



Press Release

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SAIWAN EAST-7 WELL ENCOUNTERES HEAVY OIL - NO FLOWS ESTABLISHED

Work on well SE-7 on Block 4 onshore the Sultanate of Oman has been completed. The well encountered several intervals of heavy oil, but no flows were established. The rig has moved to Block 3 to drill the Farha South-7 well.

SE-7 successfully reached a total depth of 1,890 metres, where the main target was to test the presence of oil in the Khufai section in the southern part of the Saiwan East structure. The well identified a more than 90 meter thick column of intermittent heavy oil saturation in the upper parts of the Khufai. A limited test programme was run, using a wireline MDT tool, but no flows were established. As expected heavy oil was also encountered in the shallower Buah, Miqrat and Amin formations. SE-7 has been temporarily suspended for possible testing and further study.

The rig has been moved to drill the Farha South-7 well ("FS-7") on Block 3, an appraisal well designed to test for the presence of oil in the Lower Al Bashir section nearby the Farha South-3 well, in the Farha South field. The drill site is located 425 metres southwest of FS-3, drilled in early 2009.

Tethys has a 30 per cent interest in Blocks 3 and 4. Partners are Mitsui E&P Middle East B.V. with 20 per cent and the operator CC Energy Development S.A.L. (Oman branch) holding the remaining 50 per cent.

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Tethys Oil AB (publ)

Tethys Oil is a Swedish energy company focused on identification and development for production of oil and natural gas assets. Tethys' core area is the Sultanate of Oman, where the company is the second largest onshore oil and gas concession holder with licence interests in three onshore blocks. Tethys also has licences onshore France and Sweden. Tethys' strategy is to invest in projects in areas with known oil and natural gas discoveries that have not been properly appraised using modern technology. In this way, high returns can be achieved with limited risk.

The shares are listed on First North (TETY) in Stockholm. Remium AB is Certified Adviser.

Website: www.tethysoil.com