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Press release
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Maha Energy AB (publ) (“Maha” or the “Company”) announces a revision to its 2019 Production Forecast, and update on Tie Field Production Commissioning

Revised Production Forecast

On March 8, 2019 the Company provided its 2019 net annual average expected production estimate of 3,990 BOPD. Despite successful well tests in Brazil which have demonstrated a combined Company well capability in excess of 6,500 BOPD, the cumulative effect of delays in drilling, facility commissioning and regulatory approvals for its customer offtake facilities has led the Company to revise its estimate downward. The Company now estimates **net annual average** production of between **3,660 BOPD** (-9%) to **3,300 BOPD** (-17%).

The revision is mainly explained by:

Tartaruga Field – the prolonged shut down of the field due to the 107D drilling and perforating operations delayed the resumption of production at the Tartaruga Field. The field has only produced 4 of the last 8 months in 2019. These drilling delays also had the “knock on” effect of preventing the Company from bringing the 107D Well onto production during the third quarter as originally envisaged.

Tie Field – Delays in regulatory approvals have impacted production from the Tie Field during 2019.

- Delayed regulatory approvals to commission the increased capacity at the local refinery delayed the anticipated July 800 BOPD delivery increase from 2,200 BOPD to 3,000 BOPD.
- Delayed regulatory approvals for the Petrobras Comboata oil receiving station has delayed the expected July 750 BOPD delivery increase.
- Delays in regulatory approvals and required electricity grid hook-ups from the State electricity utility has delayed the start up of the Gas to Wire (GTW) project which in turn has delayed increased oil production (because of gas flaring restrictions).

Had these approvals/commissioning occurred in July as originally envisioned, or even during the first weeks of August, the Company should have met its annual average production guidance target. While (as announced) each of these normal course approvals are imminent - the Company is no longer confident that these approvals will now be in time to comfortably meet the 2019 Production Guidance Estimate.

Tie Field Commissioning

All wells and production zones are now completed. Production tests are now being undertaken to determine the gas-oil ratios of each zone in order to provide the Operators the ability to mix and match zones with oil and gas demand. These tests are expected to be completed by the middle of September. These tests do not impact production, but allows the Company to optimize oil and gas production.

The oil production is currently restricted due to two factors; (1) readiness of the refinery and Comboata to receive additional oil (1,550 BOPD total), and (2) the gas offtake of CDGN (the compressed gas customer) and GTW.

Subject to minor commissioning and debugging, CDGN is taking up to 60,000 m3/day of gas this week up from the previous average of 35,000 m3/day.

GTW has mobilized 17 generators to the site. 13 of these units are now hooked up and are ready to run pending the State electricity utility final approval and commissioning which is imminent. The remaining 4 are planned to be hooked up next week and will commence operating. These generators have the capability to take up to 30,000 m3/day of gas.

Jonas Lindvall commented "Naturally we are frustrated that the recent regulatory delays are now impacting our previously communicated production guidance – however the fundamentals are strong. Our current production capacity well exceeds 6,500 BOPD; once these approvals are received, we can easily ship 5,400 BOPD at the turn of a few valves."

Maha Energy holds a 75% working interest in the SES-107 Tartaruga oil and gas concession onshore Brazil. Petrobras holds the remaining 25% and is non-operator.

Adviser

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Miscellaneous

The information was submitted for publication through the agency of the contact persons set out above on August 23, 2019, at 8:00 a.m. (CET)

Maha in Brief

Maha Energy AB is a Swedish public limited liability company. FNCA Sweden AB has been engaged as Certified Adviser. The Company's auditors are Deloitte. The Company's predecessor Maha Energy Inc. was founded in 2013 in Calgary, Canada, by Jonas Lindvall and Ron Panchuk. In May 2016, the new group was formed with Maha Energy AB as parent company for purposes completing an initial public offering on the Nasdaq First North Sweden stock exchange. Jonas Lindvall, CEO and Managing Director, has 26 years of international experience in the oil and gas industry, starting his career with Lundin Oil during the early days of E&P growth. After 6 years at Shell and Talisman, Jonas joined, and helped secure the success of, Tethys Oil AB. Maha's strategy is to target and develop underperforming hydrocarbon assets on global basis. The Company operates three oil fields, Tartaruga and Tie in Brazil and LAK Ranch, in Wyoming, U.S. For more information, please visit our website www.mahaenergy.ca.

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