



Press release

2019-04-11

Annual General Meeting in Tethys Oil

The shareholders of Tethys Oil AB (publ) (the “Company”) are hereby invited to attend the Annual General Meeting on Wednesday, May 15, 2019, at 3.00 p.m. CEST at Grand Hôtel, Södra Blasieholmshamnen 8, in Stockholm.

Notification

To be entitled to participate at the Meeting, shareholders must *first* be included in the register of shareholders maintained by Euroclear Sweden AB (the Swedish Central Securities Depository & Clearing Organisation) as of Thursday, May 9, 2019, *second* notify the Company of their intention to attend no later than Thursday, May 9, 2019 via the Company’s website, www.tethysoil.com, mail to Tethys Oil, c/o Euroclear Sweden AB, P.O Box 191, 101 23 Stockholm, Sweden, or by telephone: +46 (0)8 402 92 12.

Notifications should state name, personal or corporate identity numbers and telephone number. Shareholders who wish to be accompanied by an assistant (maximum two) must indicate this in their notification. Where applicable, for example for a legal entity, notification should also include complete authorisation documents such as a certificate of registration or equivalent.

For entitlement to participate at the Meeting, shareholders with nominee-registered holdings must temporarily re-register their shares in their own names in the register of shareholders maintained by Euroclear Sweden through their nominees well in advance of May 9, 2019.

Shareholders represented by proxy must submit a power of attorney. If the power of attorney is executed by a legal person, a certificate of registration, indicating the competence to issue the power of attorney, must be attached. The power of attorney may not be valid for a longer period than one year from its issuance, however, the power of attorney may be valid for up to five years from its issuance if so explicitly stated. The power of attorney and certificate of registration should be submitted, in due time prior to the Meeting, to the address above. A form of power of attorney is available on the Company’s website, www.tethysoil.com.

Agenda

1. Opening of the Meeting.
2. Election of Chairman of the Meeting.
3. Preparation and approval of the voting register.
4. Election of at least one person to approve the minutes.
5. Approval of the agenda.
6. Determination as to whether the Meeting has been duly convened.
7. Address by the Managing Director of the Company.
8. Presentation of the annual report and the auditors’ report, the consolidated annual report and the auditors’ group report.

9. Resolution in respect of adoption of the profit and loss statement and the balance sheet and the consolidated profit and loss statement and consolidated balance sheet.
10. Resolution in respect of appropriation of the Company's profit or loss according to the adopted balance sheet.
11. Resolution in respect of discharge from liability of the members of the Board of Directors and the Managing Director.
12. Resolution in respect of number of members of the Board of Directors and auditors.
13. Resolution in respect of the fees payable to the Board of Directors and the auditors.
14. Election of members of the Board of Directors, Chairman of the Board of Directors and auditor.
15. Resolution in respect of guidelines for compensation to senior executives.
16. Resolution in respect of a Nomination Committee and nomination procedure ahead of the Annual General Meeting 2020.
17. Resolution on the issue of warrants and approval of transfer of warrants.
18. Resolution in respect of an authorisation for the Board of Directors to resolve on repurchase of own shares.
19. Resolution in respect of an authorisation for the Board of Directors to resolve on transfer of own shares.
20. Resolution in respect of an authorisation for the Board of Directors to resolve on issues of new shares and/or convertibles.
21. Resolutions on (A) share split, (B) reduction of the share capital with redemption of shares and (C) increase of the share capital by way of a bonus issue.
22. Closing of the Meeting.

Proposals for resolutions

Resolutions in respect of Chairman of the Meeting, the number of members of the Board of Directors and auditors, fees payable to the Chairman of the Board of Directors and auditor and election of members of the Board of Directors, Chairman and auditor (item 2, 12, 13 and 14)

The Company's Nomination Committee for the Meeting, consisting of Viktor Modigh (Chairman), Mikael Petersson, Johan Strandberg and Geoffrey Turbott, proposes the following:

- Carl Westerberg, member of the Swedish Bar Association, to be appointed as Chairman of the Meeting.
- Six members of the Board of Directors to be appointed without deputy members.
- Re-election of Rob Anderson, Alexandra Herger, Magnus Nordin, Per Seime and Geoffrey Turbott and election of Gavin Graham as members of the board of directors until the end of the next Annual General Meeting.
- Re-election of Geoffrey Turbott as Chairman of the Board of Directors.
- Remuneration of the members of the Board of Directors and the Chairman of the Board of Directors, including Board Committee membership, to be as follows: (i) annual fees to the members of the Board of Directors of SEK 330,000 (excluding the Managing Director); (ii) annual fees to the Chairman of the Board of Directors of SEK 700,000; (iii) annual fees to committee members of SEK 35,000 per committee assignment, annual fees to the chairman of the audit committee of SEK 90,000, unless the committee is chaired by the Chairman of the Board in which case the annual fee shall be SEK 65,000, and annual fees to the chairmen of the remuneration committee and the technical committee of SEK 65,000. The total fees for committee work, including committee chairmen fees shall not exceed SEK 360,000; and (iv) if a member of the Board of Directors, following a resolution by the Board of Directors, performs tasks which are outside the regular Board work, separate remuneration in the form

of hourly fees on market terms may be paid by resolution of the Board of Directors, for which purpose a frame of SEK 250,000 is proposed. It should be noted that Geoffrey Turbott abstained from participating in the Nomination Committee's handling of the proposal regarding remuneration to the members of the Board of Directors and the Chairman of the Board of Directors.

- Following the year's procurement of audit services, re-election of the registered accounting firm PricewaterhouseCoopers AB as the auditor of the Company, with authorised public accountant Ulrika Ramsvik as the auditor in charge, until the end of the next Annual General Meeting.
- The auditor's fees shall be payable upon approval of its invoice.

The Nomination Committee has obtained support of its proposals from shareholders representing approximately 23 per cent of the shares in the Company.

Resolution in respect of appropriation of the Company's profit or loss according to the adopted balance sheet (item 10)

The Board of Directors proposes a dividend for the financial year 2018 of SEK two (2) per share to be paid in two instalments of SEK one (1) per share in May and November 2019. As the record dates for the dividend, the Board of Directors proposes Friday, May 17, 2019 and Monday, November 18, 2019. If the Meeting approves the proposal, the dividend is expected to be paid through Euroclear Sweden AB on Wednesday, May 22, 2019 and Thursday, November 21, 2019.

Resolution in respect of guidelines for compensation to senior executives (item 15)

It is the aim of the Company to recruit, motivate and retain executives capable of achieving the objectives of the group, and to encourage and appropriately reward performance in a way that enhances the group's market position and increases the shareholder value. Accordingly, the group's remuneration principles shall ensure that there is a distinct link to the business strategy and a close alignment with the shareholders' interests and best practice.

The remuneration package of the executives in the group (which includes the Managing Director, the Chief Financial Officer and the Chief Technical Officer) contains five components: a) basic salary; b) pension arrangements; c) yearly variable salary, including right to participate in share based long term incentive programmes; d) non-financial benefits; and e) severance payments. The Board of Directors may deviate from the guidelines if there are particular grounds for it. More details are provided in the Board of Directors' complete proposal, which is available in accordance with the section "*Documents for the Meeting*" below.

Resolution in respect of a Nomination Committee and nomination procedure ahead of the Annual General Meeting 2020 (item 16)

The Nomination Committee proposes that the representatives of the Nomination Committee shall be appointed through a procedure where the Chairman of the Board of Directors contacts the three largest shareholders based on shareholders statistics from Euroclear Sweden AB as per September 30, 2019, and that such shareholders each appoints a representative to, together with the Chairman of the Board of Directors, constitute the Nomination Committee up until a new Nomination Committee has been appointed. If the Chairman of the Board of Directors, directly or through companies, would be one of the three aforementioned largest shareholders, the Nomination Committee shall be composed of three members only (the Chairman and the two representatives appointed by the other two large shareholders).

Should a representative resign from the Nomination Committee before its work is completed and provided that the Nomination Committee considers it necessary, a substitute shall be appointed by

the same shareholder that has appointed the resigning representative, or, if this shareholder is no longer one of the largest shareholders in terms of votes, a replacement will be approached among the larger shareholders.

The Nomination Committee shall appoint one of its members as chairman. A member of the Board of Directors may not be chairman of the Nomination Committee. The Chairman of the Board of Directors shall convene the first meeting of the Nomination Committee. The composition of the Nomination Committee shall be made public on the Company's website as soon as the Nomination Committee has been formed and no later than six months before the Annual General Meeting. In the event that the ownership structure is changed after the Nomination Committee has been composed such that one or several shareholders that have appointed a representative to the Nomination Committee is no longer in the group of the three largest shareholders in terms of votes, the composition of the Nomination Committee may be changed in accordance therewith if the Nomination Committee deems it necessary.

The tasks of the Nomination Committee shall be to prepare, ahead of shareholders' meetings, proposals in respect of number of directors of the board of directors, remuneration to the Chairman of the board of directors, the other directors of the board of directors and the auditors respectively, remuneration, if any, for committee work, the composition of the board of directors, the Chairman of the board of directors, resolution regarding the Nomination Committee, chairman at the general meeting and election of auditors. The Company shall pay for reasonable costs that the Nomination Committee has considered to be necessary in order for the Nomination Committee to be able to complete its assignment.

Resolutions on the issue of warrants and approval of transfer of warrants (item 17)

The Board of Directors proposes the Meeting to resolve on an issue of warrants and on the approval of transfer of warrants in accordance with the below.

The Board of Directors proposes that the Company shall issue a maximum of 350,000 warrants. The right to subscribe for warrants shall, with deviation from the shareholder's preferential rights, belong to Tethys Oil Invest AB, reg. no. 556658-1442 (the "**Subsidiary**"), a wholly owned subsidiary of the Company, with a right and obligation for the Subsidiary to transfer the warrants to employees in the group.

The warrants shall be issued to the Subsidiary without compensation and subscription of the warrants shall take place on a separate subscription list not later than May 31, 2019.

Employees in the group shall be entitled to acquire warrants from the Subsidiary. The following three categories shall be entitled to acquire warrants from the Subsidiary (the highest number of warrants any category can be allotted is stated in parentheses): the CEO of the group (60,000), senior executives (50,000, however not more than 100,000 in total for all senior executives), and other key personnel (1,000–25,000, however not more than 190,000 in total for all other key personnel). Application to purchase warrants shall be made not later than on June 10, 2019.

Each person entitled to purchase warrants may apply to purchase warrants in lots corresponding to either the maximum amount of warrants offered or reduced by lots of 1,000 warrants. The allocation is not guaranteed and is conditional upon that it is possible to legally acquire the warrants and that this according to the assessment of the board directors can be done with reasonable administrative and financial costs. The allocation of warrants is further subject to that the employee, at the time of allocation, not having given or been given notice of termination from his or her employment in the group. The Board of Directors shall resolve on and implement the allocation in

accordance with the above. If not all warrants are acquired, any remaining warrants shall be retained in the Subsidiary. The Board of Directors shall be entitled to resolve on the transfer of such warrants to any new additional senior executives and other key personnel.

The warrants shall be transferred free of charge to the participants and the group shall account for any income tax for the participants to the extent such tax is attributable to the programme.

Compensation to the participants for their income tax, if any, shall be equal to the income tax they have to pay on an income corresponding to obtained warrants' calculated market value plus the income tax they have to pay for the subsidy to obtain such tax compensation.

Each warrant entitles the holder to subscribe for one new share in the Company during the period from and including June 1, 2022 up to and including October 7, 2022. The subscription price shall be equal to an amount corresponding to approximately 122.50 per cent of the volume-weighted average of the quoted price paid for the Company's share on Nasdaq Stockholm during the period from and including April 29, 2019 up to and including May 14, 2019, reduced by any dividends or other value transfers resolved upon by the Annual General Meeting 2019. The increase of the Company's share capital will, upon exercise of the warrants, amount to not more than SEK 58,349.75.

The reason for deviating from the shareholders' preferential rights is to ensure that the group can retain and recruit qualified and committed personnel on a global market for oil companies by offering such persons to participate in a long term incentive programme.

The Board of Directors proposes that the Meeting authorises the Board of Directors of the Company to implement the issue resolution and to ensure that the Board of Directors of the Subsidiary implements the transfer of warrants. It is further proposed to authorise the Board of Directors to make such minor adjustments in the Meeting's resolutions as may be required in connection with the registration with the Swedish Companies Registration Office and the affiliation of the warrants with Euroclear Sweden AB.

Resolution in respect of an authorisation for the Board of Directors to resolve on repurchase of own shares (item 18)

The Board of Directors proposes that the Meeting authorises the Board of Directors to, on one or several occasions before the Annual General Meeting 2020, resolve on repurchase of own shares on principally the following terms and conditions:

1. Purchases may be effected on Nasdaq Stockholm.
2. Purchases may be made by a maximum of so many shares that the Company's holding of own shares after the purchase amounts to a maximum of one-tenth of all the shares in the Company.
3. Purchases of shares may only be effected on Nasdaq Stockholm within the registered price interval at any given time.

The main reason for possible purchases is to give the Company flexibility regarding its equity and thereby optimize the capital structure of the Company. Possible purchases may also enable own shares to be used as payment for, or financing of, acquisitions of companies or businesses or in connection with the handling of incentive programmes. The Board of Directors shall have the right to determine other conditions for purchases in accordance with the authorisation.

Resolution in respect of an authorisation for the Board of Directors to resolve on transfer of own shares (item 19)

The Board of Directors proposes that the Meeting authorises the Board of Directors to, on one or several occasions before the Annual General Meeting 2020, resolve on transfer of own shares up to the number of shares which, at any time, are held by the Company.

Transfer of own shares may be carried out to be used as payment for, or financing of, acquisitions of companies or businesses, and/or to external parties in connection with the handling of settlement of the Company's incentive programs. Transfer of own shares may be effected otherwise than on Nasdaq Stockholm to an estimated market value and may deviate from the shareholders' preferential rights. Payment for transferred shares may be made in cash, in kind or through set-off. Transfer of own shares may also be carried out on Nasdaq Stockholm to a price within the registered price range at any given time.

Resolution in respect of an authorisation for the Board of Directors to resolve on issues of new shares and/or convertibles (item 20)

The Board of Directors proposes that the Meeting authorises the Board of Directors to, on one or several occasions before the Annual General Meeting 2020, resolve on issue of new shares and/or convertibles in the Company against payment in cash, in kind or through set-off or subject to other conditions and with the right to deviate from the shareholders' preferential rights.

The purpose of the authorisation and the reason for a possible deviation from the shareholders' preferential rights is to facilitate the raising of capital for acquisitions and the Company's operations. The authorisation shall be limited whereby the Board of Directors may not resolve to issue shares and/or convertibles that involve the issue of or conversion into shares corresponding to more than 10.0 per cent of the total number of shares in the Company at the time of the issue resolution, corresponding to an issuance of 3,589,631 shares calculated on the basis of the number of shares issued by the Company as of the date of this notice. To the extent issues are made with deviation from the shareholders' preferential rights, such issues shall be made on market conditions.

Resolutions on (A) share split, (B) reduction of the share capital with redemption of shares and (C) increase of the share capital by way of a bonus issue (item 21)

The Board of Directors' proposals pursuant to sections (A)–(C) below are conditional upon each other and are therefore to be resolved upon as one resolution.

(A) Share split

The Board of Directors proposes that one share in the Company is split (share split) into two shares (1:2), of which one share is to be named redemption share and redeemed as set out in section (B) below. The record date for the share split is May 22, 2019. Following completion of the share split, the number of shares will be changed from 35,896,310 to 71,792,620 and the quota value of each share will be changed from approximately SEK 0.1667 to approximately SEK 0.0834.

(B) Reduction of the share capital with redemption of shares

The Board of Directors proposes that the share capital of the Company is reduced by SEK 2,992,200.9375 by compulsory redemption of 35,896,310 shares. The shares that are to be redeemed are those that, following the share split pursuant to section (A) above, are named redemption shares. The record date for the redemption of redemption shares is June 11, 2019. The Company intends to promote arrangements for customary trade in the redemption shares.

The purpose of the reduction is repayment to the Company's shareholders and, to the extent that the reduction of the share capital is made by redemption of shares held by the Company, for transfer to the Company's non-restricted equity.

For each redeemed share a redemption price of SEK 6.00 will be paid. However, no payment shall be made in respect of redeemed shares held by the Company. The redemption price exceeds the

quota value of the share after completion of the share split pursuant to section (A) above with approximately SEK 5.9166. The part of the redemption price that exceeds the quota value of the share will be transferred from the non-restricted equity of the Company. Payment of the redemption price will be made no later than ten banking days after the resolutions on the share split pursuant to section (A) above, the reduction of the share capital pursuant to this section (B) and the increase of the share capital by way of a bonus issue pursuant to section (C) below have been registered with the Swedish Companies Registration Office.

Following completion of the reduction, the share capital of the Company will amount to SEK 2,992,200.9375 divided among 35,896,310 shares.

The reduction can be effected without obtaining the authorisation of the Swedish Companies Registration Office or a court of general jurisdiction, as the Company, at the same time, carries out a bonus issue pursuant to section (C) below, resulting in no reduction of the restricted equity of the Company or its share capital.

(C) Increase of the share capital by way of a bonus issue

The Board of Directors proposes that the share capital of the Company is increased by way of a bonus issue. The share capital is to be increased by SEK 2,992,200.9375 by way of transfer of SEK 2,992,200.9375 from the non-restricted equity of the Company. No new shares are to be issued in connection with the increase of the share capital. Following completion of the bonus issue, the share capital of the Company will amount to SEK 5,984,401.8750 and the quota value of each share will be changed from approximately SEK 0.0834 to approximately SEK 0.1667.

Documents for the Meeting

The Company's annual report and audit report, the complete proposals for resolutions as well as other documents for the Meeting, including a form of power of attorney, will be available at the Company's head offices in Stockholm and on the Company's website, tethysoil.com, not later than April 24, 2019. The documents will be sent free of charge to shareholders upon request.

Majority Requirements

For a resolution in accordance with item 17 to be valid, the resolution must be supported by shareholders representing at least nine-tenths of the votes cast and the shares represented at the Meeting. A General Meeting in the Subsidiary must further approve the transfer of warrants. For a resolution in accordance with the Board of Directors proposal in accordance with items 18–21 to be valid, the resolutions must be supported by shareholders representing at least two-thirds of the votes cast and the shares represented at the Meeting.

Disclosures at the Meeting

The Board of Directors and the Managing Director shall, if requested by any shareholder and if the Board of Directors is of the opinion that it can be done without causing material harm to the Company, provide disclosures about conditions that may impact assessment of an item on the agenda, about conditions that may impact assessment of the Company's or a subsidiary's financial situation, and about the Company's relationship with any other group company.

Any shareholder wishing to submit questions in advance of the Meeting can do so by email to info@tethysoil.com – with header “Questions to the AGM”.

Processing of personal data

For information on how personal data is processed in connection with the Meeting, see the privacy notice available on Euroclear Sweden AB's website, www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf.

Shares and votes

On the day this notice was issued, the Company had a total of 35,896,310 shares in issue with one vote each. Of such shares, the Company held 1,644,163 own shares as of the date of this notice.

Stockholm in April 2019
TETHYS OIL AB (publ)
The Board of Directors