



# M A H A

## E N E R G Y

**Investor Presentation**  
Maha Energy  
February 2023

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## Glossary

<b>k</b>	Thousand	<b>Gas to oil conversion</b> 6,000 cubic feet = 1 barrel of oil equivalent
<b>m</b>	Million	
<b>boe</b>	Barrels of oil equivalent	<b>All monetary values are in USD unless otherwise noted.</b>
<b>bbls</b>	Barrels	
<b>bopd</b>	Barrels of oil per day	
<b>boepd</b>	Barrels of oil equivalents per day	
<b>kscf</b>	Thousand standard cubic feet	

# Today's Presenters



**Paulo Thiago Mendonça**  
CEO



**Bernardo Guterres**  
CFO



**Alan Johnson**  
COO

## Professional Experience



## Curriculum

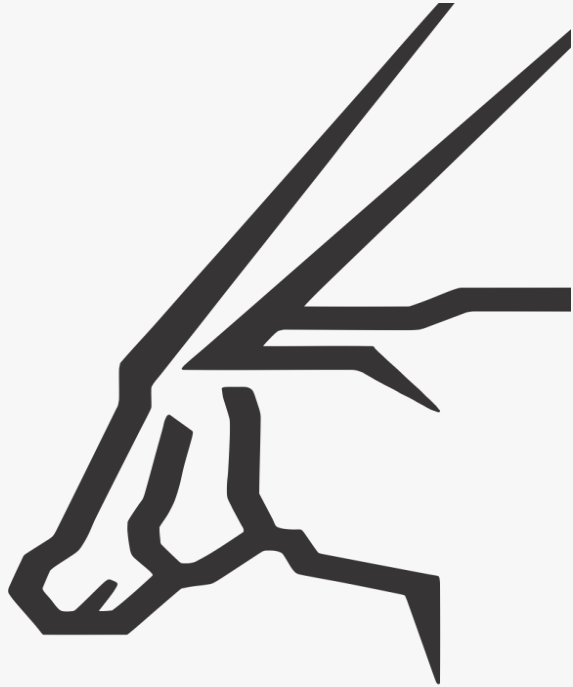
- Current Managing Director at Starboard, responsible for private equity investments in the O&G industry and previously the Head of Investment Banking at Brasil Plural
- Held positions as Chairman, Board Member and Director of Business Development at 3R Petroleum. Responsible for raising more than USD 2 billion in equity and debt, and paramount to the development of 3R Petroleum into one of the key independent oil companies in Latin America

- Current Partner and Executive Director at Starboard, responsible for sourcing, evaluating, and leading the execution of investment transactions. More than 15 years experience in the investment banking, asset management, project finance and private equity industry
- Prior to joining Maha Energy, Bernardo held positions at Safera Investment Banking, Safera Private Equity, Opportunity Asset Management, Deutsche Bank and Itaú BBA

- More than 28 years in international upstream oil and gas on five continents
- Experience includes varied technical, managerial and executive roles in drilling production, reservoir, reserves, corporate planning and asset management
- 1st Class Honours Degree in Mechanical Engineering from Heriot-Watt University, Edinburgh

# Agenda

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**01. Company Overview**

**02. Assets Overview**

**03. Financial Data & ESG**

# 01. Company Overview

# Company Highlights



1) Updated on 3 February 2023

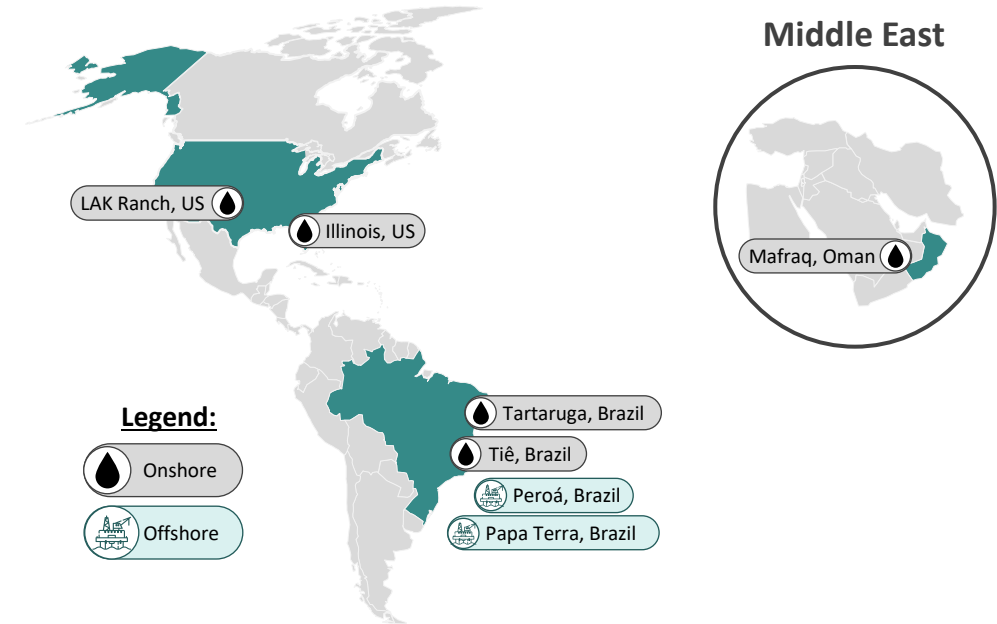
Source: Company information

# Maha at a Glance

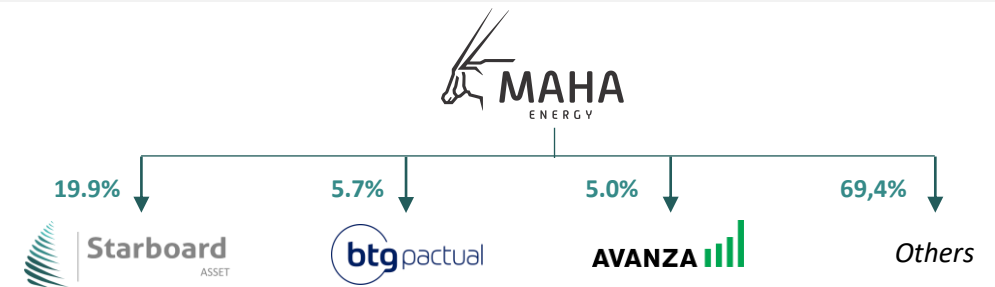
## Company information

- **Independent E&P company listed on Nasdaq Stockholm's Main Market with a market capitalization<sup>3</sup> of USD 131.8 million (SEK 1.36 bn)**
- **Currently operating in Brazil, US and Oman**
  - Production from Tie and Tartaruga fields in Brazil and Illinois Basin in the US, 3,300 boepd net production (LTM<sup>1</sup>)
  - 3.2 mmboe 2P reserves<sup>4</sup> of Oman<sup>5</sup> and Illinois
  - Appraisal asset in Oman with net contingent resources<sup>5</sup> 2C of 21.0 mmboe
- **Recent change in shareholder structure, board and management**
  - Investment Fund managed by Brazilian private equity firm Starboard acquired ~19.9% ownership
  - Starboard brings significant experience and track record in oil & gas and finance.
- **Currently investigating divesting US assets, with transactions ongoing:**
  1. Binding term sheet signed regarding business combination with DBO Energy, which holds 15% in 3R Offshore (Peroá and Papa Terra fields)
  2. SPA signed on 27 December 2022 for the divestment of Brazilian assets (Tartaruga and Tiê fields)
- **Royal decree approving farmout agreement with Mafraq Energy LLC and signing of the Joint Operational Agreement in Block 70 in Oman**
  - Advanced well testing in Oman, production set to start in 1Q23

## Overview of assets<sup>2</sup>



## Shareholder Structure



Notes: 1) Last twelve months per 30 September 2022; 2) Peroá and Papa Terra are in the process of business combination and Tartaruga and Tiê are in the process of divestment ; 3) Updated on 3 February 2023 ; 4) For YE 2022: IB (2.7 mmboe) and 65% W.I. Oman (0.5 mmboe); 5) 65% W.I.

Source: Company information

# New Strategic Positioning, Focused on Expanding Maha's Footprint and Maximizing Shareholder Returns

For future M&A opportunities, Brazil presents an attractive free cash flow per barrel

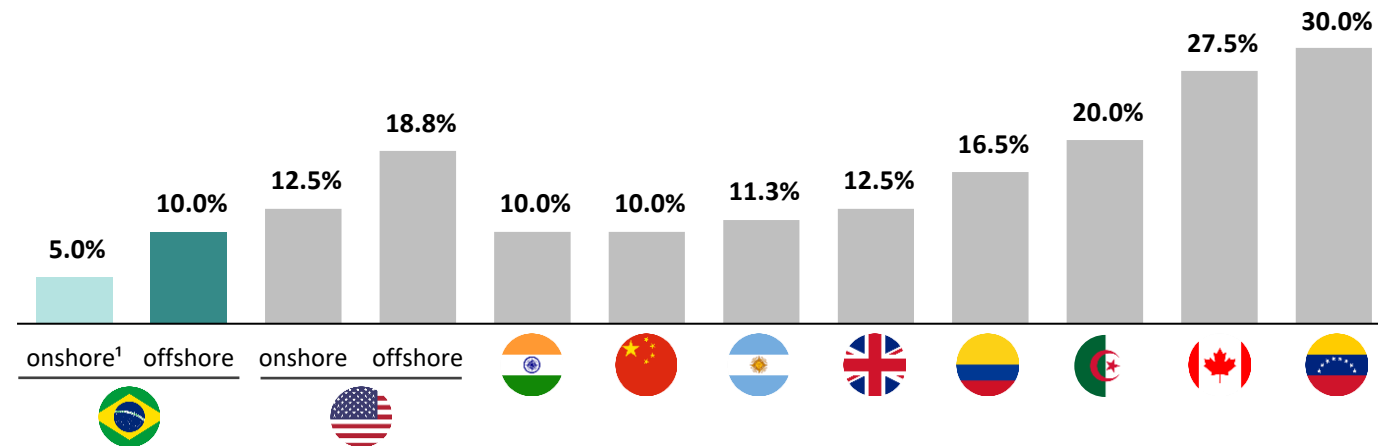
The new direction comes with key near term workstreams and priorities, including:

- I Improvement of Maha's current capital structure, strengthening the balance sheet and cash position
- II Optimization of CAPEX and OPEX to capture enhanced returns for deployed capital
- III Analysis of asset portfolio optimization, including divestments and new developments / M&A

## THE NEW STRATEGIC POSITIONING CONTAIN M&A FOCUSED GROWTH IN ORDER TO MAXIMIZE RETURNS TO SHAREHOLDERS

- Maha will look for accretive opportunities, paying attractive entry multiples (EV/2P; P/NAV; EV/EBITDA)
- The company is set to focus on mature fields to diversify its current production profile
- Current pipeline includes I) Conclusion of divestment of Maha Brazil; II) Potential divestment US assets and III) Conclusion of business combination with DBO Energy
- Conclusion of Oman farmout and Joint Operational agreement, bringing a local partner with expertise and de-risking the project

Brazil continues to be an attractive option for future M&A's



Brazilian royalties' rate leads to **higher free cash flow generation** compared to other countries

**Other upsides:** In some Brazilian states there are incentives programs such as SUDENE that can reduce up to 75% the income tax rate

1) Up to 7,5%



# Contemplated business combination with DBO<sup>1</sup> – Highlights



**Binding term sheet signed** regarding business combination with DBO Energy, which holds **15% in 3R Offshore's shares<sup>1</sup>**. Consideration of **36,775,410 new shares** in Maha – value of **USD ~33.7 million** at share price per 3<sup>rd</sup> February.



**Increase Maha's net 2P reserves with ~18.5 mboe** and estimated to add **~2,000 boepd net production in 2023** with further upside through ramp-up at Papa Terra, Peroá and the potential Malombe development<sup>2</sup>



The transaction reinforces the construction of a **diversified portfolio** balanced between **mature oil and gas onshore and offshore assets**



**Acquired 1P and 2P reserves** have an estimated value (NPV10) of **USD 86 million and USD 145 million** (net of future contingent payments) based on public reserve reports<sup>2,3</sup>. Net cash flow<sup>2</sup> of **USD 16m** in 2023



**Attractive price metrics – P/NAV of ~0.39x** based on 1P reserves, **~0.23x** based on 2P reserves, and **EV/2P of USD ~3.0/boe**.

- 1) Number of shares may be adjusted in view of applicable taxes). The transaction is subject to confirmatory and satisfactory due diligence, board approvals and, if applicable, regulatory approvals, as well as a general meeting in Maha resolving to issue new shares, or to approve a resolution of the board of Maha to issue new shares
- 2) Based on public reserve reports from DeGolyer and MacNaughton and Gaffney Cline. Value estimates are based on oil price of USD 71/bbl in 2023 and USD 66/bbl thereafter and a gas price of USD 5.0-5.5/mcf
- 3) Institutional Presentation, 3R Petroleum, August 2022

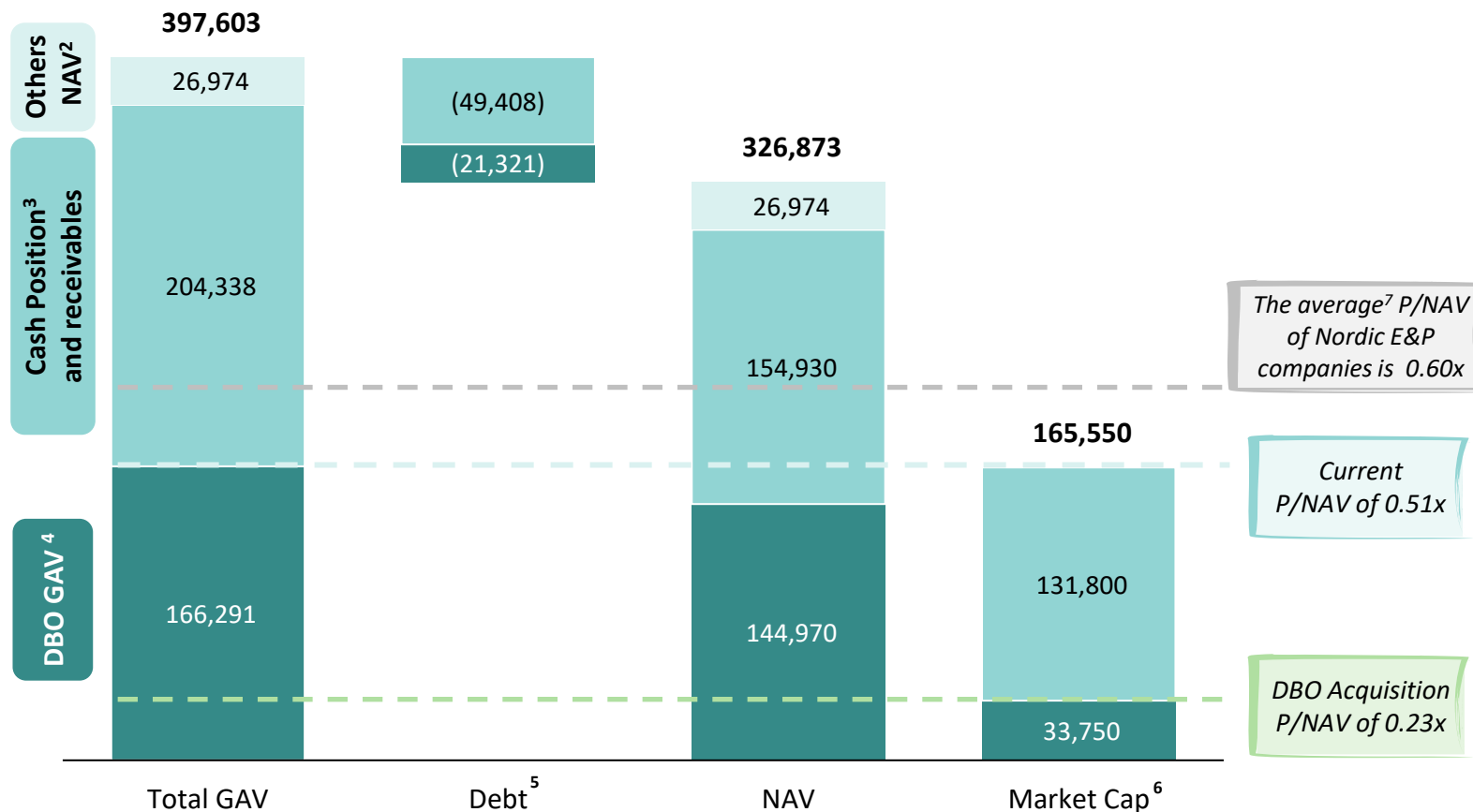
# Solid balance sheet and asset diversification with the completion of the two announced transactions

The company will have a cash position and M&A receivables that is higher than the current market cap

## Key takeaways

## Attractive metrics

- **Maha's current market cap is very discounted when compared to the Company's new NAV** ( the sum of: US assets' NAV; Mafraq's NAV; Cash position and receivables net of debt; and DBO's NAV)
- This scenario presents a **potential upside** if Maha's multiple converge to the average P/NAV of Nordic and Brazilian E&P companies
- Only the "Cash position and receivables<sup>3</sup>" (USD 204.3 million) net of debt (USD 48.7 million) is **1.18x Maha's current market cap<sup>1</sup>**



1) Updated on 03 February 2023 ; 2) Based on McDaniels' certificate on 31 December 2022 (IB : USD 20,740k ; Oman 100% W.I. USD 6,234k) ; 3) Cash balance on 30 September 2022: USD 11,338k; Acq. Price: USD 138,000 k; Earn-outs: USD 36,000; Capital increase net of fee: USD 19,000k ; 4) Based on public reserve reports from DeGolyer and MacNaughton and Gaffney Cline ; 5) Considers Maha's debt on 30 September 2022 (USD 49,408k) and USD 21.3 million for DBO contingent payments ; 6) Considers the issuance of 33,775,410 shares related to DBO transaction, price based on 3 February 2023 ; 7) Weekly E&P update Sparebank1 on 04 February 2023

# Contemplated business combination with DBO<sup>1</sup> – Overview

## Key takeaways

- DBO is a private upstream oil and gas company focusing on mature offshore fields in Brazil
- DBO entered into a JV agreement with 3R Petroleum in 2021 – creating 3R Offshore
  - DBO / 3R Petroleum holds 15% / 85% of the shares in 3R Offshore
- 3R Offshore signed two SPAs in 2021
  - Peroá Cluster (100% WI) - signed in Feb'21, closed in Aug'22
  - Papa Terra Cluster (62.5% WI) - signed in July 2021, closed in Dec'22
- **DBO will add an estimated 18.3 mmboe 2P reserves with net NPV10 of USD 145 million to Maha<sup>1</sup>**
- **DBO's current shareholders shall receive 36,775,410 (number may be adjusted in view of applicable taxes) shares issued by Maha as payment - valued at USD ~33.7million at share price per 03 February 2023**
  - 1P reserves valued at USD 86 millions (P/NAV 0.39x) and 2P reserves valued at USD 145 million ( P/NAV 0.23x) based on public third-party reserve reports.

## Key stats<sup>1</sup> (net DBO)

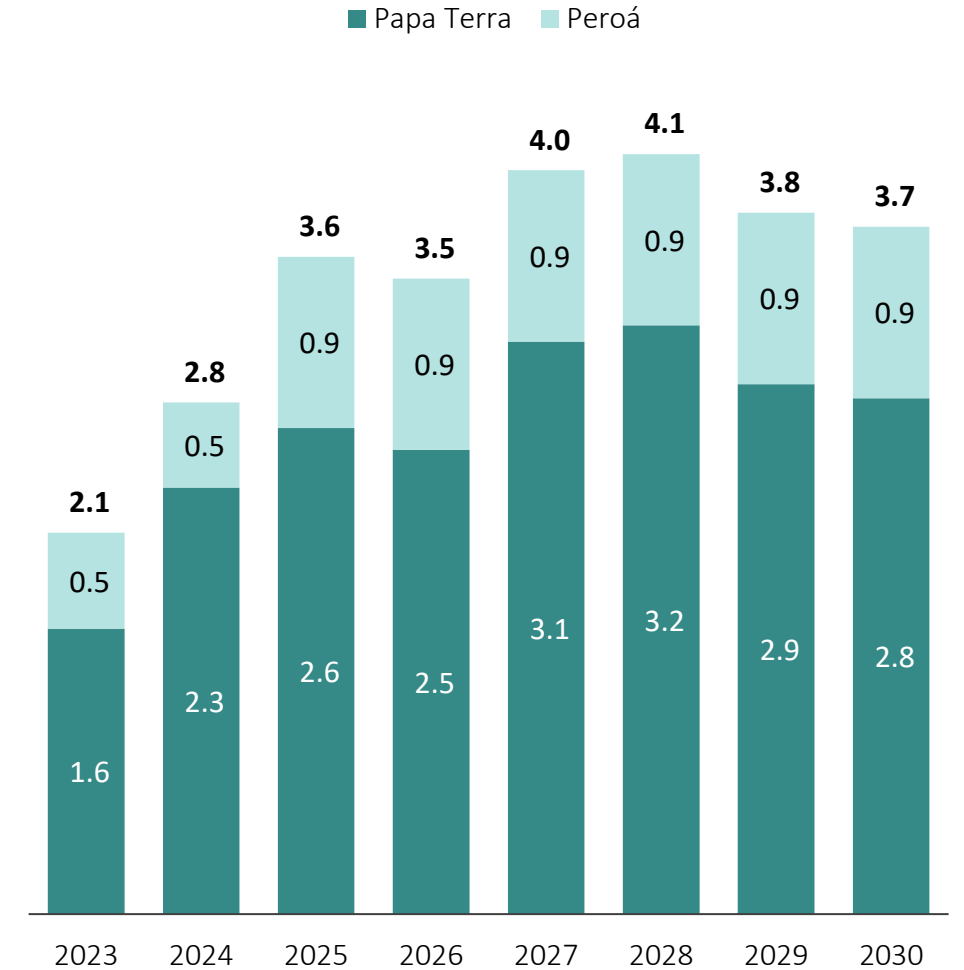
**15% and 9.375% interest in Peroá and Papa Terra**

**18.5 mmboe Net 2P reserves (YE'22)**

**USD 145 million NPV10 of 2P (YE'22)**

**USD 161 million Cumulative net cash flow 2023-2030**

## Net production to DBO (kboepd)<sup>1</sup>



1) Based on public reserve reports from DeGolyer and MacNaughton and Gaffney Cline and Institutional Presentation, 3R Petroleum, August 2022. Value and cash flow estimates are based on oil price of USD 71/bbl in 2023 and USD 66/bbl thereafter and a gas price of USD 5.0-5.5/mcf and are net of contingent payments

## 02. Assets Overview

# DBO Assets – Peroá, Congoá and Malombé (15% indirect working interest)

## Key takeaways

- The Peroá gas cluster is located in the Espírito Santo basin, offshore Brazil in shallow waters
- The Peroá cluster includes the Peroá and Congoá producing fields and the Malombé discovery
  - Malombé is considered to be tied back to the Peroá platform in the future and could add an estimated production of 16 kboepd (gross) at peak
  - Peroá platform has available capacity for Malombé with limited additional CAPEX
- Approximately 72.4% gas has been recovered and remaining 2P reserves are estimated to 19 mmboe gross per year-end 2022**
- The cluster has a 55km gas pipeline connection to the Cacimbas gas processing plant (operated by Petrobras) and has an unmanned platform with an OPEX of approximately USD 5/boe
- Brazil is a net importer of gas, with LNG being the marginal source of supply**

## Key stats<sup>1</sup> (net DBO)

**2.9 mmboe**  
Net 2P reserves  
(YE'21)

**USD 23 million**  
(YE'22)  
Net 2P NPV10

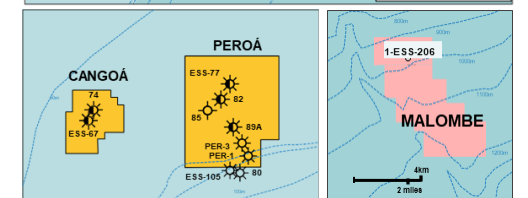
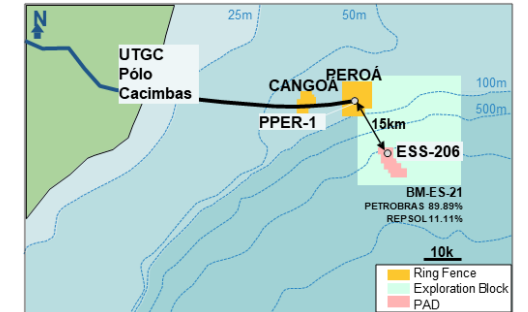
**USD 36 million**  
Cumulative net cash  
flow 2023-2030

**~523 boepd**  
Net production Oct  
2022

## Field overview and key field statistics<sup>2</sup>



<b>Location &amp; Basin</b>	Espírito Santo
<b>Type:</b>	Offshore Brazil
<b>Concession Term:</b>	2025 (extendable by 27 years)
<b>Partners:</b>	3R Petroleum (OP,85%) and DBO (15%)
<b>Offtaker:</b>	Petrobras
<b>Recovered Gas:</b>	72.4% / 65.6 mmboe



1) Based on public reserve reports from Gaffney Cline and Institutional Presentation, 3R Petroleum, August 2022. Value and cash flow estimates are based on a gas price of USD 5.0-5.5/mcf and are net of contingent payments. 2) Institutional Presentation, 3R Petroleum, August 2022

# DBO Assets – Papa Terra (9.375% indirect working interest)

## Key takeaways

- Papa Terra is a heavy oil field located in deep waters in the Campos Basin, approximately 100km off the coast of the State of Rio de Janeiro, Brazil
- **Approximately 2.4% of the oil has been recovered as of October 2022 and gross 2P reserves are estimated to 166 mmboe per year-end 2022**
- **3R Offshore closed the acquisition of Petrobras' working interests (62.5%) in the Papa Terra Cluster in December 2022**
- State of the art assets with 6 years of operations
  - P-63 FPSO and P-61 Tension Leg Wellhead Platform – USD ~3bn in gross historical investments
  - **All assets are owned by the license holders. Thus, DBO has a 9.375% stake in both assets**
  - The P-61 is a tension leg wellhead platform (TLWP), the first of its kind to be installed in Brazil's offshore and the first to use floating dry tree technology in the country.
  - FPSO P-63 has an oil production capacity up to 140,000 bopd

## Key stats<sup>1</sup> (net DBO)

**15.6 mmboe**  
Net 2P reserves  
(YE'21)

**USD 122 million**  
net NPV10 of 2P  
(YE'22)

**USD 126 million**  
Cumulative net cash  
flow 2023-2030

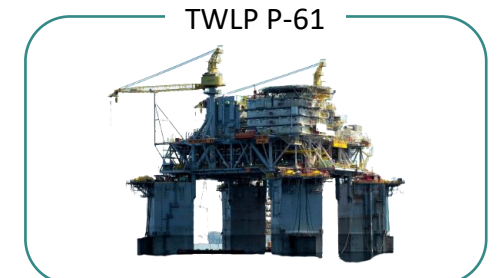
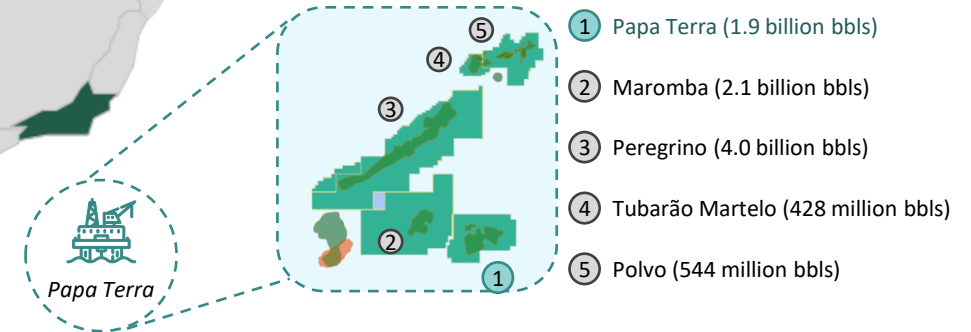
**~1,726 boepd**  
Net production Dec  
2022

## Field overview and key field statistics<sup>2</sup>



<b>Location / Basin</b>	Rio de Janeiro / Campos
<b>Type:</b>	Offshore Brazil
<b>Concession Term:</b>	2032 (extendable by 27 years)
<b>Partners:</b>	3R Petroleum (OP,53.125%), MTI Energy (37.5%) and DBO (9.375%)
<b>Offtaker:</b>	Under negotiations
<b>Recovered Oil:</b>	2.4% / 46.6 mmboe (Oct-22)

### Field (VOIP)



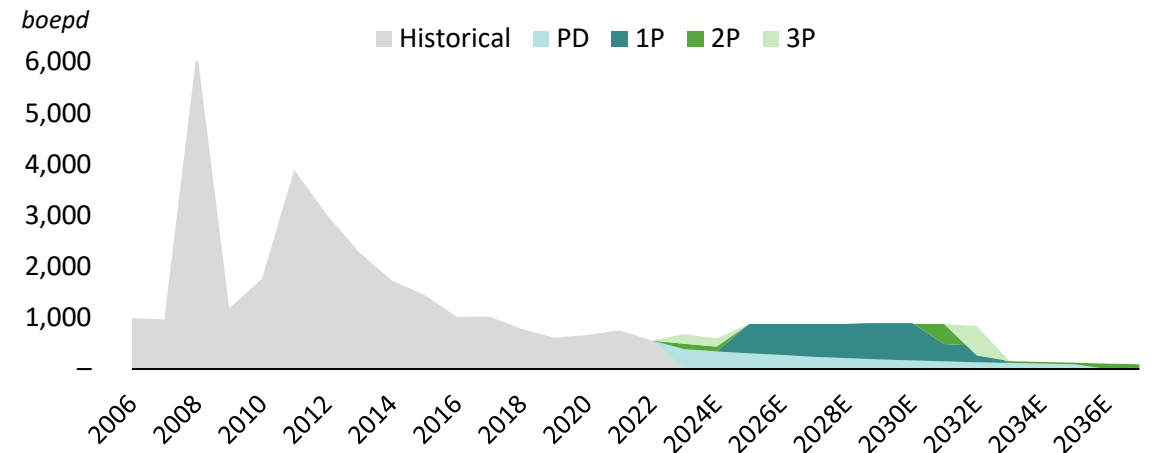
1) Based on public reserve reports DeGolyer and MacNaughton and Institutional Presentation, 3R Petroleum, August 2022. Value and cash flow estimates are based on oil price of USD 71/bbl in 2023 and USD 66/bbl thereafter and are net of contingent payments. 2) Institutional Presentation, 3R Petroleum, August 2022

# Peroá is a low-risk asset (~90% of proven reserves) while Papa Terra presents an interesting upside

Reserves Breakdown for Peroá (As of Apr/2021)

15% W.I.	1P	2P	3P
Oil	60	75	90
Gas	2,958	3,283	3,773
<b>Total</b>	<b>3,018</b>	<b>3,358</b>	<b>3,863</b>
<b>NPV 10</b>	<b>26,877</b>	<b>31,371</b>	<b>39,042</b>

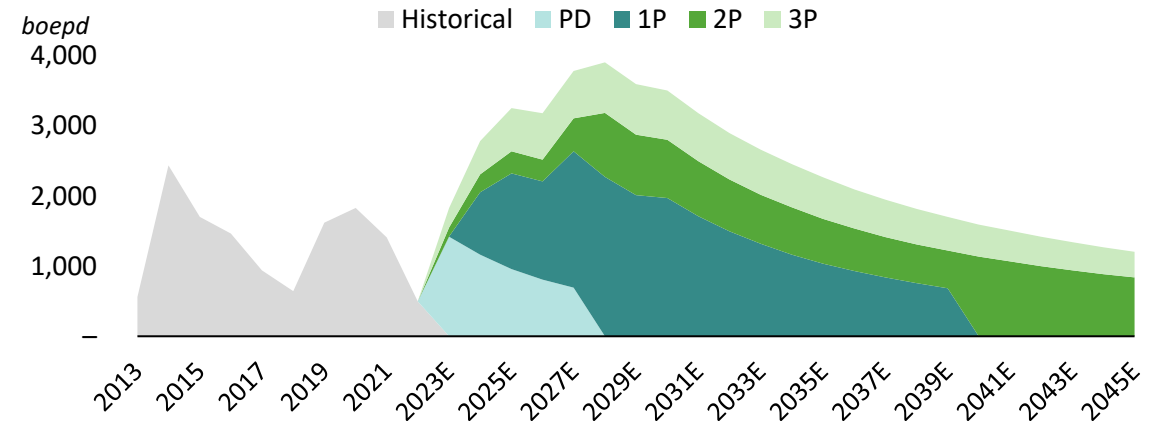
Peroá 15% W.I. production profile



Reserves Breakdown for Papa Terra (As of dec/2021)

9.375% W.I.	1P	2P	3P
Oil	10,245	16,031	20,687
<b>Total</b>	<b>10,245</b>	<b>16,031</b>	<b>20,687</b>
<b>NPV 10</b>	<b>83,629</b>	<b>134,950</b>	<b>201,749</b>

Papa Terra 9.375% W.I. production profile



# Oman – Undeveloped Heavy Oil Asset

## Key takeaways

- **Block 70 is located close to other major established oil fields, and contains the Mafraq oil discovery from 1988**
- **Mafraq is de-risked through extensive seismic and a total of five wells drilled pre-2020, including a production test**
  - Planning a phased development approach, with an initial committed work program of 11 wells plus seismic reprocessing, equivalent to USD ~20 million. Six wells have been drilled to date with drilling ongoing
- **Signed agreement to farmout 35% WI to Mafraq Energy LLC**
  - Maha to be reimbursed for 35% of all past costs and signature bonus
  - Mafraq Energy LLC will pay its share of future expenditures on Block 70
  - Mafraq Energy LLC brings important technical expertise as well as strategic partnership in Oman for future growth
  - Royal Decree by the Sultanate of Oman approving the farmout transaction
- **Signed joint operational agreement with Mafraq Energy LLC on 28 January 2023**
- **Production set to start in 1Q23**

## Key stats

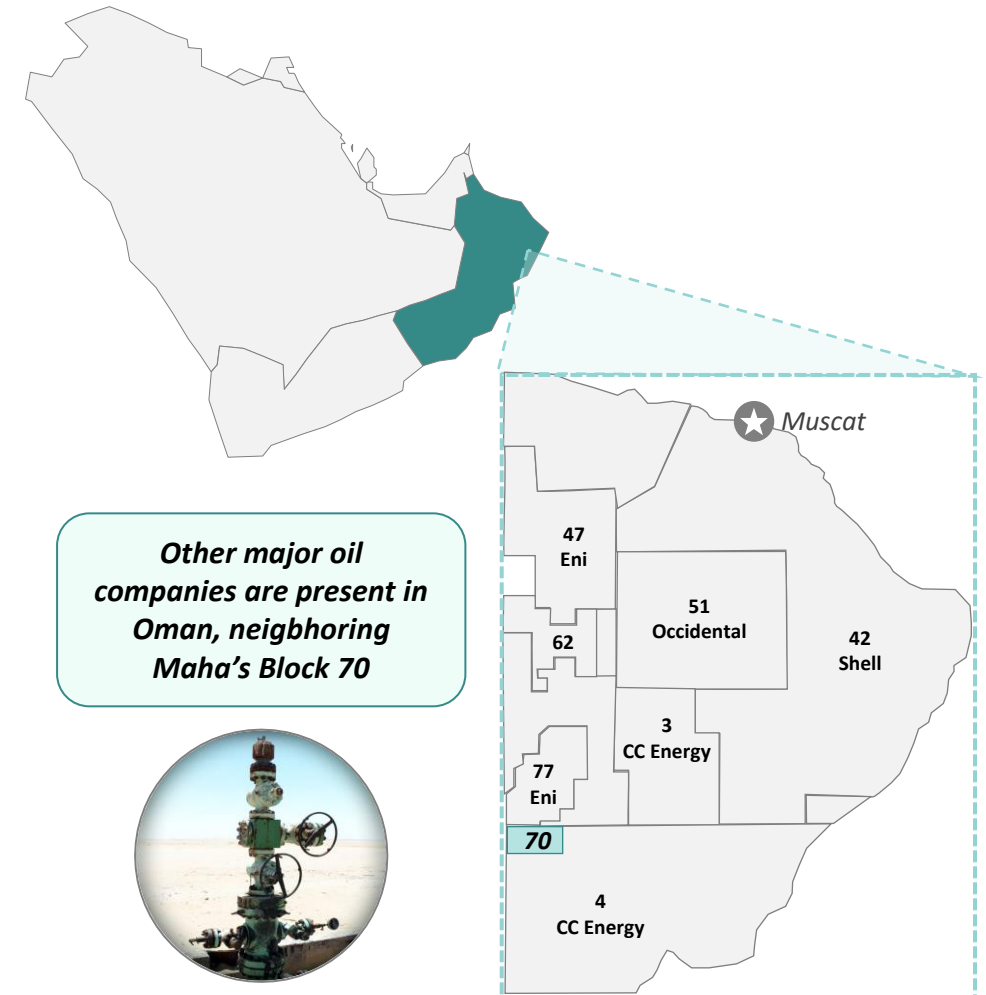
**6**  
Drilled wells

**20,985**  
(mbbls)  
**2C Contingent Resources<sup>1</sup>**

**515**  
(mbbls)  
**2P Reserves<sup>1</sup>**

**348.5**  
(mmbbls)  
**OOIP<sup>2</sup>**

## Field overview



1) 65% woking interest 2) 100% Working Interest



# IB - Light Oil Asset - Classic Low Risk Development Case

## Key takeaways

- As press released on 2 December 2022, Maha is currently investigating the potential sale of the company's US assets
- Operator (97% WI) of a conventional oil field in the Illinois Basin
  - Acquired from Dome Energy in March 2020
  - One of the oldest oil producing basins in North America
  - Relatively lower risk conventional oil play that requires low-cost drilling and stimulation operations
- Net oil production of 314 bopd in Q3'22 from 46 wells, compared with 540 bopd in Q2'22 and 223 bopd in Q3'21
  - Decline Q/Q in Q3 a result of natural decline and no well activity in the quarter
  - Since acquisition in 2020, production is up from 160 bopd
  - Company retains optionality on new well drilling going forward with over 40 drilling locations
- In addition, Maha holds 99% WI in LAK Ranch oil field in the Powder River Basin in Wyoming
  - Shut down since 2020 following the Covid-19 outbreak
  - Minimal work is planned

## Key stats<sup>1</sup>

**2.7**  
(mmboe)  
**Net 2P reserves**  
(YE'22)

**USD 20.7 million**  
**Net NPV10 of 2P**  
(YE'22)

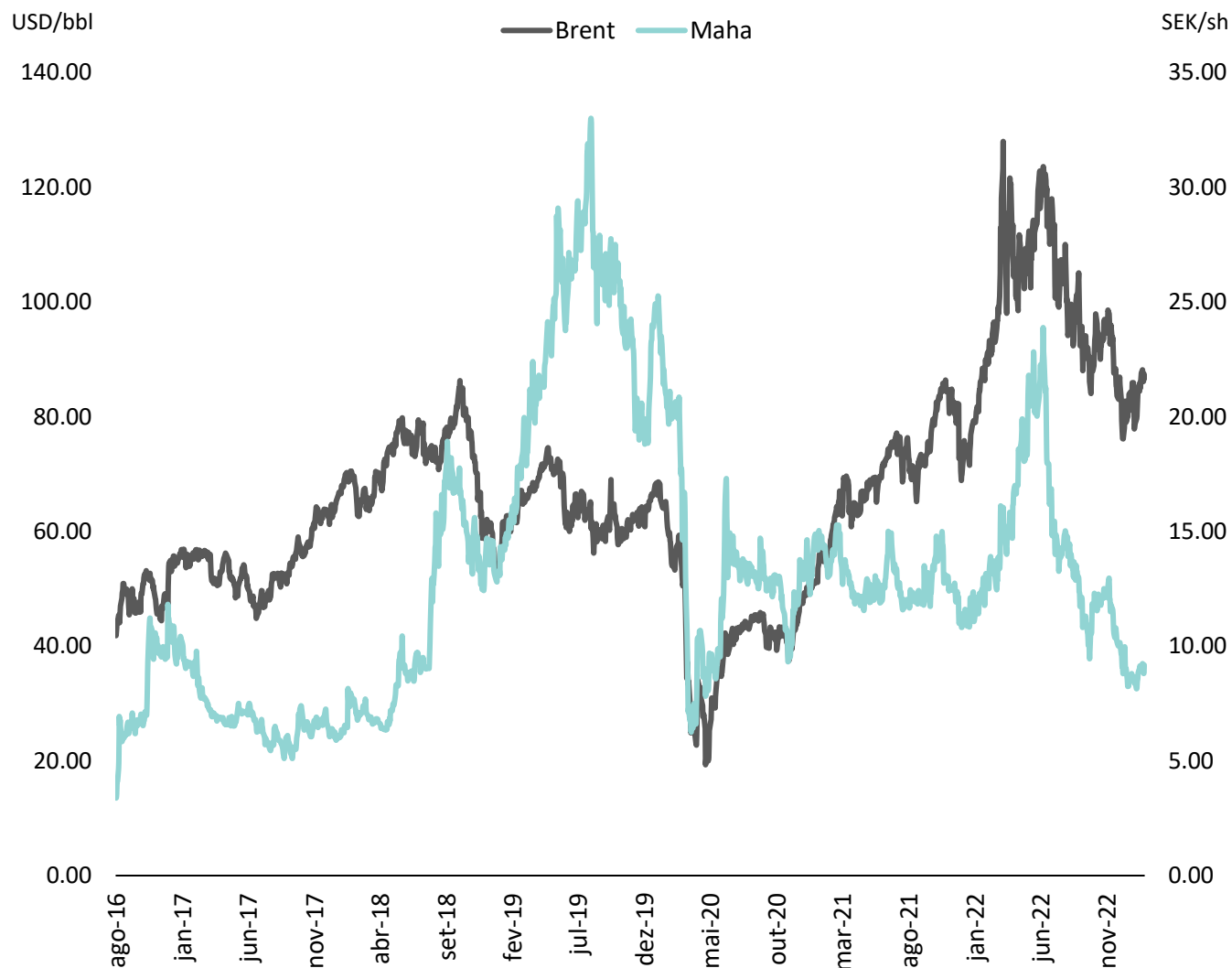
**314**  
(boepd)  
**Net production**  
**3Q22**

## Field overview



# 03. Financial Data & ESG

# Financial Overview 3Q22



THE STOCK <sup>3</sup>		
<b>USD 0.92</b>	<b>SEK 9.51</b>	Current Stock Price
<b>USD 2.44</b>	<b>SEK 23.88</b>	52 Week High
<b>USD 0.78</b>	<b>SEK 8.14</b>	52 Week Low
<b>USD 0.5 million</b>	<b>SEK 5.2 million</b>	ADTV 30 days

CAPITALIZATION	
<b>USD 131.8 million</b>	Market capitalization <sup>3</sup>
<b>USD 19.1 million</b>	Net debt <sup>1</sup>
<b>USD 150.1 million</b>	Enterprise Value
<b>USD 30.3 million</b>	Cash <sup>1</sup>
<b>0.3x</b>	Net debt / EBITDA

KEY FINANCIALS – LAST TWELVE MONTHS PER 3Q22	
<b>USD 90 million</b>	Revenue
<b>3,300 boepd</b>	Net production
<b>USD 62 million</b>	EBITDA
<b>USD 48 million</b>	Operating cash flow
<b>USD 30 million</b>	Net result

1) Considers proceeds of capital increase net of fees (USD 19 million) and equity balance at 3Q 22 (USD 116.6 million); 2) Considers the cash balance (USD 11.3 million) and debt (USD 49.4 million) at 3Q 22 plus the capital increase net of fees 3) Updated on 3 February 2023



# Corporate Responsibility is Core at Maha



- **Tie** ●
- ✓ Gas to Wire project allows electricity generation with gas that would otherwise be flared
  - ✓ Zero water discharge. All water is reinjected as part of water injection scheme
  - ✓ Important source of gas to local community

- **Tartaruga** ●
- ✓ Located on the coast – operations set up to minimize disruption to local wildlife and habitat
  - ✓ Instead of traditional rig, short mast rig was used to minimize light pollution during turtle nesting season

- **LAK Ranch & Illinois Basin** ●
- ✓ Reduced water discharge to zero (100% water recycling)
  - ✓ Special pump jacks to allow simultaneous irrigation activities and oil production
  - ✓ Proactive spill prevention management



*Local contracting wherever possible*

**96% of companies contracted from country of operations**

- SAPOTI Cultural Enrichment Program**
- ✓ Non-traditional education project in reading, public speaking and theatrical performance
  - ✓ 300+ community members in Tararuga participated
  - ✓ Plan to continue this program near the Tie Field

**Maha Connect**

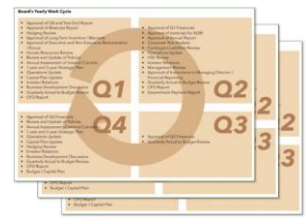
*Local stakeholders can connect with Maha through a new communication channel called **Maha Connect***



● **External** ●



*Listing in Stockholm ensures transparency in reporting*



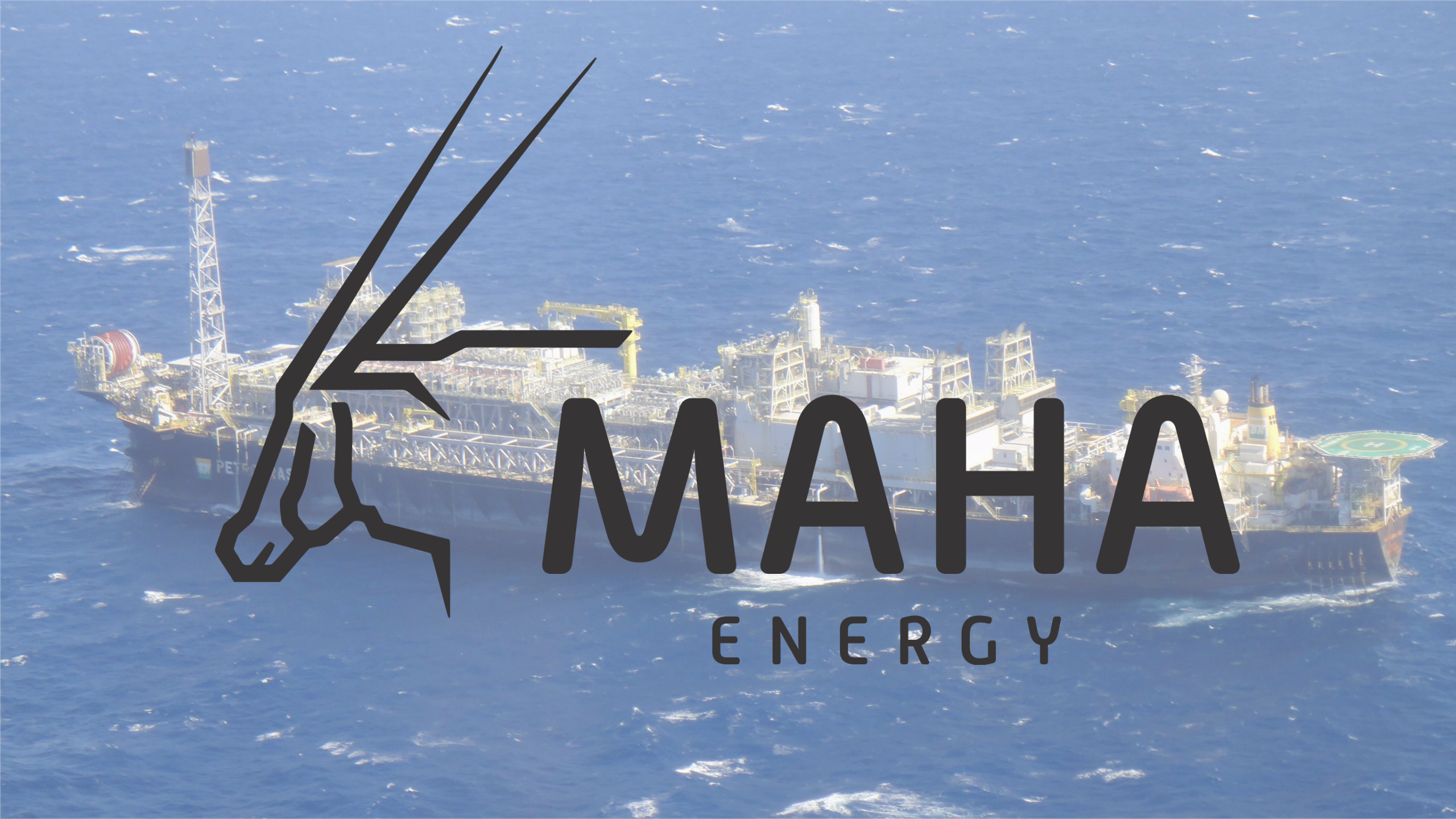
- **Internal** ●
- Internal governance guidelines to assist in decision making process*
- ✓ 0 discrimination incidents
  - ✓ 0 whistle blowers incidents
  - ✓ 0 anticorruption incidents



*HSE committee established to review operations and HSE management systems*



- A year of safe operations**
- ✓ 89% complete on corporate wide implementation DuPont™ STOP™ safety system
  - ✓ 9,900 safety training and awareness manhours in 2021
  - ✓ 1,300 safety card submitted by personnel in 2021



**MAHHA**

**E N E R G Y**