

Q3 2015

3 November 2015



Q3 Highlights

- Production increase continues: new production record with 10,087 BOPD in Q3-15 – up 7% compared to Q2-15
- Net sales of MSEK 307, up 16% compared to Q2-15
- EBITDA of MSEK 153, in line with Q2-15
- Net result MSEK 70, up 32% compared to Q2-15
- Earnings per share SEK 2.00 for Q3-15
- Net cash of MSEK 485, up 50% compared to Q2-15
- 13 wells drilled on Block 3 and 4 in Oman
- Successful drilling programme in Lithuanian

Tethys' assets

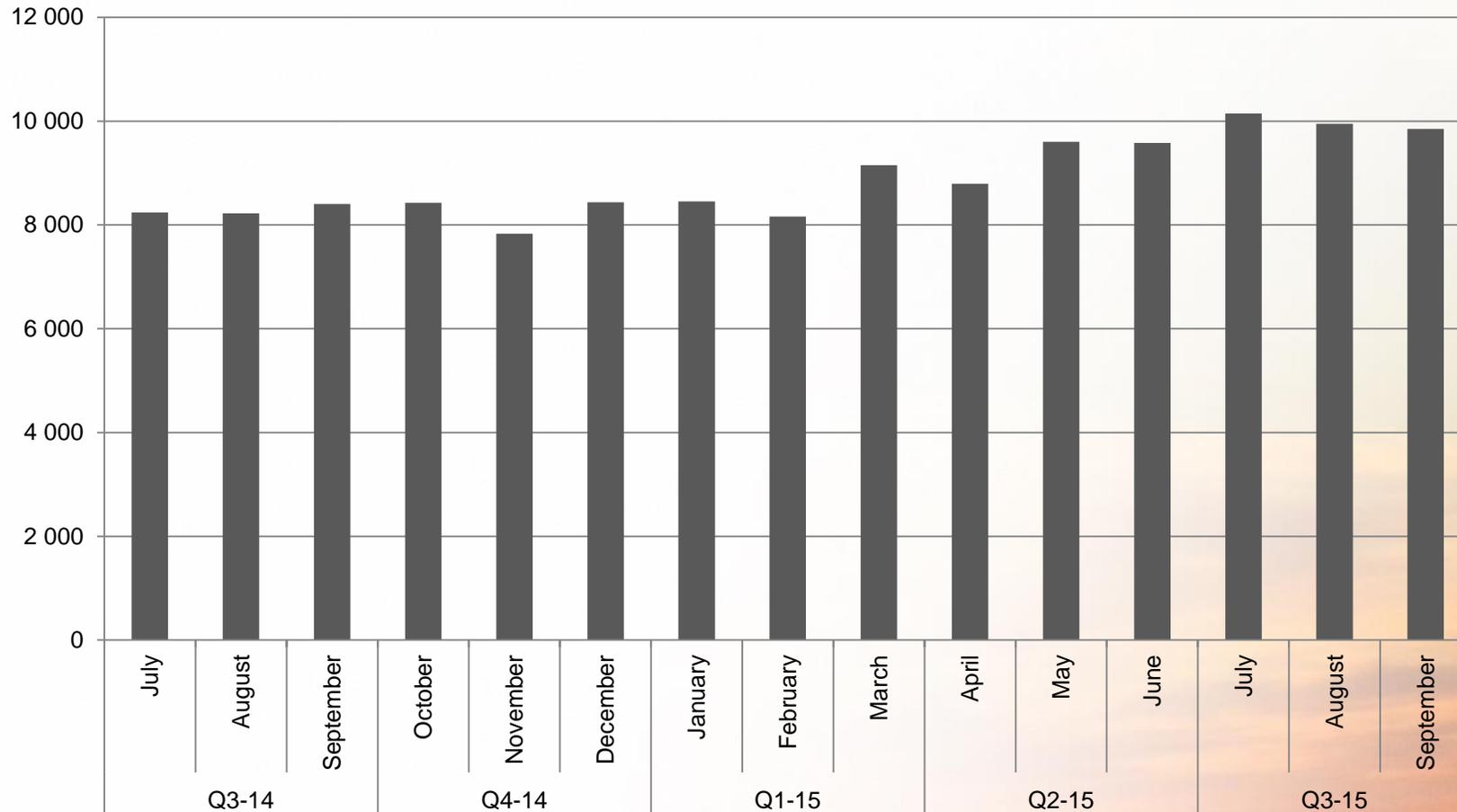
	Country	Licence	Area, km2	Tethys share	Partners*	2P reserves 31 Dec 2014 (mmbo) **	Production Q3 2015 (bopd)
Producing Assets	Oman	Block 3 & 4	34,610	30%	CC Energy , Mitsui	17.8	9,983
	Lithuania	Gargzdai	884	25%	Odin Energi, Geonafta	-	104
Exploration assets	Oman	Block 3 & 4	34,610	30%	CC Energy , Mitsui		
	Lithuania	Rietavas	1,594	30%	Odin Energi, Private investors		
	Lithuania	Raseiniai	1,535	30%	Odin Energi, Private investors		
	France	Attila	1,986	40%	Galli Coz		
	France	Alès	215	37.5%	Private investors		



* Operator in bold

** Reserves in Oman audited by DeGolyer and MacNaughton

Average daily production in Oman



- New production milestone in July 2015
 - Production in excess 10,000 bopd
- Production increase continues with month on month volatility

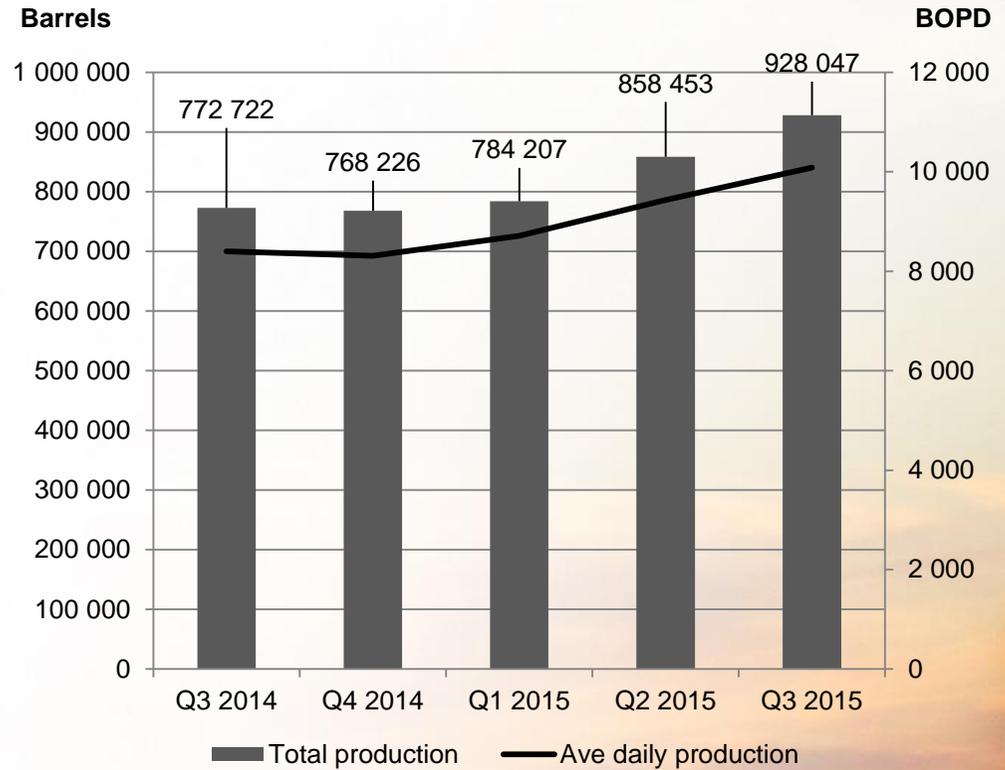
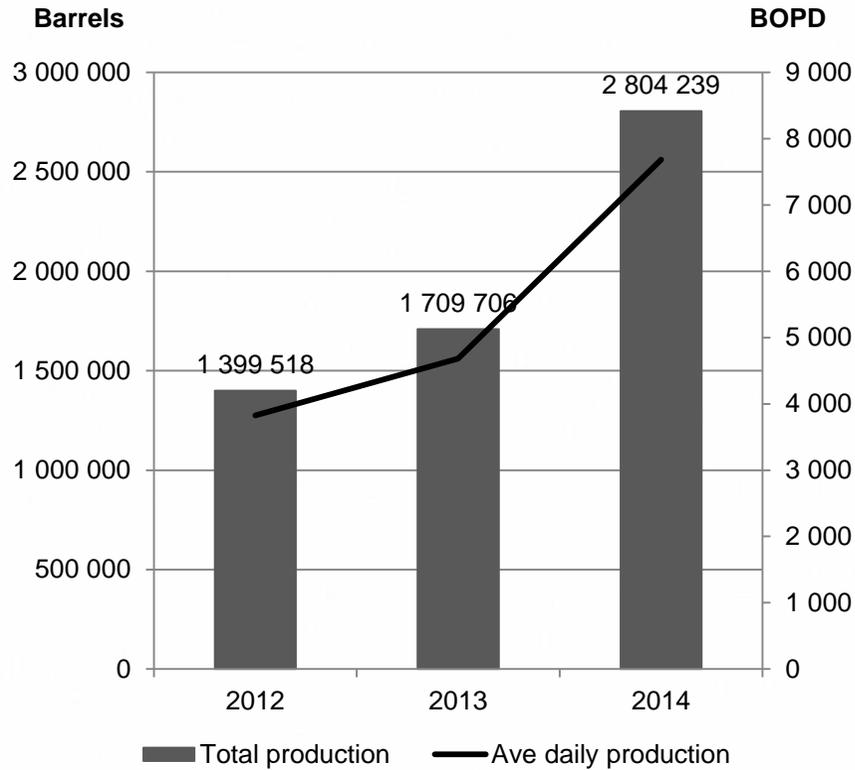


Cash flow

- Tethys Oil's operations continue to yield positive cash flow also at current oil prices
- Blocks 3 and 4 investments expected to continue to be covered from cash flow from operations
- During the nine month period 2015, the cash flow from operations amounted to MSEK 480 and investments in oil and gas amounted to MSEK 269
- Including the dividend received from Lithuanian assets, the cash flow from operations after investments during nine months amounted to MSEK 235
- Lithuania operations are expected to be financed from oil production and available cash in the associated Lithuanian companies

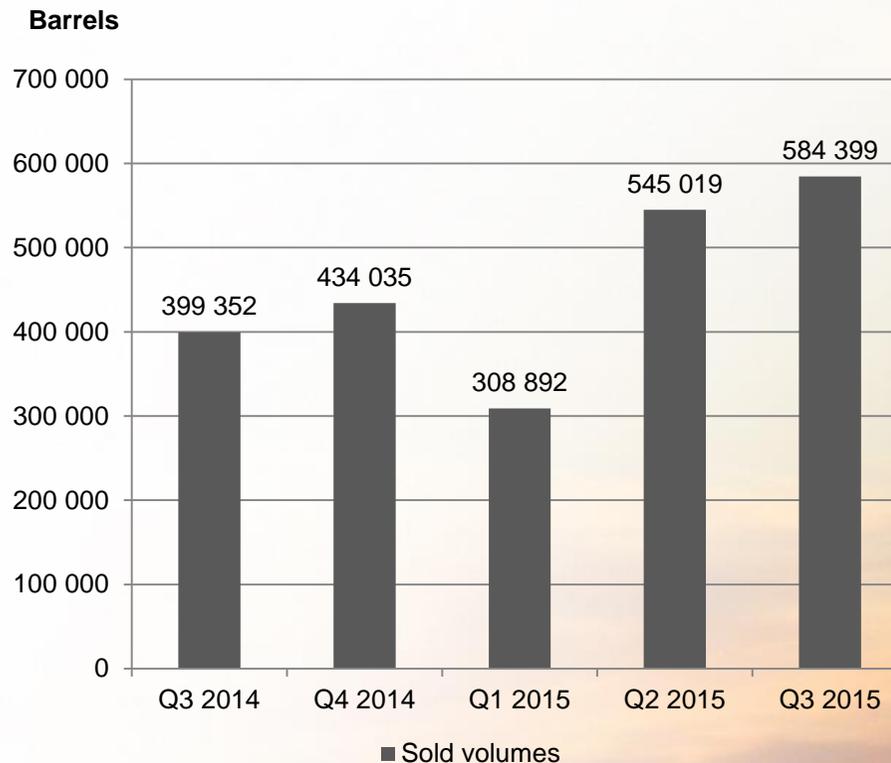
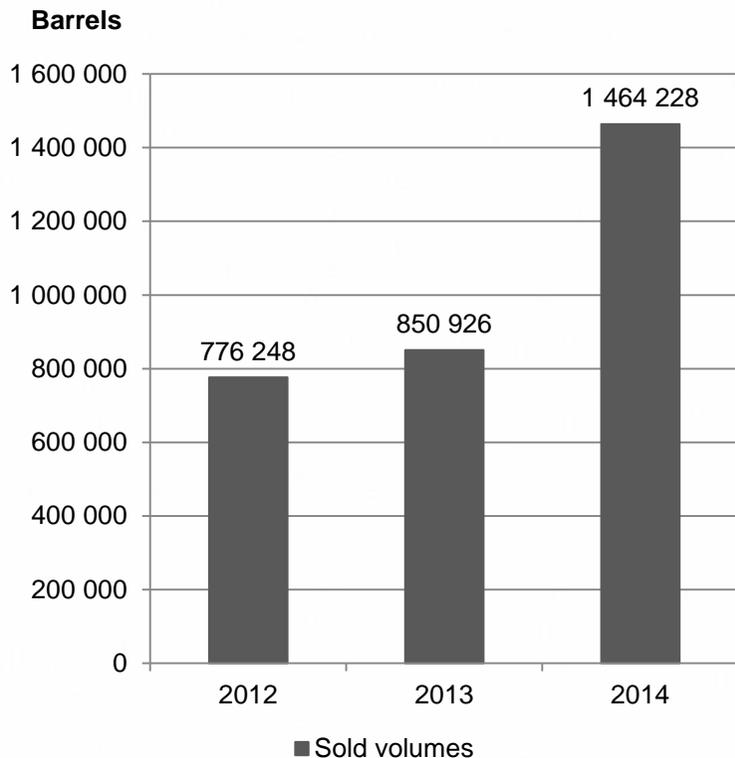


Production



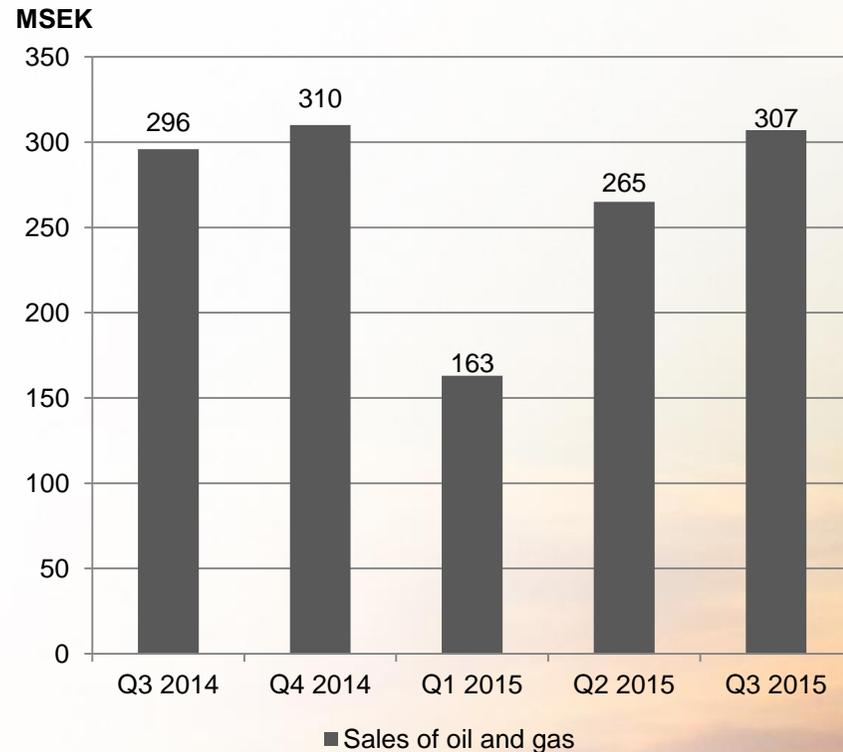
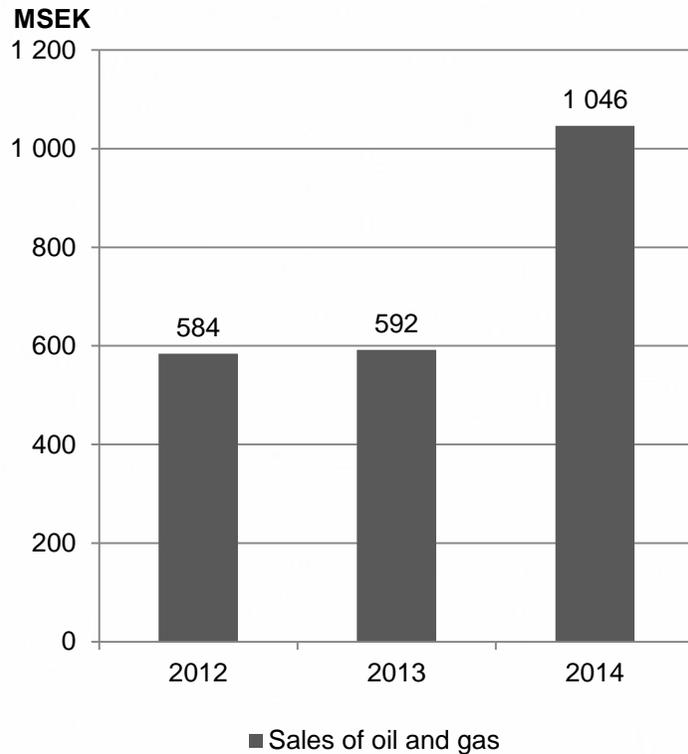
- Average daily production in Q3 2015 increased 7% compared with Q2-15
- 20% increase in average daily production compared with Q3-14

Sold barrels



- Second consecutive quarter with about 100,000 barrels in overlift (from overlift of 22,647 barrels to 129,439 barrels in Q3-15)
- Overlift position expected to be significantly reduced in fourth quarter 2015

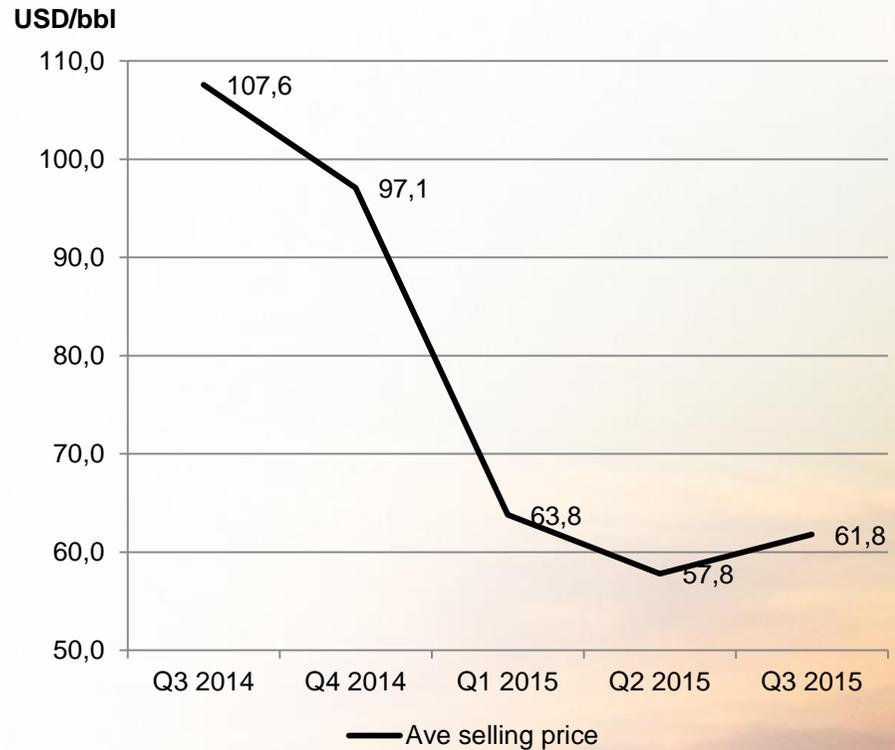
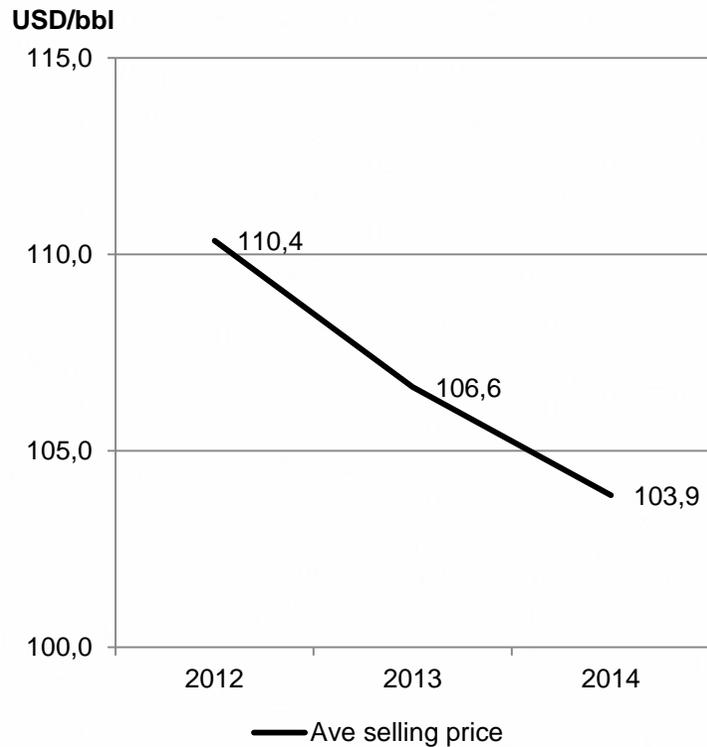
Sales MSEK



- Net oil sales of MSEK 307 in Q3-15, up 16% compared to Q2-15
- The main driver behind the net sales increase was increase in production and strengthening of the oil price
- Movement of over 100,000 barrels in overlift position

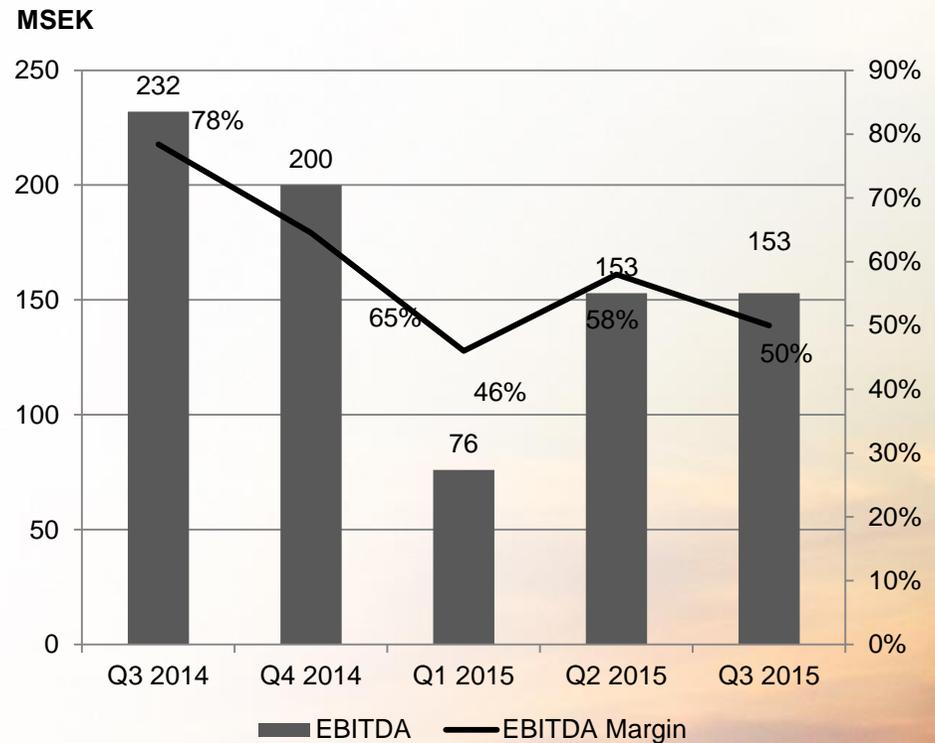
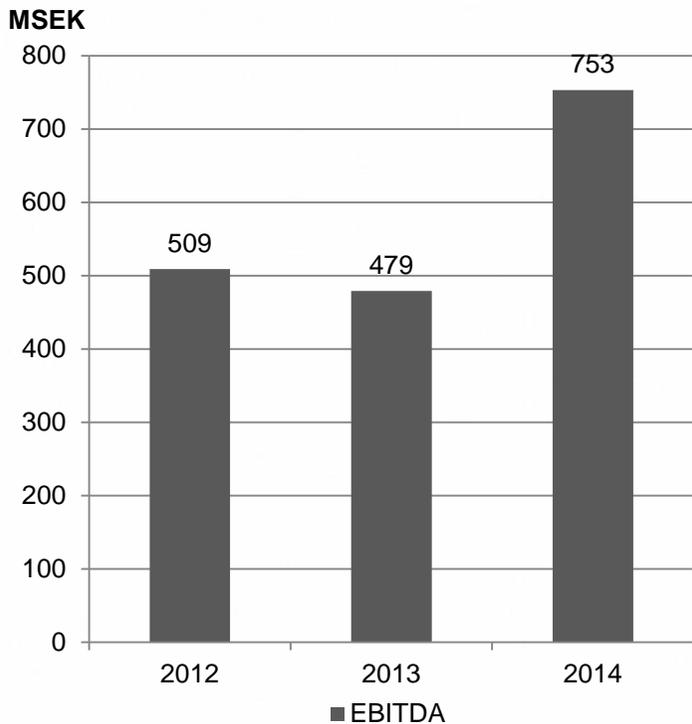


Average selling price per barrel



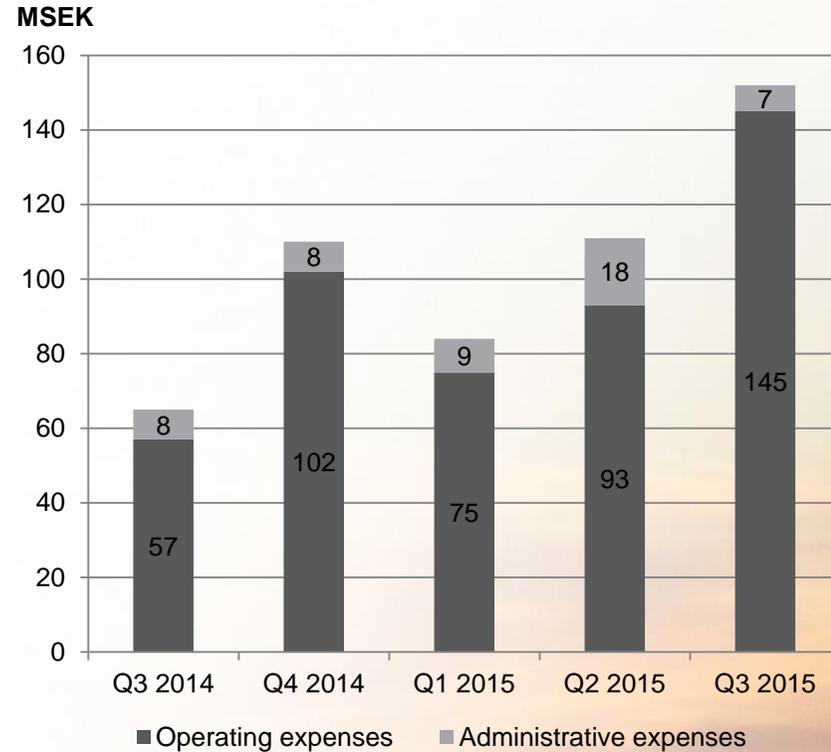
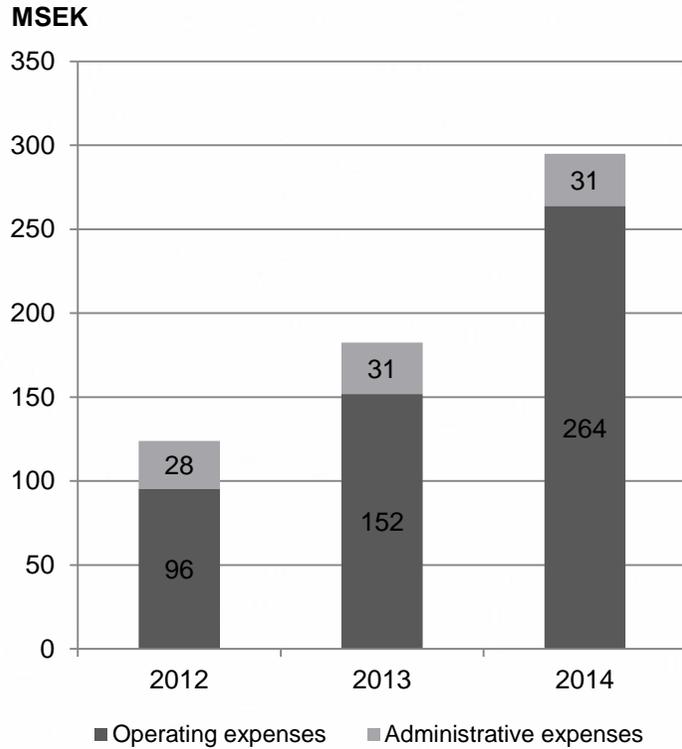
- First quarter since Q3-14 with increasing average selling price per barrel, up 7% compared with Q2-15
- 2 months lag in future price mechanism – lower selling prices so far in Q4-15

EBITDA



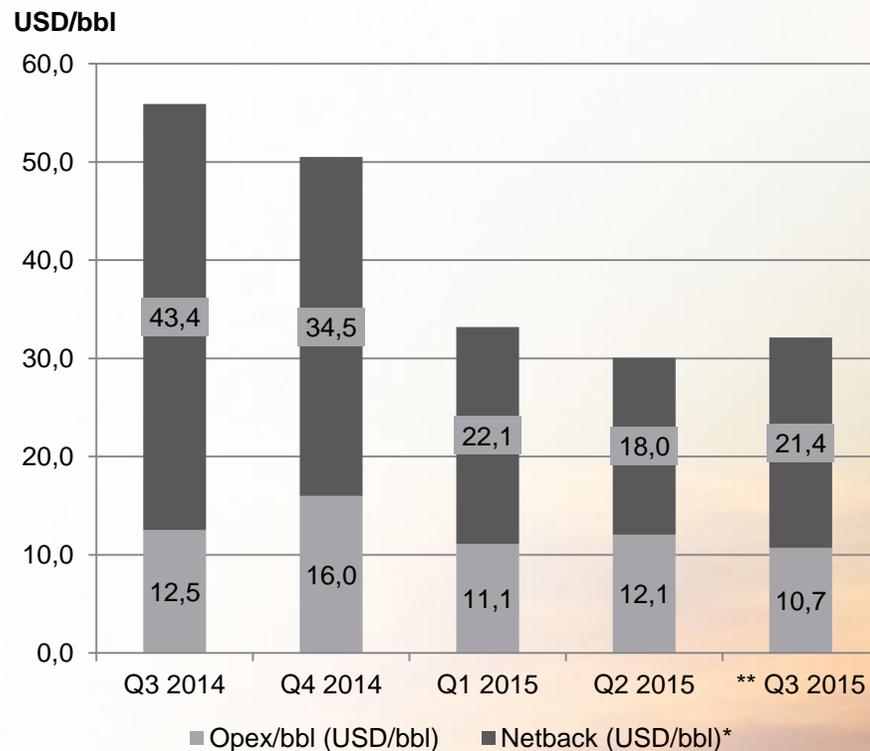
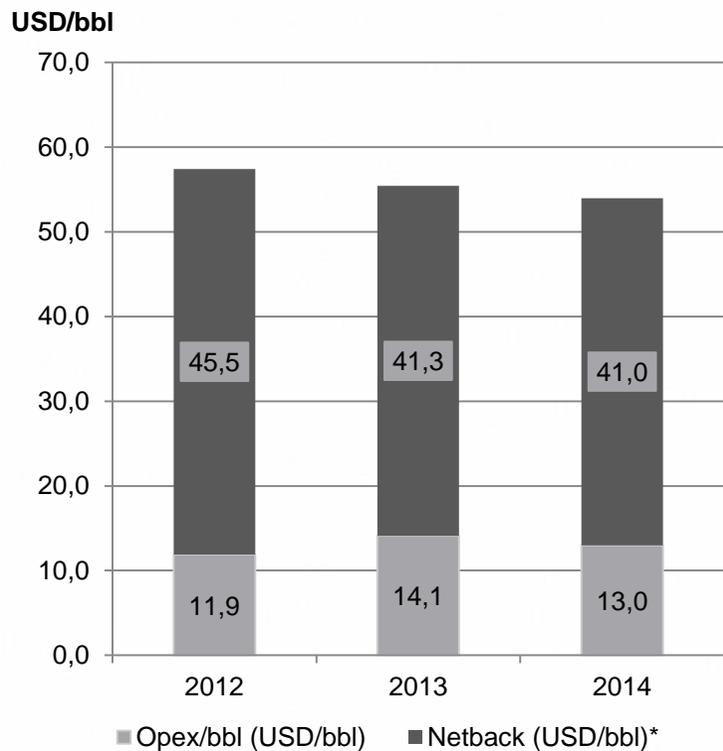
- EBITDA of MSEK 153 in Q3-15, in line with Q2-15
- Lower EBITDA margin due to increase in OPEX with MSEK 52 due to overlift

Expenses



- OPEX increase of MSEK 52 due following overlift in Q3-15
- Admin expenses normalized compared with Q2

Adjusted net back* and opex per barrel



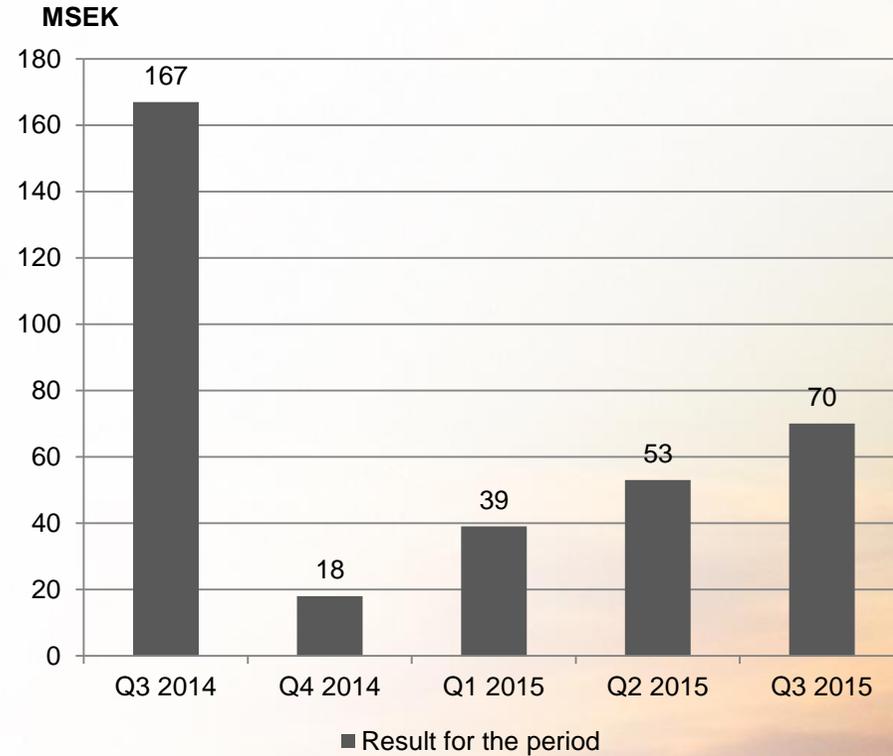
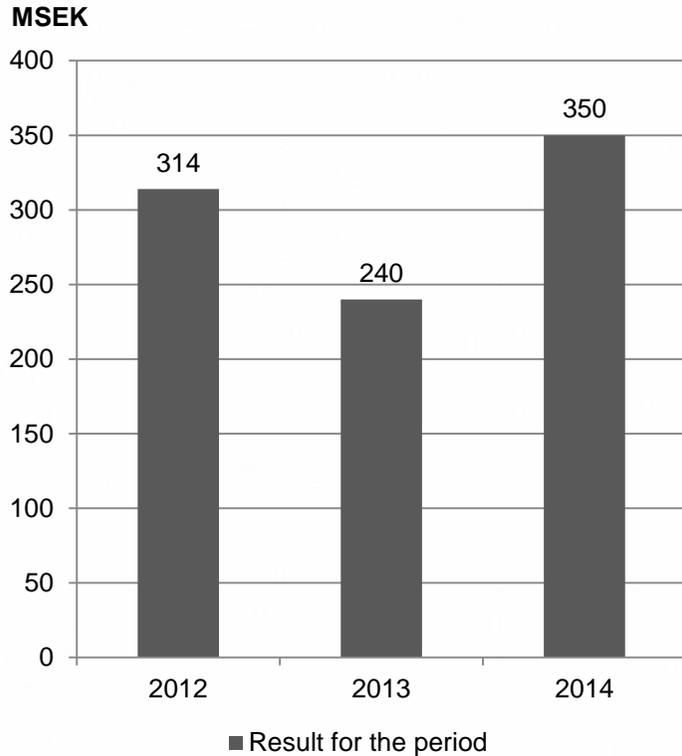
- Increased net back after higher oil prices
- Opex between USD 10.7 and 12.1 per barrel during 2015, of which direct lifting cost accounts for 50-60%



* After current government take

** The Q3-15 number is estimated

Net result after tax



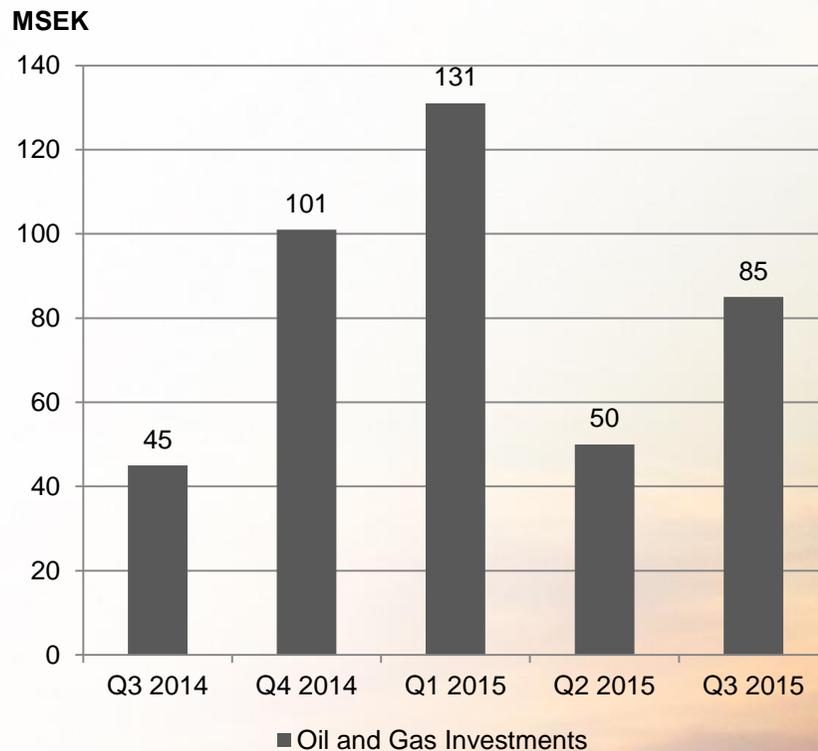
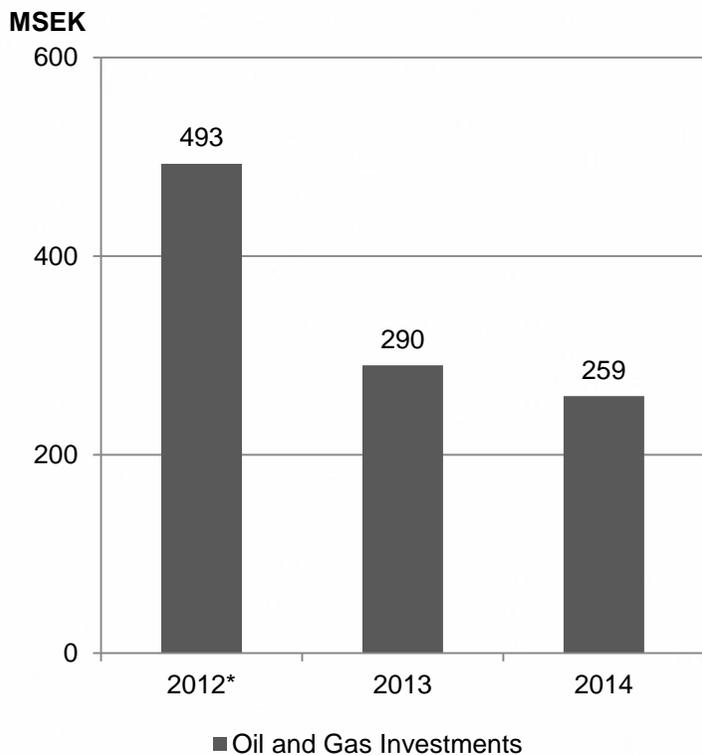
- Net result increase by 32% Q-o-Q explained mainly by higher oil prices and higher production

Balance Sheet Q3 2015

(MSEK)	2015-09-30	2015-06-30	2014-12-31
Net cash	485	323	372
Total assets	2,142	1,888	1,816
Shareholders' equity	1,838	1,744	1,675

- Strong net cash position of MSEK 485
- A large part of cash and cash equivalents are held in USD which has appreciated against SEK during the nine month 2015
- Exchange rate as per balance sheet day: 8.45 SEK per USD.

Oil and gas investments



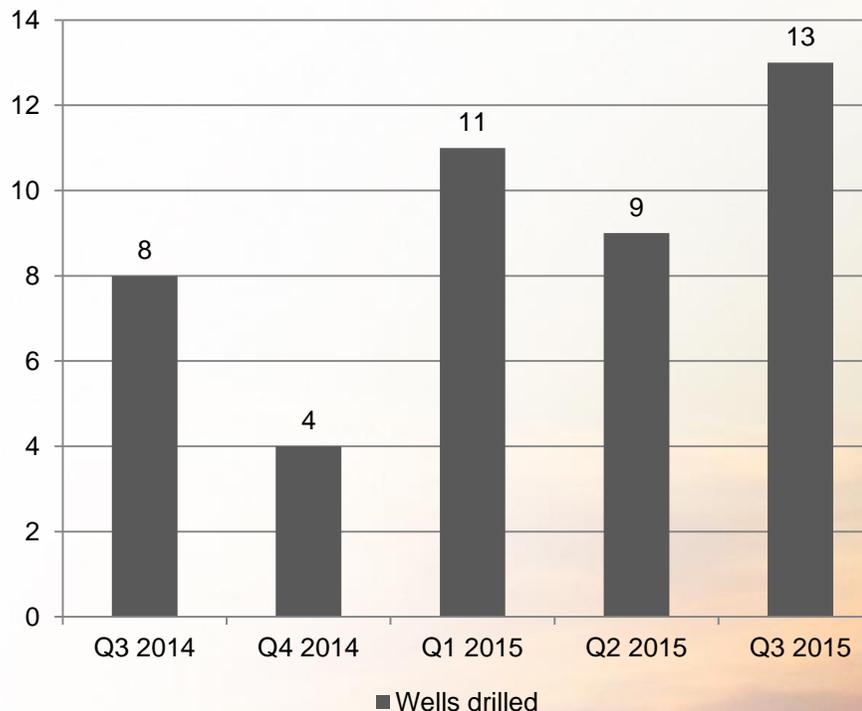
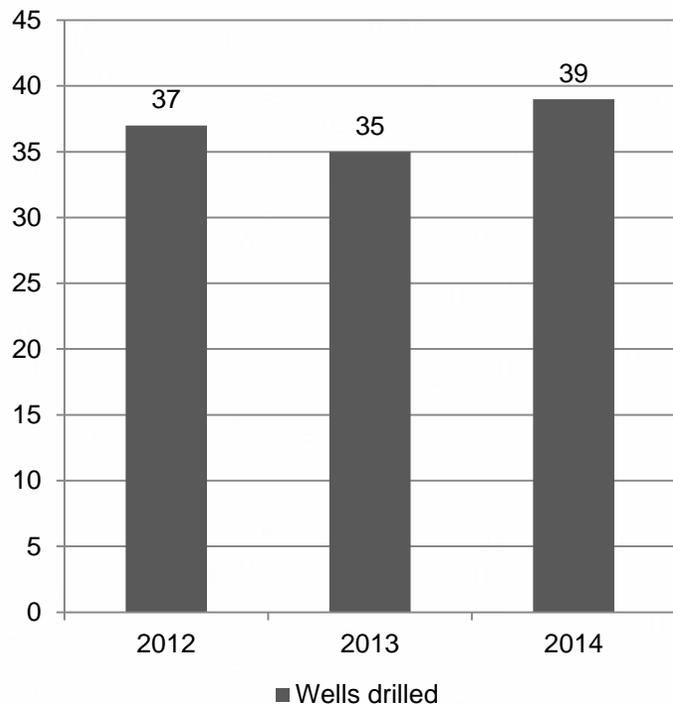
- Tethys' investments in Blocks 3 and 4 amounted to MSEK 85 in Q3



TETHYS OIL

** Adjusted investments*

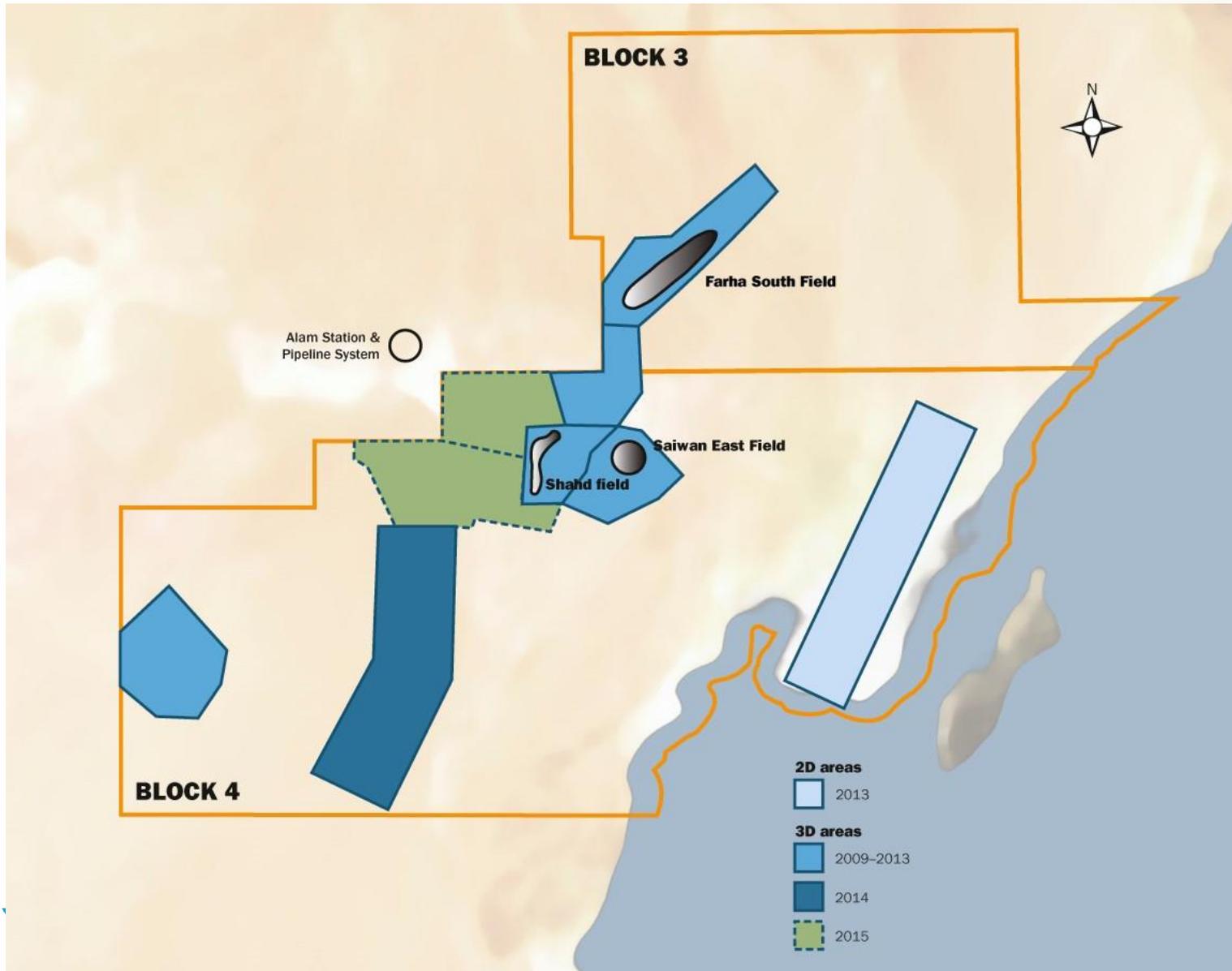
Wells in Oman



- 13 wells drilled in Q2 2015
 - 7 wells on Farha South oil field
 - 5 wells on Shahd oil field
 - 1 exploration well in southern part of Block 4

Four rigs in operation, one more to be added in the end of 2015

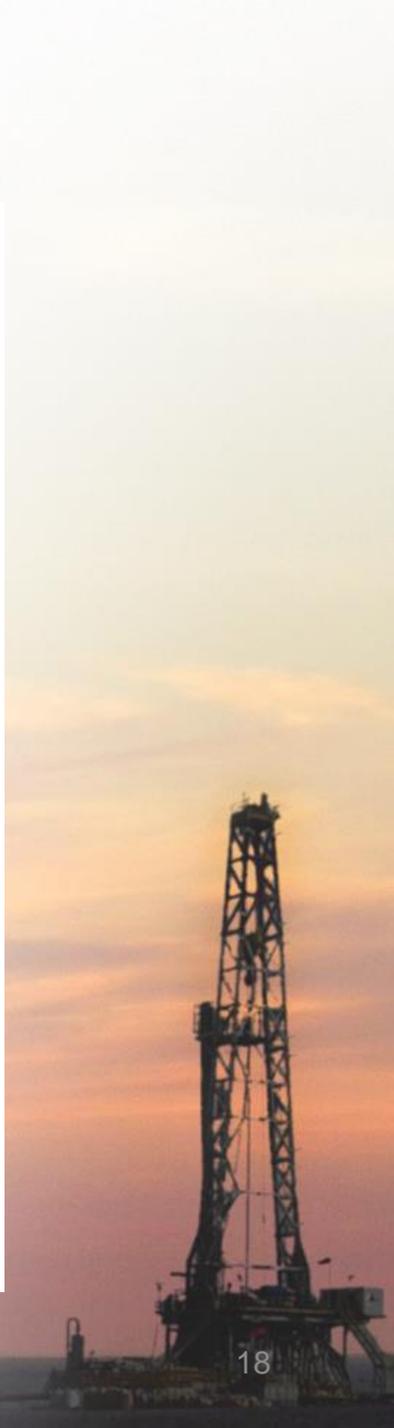
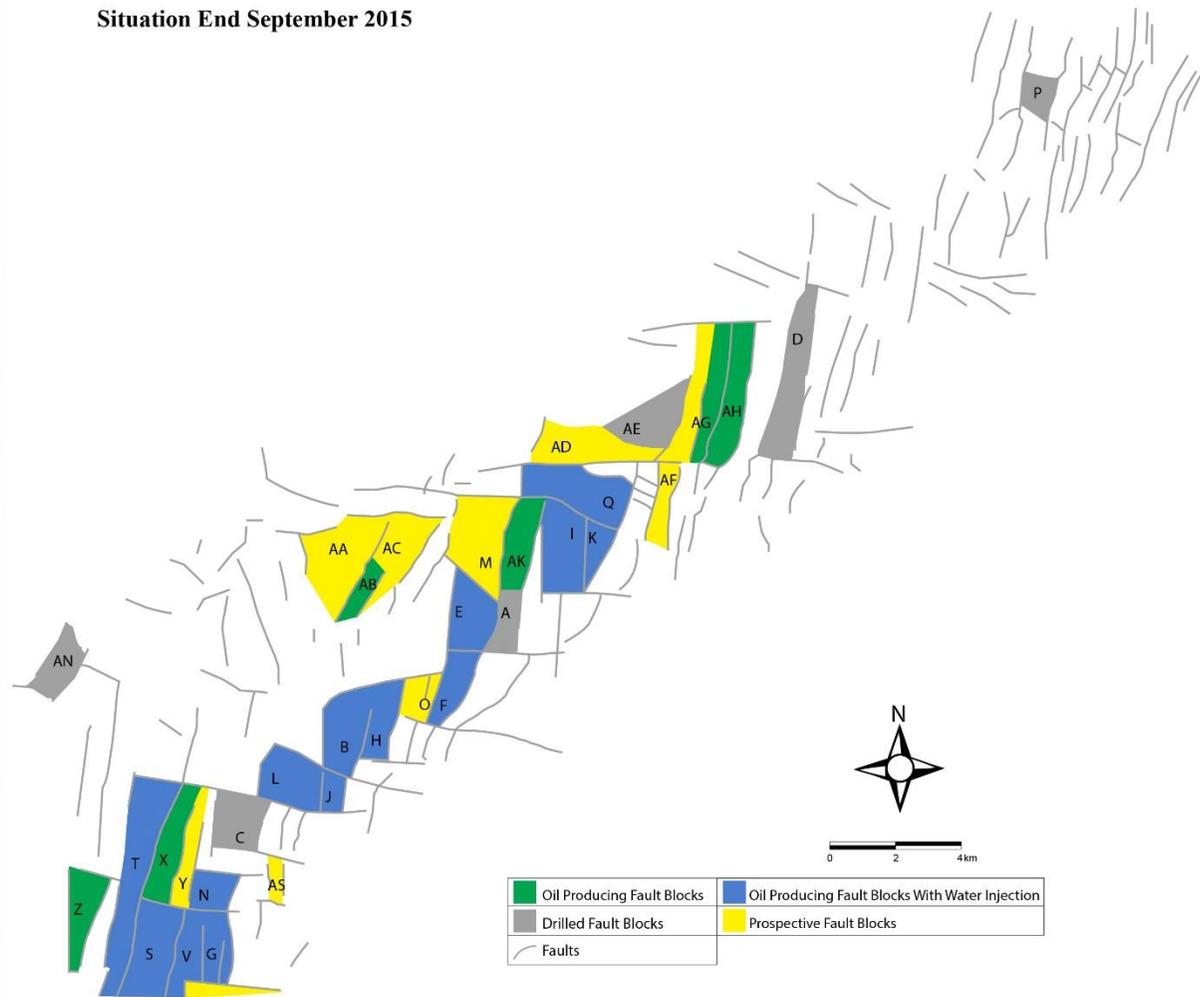
Block 3 and 4 overview



Farha South field, 30 September 2015

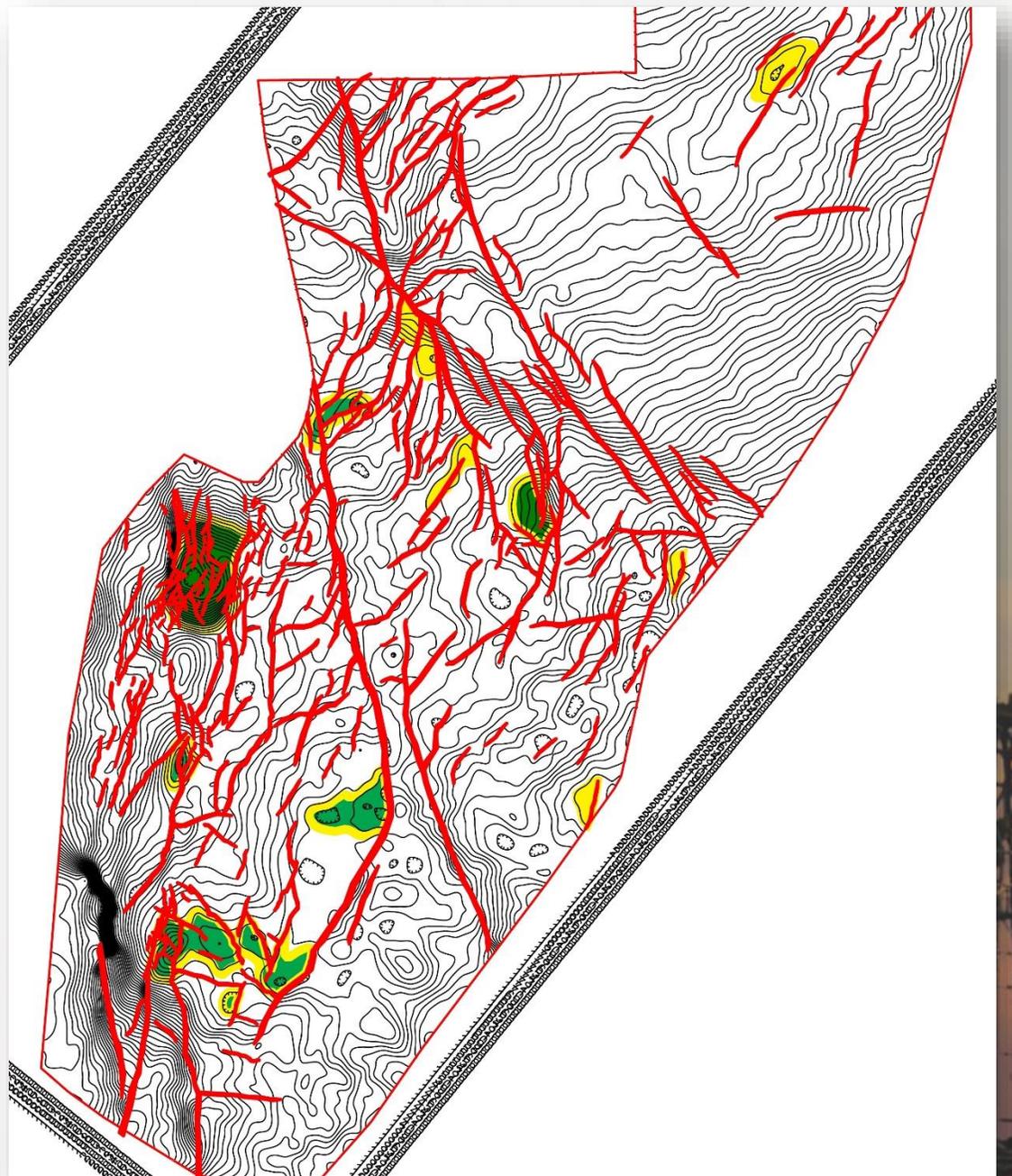
FARHA SOUTH FIELD

Situation End September 2015



Shahd Oil field

-  Producing areas
-  Prospects / prospective areas



Conclusion

- **Milestone passed – production in excess of 10,000 BOPD in Q3 2015**
- **Tethys Oil continues to yield positive financial results:**
 - **Sales MSEK 307 up 16% Q-o-Q**
 - **EBITDA MSEK 153, in line with Q2-15**
 - **Net result MSEK 70, up 32% Q-o-Q**
- **Continued focus on Farha water injection in Q3-15**
- **Focus on Shahd water injection in Q4**
- **Tidikas-1 in Lithuania successfully completed and put in long term test production**



Q4 2015

Will be published 9 February 2016!



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