



N.B. The English text is an in-house translation of the original Swedish text. Should there be any disparities between the Swedish and the English text, the Swedish text shall prevail.

Press release

2014-10-21

Extraordinary General Meeting in Tethys Oil

The shareholders of Tethys Oil AB (publ) (the “Company”) are invited to attend the Extraordinary General Meeting on Friday November 14th 2014, at 11 a.m. (CET) at Van der Nootska Palatset, S:t Paulsgatan 21 in Stockholm. The background to the invitation is the board of directors’ proposal to initiate a long term incentive programme with the purpose to strengthen the group’s ability to retain and attract personnel.

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 per Saturday November 8th, 2014, second notify Tethys Oil AB of their intention to attend no later than Monday November 10th, 2014; by mail to Tethys Oil AB, Hovslagargatan 5 B, SE-111 48 Stockholm, Sweden, by fax +46 (0)8 505 947 99 by telephone: +46 (0)8 505 947 00, or by e-mail egm@tethysoil.com. Notifications should state names, personal or corporate identity numbers and registered shareholdings.

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 in good time before November 8th 2014. Since November 8th is a Saturday, shareholders must be included in the register of shareholders no later than the preceding weekday, *i.e.* Friday November 7th 2014.

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. The proposal of the board of directors for a resolution on the issue of warrants and approval of transfer of warrants.
8. Closing of the Meeting.

Proposals for resolutions

Resolutions in respect of Chairman of the Meeting and the proposal of the board of directors for a resolution on the issue of warrants and approval of transfer of warrants (items 2 and 7)

Election of chairman for the Meeting (item 2)

Lawyer Carl Westerberg is proposed as chairman of the General Meeting.

The proposal of the board of directors for a resolution on the issue of warrants and approval of transfer of warrants (item 7)

The board of directors proposes the extraordinary general 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 178,000 warrants. The right to subscribe for warrants shall, with deviation from the shareholder's preferential rights, belong to Tethys Oil Spain 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 and certain consultants.

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 28 November 2014.

Employees in the group and certain consultants 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 person in the respective categories can be allotted is stated in parentheses): the CEO of the group (40,000), senior executives (40,000), and other employees and certain consultants (98,000). Application to purchase warrants shall be made not later than on 12 December 2014. 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/her employment in the group. The board of directors of the Company 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 of the Company 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 the day of the registration of the warrants with the Swedish Companies Registration Office up to and including 31 May 2017. The subscription price shall be equal to an amount corresponding to approximately 116.67 per cent (100 per cent. plus five-sixths (5/6) of 20 per cent.) of the volume-weighted average of the quoted price paid for the Company's share on NASDAQ OMX Stockholm during the period from and including 17 November 2014 up to and including 28 November 2014. The increase of the Company's share capital will, upon exercise of the warrants, amount to not more than SEK 29,667.

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 authorizes 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 general 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.

Documents for the Meeting

The board of directors' complete proposal to a resolution under item 7 together with relevant documents and proxy forms (see below) will be available from the Company (address and telephone number stated above) and on the Company's web page www.tethysoil.com not later than October 24th, 2014. The documents will be sent free of charge to shareholders upon request.

Shareholders who are represented by proxy must authorize such proxy by issuing a power of attorney. If such power of attorney is issued by a legal entity, an attested copy of the certificate of registration evidencing the authority to issue the power of attorney must be attached. The original power of attorney and the certificate of registration, where applicable, should be sent to Tethys Oil, Hovslagargatan 5 B, SE-111 48 Stockholm, Sweden, well in advance of the Meeting. A form to use for a power of attorney can be found on Tethys Oil AB's website www.tethysoil.com.

Majority Requirements

For a resolution in accordance with item 7 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 General Meeting. A general meeting in the Subsidiary must further also approve the resolution on transfer of warrants.

Disclosures at the Extraordinary General Meeting

The Board of Directors and President shall, if requested by any shareholder and if the Board 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 of business 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 other Group company.

Shares and votes

On the day this notice was issued, Tethys Oil AB had a total of 35,543,750 shares in issue with one vote each.

Stockholm, October 2014
TETHYS OIL AB (publ)
The Board of Directors

The information in this press release has been made public by the Company in accordance with the Securities Market Act and/or the Financial Instruments Trading Act. The information was published at 08.00 a.m. CET on 21 October 2014.

Tethys Oil AB (publ)

Tethys Oil is a Swedish energy company focused on exploration and production of oil and natural gas. Tethys Oil's core area is Oman, where the company is one of the largest onshore oil and gas concession holders. Tethys Oil also has exploration and production assets onshore France and Lithuania. The shares are listed on NASDAQ OMX Stockholm (TETY) in Stockholm.

Website: www.tethysoil.com