

# Q4 2015

9 February 2016



# Q4 Highlights

- Production increase continues: new production record with 10,956 BOPD in Q4-15 – up 9% compared to Q3-15
- Revenue of MSEK 222, down 13% compared to Q3-15
- EBITDA of MSEK 113, down 26% compared to Q3-15
- Net result MSEK 27, down 65% compared to Q3-15
- Earnings per share SEK 0.78 for Q4-15
- Net cash of MSEK 436, down 10% compared to Q3-15
- SEK 1.00 per share dividend proposed
- 7 wells drilled on Block 3 and 4 in Oman
- New reservoir layer boosts production
- Long term production testing of Lithuanian well continues

# Tethys' assets

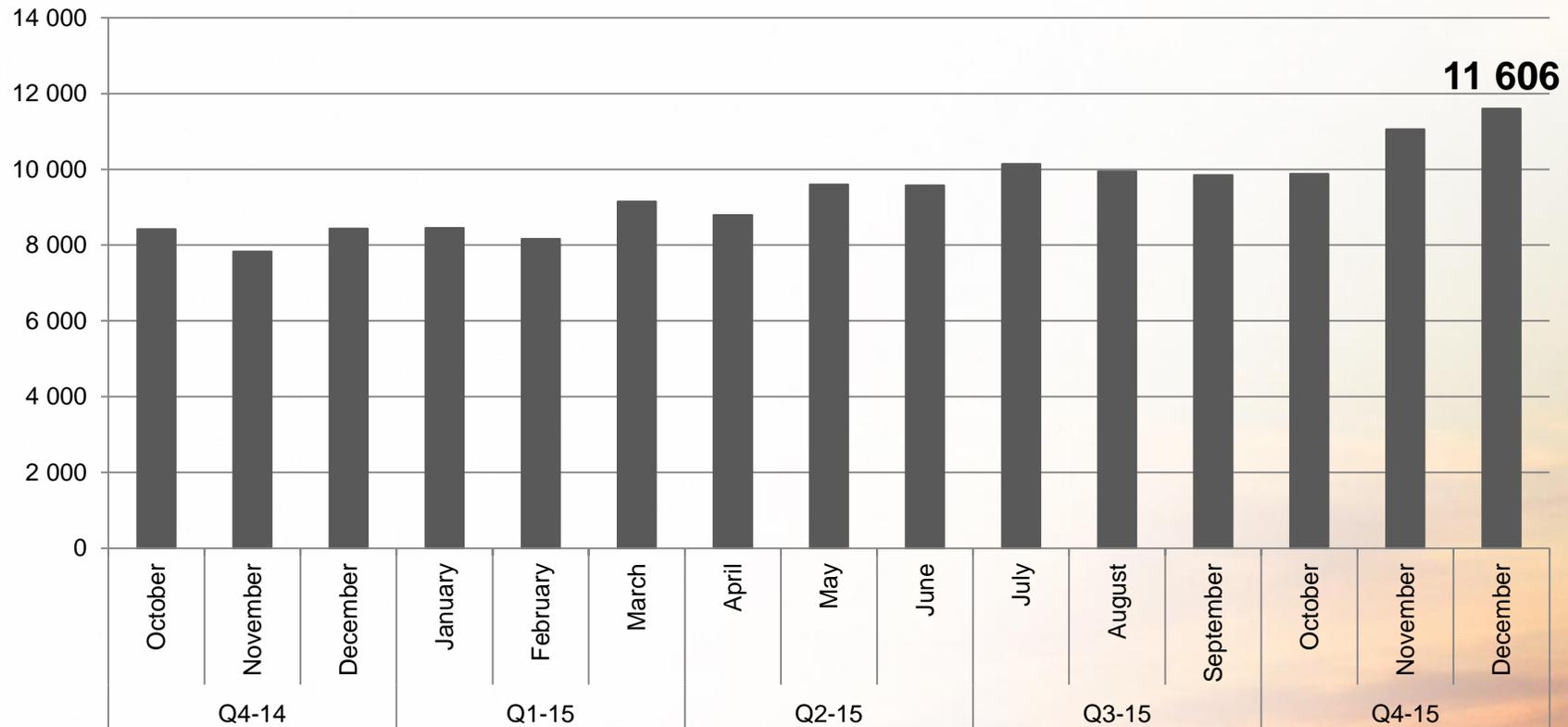
	Country	Licence	Area, km2	Tethys share	Partners*	2P reserves 31 Dec 2014 (mmbo) **	Production Q3 2015 (bopd)
Producing Assets	Oman	Block 3 & 4	34,610	30%	<b>CC Energy</b> , Mitsui	18.2	10,847
	Lithuania	Gargzdai	884	25%	Odin Energi, Geonafta	-	109
Exploration assets	Oman	Block 3 & 4	34,610	30%	<b>CC Energy</b> , Mitsui		
	Lithuania	Rietavas	1,594	30%	Odin Energi, Private investors		
	Lithuania	Raseiniai	1,535	30%	Odin Energi, Private investors		
	France	Attila	1,986	40%	<b>Galli Coz</b>		
	France	Alès	215	37.5%	Private investors		



\* Operator in bold

\*\* Reserves in Oman audited by DeGolyer and MacNaughton

# Average daily production in Oman



- New layer boosts production – 12,630 bopd in January 2016
- Production expected to continue to increase in 2016 with month on month volatility

# Reserves, December 31, 2015

Reserves Block 3&4 Oman (31 Dec 2015, mmbo)			
<i>mmbo</i>	<b>1P</b>	<b>2P</b>	<b>3P</b>
Farha South	7.6	10.2	12.7
Shahd	4.9	6.8	12.0
Saiwan East	0.4	1.2	3.2
<b>Total</b>	<b>12.9</b>	<b>18.2</b>	<b>27.9</b>

Development of reserves			
<i>mmbo</i>	<b>1P</b>	<b>2P</b>	<b>3P</b>
Total 31 Dec 2014	11.8	17.8	25.1
Production 2015	-3.5	-3.5	-3.5
Revisions	4.7	4.0	6.3
<b>Total 31 Dec 2015</b>	<b>12.9</b>	<b>18.2</b>	<b>27.9</b>

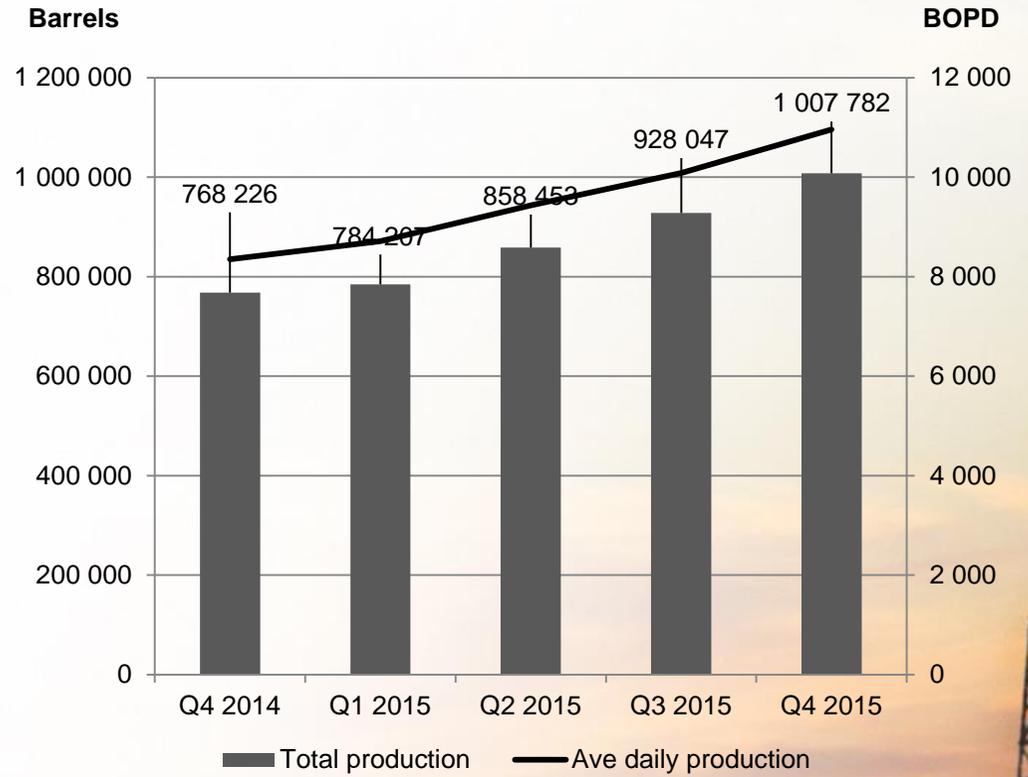
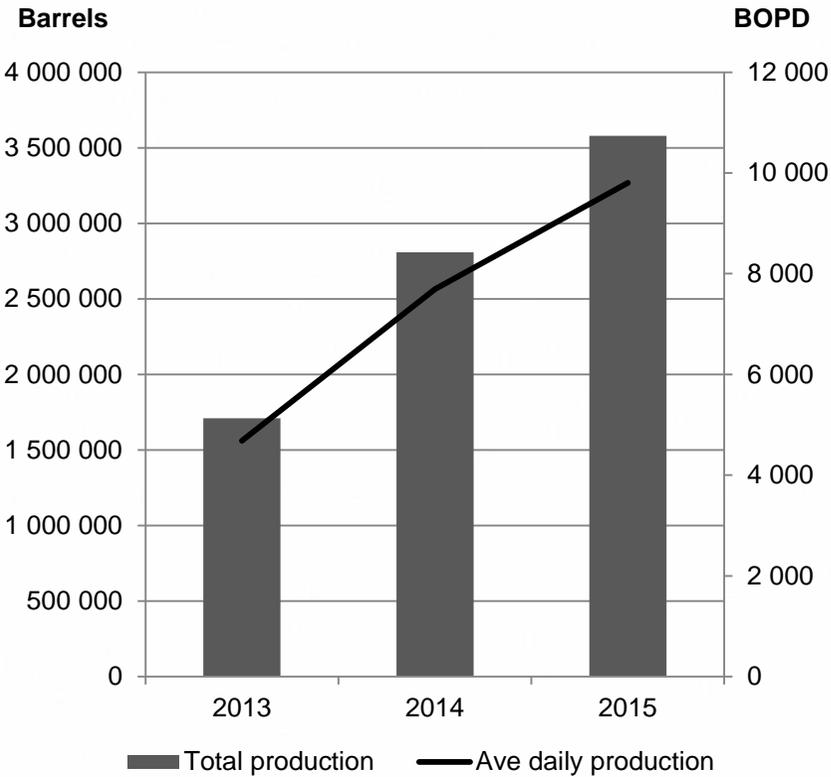
Independent petroleum consultant DeGolyer and MacNaughton Canada Limited (“DMCL”) reviews Tethys Oil’s reserves in Oman annually.



# Cash flow

- Blocks 3 and 4 investments for 2016 will be closely monitored and subject to on-going revisions. The target is to fund investments on Blocks 3 and 4 primarily from cash flow from operations
- During the financial year 2016, the cash flow from operations amounted to MSEK 503 and investments in oil and gas amounted to MSEK 324
- Including the dividend received from Lithuanian assets, the cash flow from operations after investments in the financial year 2015 amounted to MSEK 179
- Lithuania operations are expected to be financed from oil production and available cash in the associated Lithuanian companies

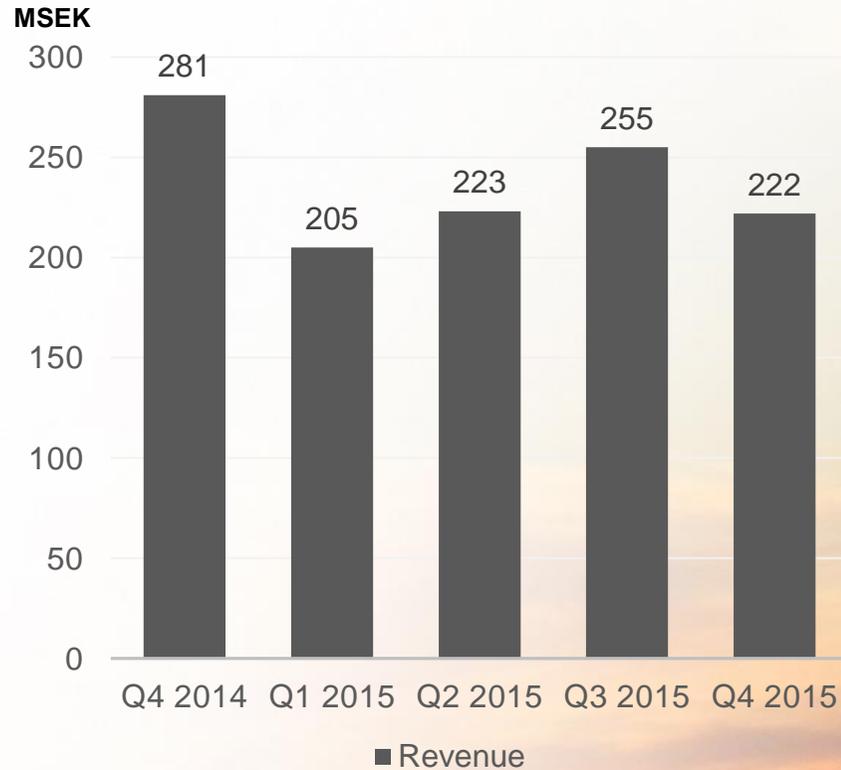
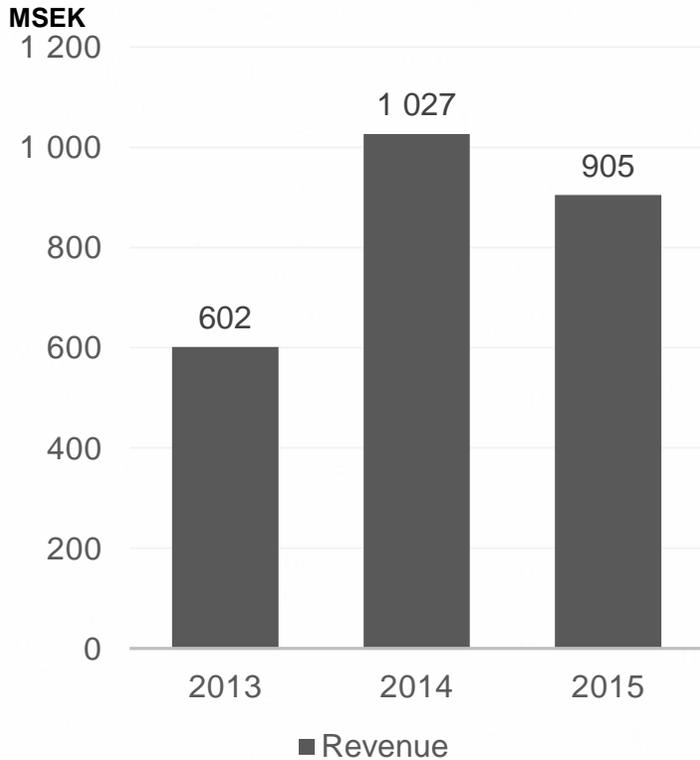
# Production



- Average daily production in Q4 2015 increased 9% compared with Q3-15
- 31% increase in average daily production compared with Q4-14

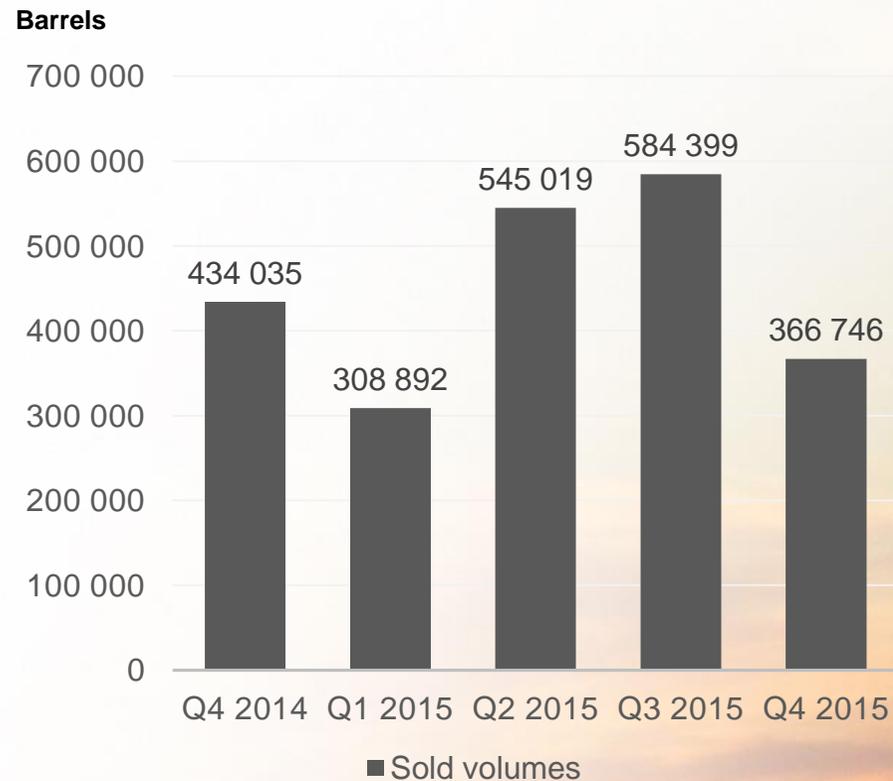
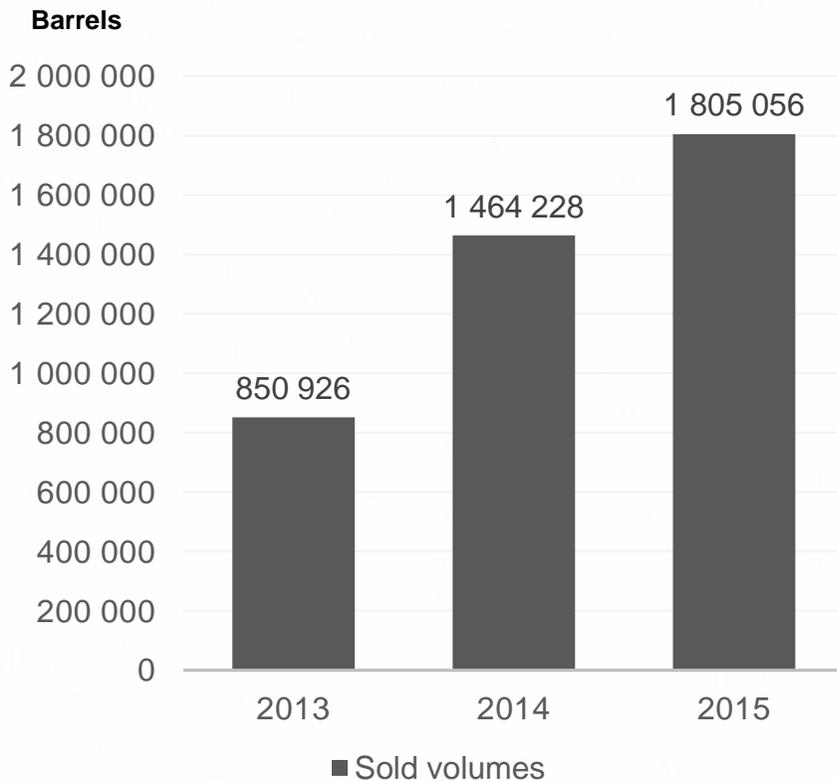


# Revenues MSEK



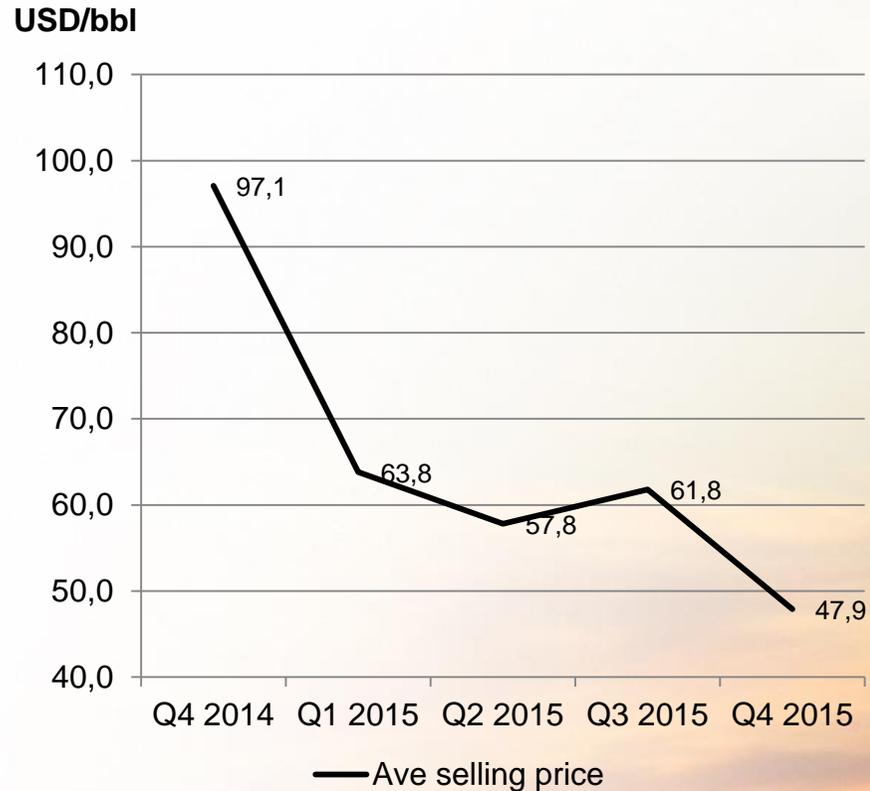
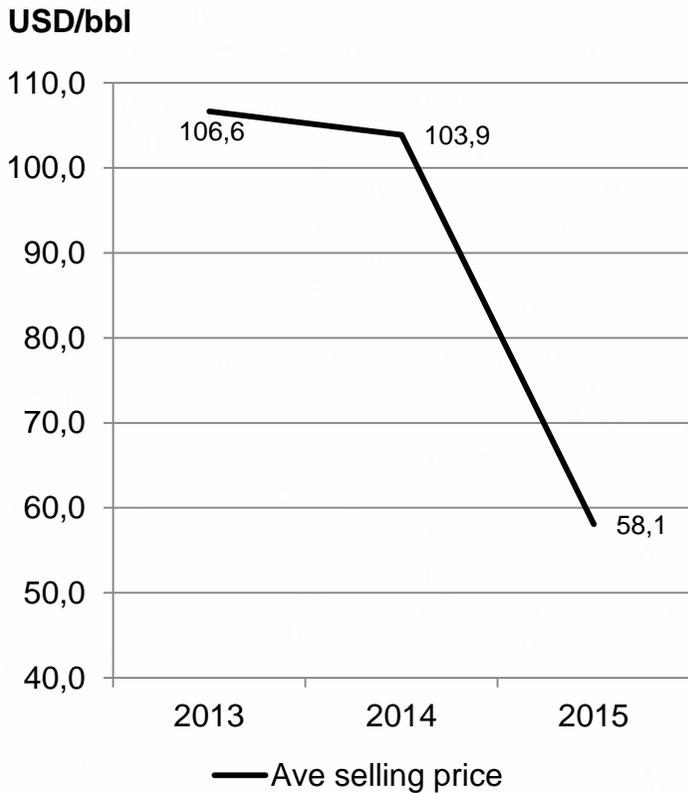
- Q4-15 revenue is down 13% compared to Q3-15 revenue due to decline in oil prices
- Accounting principles have been changed to better align revenue with production development

# Sold barrels



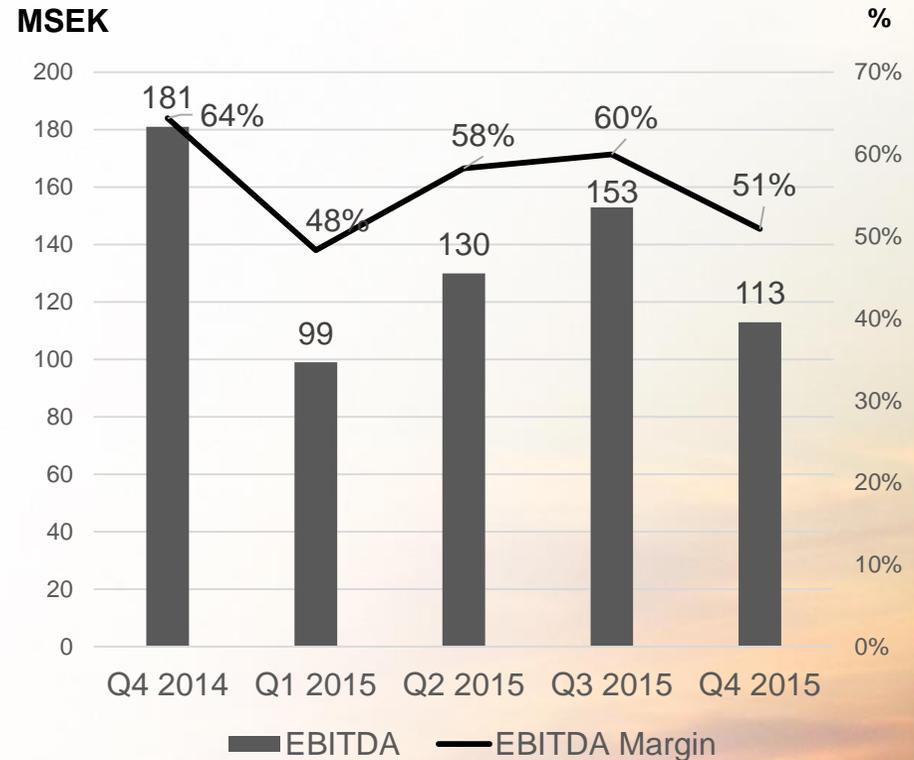
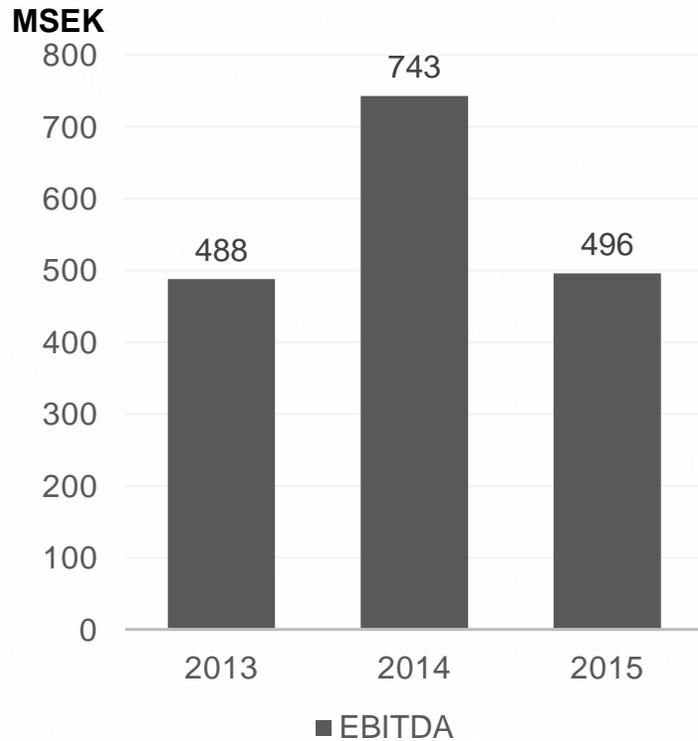
- Significant anticipated reduction in overlift in Q4 2015 (increase in overlift in Q2 and Q3 2015)
- The total underlift position as per 31 December 2015 is 22,725 barrels

# Average achieved selling price per barrel



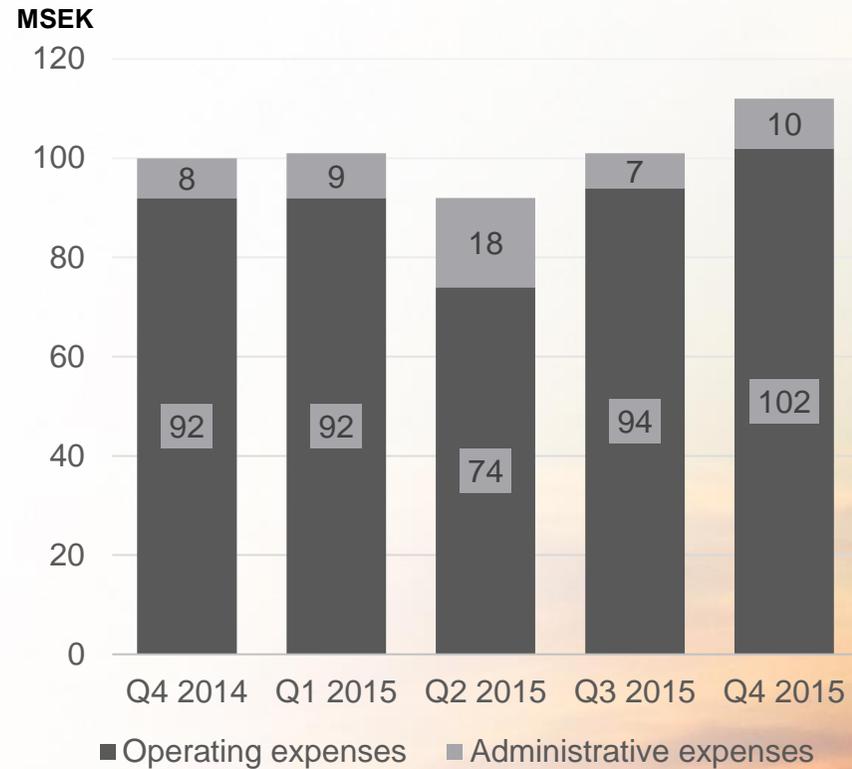
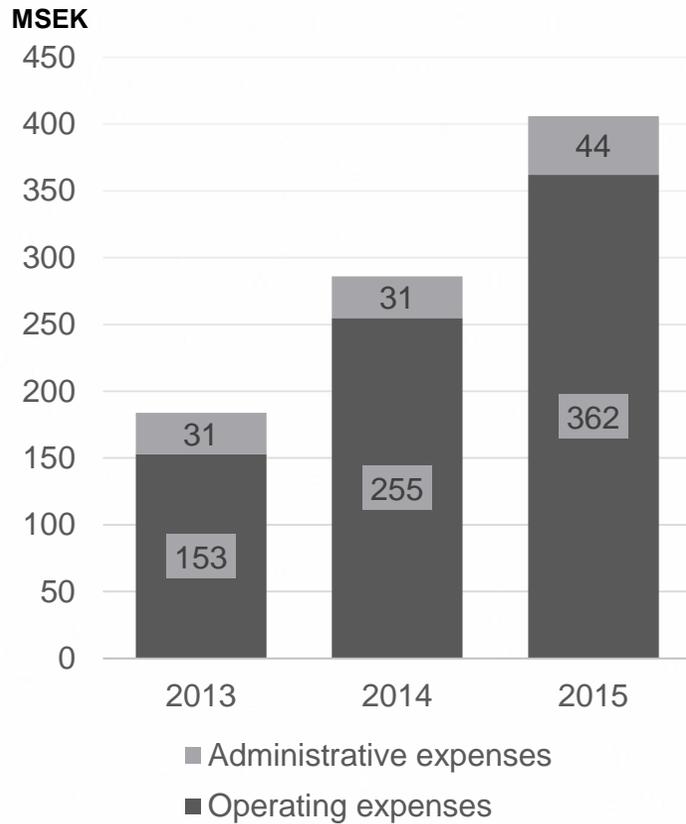
- Average achieved selling price down 22% compared with Q3-15
- 2 months lag in future price

# EBITDA



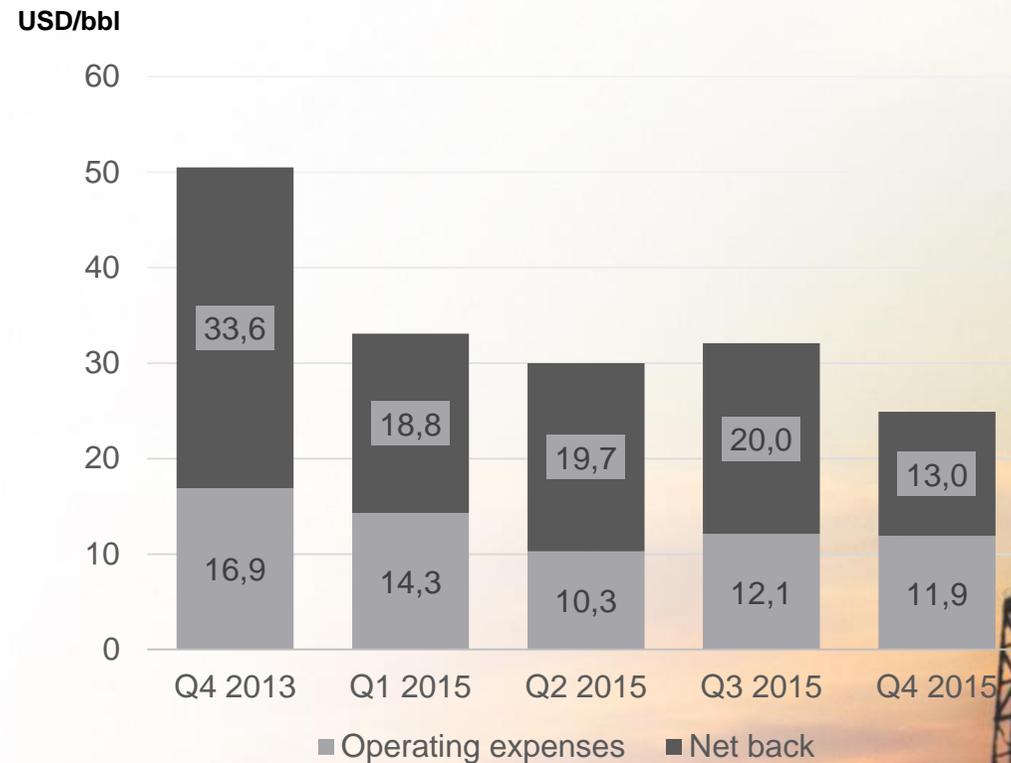
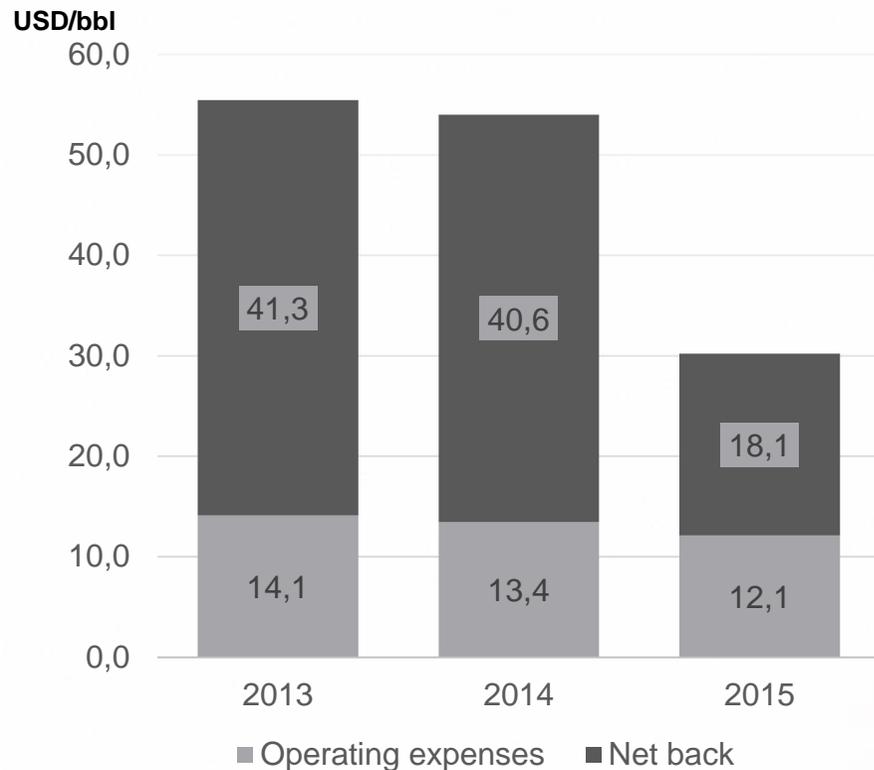
- EBITDA of MSEK 105 in Q4-15, down 26% compared with Q3-15
- Lower EBITDA and EBITDA margin following lower oil prices

# Expenses



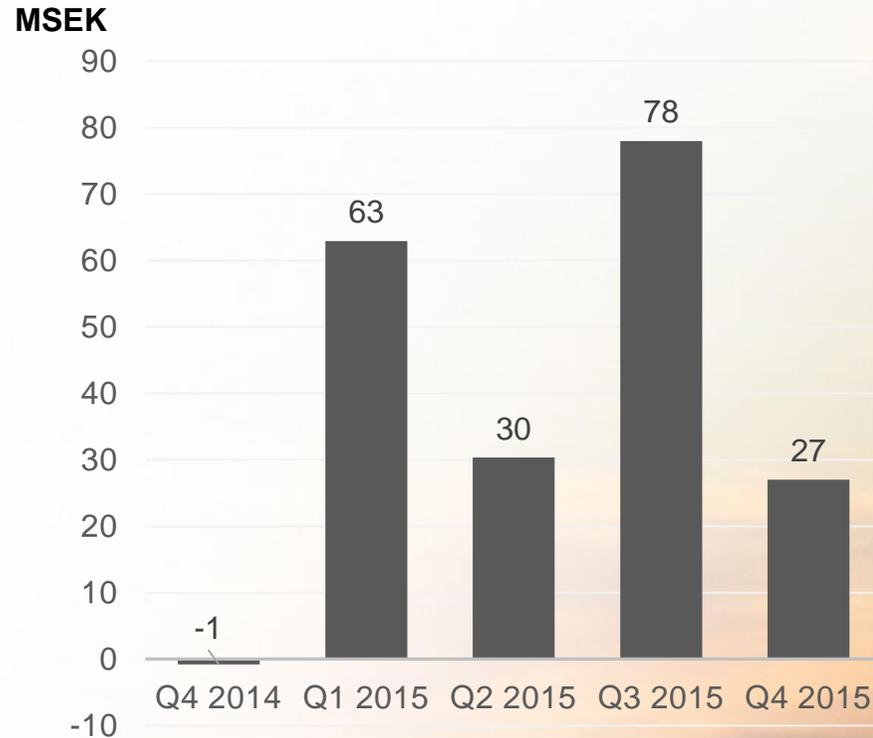
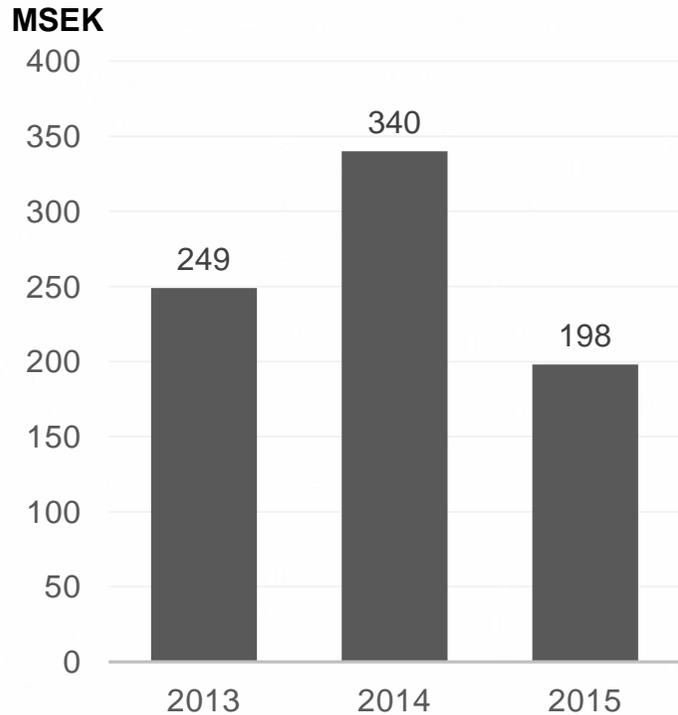
- Increase in OPEX is in line with the increased levels of production

# Opex and Net back per barrel (USD/bbl)



- OPEX per barrel is decreasing with higher production
- Costs starting to come down following lower oil prices
- Opex between USD 10.3 and 14.3 per barrel during 2015, of which direct lifting cost accounts for 50-60%

# Net result after tax



- Net result decrease by 65% Q-o-Q explained mainly by lower oil prices

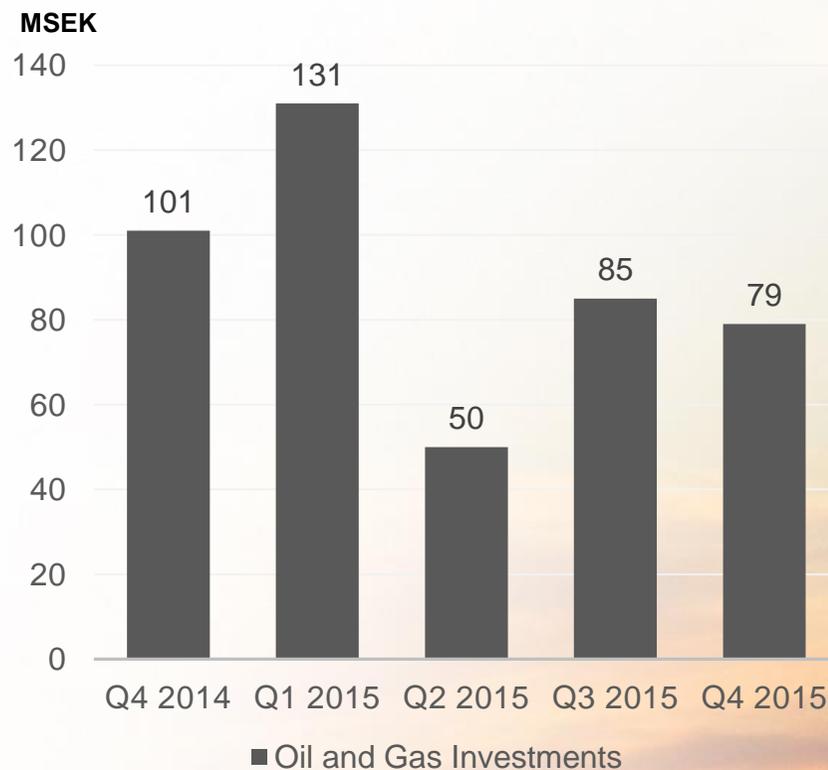
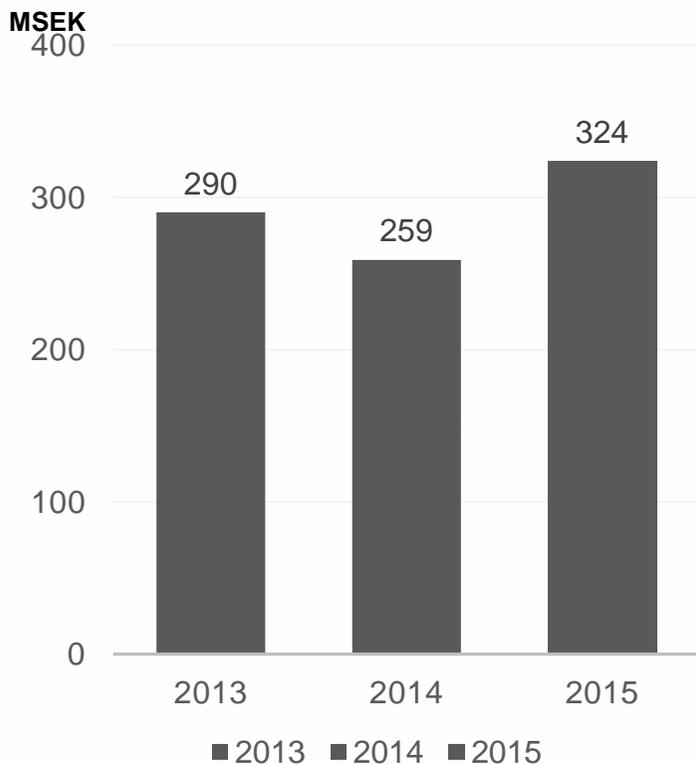
# Balance Sheet Q4 2015

<b>(MSEK)</b>	<b>2015-12-31</b>	<b>2015-09-30</b>	<b>2014-12-31</b>
<b>Net cash</b>	<b>436</b>	<b>485</b>	<b>372</b>
<b>Total assets</b>	<b>2,165</b>	<b>2,142</b>	<b>1,816</b>
<b>Shareholders' equity</b>	<b>1,864</b>	<b>1,838</b>	<b>1,675</b>

- Strong net cash position of MSEK 436
- Net cash affected by movement of over 150,000 barrels from overlift to underlift in Q4-15
- MSEK 106 distributed to shareholders (dividend SEK 1 per share) and share redemption SEK 2 per share), the share repurchase programme added MSEK 42 to the distribution of capital to shareholders.
- A large part of cash and cash equivalents are held in USD which has appreciated against SEK during the full year 2015
- Exchange rate as per balance sheet day: 8.51 SEK per USD.

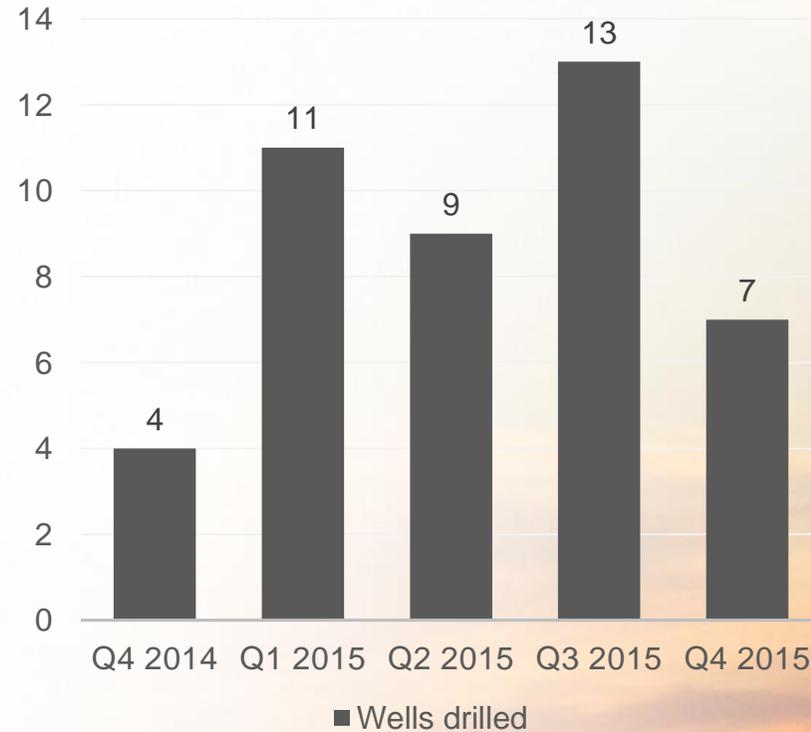
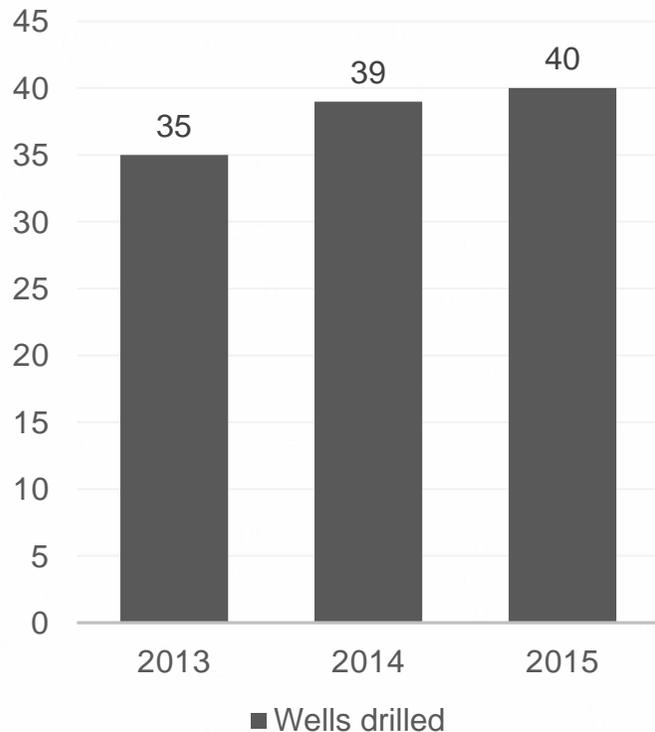


# Oil and gas investments



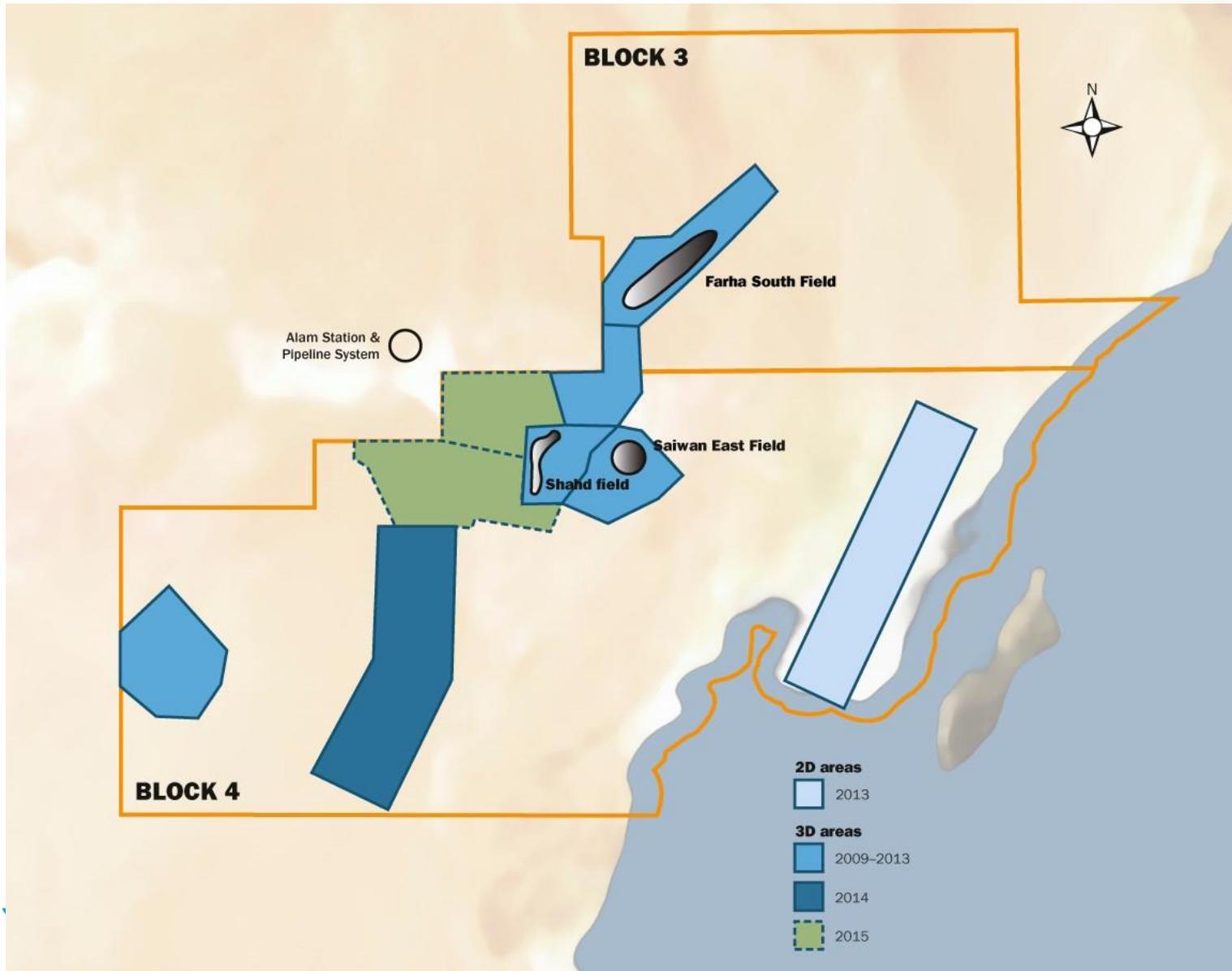
- Tethys' investments in Blocks 3 and 4 amounted to MSEK 79 in Q4

# Wells in Oman



- 7 wells drilled in Q3 2015, all on Shahd oil field
- Five rigs in operation, including one work over rig

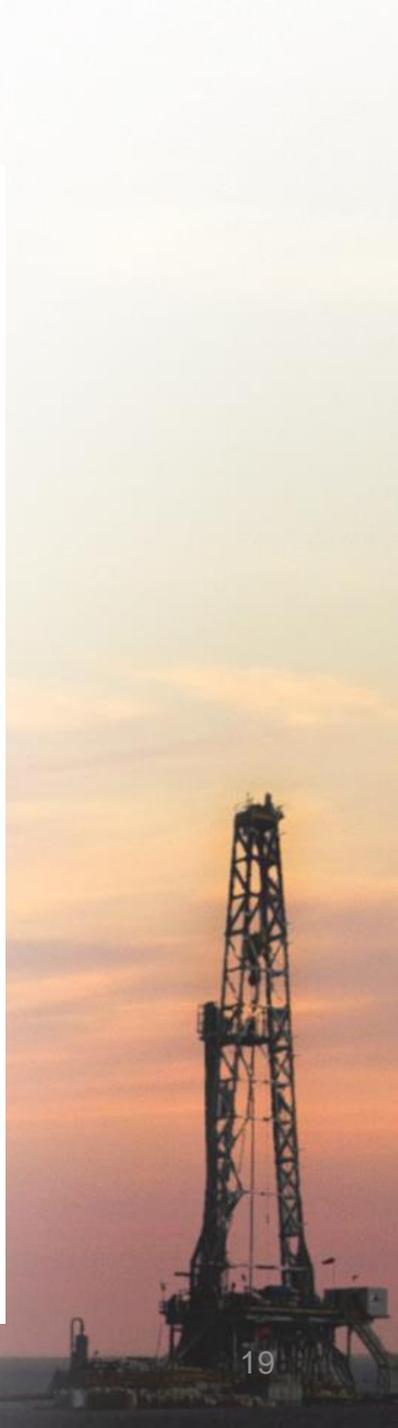
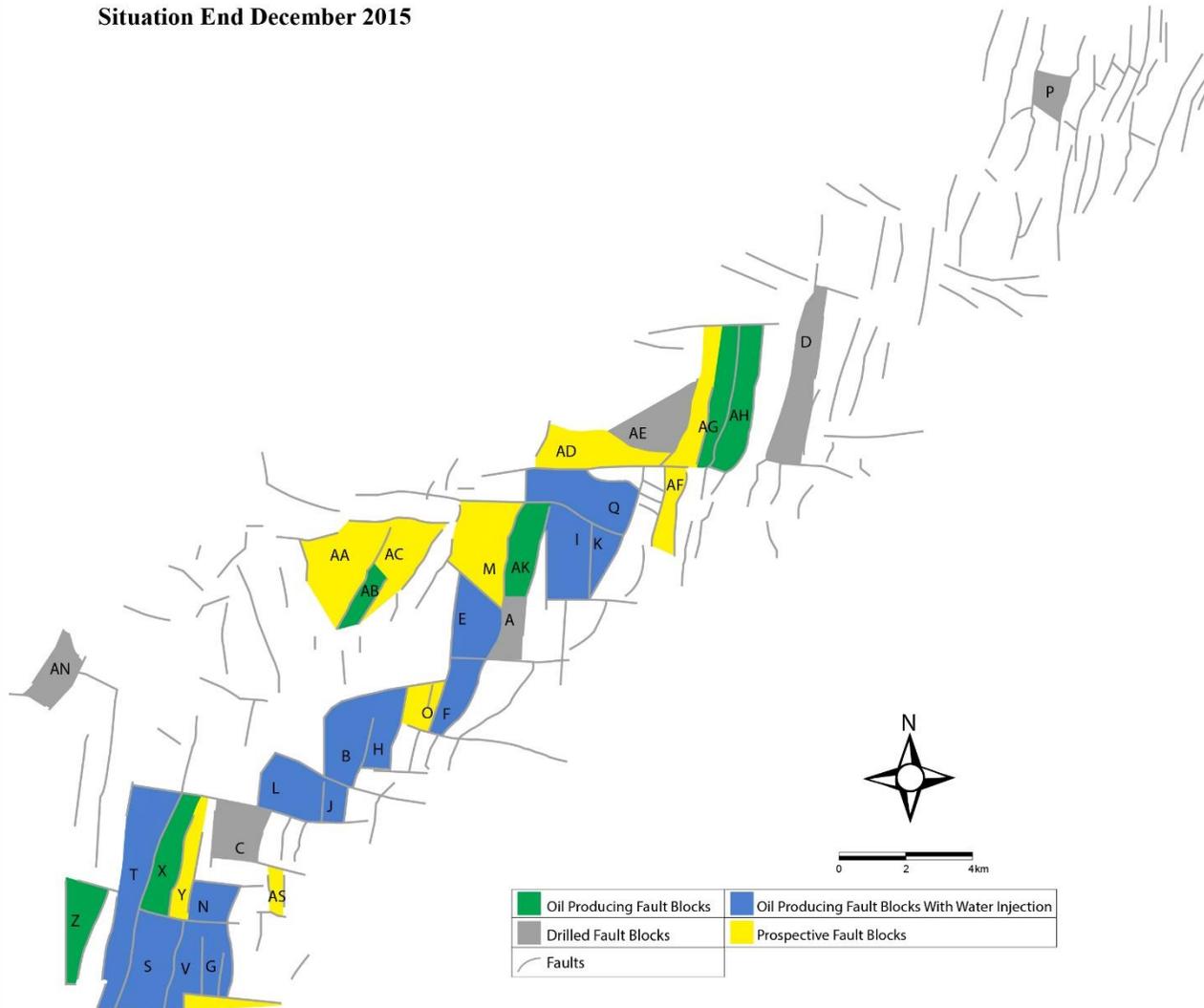
# Block 3 and 4 overview



# Farha South field, 31 December 2015

## FARHA SOUTH FIELD

Situation End December 2015

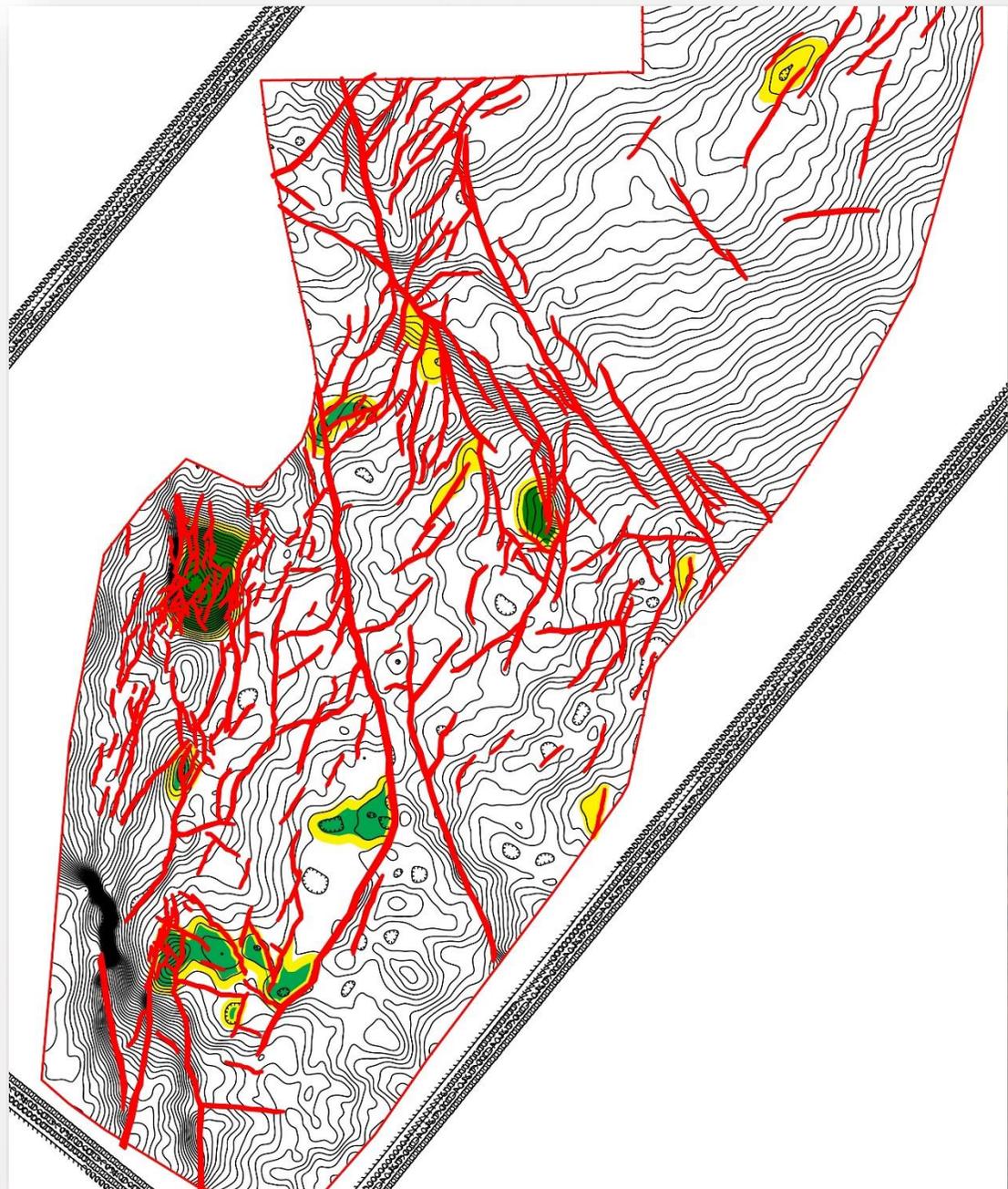


# Shahd Oil field

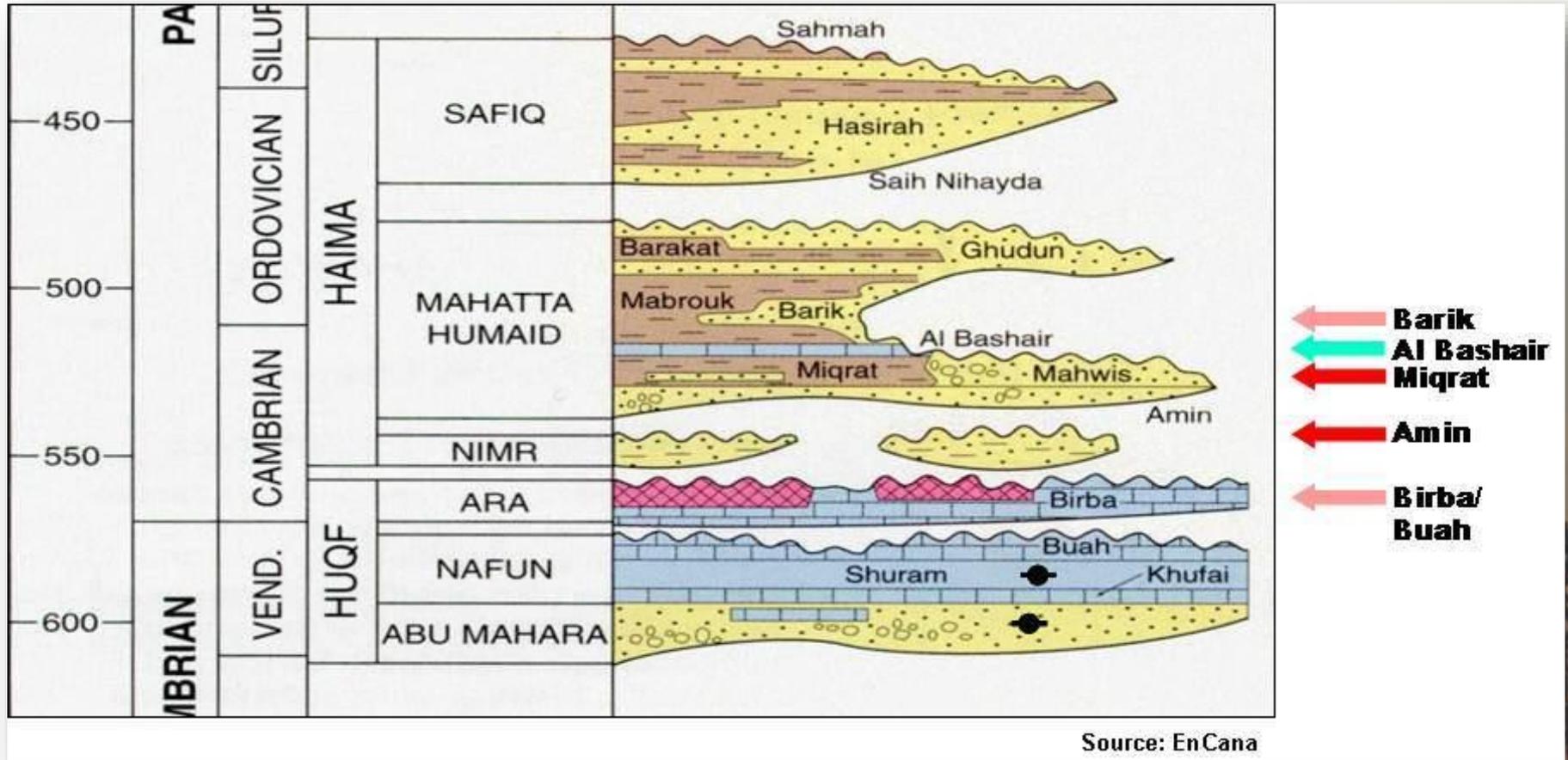
New reservoir - Lower Khufai  
Carbonates - successfully  
brought on stream

The water injection  
programme in the Buah layer  
showing signs of working

-  Producing areas
-  Prospects /  
prospective areas

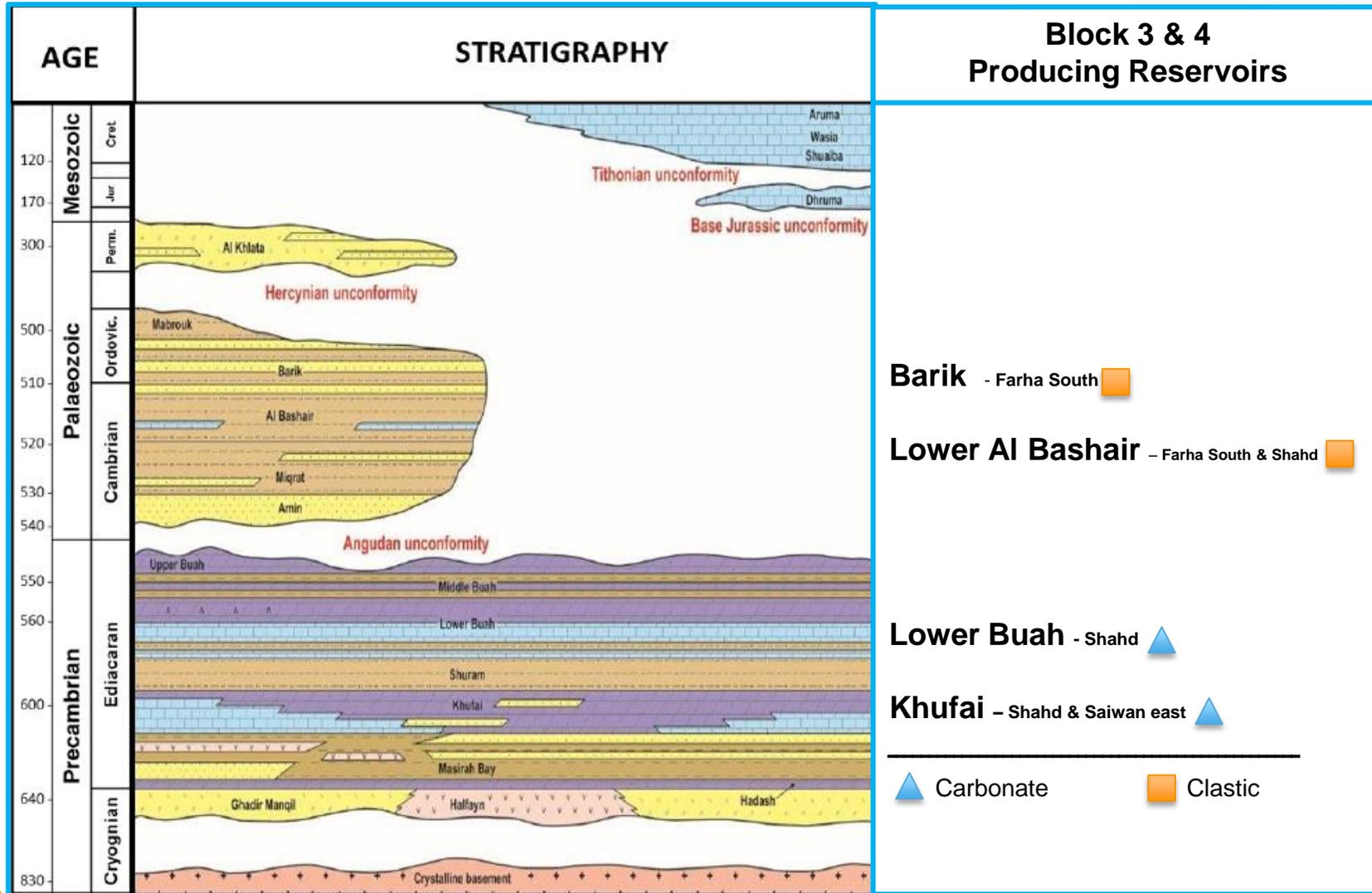


# Block 3 and 4, Oman - Stratigraphy



- Barik, Khufai, Lower Buah and Lower Al Bashir currently producing

# Stratigraphic Column with producing reservoirs



# Conclusion

- **Tethys Oil continues to yield positive financial results:**
  - Revenues MSEK 222
  - EBITDA MSEK 113
  - Net result MSEK 27
- **Tethys will be able to continue to generate a positive gross profit also at prices below 30 dollars per barrel**
- **New reservoir - Lower Khufai Carbonate - brought in production**
- **The water injection programme in the Buah reservoir layer continues following initial encouragement**
- **Production expected to continue to increase in 2016, however with monthly fluctuations**

**Q1 2016**

Will be published 3 May 2016!



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