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Press release
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Maha Energy AB (publ) (“Maha” or the “Company”) Announces Operational Update and Well Test Results.

The Company is pleased to provide the following Operational Update from its operations in Brazil.

Attic Well (Tie Field)

After the initial single completion test of the comingled Agua Grande (AG) and Sergi reservoir zones in the Attic Well in the Tie Field, the well was recompleted using a dual 2-3/8” tubing completion. This work is now complete and the well has now preliminary tested 2,932 BOEPD. Initial free flowing tests from the Sergi and AG formations were 985 BOPD (1,088 BOEPD) and 1,726 BOPD (1,844 BOEPD) respectively with neither zone making any noticeable water. Of significance is that the AG had to be choked back (restricted) at 38/64” with 360 psi of tubing pressure due to surface equipment limitations. Suggested theoretical Initial Productivity Volumes for the AG may exceed 3,000 BOPD¹. The well will now be produced at approximately 2,000 BOPD and 1,200 MSCFPD (~2,200 BOEPD) to match production targets and balance production from all wells. The Company is now scaling up production from the Tie Field to achieve the month-end sales target exit rate of 4,050 BOPD.

Additional Sales Volume

Work is continuing to finalize an Agreement to sell an additional 750 BOPD from the Tie Field. The Company is hopeful this will be in place by the beginning of July, at which point the Company will have agreements at the Tie Field to sell oil to the market for up to 4,850 BOPD. It is the objective of the Company to achieve a 4,500 – 5,000 BOPD production plateau for the Tie Field over the next 3 years.

The additional associated gas that will be produced with the increased oil will also need to be sold to the local market. To that extent, the Company continues to work with two vendors to establish the most efficient and reliable offtake arrangement. At this time, the Company is not expecting oil production to be affected due to insufficient gas off-take arrangements.

GTE-3

With the excellent results from the Attic Well, the Company will now complete the workover that was started in the summer of 2018 to convert GTE-3 to a dual producer. At that time, a stuck pressure plug made it impossible to produce both strings. To maximize production, the AG and Sergi were commingled up a single string to allow the current (and significantly constrained)

production rate of about 900 BOPD. This workover will reconfigure the well to the intended dual completion so that production volumes can be increased and optimized. The workover is expected to start at the end of June and will take approximately 2 weeks to complete. During this time, GTE-3 will not produce any oil but production will be off-set by both GTE-4 and the Attic well.

When the GTE-3 workover is completed, all three wells on the Tie Field will be dually completed, allowing each well to independently control and produce the Sergi and AG producing zones. At that point, well deliverability will exceed the current offtake and plant capabilities.

GTE-4

The workover to convert GTE-4 is planned and ready to execute when the need arises. This operation will allow the well to be jet pumped to greatly increase flow but is currently unnecessary due to the deliverability of the other wells.

107D (Tartaruga Field)

As earlier announced on May 6, 2019, the 3-1/2" liner was successfully perforated using a Coiled Tubing Unit. Subsequent well clean up and testing operations resulted in a continuous free flow of approximately 80 BOPD, 50 BWPD and 33 MSCFPD over a test period of seven days. Due to excessive emulsion problems (of the produced fluid) and surface handling constraints (insufficient tank volumes and heater treater limitations) the well test was stopped before the well was completely cleaned up. The fact that the well flowed unassisted to surface whilst still unloading large volumes of completion brine and drilling fluids is very encouraging. Once the well is properly cleaned out and is allowed to flow without restrictions larger flow volumes are expected.

Jonas Lindvall, CEO of Maha commented: "The current results seen on 107D are very encouraging. The fact the well is free flowing with substantial volumes of drilling mud and completion water suggests strong reservoir pressure. We are looking forward to completing the clean out operations and returning 107D to production as soon as the Surface Facilities can handle the new volumes."

The plan is now to return the 7TTG well on production, which is expected to fill the Tartaruga processing facility to capacity, and at the same time commence upgrading the Tartaruga production facilities to 2500 BOPD. Once the plant is ready to handle the higher volumes, the 107D well will be placed on production.

¹ The Theoretical Initial Productivity Volumes are calculated using surface measured pressures only and hence are estimates only.
Note that 6,000 SCF is equivalent to 1 bbl of oil

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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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