estimates	(56)
Operating costs capitalized (net of Incidental revenue from sale of crude oil)	422
31 December 2019	**21,216**
Additions in the period	249
Incidental result from sale of crude oil	(64)
30 June 2020	**21,401**

8. Bond payable

	TUSD	TSEK
1 January 2019	**31,180**	**276,573**
Accretion of bond liability	1,001	9,464
Effect of currency translation	(1,560)	-
31 December 2019	**30,621**	**286,037**
Accretion of bond liability	501	4,852
Effect of currency translation	117	-
30 June 2020	**31,239**	**290,889**

For the second quarter 2020 Maha recognized TUSD 929 of interest and TUSD 251 of accretion related to the Bonds. During the current quarter, the bonds were classified as current liability as the bonds are maturing on May 29, 2021.

The Bonds have the following maintenance covenants at each quarter end and on a rolling 12 months basis:

i) Net Interest Bearing Debt to EBITDA is not greater than 3.00 (Leverage test);
ii) Interest Coverage Ratio exceeds 2.25; and
iii) Cash and cash equivalents exceeds USD $5 million

The next reference test date for the maintenance covenants was 30 June 2020 which is to be reported following the release of this report and within two months following such reference date. As at the last reference date of 31 March 2020, the Company was compliant with all bond covenants. Based on the reported results herein, the Company will be complaint with its bond covenants for the current period.

9. Decommissioning Provision

The following table presents the reconciliation of the opening and closing decommissioning provision:

	(TUSD)
1 January 2019	**1,720**
Accretion expense	116
Additions	185
Change in estimate	194
Foreign exchange movement	(40)
31 December 2019	**2,175**
Accretion expense	53
Dome Acquisition (Note 6)	68
Change in estimate	387
Foreign exchange movement	(366)
30 June 2020	**2,317**

10. Share Capital

	Number of Shares by Class			
Shares outstanding	A	B	C2	Total
1 January 2019	**90,259,168**	**8,109,882**	**50,000**	**98,419,050**
Exercise of warrants	1,997,818	-	-	1,997,818
Conversion of convertible B shares	149,564	(149,564)	-	-
Exercise of Maha (Canada) options	50,000		(50,000)	-
31 December 2019	**92,456,550**	**7,960,318**	**-**	**100,416,868**
Exercise of warrants	833,946	-	-	833,946
Conversion of convertible B shares	7,476,952	(7,476,952)	-	-
30 June 2020	**100,767,448**	**483,366**	**-**	**101,250,814**

Total outstanding warrants as at 30 June 2020 are Maha A TO2 share purchase warrants:

	Number of Warrants	Exercise Price	Exercise Price
	#	SEK	USD
1 January 2019	**13,350,000**	**7.45**	**0.84**
Exercised	(1,997,818)	7.45	0.78
31 December 2019	**11,352,182**	**7.45**	**0.80**
Exercised – Q1	(827,500)	7.45	0.78
Exercised – Q2	(6,446)	7.45	0.74
30 June 2020	**10,518,236**	**7.45**	**0.80**

Warrant Incentive Program

The Company has an incentive program as part of the remuneration package for management and employees. The annual 2020 incentive warrants were issued during the second quarter 2020. Issued but not allocated warrants are held by the Company. No incentive warrants were expired or exercised during the first half of 2020.

Warrants incentive programme	Exercise period	Exercise price, SEK	Number of warrants 1 Jan 2020	Issued 2020	Expired 2020	Exercised 2020	Cancelled 2020	**30 June 2020**
2017 incentive programme	1 June 2020 – 31 December 2020	7.00	750,000	-	-	-	-	**750,000**
2018 incentive programme	1 May 2021 – 30 November 2021	9.20	750,000	-	-	-	-	**750,000**
2019 incentive programme	1 June 2022 – 28 February 2023	28.10	500,000	-	-	-	-	**500,000**
2020 incentive programme	1 June 2023 – 29 February 2024	10.90	-	460,000	-	-	-	**460,000**
Total			**2,000 ,000**	**460,000**	**-**	**-**	**-**	**2,460,000**

The dilution effect of in-the-money warrants are included in the weighted average number of shares after dilution which amounted to 106,818,674 for the period ended 30 June 2020.

11. Financial assets and liabilities

For financial instruments measured at fair value in the balance sheet, the following fair value measurement hierarchy is used:

– Level 1: based on quoted prices in active markets;
– Level 2: based on inputs other than quoted prices as within level 1, that are either directly or indirectly observable;
– Level 3: based on inputs which are not based on observable market data.

The Company's cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are assessed on fair value hierarchy described above. The fair value of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate their carrying value due to the short term to maturity of these instruments. The bonds are carried at amortized cost. For the disclosure purposes, the estimated fair values of the bonds have been determined based on the adjusted period-end trading prices of the bonds on the secondary market (Level 2). As at 30 June 2020, the carrying value of the Bonds was TUSD 31,239 and the fair value was TUSD 32,633 (31 December 2019: carrying value – TUSD 30,621; fair value – TUSD 34,519).

12. Management of financial risk

The Company thoroughly examines the various risks to which it is exposed and assesses the impact and likelihood of those risks. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and to monitor market conditions and the Company's activities. This approach actively addresses risk as an integral and continual part of decision making within the Company and is designed to ensure that all risk is identified, fully acknowledged, understood and communicated well in advance. Nevertheless, oil and gas exploration, development and production involve high operational and financial risks, which even a combination of experience, knowledge and careful evaluation may not be able to fully eliminate or which are beyond the Company's control. The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management.

A detailed analysis of Maha's operational, financial, and external risks and mitigation of those risks through risk management is described in Maha Energy's 2019 Annual Report. The current and any future COVID-19 outbreaks may increase the Company's exposure to, and magnitude of, each of the risks and uncertainties identified in our Annual Report for the year ended December 31, 2019. The extent to which the COVID-19 impacts Maha's business, results of operations and financial conditions will depend on future developments, which are highly uncertain and are difficult to predict. Even after the COVID-19 outbreaks have subsided, the Company may continue to experience materially adverse impacts to the business as a result of the global economic impact. The Company will continue to monitor this situation and will work to adapting its business to further developments as determined necessary or appropriate.

Credit risk
The exposure to credit risk arises through the failure of a customer or another third party to meet its contractual obligations to the Corporation. The Company's policy is to limit credit risk by limiting the counterparties to major banks and oil and gas companies. Where it is determined that there is a credit risk for oil and gas sales, the policy is to require an irrevocable letter of credit for the full value of the sale or prepayment. The policy on joint operations parties is to rely on the provisions of the underlying joint operating agreements to take possession of the license or the joint operations partner's share of production for non-payment of cash calls or other amounts due.

The majority of the Company's oil and gas sales receivables are with the Brazilian national oil company and a small independent refinery called DAX Oil. Under the marketing agreement with DAX Oil, most of the oil sales are prepaid prior to delivery with occasional credit granted to maintain daily deliveries. In addition, the Company has made an arrangement with DAX Oil to accumulate an amount up to maximum of TUSD 900 in accounts receivable which is guaranteed through a performance Bonds issued by a local bonding company and is expected to be fully recoverable. As at 30 June 2020, TUSD 360 (31 December 2019 - TUSD 963) from DAX Oil were included in accounts receivables.

The Company's accounts receivable is composed of:

TUSD	**30 June 2020**	**31 December 2019**
Oil and gas sales	1,910	4,394
Tax credits and other receivables	756	345
	2,666	**4,739**

The decrease in commodity prices as a result of the COVID -19 pandemic can potentially increase the credit risk associated with the Company's customers. Maha continues to monitor the creditworthiness of customers to limit the exposure to this risk. There is no recent history of default and there are no expected losses. Maha considers the balance of accounts receivable to be collectible.

Other short-term receivables are considered recoverable as they are mainly related to taxes and employee advances. The Company's cash and cash equivalents are primarily held at large Canadian, Brazilian and Swedish financial institutions.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. By operating in several countries, the Company is exposed to currency fluctuations. Income is and will also most likely be denominated in foreign currencies, BRL in particular. Furthermore, the Company has since inception been equity and debt financed through share and Bonds issues, and also financed by asset divestment. Additional capital could be needed to finance the Company's future operations and/or for acquisition of additional licenses. The main risk is that this need could occur during less favorable market conditions.

While the decrease in commodity prices as a result of the COVID-19 pandemic will negatively impact the Company's financial performance and position, and while the extent of this is currently unknown, the Company continuously ensures that sufficient cash balances are maintained in order to cover day to day operations and closely monitors its accounts receivables with customers. Management relies on cash forecasting to assess the Company's cash position based on expected future cash flows and to assess its ability to perform its contractual obligation. Accounts payable relating to oil and gas interests, and current interest on the Bonds are due within the current operating period. The Bond have interest payable of SEK 18 million semi-annually on May 29 and November 29 until the maturity date of May 29, 2021. In addition, principal payment is also due on the maturity date of the Bond (see Note 8).

The Company has current assets of $21.0 million, positive cash flow from operating activities and current liabilities of $40.0 million which includes the maturing bond in less than a year. The Bond is due on May 29, 2021 and there is risk that the Company either has insufficient funds to settle the principal amount of the Bond or is unable to successfully refinance or rollover the Bond for an additional term.

13. Management of Capital

The Company manages its capital structure to support the Company's strategic growth. The Company's objectives when managing its capital structure are to maintain financial flexibility, preserve access to capital markets, ensure its ability to finance internally generated growth and to fund potential acquisitions while maintaining the ability to meet the Company's financial obligations as they come due. The Company considers its capital structure to include shareholders' equity of USD $68.7 million (31 December 2019: USD $87.9 million) plus net debt of USD $15.5 million (31 December 2019: 8.2 million). At 30 June 2020, the Company's working capital was USD $12.2 million (31 December 2019: USD $23.3 million surplus), which includes USD $15.7 million of cash (31 December 2019: USD $22.5 million) and USD $1.2 million of restricted cash (31 December 2019: $1.6 million). The restricted cash relates to cash posted in Brazil to guarantee letters of credit for certain work commitments and support of abandonment guarantees. Maha considers working capital operational in nature therefore working capital excluded the current portion of the Bonds payables, which corresponds to financing activities of the Company.

The Company may adjust its capital structure by issuing new equity or debt and adjusting its capital expenditure program, as allowed pursuant to contracted work commitments. The Company does not have any externally imposed material capital requirements to which it is subject except for the Bond covenants (See Note 8). In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Bonds mature in May 2021 and Maha is compliant with all Bond covenants. There is risk that the Company either has insufficient funds to settle the principal amount of the Bond or is unable to successfully refinance or rollover the Bond for an additional term. At this time, the Company expects to refinance or repay the Bonds through either existing cash, future operating cashflows, or issuance of new debt or equity.

14. Changes in non-cash Working Capital

(TUSD)	30 June 2020	31 December 2019
Change in:		
Accounts receivable	2,100	(619)
Inventory	12	(340)
Prepaid expenses and deposits	311	(569)
Accounts payable and accrued liabilities	(385)	812
Total	**2,038**	**(716)**

15. Pledged Assets

As at 30 June 2020, pledged assets are mainly a continuing security for the Senior Secured Bonds where Maha has entered into a pledge agreement. The pledge relates to the shares in its subsidiaries: Maha Energy 1 (Brazil) AB, Maha Energy 2 (Brazil) AB, Maha Energy Inc. and Maha Energy Finance (Luxembourg) S.A.R.L. The pledged assets for the parent company as at 30 June 2020 amounted to SEK 218.9 million (31 December 2019: SEK 186.2 million) representing the carrying value of the pledge over the shares of subsidiaries. The combined net asset value for the Group of the subsidiaries whose shares are pledged amounted to USD 66.6 million (31 December 2019: USD 83.6 million).

The Company also granted a charge against a term deposit in Brazil to guarantee certain financial instruments in relation to its work commitments (See Note 16).

16. Commitments and Contingencies

The Company currently has 7 concession agreements with the National Agency of Petroleum, Natural Gas and Biofuels in Brazil (ANP). Work commitments in relation to these exploration blocks in Brazil have been recorded as long-term provisions and are guaranteed with certain credit instruments in place of approximately BRL 19.0 million ($3.6 million) and the remainder BRL 9.0 million ($1.7 million) are guaranteed by a term deposit of $1.2 million (2019: $1.6 million). This term deposit has been presented as restricted cash on the Statement of Financial Position. Change in the value of the restricted cash is mainly due to fluctuating foreign exchange impact.

During 2019, Maha received the pending environmental licenses on two of its concessions resulting in a requirement to fulfill its work commitments by the first quarter of 2021 or relinquish the blocks. These commitments are in the normal course of the Company's exploration business and the Company's plans to fund these, if necessary, with existing cash balances, cash flow from operations and available financing sources. During the current quarter, Maha applied for a nine months extension to fulfill its work commitments or relinquish the blocks under the COVID-19 relief program by the Brazil Government.

As part of the Dome Acquisition (See Note 6), the Company acquired contractual commitments to drill one well and to complete a drilled but uncompleted well. This activity is scheduled for the third and fourth quarter of this year. Other commitments have been successfully rescheduled to fiscal year 2021.

Key Financial Data

Maha believes that the alternative performance measures provide useful supplemental information to management, investors, securities analysts and other stakeholders and are meant to provide an enhanced insight into the financial development of Maha's business operational.

Financial data from continuing operations

TUSD	**Q2 2020**	Q2 2019	**H1 2020**	H1 2019
Revenue	**7,926**	14,098	**19,133**	25,849
Operating netback	**4,377**	10,668	**12,235**	19,697
EBITDA	**3,436**	9,188	**9,870**	16,851
Net result	**407**	6,157	**3,598**	10,405
Cash flow from operations	**1,327**	6,106	**9,229**	13,583

Capital structure

	Q2 2020	Q2 2019	**H1 2020**	H1 2019
Return on equity (%)	**1**	8	**5**	13
Equity ratio (%)	**59**	62	**59**	62
Net debt (TUSD)	**15,540**	9,782	**15,540**	9,782
NIBD/EBITDA	**0.56**	0.32	**0.56**	0.32
TIBD/EBITDA	**1.13**	0.99	**1.13**	0.99

Other

	Q2 2020	Q2 2019	**H1 2020**	H1 2019
Weighted number of shares (before dilution)	**101,249,326**	**99,208,126**	**101,183,193**	**98,792,071**
Weighted number of shares (after dilution)	**105,152,620**	**108,659,352**	**106,818,674**	**107,685,196**
Earnings per share before dilution, USD	**0.00**	**0.06**	**0.04**	**0.11**
Earnings per share after dilution, USD	**0.00**	**0.06**	**0.03**	**0.10**
Dividends paid per share	**n/a**	**n/a**	**n/a**	**n/a**

Key Ratio Definition

Return on equity:
Net result divided by ending equity balance

Equity ratio:
Total equity divided by the balance sheet total assets.

Net debt to EBITDA ratio (NIBD/EBITDA)
Net interest bearing debt divided by trailing 4 quarters EBITDA.

Total debt to EBITDA ratio (TIBD/EBITDA)
Total interest bearing debt divided by trailing 4 quarters EBITDA

Earnings per share:
Net result attributable to shareholders of the Parent Company divided by the weighted average number of shares for the year.

Earnings per share fully diluted:
Net result attributable to shareholders of the Parent Company divided by the weighted average number of shares after considering any dilution effect for the year.

Weighted average number of shares for the year:
The number of shares at the beginning of the year with changes in the number of shares weighted for the proportion of the year they are in issue.

Weighted average number of shares for the year fully diluted:
The number of shares at the beginning of the year with changes in the number of shares weighted for the proportion of the year they are in issue after considering any dilution effect.

Relevant reconciliation of Alternative Performance Measures:

Operating Netback

Operating netback is calculated on a per-boe basis and is defined as revenue less royalties, transportation costs and operating expenses, as shown below:

(TUSD)	**Q2 2020**	Q2 2019	**H1 2020**	H1 2019
Revenue	**7,926**	14,098	**19,133**	25,849
Royalties	**(1,116)**	(1,869)	**(2,646)**	(3,379)
Operating Expenses	**(2,433)**	(1,561)	**(4,252)**	(2,773)
Operating netback	**4,377**	10,668	**12,235**	19,697

EBITDA

Earnings before interest, taxes, depreciation and amortization and non-recurring items is used as a measure of the financial performance of the Company and is calculated as shown below:

(TUSD)	**Q2 2020**	Q2 2019	**H1 2020**	H1 2019
Operating results	**2,057**	7,772	**7,239**	14,002
Depletion, depreciation and amortization	**1,356**	1,317	**2,488**	2,755
Foreign currency exchange loss / (gain)	**23**	99	**143**	94
EBITDA	**3,436**	9,188	**9,870**	16,851

Financial calendar

2020 Third Quarter: 23 November 2020
2020 Fourth Quarter: 26 February 2021

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