

Maha Energy AB (publ)
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Press release
Stockholm
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Maha Energy AB (publ) (“Maha” or the “Company”) provides its Q3 Operational Update

In its previous announcements the Company indicated it expected to be required to post up to approximately USD 11 million in cash collateral in-order to secure certain Letters of Credit and Surety Bonds guaranteeing work and abandonment obligations required as part of the acquisition of the Brazilian operations of Gran Tierra Inc. (the “Acquisition”) that closed July 1, 2017. As part of its recent financings - the Company had earmarked funds in this amount to post this security. The Company is in process of finalizing arrangements with financial institutions in Brazil whereby these Letters of Credit and Surety Bonds can be provided with an anticipated reduced cash collateral requirement of USD 3.7 million only. These arrangements should be finalized in the next two weeks.

As part of the Company’s continued efforts to de-bottleneck oil production from the Tie Field production facilities in Bahia, Brazil, arrangements are now in place through (i) an amendment to an existing gas off-take agreement and (ii) an anticipated long term sales agreement with a third party so as to increase the off-take for associated gas up to 55,000 m3/d with an anticipated effective date of January 1st 2018. These will more than double the current capacity for gas off-take and will allow the Company to freely produce oil from the Tie field.

Jonas Lindvall, CEO of Maha Energy commented: “These steps are part of our continued efforts to optimize our Brazilian assets. The de-bottlenecking should result in immediate production gains and the reduced cash collateral will free up an additional USD 7 million in capital for our operations.”

Adviser

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Miscellaneous

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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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