

Q1 2016

3 May 2016



Q1-16 Highlights

- Production increase continues: new production record with 12,212 BOPD in Q1-16 – up 11% compared to Q4-15
- Revenue of MUSD 20, down 24% compared to Q4-15
- EBITDA of MUSD 10, down 25% compared to Q4-15
- Net result MUSD -2, (MUSD 3 in Q4-15)
- Earnings per share USD -0.07 for Q1-16
- Net cash of MUSD 45, down 11% compared to Q4-15
- SEK 1.00 per share dividend proposed
- 9 wells drilled on Block 3 and 4 in Oman
- Successful exploration well in northern extension of the Shahd area put into production

Tethys' assets

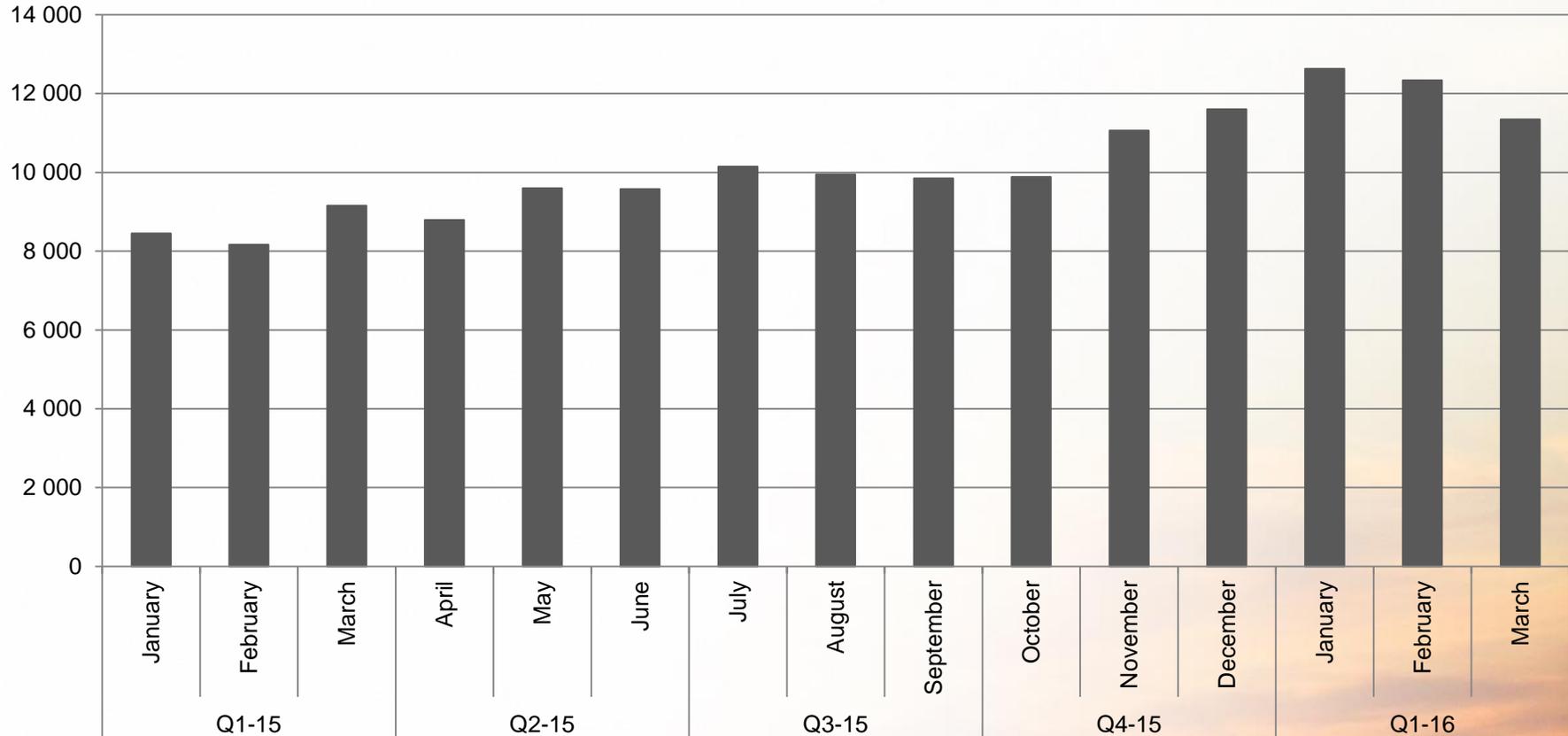
	Country	Licence	Area, km2	Tethys share	Partners*	2P reserves 31 Dec 2014 (mmbo) **	Production Q3 2015 (bopd)
Producing Assets	Oman	Block 3 & 4	34,610	30%	CC Energy , Mitsui	18.2	12,099
	Lithuania	Gargzdai	884	25%	Odin Energi, Geonafta	-	113
Exploration assets	Oman	Block 3 & 4	34,610	30%	CC Energy , Mitsui		
	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



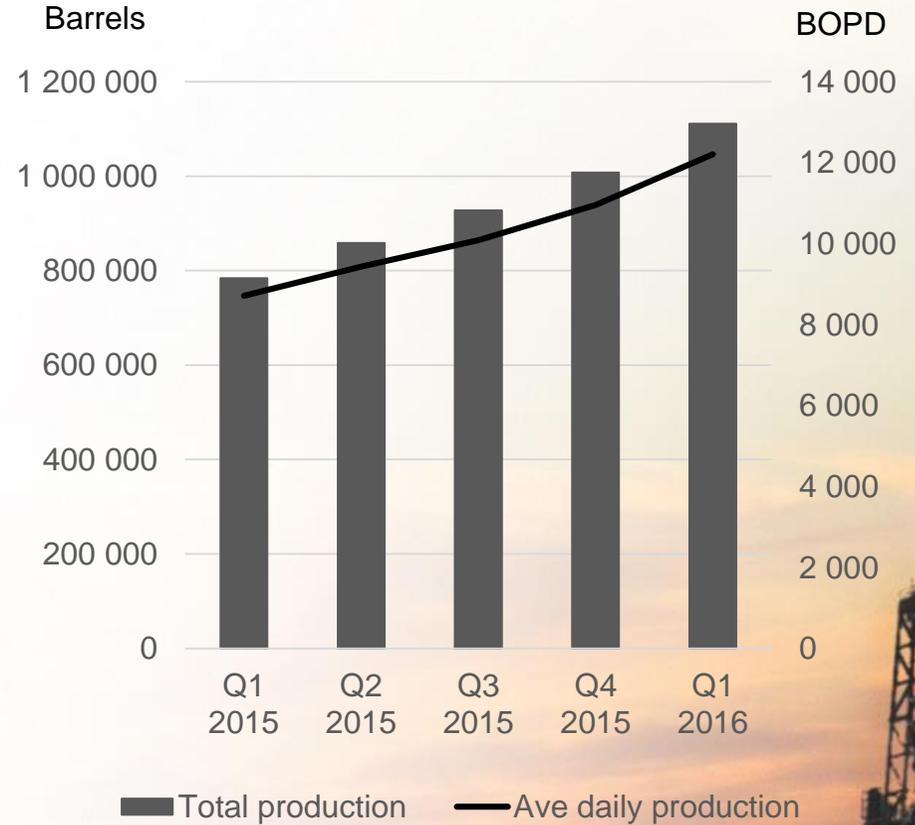
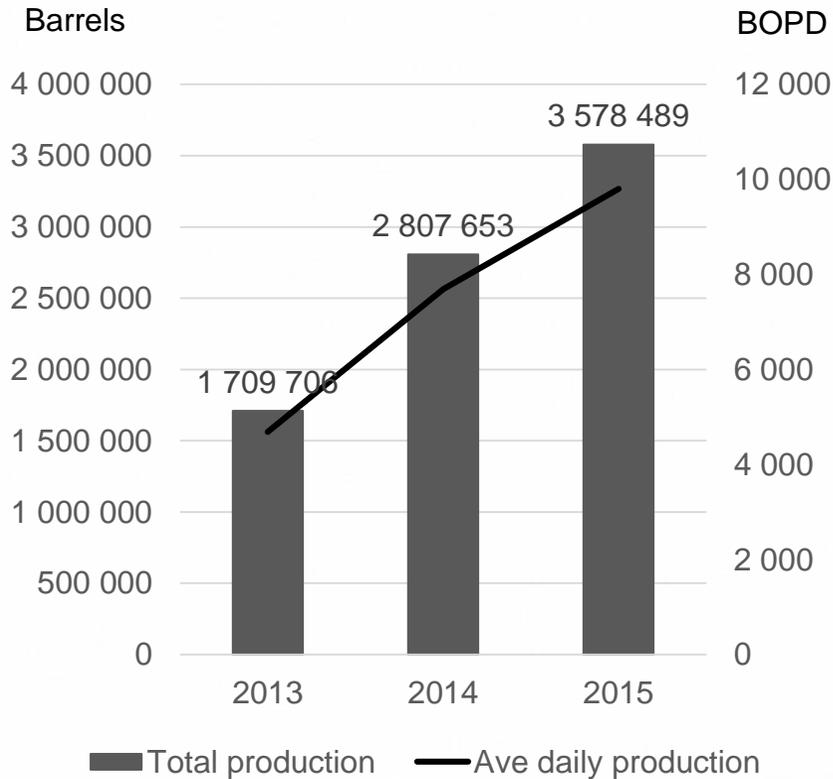
- Average production exceeds 12,000 barrels per day in Q1-16
- The production in March was affected by planned maintenance work at the Farha South field

Cash flow

- Blocks 3 and 4 investments for 2016 will be closely monitored and subject to on-going revisions. The target is to fund the year's investments on Blocks 3 and 4 primarily from cash flow from operations
- In the first quarter 2016, the cash flow from operations amounted to MUSD 10 and investments in oil and gas amounted to MUSD 15
- Lithuania operations are expected to be financed from oil production and available cash in the associated Lithuanian companies



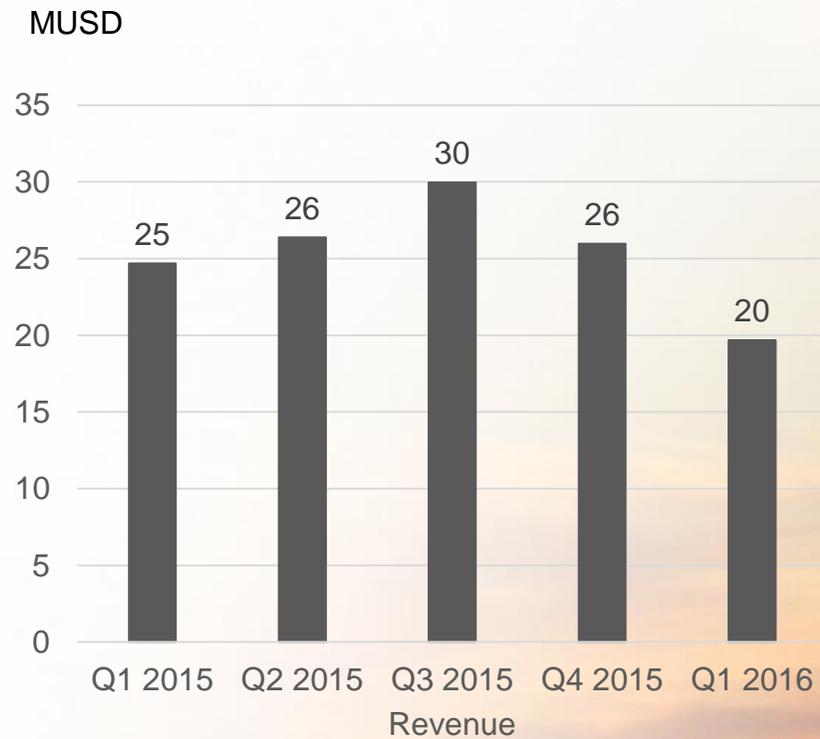
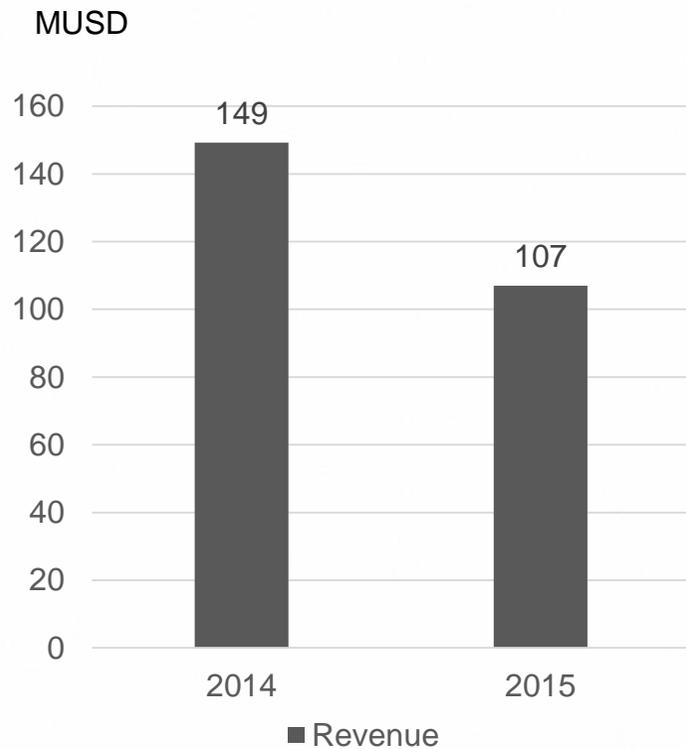
Production



- Average daily production in Q1-16 increased 11% compared with Q4-15
- Average daily production in Q1-16 increased 40% compared with Q1-15

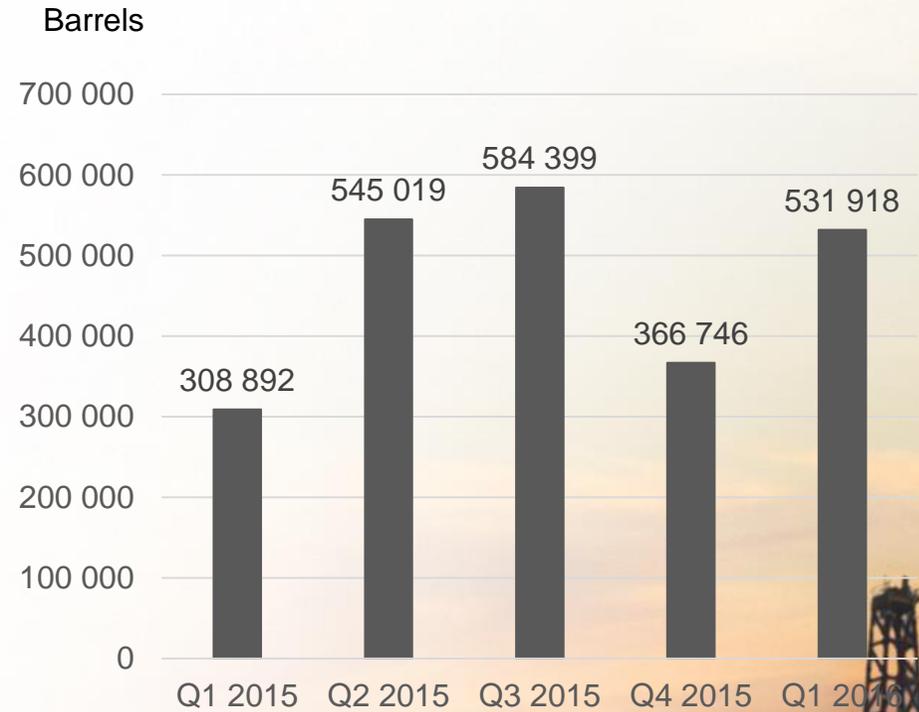
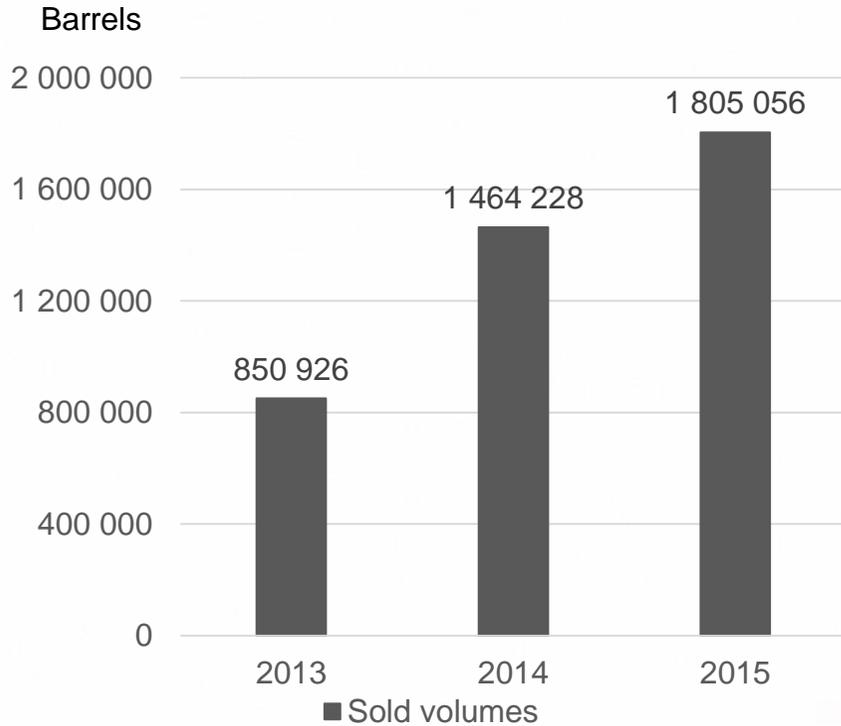


Revenues MUSD



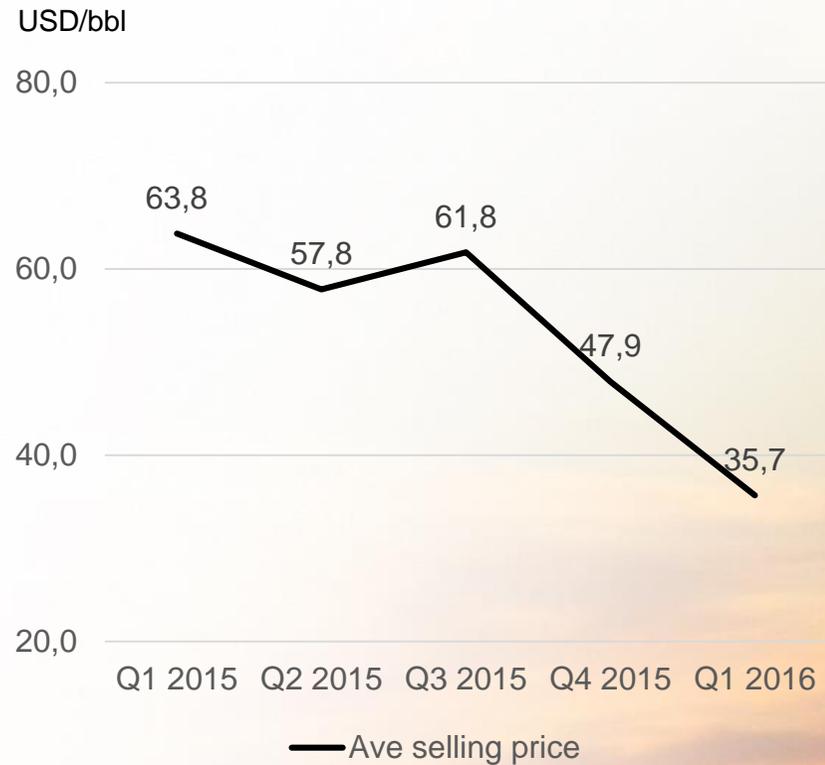
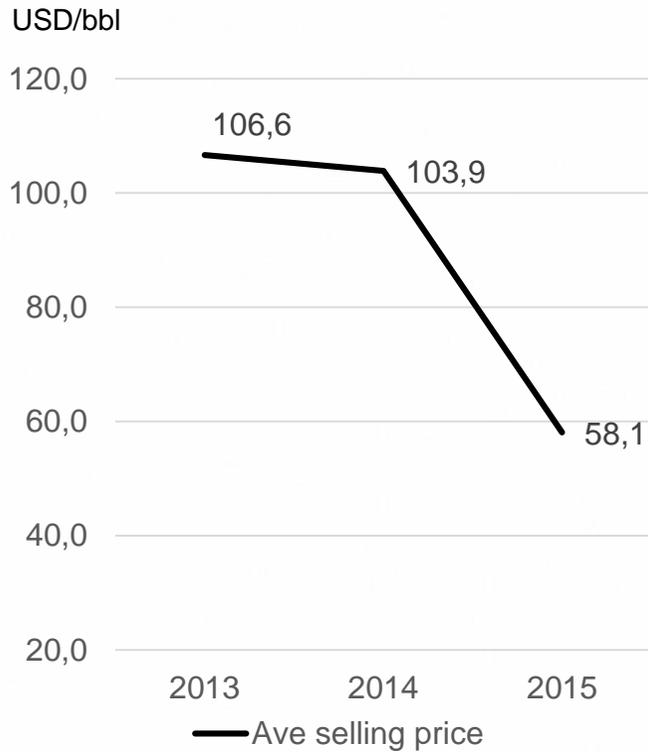
- Q1-16 revenue is down 24% compared to Q4-15 due to decline in oil prices

Sold barrels



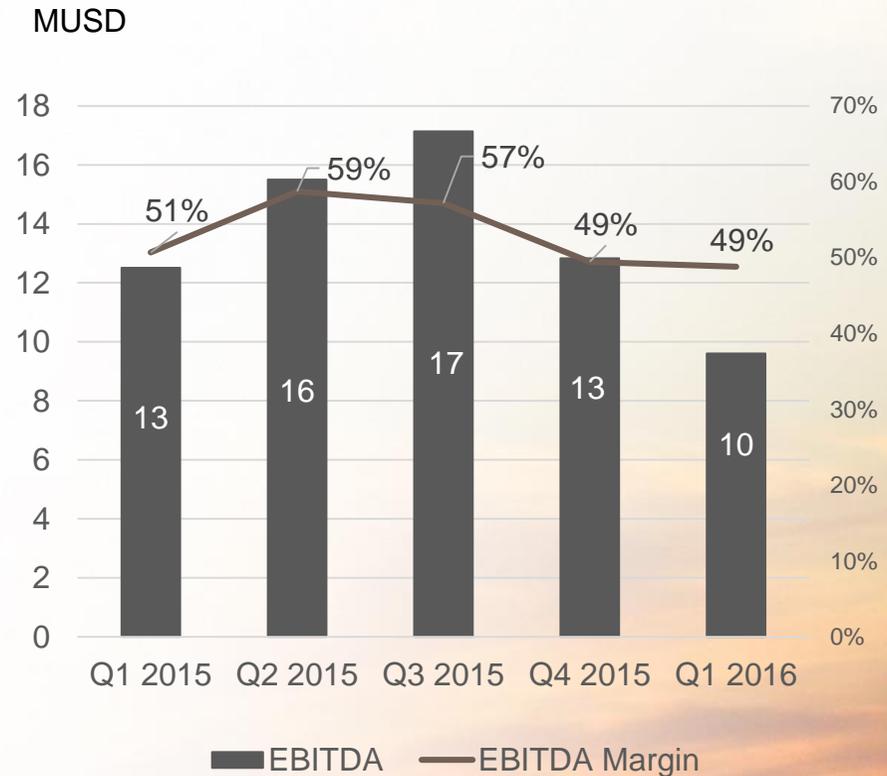
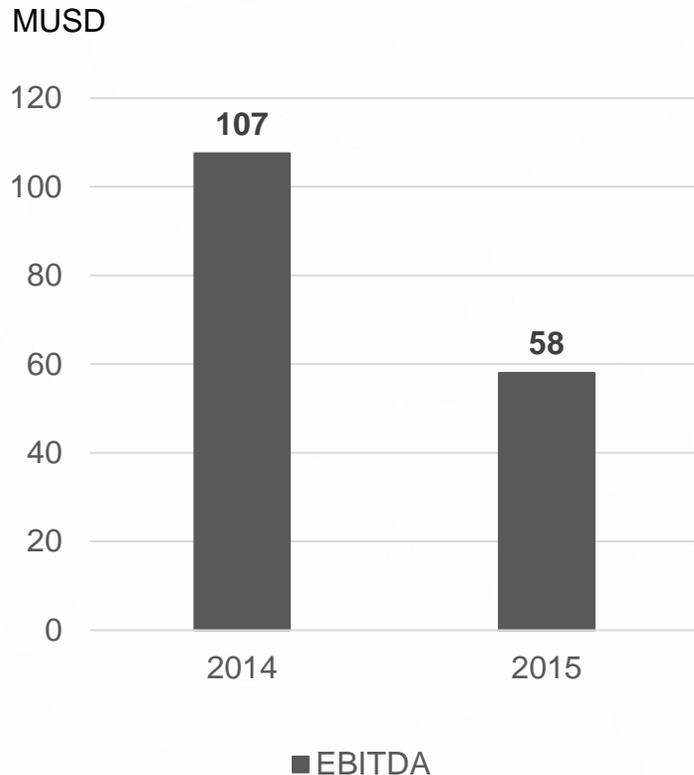
- Underlift position increased in Q1-16 with 40 618 barrels to 63 343 barrels

Average achieved selling price per barrel



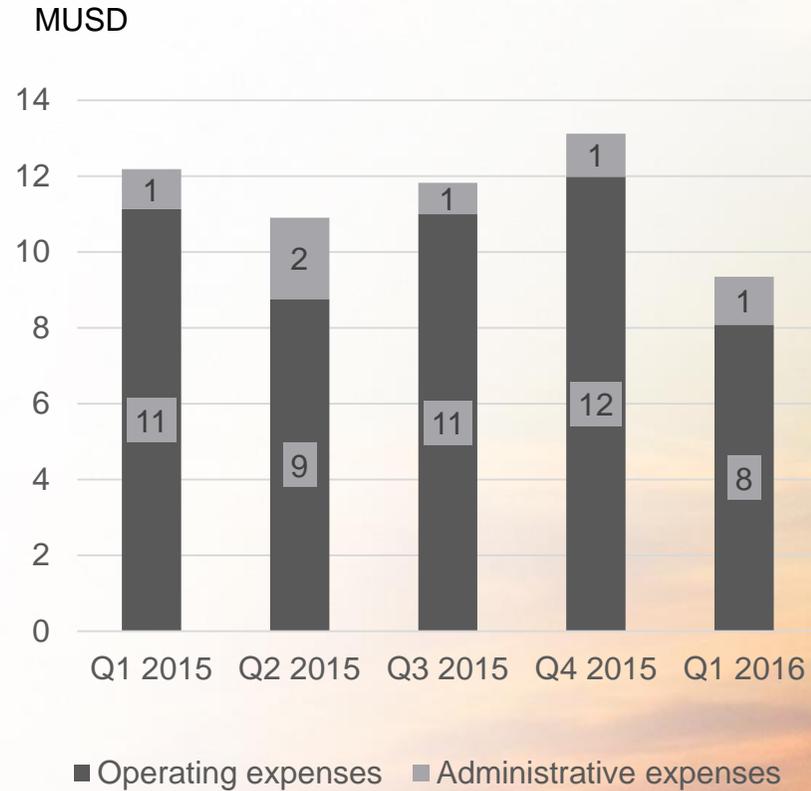
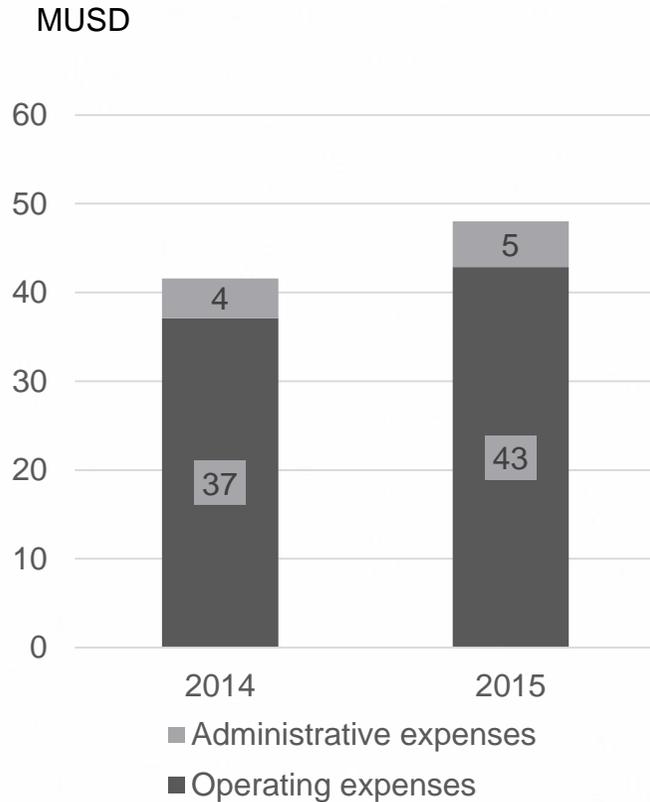
- Average achieved selling price down 25% compared with Q4-15
- 2 months lag in future price

EBITDA



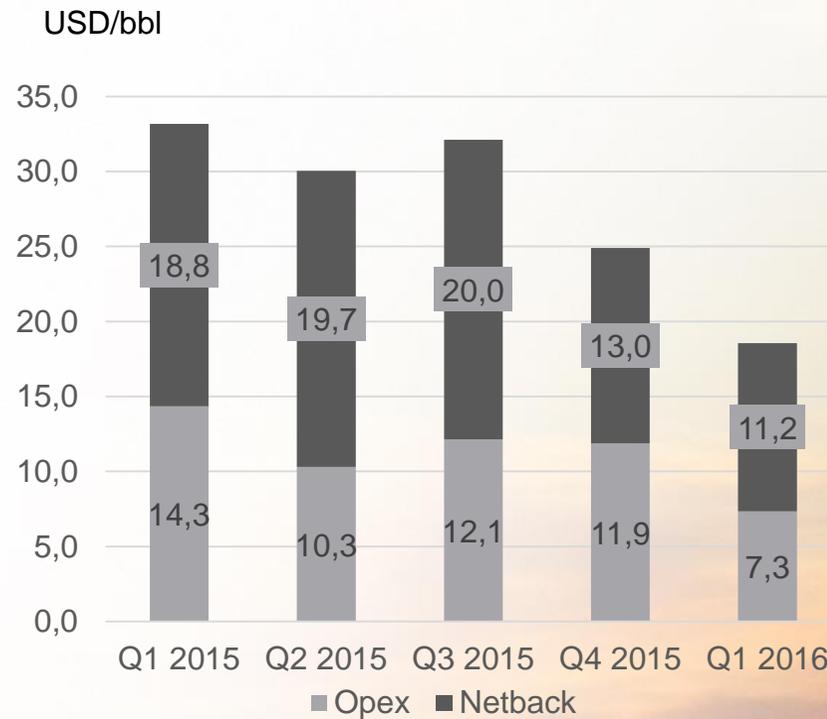
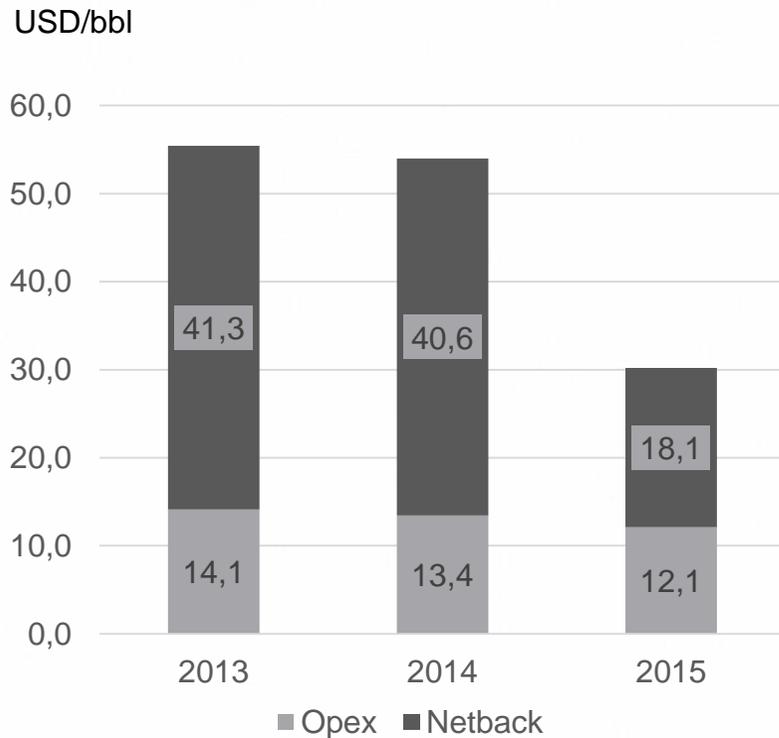
- EBITDA of MUSD 10 in Q1-16, down 24% compared with Q4-15 following lower oil prices
- EBITDA margin in line with Q4-15

Expenses



- OPEX down 33% compared with Q4-15
- Operating expenses expected to on average over the year to be lower in comparison to operating expenses in 2015.

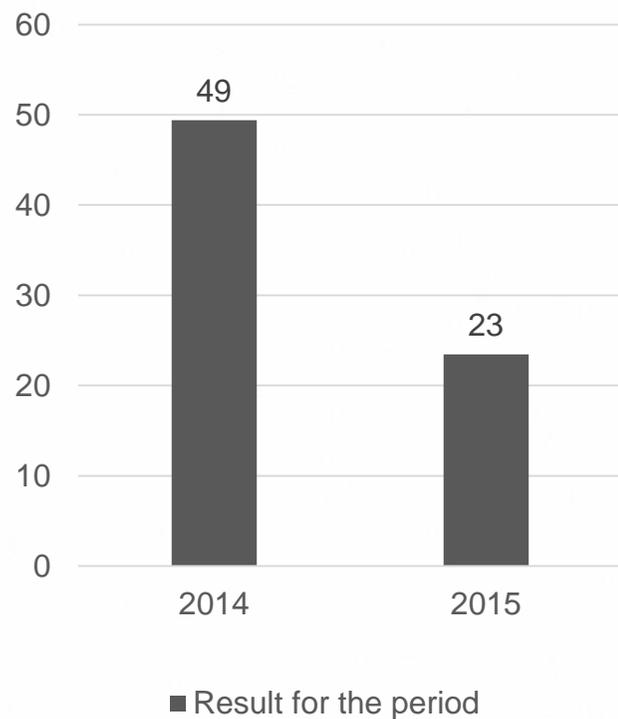
Opex and Net back per barrel (USD/bbl)



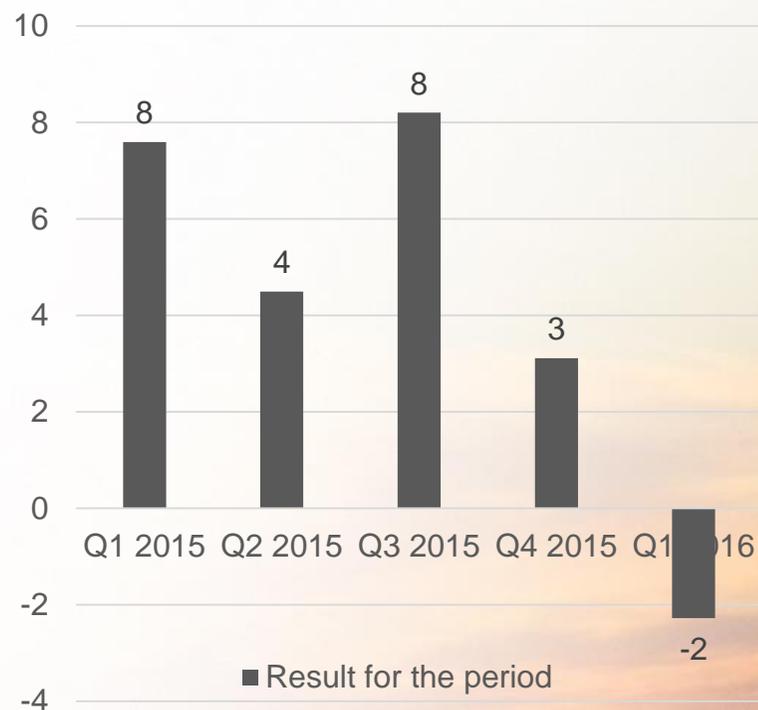
- OPEX per barrel is decreasing with higher production

Net result after tax

MUSD



MUSD



- Net result down following lower oil prices

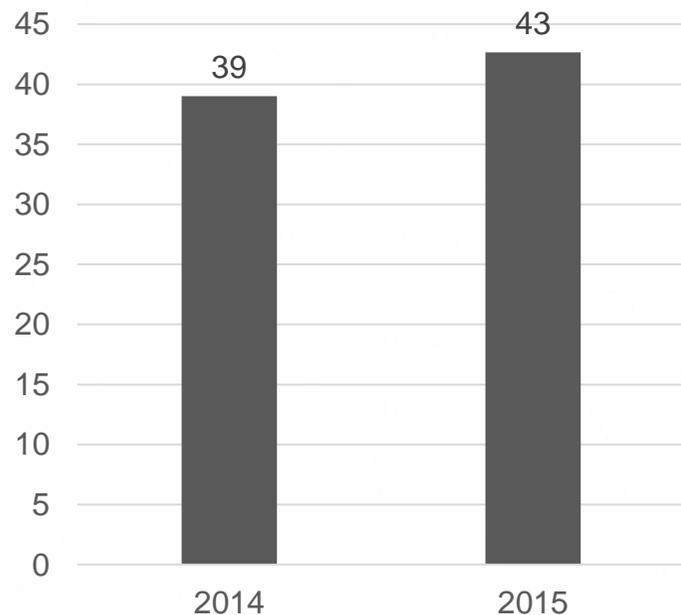
Balance Sheet Q1 2016

(MUSD)	2016-03-31	2015-12-31	2014-12-31
Net cash	45	51	48
Total assets	242	253	232
Shareholders' equity	216	217	214

- Strong net cash position of MUSD 45
- Dividend of SEK 1.00 per share proposed
- A large part of cash and cash equivalents are held in USD

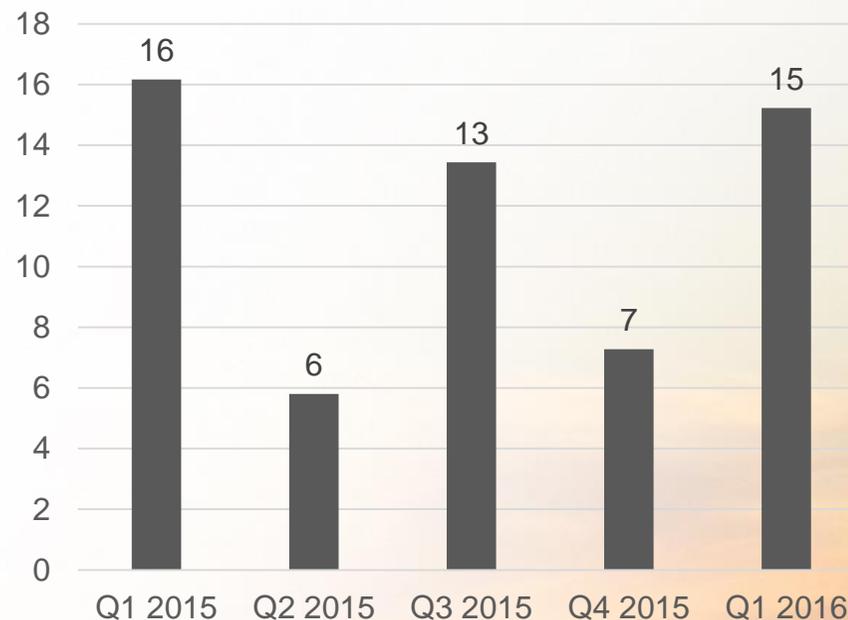
Oil and gas investments

MUSD



■ Investment in oil and gas properties

MUSD



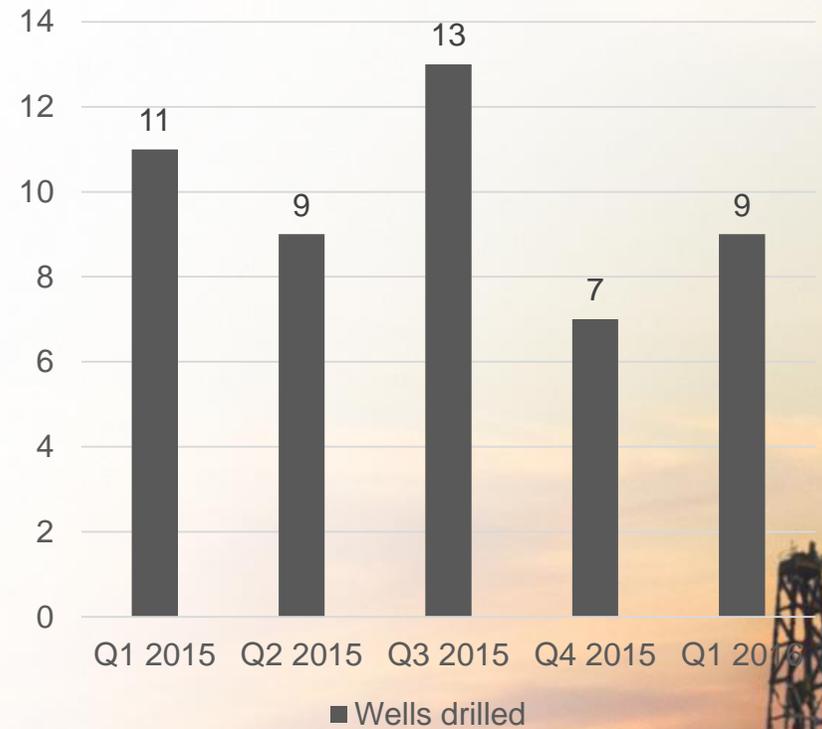
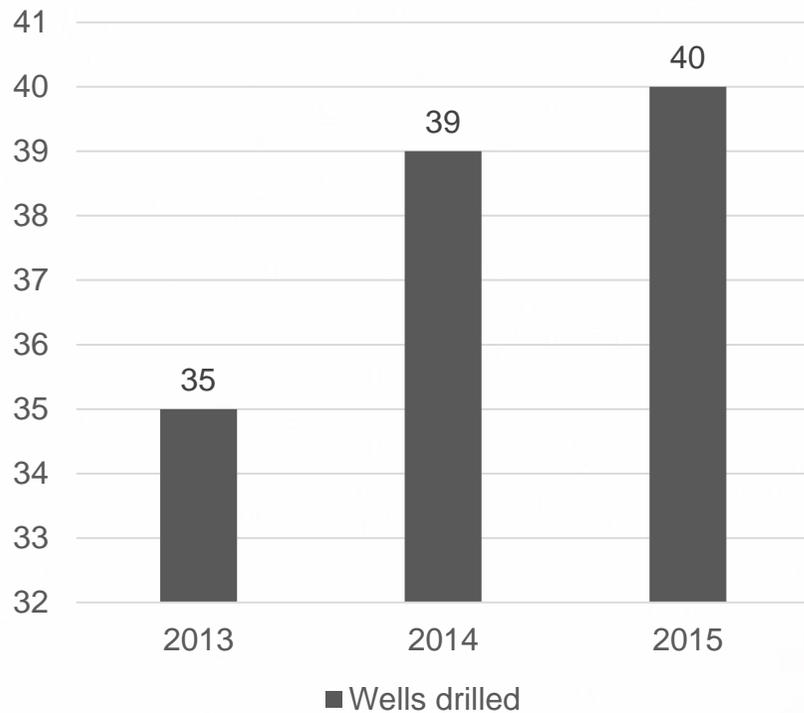
■ Investment in oil and gas properties

- Tethys' investments in Blocks 3 and 4 amounted to MUSD 15 in Q1-16



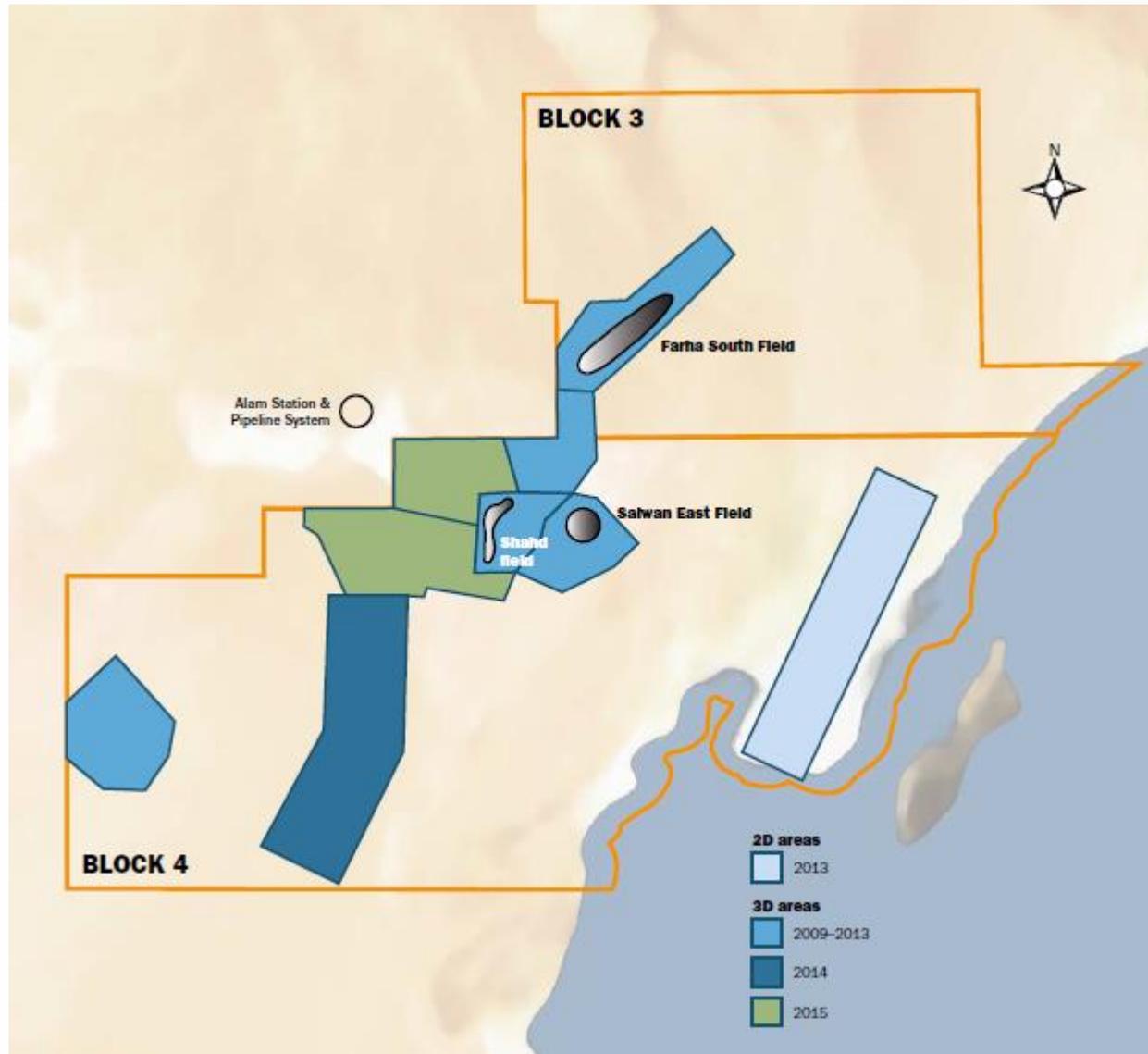
** Adjusted investments*

Wells in Oman

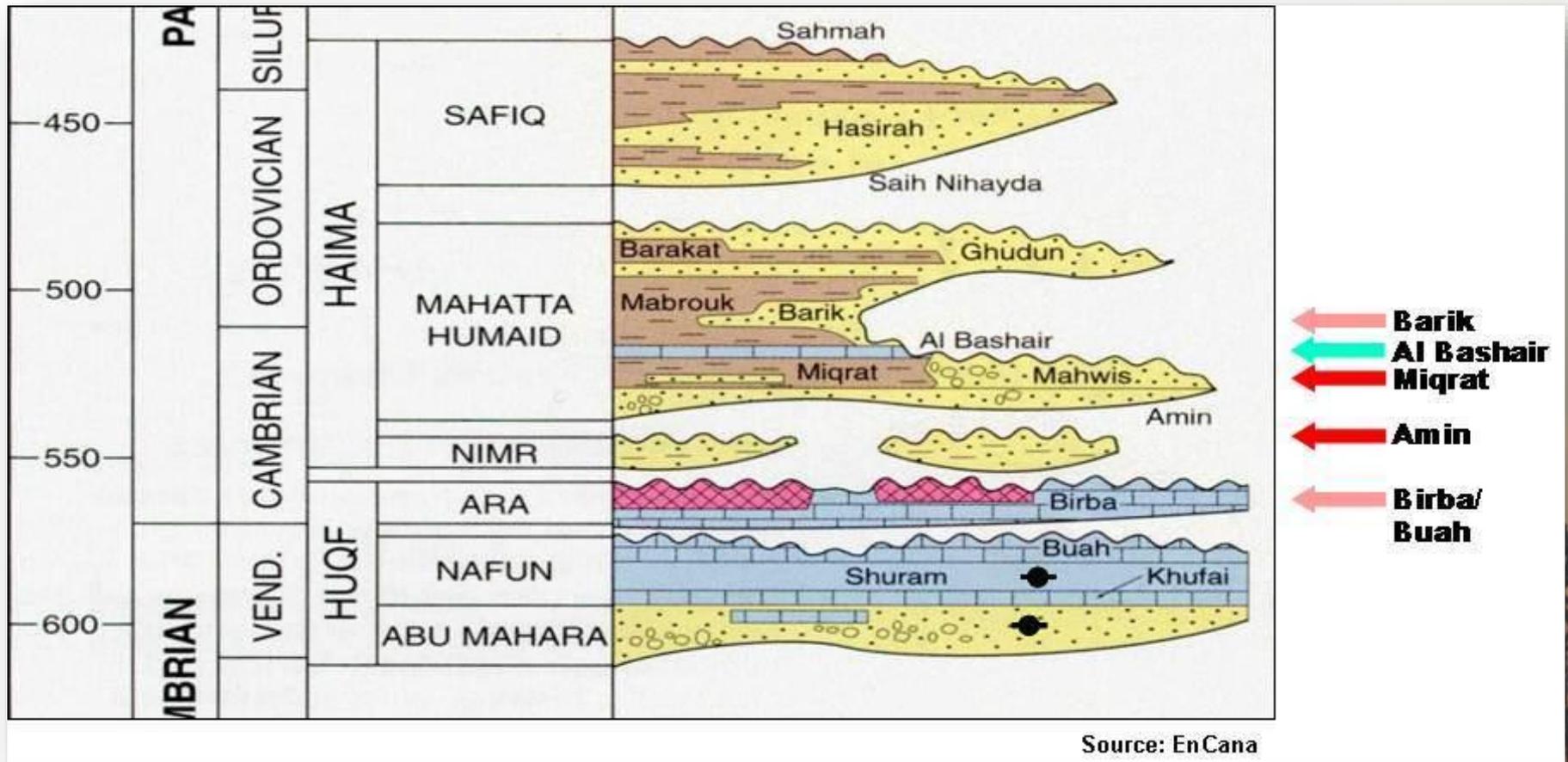


- 9 wells drilled in Q1 2016, all in the Shahd area
- One successful near field exploration well drilled in the northern extension of the Shahd area and put in production
- Five rigs in operation, including one work over rig

Block 3 and 4 overview



Block 3 and 4, Oman - Stratigraphy



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

Reserves, December 31, 2015

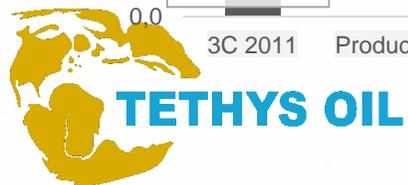
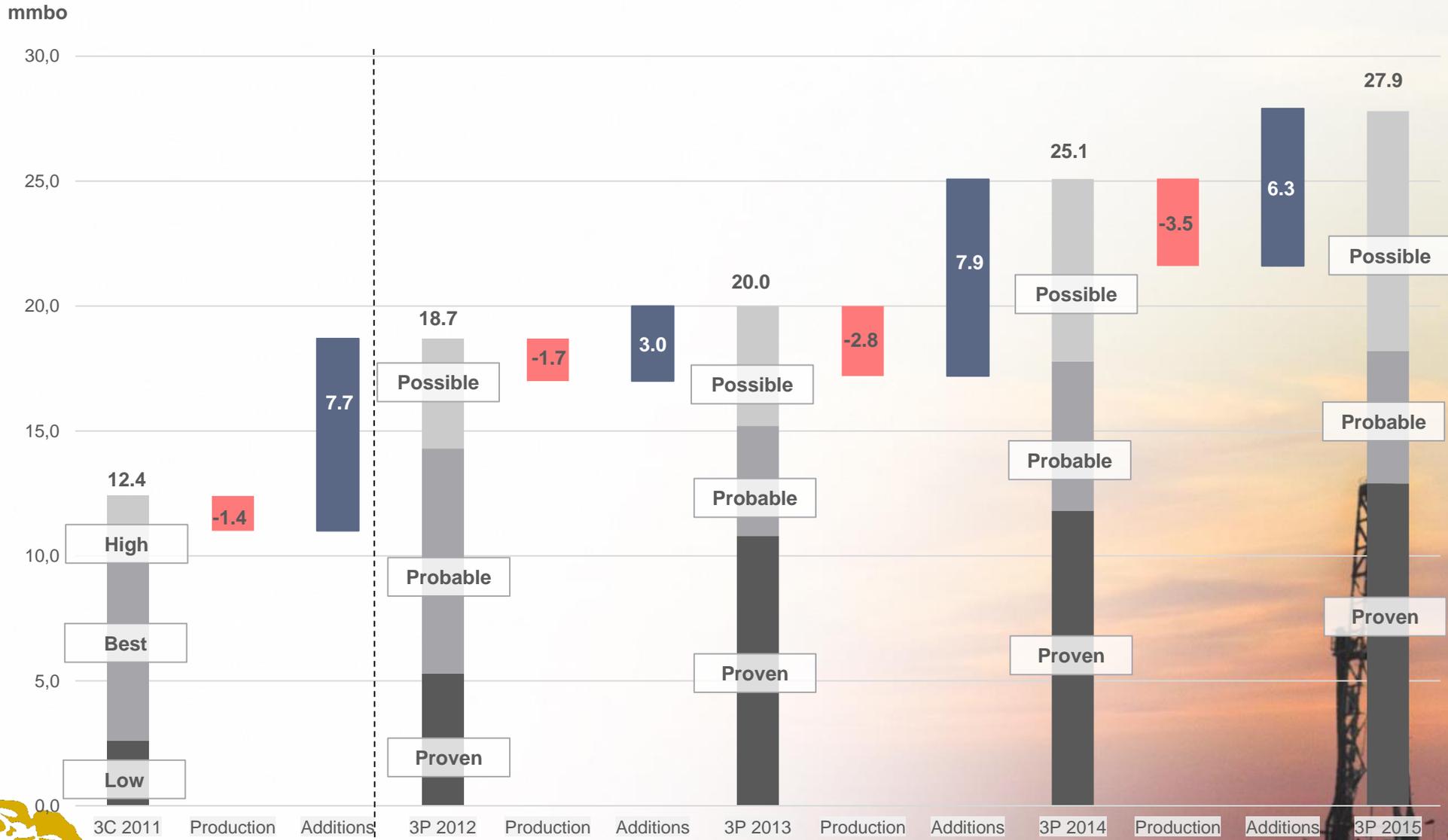
Reserves Block 3&4 Oman (31 Dec 2015, mmbo)			
<i>mmbo</i>	1P	2P	3P
Farha South	7.6	10.2	12.7
Shahd	4.9	6.8	12.0
Saiwan East	0.4	1.2	3.2
Total	12.9	18.2	27.9

Development of reserves			
<i>mmbo</i>	1P	2P	3P
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
Total 31 Dec 2015	12.9	18.2	27.9

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



Development of reserves, Blocks 3&4

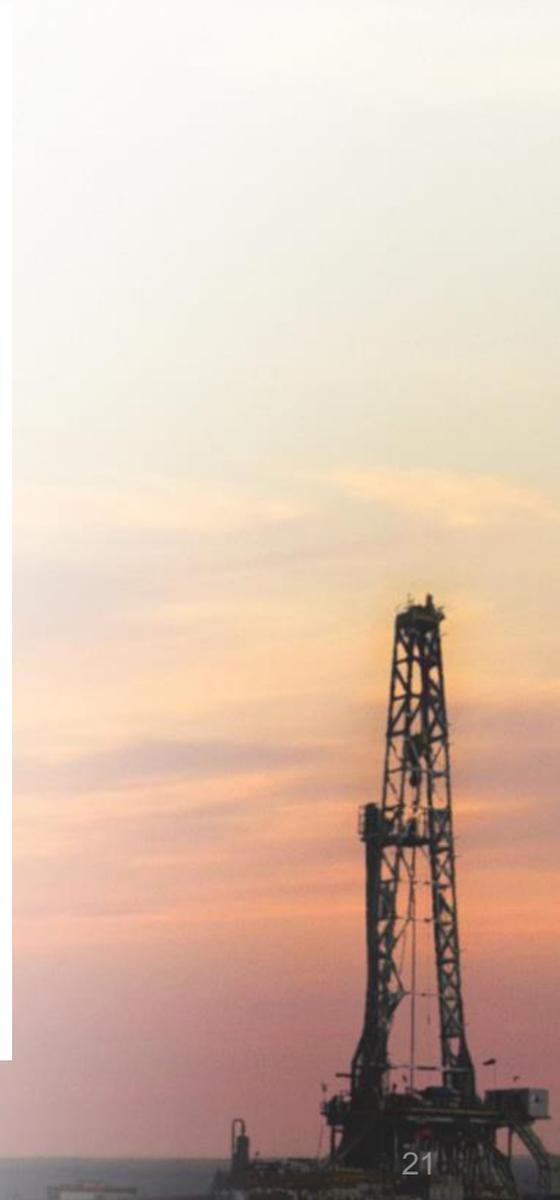
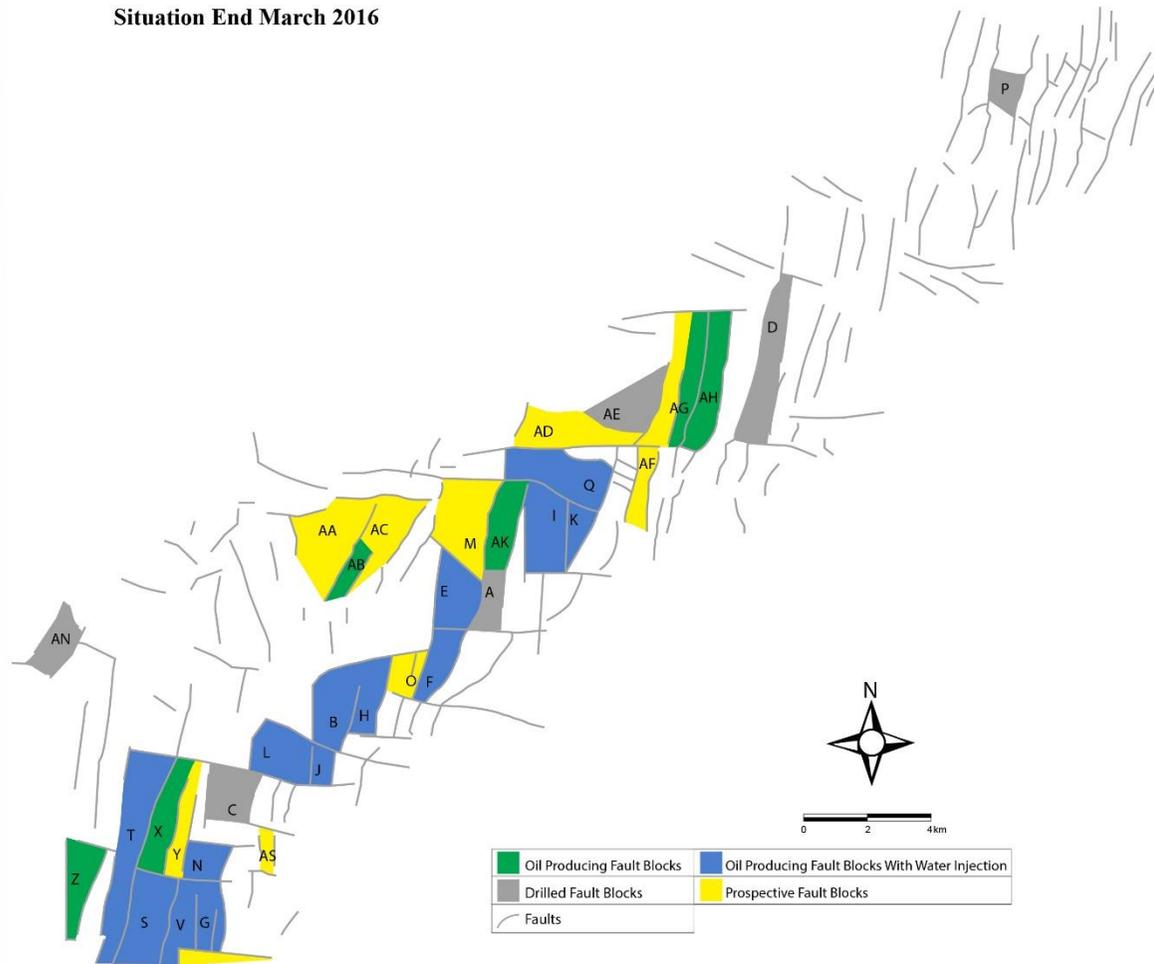


Field Development Plan for Blocks 3 and 4 approved

Farha South field, 31 March 2016

FARHA SOUTH FIELD

Situation End March 2016

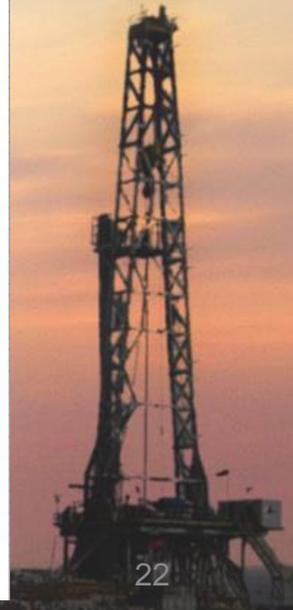
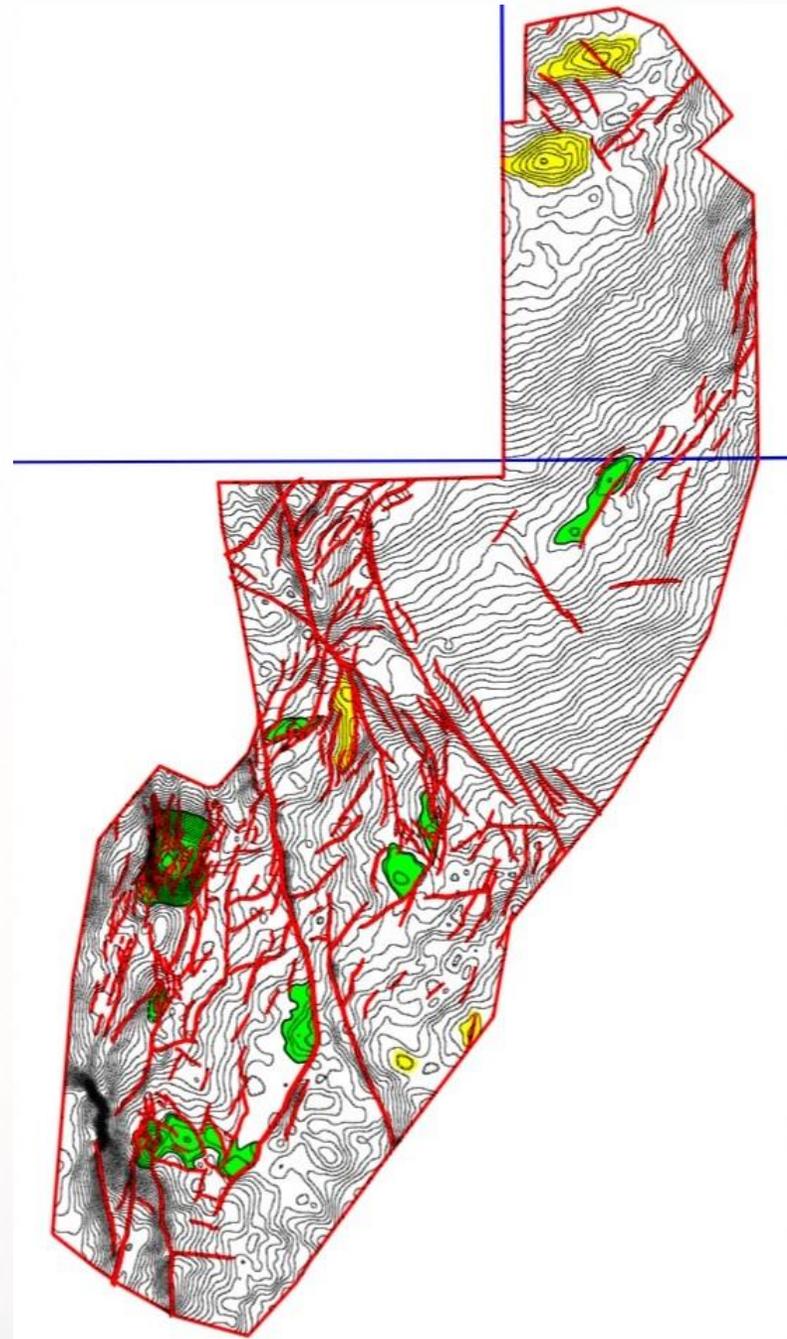


Shahd Oil field

- New structure in northern extension of Shahd area successfully drilled and brought on stream

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

Several leads and prospects mapped



Conclusion

- **Financial results:**
 - Revenues MUSD 20
 - EBITDA MUSD 10
 - Net result MUSD -2
- **Production increased 11% compared to Q4-15. Production expected to continue to increase in 2016, however with monthly fluctuations**
- **New near field exploration well successful – new structure in northern extension of Shahd area brought on stream**
- **About 25 structures in production - in-house inventory of mapped leads and prospects is approaching 30**

Q2 2016

Will be published 16 August 2016!



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