

Q3 2017

7 November 2017



Q3-17 Highlights

(MUSD)	Q3-17	Q2-17	9M-17	9M-16
Revenue	28.5	31.4	89.2	66.3
EBITDA	18.2	21.0	58.5	34.4
Net result	4.8	10.6	22.1	1.1

- 12,354 BOPD produced in Q3-17, in line with Q2-17
- Average selling price per barrel of USD 48.6, down 9% compared with Q2-17
- Earnings per share (after dilution) USD 0.14 for Q3-17
- Net cash of MUSD 47.5, (MUSD 32.3 in Q2-17)
- 9 new wells drilled on Blocks 3&4 during Q3 2017
- 2 previously undrilled fault blocks on Farha South drilled and found oil bearing
- Exploration well Samah-1 is drilling
- 3D campaign expected to be launched in Q4 east of Ulfa discovery

Tethys Oil's assets

	Country	Licence	Area, km2	Tethys share	Partners*	2P reserves, net, 31 Dec 2016 (mmbo) **	Production, net, Q3 2017 (bopd)
Producing Assets	Oman	Blocks 3&4	29,130	30%	CC Energy , Mitsui	21.4	12,259
	Lithuania	Gargzdai	884	25%	Odin Energi, Geonafta	-	95
Exploration assets	Oman	Blocks 3&4	29,130	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		



* Operator in bold

** Reserves in Oman audited by DeGolyer and MacNaughton

Reserves at December 31, 2016

Reserves Blocks 3&4 Oman (31 Dec 2016, mmbo)			
<i>mmbo</i>	1P	2P	3P
Farha South	8.7	11.6	14.0
Shahd	4.7	7.8	13.0
Saiwan East	0.8	2.0	2.7
Total	14.2	21.4	29.7

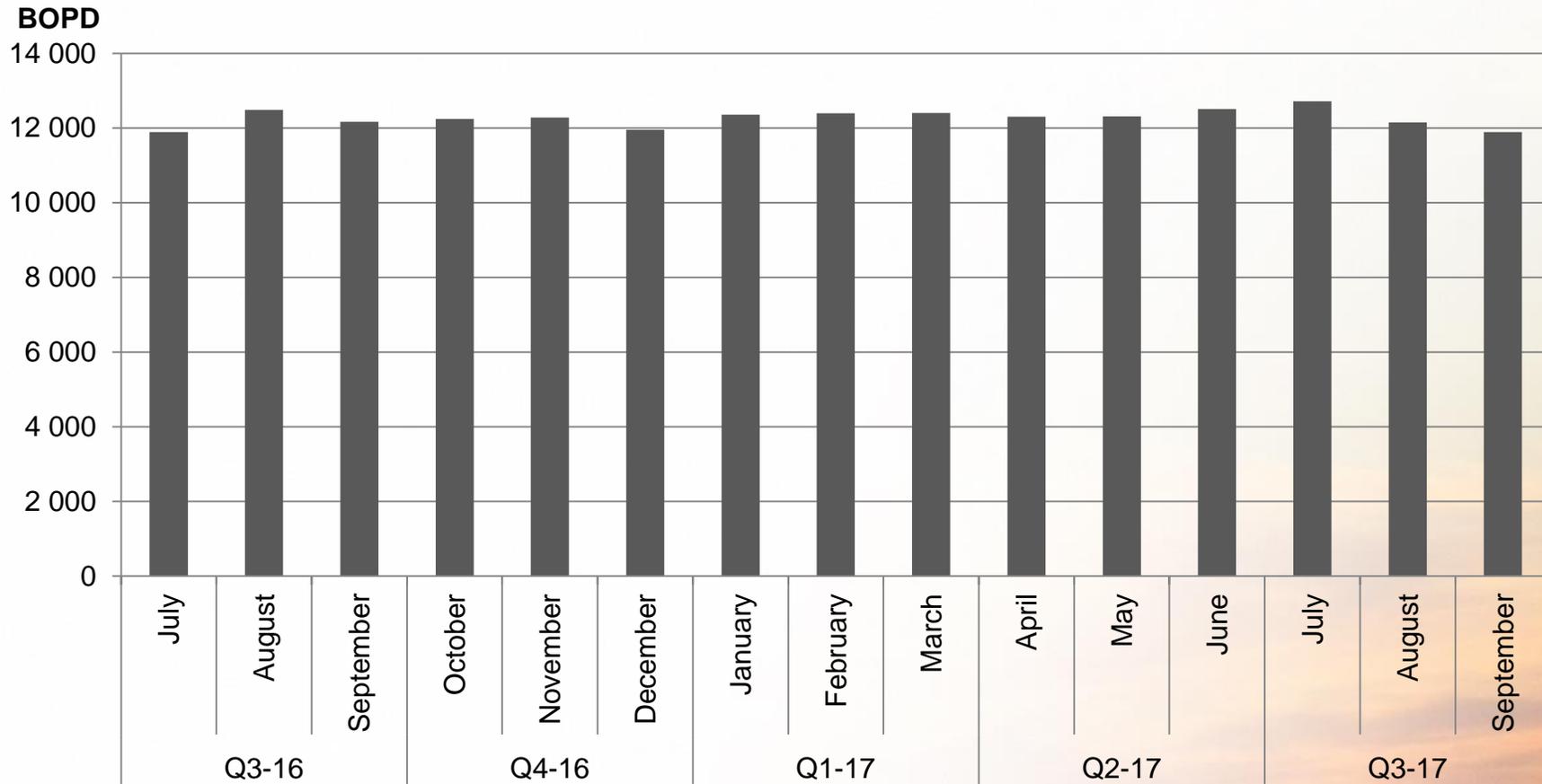
Development of reserves			
<i>mmbo</i>	1P	2P	3P
Total 31 Dec 2015	12.9	18.2	27.9
Production 2016	-4.4	-4.4	-4.4
Discoveries	0.1	0.2	0.3
Revision	5.6	7.4	6.0
Total 31 Dec 2016	14.2	21.4	29.7

- The increase in 2P reserves represents an internal reserve replacement ratio in 2016 of 171%



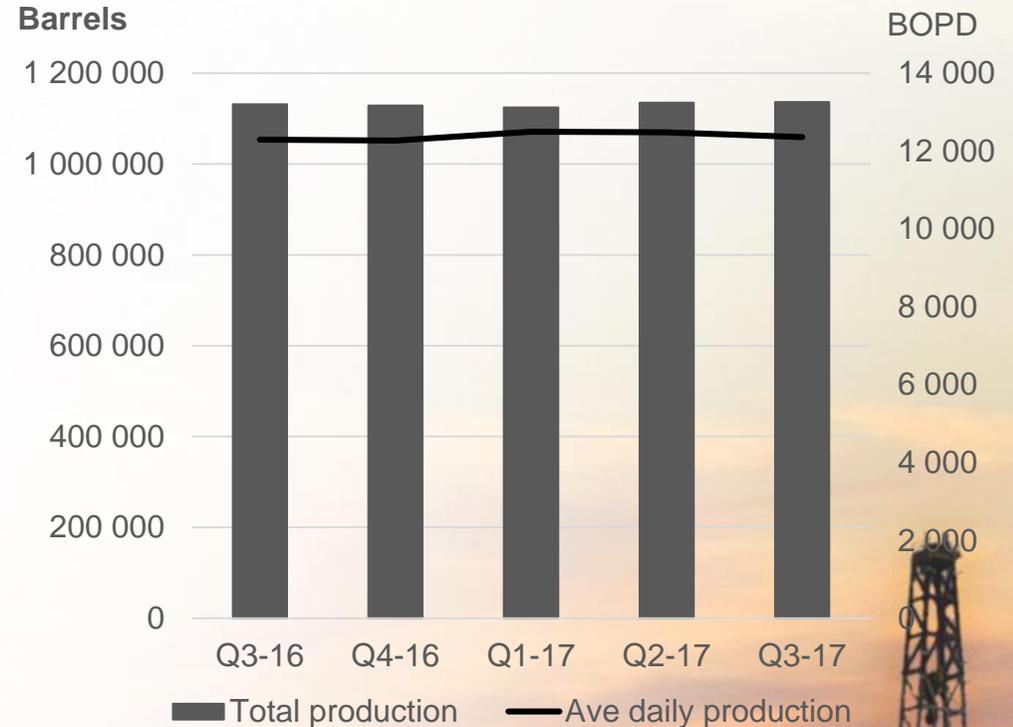
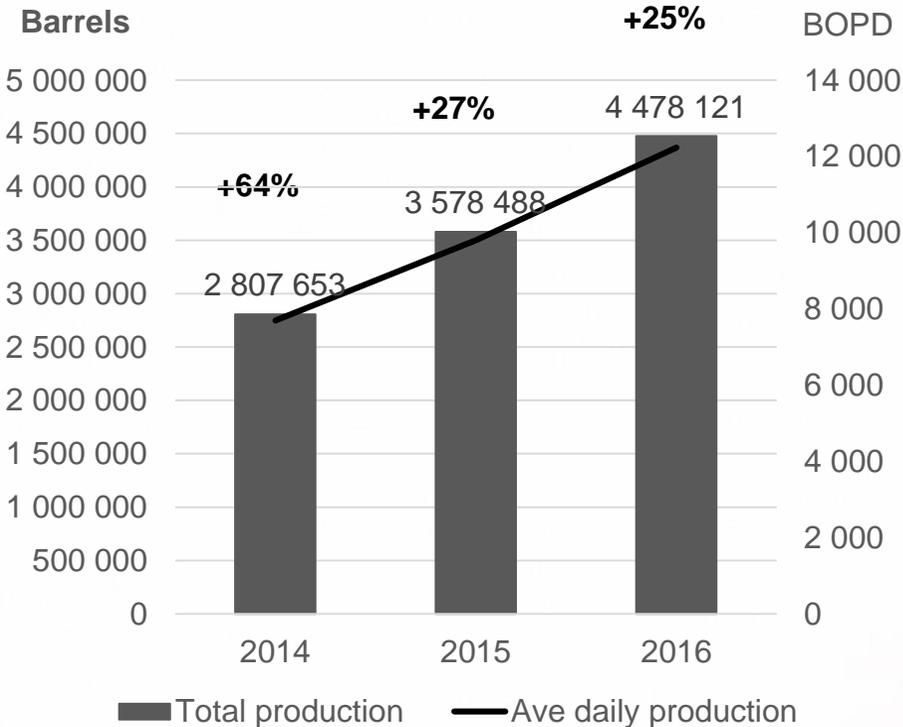
Independent petroleum consultant DeGolyer and MacNaughton Canada Limited (“DMCL”) reviews Tethys Oil’s reserves in Oman annually.

Average daily production in Oman



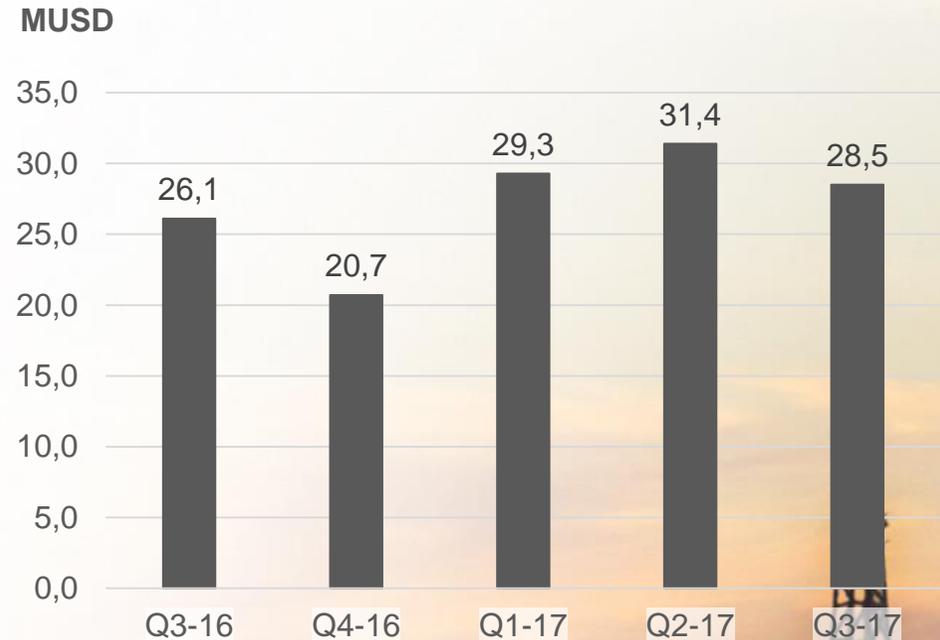
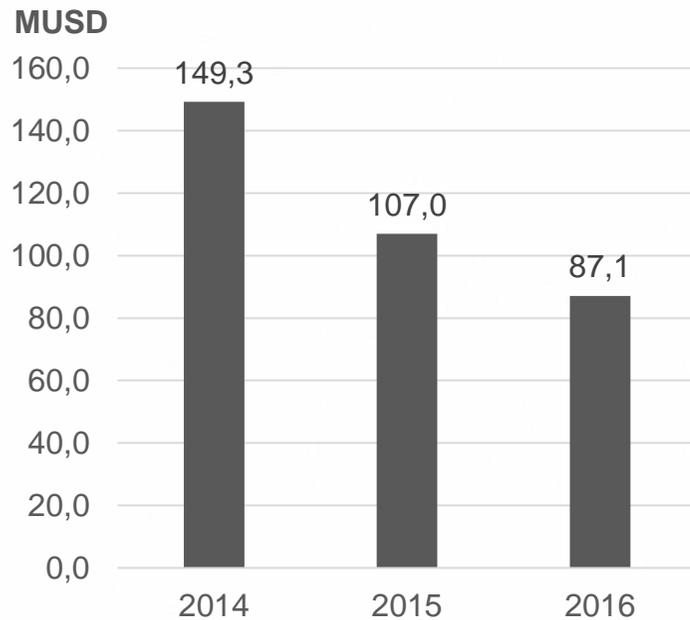
- All time high monthly production in July: 12,719 bopd
- September was weaker with 11,894 bopd
- Average daily production expected to be in line with first half 2017 until end of Q1-18

Production



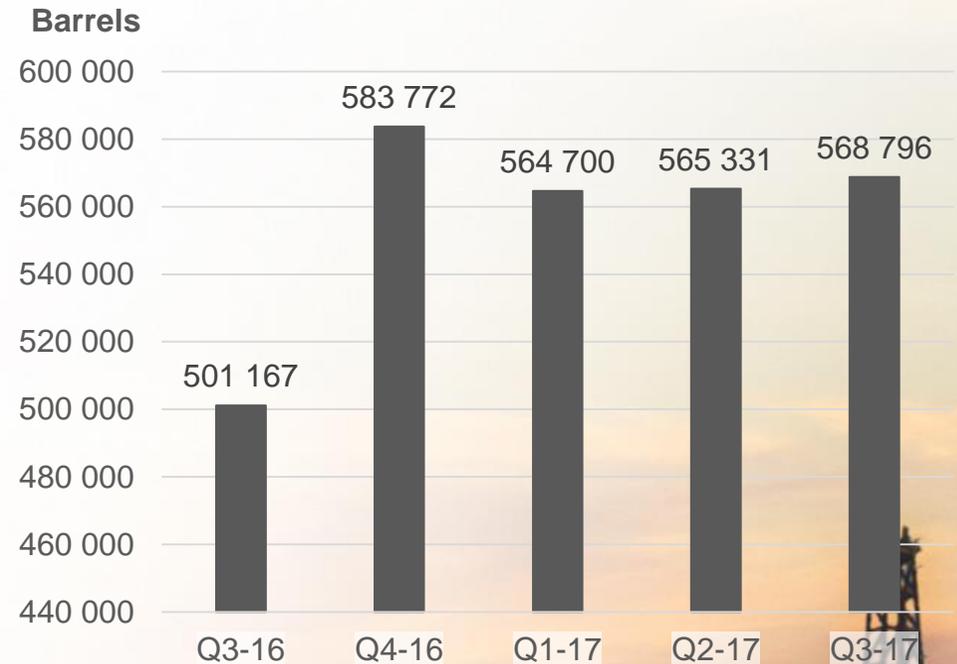
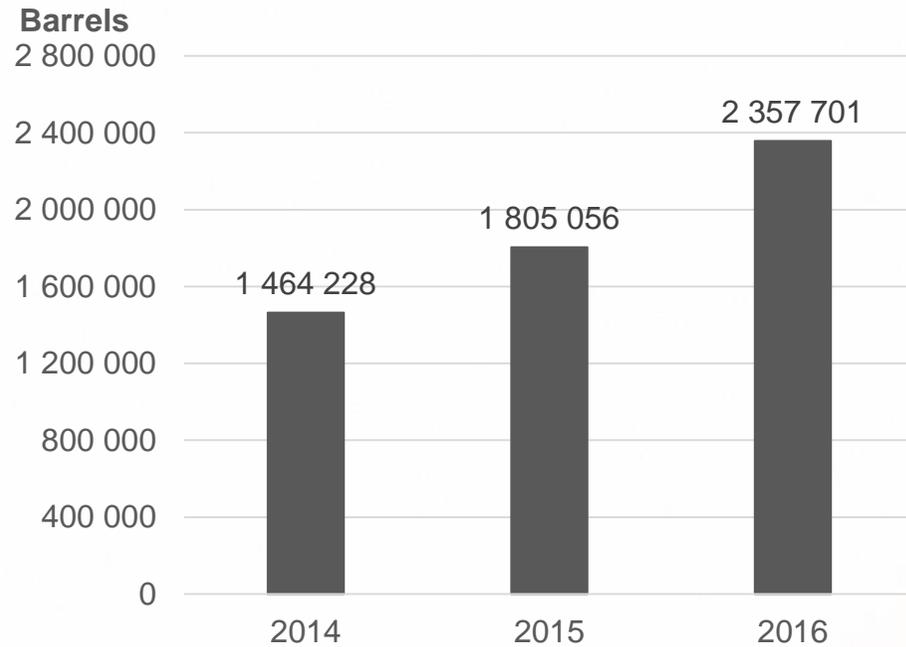
- Average daily production in Q3-17 was in line with Q2-17 and amounted in total to 1,136,559 barrels
- Remedial work could impact production negatively in the short term but aims at improving overall performance in the long term.

Revenue MUSD



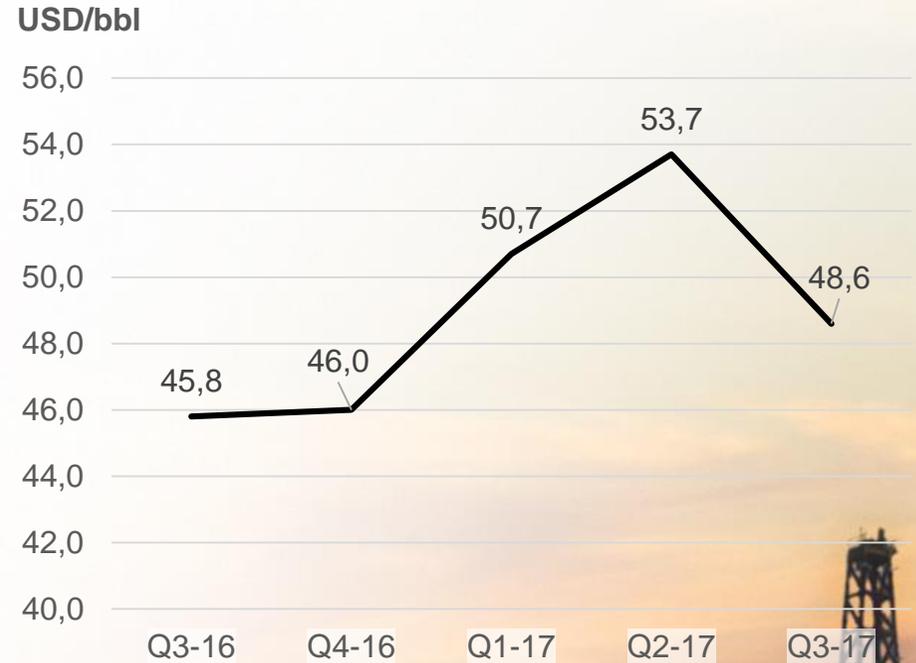
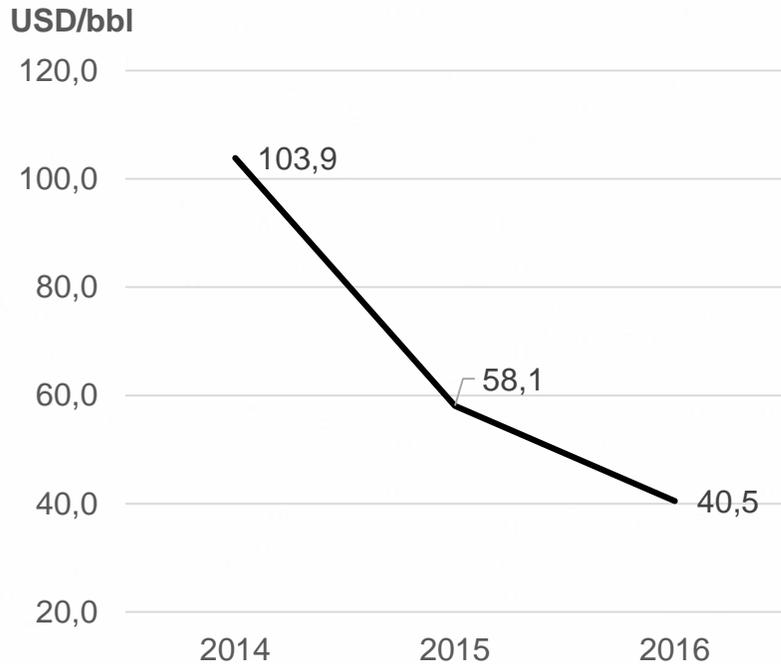
- Q3-17 revenue is down 9% compared with Q2-17 mainly due to the decrease in oil prices

Sold barrels



- Underlift position of 7,088 barrels at end of Q2-17 increased to 24,756 barrels at end of Q3-17

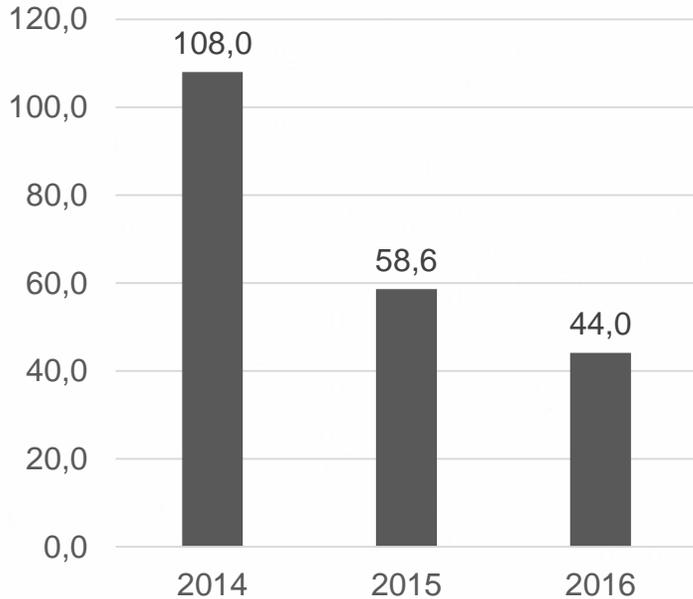
Average achieved selling price per barrel



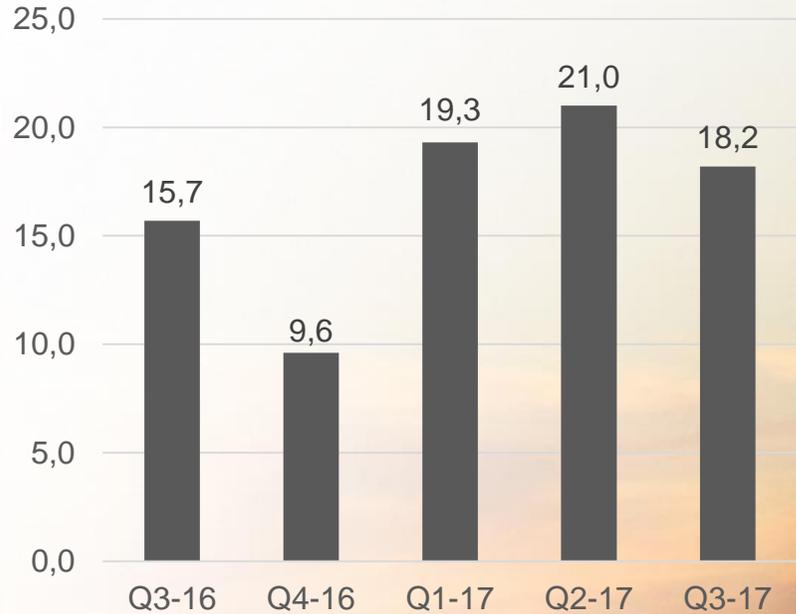
- Average achieved selling price amounted to USD 48.6/bbl, down 9% compared with Q2-17 (USD 53.7/barrel)
- 2 months delay in achieved selling price

EBITDA

MUSD

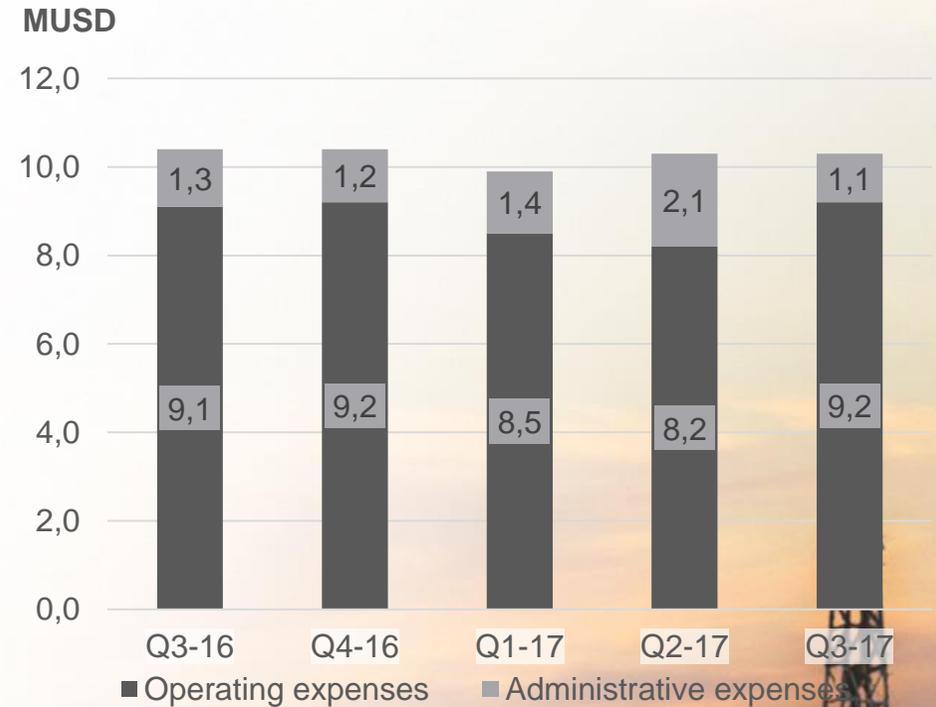
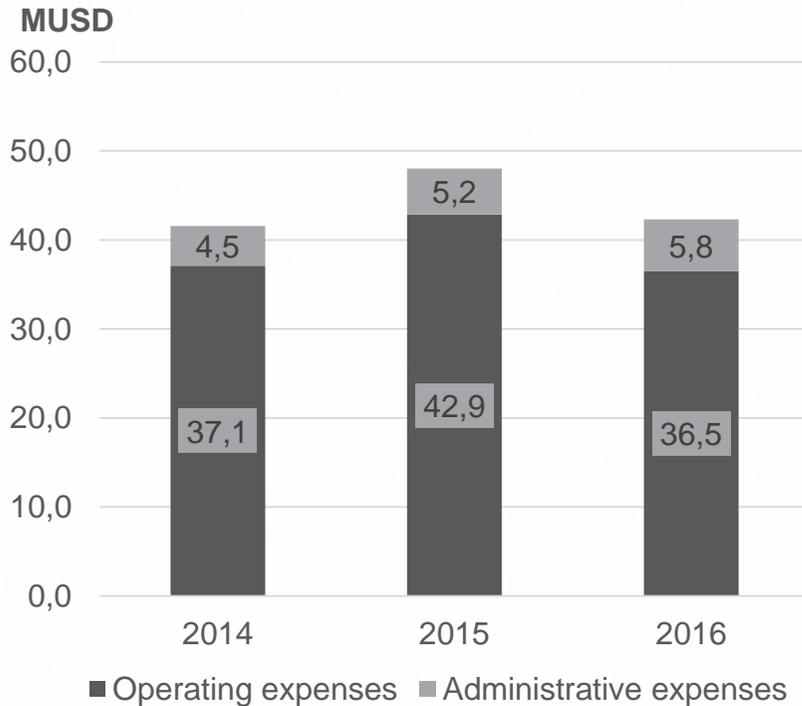


MUSD



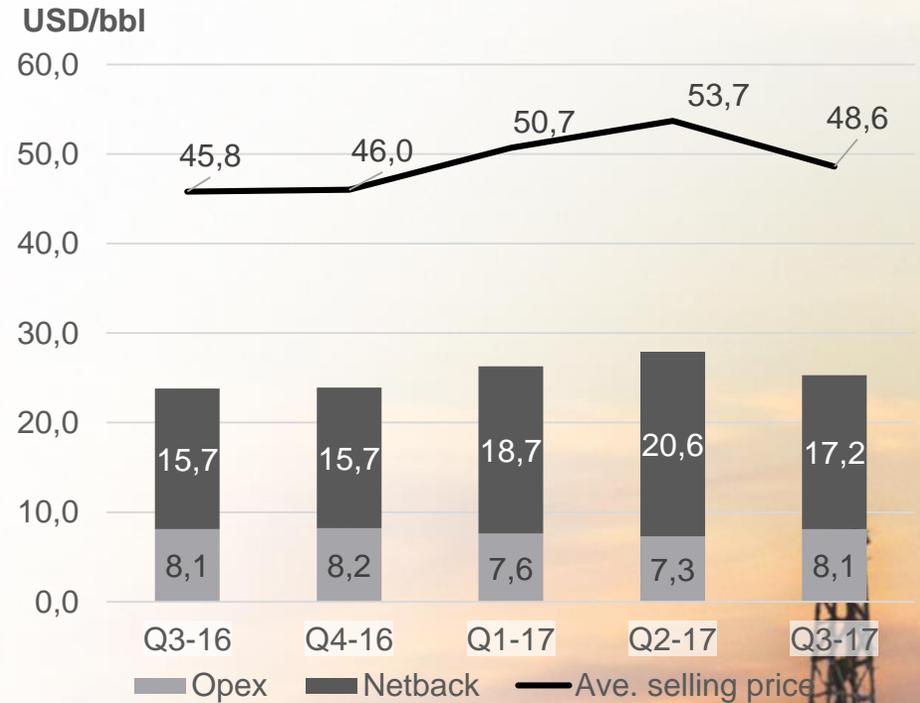
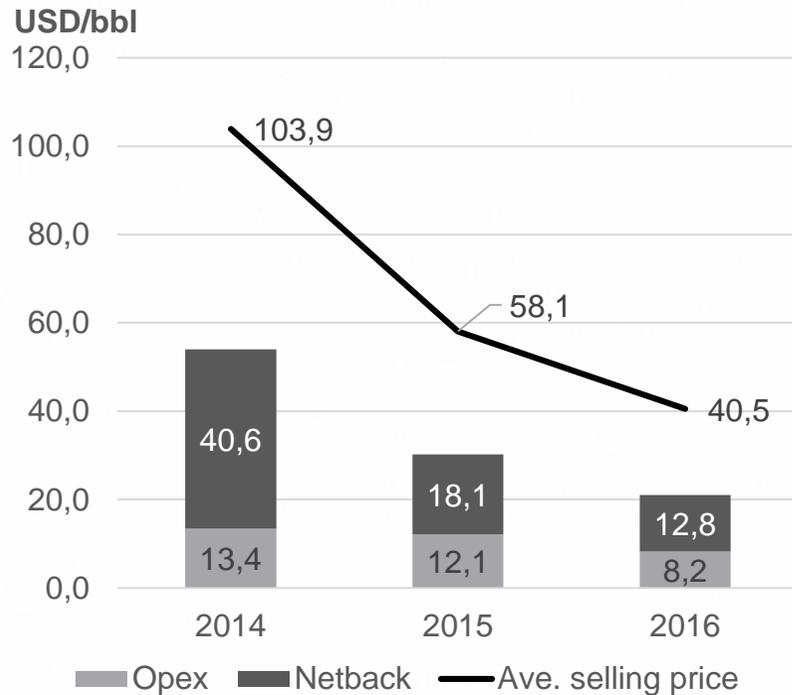
- EBITDA of MUSD 18.2 in Q3-17, down 13% compared with Q2-17
- EBITDA margin amounted to 64% in Q3-17

Expenses



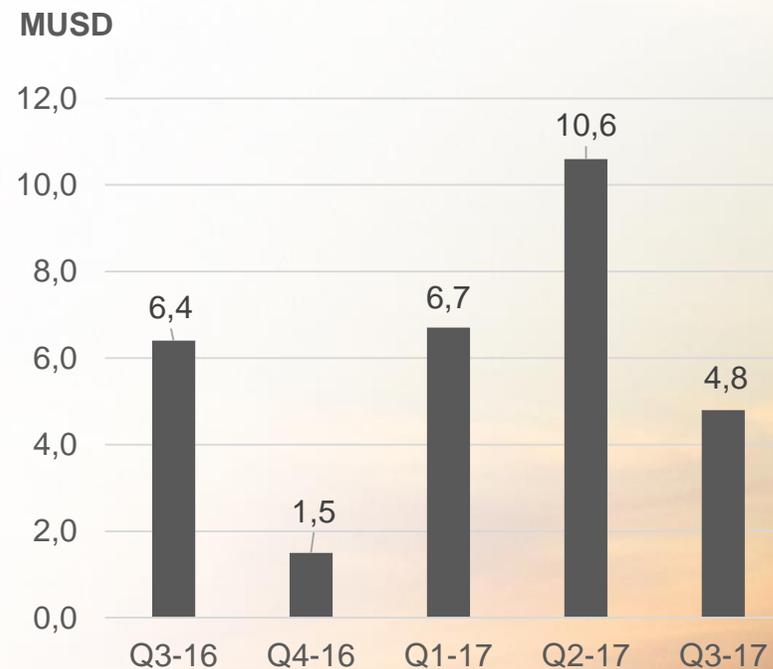
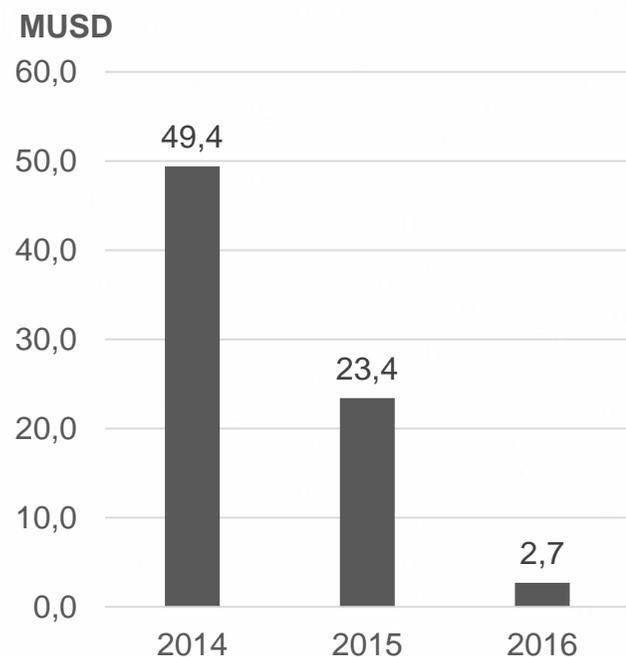
- OPEX up 12% compared with Q2-17
- OPEX per barrel during the last five quarters USD 7.3 to 8.2 per barrel

Opex and Netback* per barrel (USD/bbl)



- Netback down 17% following lower oil prices and higher opex

Net result after tax



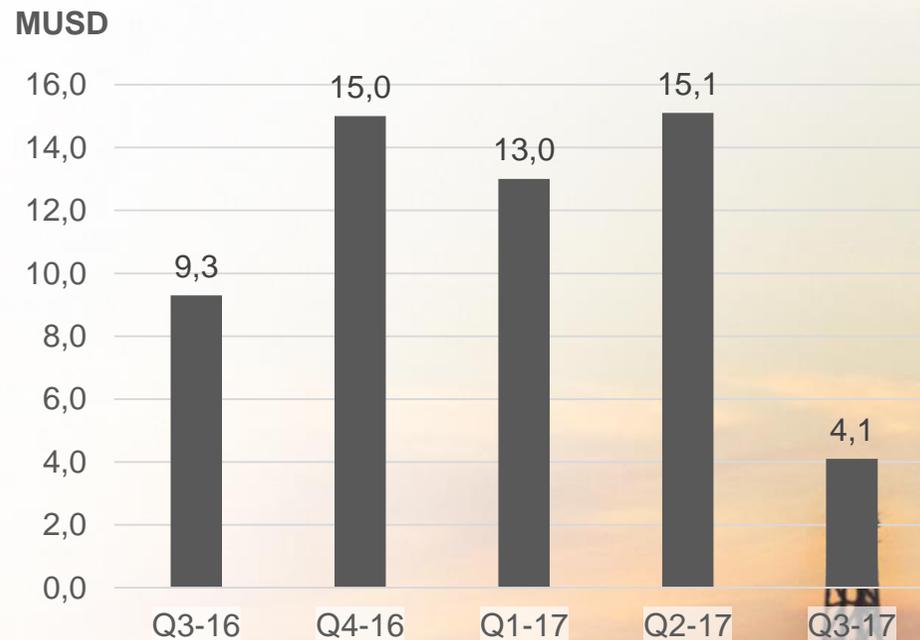
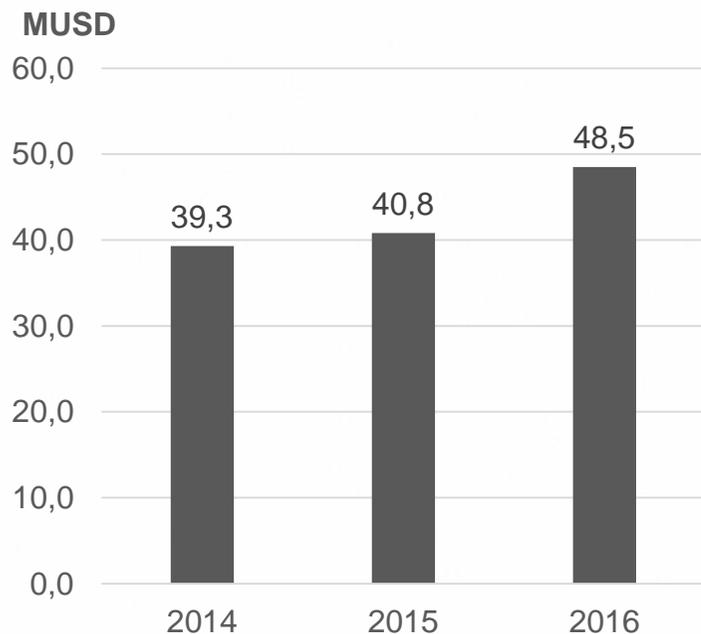
- Net result down 55% to MUSD 4.8 in Q3-17, primarily relating to currency exchange differences
- Net result per share (after dilution) amounted to USD 0.14

Balance Sheet

(MUSD)	2017-09-30	2017-06-30	2016-12-31
Net cash	47.5	32.3	39.0
Total assets	250.2	237.6	239.0
Shareholders' equity	221.1	213.1	196.9

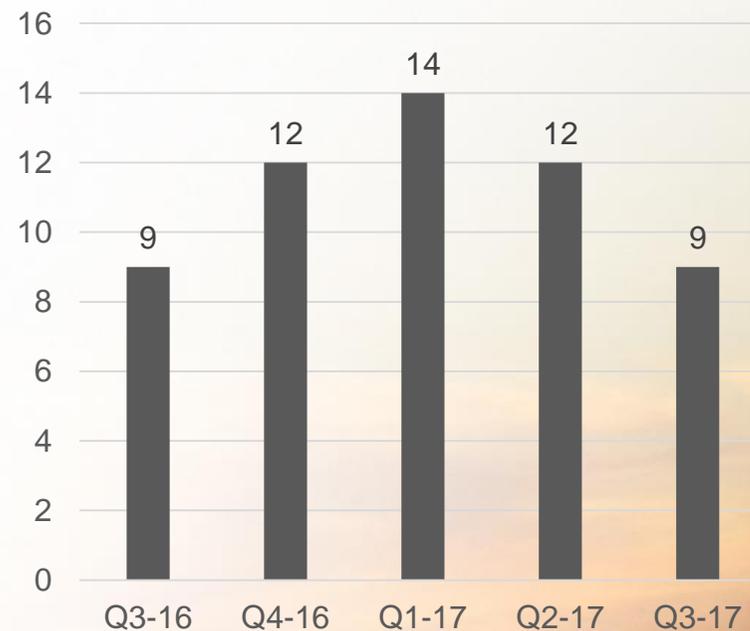
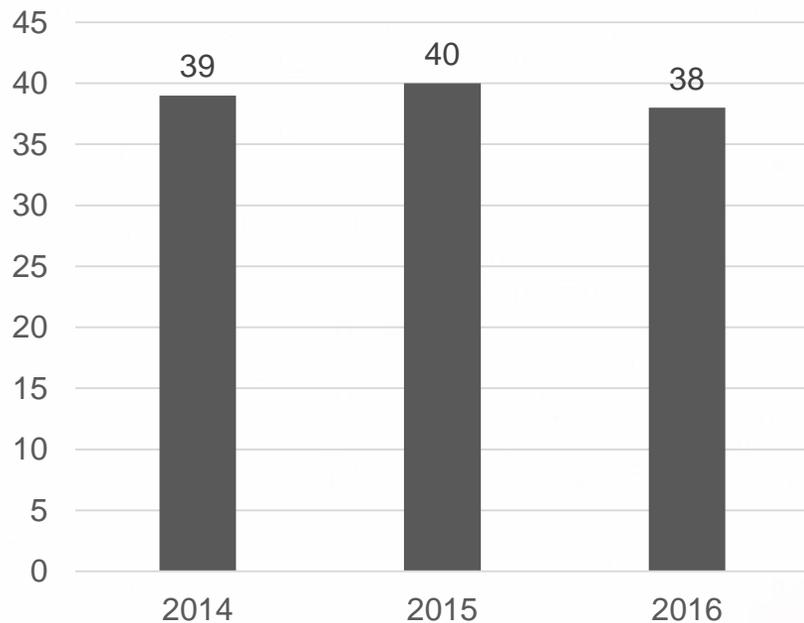
- SEK 1.00 per share dividend paid in Q2-17 (total MUSD 3.9)
- Increased net cash position of MUSD 47.5, up from MUSD 32.3 on June 30, 2017
- A share repurchase programme launched in Q3-17 (MUSD 0.4 in Q3-2017)

Oil and gas investments



- Tethys Oil's investments in Blocks 3&4 amounted to MUSD 4.1 in Q3-17
- Q2-17 investments partly included activities relating to Q3-17

Wells in Oman

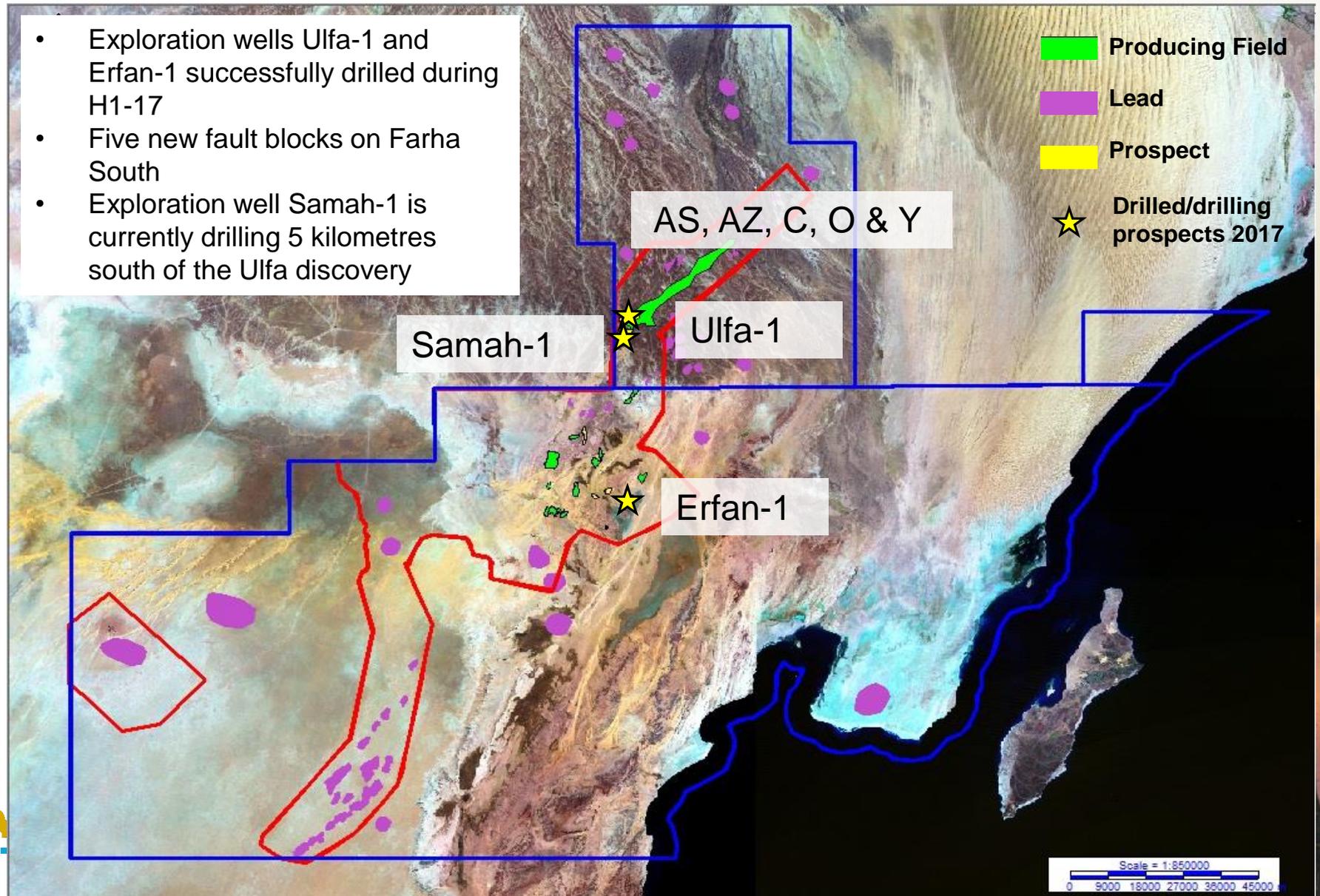


Wells completed Q3-17	Farha South Field	Shahd and Saiwan East Fields	Near and far field	Total
Appraisal/Production	2	3	-	5
Water injection	4	-	-	4
Water source	-	-	-	-
Exploration	-	-	-	-
	6	3	-	9

Fields, Leads and Prospects in Blocks 3&4

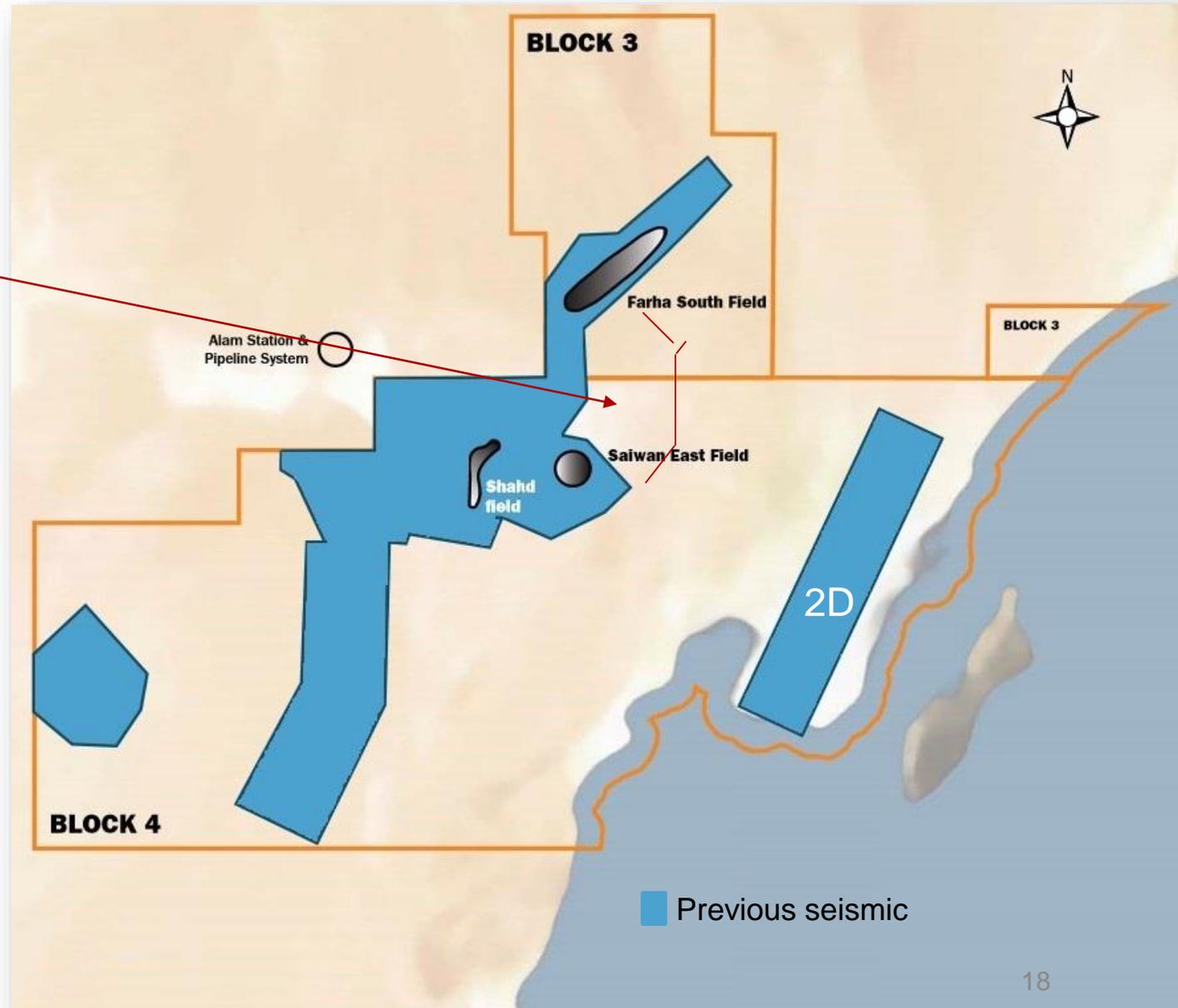
- Exploration wells Ulfa-1 and Erfan-1 successfully drilled during H1-17
- Five new fault blocks on Farha South
- Exploration well Samah-1 is currently drilling 5 kilometres south of the Ulfa discovery

- Producing Field
- Lead
- Prospect
- ★ Drilled/drilling prospects 2017



Seismic coverage (Blocks 3&4)

Preparations ongoing for the launch of a new 3D seismic campaign. The study will cover an area of about 400 km² and is expected to commence in Q4-17.



Conclusion

- **Tethys Oil continues to deliver solid results**
 - Production 9M 2017: 12,441 bopd (FY-16: 12,235 bopd)
 - Revenue 9M 2017: MUSD 89.2 (FY-16: MUSD 87.1)
 - EBITDA 9M 2017: MUSD 58.5 (FY-16: 44.0)
- **9 new wells completed on Blocks 3&4 during Q3-17**
 - Including 2 previous undrilled fault blocks on Farha South
- **Continued focus on exploration for future growth**
 - Exploration well Samah-1 is drilling south of Ulfa discovery
 - 400 km² 3D seismic survey to be launched in Q4-17
 - 2 additional exploration wells planned to be spudded in Q4-17

Q4 2017

Will be published 13 February 2018!



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