



Press release

2020-04-06

## Revised Capital Expenditure Guidance and COVID-19 Update

**In response to the sharp drop in oil prices and increased uncertainty resulting from the Novel Coronavirus (COVID-19) pandemic, Tethys Oil has put in place plans to enable reduced expenditure in 2020. While maintaining an unchanged production guidance, the range for 2020 capital expenditure is expected to be lower and somewhat wider than previously communicated.**

“The situation we are currently experiencing is unprecedented. The COVID-19 pandemic and the extreme volatility in energy prices provides a tremendous challenge to the entire world. Tethys Oil is working closely with all relevant authorities and partners to assure our personnel is safe and that operations can continue as close to normal as possible. Our strong financial position offers further security for all Tethys Oil’s stakeholders at this difficult time. The plans we have put in place aim to assure that Tethys Oil stays cash flow positive for the full year 2020 (before distributions to shareholders) at an oil price of USD 30 per barrel. We are hopeful things will normalise soon but until that happens, we will follow the situation very closely and are prepared and ready to take whatever action necessary to ensure our staff’s safety and the company’s financial stability,” says Magnus Nordin, Managing Director, Tethys Oil.

### Revised Guidance

Plans have been put in place to enable the reduction and deferral of certain capital expenditures while maintaining production levels and flexibility in response to further changes in the market environment. Tethys Oil now expects total investments in oil and gas properties for the full year 2020 to be in the range of MUSD 50 – 64 (previously MUSD 64 – 71). The production guidance range of 12,600 – 13,400 bopd of annual average production from Blocks 3&4 in Oman before government take remains unchanged. The guidance on operating expenses also remains unchanged and is expected at or around USD 11.5 per barrel for 2020. At current oil prices and revised expenditure guidance, Tethys Oil expects its net entitlement of oil production to be 52 percent in 2020.

### COVID-19 Update

As a result of the COVID-19 outbreak, necessary precautions have been put in place to protect Tethys Oil’s employees, contractors and partners. The Company is following the recommendations and guidelines provided by relevant authorities and industry groups closely. Staffing both in Muscat and Stockholm offices has been reduced as employees have been equipped to work remotely and most physical office meetings have been replaced by video conferencing. Tethys Oil’s management and board of directors continue to follow developments closely in order to ensure a high level of preparedness.

On Blocks 3&4 the operator has put a number of precautionary procedures in place to allow for work in the field to continue safely. Already high standards of hygiene have been raised and shift

### ***Tethys Oil AB (publ)***

*Tethys Oil is a Swedish oil company with focus on onshore areas with known oil discoveries. The company’s core area is the Sultanate of Oman, where it holds interests in Blocks 3&4, Block 49 and Block 56. Tethys Oil has net working interest 2P reserves of 26.1 mmbo and net working interest 2C Contingent Resources of 13.5 mmbo and had an average oil production of 12,832 barrels per day from Blocks 3&4 during 2019. The company’s shares are listed on Nasdaq Stockholm (TETY). Website: [www.tethysoil.com](http://www.tethysoil.com)*

procedures changed to allow for a minimum of physical contact between shifts. Contingency plans are in place, should supply lines or oil transportation infrastructure be impacted.

### **Operational Update**

Tethys Oil continues to plan for a first exploration well on Block 49, and continues work to secure a suitable drilling rig. Discussions with rig contractors are progressing. At the end of March 2020, the Company received final government approval for its acquisition of a 20 percent interest of Block 56. Testing operations of wells on Block 56 have been ongoing throughout the first quarter.

### **For further information, please contact**

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