

Maha Energy AB (publ)
Biblioteksgatan 1
SE-111 46 Stockholm
www.mahaenergy.ca

Press release
Stockholm
October 3, 2018

Maha Energy AB (publ) (“Maha” or the “Company”) Announces Update to 2018 Production Expectations, Tie Field Production Update, and September Production Volumes.

Production Expectations

On February 22, 2018 the Company announced a net annual average expected production estimate of 2,040 BOPD for the year ending 2018. The Company now expects the annual average daily oil production to the Company for 2018 to be in the range of 1,600 BOPD – 1,700 BOPD.

The revision is mainly explained by:

- (a) **Tartaruga** - the prolonged shut down of the field (since June) is expected to continue until December when the Drilling Rig has completed the work on both wells. Longer than expected mobilization and Drilling Rig power plant problems delayed commencement of drilling which has a knock-on effect of delaying the resumption of production from Tartaruga;
- (b) **Tie** – slight delays in the dual completion of GTE 3 have contributed to lower than anticipated production through to the end of the year despite success in demonstrating increased deliverability from GTE 3 and GTE 4.

The Effect of Increased Oil Prices

The silver lining is oil prices (Brent - USD 85/bbl) are 30% higher today compared to the USD 65/bbl February Brent forward average when the estimates were published and the Brazilian Real has weakened against the USD by approximately 25% over the same period. The net effect is while production is expected to be lower in 2018, financially the Company remains in a strong position because of continuing strong revenues (due to oil price increases) and better per barrel net backs (partly from this USD appreciation).

Tie Field Production

As previously announced, the newly completed GTE-3 well (see press release dated September 24, 2018) was on a series of production tests that, because of production facility constraints, curtailed GTE-4 production. Since, September 20, 2018, both wells have been producing together. The current combined deliverability of the GTE-3 and GTE-4 wells is in excess of 2,500 BOPD (on September 30, 2018 the Field produced a record of 2,446 BOPD), but due to safe storage limitations, the production is temporarily curtailed to approximately 2,100 BOPD.

As part of the 2018 Capital Plan, the storage capacity at the Tie Field is being increased from 2,500 bbl to 6,500 bbl. This ongoing work is estimated to be completed by the year end and will solve the safe storage curtailment. The previously announced Attic Well will now commence drilling in December 2018.

Company Production Volumes – September 2018

The Company's aggregate sales production for the month of September totaled 45,159¹ barrels of oil and 18.00 million scf of gas for a combined average production of approximately 1,604 BOE/day², before royalties and taxes.

The 2018 Capital Program continues to temporarily affect production from the Tartaruga Field and will continue to do so until the work is complete. The Field was shut in for all of September. Although production from the Tie Field continued uninterrupted, testing of the GTE-3 well and facilities limitations (see above) during the first half of the month limited production from the Tie Field.

2018 Capital Plan

The Capital Plan (see press release dated 22 February, 2018 and 24 September, 2018) remain on track and close to budget – though delayed. The work completed so far at the Tie Field has resulted in improved field deliverability to 2,500 BOPD. The 107D Sidetrack (Tartaruga) has commenced and will be followed by completion of the workover at the 7TTG Well (Tartaruga) and drilling of the Attic Well at Tie Field. Management remains confident in the plan and the positive effect it will have on production.

Jonas Lindvall, CEO of the Company commented:

“The overall picture for Maha remains unchanged, notwithstanding the revision to our 2018 Production Expectation. We will end 2018 with more production deliverability than handling capacity at all our fields. With markets secured for our oil and gas, once the facilities upgrades are complete, production will be at where we predicted.”

¹ Subject to minor standard industry adjustments at the time of custody transfer.

² Barrels of oil equivalent ("BOE") conversion ratio of 6,000 scf: 1 bbl is used.

Adviser

FNCA Sweden AB is the Company's Certified Adviser.

For more information, please contact:

Jonas Lindvall (CEO)
Tel: +1 403 454 7560
Email: jonas@mahaenergy.ca

or

Ron Panchuk (CCO)
Tel: +1 403 454 7560
Email: ron@mahaenergy.ca

Miscellaneous

This information is published in accordance with the EU Market Abuse Regulation and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication through the agency of the contact persons set out above on October 3, 2018, at 06:00 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.

Important Information

Publication or distribution, directly or indirectly, of this press release could in some jurisdictions be subject to restrictions according to law and recipients of this press release, or part of it, are required to inform themselves of, and comply with, such legal restrictions. This press release is not for release, publication or distribution, directly or indirectly, in or into Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, Switzerland or the United States, or in any other jurisdiction where distribution of this press release could be illegal or subject to legal restrictions. Copies of this press release are not being made and may not be distributed or sent, in whole, or part, directly or indirectly, in violation of such restrictions. Failure to comply with such restrictions may constitute a criminal act under the United States Securities Act of 1933 (as amended) ("Securities Act") or applicable laws in other jurisdictions.