Report on

Payments to Governments

Year ended 31 December 2017

Introduction

This report gives an overview of payments to governments made by Maha Energy AB and its subsidiaries ("Maha Energy" or "the Company") during the year 2017. Maha Energy is committed to the highest standards of corporate governance and transparency and supports the concept of transparency in revenue flows from oil and gas activities in natural resource owning countries. The Company believes that this help empowers citizens of resource-owning countries to hold their governments accountable for the wealth generated by those resources.

Basis of preparation

This report is prepared in accordance with the Swedish regulations regarding report on payments to governments (Lag (2015:812) om rapportering av betalningar till myndigheter). This law applies to companies involved in extractive activities and applies for financial years starting after 31 December 2015.

Payments shown in this report are presented in TUSD.

Reporting entities

Payments made to governments that relate to subsidiaries of Maha Energy AB involved in extractive activities such as exploration, development, and production of oil and gas during 2017 are included in this report. For Assets acquired during 2017, the reported payments included were since the date of acquisition.

Government

Government includes any national, regional or local authority of a country, and includes a department, agency or entity that is a subsidiary of a government, which includes as well national oil companies. This report includes royalty payments made to Petróleo Brasileiro S.A ("Petrobras"), a publicly traded company listed on the New York Stock Exchange with a direct ownership of 50,26% percent by the Brazilian Federal Government as of December 31, 2017 (http://www.investidorpetrobras.com.br/en/corporate-governance/capital-ownership). These royalties were granted as part of the 1998 Round Zero Bid Round in Brazil, as Petrobras was the original concession owner. A state-owned company that undertakes activities outside of its home jurisdiction is not considered to be a government.

Cash basis

Payments are reported on a cash basis, meaning that they are reported in the period in which they are paid, which is not necessarily the same period as the liabilities arise. Refunds are also reported in the period they are received by the Company and are shown as negative amounts in the Report.

Materiality

The Regulations require that payments made as a single payment or as part of a series of related payments exceeding TSEK 860 (approximately TUSD 100) within one financial year be included in this Report.

Payment types

Taxes

These are taxes paid by the Company on its profits or production. Payments are reported net of refunds. Taxes levied on consumption such as value added taxes, personal income taxes, sales taxes, property and environmental taxes are excluded.

Royalties

These are payments for the rights to extract oil and gas resources.

Fees

These are fees and other sums paid as consideration for acquiring a license or concession for gaining access to an area where extractive activities are performed.

Payments overview

Country (in TUSD)	Taxes	Royalties	Fees	Total
Brazil	385	1,922	113	**2,420**

Payments by country

Brazil

Governments (in TUSD)	Taxes	Royalties	Fees	Total
Secretaria da Receita Federal do Brasil	385	1,629	-	2,014
Agência Nacional do Petróleo	-	-	113	113
Petróleo Brasileiro S.A	-	293	-	293
Total	**385**	**1,922**	**113**	**2,420**

Per Project

(in TUSD)	Taxes	Royalties	Fees	Total
Tie Field	385	1,232	44	1,661
Tartaruga Block	-	690	69	759
Total	**385**	**1,922**	**113**	**2,420**