



Tethys Oil
Q2 2019
13 August 2019



Q2-19 Highlights

	Q2-19	Q1-19	Q2-18	FY-18
Revenue and other income, MUSD	41.3	32.7	36.4	157.3
EBITDA, MUSD	27.9	17.2	24.3	106.6
Operating result, MUSD	16.4	5.6	12.9	60.7
Ave. selling price, USD/bbl	67.8	61.6	65.6	70.5
Opex, USD/bbl	10.2	13.3	10.4	10.7
Ave. daily production, bbl	12,881	11,901	11,733	11,767

- Strong financial results in Q2-19 following:
 - record production
 - improved oil price
 - decreased opex
- Exploration activity continues with maturation of leads and exploration drilling
- A record distribution to shareholders paid in May and June

Q2-19 Highlights

Facilities upgrade at the Ulfa EPF led to record production

- At 12,881 bopd, production was at high end of guidance
- Production increased 8% from 11,901 bopd Q1-19
- 2019 production guidance unchanged at 12,000-13,000 bopd

Blocks 3&4

- Exploration well Yusr-1 spudded
- One successful appraisal/production well drilled on the Samah field

Block 49

- Preparation for exploration drilling continues

Maturation of leads continues at all blocks

Following record distribution of MUSD 24.9 to shareholders in Q2-19, net cash position was MUSD 62.0

Distributions to shareholders continues

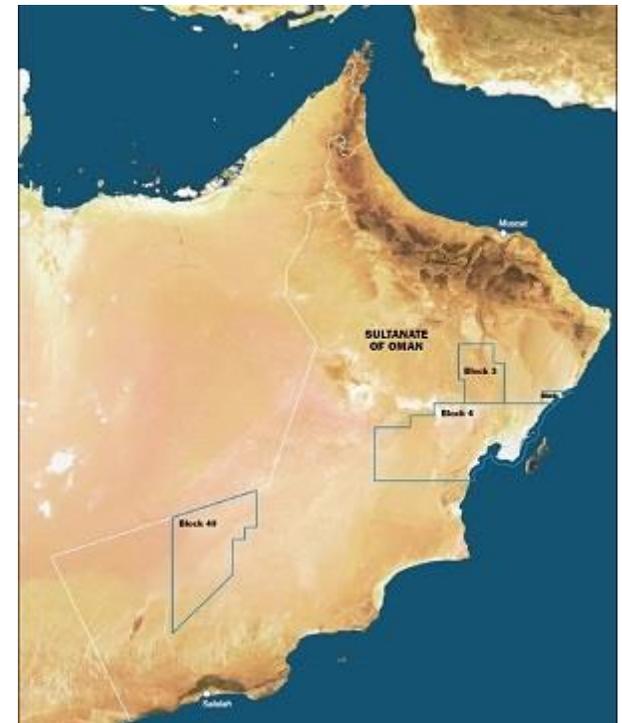
SEK/share (Payment year)	2019	2018	2017	2016	2015
Ordinary dividend	2.00	2.00	1.00	1.00	1.00
Extraordinary distribution	6.00	4.00	-	3.00	2.00
Total	8.00	6.00	1.00	4.00	3.00
Dividend yield at announcement	11%	10%	1%	7%	4%

- 2019: An ordinary dividend of SEK 2.00 per share (2018: SEK 2.00), to be paid in two instalments of SEK 1,00 per share. One paid in May 2019, one to be paid in November 2019
- 2019: An extraordinary distribution of SEK 6.00 by way of a mandatory share redemption programme paid in June (2018: SEK 4.00)
- Tethys Oil will have distributed about MUSD 80 to the shareholders 2015-2019

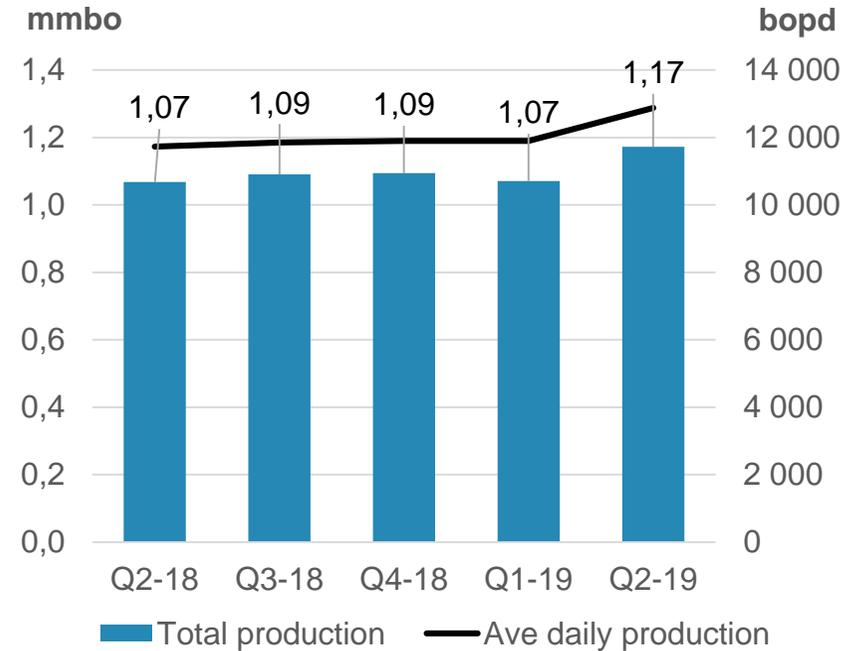
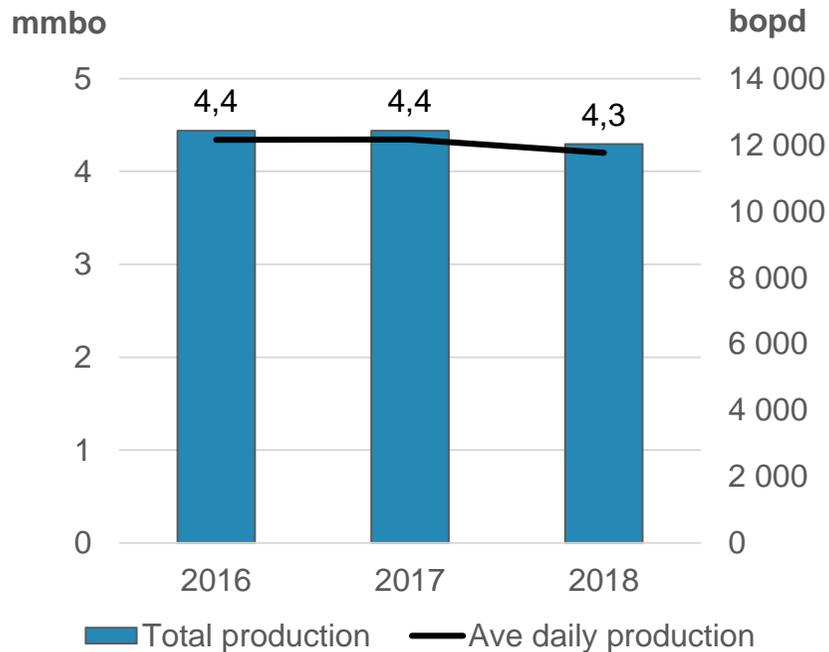
Tethys Oil's main assets - Oman

	Country	Licence	Area, km ²	Tethys share	Partners*	Reserves and resources, net, 31 Dec 2018 (mmbo)		Production, net, Q1 2019 (bopd)
						2P	2C	
Producing Assets	Oman	Blocks 3&4	29,130	30%	CC Energy , Mitsui	25.4	12.5	11,901
Exploration assets	Oman	Blocks 3&4	29,130	30%	CC Energy , Mitsui			
	Oman	Block 49	15,439	100%	Tethys Oil			

* Operator in bold

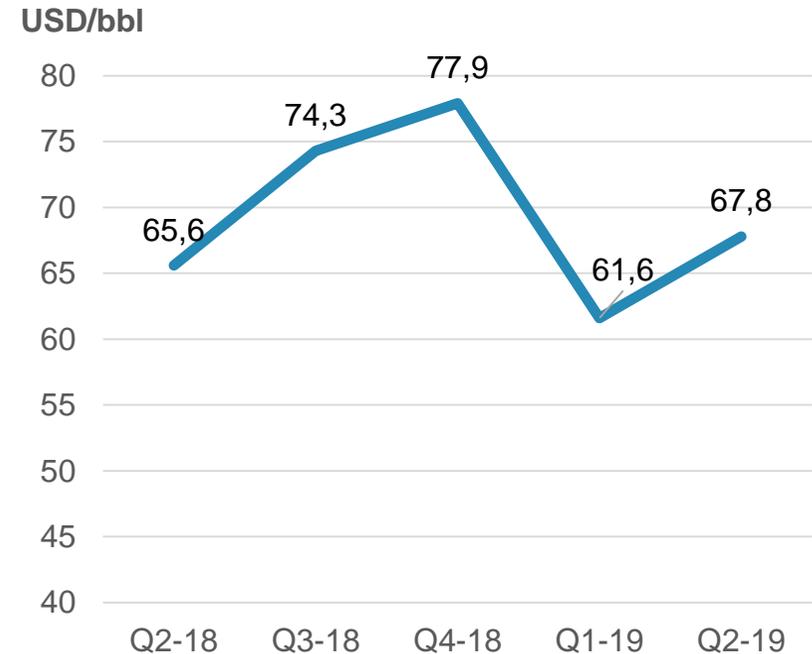
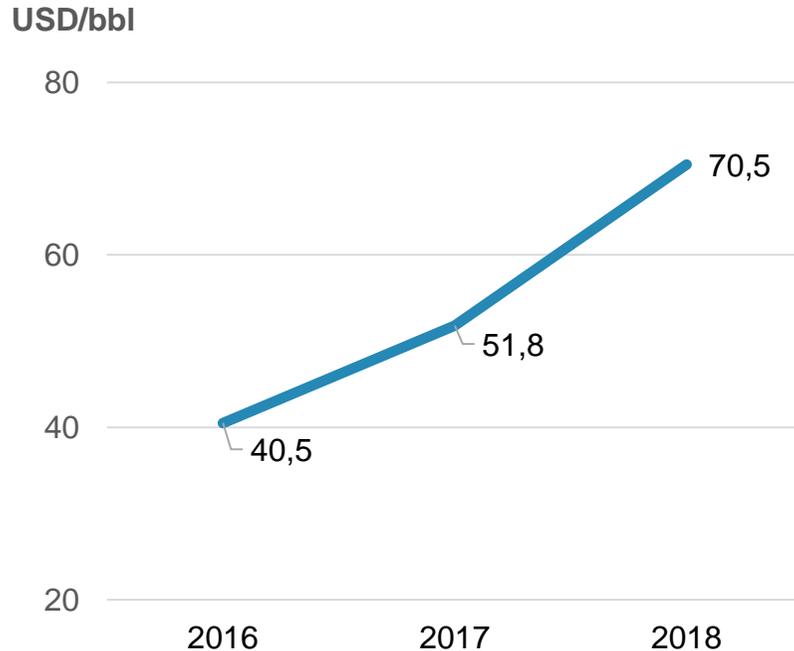


Production, Blocks 3&4



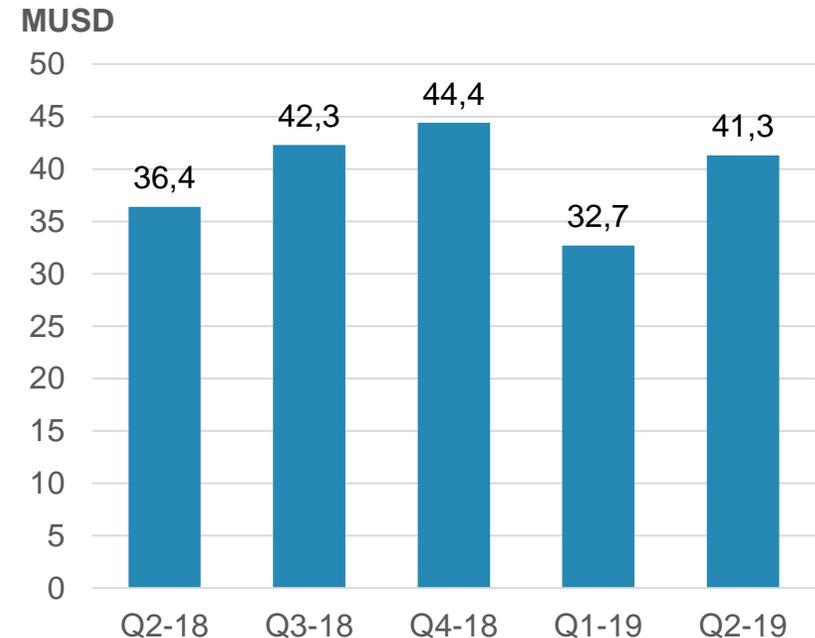
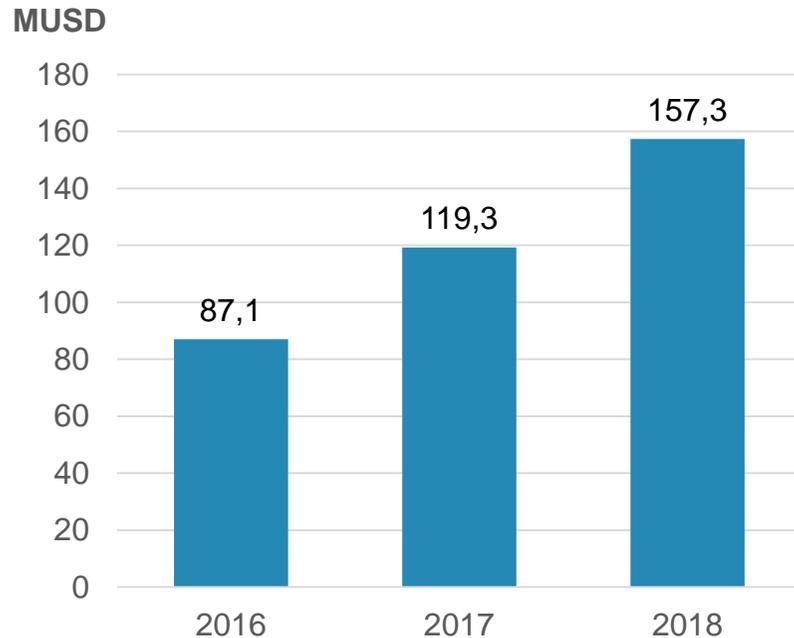
- Record average daily production in Q2-19 of 12,881 bopd up 8% from 11,901 bopd in Q1-19
- Increase in production in Q2-19 mainly a result of installation of the extra gas separation capacity at Ulfa EPF

Average achieved selling price per barrel



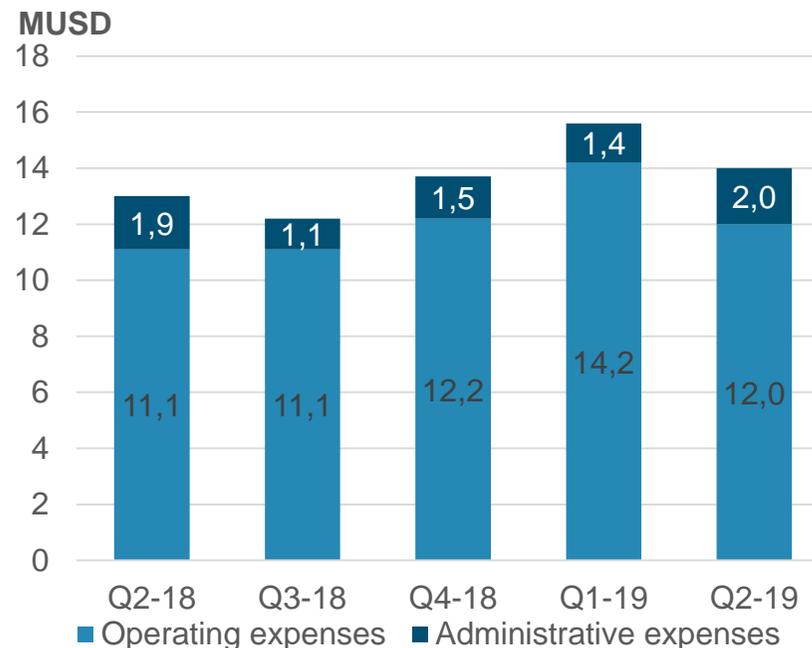
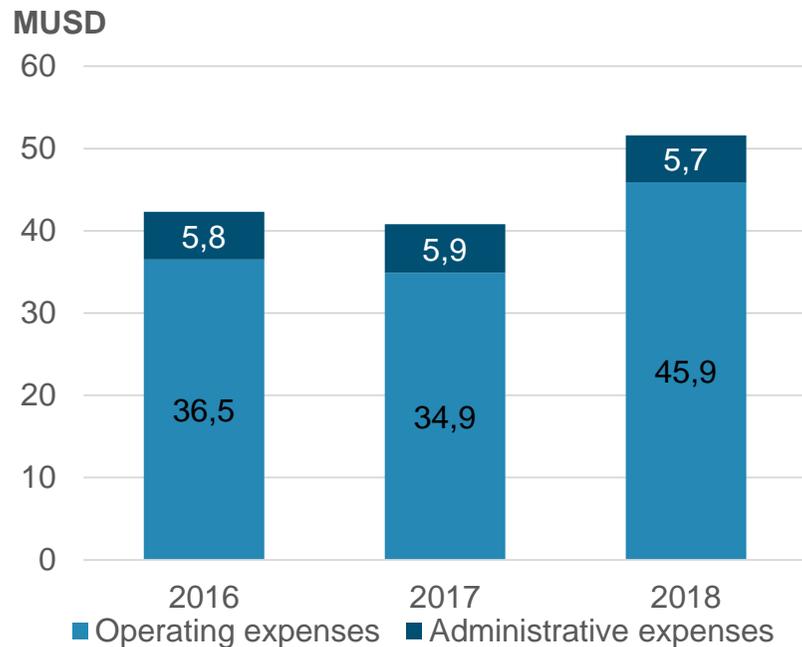
- Average achieved selling price up 10% to USD 67.8/bbl, (Q1-19:USD 61.6/bbl)
- Selling price – effective two-month lag to spot price.
- Oil prices seemingly stabilised above USD 60 per barrel

Revenue and other income



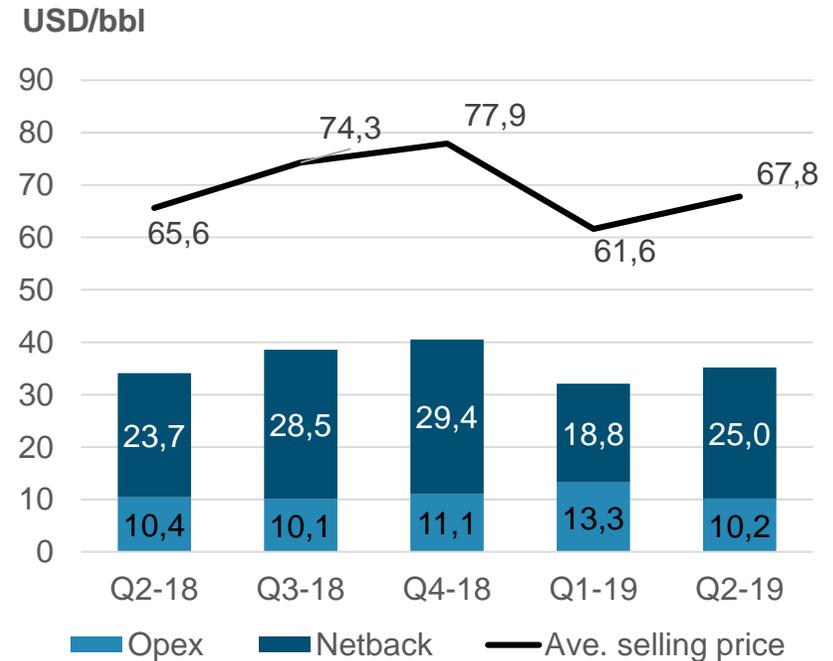
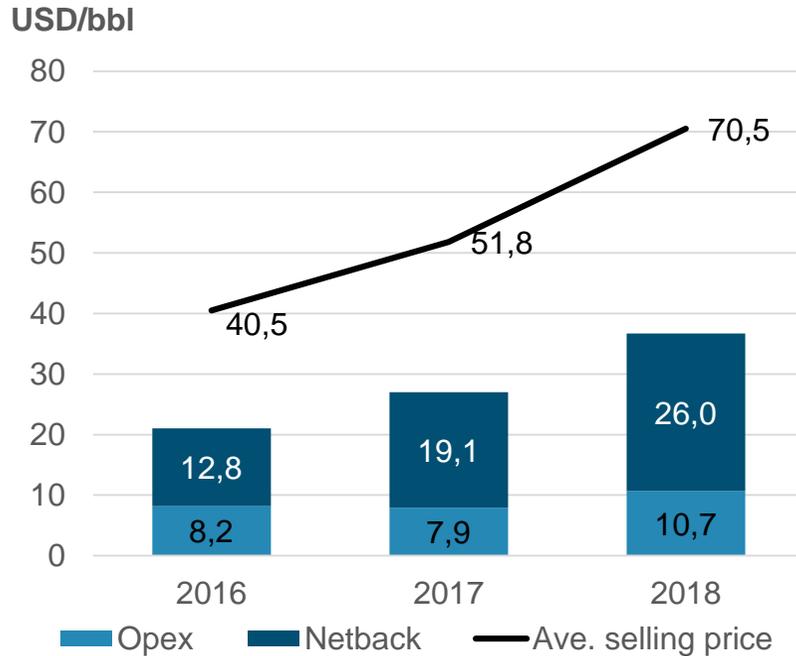
- Q2-19 Revenue and other income amounted to MUSD 41.3, up 26% compared with Q1-19 following higher production and higher oil price

Expenses



- Opex in Q2-19 decreased to MUSD 12.0 from 14.2 in Q1-19 following relatively high opex in Q1-19 following:
 - one off costs associated with the start-up of the Ulfa EPF
 - a higher number of work-overs than usual
 - carry-over costs from 2018 relating to Ulfa commissioning

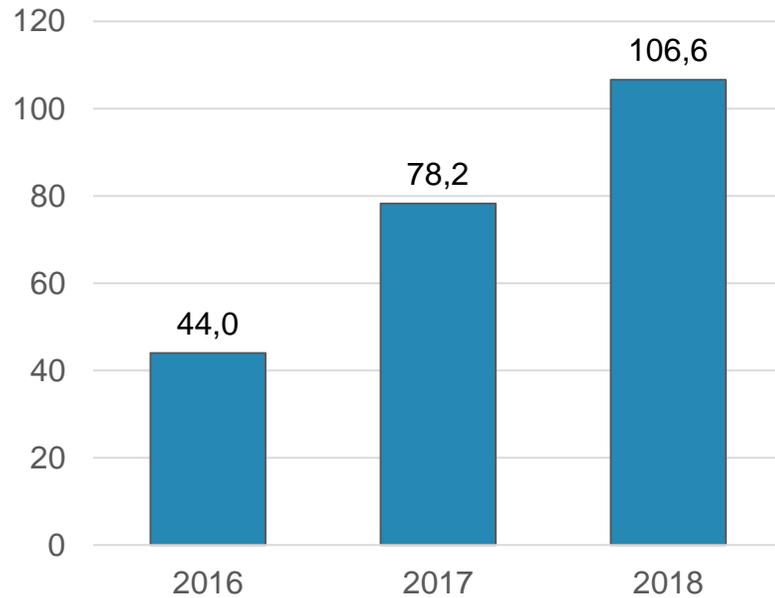
Opex and Netback* per barrel (USD/bbl)



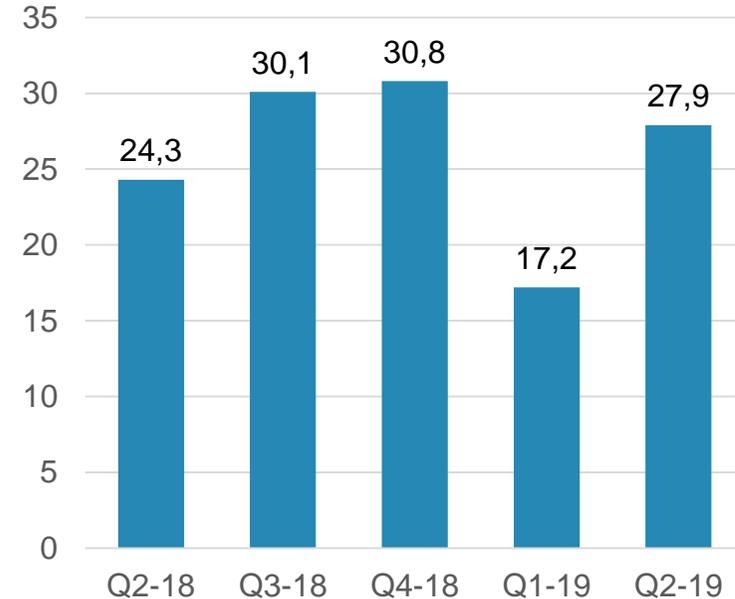
- Netback up 33% in Q2-19 compared with Q1-19 due to higher oil prices and lower opex/bbl
- Lower opex/bbl largely due to the higher production in Q2-19 and lower OPEX
- Average opex/bbl 2019 expected to be in the region of USD 11 for the remainder of 2019

EBITDA

MUSD



MUSD



- EBITDA of MUSD 27.9 in Q2-19, up 62% compared with Q1-19
- EBITDA margin of 68% in Q2-19, compared with 52% in Q1-19

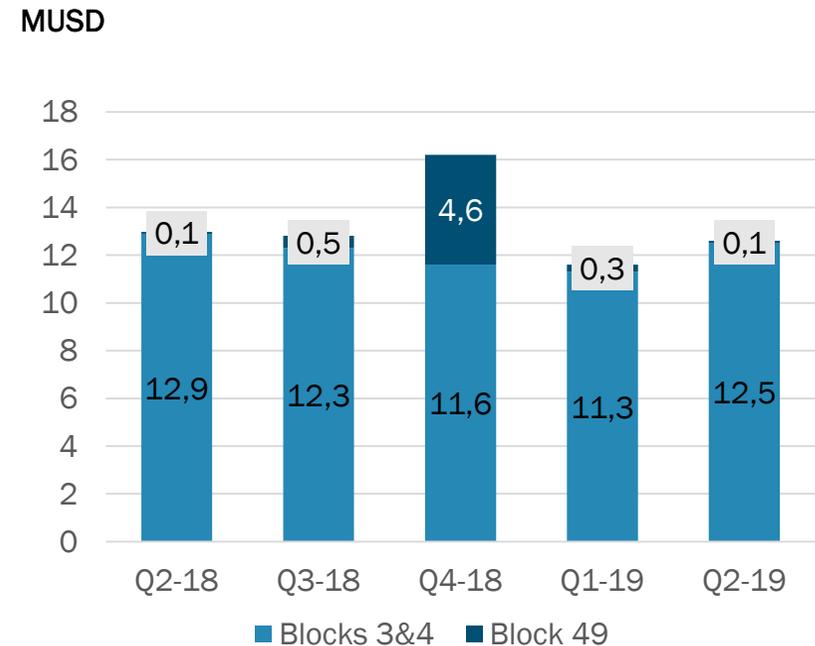
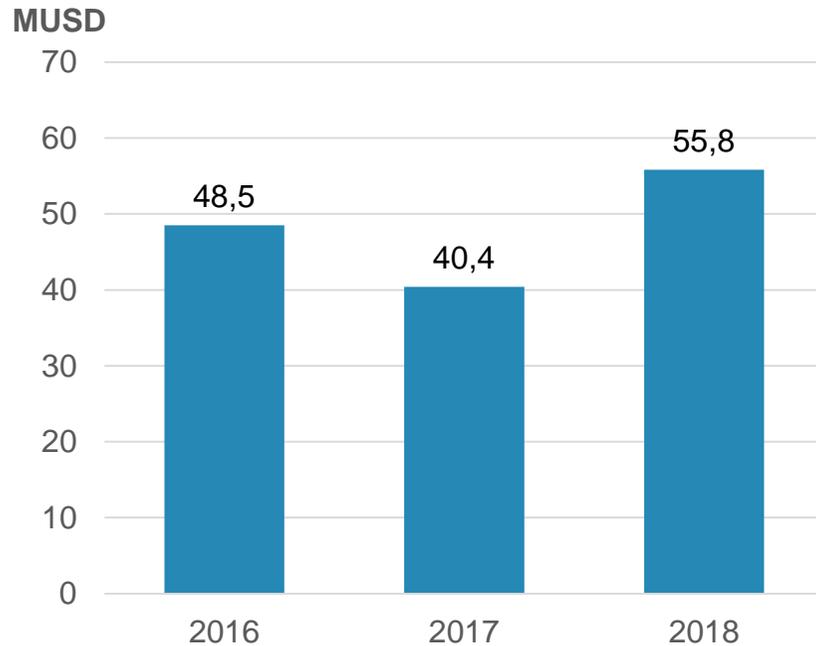
Balance Sheet

(MUSD)	2019-06-30	2019-03-31	2018-12-31
Net cash	62.0	82.7	73.1
Total assets	281.1	298.1	291.4
Shareholders' equity	258.3	273.3	267.6

Continued strong cash generation:

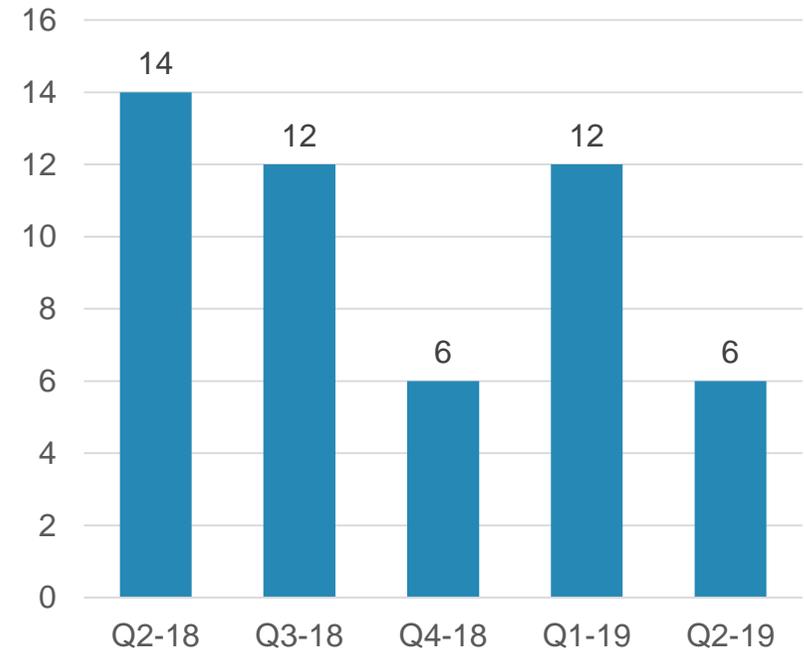
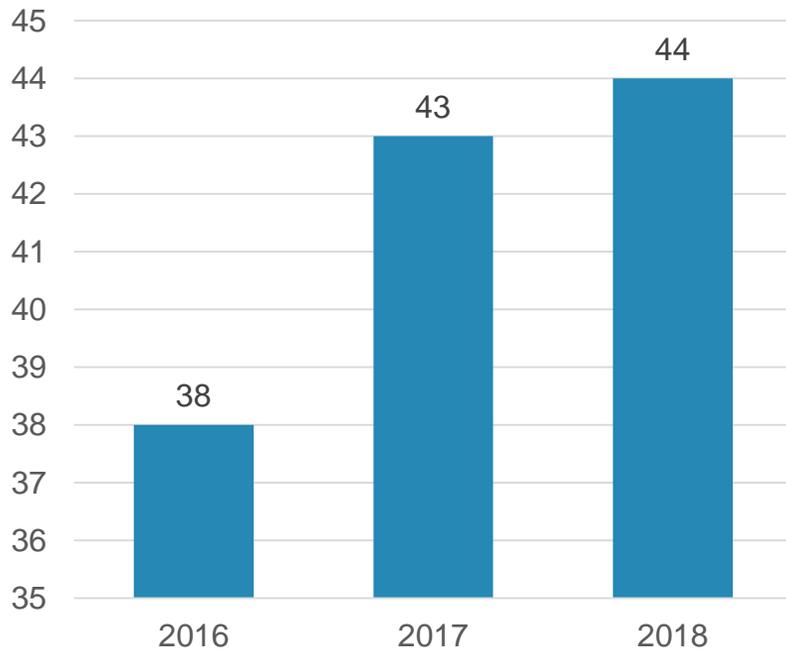
- Following record distribution of MUSD 24.9 to our shareholders in Q2-19, net cash position resulted in a balance of MUSD 62.0.

Oil and gas investments in Blocks 3&4 and 49



- Investments on Blocks 3&4 in Q2-19 of MUSD 12.5 (MUSD 11.3 in Q1-19)
- Investment on Block 49 in Q2-19 MUSD 0.1 (Q4-18 of MUSD 4.6 following seismic campaign)
- Investment guidance 2019: MUSD 50-55

Wells on Blocks 3&4



Wells completed Q2-19 (primary purpose)	Ulfa, Samha and Erfan Fields	Farha South	Shahd and Saiwan East	Near and far field exploration	Total
Appraisal/Production	1	-	3	-	4
Water injection	-	-	2	-	2
Water source	-	-	-	-	-
Exploration	-	-	-	-	-
Total	1	-	5	-	6

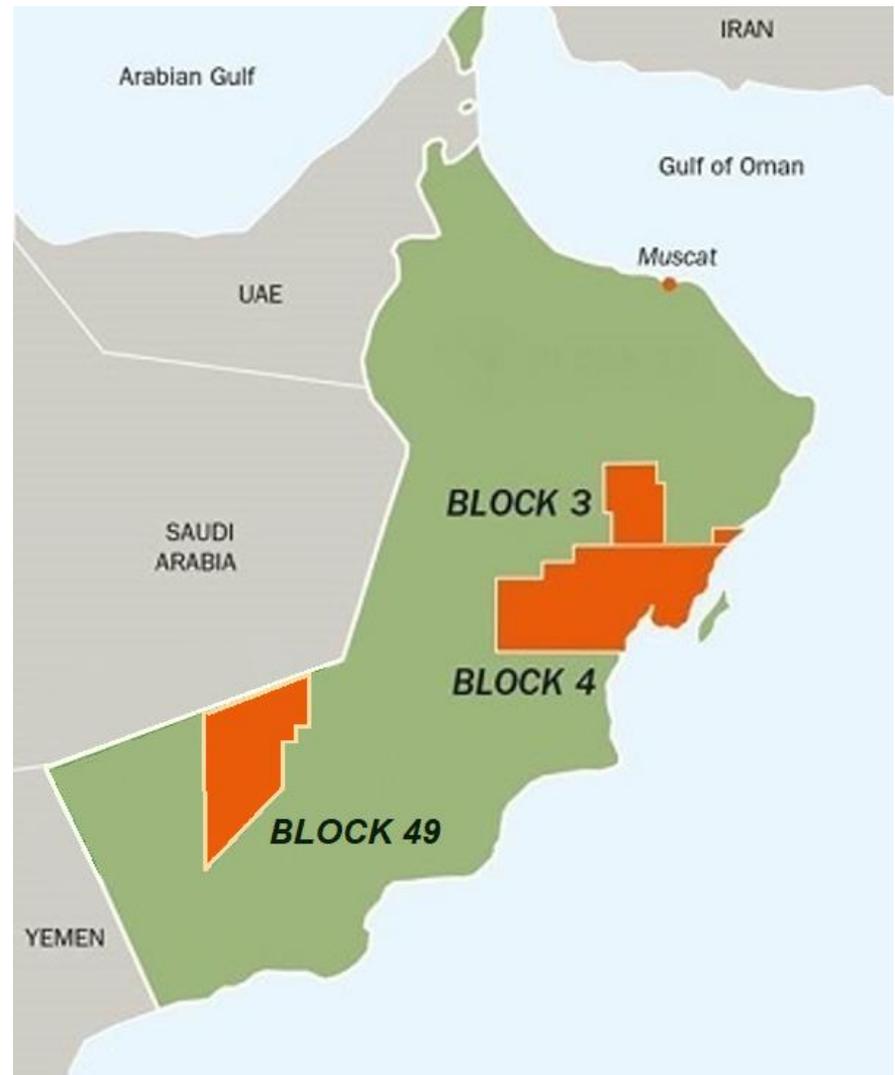
Operations

Blocks 3&4

- Tethys Oil 30%, CCED 50% (operator) and Mitsui 20%
- Acquired 2007
- License valid until 2040
- Total area: 29,130 km²

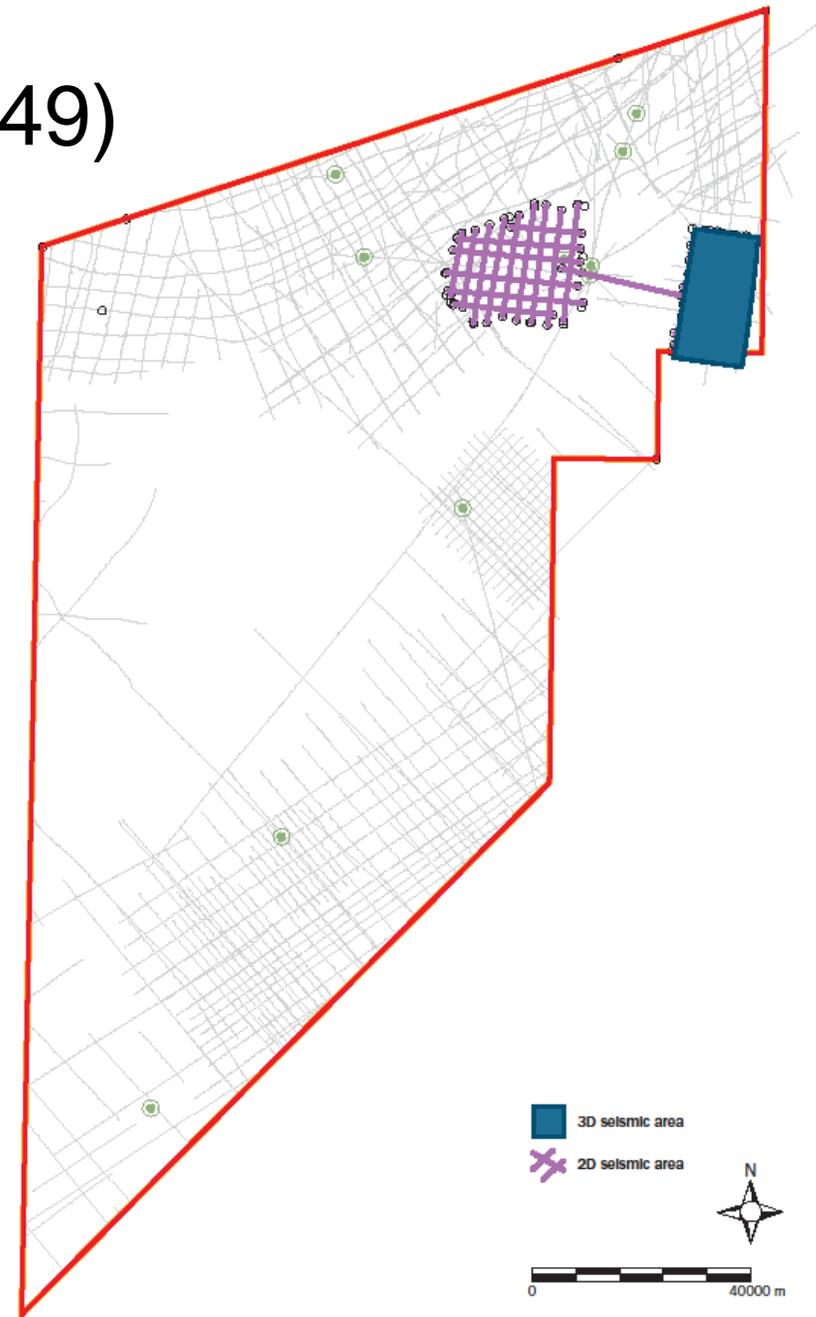
Block 49

- Tethys Oil 100% (Operator)
- Signed in Q4-17
- EPSA covers an initial exploration period of 3 + 3 years
- Total area: 15,439 km²

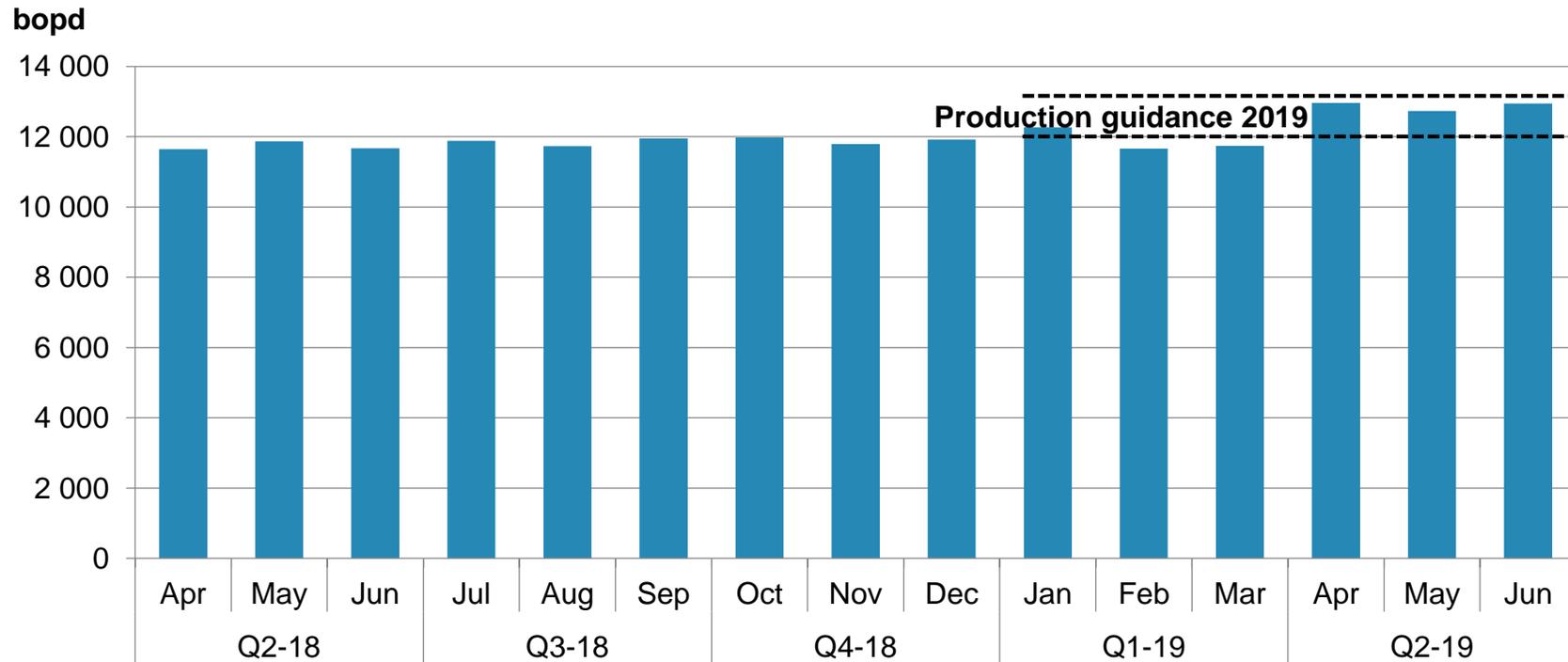


Seismic campaign (Block 49)

- 253 km² of 3D and 299 km of 2D seismic data were acquired in Q4-18
- All seismic data has been processed and delivered to Tethys Oil. Detailed interpretation of the multiple leads identified is ongoing.
- The purpose of the seismic campaign is to further define possible oil traps and to enhance the understanding of the deeper parts of the block in general
- Preparations for exploration drilling have begun



Net production development, Blocks 3&4



- Production guidance 2019: annual ave. net production from Tethys Oil's existing operations during 2019 expected between 12,000-13,000 bopd
- Production in Q2-19 amounted to 12,881 bopd and in first half 2019 to 12,394 bopd

Reserves and resources at 31 Dec 2018

Development of Reserves, Blocks 3&4 Oman (audited)

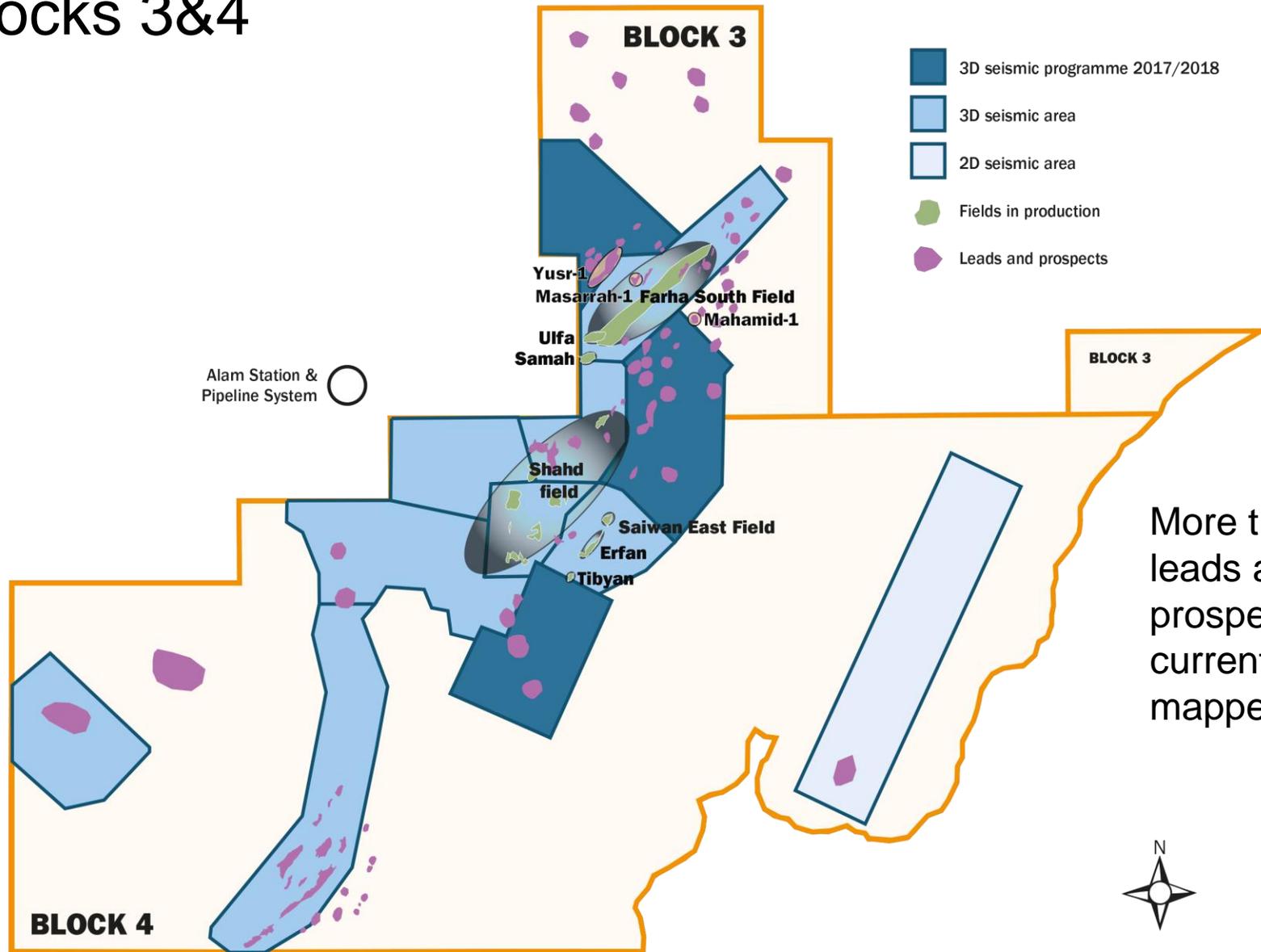
<i>mbo</i>	1P	2P	3P
Total 31 December 2017	15,559	22,044	32,414
Production 2018	-4,295	-4,295	-4,295
Additions and revisions	5,471	7,608	7,765
Total 31 December 2018	16,735	25,357	35,884

Contingent Resources Blocks 3&4 Oman (audited)

<i>mbo</i>	1C	2C	3C
Total	5,472	12,533	24,767

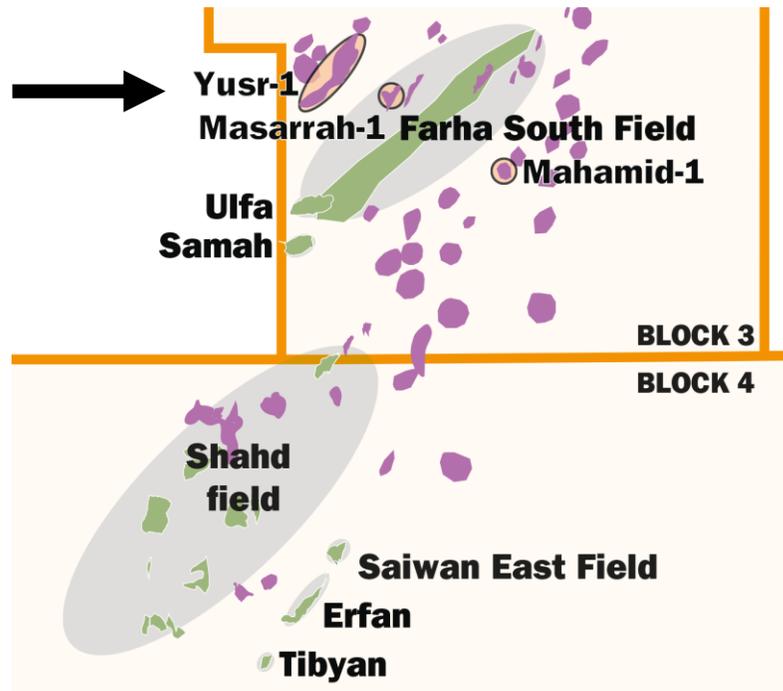
2018 year-end reserves and resources report prepared by ERCE

Fields, Discoveries, Leads and Prospects, Blocks 3&4



More than 25 leads and prospects currently mapped

Yusr-1 Exploration well



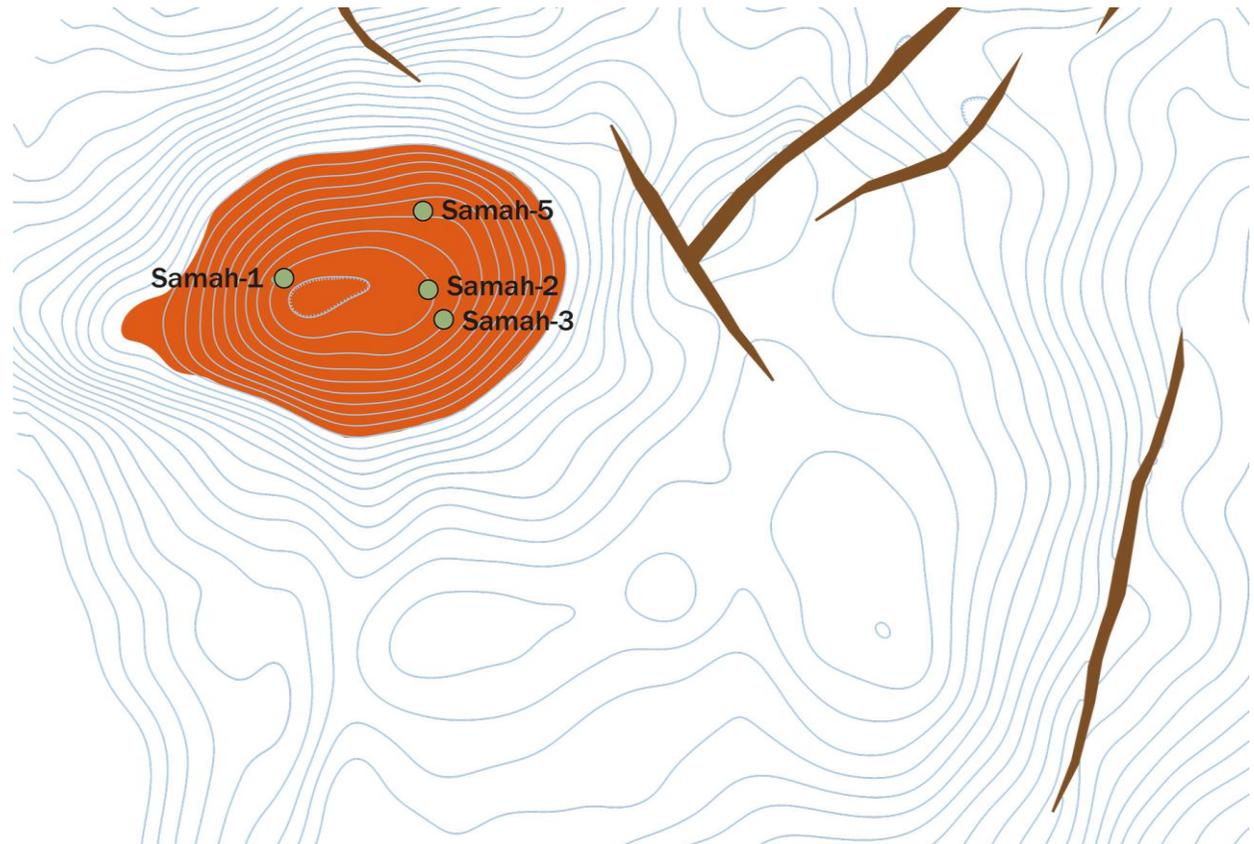
- Spudded late in the second quarter
- First well to be drilled in the recently acquired 3D seismic north of Farha South
- Located 9 km northwest of Mazarrah discovery in Block 3



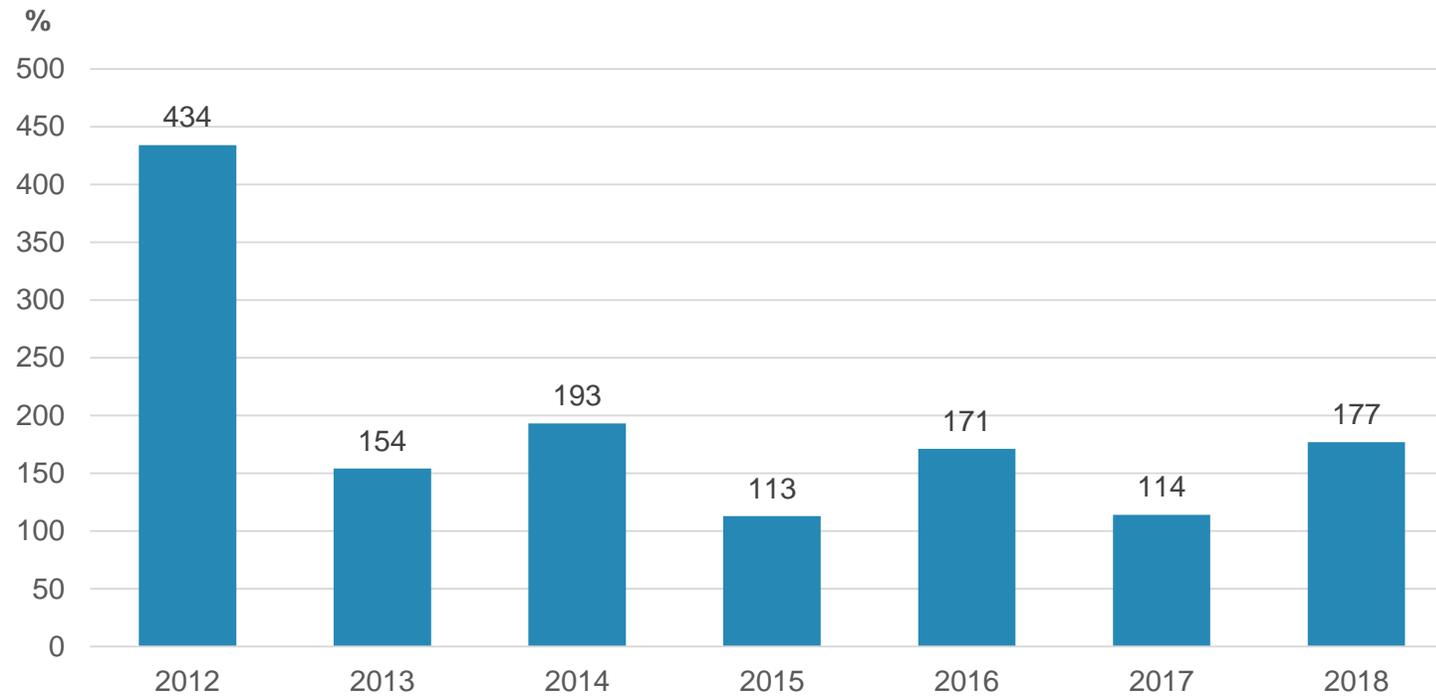
- To test the extension of Buah and Khufai targets to the north
- Planned to be drilled to a total depth of 4,450m (TVD) down to the formations from Cryogenian period.

Samah-5 Appraisal/development well

- Encountered oil as expected
- Drilled to drain the north eastern part of the structure
- Completed as a producer from the Khufai formation
- Will be connected to the production facility in the third quarter 2019.



2P Reserve Replacement Ratio (Blocks 3&4)



Outlook

- **Blocks 3&4:** Exploration well Yusr-1 spudded.
- **Block 49:** Preparation for exploration drilling continues
- Maturation of leads continues on all blocks
- 2019 production guidance unchanged at 12,000-13,000 bopd
- At least two additional exploration wells on Blocks 3&4 planned for 2019

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