

Maha Energy AB (publ)
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Press release
Stockholm
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MAHA ENERGY AB ANNOUNCES THE ACQUISITION OF CERTAIN ONSHORE PRODUCING PROPERTIES IN THE ILLINOIS BASIN, USA.

Maha Energy AB ("Maha") (NASDAQ OMX First North: MAHA A) is pleased to announce that its wholly owned subsidiary Maha Energy (US) Inc ("Maha US") has entered into an agreement to acquire certain oil producing assets in the Illinois Basin, USA, through the purchase of all outstanding shares in Dome AB Inc., a Texas corporation ("Dome AB"), from Dome Energy AB (publ) (the "Seller"). The purchase price amounts to a cash consideration of US\$ 4.0 million adjusted in respect to any working capital in Dome AB at the time of the closing of the transaction, and the assumption of US\$ 0.25 million in current liabilities, and the possibility of an additional contingent consideration if certain production and oil price milestones are met, as detailed below.

The acquisition of the Illinois Basin assets strengthens Maha's production capabilities in the United States, with the addition of a total of 3374.44 net acres of oil and gas leases. The total amount of production of the Illinois Basin assets is currently, as of 1 March 2020, 160 barrels of oil per day and the net debt of the acquired company is zero.

"The acquisition is in line with Maha's strategy to grow through acquisitions when there is significant potential to create added value for our shareholders. With our strong cash position, we have the opportunity to act in these turbulent times and we are now able to increase our presence in North America and to continue our diversification strategy." stated Anders Ehrenblad, Chairman of the board of directors of Maha.

Jonas Lindvall, CEO of Maha Energy said: "These light oil (35° API) producing assets are low risk, shallow and solid performing assets. Modern technology coupled with shallow multiple independent oil reservoirs squarely place these assets in the low risk production area of our 40:40:20¹ portfolio pyramid. The property has sufficient upside to allow for significant production increase. And even though we are reducing our capital spend in Brazil, our strong cash position allows us to pounce on accretive transactions like this without jeopardizing our 2020 production guidance."

A future contingent additional payment to the purchase price will be made if certain oil price and production level milestones are met before 2023. Maha and its subsidiaries are under no obligation to reach the production level set out in the Production Milestone.

About the Illinois Basin assets

Maha is purchasing approximately 160 BOPD of Dome AB oil production as at 1 March, 2020. There are approximately 140 BOPD currently 'behind pipe', including one Drilled but Uncompleted (DUC)

well, that Maha will place into production as soon as the oil market recovers. Furthermore, there are a total of 31 proven but undrilled locations, 19 probable undrilled locations and 48 possible undrilled locations on the purchased lease area. According to an independent Third Party reserve report² dated 1 January, 2020, the Dome AB Inc. reserves are as follow²:

Category PeTech Reserve Report dated 1/1/2020	Volume Million barrels of oil	NPV(10%)² Million US\$
Proven (P)	2.014	22.97
Proven + Probable (2P)	2.941	31.41
Proven + Probable + Possible (3P)	5.213	54.536

¹ 40:40:20 asset portfolio pyramid assumes, 40% low risk producing assets, 40% development and appraisal assets, and 20% near field exploration assets.

² Reserve Report completed by Registered Professional Engineer in the State of Texas (license 50970) Mr. Amiel David, PeTech Enterprises, Inc. 5707 Spanish Oak, Houston, TX 77066 USA. Reserve Report is based on a WTI US\$ 57/bbl flat for the year 2020. Monetary values are expressed as Net Present Values discounted at 10%.

The Illinois basin is one of the oldest oil producing basins in N. 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 conventional oil play that requires low cost drilling and stimulation operations. Maha will be able to use legacy tax pools from its other operations in the USA. During 2019, Dome Energy AB Inc 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.

With reference to Kvalitena AB's (the main shareholder of Maha Energy) holding of shares in Dome AB (publ) (approximately 15% per 13 January 2020) and his possible conflicts of interest thereof, Harald Pousette (Former CFO of Kvalitena AB and CEO of Kvalitena Industrier AB) has recused himself and not participated in any of the Board of Directors' decisions nor preparations thereof in connection with the transaction.

Advisers

Setterwalls Advokatbyrå AB acted as legal adviser (as to Swedish law) to Maha in connection with the acquisition of Dome.

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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 April 1, 2020, at 00:15 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 and can be contacted at info@fnca.se or +46-8-528 00 399. The Company's auditor is 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 Growth Market stock exchange. Jonas Lindvall, CEO and Managing Director, has 30 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.