

Q4 2017

13 February 2018



Q4-17 Highlights

(MUSD)	Q4-17	Q3-17	FY-17	FY-16
Revenue	30.1	28.5	119.3	87.1
EBITDA	19.7	18.2	78.2	44.0
Net result	11.0	4.8	33.1	2.7

- 11,726 BOPD produced in Q4-17, lower than Q3-17 and average 2017
- Average selling price per barrel of USD 53.9, up 11% compared with Q3-17
- Earnings per share (after dilution) USD 0.32 for Q4-17, up 129% compared with Q3-17
- Net cash of MUSD 42.0, (MUSD 47.5 in Q3-17)
- Exploration well Samah-1 drilled with good oil flows to surface
- Year-end 2017 2P reserves of 22,044 mbo (RRR 114%) and 2C contingent resources of 17,264 mbo
- Award of Block 49, onshore Oman, as operator
- Proposed ordinary dividend of SEK 2.00, and extraordinary distribution of SEK 4.00, per share

Tethys Oil's assets

	Country	Licence	Area, km2	Tethys share	Partners*	Reserves and resources, net, 31 Dec 2017 (mmbo) **		Production, net, Q4 2017 (bopd)
						2P reserves	2C contingent resources	
Producing Assets	Oman	Blocks 3&4	29,130	30%	CC Energy , Mitsui	22.0	17.3	11,637
	Lithuania	Gargzdai	884	25%	Odin Energi, Geonafta	-	-	89
Exploration assets	Oman	Blocks 3&4	29,130	30%	CC Energy , Mitsui			
	Oman	Block 49	15,439	100%	Tethys Oil			
	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 ERC Equipoise Limited ("ERCE")

Capital structure target

Tethys Oil's primary objective is to create shareholder value and in doing so the company will have a balanced approach to growth and shareholder distributions, with a long term capital structure target of a zero net cash position.

Cash distributions to shareholders

SEK/share	2015	2016	2017	2018 (proposed)
Ordinary dividend	1.00	1.00	1.00	2.00
Extraordinary distribution	2.00	3.00	-	4.00
Total	3.00	4.00	1.00	6.00

- The board of directors proposes an ordinary dividend of SEK 2.00 per share (AGM 2017: SEK 1.00), to be paid in two instalments of SEK 1.00 each in May and November
- The board of directors proposes an extraordinary distribution of SEK 4.00 per share by way of a mandatory share redemption programme

Reserves at December 31, 2017

Reserves Blocks 3&4 Oman (31 Dec 2017, mmbo) (audited)			
<i>mmbo</i>	1P	2P	3P
Farha South	9.2	11.8	16.1
Shahd	3.4	5.6	8.9
Saiwan East	0.6	1.3	1.8
New areas	2.3	3.4	5.7
Total	15.6	22.0	32.4

Development of reserves (audited)			
<i>mmbo</i>	1P	2P	3P
Total 31 Dec 2016	14.2	21.4	29.7
Production 2017	-4.4	-4.4	-4.4
Discoveries	3.5	4.9	7.5
Revisions	2.3	0.2	0.4
Total 31 Dec 2017	15.6	22.0	32.4

- Internal reserve replacement ratio of 2P is 114%



The Company's 2017 and 2016 year-end reserves were prepared by ERCE and DeGolyer and MacNaughton Canada Limited respectively,

Contingent Resources at December 31, 2017

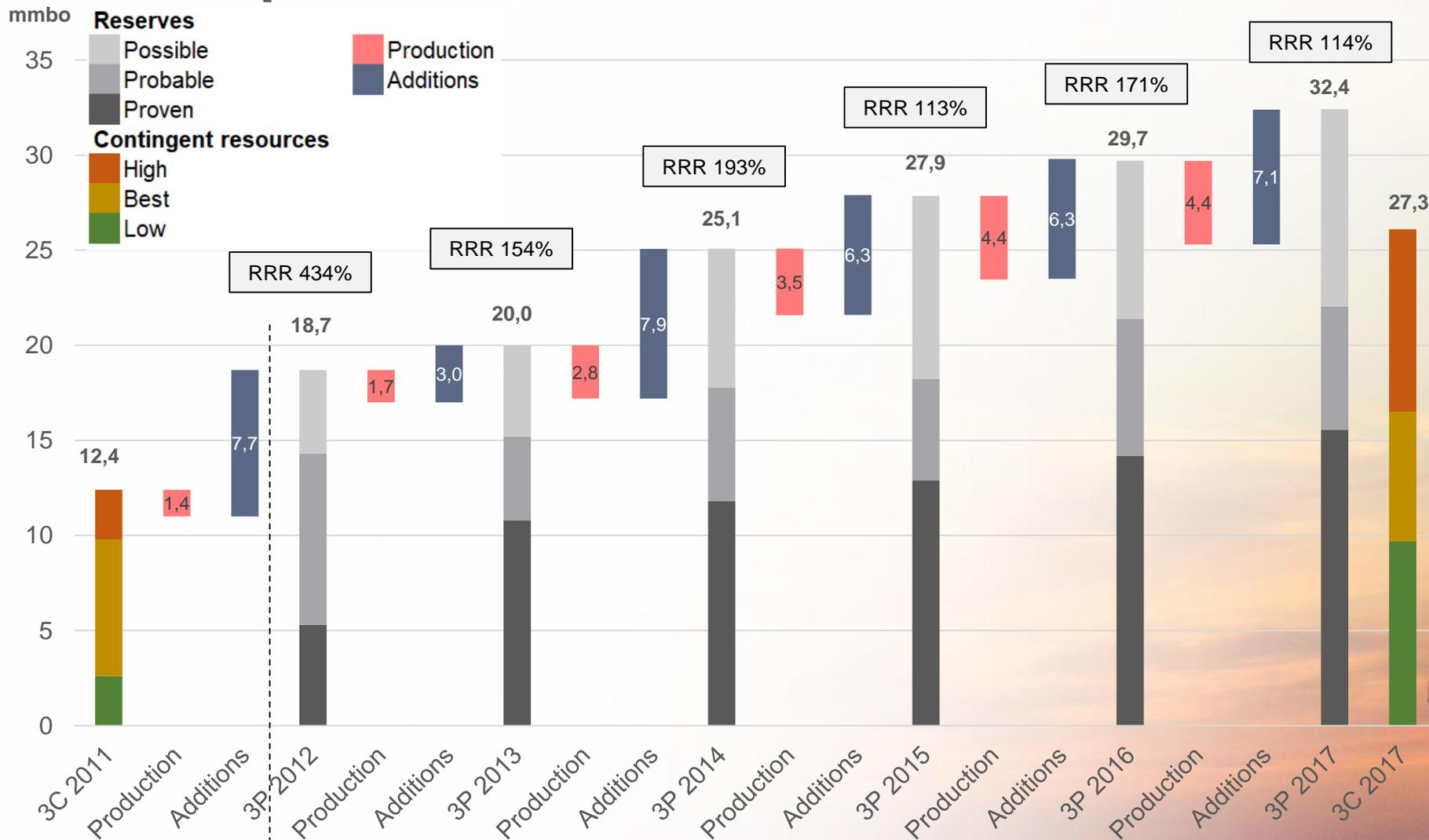
Contingent Resources, Blocks 3&4 Oman (31 Dec 2017, mmbo) (audited)			
<i>mmbo</i>	1C	2C	3C
Total	10.1	17.3	27.3

- The estimated contingent resources are for the recent discoveries made in 2017 – Erfan, Ulfa and Samah
- Development of the contingent resources in the new discoveries will be contingent on the on-going appraisal programme and also a work programme and budget to access these resources



The Company's 2017 year-end contingent resources were prepared by ERCE

Development of reserves, Blocks 3&4



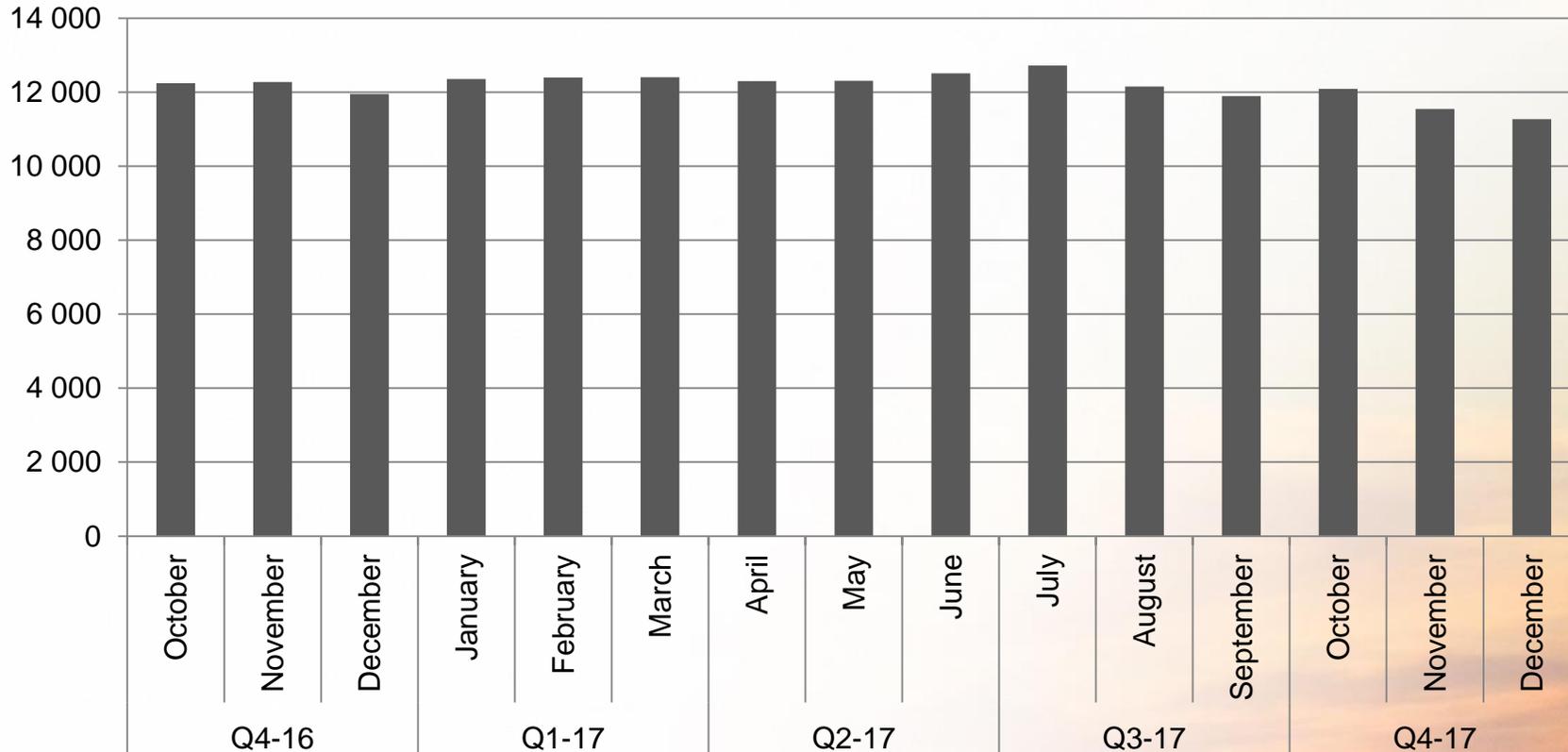
Field Development Plan for Blocks 3 and 4 approved

Reserve Replacement Ratio ("RRR")

Tethys Oil's accumulated net production, from 2010 until 31 Dec 2017, amounts to 18,6 mmbo

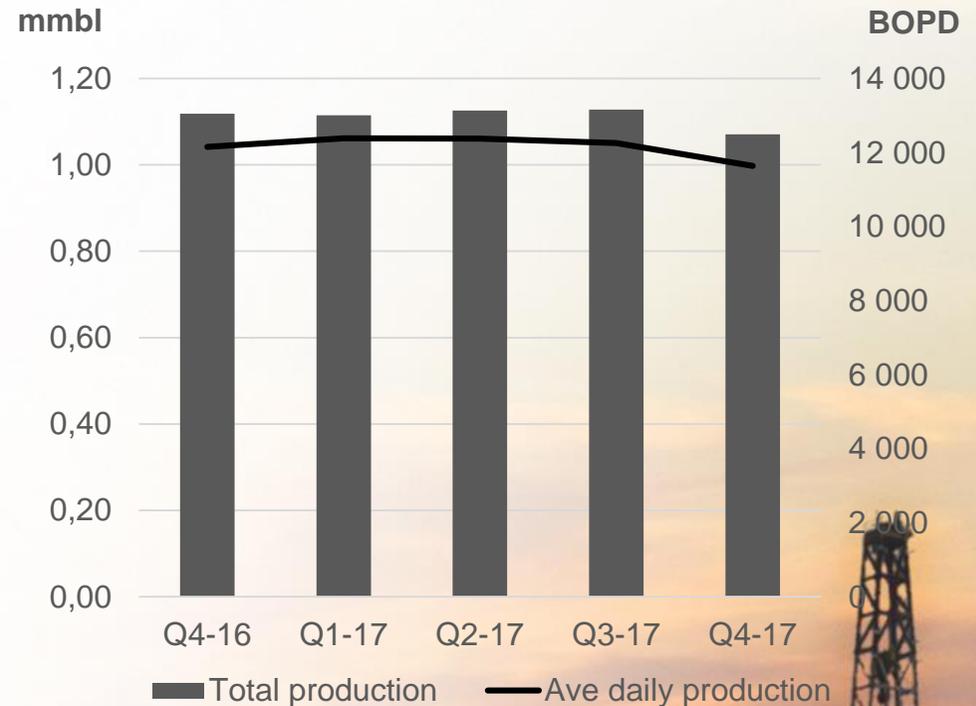
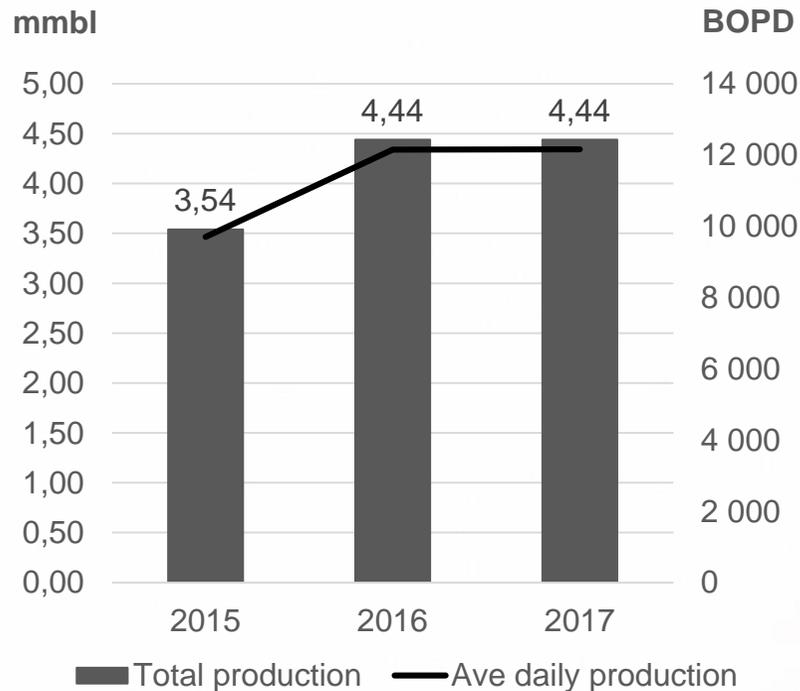
Average daily production in Oman

BOPD



- Production in Oman 2017 amounted to 4.44 mmbbl (2016: 4.44 mmbbl)
- Production guidance for 2018 is a monthly average production of between 11,000-13,000 bopd

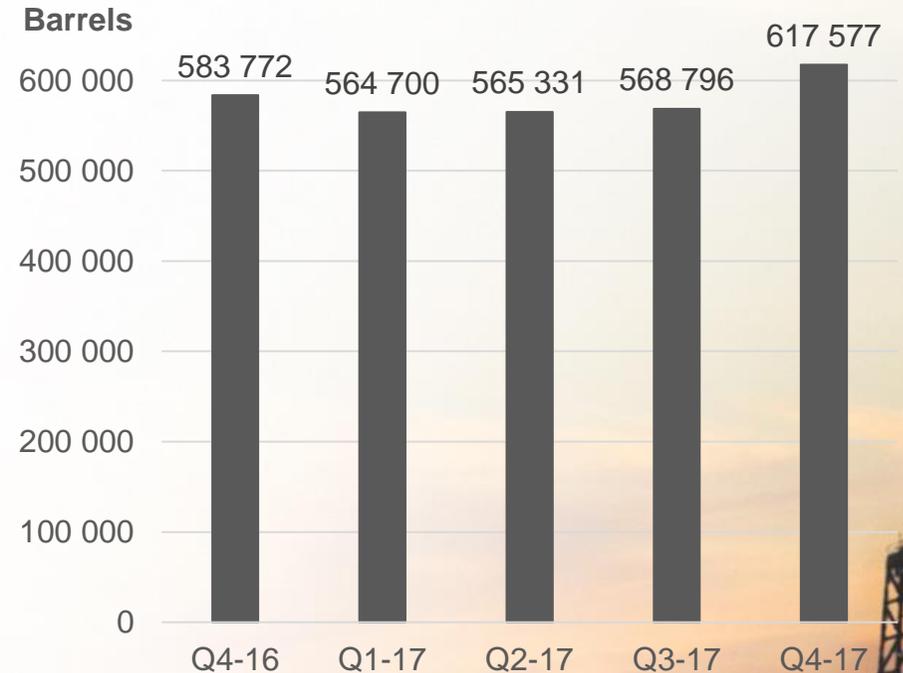
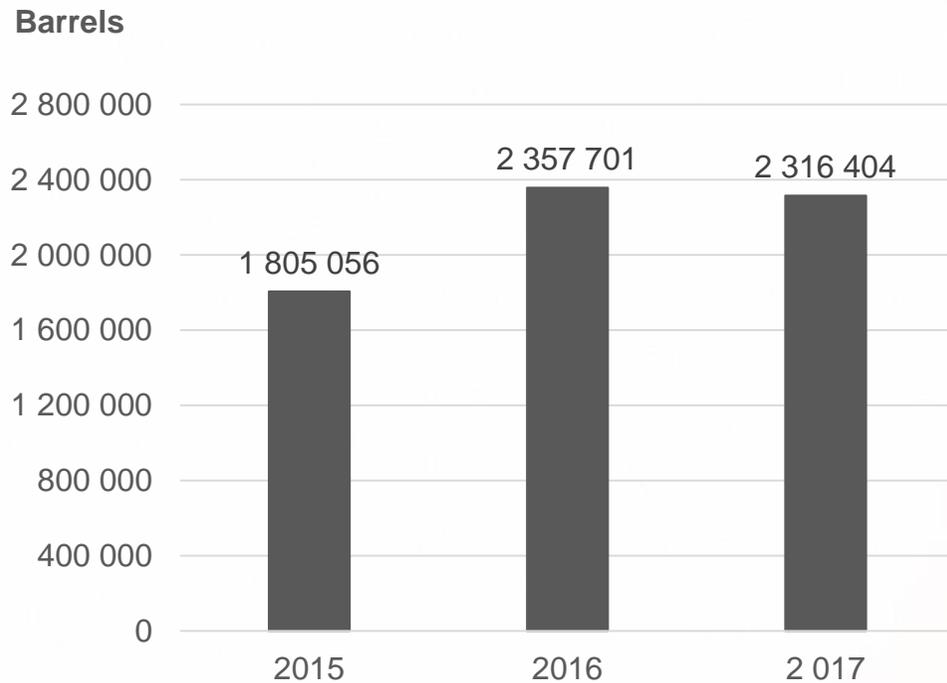
Production, Blocks 3&4



- Average daily production in Q4-17 amounted to 11,637 bopd (Q3-17: 12,259 bopd)
- Production in Q4-17 impacted by mechanical upgrades and repairs, shortage of workover capacity and water injection at part of Shahd not responding as well as expected

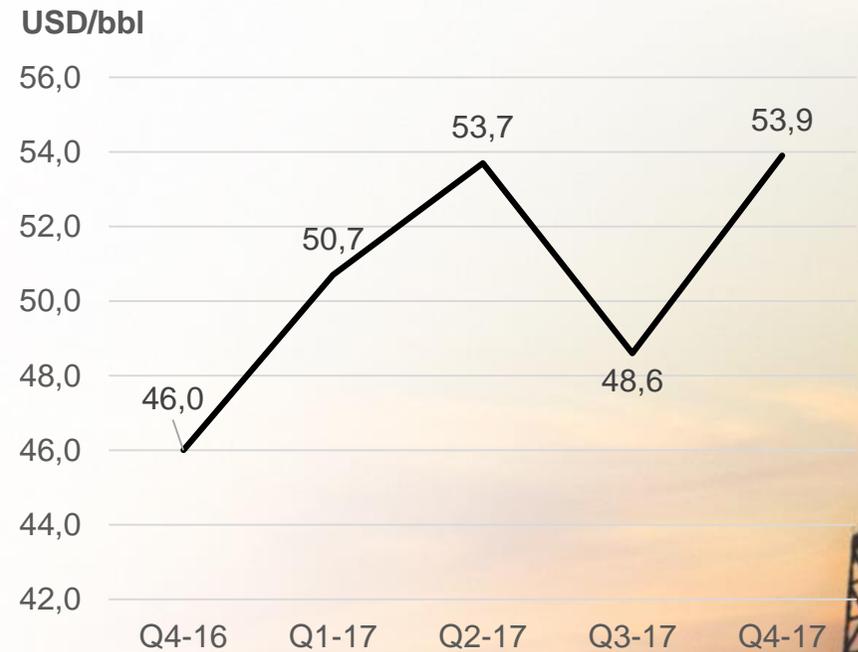
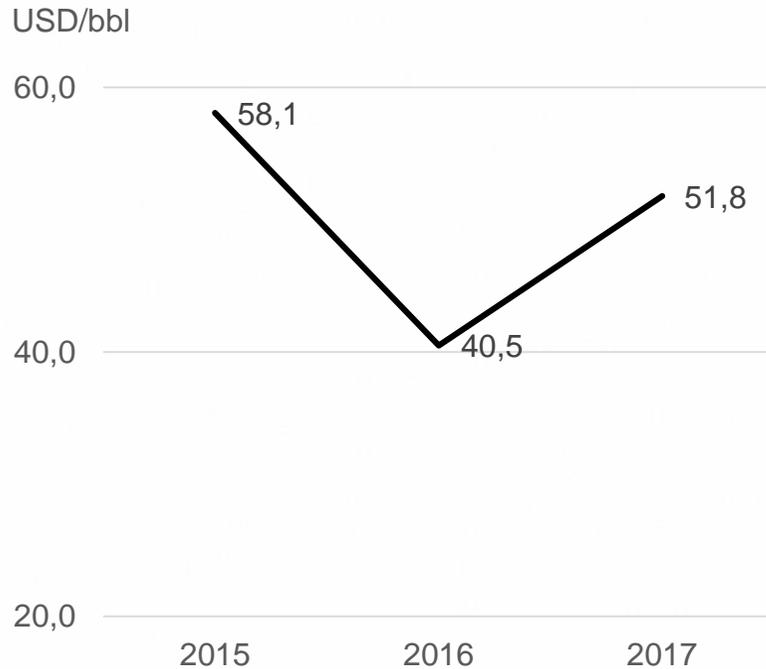


Sold barrels



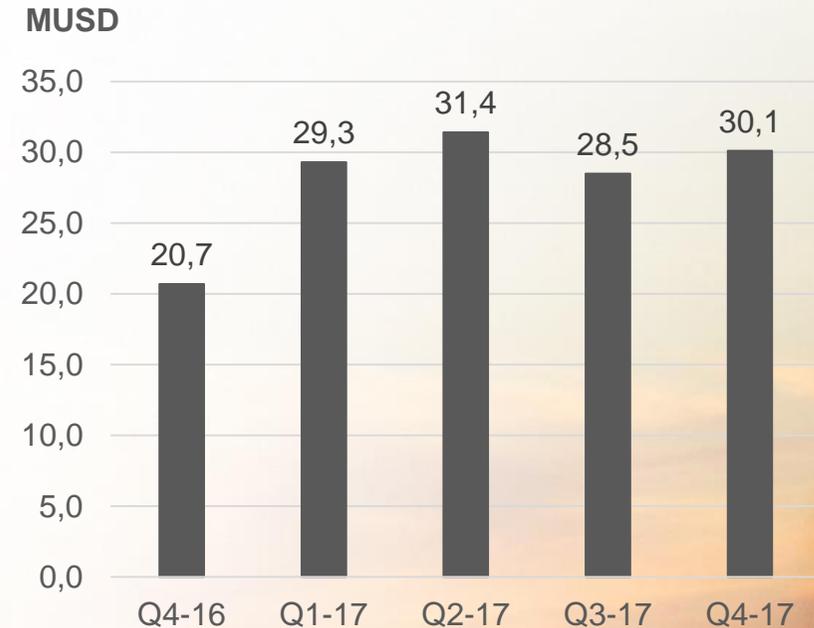
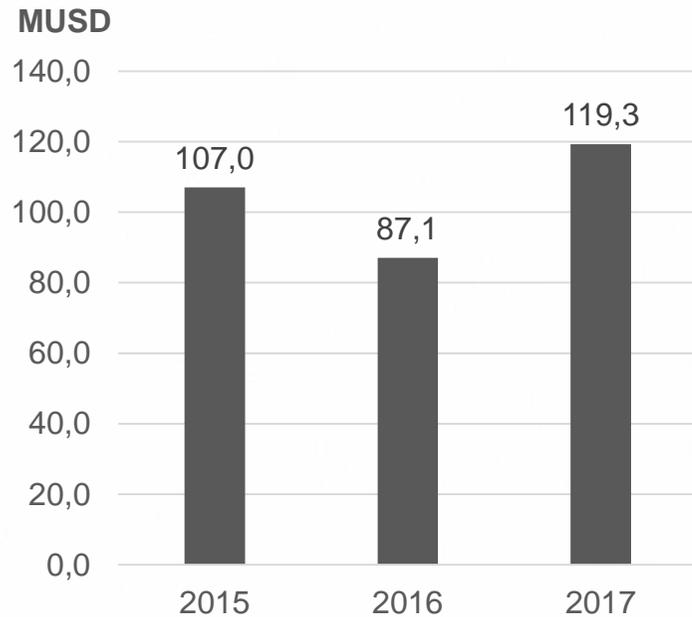
- Underlift position of 24,756 barrels at end of Q3-17 shifted to overlift position of 36,092 barrels at end of Q4-17

Average achieved selling price per barrel



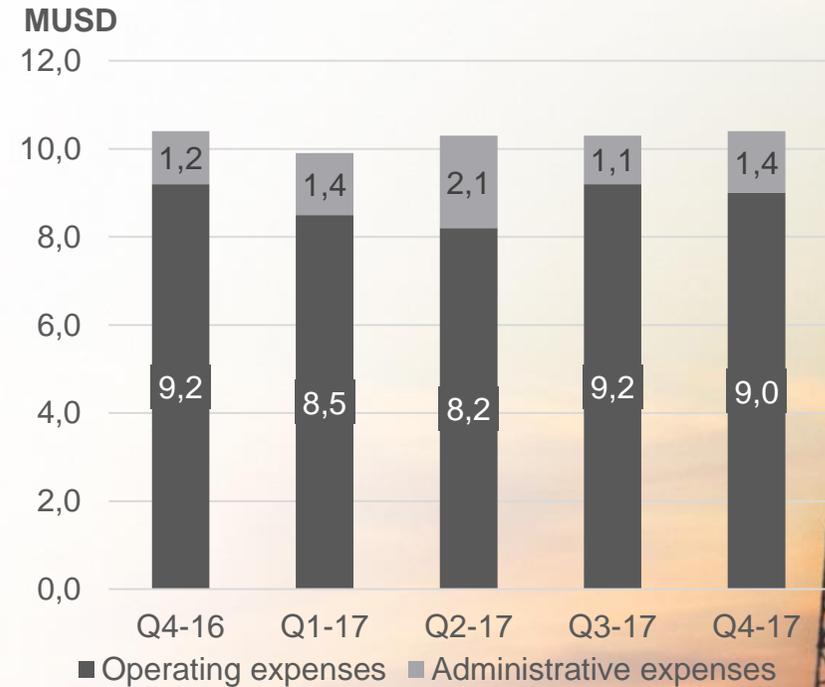
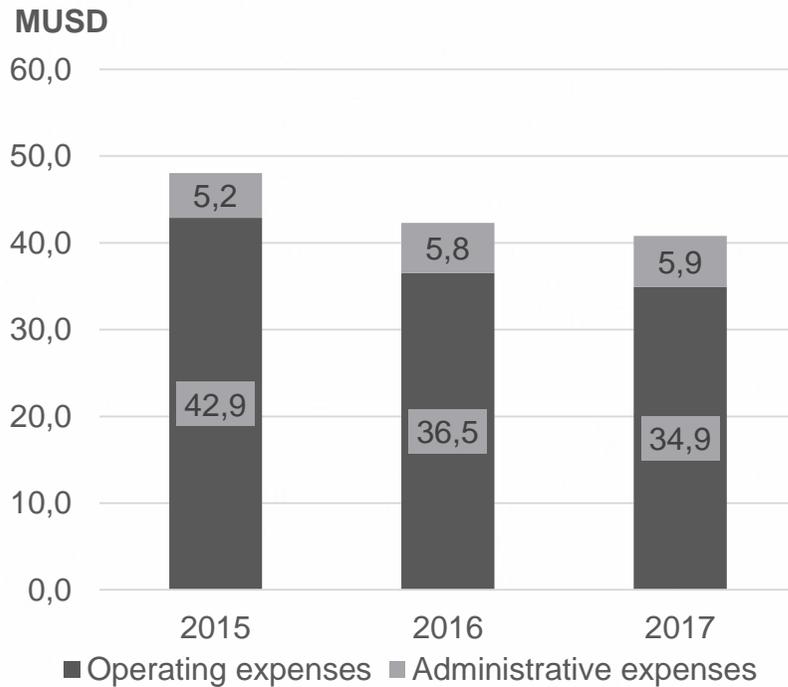
- Average achieved selling price amounted to USD 53.9/bbl, up 11% compared with Q3-17 (USD 48.6/barrel)
- 2 months delay in achieved selling price

Revenue MUSD



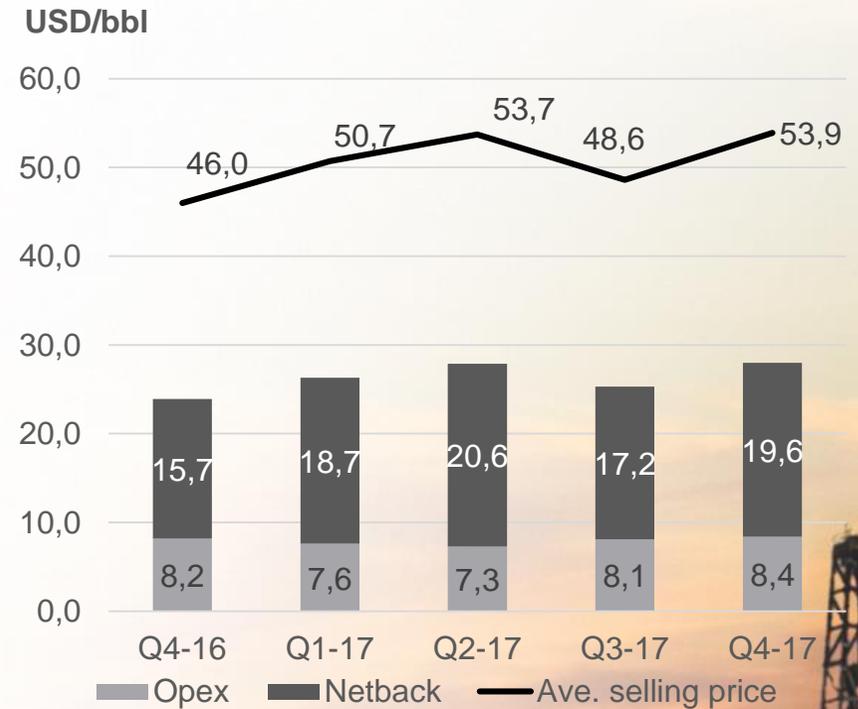
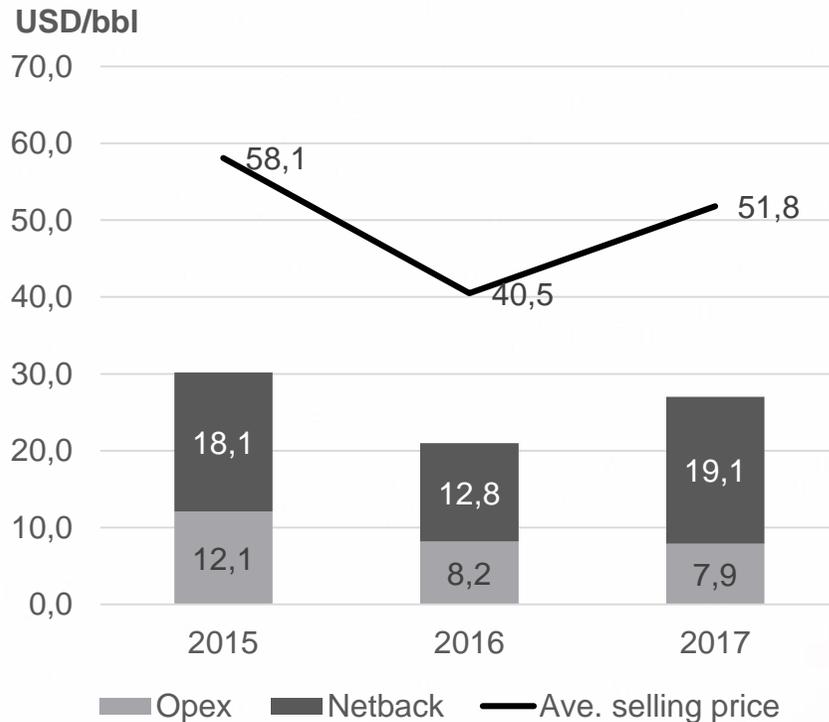
- Q4-17 revenue is up 6% compared with Q3-17 mainly due to the increase in oil price, despite lower production

Expenses



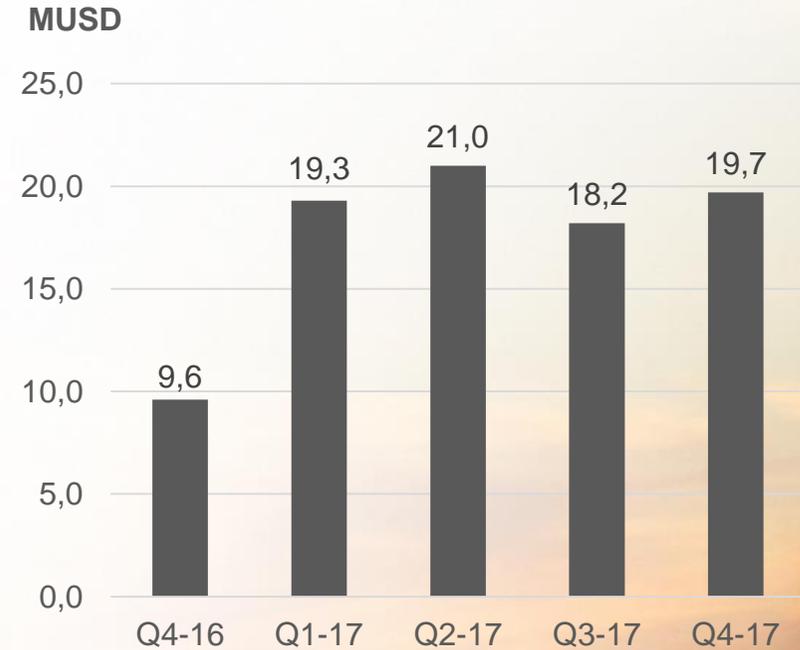
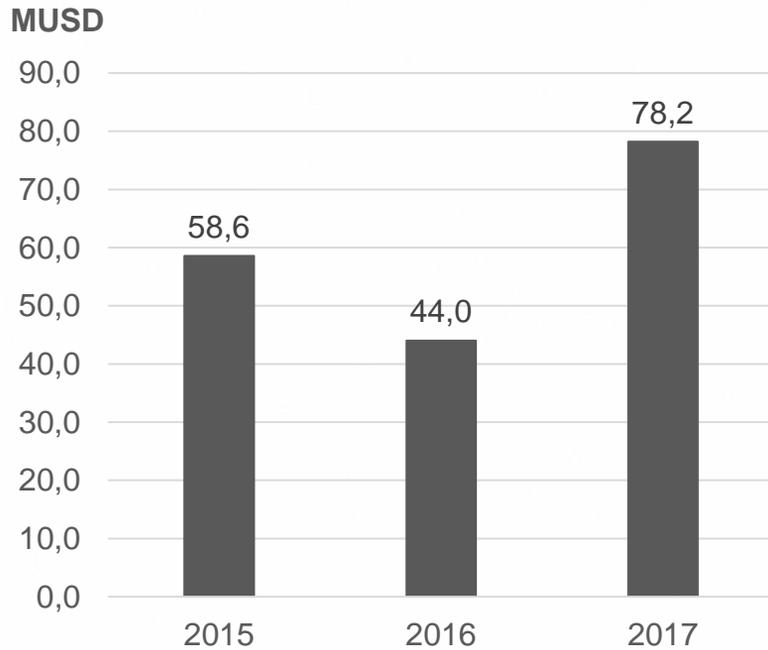
- Total OPEX down 2% compared with Q3-17 due to lower production

Opex and Netback* per barrel (USD/bbl)



- Netback up 14% in Q4-17 compared with Q3-17 following higher oil prices
- Opex per barrel during last five quarters in the range USD 7.3-8.4/bbl

EBITDA



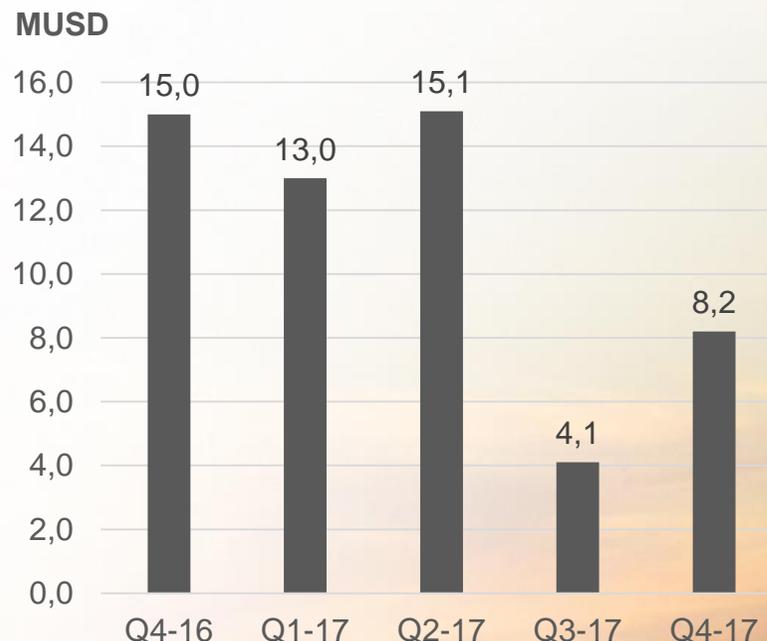
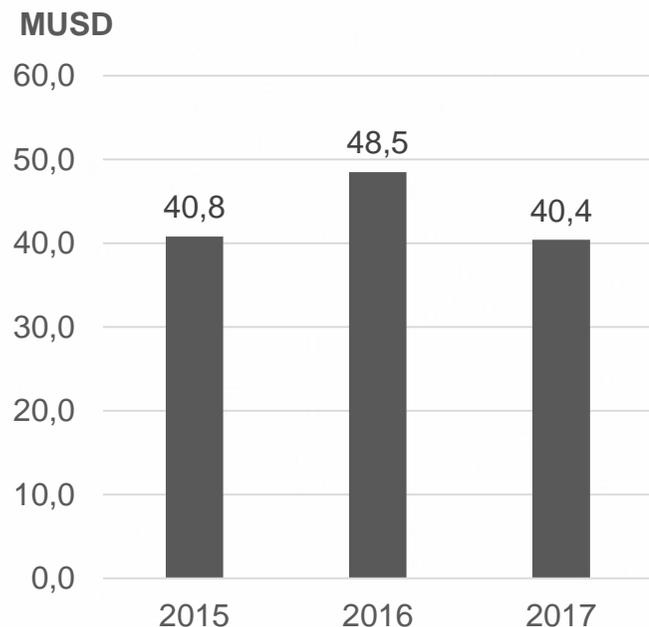
- EBITDA of MUSD 19.7 in Q4-17, up 8% compared with Q3-17
- EBITDA margin amounted to 65% in Q4-17

Balance Sheet

(MUSD)	2017-12-31	2017-09-30	2016-12-31
Net cash	42.0	47.5	39.0
Total assets	244.7	250.2	239.0
Shareholders' equity	228.5	221.1	196.9

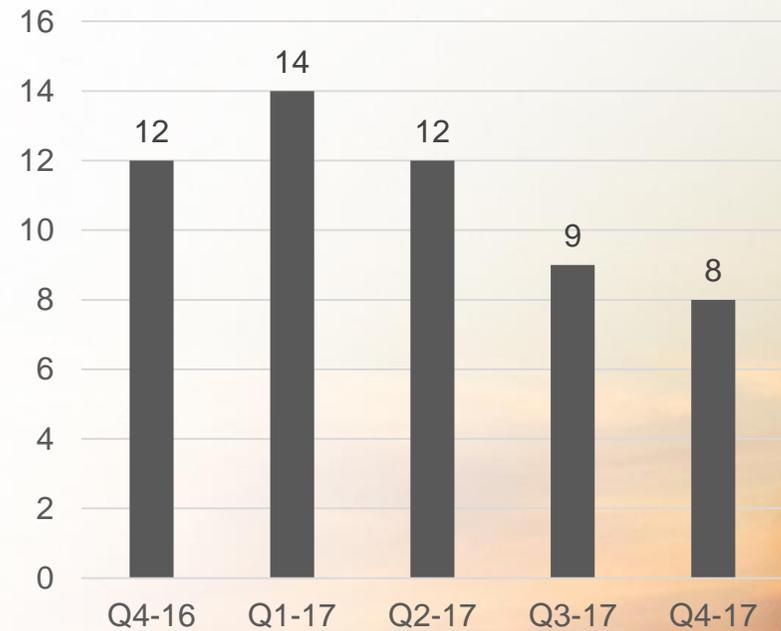
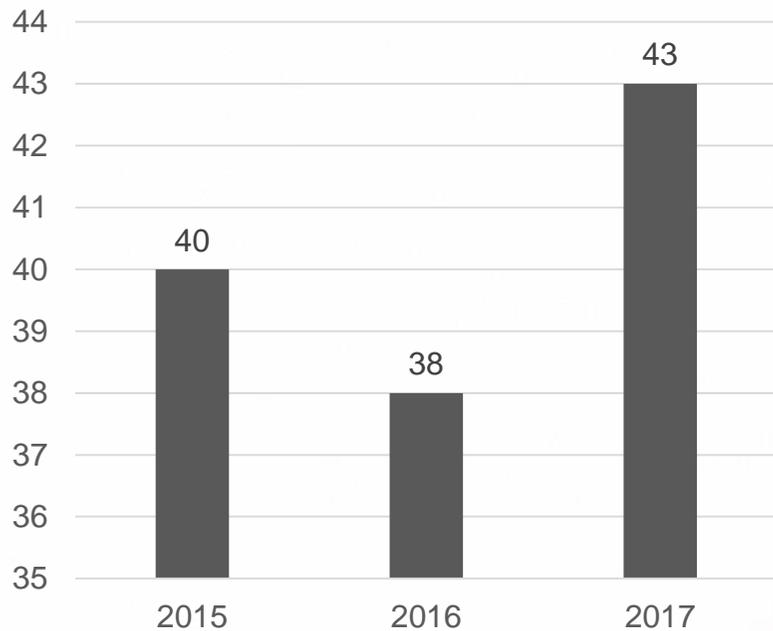
- Net cash position of MUSD 42.0, down from MUSD 47.5 on Sept 30, 2017

Oil and gas investments



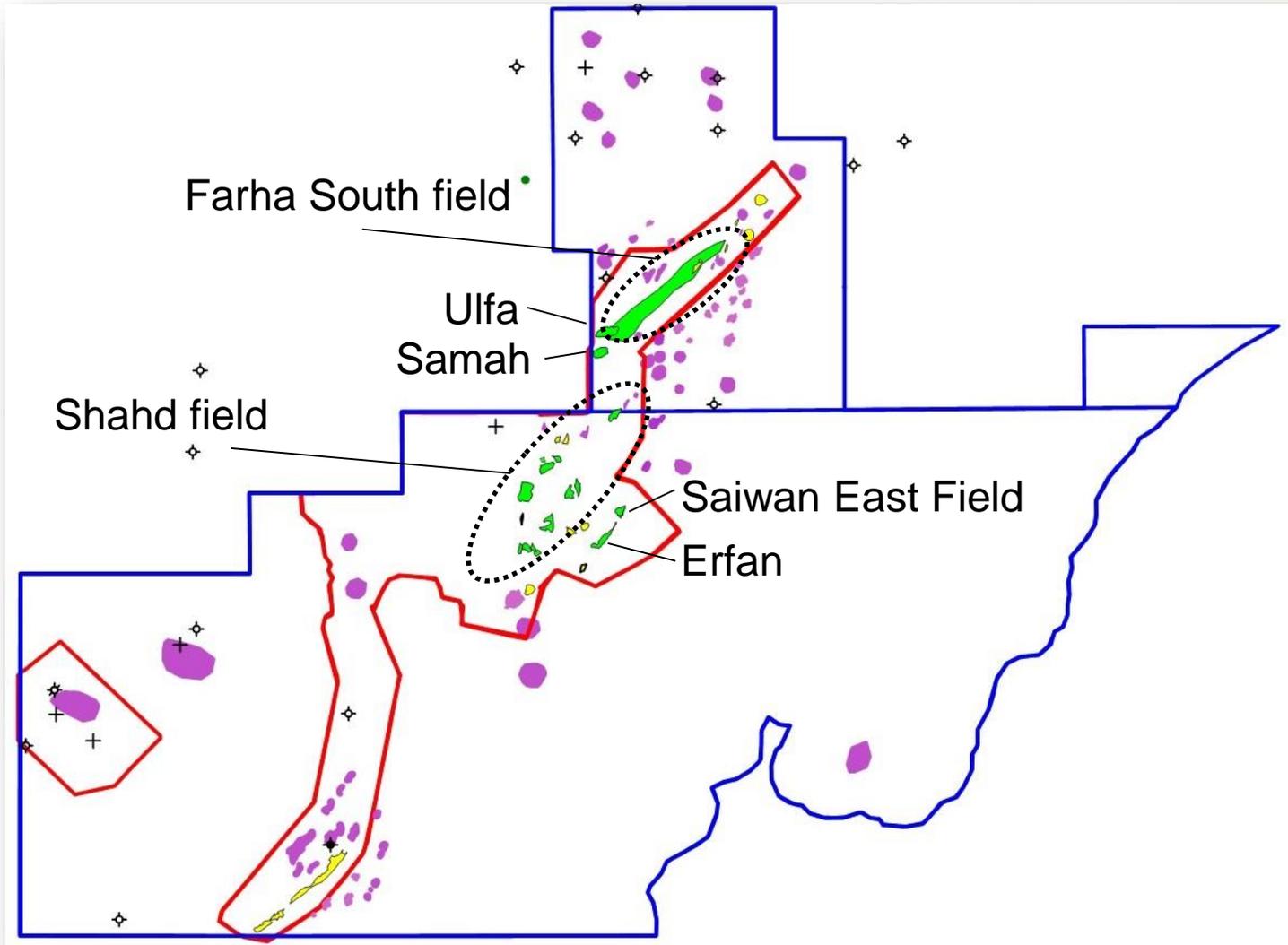
- Tethys Oil's investments in Blocks 3&4 amounted to MUSD 8.2 in Q4-17
- Under current market conditions and production assumptions, Tethys Oil expects its 2018 investments to amount to MUSD 53-62, including deferred investments from 2017

Wells in Oman

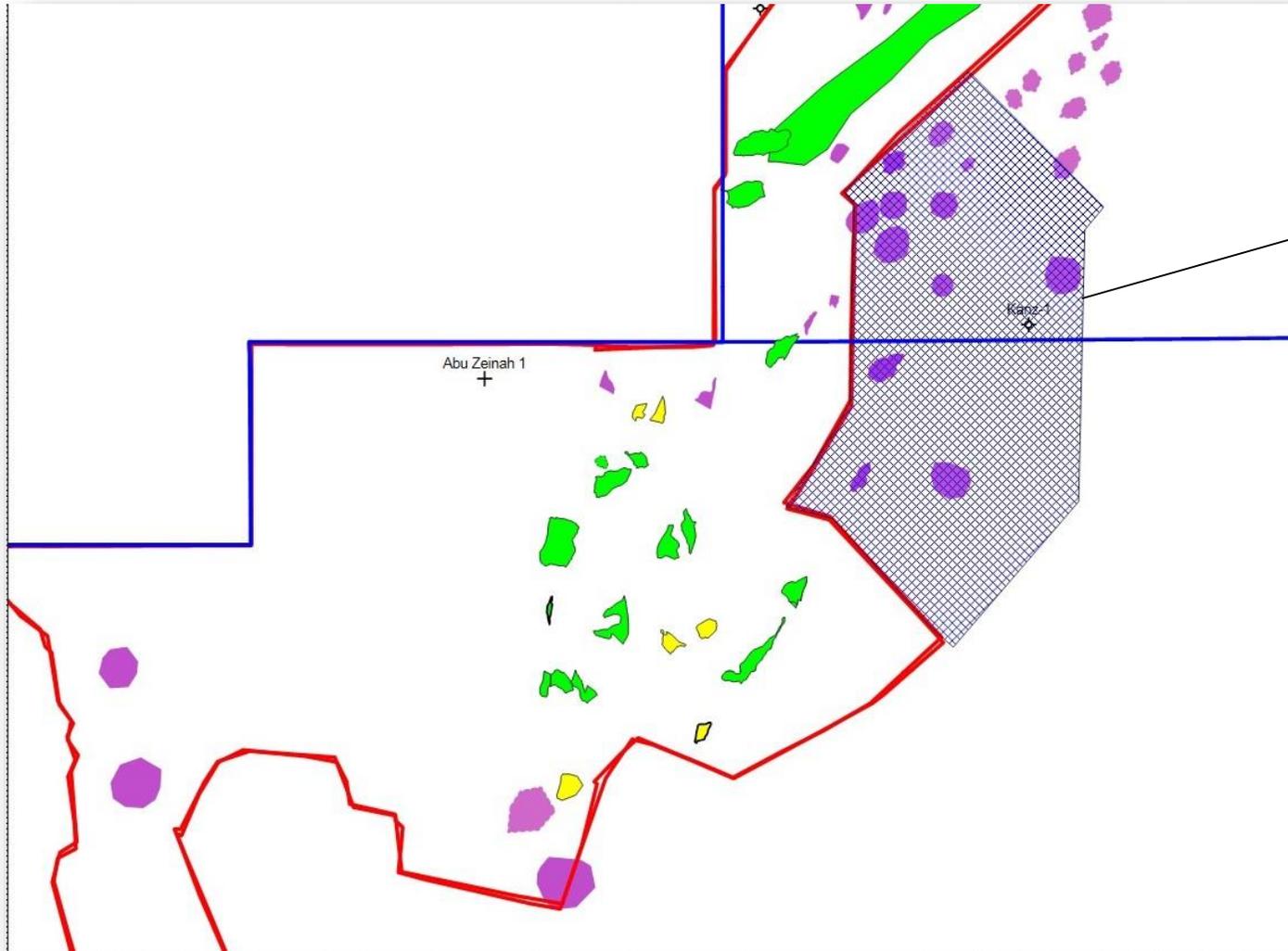


Wells completed Q4-17	Farha South Field	Shahd and Saiwan East Fields	Near and far field	Total
Appraisal/Production	1	1	1	3
Water injection	2	1	-	3
Water source	-	-	-	-
Exploration	-	-	2	2
	3	2	3	8

Fields, Discoveries Leads and Prospects, Blocks 3&4

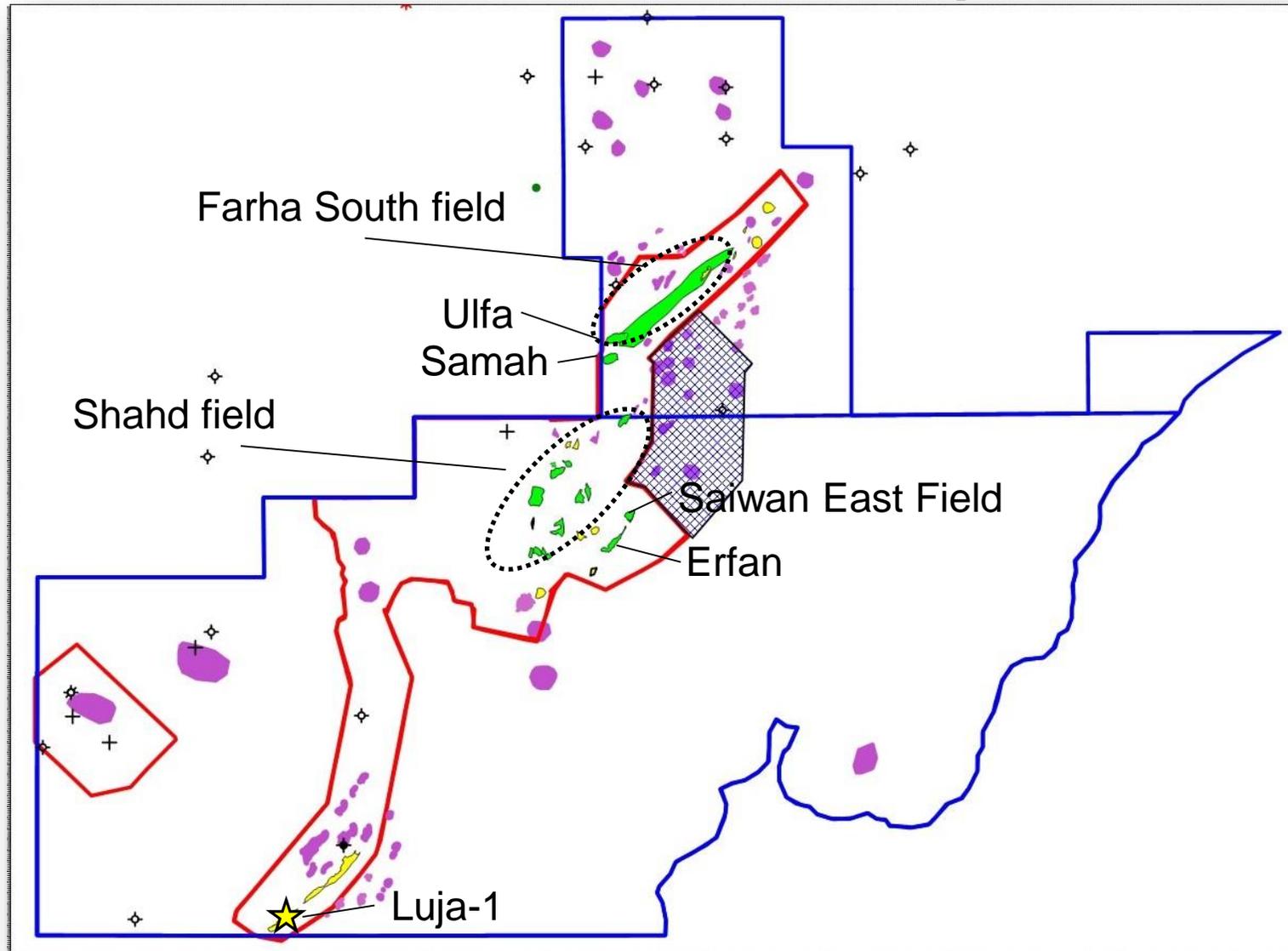


Fields, Discoveries Leads and Prospects, Blocks 3&4

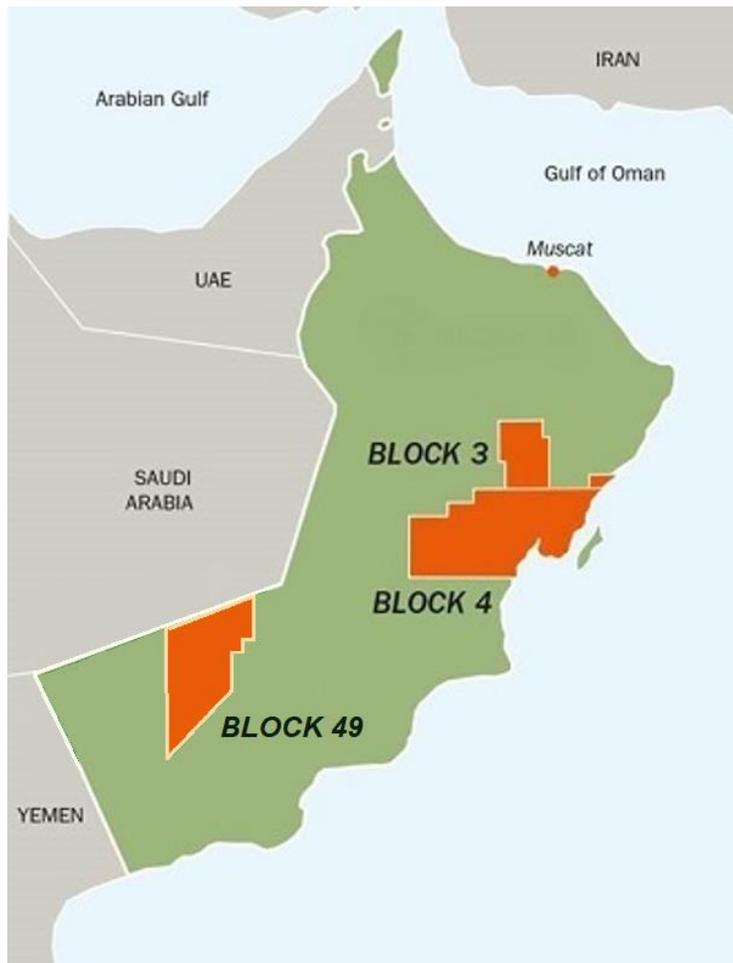


A new 3D seismic campaign launched in Q4-17. The study will cover a total area of about 1,200 km² whereof 320 km² were acquired in Q4-17

Fields, Discoveries Leads and Prospects, Blocks 3&4



Block 49, Oman



Tethys Oil 100% (Operator)

Signed 14 Nov 2017

EPSA covers an initial exploration period of 3 + 3 years

Total area: 15,439 km²

Tethys Oil is the second largest onshore oil concession holder in terms of acreage in Oman

- Over 11,000 km of legacy 2D seismic data
- 9 wells drilled, several with oil shows
- G&G work started incl study of legacy seismic data



Conclusion

- **Improved financial results in Q4-17 following higher oil prices**
 - Revenue: MUSD 30.1, up 6%
 - EBITDA: MUSD 19.7, up 8%
- **Increasing base of reserves and resources**
 - 2P reserves of 22.0 (RRR 114%)
 - 2C contingent resources of 17.3
- **Successful exploration reinforces the prospectivity of Blocks 3&4**
 - 1,200 km² 3D seismic study east of Farha to take leads into drillable prospects
- **2018 investments in Oman expected at MUSD 53-62**
- **Production guidance 2018: monthly average between 11,000-13,000 bopd**

Q1 2018

Will be published 8 May 2018!



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