

## First quarter report - 31 March 2017

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### First quarter 2017

- Production amounted to 12,495 bopd, compared to 12,268 bopd in the fourth quarter 2016
- Revenue of MUSD 29.3, compared to MUSD 20.7 in the fourth quarter 2016
- EBITDA of MUSD 19.3, compared to MUSD 9.6 in the fourth quarter 2016
- Net result of MUSD 6.7, compared to MUSD 1.5 in the fourth quarter 2016
- Earnings per share amounted to USD 0.19 during first quarter 2017
- 14 new wells completed on Blocks 3&4 during the first quarter 2017
- Two previously undrilled fault blocks on Farha South and one previously undrilled structure on Shahd were successfully drilled and found to be oil bearing
- Exploration well Erfan-1 flows oil to surface
- Drilling success increases production capacity

MUSD (unless specifically stated)	First quarter 2017	Fourth quarter 2016	First quarter 2016	Full year 2016
Net daily production before government take (bbl)	12,495	12,268	12,212	12,235
Net barrels sold, after government take (bbl)	564,700	583,772	531,918	2,357,701
Average selling price per barrel, USD	50.7	46.0	35.7	40.5
Revenue	29.3	20.7	19.7	87.1
EBITDA	19.3	9.6	10.3	44.0
Operating result	9.3	-1.7	-1.4	-0.5
Result for the period	6.7	1.5	-2.3	2.7
Net cash	40.1	39.0	45.4	39.0
Investments in oil and gas properties	13.0	15.0	15.0	48.5
Earnings per share (after dilution), USD	0.19	0.04	-0.07	0.08

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# Letter to shareholders

## **Dear Friends and Investors,**

Tethys Oil has had a strong and constructive quarter, with basically all numbers as well as the drill bit going our way. Oil prices and production are increasing, resulting in higher revenues. At the same time, costs are coming down, resulting in improved bottom line result.

## **New oil discoveries**

Drilling activity has been high, particularly on the exploration side, and we are happy to note that the drilling success rate on Blocks 3&4 remains very high. The two new, previously undrilled, fault blocks on the Farha South field drilled during the quarter came in successfully. Likewise did the new, also previously undrilled, structure on the Shahd field. And maybe even more significantly, so did the exploration well Erfan-1. Erfan-1 was drilled on a previously undrilled structure south west of the producing Saiwan East field and flowed oil to surface from the Khufai carbonate formation. The result is encouraging and we believe Erfan will contribute positively to our future production capacity.

## **Oil production increases**

We reached a new record production of 12,495 bopd, of which 12,386 bopd from our Omani blocks, representing a two percent increase compared to the fourth quarter 2016. Since Oman has agreed to support the OPEC initiated production limitations Tethys has been given a monthly production target corresponding to 12,300 bopd for the first six months of 2017. First quarter production was slightly above this target and we are confident that we shall be able to at least meet the target also for the second quarter. Following our recent drilling success, we are also confident that we will be able to increase our production as soon as the production limitations are removed.

## **Oil price increase**

After the limitations were announced late last year, international oil prices strengthened substantially. Our achieved oil prices increased from USD 46.0 per barrel in the fourth quarter 2016 to USD 50.7 per barrel in the first quarter 2017. So far it seems the OPEC limitations have had a positive effect in stabilizing the oil price. We will follow OPEC's decisions for the future with great interest.

## **Lower costs**

Our operating expenses per barrel are down more than 7 percent quarter on quarter. And backed by our reserve increase by year end 2016, our depletion costs were lowered from USD 10.0 per barrel down to USD 8.9 per barrel

## **Further financial strengthening**

For the first quarter 2017 we are happy to report revenues of MUSD 29.3, an EBITDA for the quarter of MUSD 19.3, and a net result of MUSD 6.7. Our net cash increased to MUSD 40.1 as per 31 March 2017.

## **Outlook**

Even though we are producing at record levels, we have been able to work on further production optimization and reservoir management, particularly on the Shahd fields where some wells have been shut in. We are using the time during the production limitations to gain further knowledge about the reservoirs, to optimize and fine tune production and structure ongoing appraisal and other activities, to be fully prepared once the current limitations are lifted. Following the success of the drilling program so far this year, we are confident that the production capacity on Blocks 3&4 will increase and that we will be capable of a daily production rate above the average achieved so far this year, once the current production limitations are lifted.

Our drilling program continues. In the second quarter 2017, the exploration well Ulfa-1 reached its total depth and is now being evaluated. With more than a dozen additional leads and prospects mapped, and with the success achieved so far, we remain convinced that there is still a lot of growth potential for Blocks 3&4.

So stay with us, we stand strong and continue to grow!

Stockholm in May 2017

Magnus Nordin  
Managing director

## OPERATIONAL AND FINANCIAL REVIEW<sup>1</sup>

### Production

Tethys Oil's core area is onshore the Sultanate of Oman ("Oman"), where the company holds a 30 percent interest in blocks 3&4 ("Blocks 3&4"). Tethys Oil also has interests in three licenses onshore Lithuania<sup>2</sup> and in two dormant licenses onshore France<sup>3</sup>.

Production comes primarily from three fields on Blocks 3&4; Farha South, Shahd and Saiwan East. Tethys Oil's share of production, before government take, from Blocks 3&4 during the first quarter 2017 was 1,114,697 barrels of oil, corresponding to 12,386 bopd. The average daily production is up 2 percent compared with the fourth quarter 2016.

In December 2016, OPEC and certain non-OPEC members agreed to reduce each country's oil production for an initial period of six months starting 1 January 2017. Oman agreed to reduce production by 45,000 bopd. The Oman Ministry of Oil and Gas has advised the larger producers in the country of a production level recommendation. For Blocks 3&4 the production level recommendation is 41,000 bopd, or 12,300 bopd net to Tethys Oil. However, the recommendation also includes a mechanism to compensate individual production shortfalls within the group of producers.

During the period with production limitation some producing wells are being rested, particularly on the Shahd field, for reservoir management. The production limitation also gives opportunity to gain further knowledge about the reservoirs, to optimize and fine tune production and structure ongoing appraisal and other activities.

Production on the Gargzdai field, Lithuania, has been fairly stable.

Tethys Oil's share of quarterly volumes, before government take (bbls)	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
<b>Oman, Blocks 3&amp;4<sup>4</sup></b>					
Production	1,114,697	1,118,227	1,120,764	1,096,416	1,101,031
Average daily production	12,386	12,155	12,182	12,049	12,099
<b>Lithuania, Gargzdai</b>					
Production	9,882	10,394	10,518	10,466	10,306
Average daily production	109	113	114	115	113
<b>Total production</b>	<b>1,124,579</b>	<b>1,128,621</b>	<b>1,131,282</b>	<b>1,106,882</b>	<b>1,111,336</b>
<b>Total average daily production</b>	<b>12,495</b>	<b>12,268</b>	<b>12,297</b>	<b>12,164</b>	<b>12,212</b>

### Revenue

Revenue	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Oil sold, bbl	564,700	583,772	501,167	740,844	531,918
Underlift (+)/overlift(-) movement, bbl	14,942	-2,294	81,630	-170,708	40,618
Oil price, USD/bbl	50.7	46.0	45.8	35.9	35.7
Net sales, MUSD	28.6	26.9	22.9	26.6	19.0
Underlift (+)/overlift(-) adjustments, MUSD	0.7	-6.2	3.2	-6.0	0.7
<b>Revenue, MUSD</b>	<b>29.3</b>	<b>20.7</b>	<b>26.1</b>	<b>20.6</b>	<b>19.7</b>

<sup>1</sup> The consolidated financial statements of the Tethys Oil Group (hereafter referred to as "Tethys Oil", "Tethys" or the "Group"), in which group Tethys Oil AB (publ) (the "Company") with organisational number 556615-8266 is the parent company, are hereby presented for the first quarter 2017. Segments of the Group are geographical markets.

<sup>2</sup> The interest in the three Lithuanian licences are indirectly held through a shareholding in two Danish private companies, which in turn hold shares in Lithuanian companies holding 100 percent of the licences. The two companies are not consolidated in Tethys Oils financial statements and are therefore only presented in the balance sheet under Investments in associates and in the income statement as Share of net profit/loss from associates.

<sup>3</sup> The French licenses had an expiry date in 2015 and the future of the licenses is subject to discussion.

<sup>4</sup> On Blocks 3&4, the joint operations share of production (after government take) is currently 52 percent of total production. The basis of production sharing is further explained in the Annual report 2016.

During the first quarter 2017, Tethys Oil sold 564,700 barrels of oil from Blocks 3&4, representing a three percent decrease in comparison with the fourth quarter of 2016 when 583,772 barrels of oil were sold. The lower sales volumes in the first quarter compared with the fourth quarter 2016 have resulted in a decrease of the overlift position during the quarter.

The average selling price amounted to USD 50.7 per barrel during the first quarter 2017, compared to USD 46.0 during the fourth quarter 2016. The average price for Dated Brent oil for the first quarter amounted to USD 53.6 per barrel.

Net sales during the first quarter 2017 was MUSD 28.6 compared to MUSD 26.9 during the fourth quarter 2016.

Adjustment for the decrease of the overlift position quarter on quarter amounted to MUSD 0.7. A one-time estimated adjustment of MUSD 5.9 following a fiscal metering calibration problem (the “Export Reporting Error”) has been included in the overlift position of the fourth quarter 2016, bringing the total adjustment for increase of overlift position during the fourth quarter 2016 to MUSD 6.2. For further information, please see section Export Reporting Error on page 7.

The adjustment for the decrease in overlift position together with net sales of MUSD 28.6 add up to revenue of MUSD 29.3 during the first quarter. Including the estimated adjustment for the Export Reporting Error, the first quarter 2017 revenue is up 42 percent compared to the fourth quarter 2016 revenue of MUSD 20.7 and 10 percent excluding the effect of the Export Reporting Error.

Oil sale volumes are nominated two months in advance and are not based upon the actual production in a month; as a result, oil sale volumes can be above or below production volumes. Where the sales volume exceeds the volume of barrels produced an overlift position occurs and where it is less, an underlift position occurs. The company has decreased the overlift position during the first quarter, which as per 31 March 2017 amounts to 13,087 barrels. The Blocks 3&4 partners will repay the Export Reporting Error amount in cash and as such the Export Reporting Error is not included in the number of barrels overlift closing position.

Underlift/overlift, bbls	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Underlift (+)/overlift(-), movement during period	14,942	-2,294	81,630	-170,708	40,618
Underlift (+)/overlift(-), closing position	-13,087	-28,029	-25,735	-107,365	63,343

Tethys Oil sells all of its oil from Blocks 3&4 on a monthly basis to Mitsui Energy Trading Singapore, which is part of Mitsui & Co Ltd. The selling price is the monthly average of the two month future price for Oman blend.

### Operating expenses

Operating expenses	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Production costs, MUSD	8.2	8.1	8.4	9.6	7.5
Well workovers, MUSD	0.3	1.1	0.7	0.6	0.6
<b>Total operating expenses, MUSD</b>	<b>8.5</b>	<b>9.2</b>	<b>9.1</b>	<b>10.2</b>	<b>8.1</b>
Operating expenses per barrel, USD	7.6	8.2	8.1	9.3	7.3

Operating expenses during the first quarter 2017 amounted to MUSD 8.5 compared to MUSD 9.2 during the fourth quarter 2016. Operating expenses are related to oil production on Blocks 3&4, and comprise expenses for field staff, expenses related to maintenance, well workovers and interventions and administration.

Operating expenses per barrel during the last five quarters have been in the range USD 7.3 to 9.3 per barrel.

### Depletion, depreciation and amortisation

DD&A	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
DD&A, MUSD	10.0	11.2	11.2	11.0	11.0
DD&A per barrel, USD	8.9	10.0	10.0	10.0	10.0

Depletion, depreciation and amortisation (“DD&A”) for the first quarter 2017 amounted to MUSD 10.0, which is lower than in the fourth quarter 2016 which amounted to MUSD 11.2. The main reason for the decrease is the

impact of the increased reserves as per revised reserves as at end of 2016. The DD&A charge relates to Blocks 3&4.

### Netback

Netback, USD/bbl	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Oil price achieved (sales barrels)	50.7	46.0	45.8	35.9	35.7
Revenue (after government take)	26.3	23.9	23.8	18.7	18.5
Operating expenses	7.6	8.2	8.1	9.3	7.3
<b>Netback</b>	<b>18.7</b>	<b>15.7</b>	<b>15.7</b>	<b>9.4</b>	<b>11.2</b>

Netback during the first quarter 2017 is higher than the fourth quarter 2016 mainly due to the increase in oil prices.

### Share of net profit/loss from associate

Tethys Oil holds indirect interest in the three Lithuanian licences; Gargzdai, Rietavas and Raseiniai, through associated companies Jylland Olie and Odin Energi. The result from Tethys Oil's share in these associated companies during the first quarter 2017 amounted to MUSD -0.1 compared to MUSD -0.7 during the fourth quarter 2016.

### Administrative expenses

Administrative expenses amounted to MUSD 1.4 for the first quarter 2017 compared to MUSD 1.2 during the fourth quarter 2016. Administrative expenses are mainly salaries, rents, listing costs and external services. Administrative expenses have been relatively stable between the quarters.

### Net financial result

The net financial result for the first quarter 2017 is primarily related to currency exchange effects. The net financial result amounted during the first quarter to MUSD -2.6 compared to MUSD 3.2 during the fourth quarter 2016. Currency exchange differences recorded on loans between the parent company and subsidiaries are non-cash related items. Interest and fees related to the credit facility amounted to MUSD -0.1 and other financial expenditures amounted to MUSD -0.3. The stronger SEK compared to USD is the main reason behind the first quarter currency exchange effect.

### Tax

In Oman, Tethys Oil's oil and gas operations are governed by an Exploration and Production Sharing Agreement ("EPSA") whereby Tethys Oil receives its share of oil after government take. Under the terms of the EPSA, Tethys Oil is subject to Omani income taxes and royalties which are paid in full, on behalf of Tethys Oil, from the government share of oil. These taxes are netted against revenue in the income statement.

### Result

Tethys Oil reports a net result after tax for the first quarter 2017 of MUSD 6.7, representing earnings per share (after dilution) of USD 0.19. The result for the first quarter 2017 is up compared to the fourth quarter 2016 where the net result amounted to MUSD 1.5. The net result for the fourth quarter was negatively impacted by MUSD 5.9 as an estimated consequence of the Export Reporting Error. Excluding the effect of the estimated Export Reporting Error, the net result in the fourth quarter 2016 would have amounted to MUSD 7.4.

## Investments and work program

During the first quarter 2017, total investments amounted to MUSD 13.0 of which almost all relate to Blocks 3&4.

Summary of oil and gas properties (MUSD)			
Country	Book value 31 Mar 2017	Book value 31 Dec 2016	Investments Jan-Mar 2017
Oman	192.7	190.8	12.9
Lithuania	-	-	-
France	-	-	-
New ventures	0.4	0.3	0.1
<b>Total</b>	<b>193.1</b>	<b>191.1</b>	<b>13.0</b>

### Blocks 3&4

Investments on Blocks 3&4 were lower during the first quarter 2017 compared to the fourth quarter 2016.

Investments Blocks 3&4, MUSD	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Drilling - Exploration/Appraisal	3.6	0.5	0.0	0.9	1.0
Drilling – Development	4.2	7.9	5.7	5.3	6.6
G&G	1.5	1.3	0.9	0.8	1.2
Facilities	2.6	2.3	2.3	2.0	4.2
Pipeline	0.9	0.4	0.1	-0.1	1.2
Other capex	0.1	2.5	0.3	0.2	0.8
<b>Total investments Blocks 3&amp;4</b>	<b>12.9</b>	<b>14.9</b>	<b>9.3</b>	<b>9.0</b>	<b>15.0</b>

A total of 14 wells were completed on Blocks 3&4 during the first quarter 2017. The majority of the wells were drilled on the Farha South field with the target to reach an optimal development of the field. Exploration drilling gained momentum with one exploration well completed and one exploration well reaching its final depth in the second quarter 2017. Two new, previously undrilled, fault blocks on the Farha South field and one previously undrilled structure on the Shahd field were successfully drilled and found oil bearing. A total of five rigs including a workover rig were in operation on the blocks.

Wells completed Q1 2017 (primary purpose)	Farha South Field	Shahd and Saiwan East Fields	Near and far field	Total
Appraisal/Production	10	3	-	13
Water injection	-	-	-	-
Water source	-	-	-	-
Exploration	-	-	1	1
<b>Total</b>	<b>10</b>	<b>3</b>	<b>1</b>	<b>14</b>

#### Block 3: Farha South Field

A total of ten appraisal/production wells were drilled on the Farha South field in the first quarter. All wells encountered oil. Nine of them have been connected to the production system. Eight wells were drilled in fault blocks already in production. The ninth and tenth wells at the Farha South field, the FS-133 and FS-136 wells, were drilled in previously undrilled fault blocks O and C. Both wells were drilled vertically down to the target, the Barik sandstone.

Following the increased drilling focus on the field, production has continued to increase during the quarter.

#### Block 4: Shahd and Saiwan East oil fields

Two production wells were drilled in previously drilled structures on the Shahd field. The SH H-6 well was drilled in the Shahd H area and the SH I-7 well was drilled on the Shahd I area. Both wells encountered oil and have been connected to the production system. The Shahd Q-1 well, was drilled 3 kilometres northeast of Shahd H in a previously undrilled structure. Main targets of the well were Khufai and Lower Buah. The well was drilled vertically to a total depth of 2,785 metres. The well encountered oil and will be completed as a producer from the Khufai layer and hooked up to the production system in the second quarter 2017.

Ongoing maintenance and updating work was conducted in all fields during the quarter.

### *Exploration on Blocks 3&4*

The drilling of one exploration well was completed during the first quarter. Erfan-1, was spudded in November on a previously undrilled structure located approximately 6 kilometres south west of the Saiwan East field on Block 4. The Khufai formation was the main target. Erfan-1 reached a total depth of 2,548 metres in the first quarter 2017 and the well flowed oil to surface from the Khufai formation. The well will be hooked up to the Blocks 3&4 production system.

In addition, the drilling of the exploration well Ulfa-1 reached a total depth in the beginning of the second quarter. The Ulfa-1 well was drilled in a previously undrilled structure, located along the Farha South trend within the Farha South 3D-area, approximately 20 kilometres north of the Shahd K area. The well was drilled as a deviated well targeting the Barik, Lower Buah and Khufai formations. The well is being evaluated.

### **New ventures**

A number of new ventures projects have been reviewed and several continue to be evaluated.

### **Associated companies**

As per 31 March 2017, the value of the shareholding in the two associated Danish companies holding the interest in Lithuanian licenses, amounted to MUSD 0.2 compared to the fourth quarter MUSD 0.3. The reduction in book value is explained by a loss from associated companies. For more information regarding the ownership structure, please refer to the Annual report 2016. The book value related to Minijos Nafta (Gargzdai) is zero and there are no liabilities related to Minijos Nafta. Tethys Oil does not recognize any negative net result from Minijos Nafta.

Production continues on the Gargzdai licence. With the current higher oil price environment, the efforts continue to re-open some high water rate production wells, previously shut-in, for testing and possibly being put back into production. During the first quarter, a total of 19 wells were in production on the license.

### **Liquidity and financing**

Cash and bank and Net cash as per 31 March 2017 amounted to MUSD 40.1 compared to MUSD 39.0 as per 31 December 2016.

A total of MUSD 1.1 of the Export Reporting Error amount of MUSD 5.9 was repaid during the first quarter 2017, with an estimated further MUSD 4.8 to be repaid in equal monthly instalments until 2022.

During the three months ended 31 March 2017, the cash flow from operations amounted to MUSD 14.4 and investments in oil and gas amounted to MUSD 13.0. For the three months the cash flow from operations after investments in oil and gas amounted to MUSD 1.4.

Tethys Oil's operations on Blocks 3&4, including investment program, are expected to be funded from cash flow from operations and from available funds.

Tethys Oil's operations in Lithuania are expected to be funded from cash flow from operations and available cash in the associated Lithuanian companies.

### **Export Reporting Error**

Tethys Oil accounted during the fourth quarter 2016 for the effects of a fiscal metering calibration error resulting in over-reporting of exported oil from Blocks 3&4, affecting fourth quarter 2016 revenue and result negatively by MUSD 5.9. The error amount will be repaid in cash according to a repayment schedule over a five year period and Tethys Oil estimates that the negative undiscounted net cash effect for Tethys Oil will be less than MUSD 1.4. The mechanism for the full settlement details are being discussed, but Tethys Oil expects that the final settlement will reflect the relevant agreements.

Of the Export Reporting Error amount of MUSD 5.9, MUSD 1.1 was repaid during the first quarter 2017 resulting in Current provisions amounting to MUSD 1.0 and Non-current provisions to MUSD 3.8 and a total amount remaining to be settled of MUSD 4.8 at the end of the first quarter 2017.

### **Parent company**

The Parent company reports a net result after tax for the first quarter 2017 amounting to MSEK -22.1 compared to MSEK 24.1 for the fourth quarter 2016. Administrative expenses amounted to MSEK 7.9 for the first quarter 2017 compared to MSEK 6.7 for the fourth quarter 2016. Net financial result amounted to MSEK -14.9 during the first quarter 2017 compared to MSEK 31.3 for the fourth quarter 2016. The stronger SEK in comparison to USD is the main reason for the negative net financial result during the first quarter.

### **Share data**

As per 31 March 2017, the number of outstanding shares in Tethys Oil amount to 35,543,750, with a quota value of SEK 0.17. All shares represent one vote each. The Company has the same amount of shares outstanding as per 31 December 2016. Tethys Oil has a warrant based incentive programme for employees, for further information please see note 9 on page 19. As the subscription price is below the share price as per the reporting date in this report, the warrants are included in the diluted number of shares which amount to 35,895,500 per 31 March 2017.

As per 31 March 2017, Tethys Oil held 1,329,224 of its own shares which have been purchased since commencement of the programme during the fourth quarter 2014. No shares were purchased during the first quarter 2017. The repurchased shares are still included in the total number of shares, but are not included in the average number of shares in circulation. The weighted average number of shares in circulation during the first quarter 2017 before dilution is 34,214,526 and after dilution 34,628,994.

After 31 March 2017 and up to the date of publication of this report, Tethys Oil has not acquired any further shares.

### **Seasonal effects**

Tethys Oil has no significant seasonal variations.

### **Risks and uncertainties**

A statement of risk and uncertainties are presented in note 1, page 16.

### **Transactions with related parties**

There have been no transactions with related parties during the first quarter 2017, nor for any comparative periods.



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY**

<b>MUSD</b>	Note	<b>First quarter 2017</b>	Fourth quarter 2016	First quarter 2016	Twelve months 2016
Revenue	3	29.3	20.7	19.7	87.1
Operating expenses		-8.5	-9.2	-8.1	-36.6
<b>Gross profit</b>		<b>20.8</b>	<b>11.5</b>	<b>11.6</b>	<b>50.5</b>
Depletion, depreciation and amortisation		-10.0	-11.2	-11.0	-44.4
Exploration costs		-0.0	-0.1	-0.7	-0.1
Share of net profit/loss from associates		-0.1	-0.7	0.0	-0.7
Administrative expenses	9	-1.4	-1.2	-1.3	-5.8
<b>Operating result</b>		<b>9.3</b>	<b>-1.7</b>	<b>-1.4</b>	<b>-0.5</b>
<b>Net financial result</b>	4	<b>-2.6</b>	<b>3.2</b>	<b>-0.9</b>	<b>3.2</b>
<b>Result before tax</b>		<b>6.7</b>	<b>1.5</b>	<b>-2.3</b>	<b>2.7</b>
Income tax		-	-	-	-
<b>Result for the period</b>		<b>6.7</b>	<b>1.5</b>	<b>-2.3</b>	<b>2.7</b>
<b>Other comprehensive result</b>					
Items that may be subsequently reclassified to profit or loss:					
Exchange differences		2.4	-4.9	0.5	-7.0
<b>Other comprehensive result for the period</b>		<b>2.4</b>	<b>-4.9</b>	<b>0.5</b>	<b>-7.0</b>
<b>Total comprehensive result for the period</b>		<b>9.1</b>	<b>-3.4</b>	<b>1.8</b>	<b>-4.4</b>
Attributable to:					
Shareholders in the parent company		<b>9.1</b>	<b>-3.4</b>	<b>1.8</b>	<b>-4.4</b>
Non controlling interest		-	-	-	-
Number of shares outstanding		35,543,750	35,543,750	35,543,750	35,543,750
Number of shares outstanding (after dilution)		35,895,500	36,232,460	35,543,750	36,232,460
Weighted average number of shares (before dilution)		34,214,526	34,214,526	34,460,081	34,324,020
Weighted average number of shares (after dilution)		34,628,994	34,405,662	34,460,081	34,372,065
Earnings per share (before dilution), USD		0.20	0.04	-0.07	0.08
Earnings per share (after dilution), USD		0.19	0.04	-0.07	0.08

**CONSOLIDATED BALANCE SHEET IN SUMMARY**

MUSD	Note	31 Mar 2017	31 Dec 2016
<b>ASSETS</b>			
<b>Non current assets</b>			
Oil and gas properties	5	193.1	191.1
Office equipment		0.1	0.1
Investment in associates		0.2	0.3
		<b>193.4</b>	<b>191.5</b>
<b>Current assets</b>			
Other receivables		9.4	7.4
Prepaid expenses		1.0	1.1
Cash and cash equivalents		40.1	39.0
		<b>50.5</b>	<b>47.5</b>
<b>TOTAL ASSETS</b>		<b>243.9</b>	<b>239.0</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital		0.8	0.8
Additional paid in capital		71.0	71.0
Reserves		1.3	-1.1
Retained earnings		132.9	126.2
<b>Total shareholders' equity</b>		<b>206.0</b>	<b>196.9</b>
<b>Non current liabilities</b>			
Non current provisions	7, 8	8.6	8.8
		<b>8.6</b>	<b>8.8</b>
<b>Current liabilities</b>			
Current provisions	7, 8	1.0	1.9
Accounts payable		0.1	0.2
Accrued expenses		7.3	9.7
Other current liabilities		20.9	21.5
Loan facility	6	-	-
		<b>29.3</b>	<b>33.3</b>
<b>Total liabilities</b>		<b>37.9</b>	<b>42.1</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>243.9</b>	<b>239.0</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN SUMMARY**

Attributable to shareholders of the parent company					
MUSD	Share capital	Paid in capital	Reserves	Retained earnings	Total equity
<b>Opening balance 1 January 2016</b>	<b>0.8</b>	<b>71.0</b>	<b>5.9</b>	<b>139.5</b>	<b>217.2</b>
<b>Comprehensive income</b>					
Result for twelve months 2016	-	-	-	2.7	2.7
Currency exchange differences twelve months 2016	-	-	-7.0	-	-7.0
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-7.0</b>	<b>2.7</b>	<b>-4.4</b>
<b>Transactions with owners</b>					
Purchase of own shares	-	-	-	-1.5	-1.5
Dividends paid	-	-	-	-3.7	-3.7
Share redemption	-	-	-	-10.9	-10.9
Incentive programme	-	-	-	0.3	0.3
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-15.8</b>	<b>-15.8</b>
<b>Closing balance 31 December 2016</b>	<b>0.8</b>	<b>71.0</b>	<b>-1.1</b>	<b>126.2</b>	<b>196.9</b>
<b>Opening balance 1 January 2017</b>	<b>0.8</b>	<b>71.0</b>	<b>-1.1</b>	<b>126.2</b>	<b>196.9</b>
<b>Comprehensive income</b>					
Result for three months 2017	-	-	-	6.7	6.7
Currency exchange differences three months 2017	-	-	2.4	-	2.4
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>2.4</b>	<b>6.7</b>	<b>9.1</b>
<b>Transactions with owners</b>					
Purchase of own shares	-	-	-	-	-
Dividends paid	-	-	-	-	-
Share redemption	-	-	-	-	-
Incentive programme	-	-	-	-	-
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance 31 March 2017</b>	<b>0.8</b>	<b>71.0</b>	<b>1.3</b>	<b>132.9</b>	<b>206.0</b>

**CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY**

MUSD	Note	First quarter 2017	Fourth quarter 2016	First quarter 2016	Twelve months 2016
<b>Cash flow from operations</b>					
Operating result		9.3	-1.7	-1.4	-0.5
Interest received		-	-	0.0	-
Interest paid	4	-0.1	-0.1	-0.3	-0.7
Adjustment for exploration costs		-	0.1	0.7	0.1
Adjustment for depletion, depreciation and other non-cash related items		8.8	16.2	7.7	45.8
<b>Total cash flow from operations before change in working capital</b>		<b>18.0</b>	<b>14.5</b>	<b>6.7</b>	<b>44.7</b>
Change in receivables		-2.0	0.6	-0.4	-1.8
Change in liabilities		-1.6	1.1	4.6	9.8
<b>Cash flow from operations</b>		<b>14.4</b>	<b>16.2</b>	<b>10.9</b>	<b>52.7</b>
<b>Investment activity</b>					
Investment in oil and gas properties	5	-13.0	-15.0	-15.0	-48.5
Investment in other fixed assets		0.0	0.0	0.0	-
Cash from associated companies, net		0.0	0.0	-0.7	0.1
<b>Cash flow from investment activity</b>		<b>-13.0</b>	<b>-15.0</b>	<b>-15.7</b>	<b>-48.4</b>
<b>Financing activity</b>					
Purchase of own shares		-	-	-	-1.7
Share redemption		-	-11.5	-	-11.6
Dividend		-	-	-	-4.1
<b>Cash flow from financing activity</b>		<b>-</b>	<b>-11.5</b>	<b>-0.0</b>	<b>-17.4</b>
<b>Period cash flow</b>		<b>1.4</b>	<b>-10.3</b>	<b>-4.8</b>	<b>-13.1</b>
Cash and cash equivalents at the beginning of the period		39.0	48.2	51.2	51.2
Exchange gains/losses on cash and cash equivalents		-0.3	1.1	-1.0	0.9
Cash and cash equivalents at the end of the period		40.1	39.0	45.4	39.0

## KEY RATIOS

Group	First quarter 2017	Fourth quarter 2016	First quarter 2016	Twelve months 2016
<b>Operational items</b>				
Production before government take, bbl	1,124,579	1,128,621	1,111,336	4,478,121
Production per day, bbl	12,495	12,268	12,212	12,235
Net sales after government take, bbl	564,700	583,772	531,918	2,357,701
Achieved oil price, USD/bbl	50.7	46.0	35.7	40.5
<b>Income statement and balance sheet</b>				
Revenue, MUSD	29.3	20.7	19.7	87.1
EBITDA, MUSD	19.3	9.6	10.3	44.0
EBITDA-margin	66%	46%	53%	51%
Operating result, MUSD	9.3	-1.7	-1.4	-0.5
Operating margin	32%	-8%	-7%	-1%
Net result, MUSD	6.7	1.5	-2.3	2.7
Net margin	23%	7%	-12%	3%
Cash and cash equivalents, MUSD	40.1	39.0	45.4	39.0
Shareholders' equity, MUSD	206.0	196.9	215.4	196.9
Balance sheet total, MUSD	243.9	239.0	242.2	239.0
<b>Capital structure</b>				
Solvency	84%	82%	89%	82%
Leverage ratio	neg.	neg.	neg.	neg.
Investments, MUSD	13.0	15.0	15.0	48.5
Net cash, MUSD	40.1	39.0	45.4	39.0
<b>Profitability</b>				
Return on shareholders' equity	3.32%	0.74%	-1.05%	1.29%
Return on capital employed	4.55%	0.86%	-0.08%	4.20%
<b>Other</b>				
Average number of full time employees	20	21	19	19
Dividend per share, SEK*	-	-	-	1.00
Cash flow from operations per share, USD	0.42	0.47	0.32	1.53
Number of shares on balance day, '000	35,544	35,544	35,544	35,544
Shareholders' equity per share, USD	5.79	5.54	6.07	5.54
Weighted average number of shares (before dilution) on balance day, '000	34,215	34,215	34,460	34,324
Weighted average number of shares (after dilution) on balance day, '000	34,629	34,406	34,460	34,372
Earnings per share before dilution, USD	0.20	0.04	-0.07	0.08
Earnings per share after dilution, USD	0.19	0.04	-0.07	0.08

## Key quarterly data

	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Daily production, bbl	12,495	12,268	12,297	12,164	12,212	10,956	10,087	9,434
Barrels sold, bbl	564,700	583,772	501,167	740,844	531,918	366,746	584,399	545,019
Revenue, MUSD	29.3	20.7	26.1	20.6	19.7	25.9	30.1	26.4
EBITDA, MUSD	19.3	9.6	15.7	8.4	10.3	13.3	18.0	15.4
Return on shareholders' equity	3.32%	0.74%	2.97%	1.39%	-1.05%	1.44%	3.81%	2.11%
Cash flow from operations, MUSD	14.4	16.2	15.5	11.1	10.9	2.6	32.6	9.7
Earnings per share after dilution, USD	0.19	0.04	0.19	-0.09	-0.07	0.09	0.24	0.13
Share price, end of period, SEK	63.5	78.8	60.5	64.5	54.0	57.5	44.4	55.5

For definitions of key ratios please refer to the 2016 Annual Report.

\*Not including share redemption of 3.00 SEK per share in Q4 2016.

**Relevant reconciliations of alternative performance measures**

Besides the definitions below, definitions of the alternative performance measures below can be found in the Annual Report 2016.

MUSD (unless specifically stated)	First quarter 2017	Fourth quarter 2016	First quarter 2016	Twelve months 2016
Operating result	9.3	-1.7	-1.4	-0.5
Depreciation, depletion and amortization	10.0	11.2	11.0	44.4
Exploration costs	0.0	0.1	0.7	0.1
<b>EBITDA</b>	<b>19.3</b>	<b>9.6</b>	<b>10.3</b>	<b>44.0</b>
Cash and bank	40.1	39.0	45.4	39.0
Interest bearing debt	-	-	-	-
<b>Net cash</b>	<b>40.1</b>	<b>39.0</b>	<b>45.4</b>	<b>39.0</b>
Cash flow from operations	14.4	16.2	10.9	52.7
Investment in oil and gas properties	-13.0	-15.0	-15.0	-48.5
<b>Cash flow from operations after investments</b>	<b>1.4</b>	<b>1.2</b>	<b>-4.1</b>	<b>4.2</b>

**PARENT COMPANY INCOME STATEMENT IN SUMMARY<sup>5</sup>**

<b>MSEK</b>	<b>Note</b>	<b>First quarter 2017</b>	<b>Fourth quarter 2016</b>	<b>First quarter 2016</b>	<b>Twelve months 2016</b>
Other income		2.0	2.0	1.3	10.6
Net profit/loss of associates		-1.3	-5.6	0.0	-5.6
Administrative expenses	9	-7.9	-6.7	-7.1	-31.3
<b>Operating result</b>		<b>-7.2</b>	<b>-10.3</b>	<b>-5.8</b>	<b>-26.3</b>
Net financial items		-14.9	31.3	-7.9	46.6
Appropriations		-	3.1	-	3.1
<b>Result before tax</b>		<b>-22.1</b>	<b>24.1</b>	<b>-13.7</b>	<b>23.4</b>
Income tax		-	-	-	-
<b>Result for the period*</b>		<b>-22.1</b>	<b>24.1</b>	<b>-13.7</b>	<b>23.4</b>

\* As there are no items in the parent company's other comprehensive income, no separate report on total comprehensive income is presented.

**PARENT COMPANY BALANCE SHEET IN SUMMARY**

<b>MSEK</b>	<b>Note</b>	<b>31 Mar 2017</b>	<b>31 Dec 2016</b>
<b>ASSETS</b>			
Total non current assets		245.8	249.1
Total current assets		88.8	108.1
<b>TOTAL ASSETS</b>		<b>334.6</b>	<b>357.2</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Restricted shareholders' equity		77.0	77.0
Unrestricted shareholders' equity		247.2	269.3
Total current liabilities		10.4	10.9
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>334.6</b>	<b>357.2</b>

<sup>5</sup> Please note that the Parent company presents the financial reports in SEK. For more information, please see Accounting principles on page 16.

## NOTES

### General information

Tethys Oil AB (publ) (“the Company”), corporate identity number 556615-8266, and its subsidiaries (together “the Group” or “Tethys Oil”) are focused on exploration for and production of oil and natural gas. The Group has interests in exploration and production licences in Oman, France and Lithuania. The Company is a limited liability company incorporated and domiciled in Stockholm, Sweden. The Company is listed on Nasdaq Stockholm.

### Accounting principles

The first quarter report 2017 of the Tethys Oil Group has been prepared in accordance with IAS 34 and the Annual Accounts Act. The first quarter report 2017 of the Parent company has been prepared in accordance with the Annual Accounts Act and the Recommendation RFR 2 “Accounting for legal entities”, issued by the Swedish Financial Accounting Standards Council.

The accounting principles as described in the Annual report 2016 have been used in the preparation of this report.

Tethys Oil has applies the ESMA’s (European Securities and Markets Authority) guidelines for alternative performance measures. Definitions of performance measures are provided in the Annual Report 2016 and the relevant reconciliations can be found on page 14 of this report.

### Exchange rates

For the preparation of the financial statements for the reporting period, the following exchange rates have been used.

Currency	31 March 2017		31 December 2016	
	Average	Period end	Average	Period end
SEK/USD	9.08	8.88	8.63	9.42
SEK/EUR	9.63	9.60	9.52	9.80

The Group is exposed to fluctuations in the foreign exchange markets as fluctuations in exchange rates can negatively affect the result, cash flow and equity. The major proportion of the Group’s assets relate to international oil and gas discoveries valued in USD and which generate revenues in USD. During the first quarter 2017, all of Tethys Oil’s oil sales and operative expenditures were denominated in USD.

### Fair value

The nominal value of accounts payables, cash and bank and accounts receivables is a fair approximation of those line items as they are short term in nature.

#### IAS 39 valuation categories and related balance sheet items

MUSD	31 March 2017			MUSD	31 December 2016		
	Financial assets and liabilities at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost		Financial assets and liabilities at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost
Other receivables	-	9.4	-	Other receivables	-	7.4	-
Cash and bank	-	40.1	-	Cash and bank	-	39.0	-
Accounts payables	-	-	0.1	Accounts payables	-	-	0.2
Other current liabilities	-	-	20.9	Other current liabilities	-	-	21.5

### Note 1) Risks and uncertainties

The Group’s activities expose it to a number of risks and uncertainties which are continuously monitored and reviewed. The main risks and uncertainties are operational and financial risks described below.

#### Operational risk

At its current stage of development Tethys Oil is commercially producing oil and is furthermore exploring for and appraising undeveloped known oil and/or natural gas accumulations. The operational risk is different in these parts of Tethys Oil’s operations. The main operational risk in exploration and appraisal activities is that the



activities and investments made by Tethys Oil and its partners will not evolve into commercial reserves of oil and gas. The oil price is of significant importance to Tethys Oil in all parts of operations as income and profitability is and will be dependent on prices prevailing from time to time. Significantly lower oil prices will reduce current and expected cash flows and profitability in projects and can make projects sub economic. Lower oil prices could also decrease the industry interest in Tethys Oil's projects regarding farm-out or sale of assets. There are no oil price hedges in place as per 31 March 2017. Further, Oman has, following an agreement with OPEC, imposed a production recommendation relating to Blocks 3&4 for the first six months of 2017. The production recommendation affects the Company's oil production and sales.

Another operational risk factor is access to equipment in Tethys Oil's projects. In the drilling/development phase of a project the group is dependent on advanced equipment such as rigs, casing, pipes etc. A shortage of these supplies can present difficulties for Tethys Oil to fulfil projects. Through its operations Tethys Oil is furthermore subject to political risk, environmental risk and the risk of not being able to retain key personnel.

#### Financial risk

The Group's activities expose it to a variety of financial risks, mainly categorized as exchange rate risk and liquidity risk. The Group's risks are continuously monitored and analysed by the board of directors and management. The aim is to minimise potential adverse effects on the Group's financial performance.

A more detailed analysis of the Group's risks and uncertainties and how the Group addresses these risks, are given in the Annual report for 2016.

#### **Note 2) Segment reporting**

The Group's accounting principle for segments describes that operating segments are based on geographic perspective. The operating result for each segment is presented below.

Group income statement Jan-Mar 2017					
MUSD	Oman	Lithuania	Sweden	Other	Total
Revenue	29.3	-	-	-	29.3
Operating expenses	-8.5	-	-	-	-8.5
Depreciation, depletion and amortisation	-10.0	-	-	-	-10.0
Exploration costs	-	-	-	-	-
Other income	-	-	-	-	-
Share of net profit/loss from associates	-	-0.1	-	-	-0.1
Administrative expenses	-0.5	-	-0.8	-0.1	-1.4
<b>Operating result</b>	<b>10.3</b>	<b>-0.1</b>	<b>-0.8</b>	<b>-0.1</b>	<b>9.3</b>
Total financial items					-2.6
<b>Result before tax</b>					<b>6.7</b>
Income tax					-
<b>Result for the period</b>					<b>6.7</b>

Group income statement Jan-Mar 2016					
MUSD	Oman	Lithuania	Sweden	Other	Total
Revenue	19.7	-	-	-	19.7
Operating expenses	-8.1	-	-	-	-8.1
Depreciation, depletion and amortisation	-11.0	-	-	-	-11.0
Exploration costs	-	-	-	-0.7	-0.7
Other income	-	-	-	-	-
Share of net profit/loss from associates	-	-	-	-	-
Administrative expenses	-0.5	-	-0.7	-0.1	-1.3
<b>Operating result</b>	<b>0.1</b>	<b>-</b>	<b>-0.7</b>	<b>-0.8</b>	<b>-1.4</b>
Total financial items					-0.9
<b>Result before tax</b>					<b>-2.3</b>
Income tax					-
<b>Result for the period</b>					<b>-2.3</b>

**Note 3) Revenue**

MUSD	First quarter 2017	Fourth quarter 2016	First quarter 2016	Twelve months 2016
Net sales,	28.6	26.9	19.0	95.4
Underlift (overlift)	0.7	-0.3	0.7	-2.4
Overlift adjustment Export Reporting Error	-	-5.9	-	-5.9
<b>Revenue</b>	<b>29.3</b>	<b>20.7</b>	<b>19.7</b>	<b>87.1</b>

Tethys Oil sells all of its oil to Mitsui Energy Trading Singapore, which is part of Mitsui & Co Ltd. All oil sales come from Blocks 3&4 Oman and are made on a monthly basis. The selling price is the monthly average of the two month future price for Oman blend.

The fourth quarter 2016 includes an overlift adjustment of MUSD 5.9 following the estimated effects of an export reporting error on Blocks 3&4 (the “Export Reporting Error”), which occurred during the period August 2010 to February 2016. Tethys Oil estimates that its share of the overestimated volume of oil amounts to 157,000 barrels (before government take). The Blocks 3&4 partners will repay the over-lifted amount in cash. Tethys Oil estimates, that Tethys Oil’s share of the cash repayment, will amount to approximately MUSD 5.9, which consequently reduced Tethys Oil’s fourth quarter 2016 revenue and result with that amount.

**Note 4) Net financial result**

Net financial result	First quarter 2017	Fourth quarter 2016	First quarter 2016	Twelve months 2016
Financial income:				
Interest income	-	-	-	-
Gain on currency exchange rates	0.1	3.6	1.3	9.0
Other financial income	-	-	-	0.3
Financial expenses:				
Interest expenses	-0.1	-0.1	-0.3	-0.6
Currency exchange losses	-2.3	-	-1.6	-3.8
Other financial expenses	-0.3	-0.3	-0.3	-1.8
<b>Net financial result</b>	<b>-2.6</b>	<b>3.2</b>	<b>-0.9</b>	<b>3.2</b>

**Note 5) Oil and gas properties**

Country	Licence	Phase	Tethys share	Total area, km <sup>2</sup>	Partners (operator in bold)	Book value 31 Mar 2017	Book value 31 Dec 2016	Investments Jan-Mar 2017
Oman	Blocks 3&4	Prod.	30%	29,130	<b>CCED</b> , Mitsui	192.7	190.8	12.9
Lithuania	Gargzdai	Prod.	25%	884	Odin, GeoNafta	-	-	-
Lithuania	Rietavas	Expl.	30%	1,594	Odin, private investors	-	-	-
Lithuania	Raiseiniai	Expl.	30%	1,535	Odin, private investors	-	-	-
France	Alès	Expl.	37.5%	215	MouvOil	-	-	-
France	Attila	Expl.	40%	1,986	<b>Galli Coz</b>	-	-	-
<b>New ventures</b>						<b>0.4</b>	0.3	<b>0.1</b>
<b>Total</b>						<b>193.1</b>	<b>191.1</b>	<b>13.0</b>

**Note 6) Loan facility**

Tethys Oil has a four-year, up to MUSD 31, senior revolving reserve based lending facility (the “Facility”). Security for the Facility is the interest in the Blocks 3&4 licence. The interest rate of the Facility is floating between LIBOR + 3.75 percent to LIBOR + 4.00 percent per annum, depending on the level of utilization of the Facility. As per 31 March 2017 there was no outstanding balance under the Facility. The Facility matures at the end of February 2018. The Company is reviewing its options for financing arrangements in preparation for the Facility maturing.

**Note 7) Provision**

Tethys Oil estimates that Tethys Oil’s share of site restoration regarding Blocks 3&4 amounts to MUSD 4.8 (MUSD 4.8). As a consequence of this provision, oil and gas properties have increased with an equal amount. Changes in the provision are related to a more detailed calculation of the site restoration provision affecting the provision’s net present value.

Tethys Oil has a non-current provision of MUSD 3.8 from of the estimated total error amount of MUSD 5.9 from the Export Reporting Error on Blocks 3&4. Tethys Oil also has a current provision of 1.0 MUSD related to the Export Reporting Error.

#### Note 8) Export Reporting Error

Of the total error amount of MUSD 5.9, MUSD 1.9 was included in Current provisions and MUSD 4.0 was included in Non-current provisions as per 31 December 2016.

The Export Reporting Error amount repayment during the first quarter amounted to MUSD 1.1 resulting in Current provisions of MUSD 1.0 and Non-current provisions of MUSD 3.8 with a total amount remaining to be settled of MUSD 4.8 as at 31 March 2017.

#### Note 9) Incentive programme

Tethys Oil has an incentive programme as part of the remuneration package to employees. Warrants were issued 2015 and 2016 following a decision by the respective AGM.

The number of issued warrants during 2016 was 350,000 (356,000) and the number of warrants allocated during 2016 was 335,000 (312,000). Issued but not allocated warrants are held by the company.

No warrants have been issued during the first quarter 2017. No warrants were exercised during the first quarter 2017.

Warrant incentive programme	Exercise period	Subscription price, SEK	Number of warrants				31 Mar 2017
			1 Jan 2017	Issued 2017	Expired 2017	Exercised 2017	
2015 incentive programme	23 May - 5 Oct, 2018	76.8	356,000	0	0	0	356,000
2016 incentive programme	28 May - 4 Oct, 2019	62.6	350,000	0	0	0	350,000
<b>Total</b>			<b>706,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>706,000</b>

As the subscription price for the 2016 programme is below the share price as per 31 March 2017, the warrants are included in the diluted average number of shares in circulation during the first quarter of 34,628,994.

#### Note 10) Pledged assets

As per 31 March 2017, pledged assets amounted to MUSD 183.3 (173.2). Pledged assets are mainly a continuing security with regard to the credit facility where Tethys Oil has entered into a pledge agreement. The pledge relates to all shares in the subsidiary Tethys Oil Block 3&4 Ltd for the benefit of the lenders in the credit facility and the value of the pledge is equal to the shareholders' equity value in Tethys Oil Block 3&4 Ltd.

Pledged assets in the parent company amounts to MSEK 0.5 (0.5) and relate to a pledge in relation to office rental.

#### Note 11) Contingent liabilities

There are no outstanding contingent liabilities as per 31 March 2017, nor for the comparative period.

## FINANCIAL CALENDAR:

**Annual meeting 2017** will be held in Stockholm on 17 May 2017

**Report for second quarter 2017** (January – June 2017) on 15 August 2017

**Report for third quarter 2017** (January – September 2017) on 7 November 2017

**Report for fourth quarter 2017** (January – December 2017) on 13 February 2018

**Report for first quarter 2018** (January – March 2018) on 8 May 2018

## CONFERENCE CALL

**Date:** 2 May 2017

**Time:** 10.00 CET

To participate in the conference call you may choose one of the following options:

### To participate via phone, please call:

Sweden: +46 8 505 564 74

Switzerland: +41 225 675 541

UK: +44 203 364 5374

North America: +1 855 753 2230

### To participate via web:

Link to webcast: <http://edge.media-server.com/m/p/mvere4g9>

Stockholm, 2 May 2017

**Tethys Oil AB (publ)**

Org. No. 556615-8266

Magnus Nordin  
*Managing Director*

*This report has not been subject to review by the auditors of the Company.*

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 596/2014. The information was submitted for publication, through the agency of the contact person set out above, at 07:30 CET on 2 May 2017.