



Press release

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## **Tethys Oils has published Annual Report for 2012**

**Tethys Oil has published its annual report for 2012 and communicates strategic and financial goals and a new dividend policy. The report is available on the corporate website, [www.tethysoil.com](http://www.tethysoil.com).**

### **Vision and strategy**

Tethys Oil shall have a well balanced and self financed portfolio of oil and natural gas assets. The company also aims to conduct business in an economical, socially and environmentally responsible way, to the benefit of all stakeholders.

The company's strategy is:

- Organic growth in existing assets by taking a proactive role and by building strategic partnerships to convert acreage to reserves and reserves to production
- Seek new growth platforms, primarily onshore appraisal projects with material impact and low entry cost

In the company's existing assets, a proactive role with strategic partners is key to maximizing the potential of the projects. Growth will primarily come from appraisal projects where oil has previously been discovered, but was deemed sub-commercial for various reasons.

### **Dividend policy**

Tethys Oil aims to offer high return on capital through investments and growth in oil and gas projects and no dividends is therefore expected to be paid during the coming years. Future dividend policy will be determined by the company's financial position and assessment of future growth potential.

### **Financial targets**

Most of the investments that are required for commercial oil production in larger scale in the producing areas of Blocks 3 & 4 in Oman have been completed. This, in combination with a positive cash flow from the business, means that there is no continuous need for any additional capital to the current operations. A strong cash position is important to pursue the growth strategy.

Long term capital structure targets:

- Debt/equity ratio of 30-40%
- Net debt /EBITDA of up to 2x
- Strong cash position to have the ability to grow

The capital structure targets are long term targets and Tethys will allow that these targets are not met for a short time period or for specific circumstances.

**For further information, please contact**

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***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, Lithuania and Sweden. The shares are listed on First North (TETY) in Stockholm. Remium AB is Certified Adviser.*

*Website: [www.tethysoil.com](http://www.tethysoil.com)*