

# Q2 2016

16 August 2016



## Q2-16 Highlights

- Production flat compared to Q1-16, despite temporary shut downs of fields for scheduled maintenance: 12,164 BOPD in Q2
- Revenue of MUSD 21, up 5% compared to Q1-16
- EBITDA of MUSD 8, down 18% compared to Q1-16
- Net result MUSD -3, (MUSD -2 in Q1-16)
- Earnings per share USD -0.08 for Q2-16
- Net cash of MUSD 41, (MUSD 45 in Q1-16)
- SEK 1.00 per share dividend distributed to shareholders in Q2

# Tethys Oil's assets

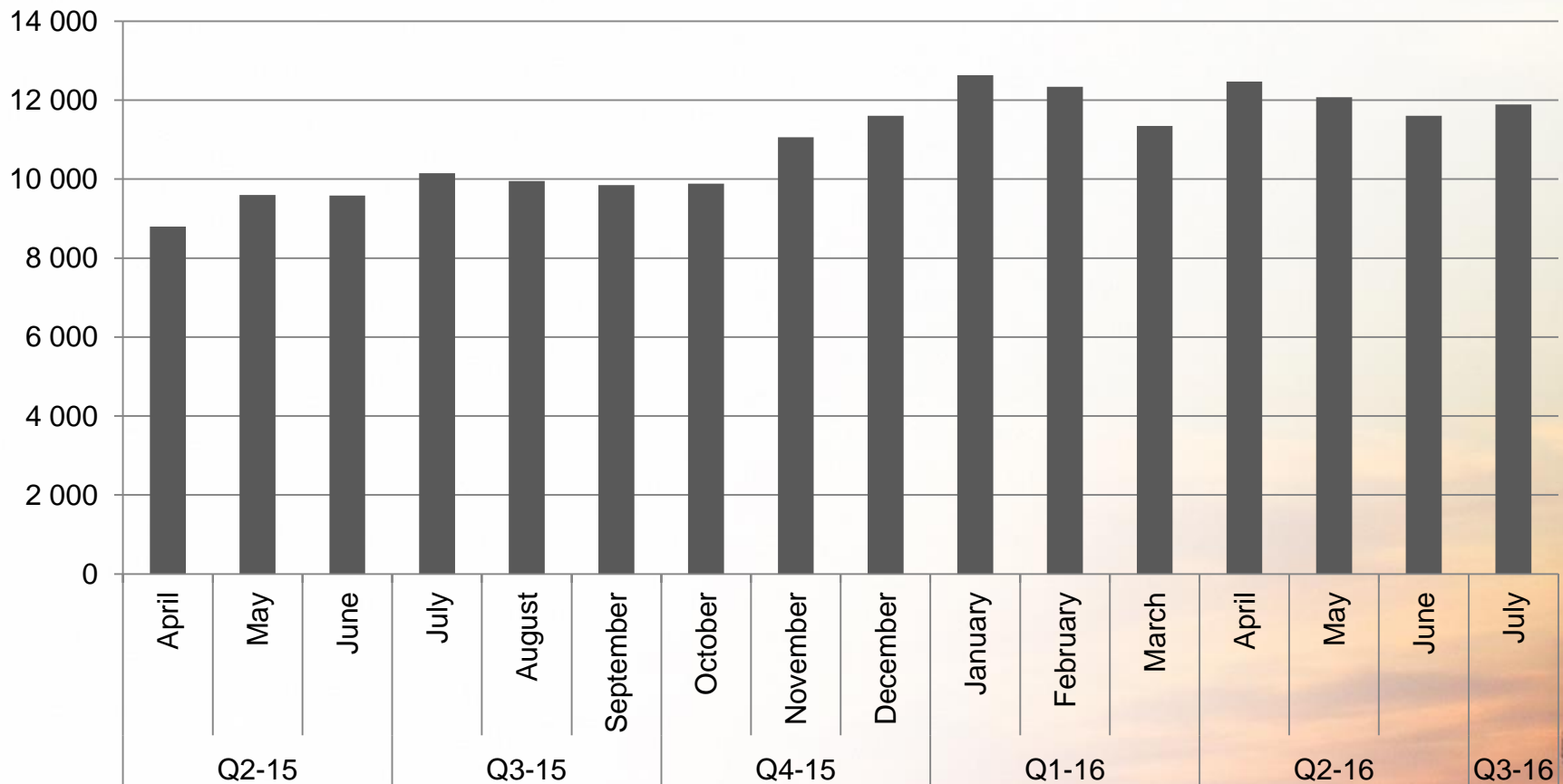
	Country	Licence	Area, km2	Tethys share	Partners*	2P reserves 31 Dec 2015 (mmbo) **	Production Q2 2016 (bopd)
Producing Assets	Oman	Block 3 & 4	34,610	30%	<b>CC Energy</b> , Mitsui	18.2	12,049
	Lithuania	Gargzdai	884	25%	Odin Energi, Geonafta	-	115
Exploration assets	Oman	Block 3 & 4	34,610	30%	<b>CC Energy</b> , Mitsui		
	Lithuania	Rietavas	1,594	30%	Odin Energi, Private investors		
	Lithuania	Raseiniai	1,535	30%	Odin Energi, Private investors		
	France	Attila	1,986	40%	<b>Galli Coz</b>		
	France	Alès	215	37.5%	Private investors		



\* Operator in bold

\*\* Reserves in Oman audited by DeGolyer and MacNaughton

# Average daily production in Oman



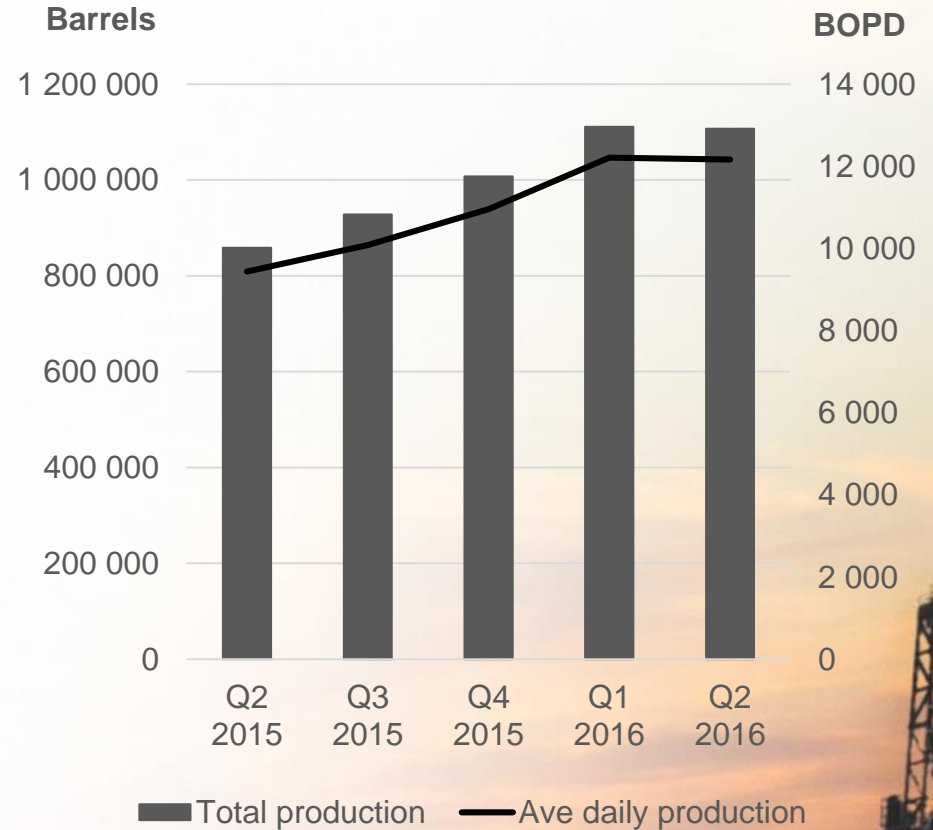
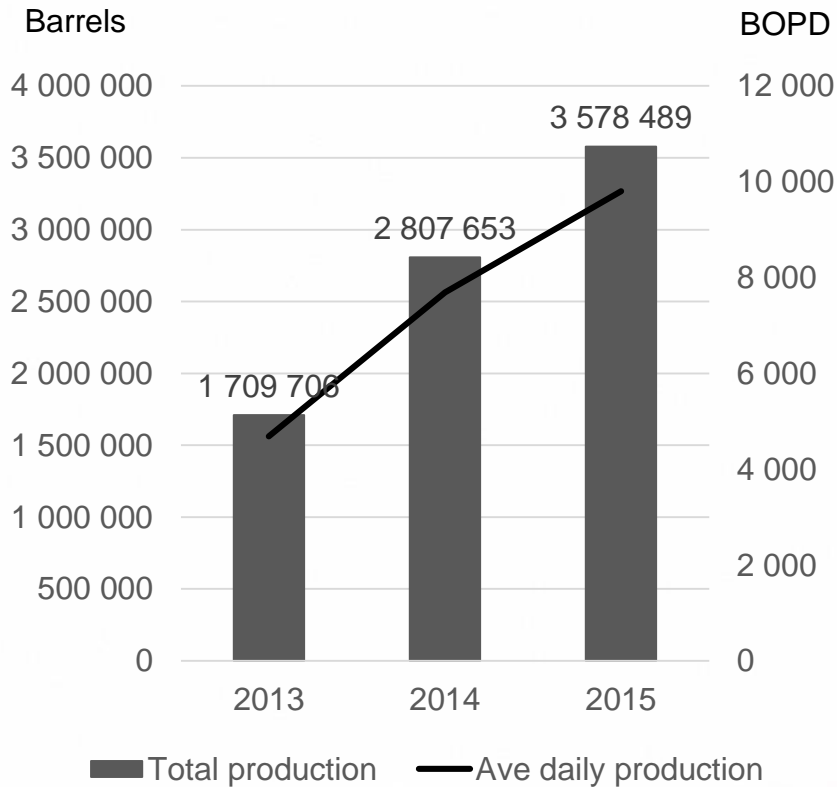
- Average production continues to exceed 12,000 BOPD in Q2-16
- Planned maintenance work on Blocks 3 and 4 conducted in first half 2016

# Cash flow

- Blocks 3 and 4 investments for 2016 will be closely monitored and subject to on-going revisions. The target is to fund the year's investments on Blocks 3 and 4 primarily from cash flow from operations
- In the second quarter 2016, the cash flow from operations amounted to MUSD 11 and investments in oil and gas amounted to MUSD 9
- Lithuania operations are expected to be financed from oil production and available cash in the associated Lithuanian companies

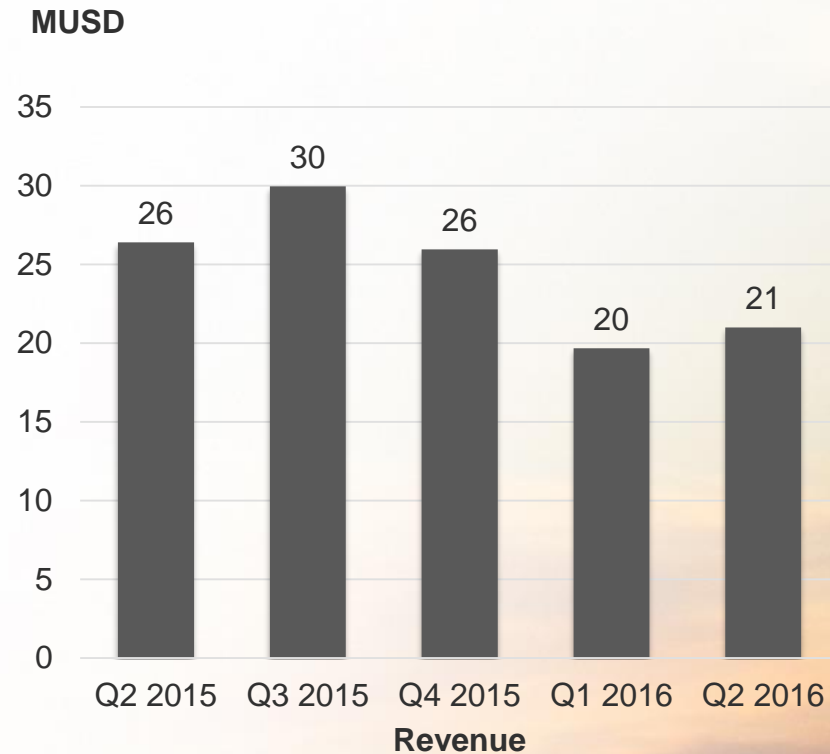
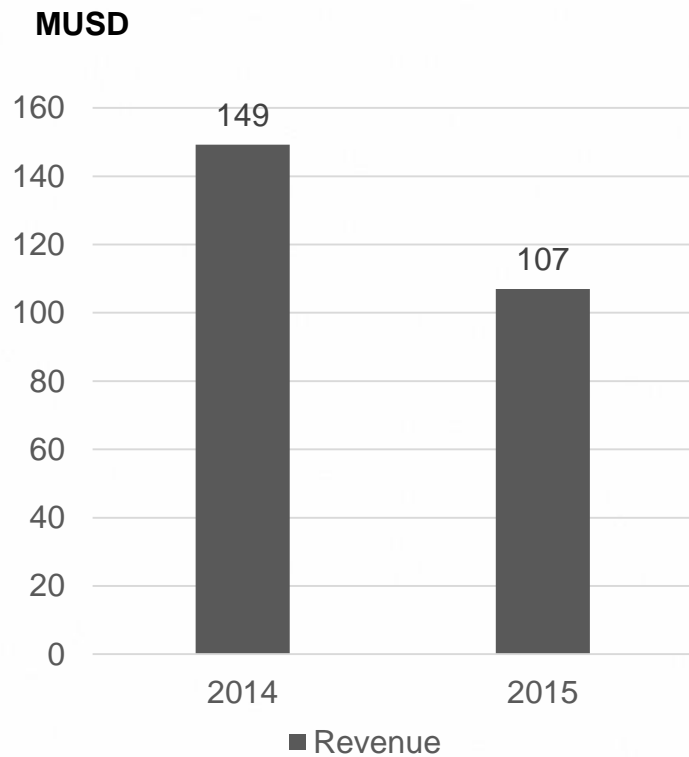


# Production



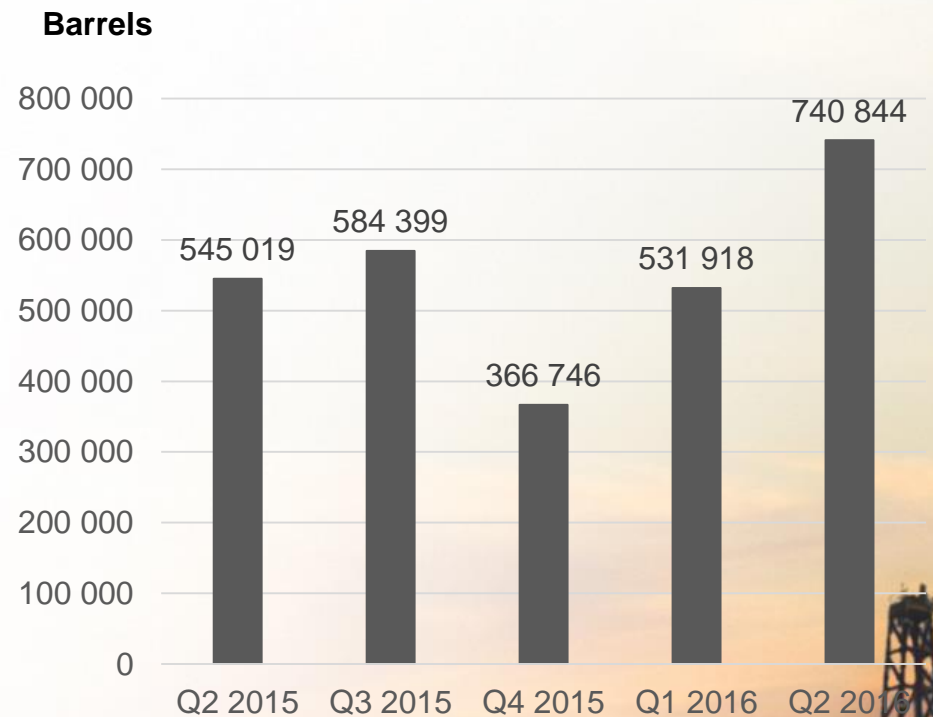
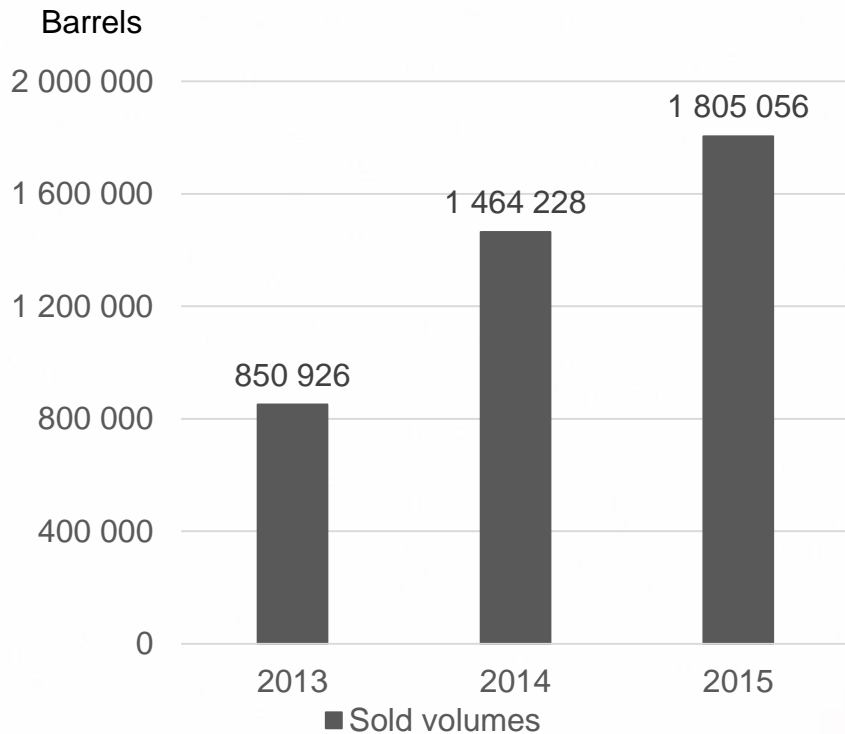
- Average daily production in Q2-16 was flat compared with Q1-16
- Average daily production in Q2-16 increased 29% compared with Q2-15

# Revenues MUSD



- Q2-16 revenue amounted to MUSD 21, up 5% compared to Q1-16

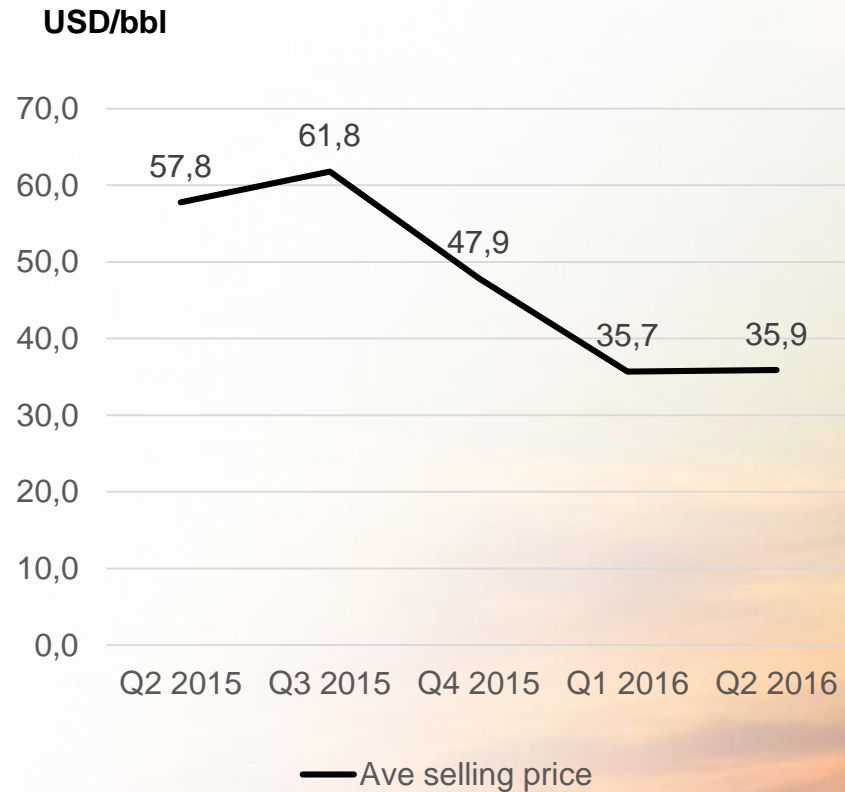
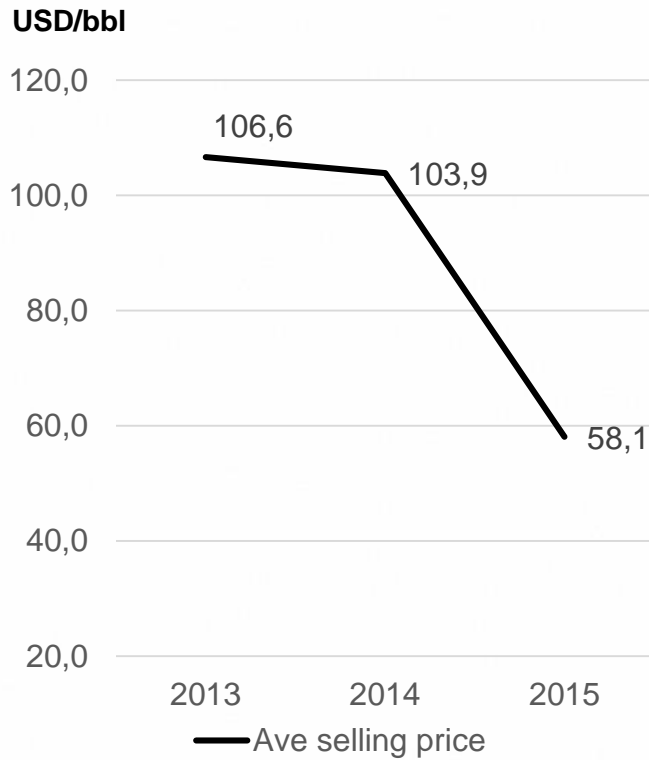
# Sold barrels



- Overlift position increased in Q2-16 from underlift of 63,343 barrels to overlift of 107,365 barrels



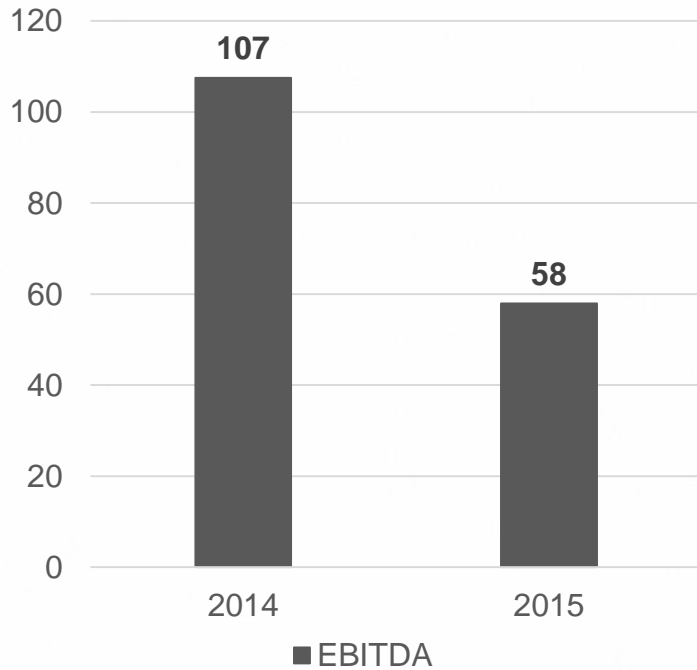
# Average achieved selling price per barrel



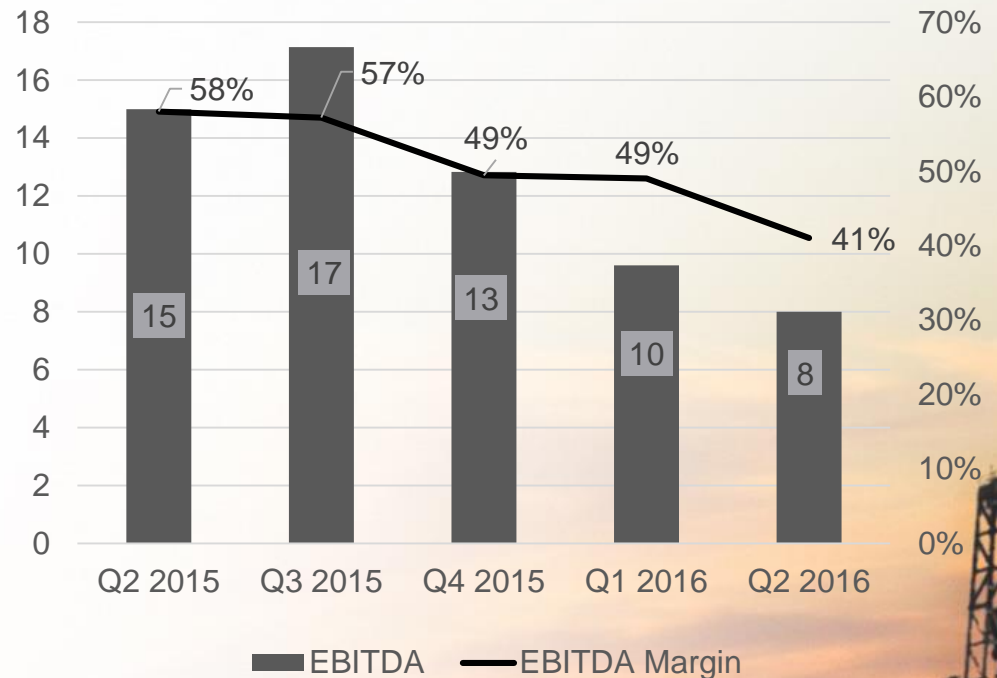
- Average achieved selling price was in line with Q1-16
- International oil prices increased from a January low below USD 30 per barrel to USD 40-50 per barrel
- 2 months delay in achieved selling price

# EBITDA

MUSD



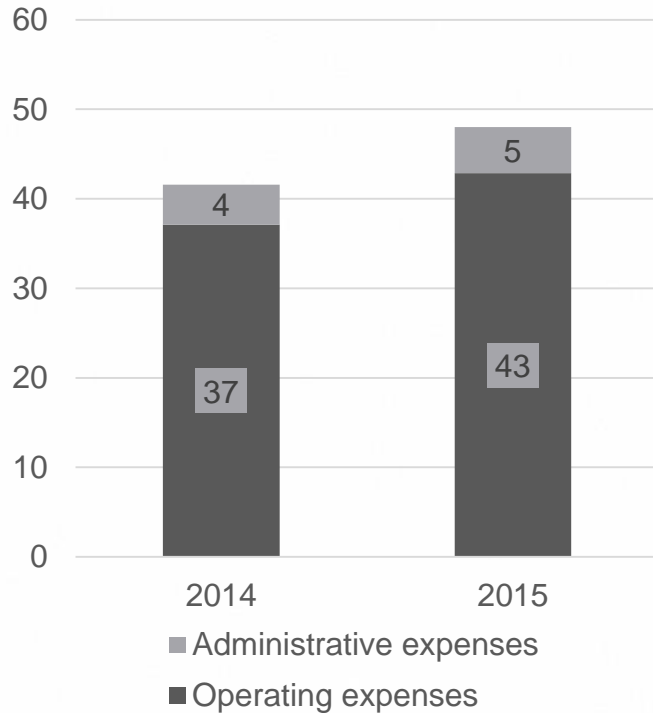
MUSD



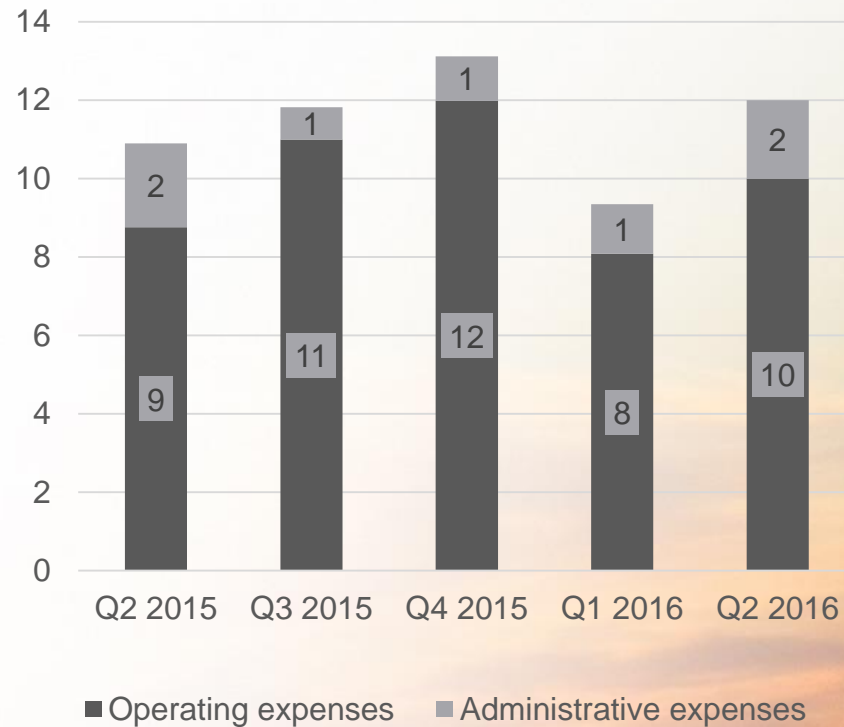
- EBITDA of MUSD 8 in Q2-16, down 18% compared with Q1-16 following higher costs
- EBITDA margin amounted to 41% in Q2-16

# Expenses

MUSD

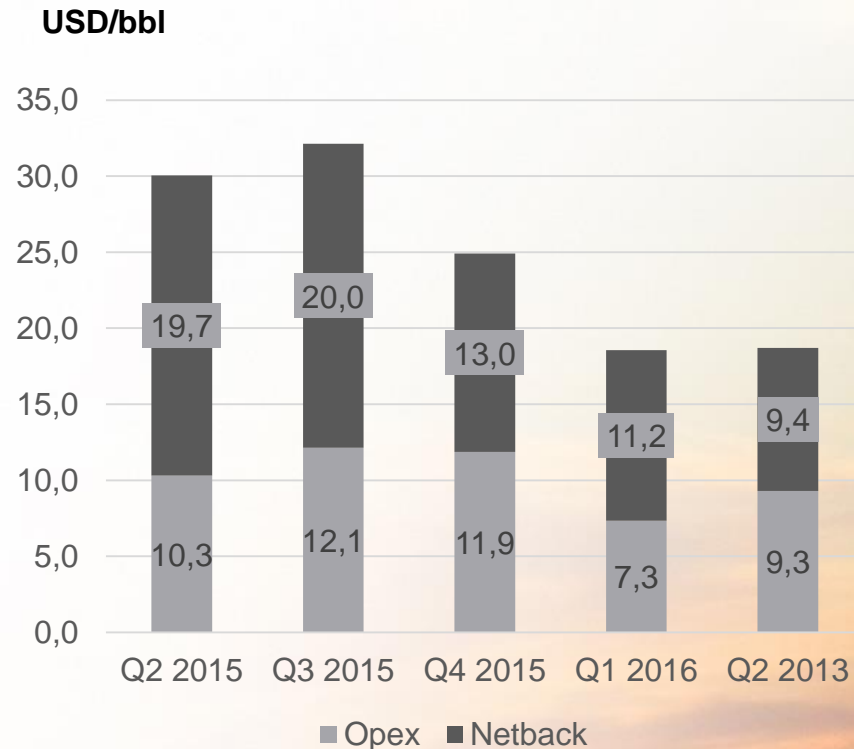
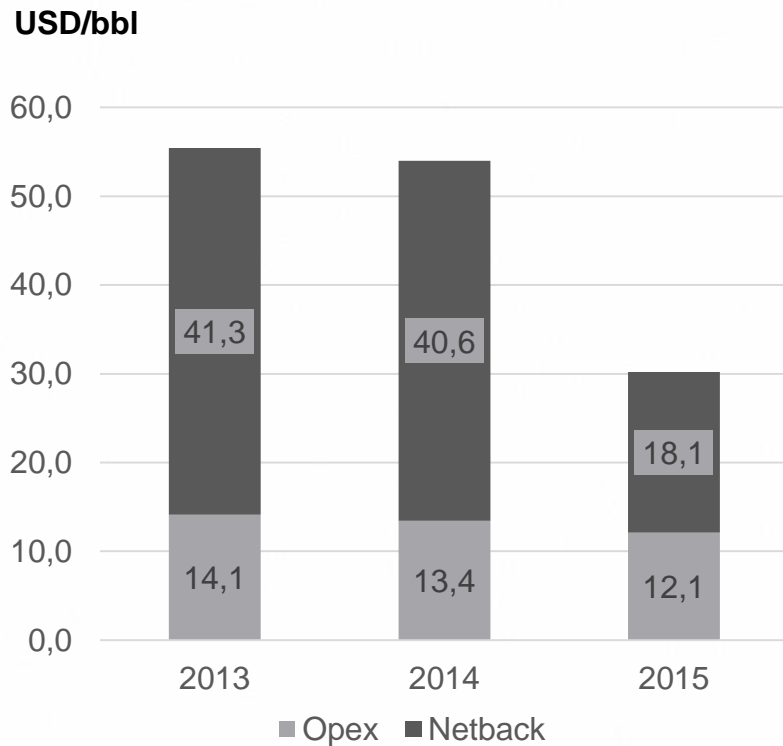


MUSD



- OPEX up compared with Q1-16
- Operating expenses per barrel expected, on average over the year, to be lower in comparison to 2015

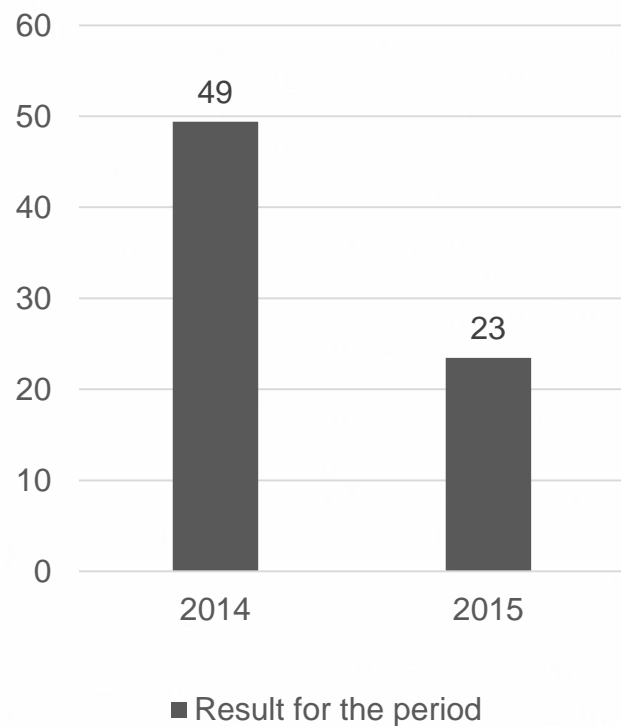
# Opex and Net back\* per barrel (USD/bbl)



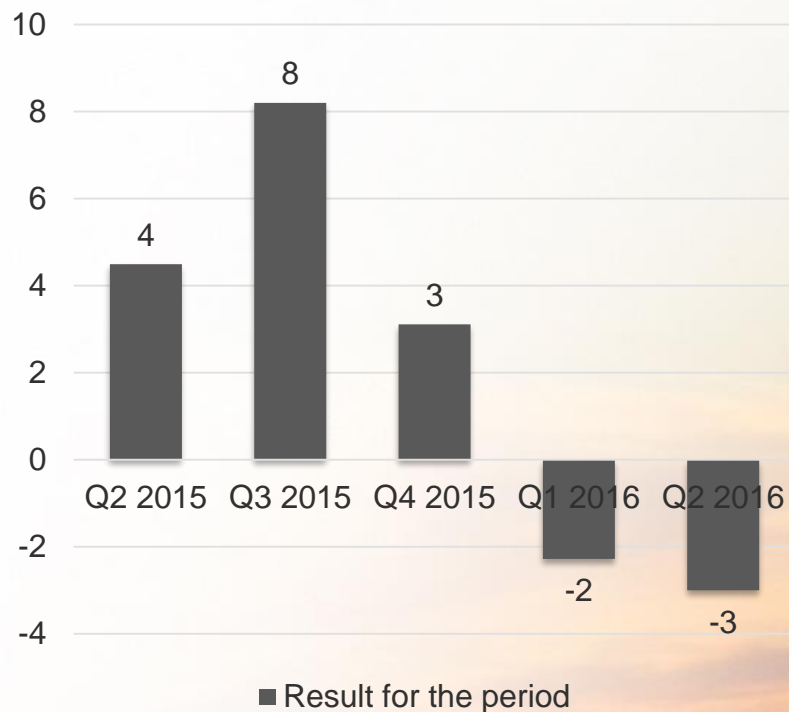
- OPEX per barrel last 5 quarters was in the range USD 7-12 per barrel
- OPEX per barrel in 2016 is expected to be lower than 2015, but fluctuate for individual quarters

# Net result after tax

MUSD



MUSD



- Net result down following higher costs than in Q1-16

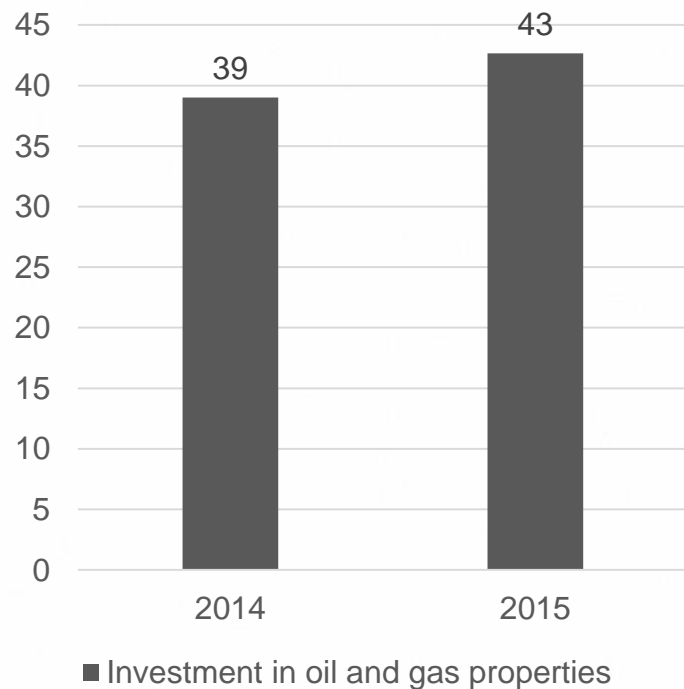
# Balance Sheet

<b>(MUSD)</b>	<b>2016-06-30</b>	<b>2016-03-31</b>	<b>2015-12-31</b>
<b>Net cash</b>	<b>41</b>	<b>45</b>	<b>51</b>
<b>Total assets</b>	<b>238</b>	<b>242</b>	<b>253</b>
<b>Shareholders' equity</b>	<b>207</b>	<b>216</b>	<b>217</b>

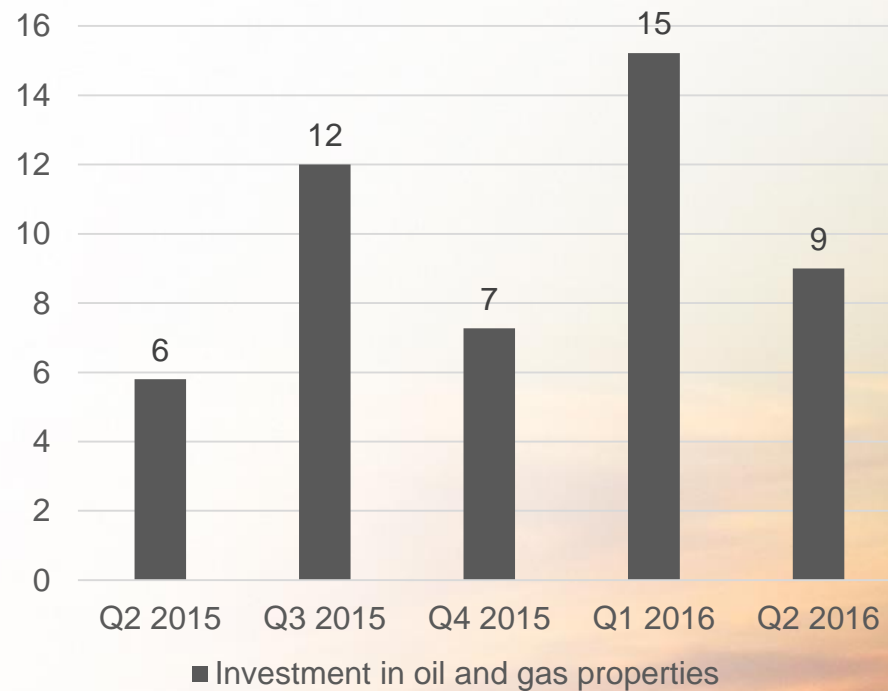
- Continued strong net cash position of MUSD 41
- Dividend of SEK 1.00 per share, in total MUSD 4, distributed to shareholders in Q2
- Repurchase of shares amounted to MUSD 1 in Q2-16

# Oil and gas investments

MUSD

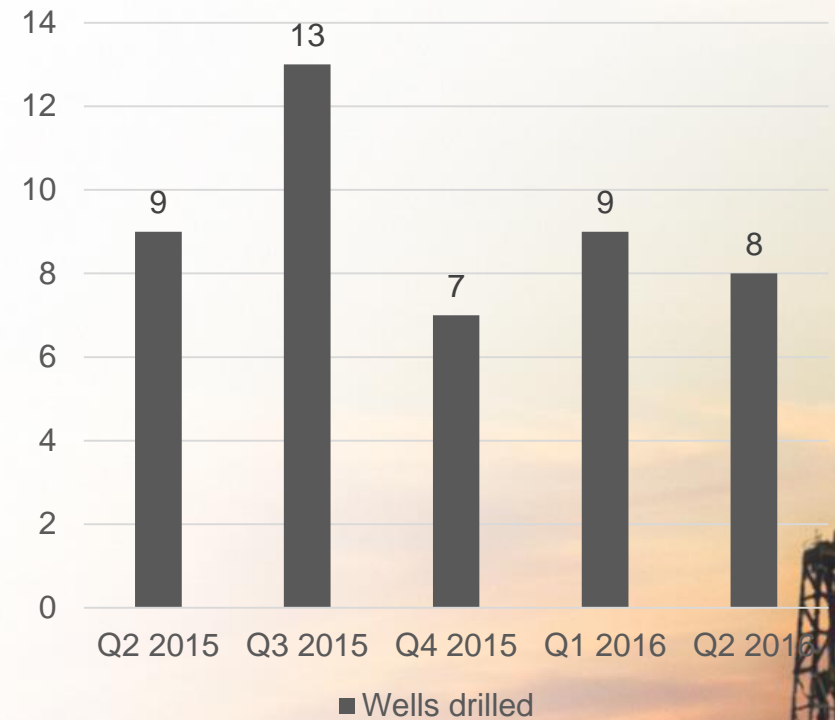
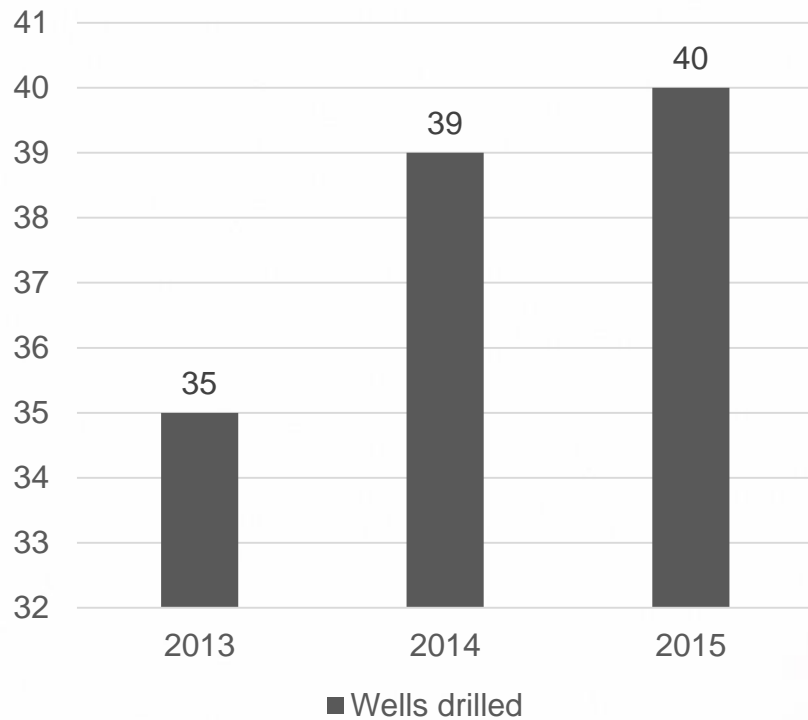


MUSD



- Tethys Oil's investments in Blocks 3 and 4 amounted to MUSD 9 in Q2-16

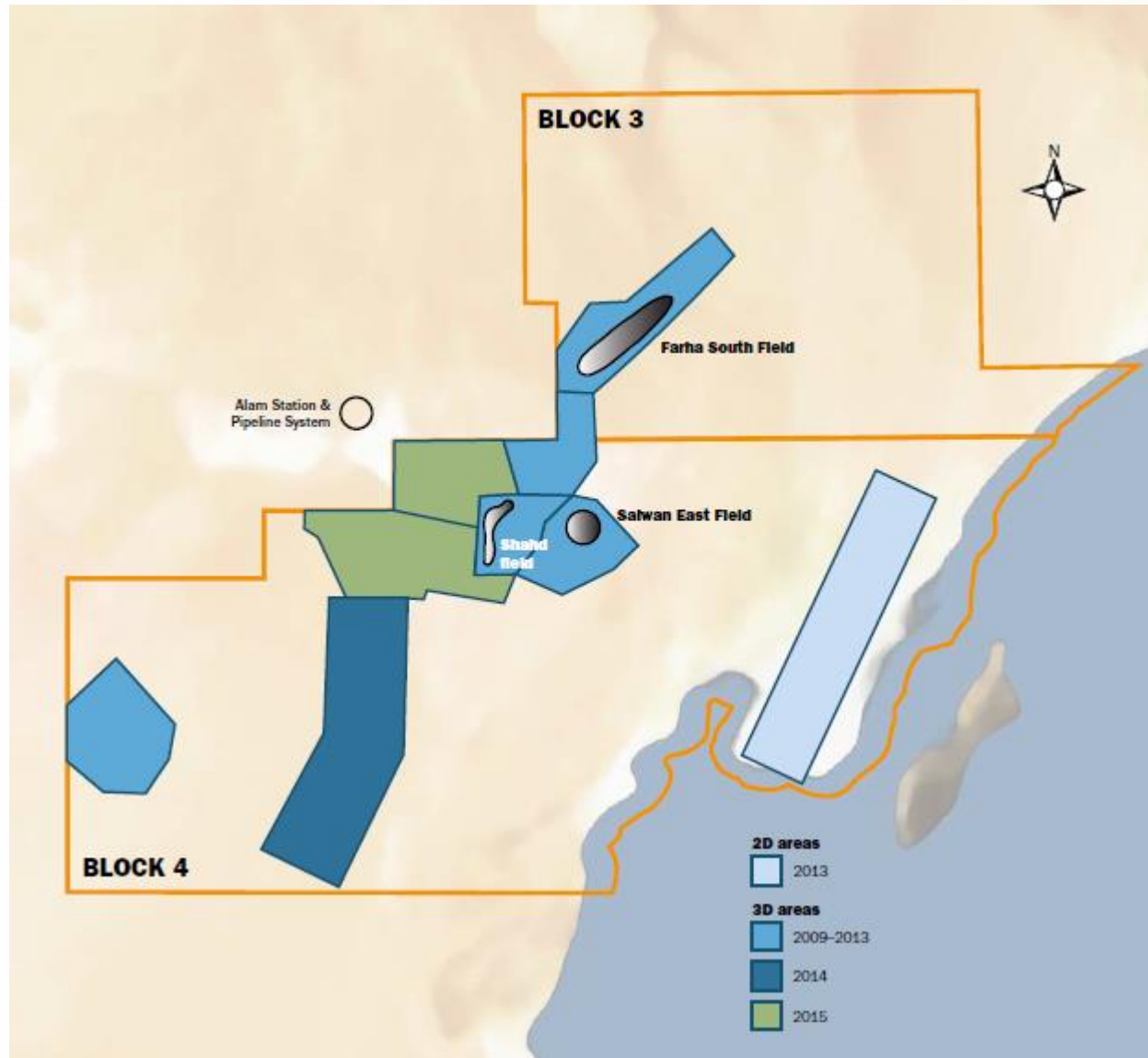
# Wells in Oman



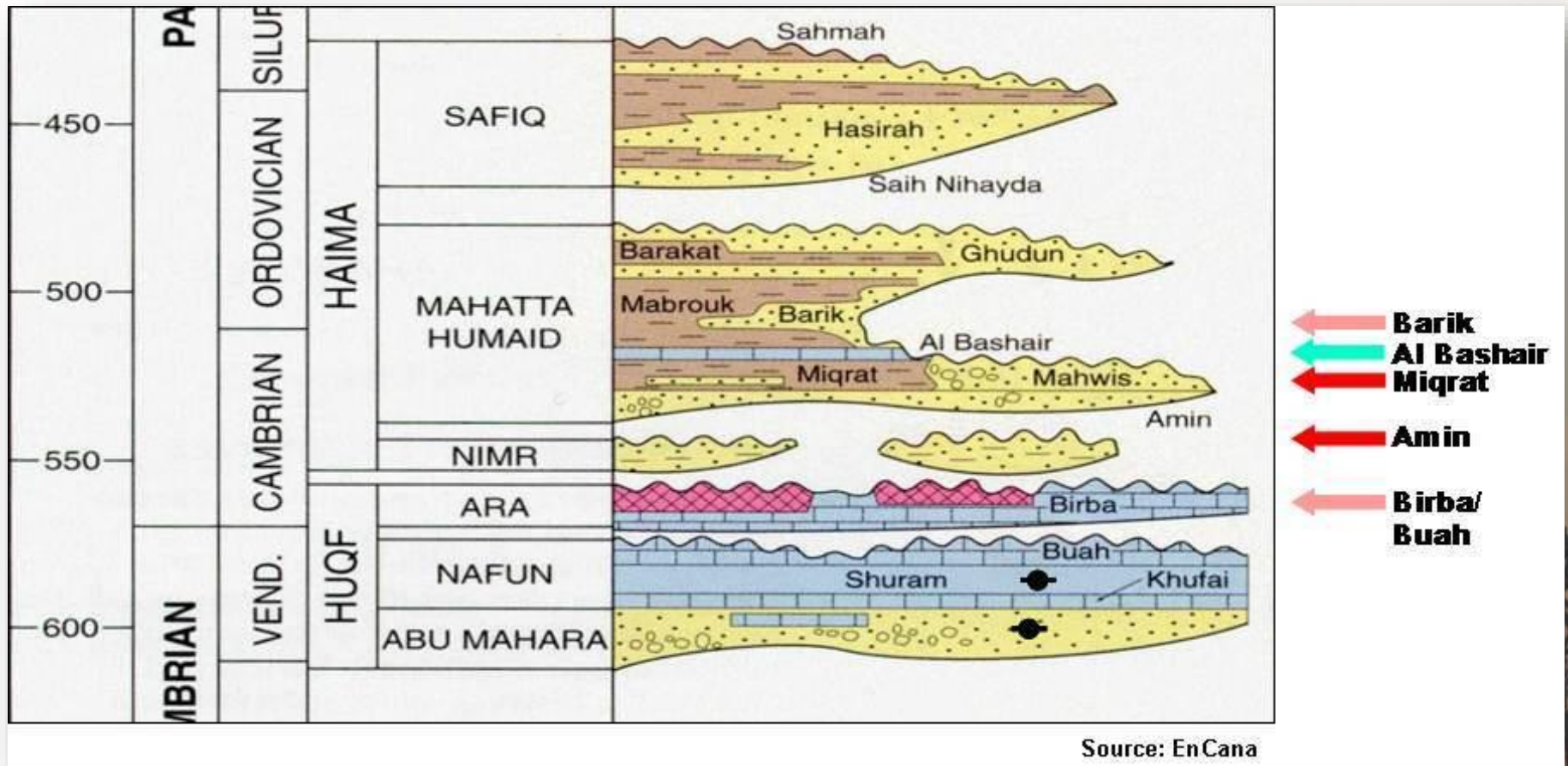
- 8 wells drilled in Q2 2016, all in the Shahd area
- Five rigs in operation, including one work over rig



# Blocks 3 and 4 overview



# Blocks 3 and 4, Oman - Stratigraphy

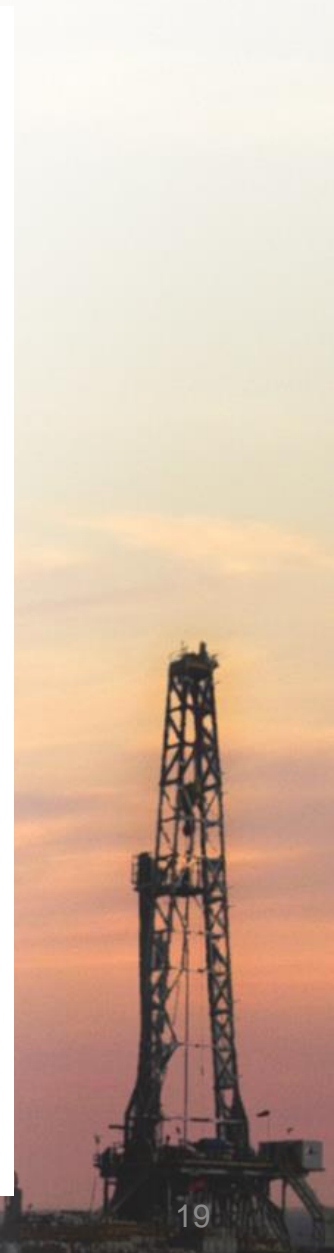
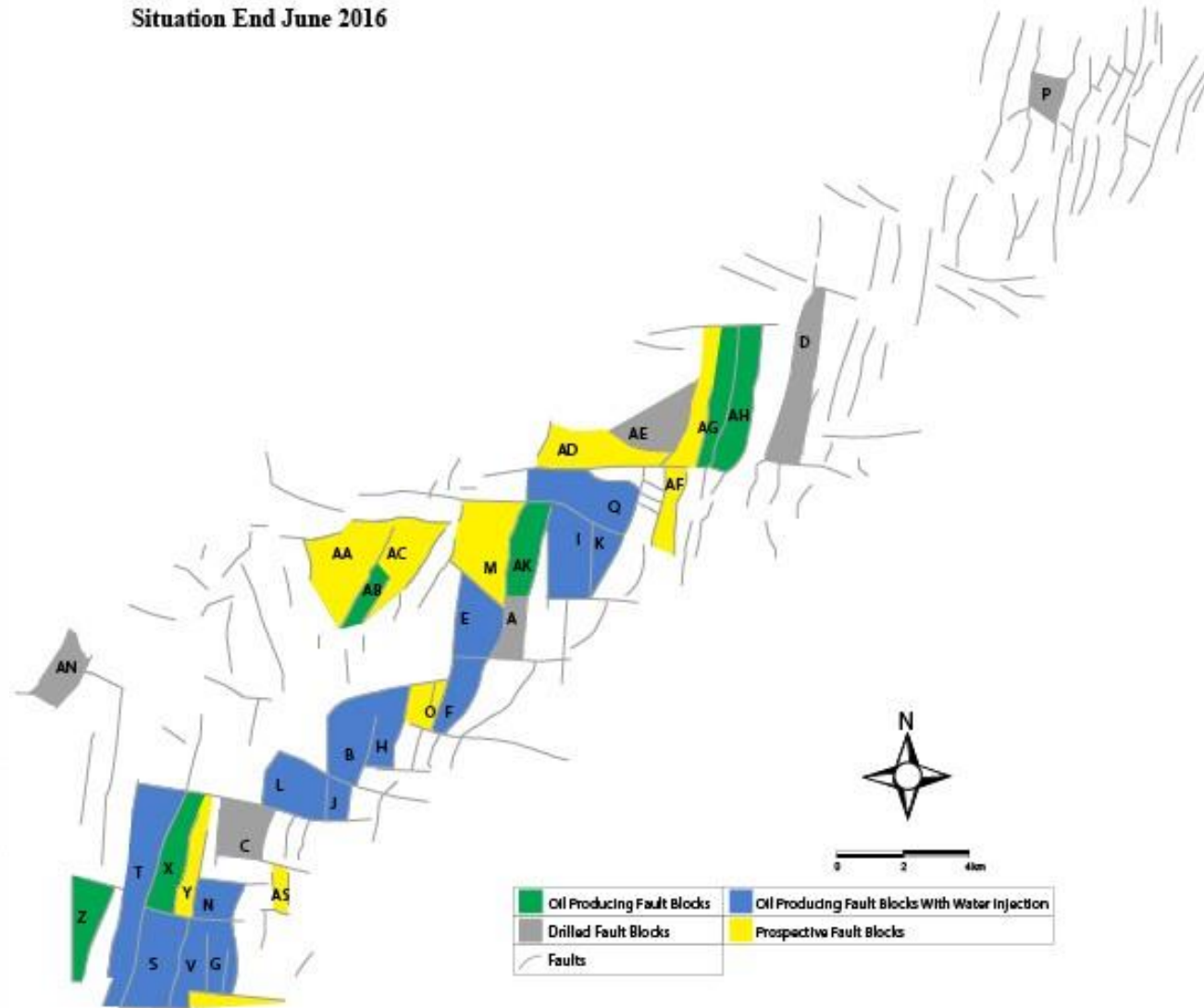


- Barik, Khufai, Buah and Lower Al Bashir currently producing

# Farha South field, 30 June 2016

## FARHA SOUTH FIELD

Situation End June 2016

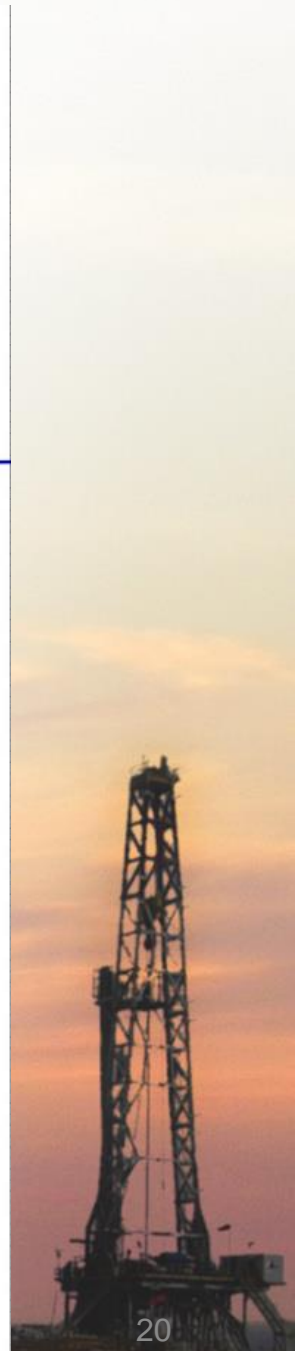
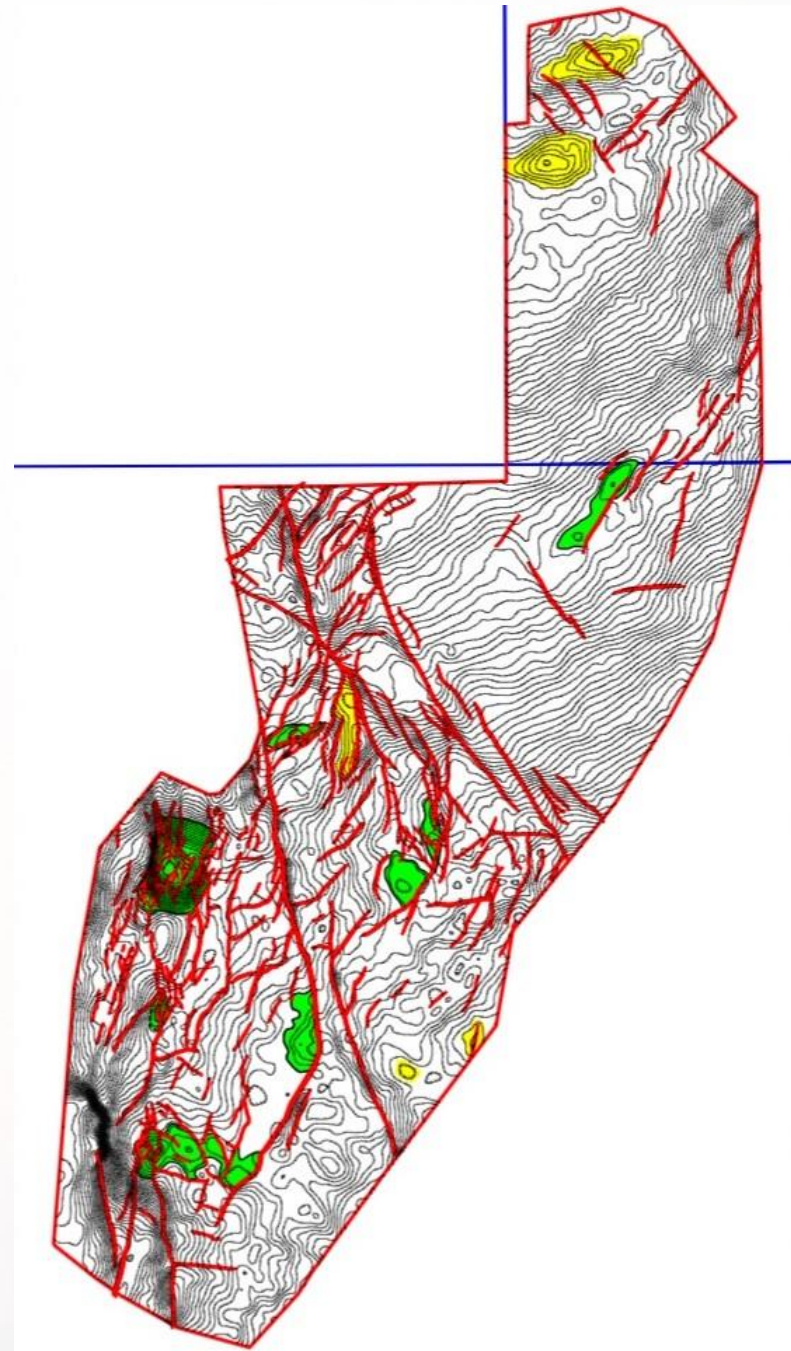


# Shahd Oil field

Four production wells drilled in Q2-16, two of which completed with horizontal section.

The water injection programme continues with three new water injection wells and one water source drilled in Q2 2016.

Several leads and prospects mapped



# Conclusion

- **Financial results:**
  - Revenue MUSD 21
  - EBITDA MUSD 8
  - Net result MUSD -3
- **Strong net cash position**
- **Multiple near field prospects**
- **Increased understanding of far field exploration upside**

**Q3 2016**

Will be published 1 November 2016!



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