



Press release

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Tethys Oil farms into Block 56 Exploration and Production license onshore Oman

Tethys Oil AB, through its wholly owned subsidiary Tethys Oil Oman Onshore Limited (“Tethys Oil”), has entered into an agreement with Biyaq Oil Field Services (“Biyaq”) to acquire a 20 percent interest in the Exploration and Production license covering Block 56 onshore Oman. The transaction is subject to Government approval.

Block 56 (the “Block”) covers an area of 5,808 km² in the south-eastern part of Oman some 200 km south of Blocks 3&4. To date 11 wells have been drilled on the Block and all but one have encountered oil or oil shows, although none have been determined to be commercial. The current operator has successfully drilled three of these wells. A work programme to flow test up to three wells is currently being prepared.

In consideration for the 20 per cent interest acquired, Tethys Oil will pay to Biyaq a sum of up to MUSD 9.5 in a combination of cash and carry, of which a large proportion is expected to be recoverable from future production in the event of a commercial discovery.

“We are delighted to announce this opportunity to increase our Omani portfolio of assets with an interest in Block 56. The Block is an appraisal opportunity with excellent exploration potential in an area where Tethys Oil’s knowledge and experience will eminently complement the work of the current partnership. We look forward to be part of what promises to be an exciting future for Block 56,” says Magnus Nordin, Managing Director of Tethys Oil AB.

The Block lies at the intersection of different geological provinces including the prolific South Oman Salt Basin. It offers exploration potential in multiple play concepts, both proven and unproven, many of which are familiar to Tethys Oil from its current operations in the country.

The license for Block 56 is governed by an Exploration and Production Sharing Agreement signed in November 2014. Its initial three-year exploration phase has been extended until December 2020 and the partners have the option to enter into a second exploration phase ending in December 2023.

Upon completion of the transaction, Tethys Oil will hold a 20 per cent interest in Block 56 with Biyaq holding 5 percent, Intaj LLC will hold 25 percent and the operator Medco Arabia Ltd holding the remaining 50 per cent.

For further information, please contact

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This information is information that Tethys Oil AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 8:40 CET on 30 October 2019.

Tethys Oil AB (publ)

Tethys Oil is a Swedish oil company with focus on onshore areas with known oil discoveries. Tethys Oil's core area is Oman, where the company holds 2P reserves of 25 mmbbl and 2C Contingent Resources of 13 mmbbl and had an average oil production of 11,767 barrels per day from Blocks 3&4 during 2018. Tethys Oil also has onshore exploration licences in Lithuania and France and some production in Lithuania. The shares are listed on Nasdaq Stockholm (TETY). Website: www.tethysoil.com