



FOURTH QUARTER & YEAR-END 2022

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7 February 2023





Highlights Q4 & FY 2022

Q4 2022

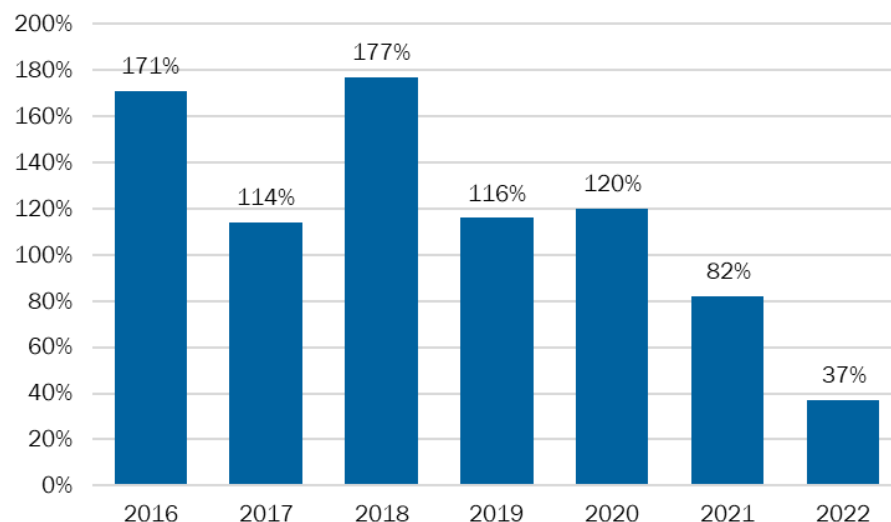
- Production of **9,441 bopd** (9,788 in Q3)
- Revenue and other income: **MUSD 43.2** (40.9) and EBITDA: **MUSD 27.8** (27.0)
- Fahd prospect maturation completed – 3 prospects with combined prospective resources volume of 184 mmbo (Pmean)
- Start of Al Jumd extended well test, slated for December 2022, now set to end of February 2023 due to issues with the certification of fiscal meter

FY 2022

- Production of 9,940 bopd (11,136 in 2022)
- Revenue and other income: **MUSD 156.5** (112.7) and EBITDA: **MUSD 99.1** (61.4)
- Significant activity on Block 56, 5 wells drilled and acquisition of over 2,000 sq km of 3D seismic
- Significant investments coupled with MUSD 24 shareholder returns financed from almost MUSD 100 of operating cash flow and cash on hand – ending the year with MUSD 41.5 in the bank
- Year-end 2P reserves **23.9 mmbo** with **37 percent** internal reserve replacement ratio

Reserves & Resources year-end 2022

Evolution of RRR, %



- 37% RRR (Reserve replacement ratio)
- Conversion of contingent resources the main driver of 2P additions
- Positive 2P revisions mainly on Farha and Saiwan offset the negative effects on Shahd and Anan
- No contribution from exploration to 2P or 2C
- Conversion of contingent resources to reserves explain decline in 2C

Development of Reserves, Blocks 3&4 Oman (audited)

<i>mbo</i>	1P	2P	3P
Total 31 December 2021	16,645	26,174	38,449
Production 2022	-3,628	-3,628	-3,628
Additions and revisions	1,023	1,356	1,390
Total 31 December 2022	14,040	23,901	36,211
Reserve replacement ratio, %	28%	37%	38%

Contingent Resources Blocks 3&4 Oman (audited) 31 Dec 2022

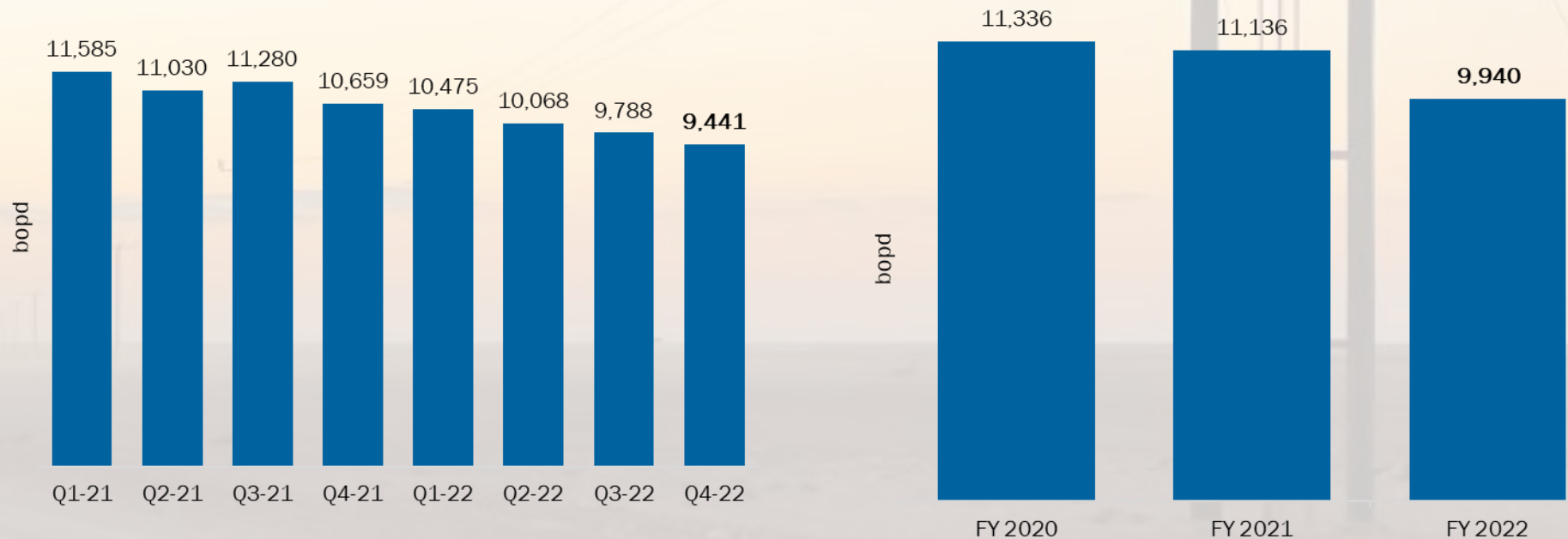
<i>mbo</i>	1C	2C	3C
Total	4,994	14,623	31,089



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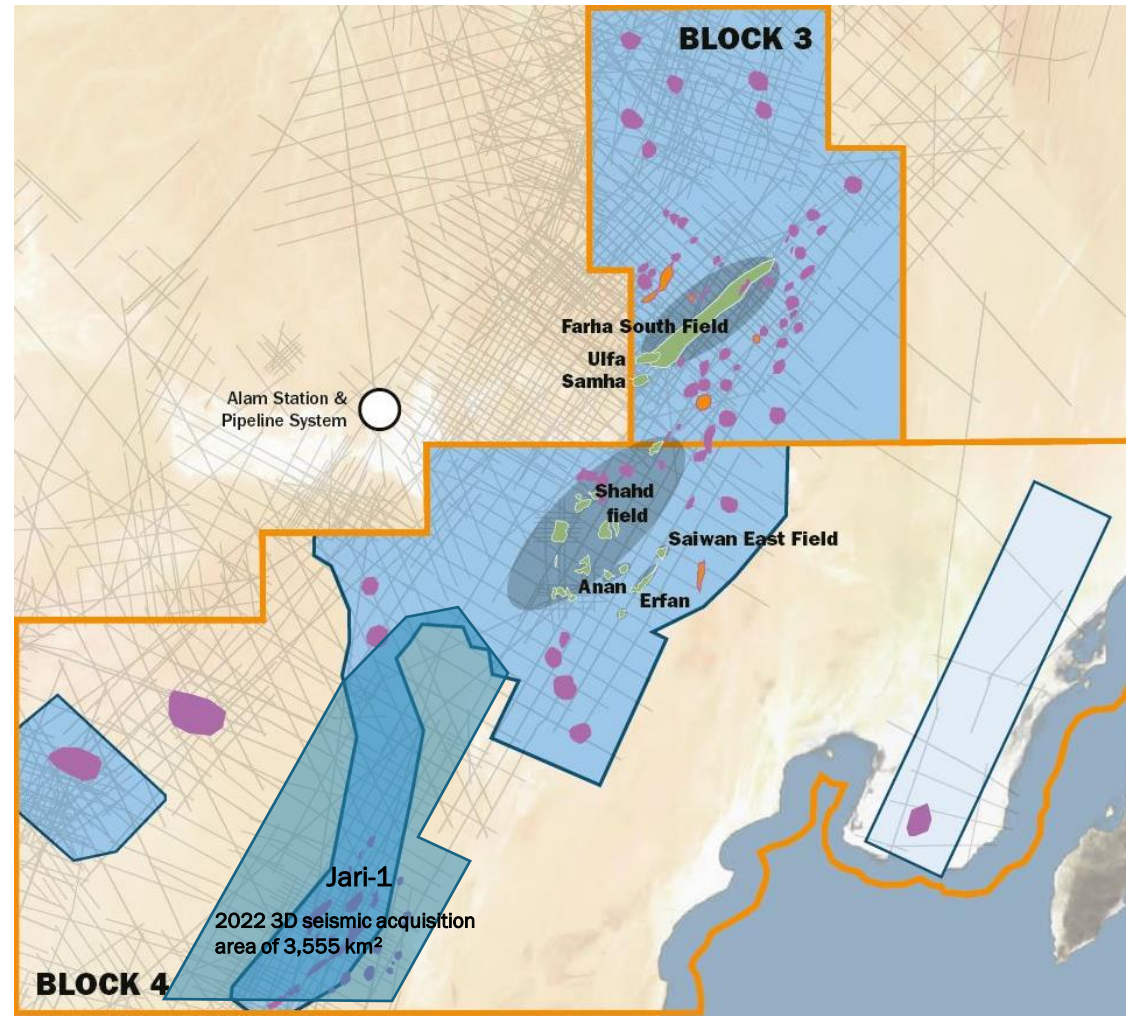
Production on Blocks 3&4

- Q4 production of 9,441 bopd, ~3% lower than in Q3, 2022 production of 9,440 bopd, 10.7% lower than in 2021
- Multiple factors causing poor production development in 2022
 - Constraints in surface processing facilities, particularly in water handling and flow lines
 - Underperformance of Anan field and certain key development wells
- Remedial actions ongoing throughout the year; production assurance and asset integrity projects as well as increased drilling following the addition of a fourth drilling rig



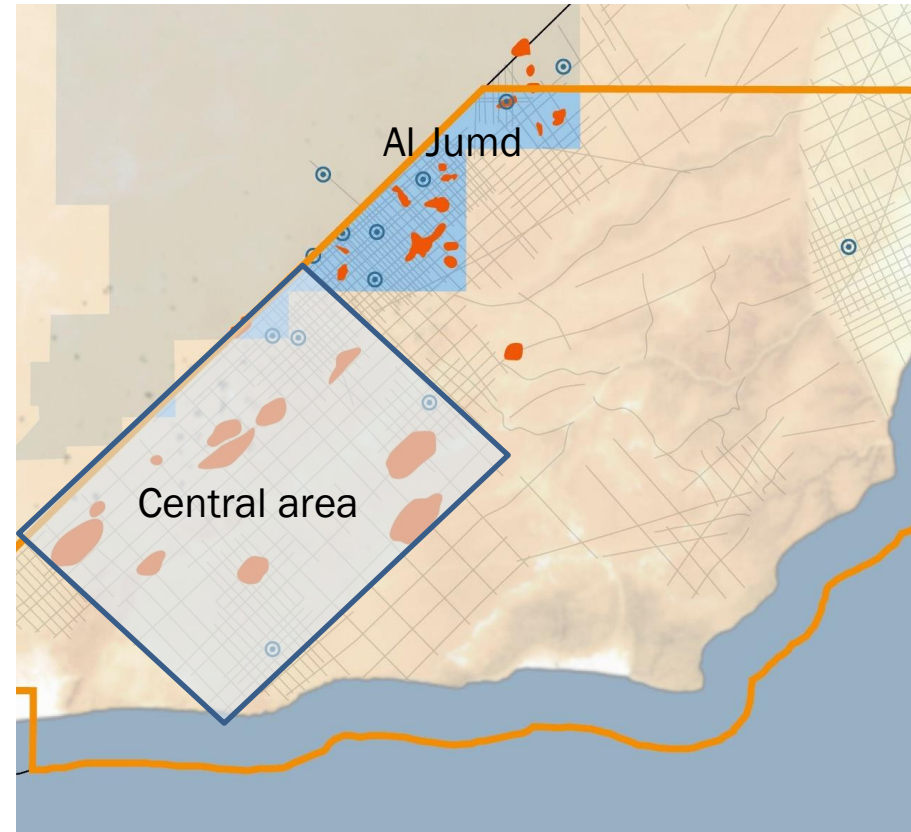
More exploration wells on Blocks 3&4 in 2023

- Only two exploration wells drilled in 2022 - Hamdah-1 (Q1) and Ahad-1 (Q4), were both dry.
- In total, 4 exploration wells and 6 appraisal wells planned in 2023
 - 3 exploration wells to commence already in Q1
- Most notable, the Jari-1 exploration well to be drilled in early 2023 in southern area of Block 4, in an area with significant potential
- Seismic campaign to cover a significant part of Block 4 is progressing and is expected to be completed by May 2023



Block 56 exploration focus on Central area

- Based on legacy 2D seismic and previously drilled wells the area is estimated to hold a potential of 50 million barrels of unrisked resources
- Processing of the 2,000 km² 3D seismic data acquired in Q1 22 is nearing completion with interpretation ongoing in parallel
- Prospect maturation and selection to be completed by the end of Q2
- An exploration well is planned for Q3 2023



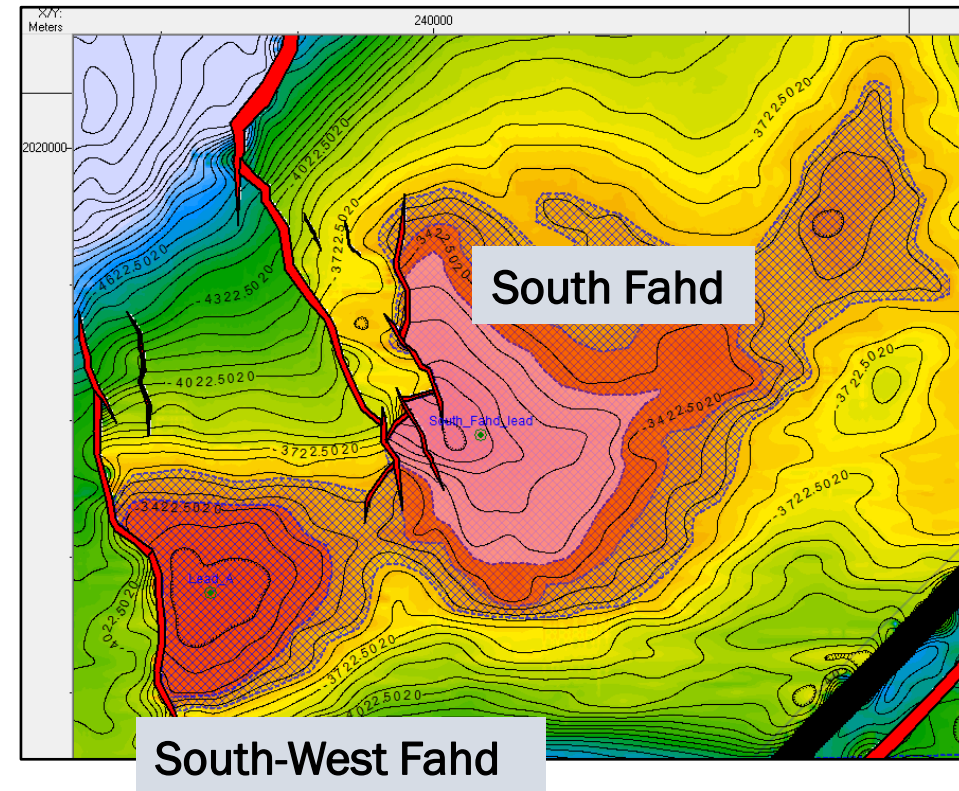
Block 58: Prospect maturation on Fahd complete

- Prospect maturation in the Fahd area was completed in Q4
- Three drillable prospects identified with a combined unrisks prospective resource potential of 184 mmbbl
 - Fahd
 - Fahd South
 - Fahd South-West
- One of the prospects will be selected for exploration drilling in Q3

South Lahan

- Processing of the 450 km² 3D seismic near completion with interpretation work started.
- Drillable prospects expected by the end of Q2.

12-month extension of the initial exploration phase approved in January 2023.



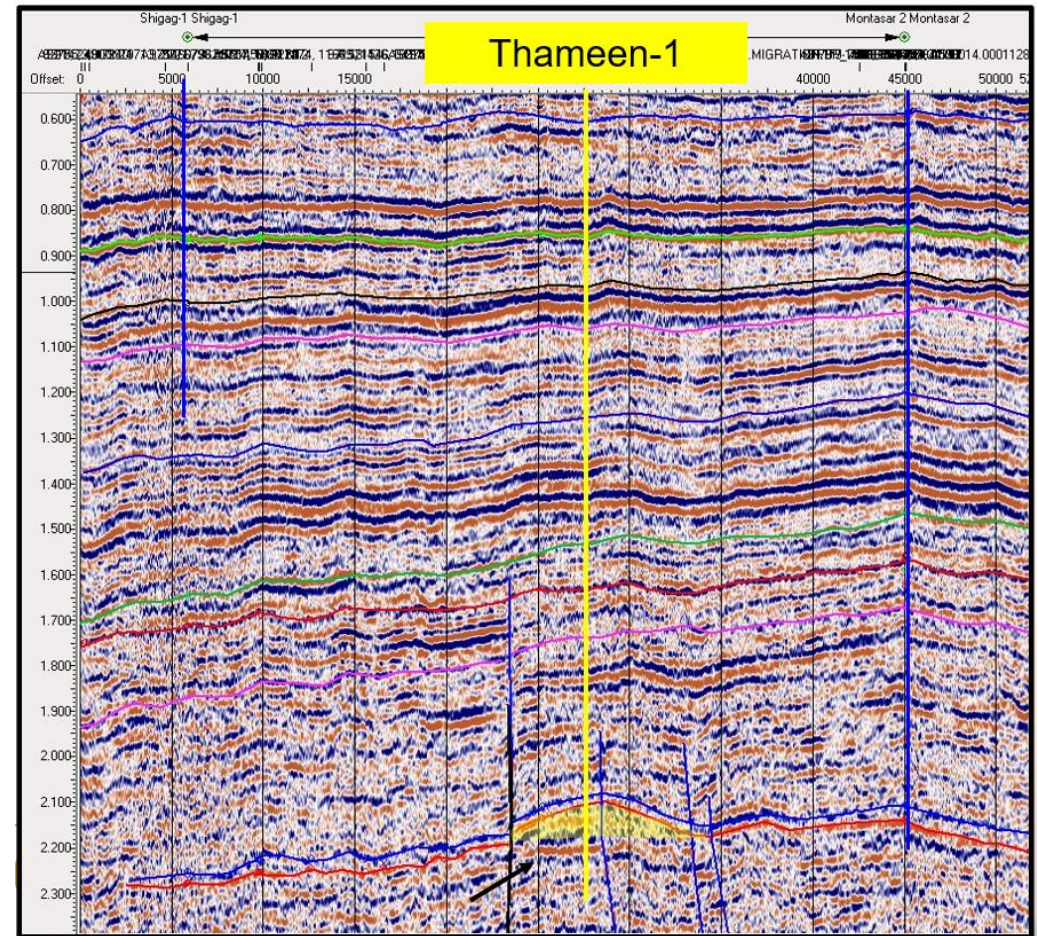
Prospective Resources in Fahd

- Three high potential prospects with targets across three formations

PROSPECT	FORMATION	STOIIP (MMbbls)				RECOVERABLE (MMbbls)				Pg	RISKED Pmean REC (MMbbls)
		P90	P50	P10	Pmean	P90	P50	P10	Pmean		
Fahd South	Ara	26.3	99.5	289.6	135.0	4.6	18.8	60.8	27.1	0.18	4.9
	Buah	70.7	240.9	653.9	310.8	12.3	45.4	135.3	62.1	0.21	13.0
	Khufai	26.5	126.4	380.5	171.8	4.8	23.9	77.7	34.2	0.24	8.2
Fahd South-West	Ara	5.8	20.3	51.7	25.4	1.0	3.8	10.9	5.1	0.18	0.9
	Buah	14.8	42.8	94.5	49.9	2.5	8.0	20.0	10.0	0.21	2.1
	Khufai	5.6	22.7	61.1	29.0	1.0	4.3	12.7	5.8	0.24	1.4
Fahd	Buah	23.3	89.5	251.4	118.0	4.0	16.7	52.2	23.6	0.16	3.8
	Khufai	11.5	57.3	189.3	83.3	2.0	10.6	38.7	16.5	0.19	3.1

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

- Thameen-1 was drilled in 2021 with logs indicating a >30-metre hydrocarbon bearing zone in the Hasirah sandstone formation
- Tests were unable to establish hydrocarbon flows to the surface due to tight reservoir proving virtually impermeable despite good porosity
- Objective of the 2023 work programme is to attempt to establish oil flows from the vertical hole by the way of hydraulic fracturing
- Current focus on hydraulic fracturing design, site preparation and procurement of services and items
- Re-entry and re-test operations planned for Q2
- Successful test could turn the inconclusive Thameen-1 well into a discovery





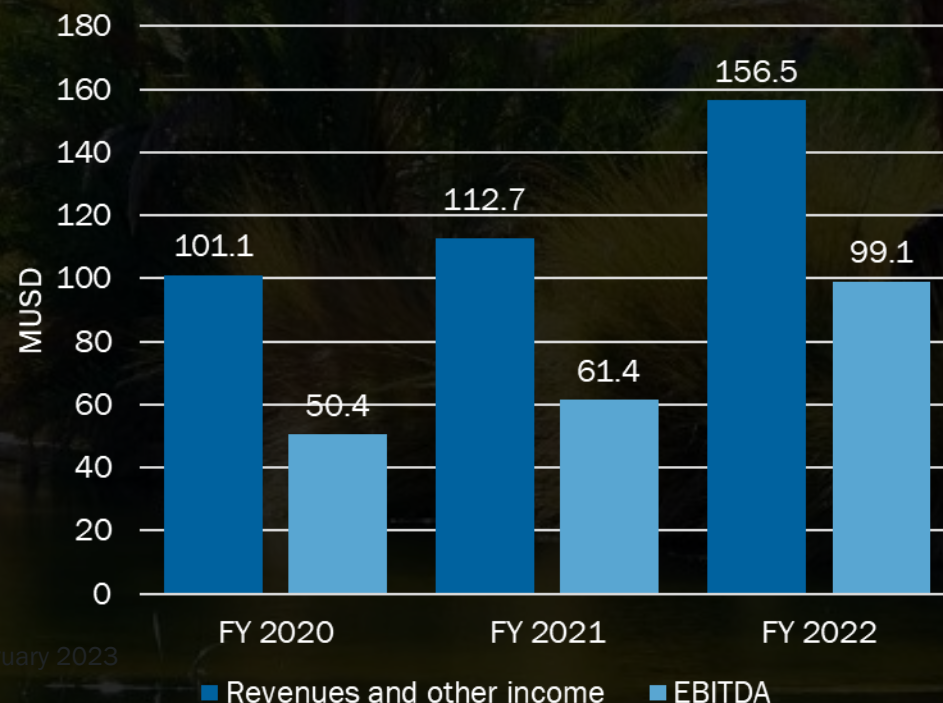
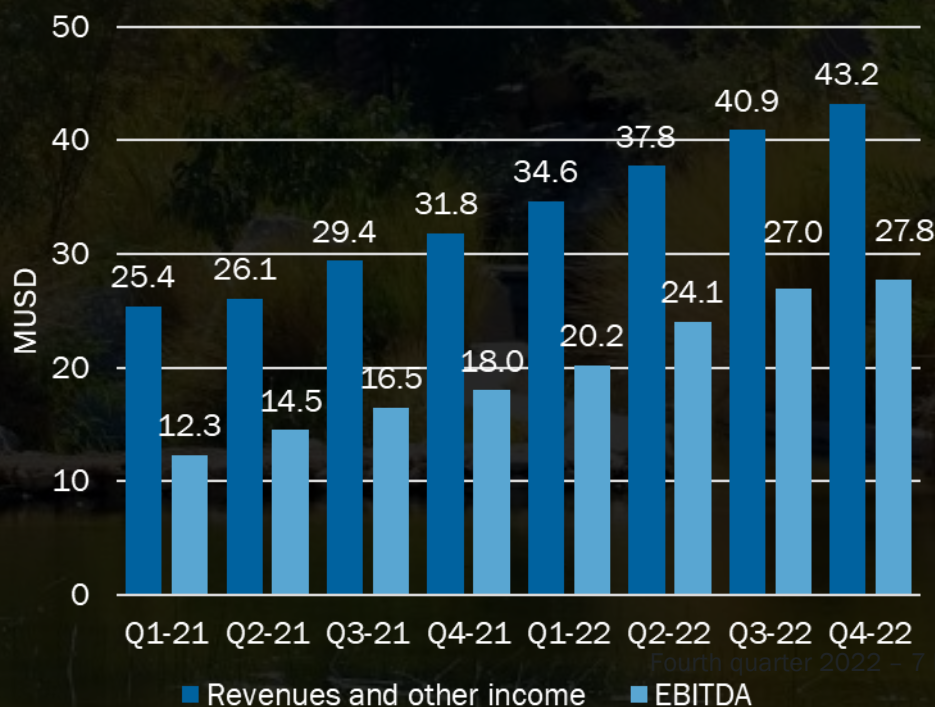
Financial highlights for Q4 and FY 2022

Q4-22

- Achieved Oil Price USD 93.3 (107.3) per barrel
- Revenue and other income: MUSD 43.2 (40.9)
- EBITDA: MUSD 27.8 (27.0)
- Net Cash of MUSD 41.5

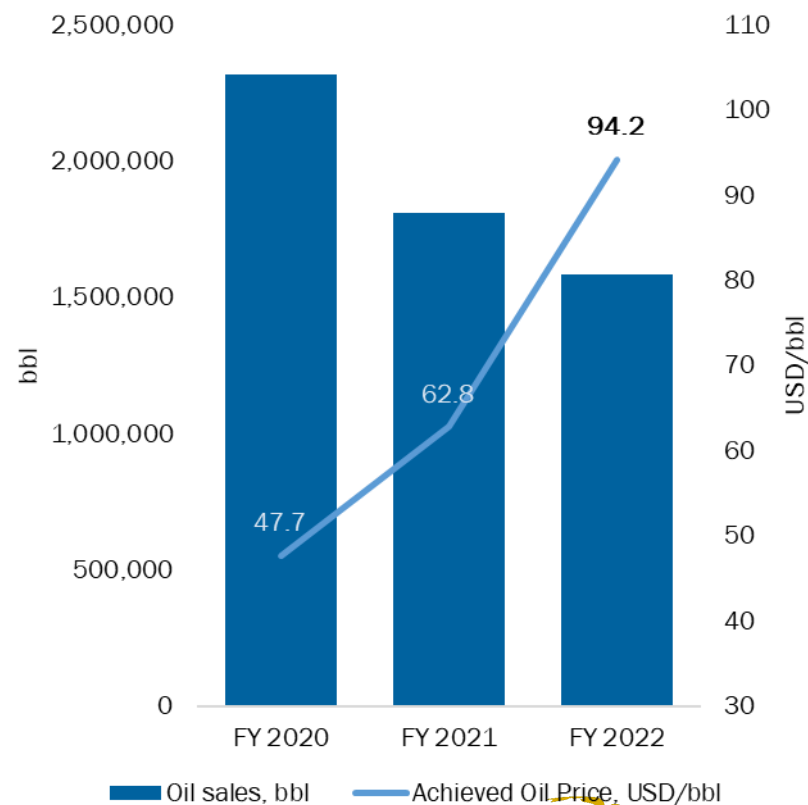
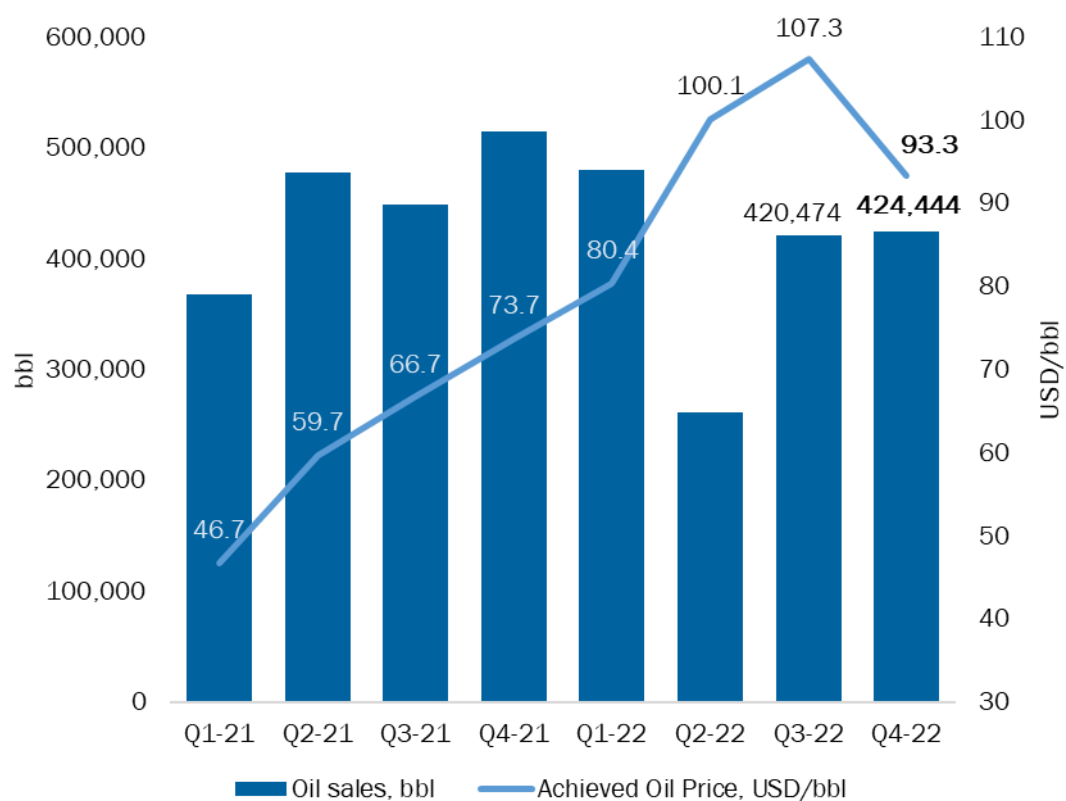
FY 2022

- Achieved Oil Price USD 94.2 (62.8) per barrel
- Revenue and other income: MUSD 156.5 (112.7)
- EBITDA: MUSD 99.1 (61.4)
- Investments in O&G properties: MUSD 89.1 (35.2)
- Free Cash Flow MUSD -2.3 (29.7)



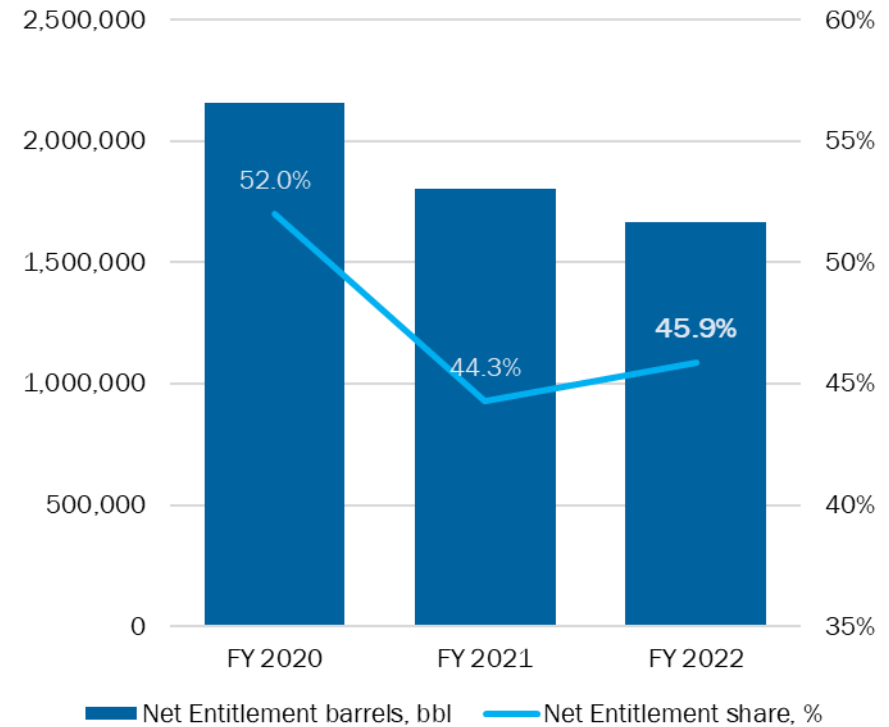
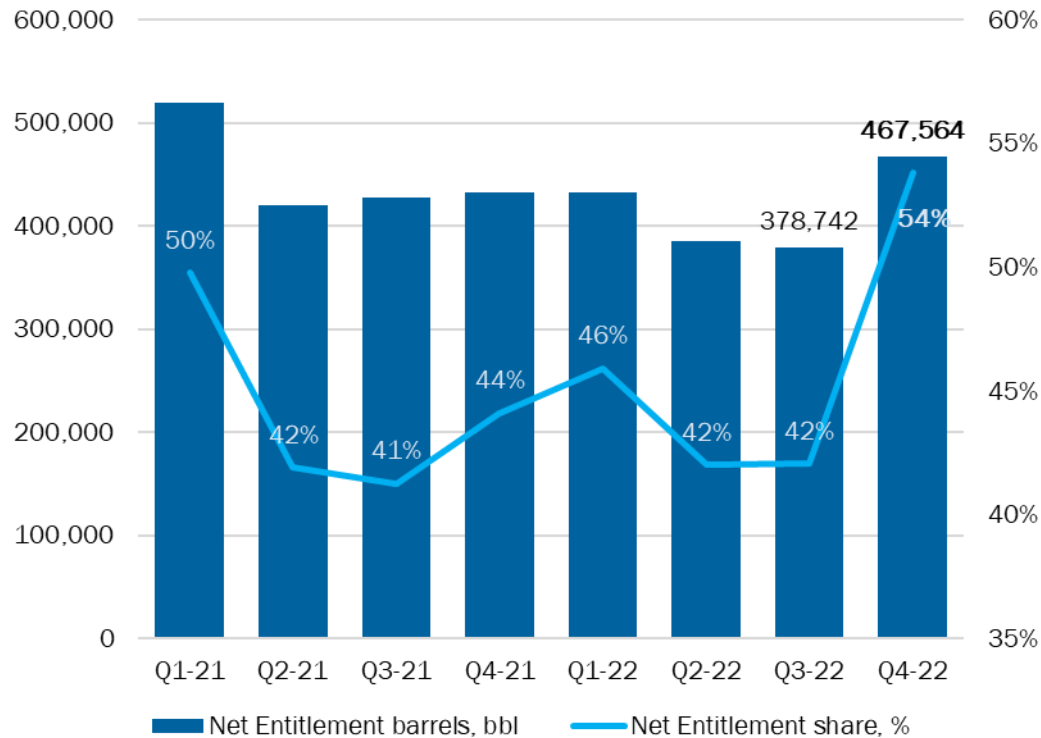
Q4 oil sales flat with lower achieved prices

- Oil sales in Q4 up slightly compared to Q3
- Q4 Achieved oil price: USD 93.3 per barrel, down from USD 107.3 per barrel



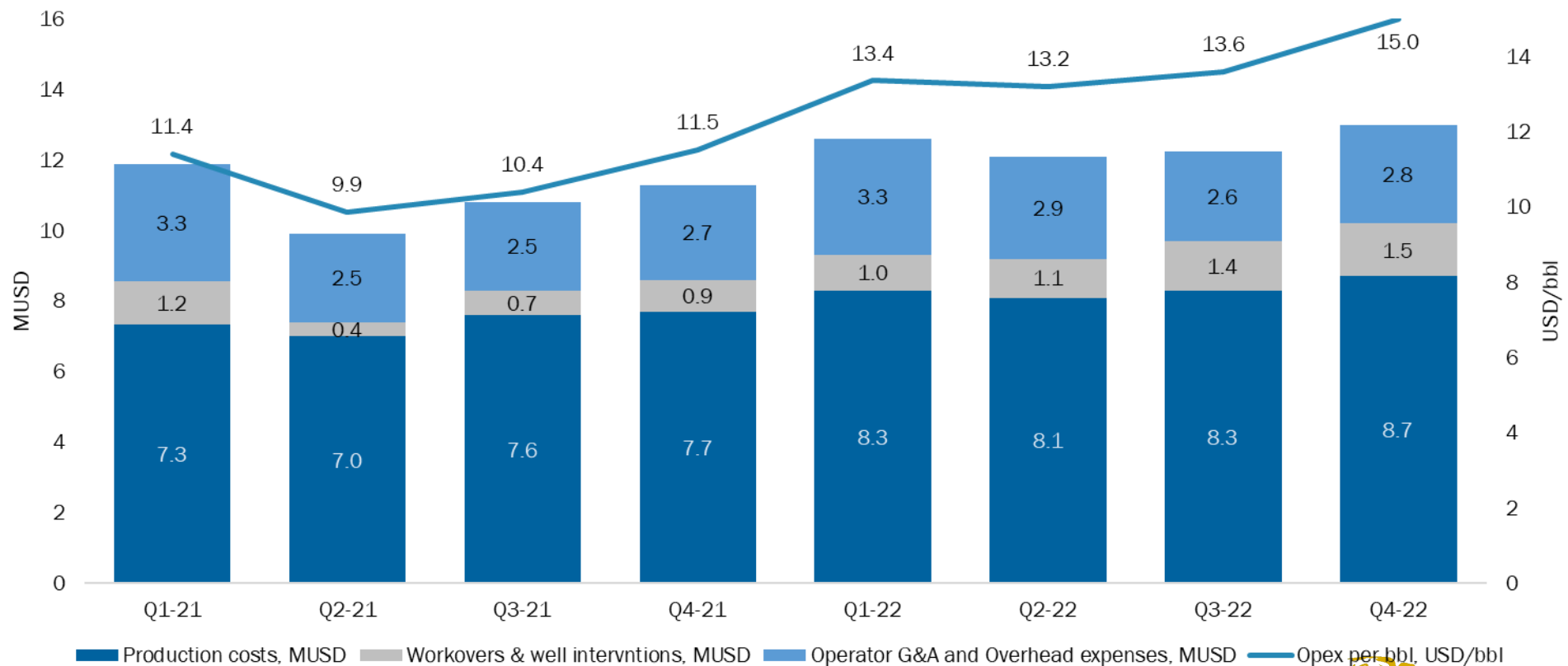
Net Entitlement driven by cost oil and oil prices

- Net Entitlement barrels increased significantly in Q4 driven by increased cost oil and lower Average OSPs
 - Net entitlement share 54%



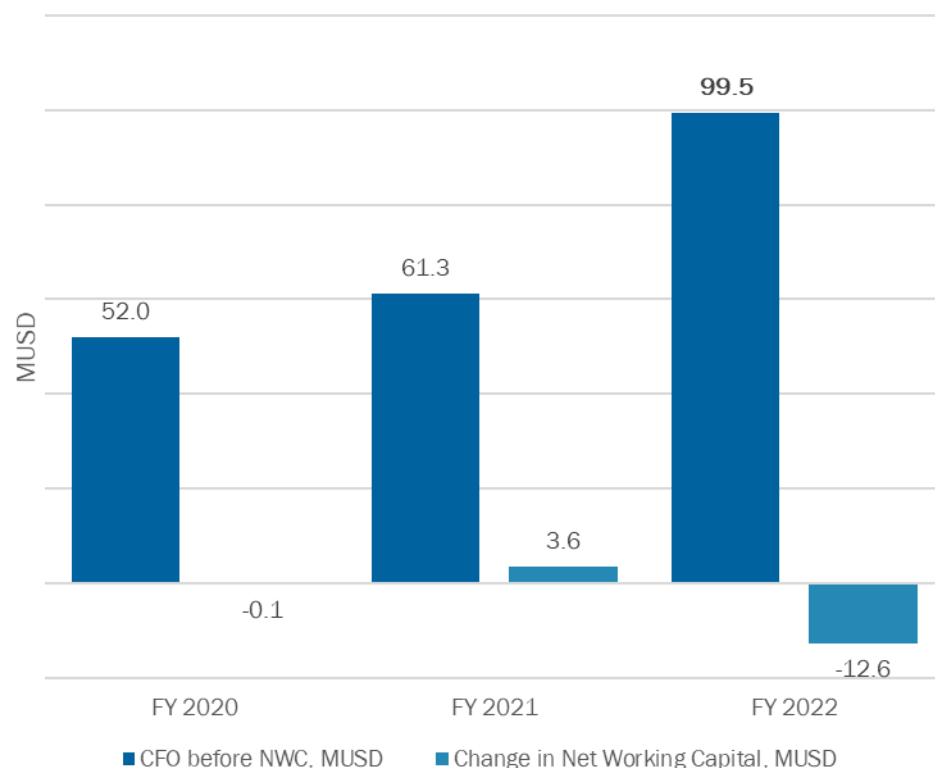
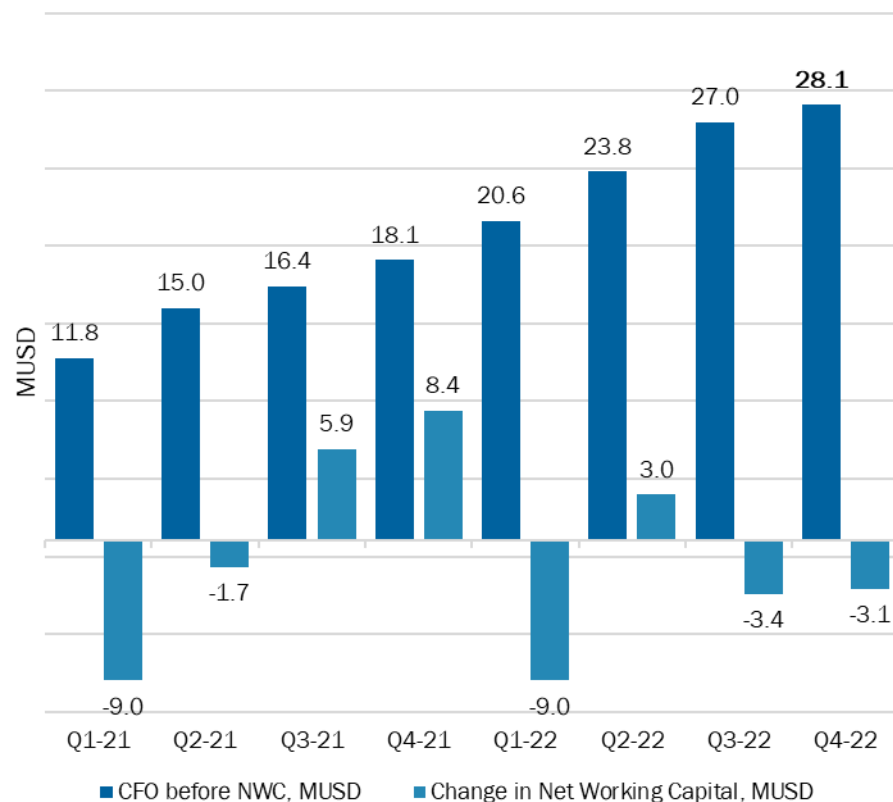
Opex per barrel impacted by lower production

- Q4 operating expenditure increased across all categories
- Increased cost of energy, consumables and maintenance main drivers behind cos increase
- Opex per barrel reached USD 15 with lower production and cost increases driving it in equal measure



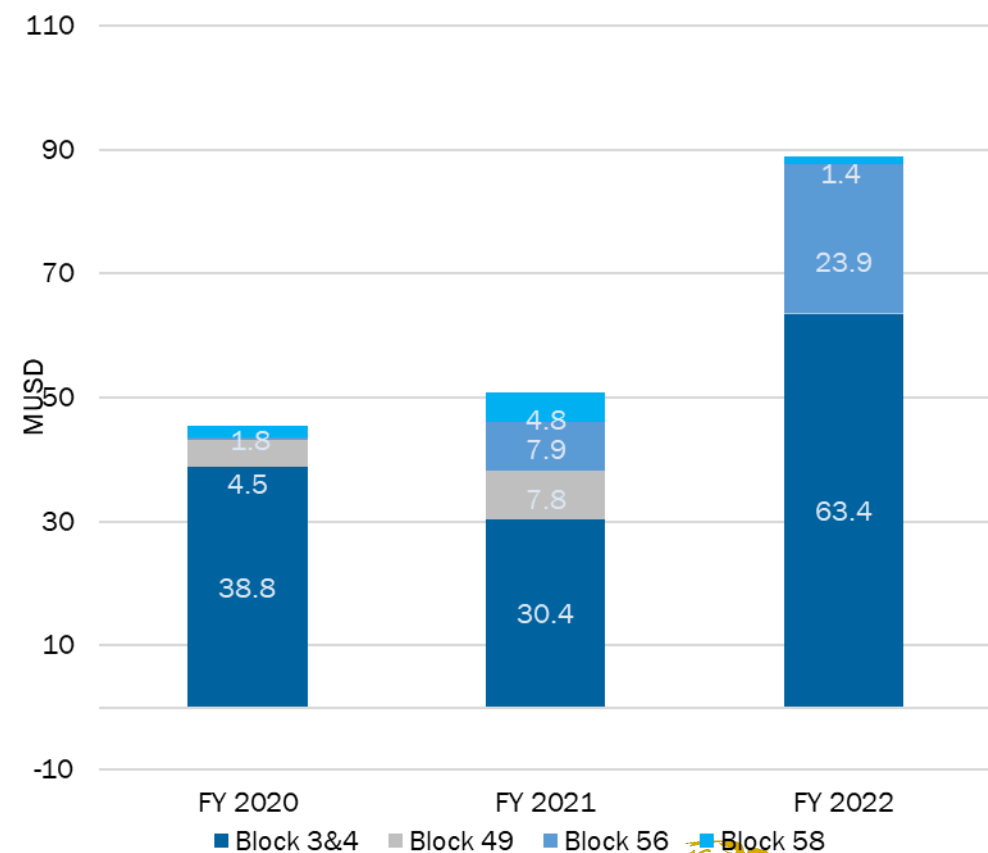
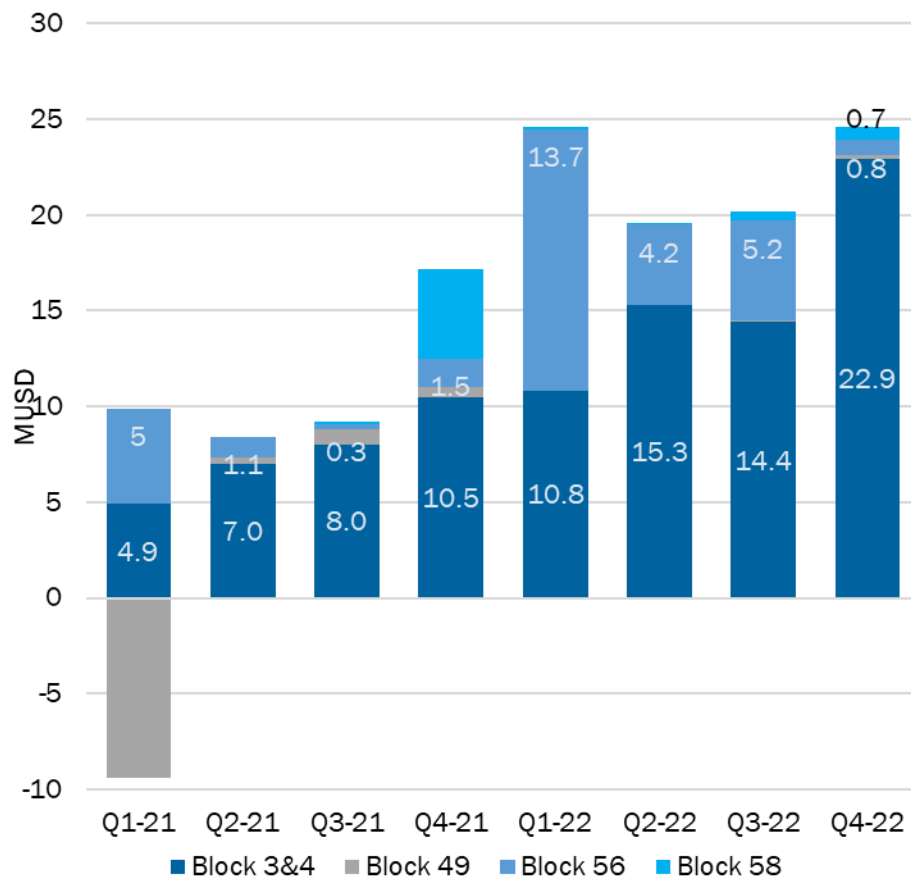
Continued growth in cash flow from operations

- Quarterly Operating cash flow before changes in working capital steadily increasing
- 2022 operating cash flow highest since 2018



Investments reflect high operational activity

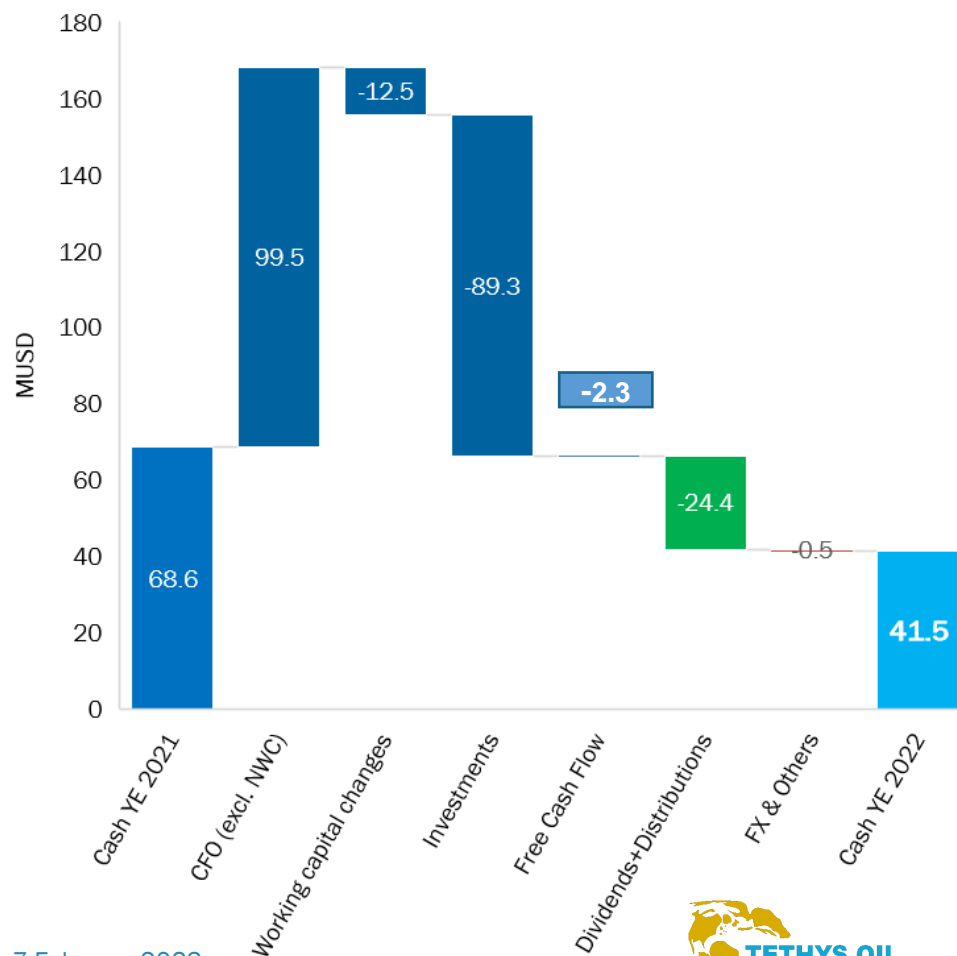
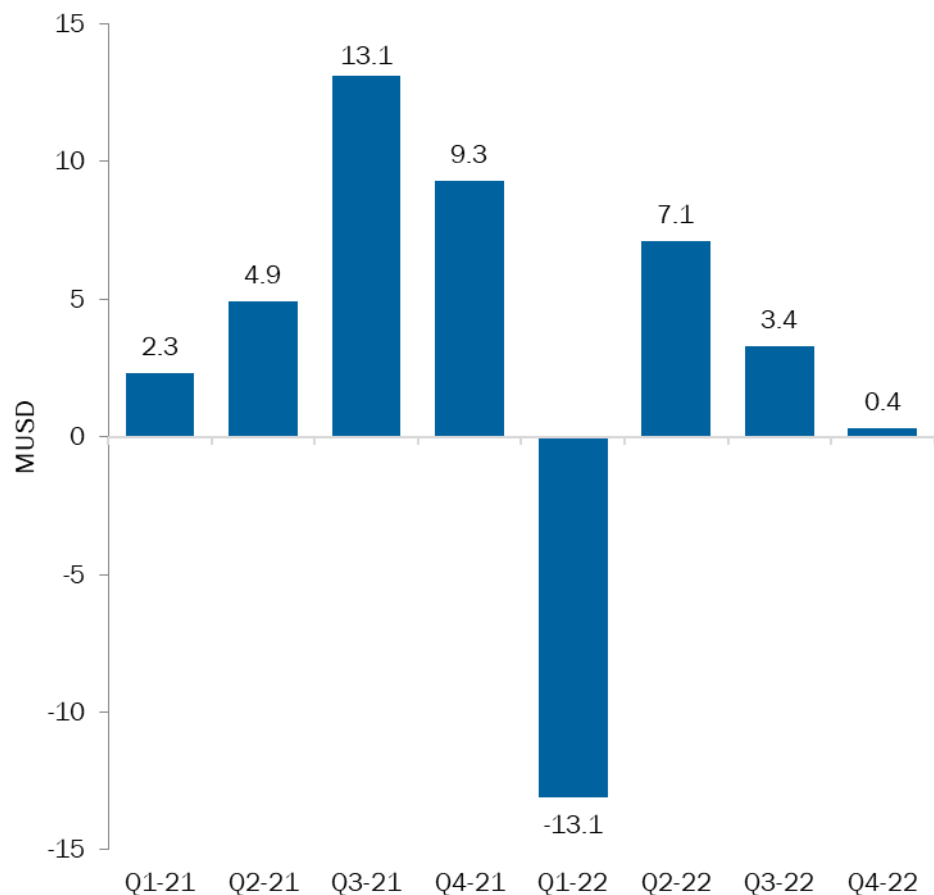
- Total investments in Oil & Gas properties in Q4 amounted MUSD 24.6 (Q3: MUSD 20.2), driven by Blocks 3&4
- Block 3&4 capex pushed by increased seismic and drilling spend



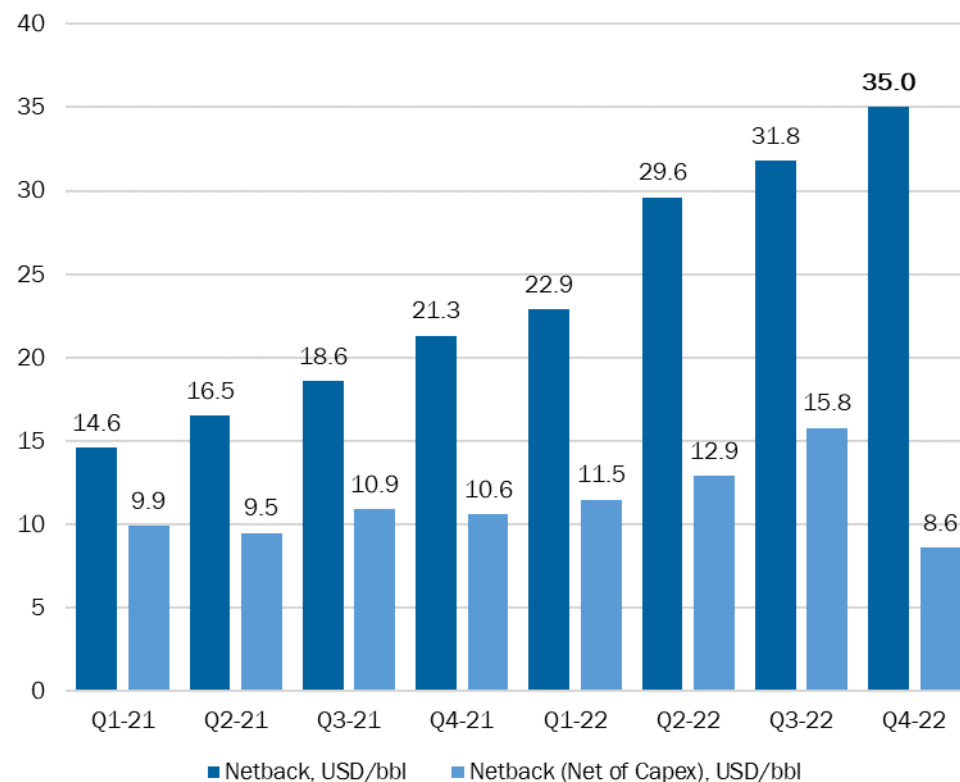
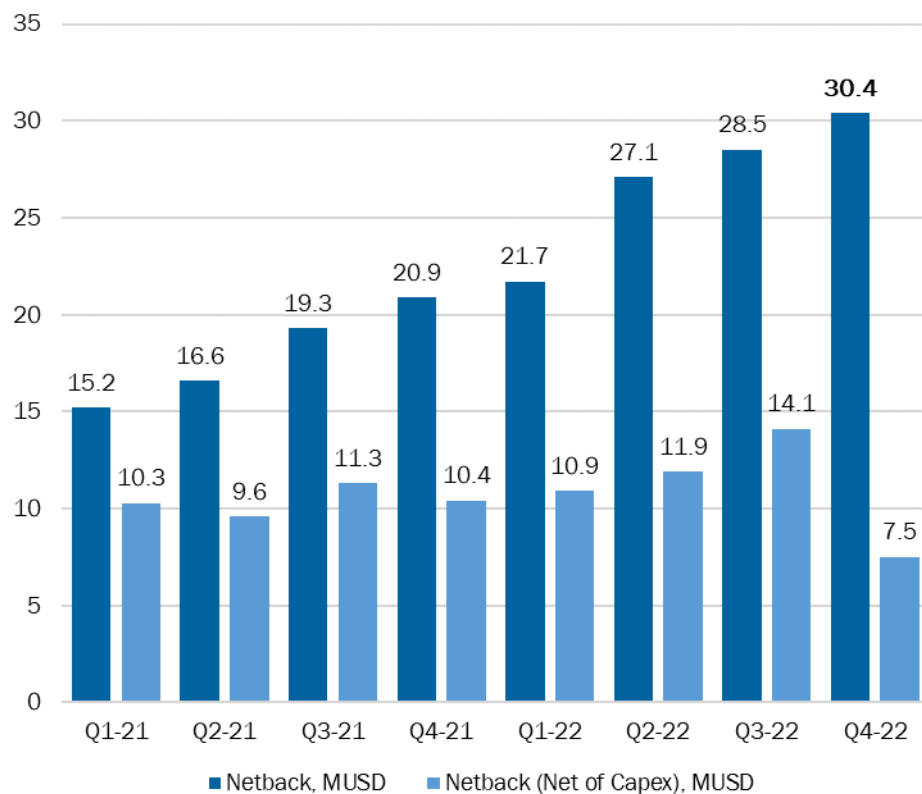
Fourth quarter 2022 – 7 February 2023

Free cash flow for Q4 and FY 2022

- Free cash flow in Q4 of MUSD 0.4 (Q3: MUSD 3.4), with significant capex covered by operating cash flows

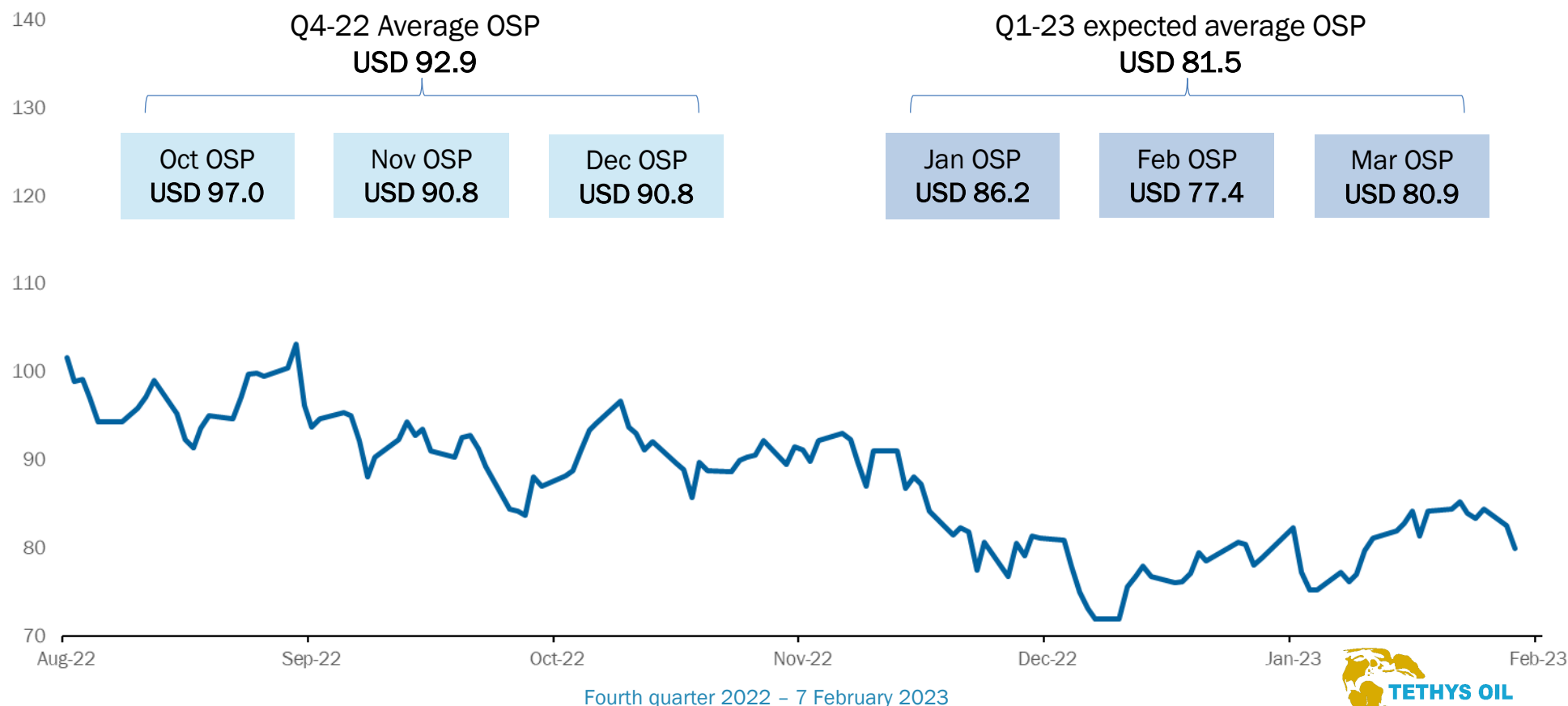


Netback trend shows Blocks 3&4 profitability



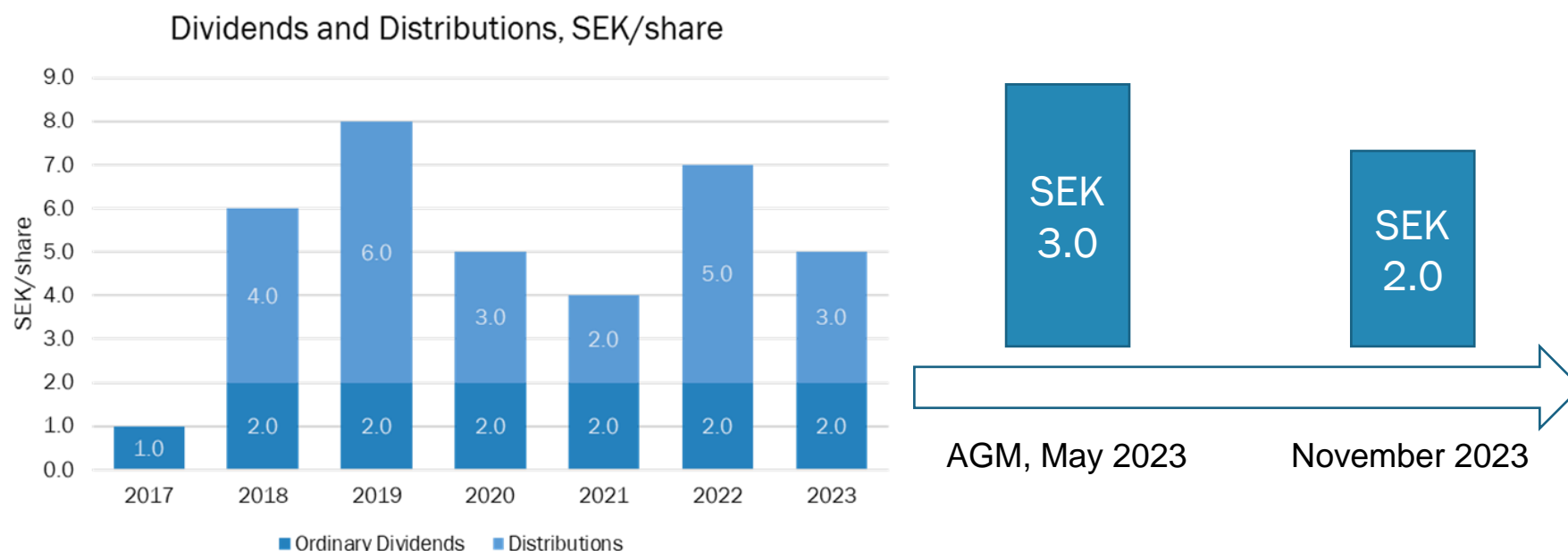
Oil price in Q4-22 and Q1-23

- Q1-23 OSPs reflect downward trend in oil prices in the market from November 2022 to January 2023



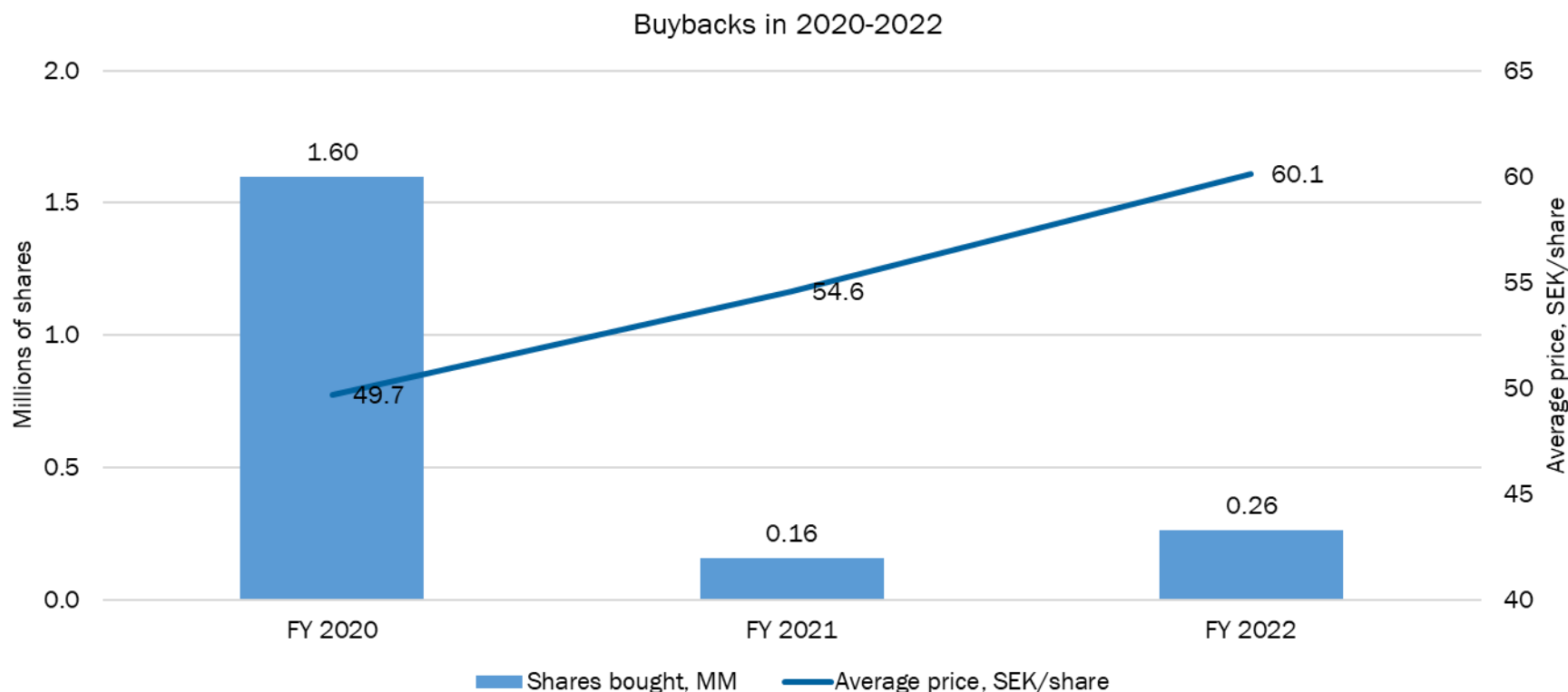
Dividend proposal

- The board of directors proposes 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.
- The SEK 3.0 distribution by way of redemption will be performed after the AGM
- The SEK 2.0 ordinary dividend will be paid in November
- The split in timing of the two payments smoothens out yield and cash flow impact



Share buybacks complement dividends

- Buyback has restarted in Q3-22 and continued until YE 2022
- **Totally 263,678 shares** have been purchased since AGM 2022
- **As of YE 2022, 738,351 shares** have been held in treasury (**2.2%** of shares outstanding)



2023 Production and financial guidance

- Production for the full year 2023 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 for the full year
- 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

	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	



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Outlook and summary

Strong financial year 2022 sets the stage for exploration focused 2023

- The extended well test on the Al Jumd discovery to start late February or early March - looks to establish resource volumes, production capacity and commerciality for the discovery
- Exploration well on Fahd area on Block 58 planned for Q3
- Fahd area prospects has the potential significantly increase reserve base, estimated risked prospective resources of 26.1 mmbo, 4.4 mmbo and 6.9 mmbo for Fahd South, Fahd South-West and Fahd respectively.
- Exploration drilling on Block 56 planned for late Q3 following completed prospect maturation in Q2
- Re-entry and re-testing of Thameen-1 on Block 49, planned for Q2 - a successful test could turn inconclusive well into a discovery
- Increased drilling including exploration with the aim of production turnaround on Blocks 3&4



TETHYS OIL Thank you for your time!

Financial Calendar 2022-2023

- Report for the first quarter 2023 (January – March 2023) on 9 May 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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