



FIRST QUARTER 2023

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9 May 2023





Q1 2023 Highlights

Exploration & appraisal highlights

- Extended well test on Al Jumud commenced
- Significant exploration activities on Blocks 3&4
 - Exploration drilling
 - Seismic acquisition campaigns – 22/23 completed and 23/24 commenced
- Continued progress ahead of exploration drilling on Blocks 56 and 58 starting in H2-2023

Production

- Production of 9,411 bopd (9,441 in Q4-23)

Financials

- Revenue and other income: MUSD 35.3 (43.2) and EBITDA: MUSD 27.8 (27.0)
- Cash flow from operations of MUSD 20.4 (24.6)
- Cash and cash equivalents: MUSD 39.9 (41.5)



TETHYS OIL Eventful year ahead

- Blocks 3&4 production continues to underpin solid, debt free, financial position
- Three potential exploration discoveries on Blocks 3&4 undergoing testing and evaluation
- Most ambitious exploration program ever in operated blocks targeting more than 200 mmbbo of prospective resources
- High-impact exploration wells to be drilled on Blocks 56 and 58 during H2-23
- Well re-entry and re-testing of Thameen-1 well, Block 49, for Q3-23
- Prospect maturation on Blocks 58 and 56 - aiming to confirm additional prospective resources
- Extended well test on Block 56 to evaluate commercial potential of the Al Jumud discovery
- AGM May 10 to vote on distribution to shareholders – SEK 3.0 redemption share record date 25 May, SEK 2.0 ordinary dividend record date November 10

Block 56: Al Jumd extended well test commenced

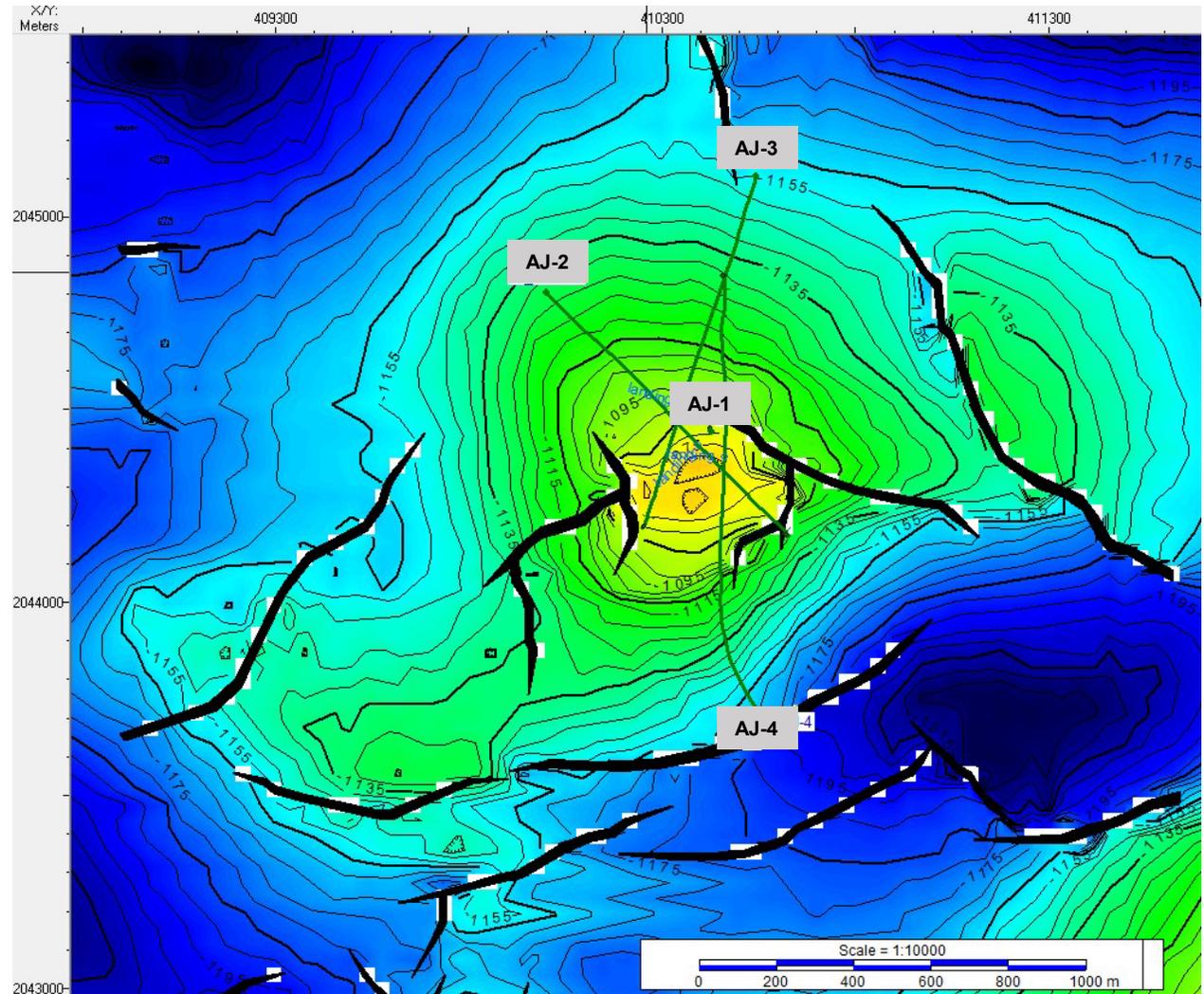
- Fiscal meter successfully installed and commissioned at the end of March
- Oil exports commenced in March initially emptying tanks of oil from testing in 2022
- Testing operations commenced in early April as Al Jumd-2 was re-opened
- First lifting and sale of produced oil in July
- Test will be ongoing up until September

First quarter 2023 – 9 May 2023



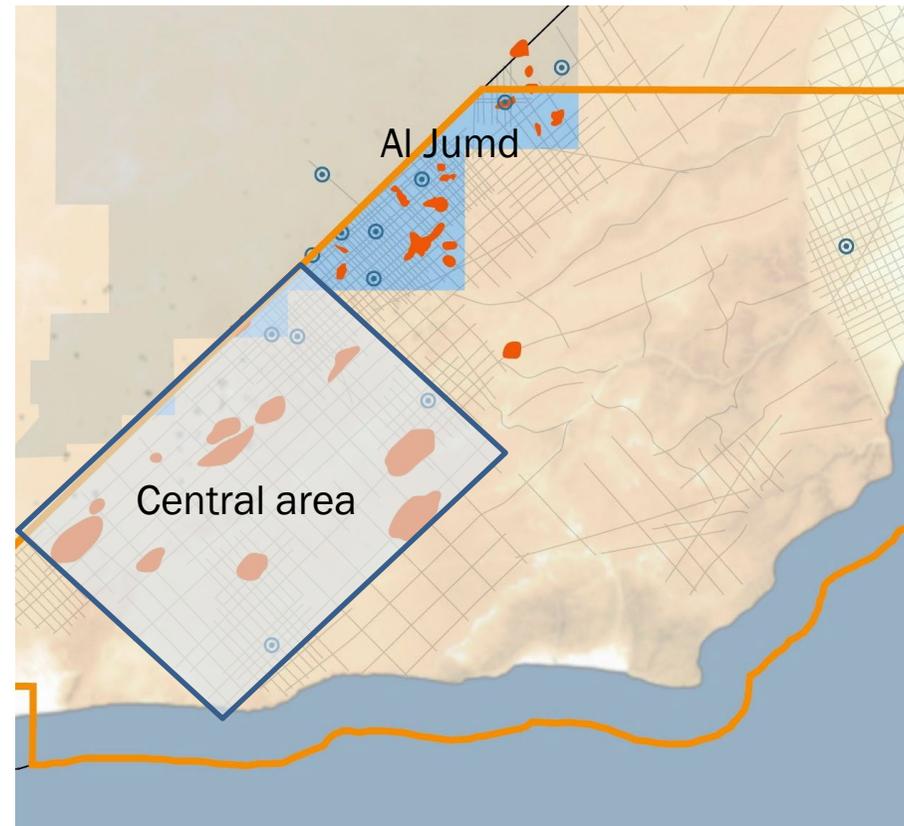
Block 56: well test to establish resource volumes

- AJ-2 production tested with increasing pump speeds and gradually reaching 350 bopd
 - To be followed by AJ-3 in May
 - And AJ-4 in June
- Primary objective of the test is to establish long-term production capability and recoverable resource volume of the discovery
- Evaluation of test results ongoing with a review expected at the end of Q2-23



Block 56: Central area exploration

- Processing of the 2,000 km² 3D seismic data acquired in Q1-22 completed and interpretation ongoing
- Prospect maturation with several drillable prospects should be completed in the summer
- Following prospect selection, exploration drilling is expected in H2-23
- Based on legacy 2D seismic and historical wells the area is estimated to hold a potential of 50 million barrels of unrisks resources
- Prospective resources estimation to be updated following completed third-party review later in 2023

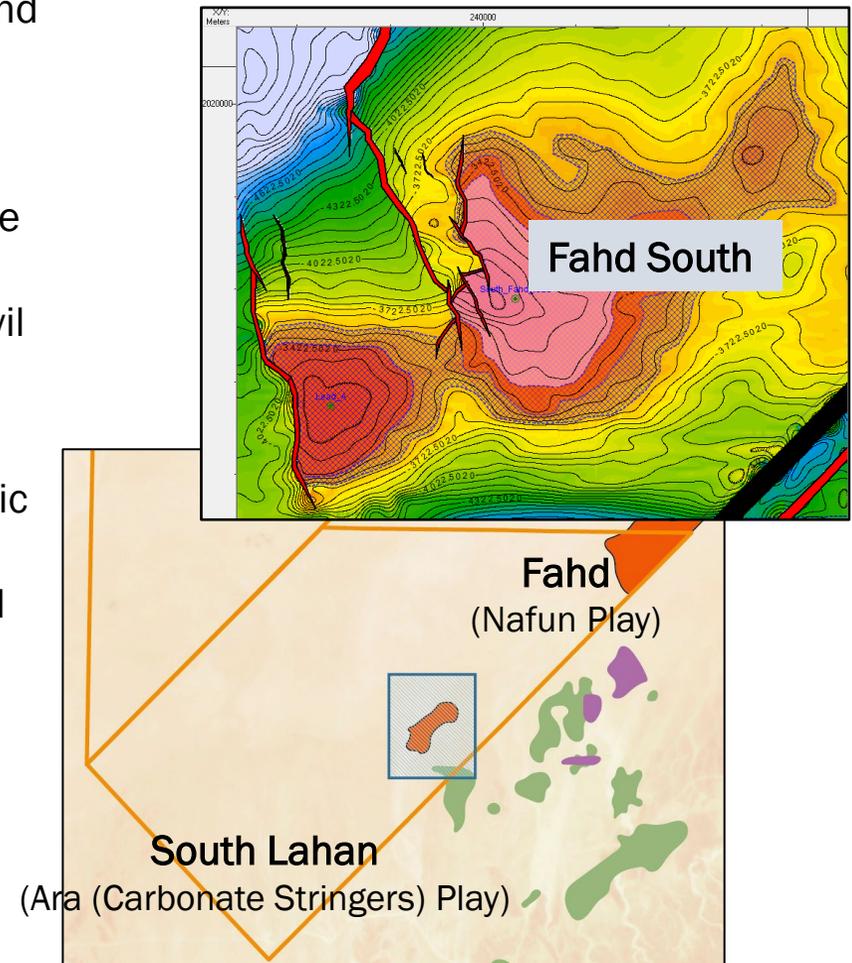


Block 58: Prospect maturation on Fahd completed

- Three drillable prospects have been identified in the Fahd area with a combined unrisks prospective resource potential of 184 mmbo
- Most promising is the Fahd South prospect
- Location of the first exploration well on the Block is to be selected in May
- Exploration drilling planned for Q3 following finalised civil work in the area

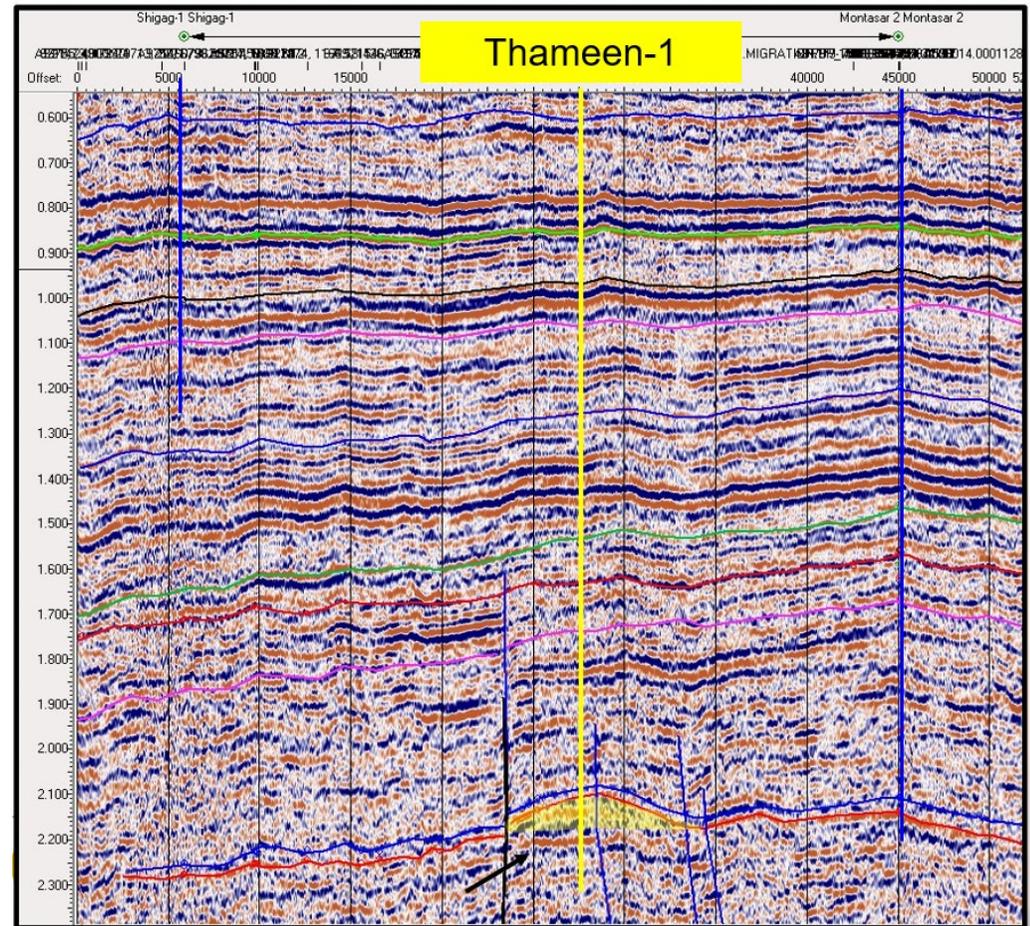
South Lahan

- Processing and interpretation of the 450 km² 3D seismic near completion
- Drillable prospects are expected to have been identified by the end of May
- Planned exploration drilling in 2024



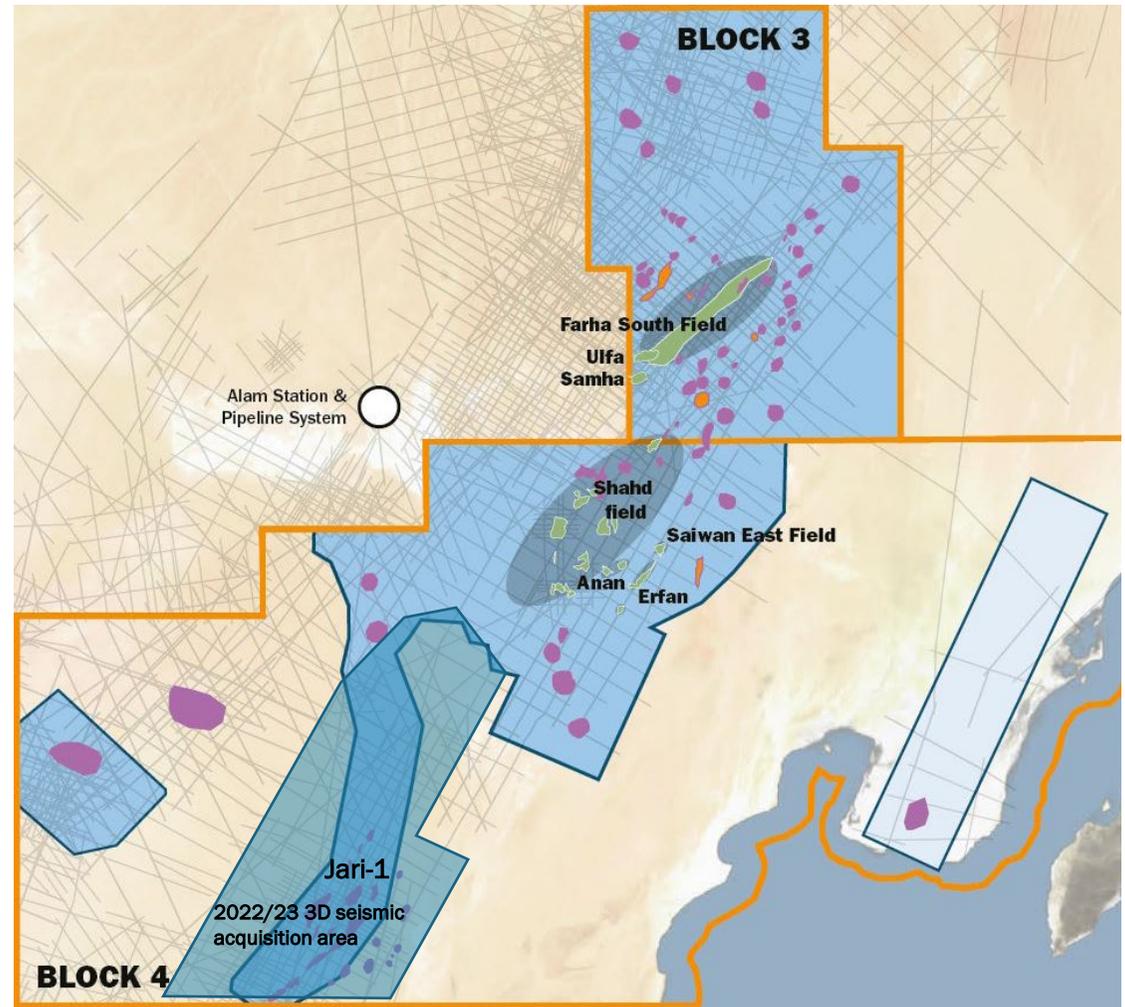
Block 49: Thameen-1 re-entry and re-test

- 2023 focus on re-entering and re-testing Thameen-1
- Indicated >30-metre hydrocarbon bearing zone in the Hasirah sandstone formation
- Objective is to overcome the poor permeability and achieve oil flow to surface by way of hydraulic fracking
- Successful test could turn the inconclusive Thameen-1 well into a discovery
- Tendering for an integrated service contract including re-entry, frack and testing operations is to be completed in May
- Targeting operations in H2-23



Significant exploration activities on Blocks 3&4

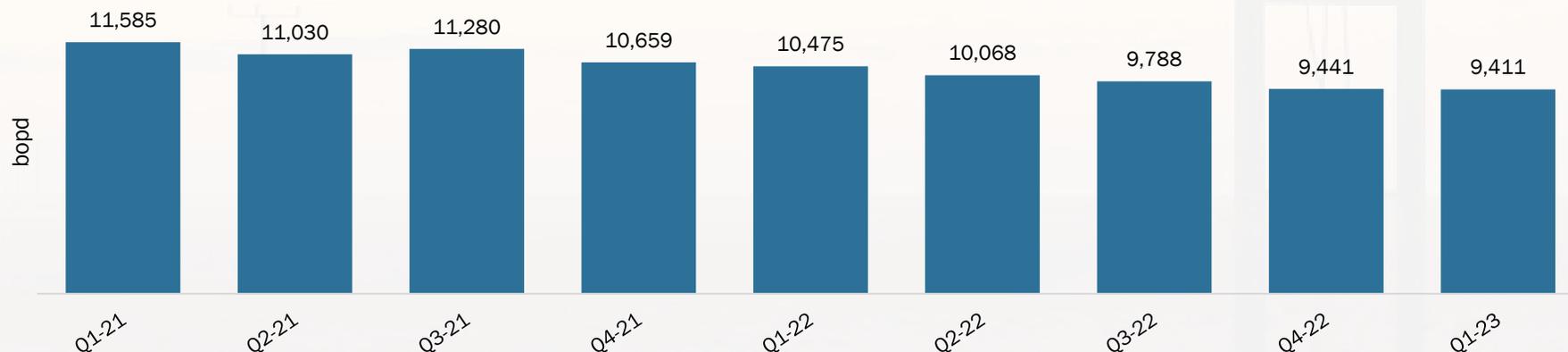
- Drilling of three exploration wells started in Q1:
 - **Elaf-1**, NW of Ulfa, drilling completed in March with oil flows to surface
 - **Jari-1**, S B4 near Luja, encountered oil in target zone including oil to surface. Hydraulic fracturing operations planned in the coming months – significant resource potential
 - **Rahbah- 1**, SE of Ulfa, testing commenced in late April with data expected by the end of Q2
- 2022/23 seismic campaign covering 5,200 km² completed in late March
- Followed by the immediate start of the 2023/24 programme covering some 6,200 km²





TETHYS OIL Production on Blocks 3&4

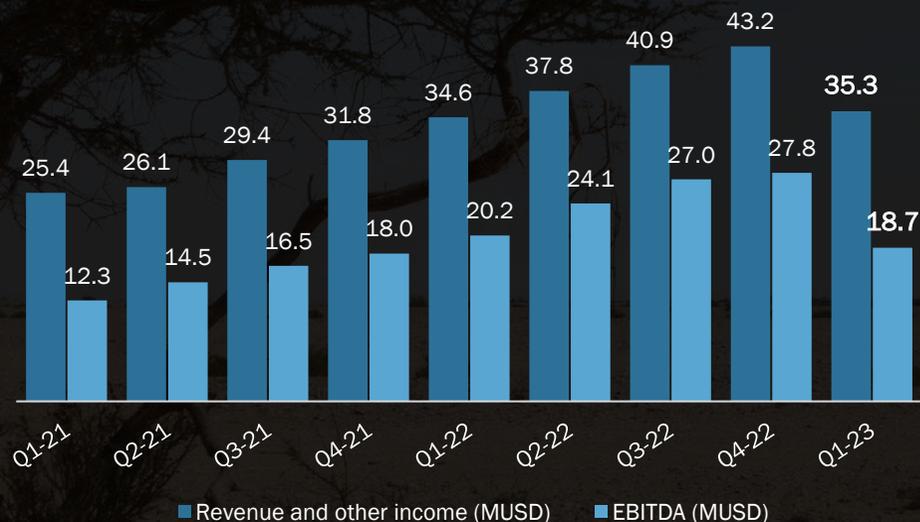
- Production of 9,411 bopd in Q1-23 (Q4-22: 9,441)
 - Within the production guidance range of 9,000-10,000 for FY-2023
- Surface facility investments focuses on increasing water handling capacity allowing for increased productivity from older wells.
- Seven development wells and two appraisal wells drilled in Q1
- Four drilling rigs to be active throughout 2023 with 38 development wells planned for the year



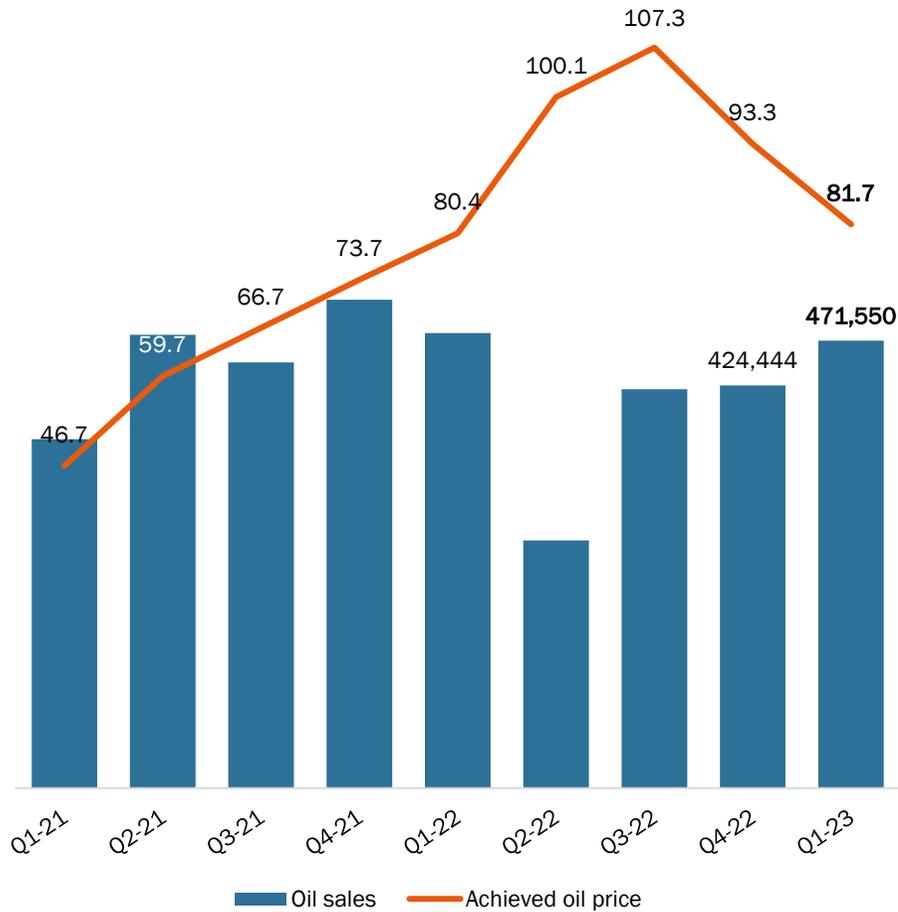


Financial highlights for Q1 2023

- Achieved Oil Price USD 81.7 (93.3) per barrel
- Revenue and other income: MUSD 35.3 (43.2)
- EBITDA: MUSD 18.7 (27.8)
- Investments in oil & gas properties: 20.0 (24.6)
- Free Cash Flow: MUSD 0.4 (0.4)
- Repurchase of shares: MUSD 2.0 (1.1)
 - 367,550 shares in Q1 (1,106,106 treasury shares in total)
- Net Cash: MUSD 39.9 (41.5)



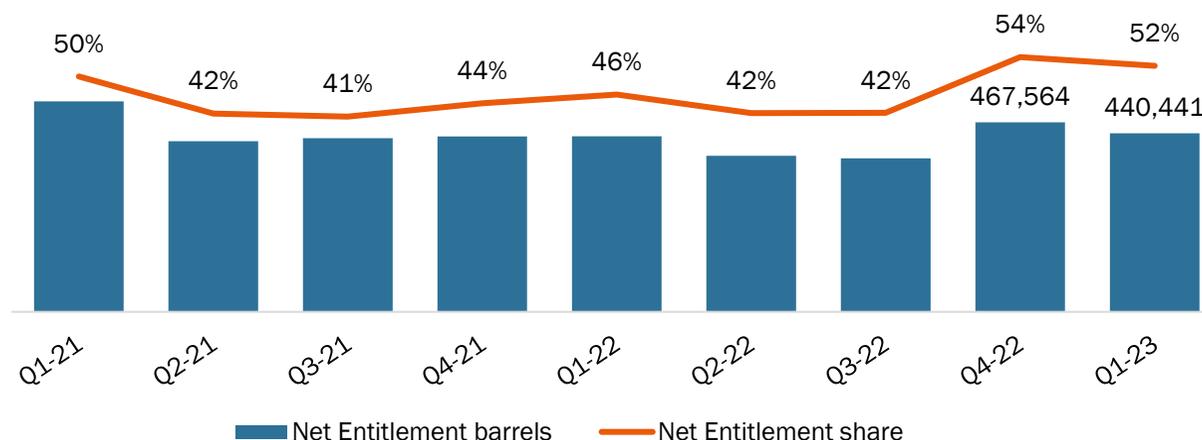
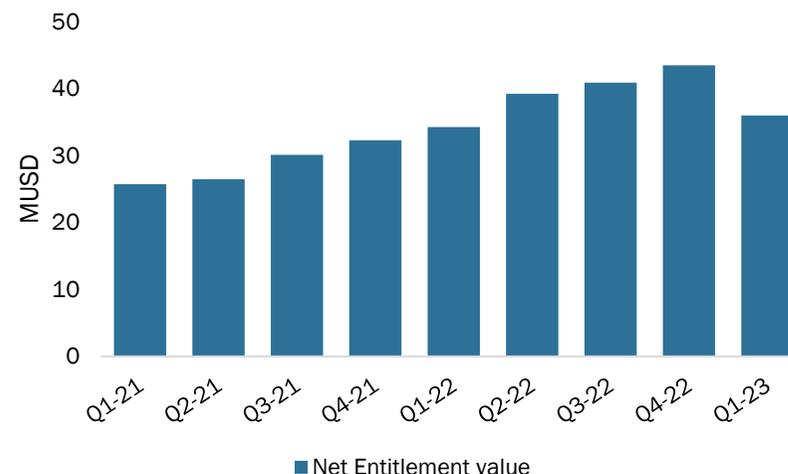
Higher oil sales volumes in Q1-23



- Oil sales (barrels) increased 11% vs Q4-22
- Revenues from oil sales was MUSD 38.5, down 3% as a result of lower oil prices
- Achieved oil price in Q1-23 was USD 81.7/barrel vs USD 93.3 in Q4-22
- Overlift of 31,109 barrels compared to entitlement in Q1-23
- Reduced underlift position:
 - 35,851 barrels per end of March
 - 66,961 barrels per end of December 2022

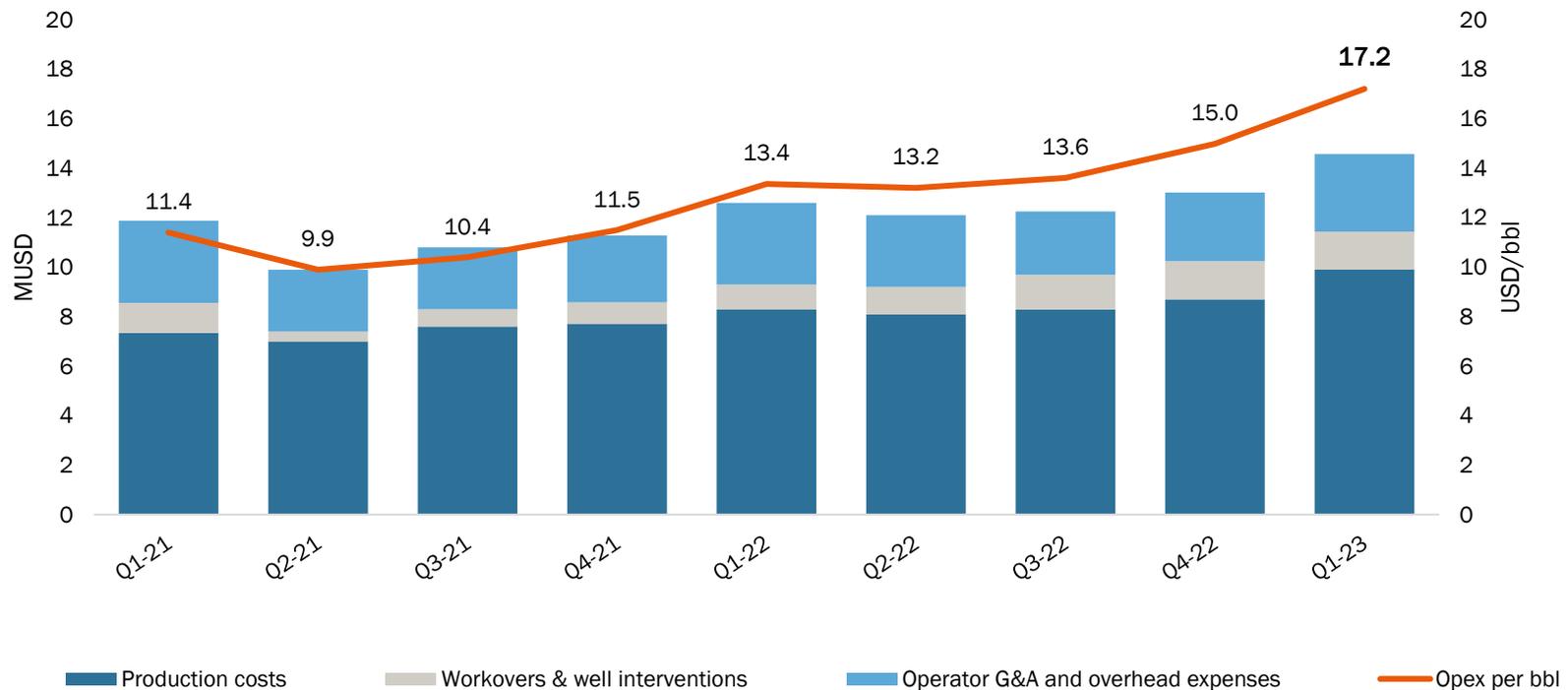
Net Entitlement in Q1-23

- Net Entitlement barrels decreased due to lower production vs Q4-22 and recoverable costs exceeding Cost Oil allowance
- Net entitlement share at 52% of production
- Recoverable cost incurred in the quarter exceeding the cost oil allowance resulting in a Cost Pool of MUSD 4.3 per end of March



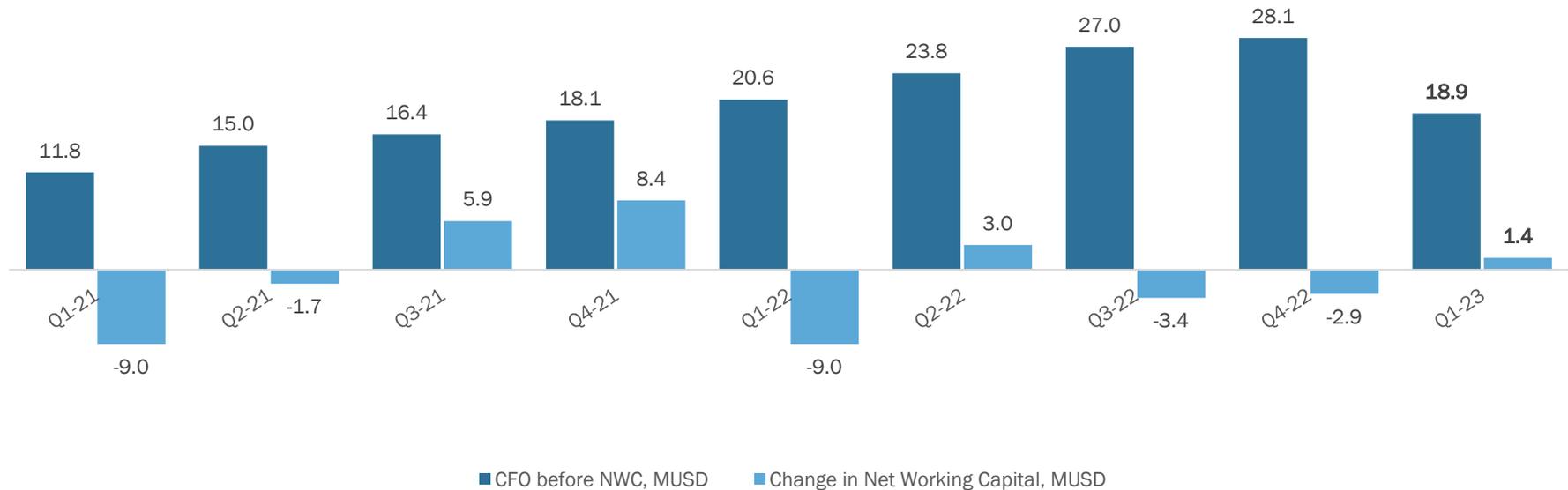
Opex per bbl impacted by seasonal G&A and energy costs

- Q1-23 operating expenditure increased due to higher power generation costs and annual staff costs
- Annual bonuses affect both Operator G&A and Production costs
- Opex per barrel reached USD 17.2 with lower production adding to the increased cost base



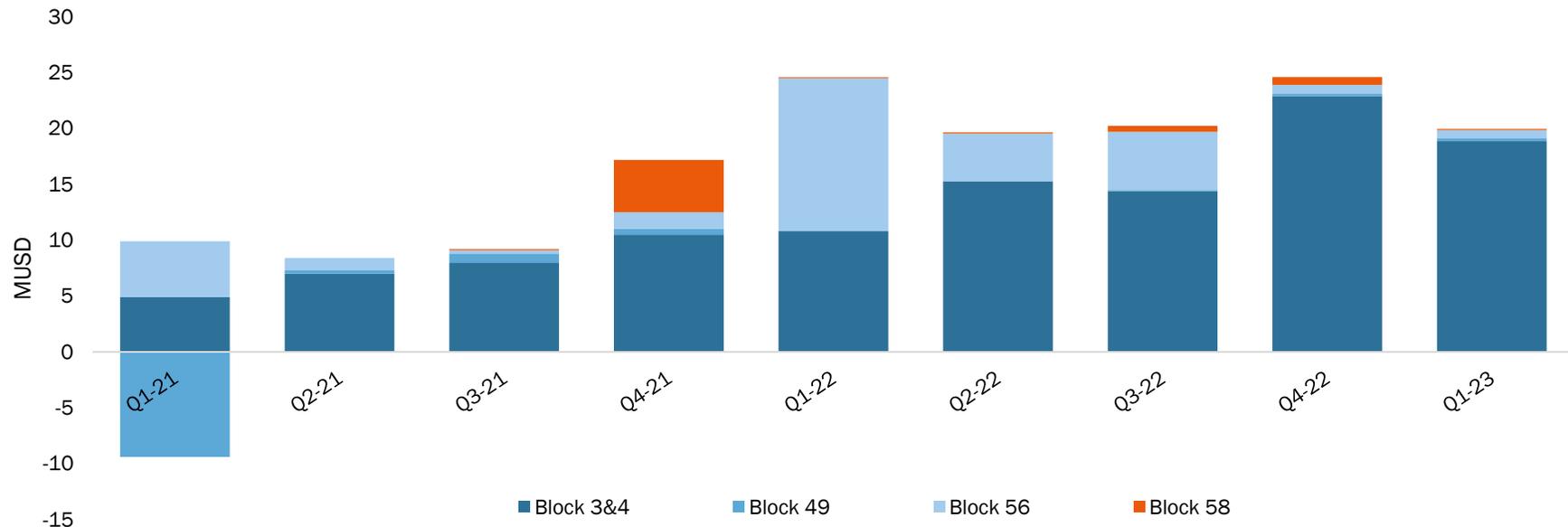
Cash flow from operations

- Cash Flow from Operations before changes in working capital decrease driven by lower Revenue and other income coupled with increased operating expenses
- Positive contribution from working capital MUSD 1.4 (MUSD -2.9)



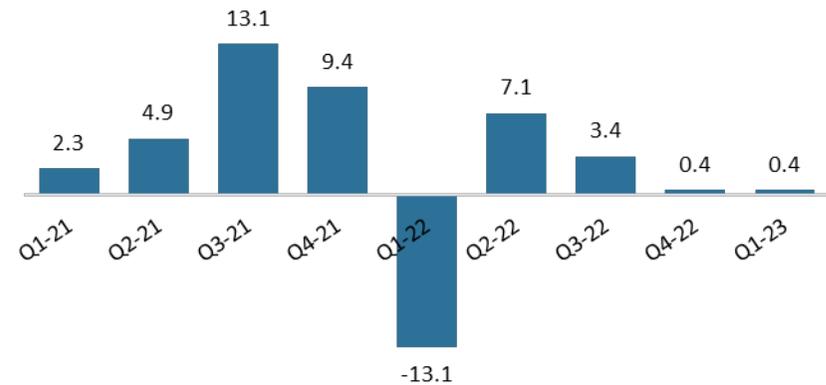
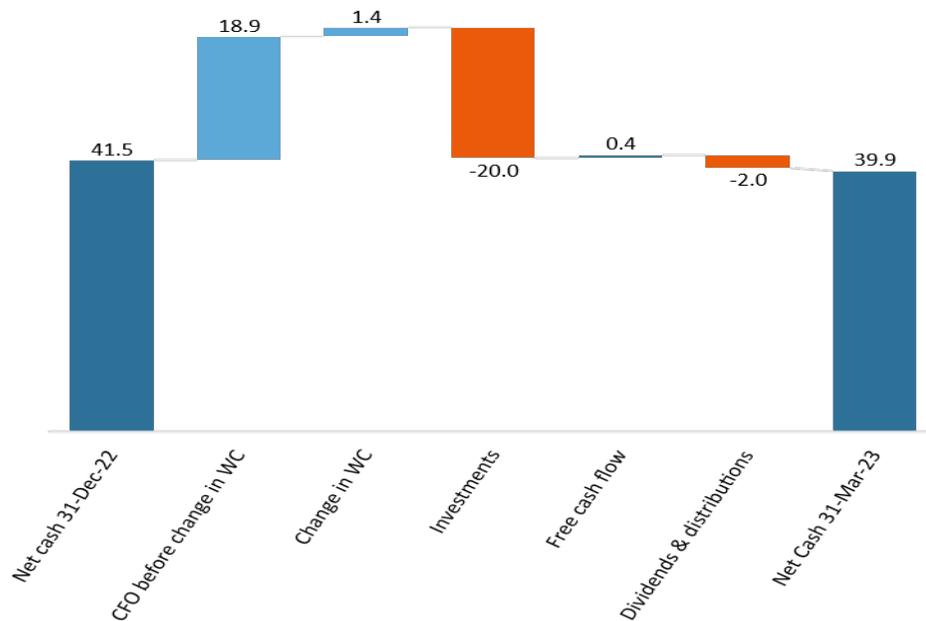
Continued high investments in Blocks 3&4

- Total investments in Oil & Gas properties in Q1-23 amounted to MUSD 20.0 (MUSD 24.6)
- Continued high investments on Blocks 3&4, but lower spending in Projects and Infrastructure vs Q4-22
- Low expenditures in operated Blocks (49, 56 and 58) ahead of more active H2 2023



Free cash flow unchanged

- Free cash flow in Q1-23 of MUSD 0.4, on par with Q4-22
- Lower Cash Flow from operations balanced by lower investment spend



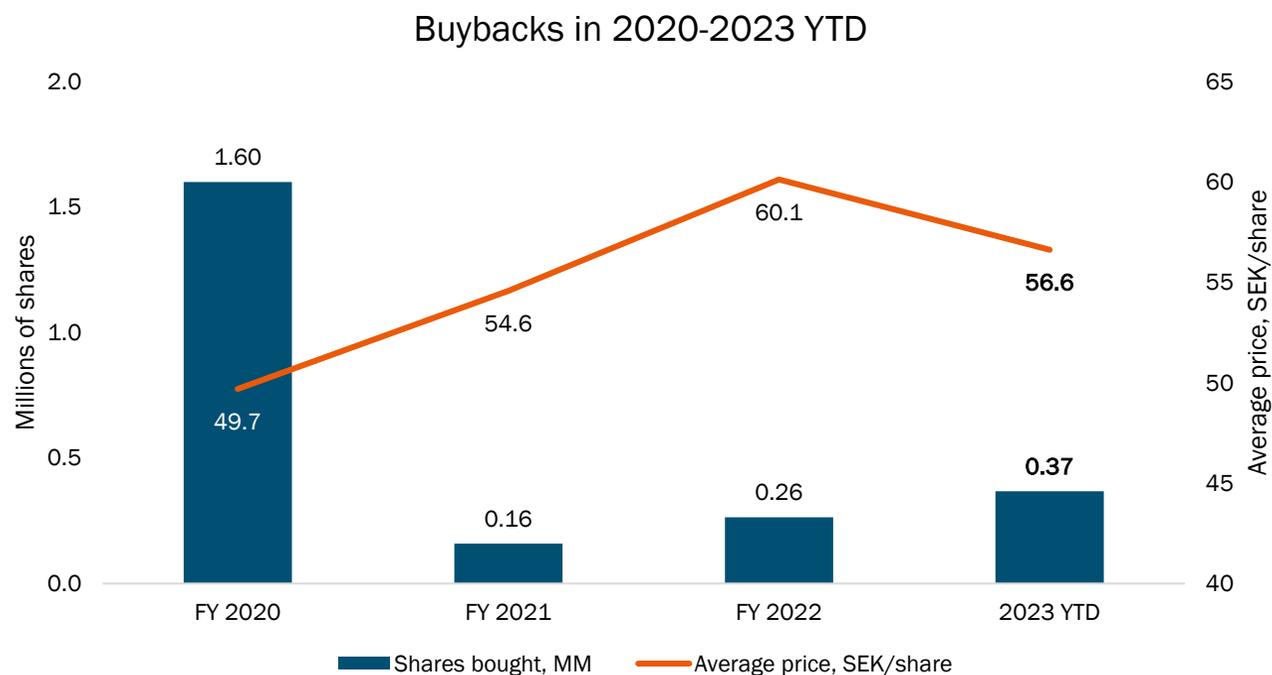
First quarter 2023 – 9 May 2023

■ Free cash flow, MUSD



3.3% of issued shares in treasury after buybacks

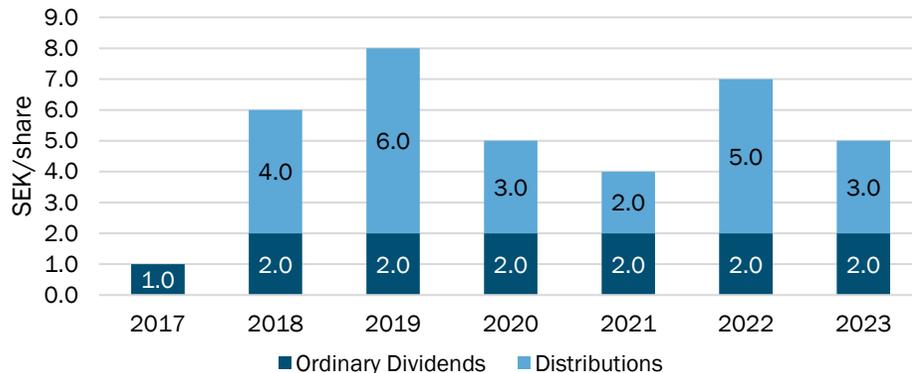
- Share buybacks authorised by the AGM 2022 started in Q3-22 and continued until the end of Q1-23
- In total **631,433 shares** have been purchased since AGM 2022
- As of **31 March 2023**, Tethys Oil holds treasury shares in the amount of **1,106,106 shares (3.3% of shares outstanding)**



Dividends and redemptions

- The board of directors proposed ordinary dividends of SEK 2.0 per share (2021: SEK 2.0) and extraordinary distribution of SEK 3.0 per share (2021: SEK 5.0) by way of redemption
- Redemptions, SEK 3.0 per share
 - Record date for split: 25 May
 - Trading in shares 26 May – 9 June
 - Payment: On or about 16 June
- Ordinary dividends, SEK 2.0 per share
 - Record date: 13 November
 - Payment: On or about 16 November

Historical dividend & distribution



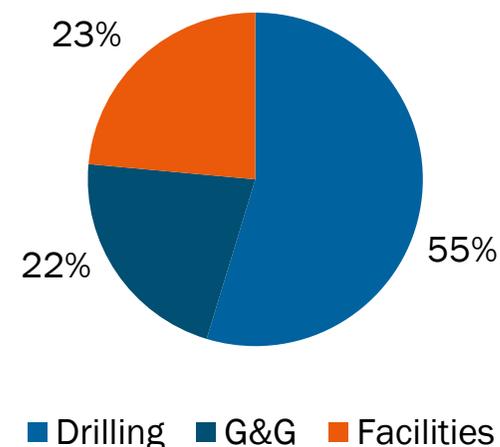
2023 Distribution proposal



Unchanged FY 2023 guidance

- Production expected to be 9,000– 10,000 barrels of oil per day
- Operating expenditures expected to be in the USD 14.5 (+/- 1.0) per barrel range
- Investments in oil & gas assets for a total of MUSD 85-95
- Investments will be financed by the company’s cash flow from operations and available cash

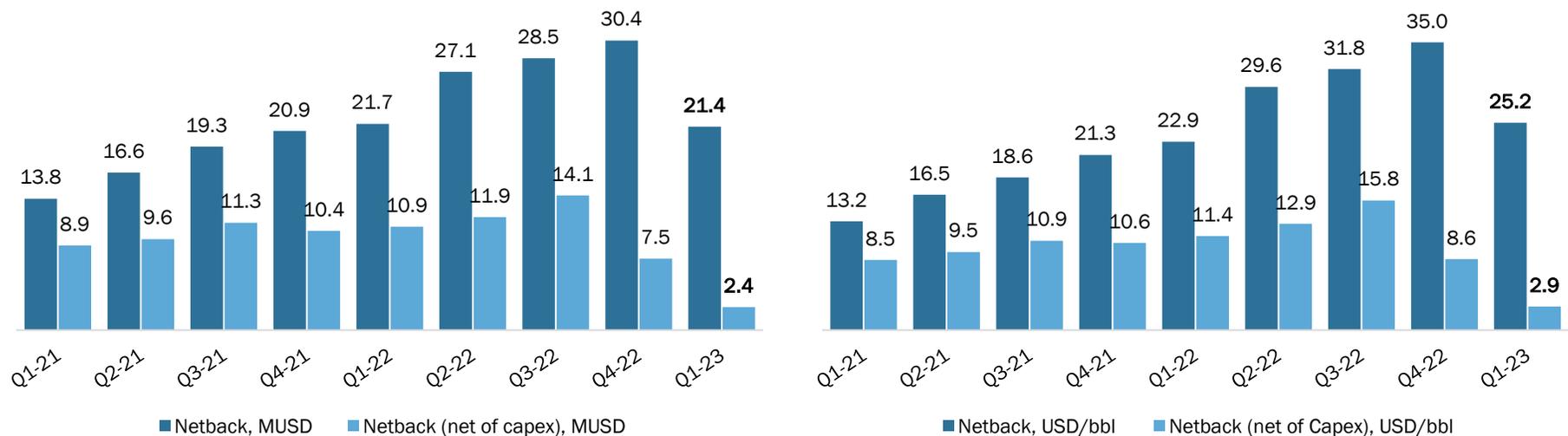
2023 Capex Split



	Investments (MUSD)	Comments
Block 3&4	65-75	47 wells to be drilled and increased facility investments for power generation and water handling.
Block 49	1.5	Re-entry and retesting of Thameen-1 including hydraulic fracking
Block 56	8.0	One exploration well in central area
Block 58	10.5	One exploration well in Fahd area
Total	85-95	

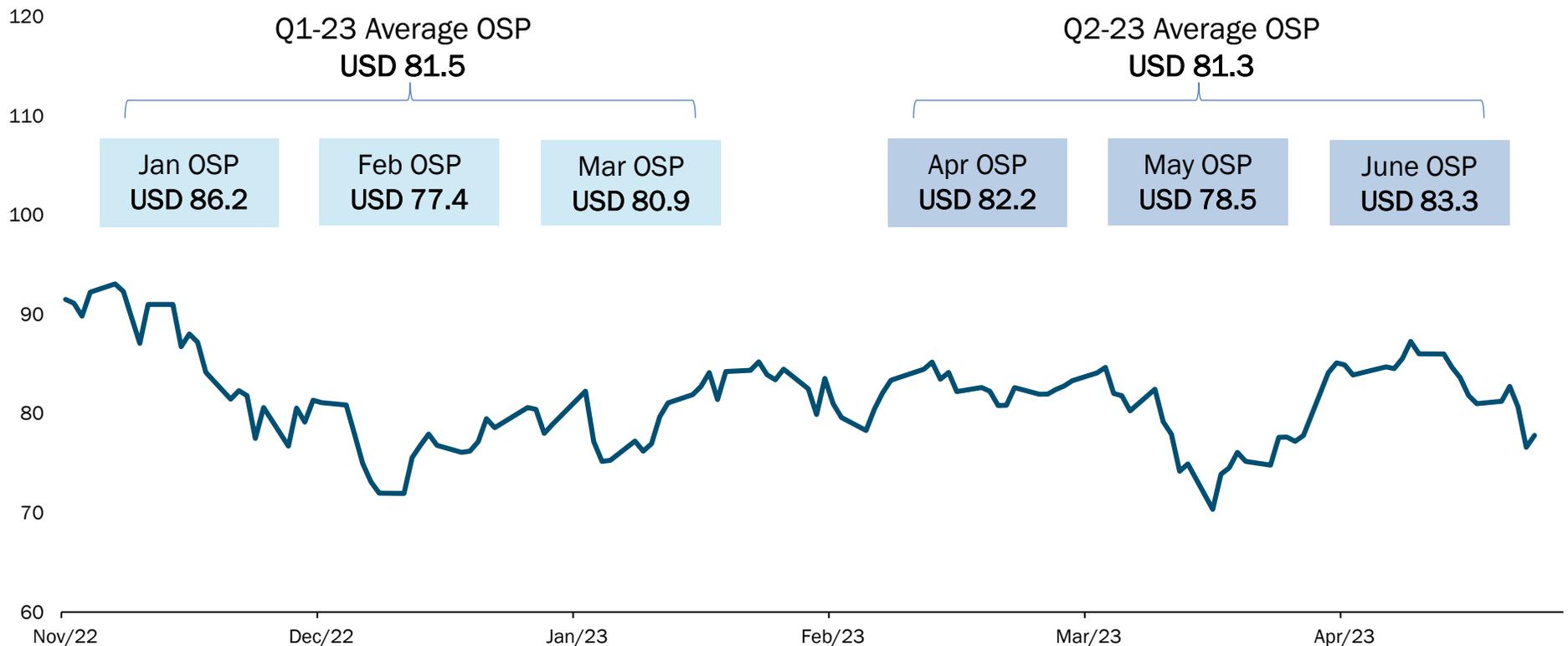
Netback trend impacted by lower oil prices

- Combination of lower oil prices, entitlement and higher expenditure impact netbacks in Q1 -23



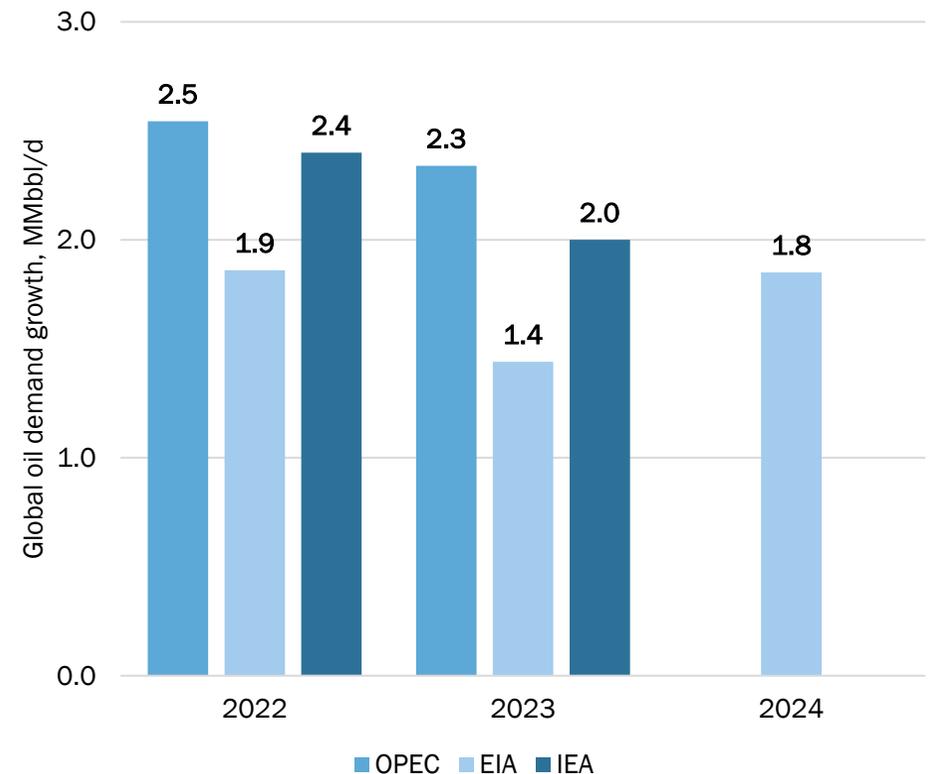
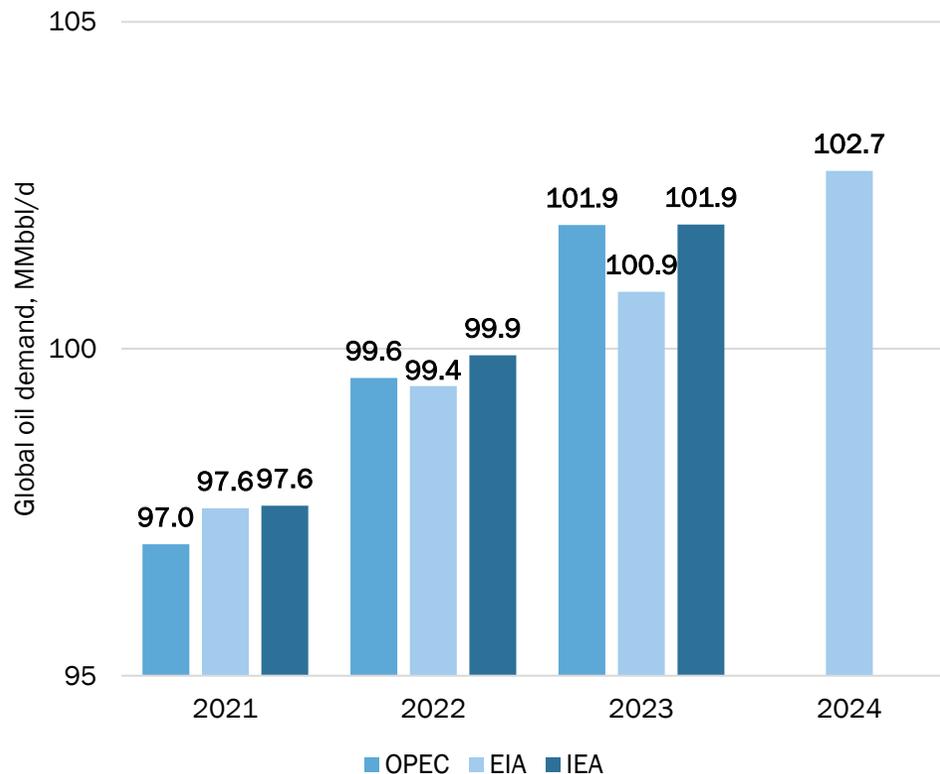
Oil price in Q1-23 and Q2-23

- Q1-23 OSPs reflect downward trend in oil prices in the market from November 2022 to January 2023
- Q2-23 Average OSP (unweighted) stay stable quarter on quarter



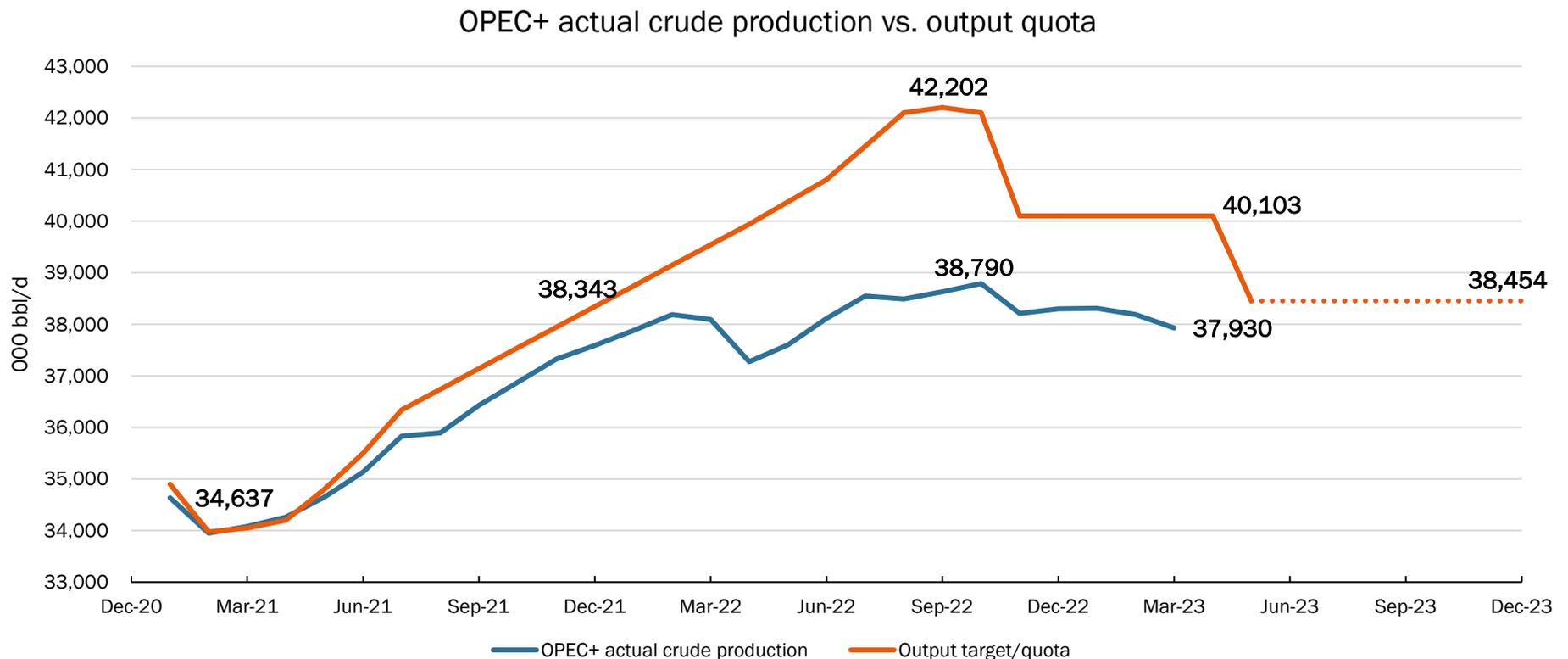
Global oil demand: decent growth despite macro concerns

- Major organisations (OPEC, EIA, IEA) expect **global oil demand to expand** in a range of MMBbl/d 1.4 – 2.0, despite macroeconomic concerns, caused by the monetary tightening
- Growth to accelerate further in 2024, according to EIA



Global oil supply: OPEC+ limits production

- OPEC+ quota for May – December 2023 will be back to the level of December 2021, cancelling all 2022 increases
- Actual production of OPEC+ (as of March 2023) was at the lowest level since May 2022





TETHYS OIL

Outlook and summary

An eventful year ahead across all Tethys Oil's blocks

- Efforts to further boost Blocks 3&4 production will continue over the course of 2023
- Significant exploration, appraisal and production activities as 2023 will see more drilling than any of the last ten years
- The extended well test of Al Jumd is underway with all three wells expected to be tested during the course of Q2-23
- Nearing final preparations for exploration drilling on both Block 56 and Block 58 – areas with significant potential where Tethys Oil has a majority stake
- Tendering for the re-entry and re-testing of Thameen-1 on Block 49 expected to be completed in May – a successful test could turn the inconclusive well into a discovery



TETHYS OIL Thank you for your time!

Financial Calendar 2023

- The Annual General Meeting is to be held in Stockholm on 10 May 2023
- Report for the second quarter 2023 (January – June 2023) on 8 August 2023
- Report for the third quarter 2023 (January – September 2023) on 7 November 2023

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