



Tethys Oil

Q3 2019
5 November 2019



Q3-19 Summary

- **13,053**
- **49**
- **56**

Q3-19 Highlights

13,053 - Record production from Blocks 3&4 following:

- continued fine tuning of primarily the Ulfa facility
- successful drilling of production wells on Shahd field
- maintenance work on the older fields

Block 49

- One drillable prospect identified
- A first exploration well planned to be spudded in first half 2020

Block 56

- 20% farm in into an Block 56 - an appraisal opportunity with excellent exploration potential

Blocks 3&4

- Exploration well Yusr-1 has completed drilling - encountered oil shows but experienced some difficulties during drilling and testing operations. To be re-tested
- Exploration well Maather-1 spudded

Q3-19 Financial highlights

	Q3-19	Q2-19	Q3-18	FY-18
Revenue and other income, MUSD	40.7	41.3	42.3	157.3
EBITDA, MUSD	26.6	27.9	30.1	106.6
Operating result, MUSD	14.5	16.4	18.5	60.7
Ave. selling price, USD/bbl	65.4	67.8	74.3	70.5
Opex, USD/bbl	10.1	10.2	10.1	10.7
Ave. daily production, bbl	13,053	12,881	11,857	11,767

- **Continued strong financial results in Q3-19 following:**
 - record production
 - stable oil price
 - stable opex
- **Net cash position of MUSD 71.9**
- **Second installment of SEK 1.00 payable in November**

Distributions to shareholders continues

- The record date for the second instalment: 18 Nov 2019 (last days of trading in the share incl. the right to receive dividends is 14 Nov 2019. Payment date 21 Nov 2019)

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%

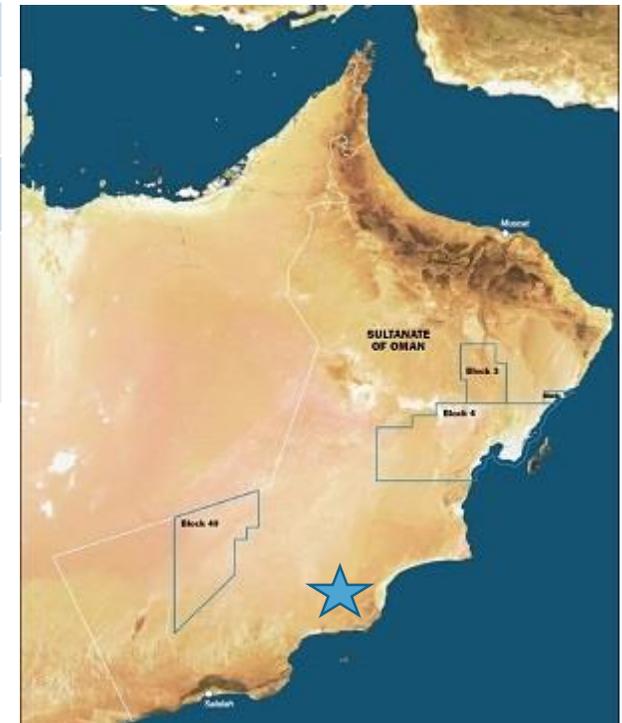
- 2019: An ordinary dividend of SEK 2.00 per share (2018: SEK 2.00), to be paid in two instalments of SEK 1,00 per share. One paid in May 2019, one to be paid in November 2019
- 2019: An extraordinary distribution of SEK 6.00 by way of a mandatory share redemption programme paid in June (2018: SEK 4.00)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

Tethys Oil's main assets - Oman

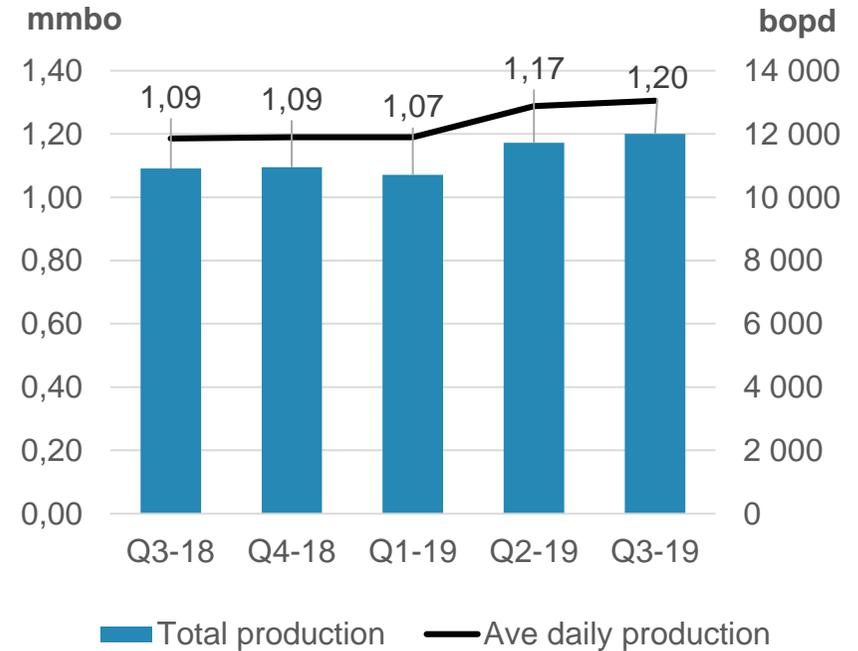
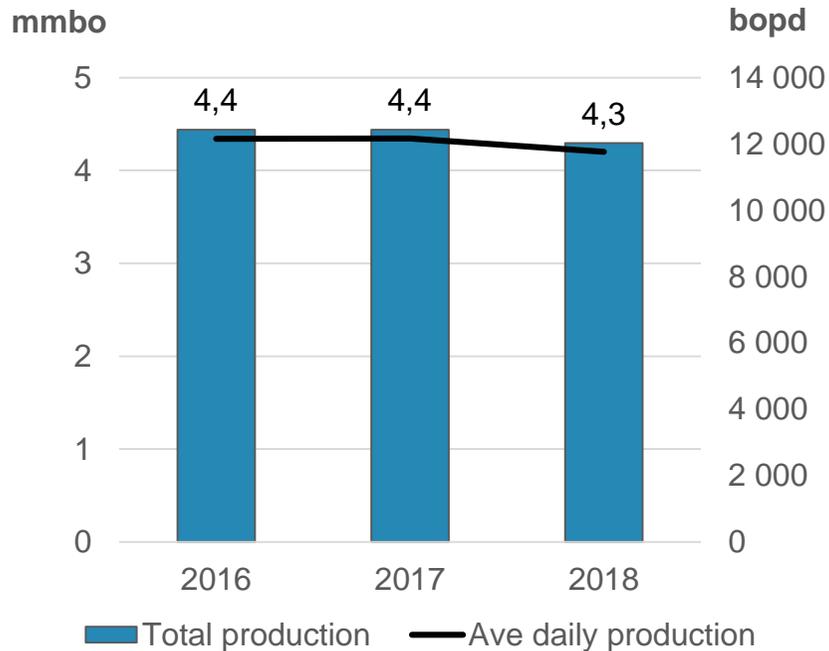
	Country	Licence	Area, km ²	Tethys share	Partners*	Reserves and resources, net, 31 Dec 2018 (mmbo)		Production, net, Q3 2019 (bopd)
						2P	2C	
Producing Assets	Oman	Blocks 3&4	29,130	30%	CC Energy , Mitsui	25.4	12.5	13,053
Exploration assets	Oman	Blocks 3&4	29,130	30%	CC Energy , Mitsui			
	Oman	Block 49	15,439	100%	Tethys Oil			
Pending**	Oman	Block 56	5,808	20%	Medco Arabia Ltd , Intaj LLC, Biyaq Oil Field Services			

* Operator in bold

** Subject to Government approval

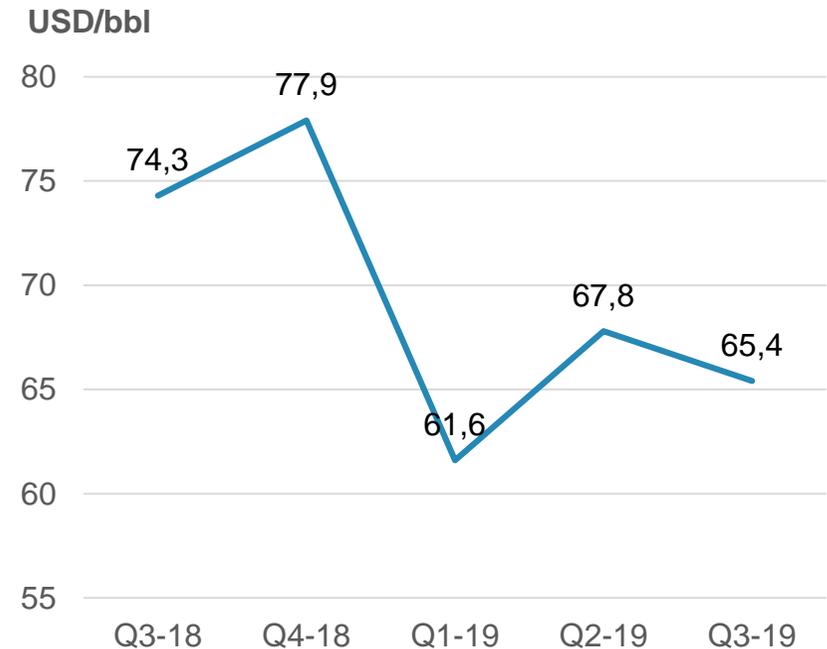
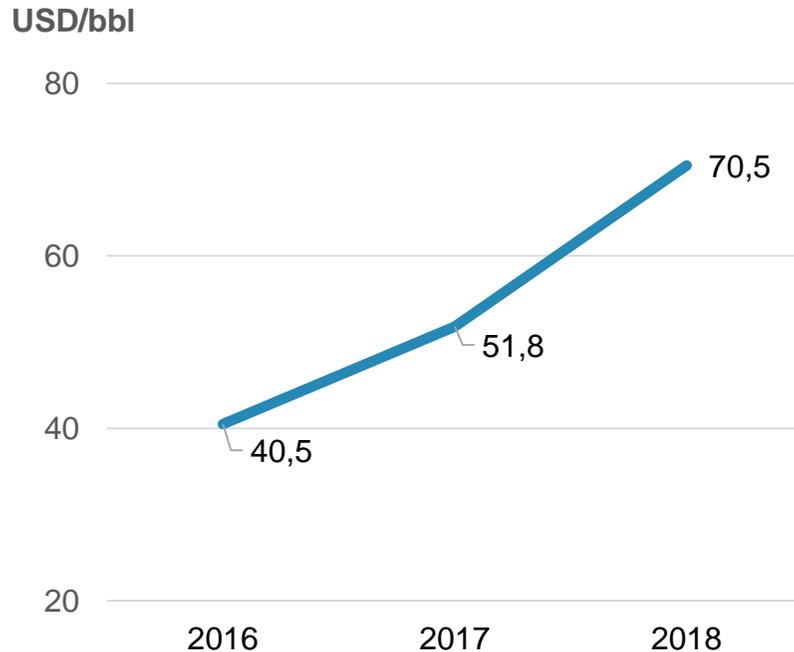


Production, Blocks 3&4



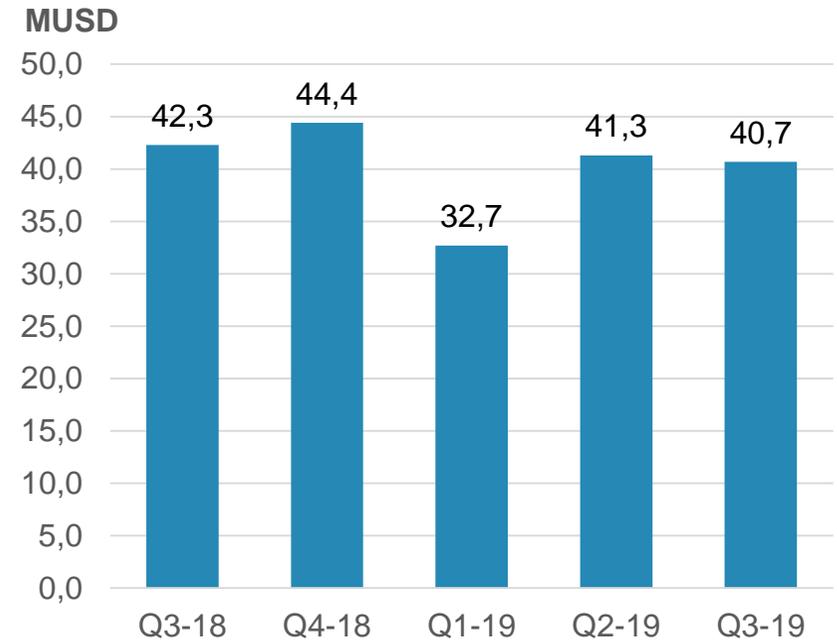
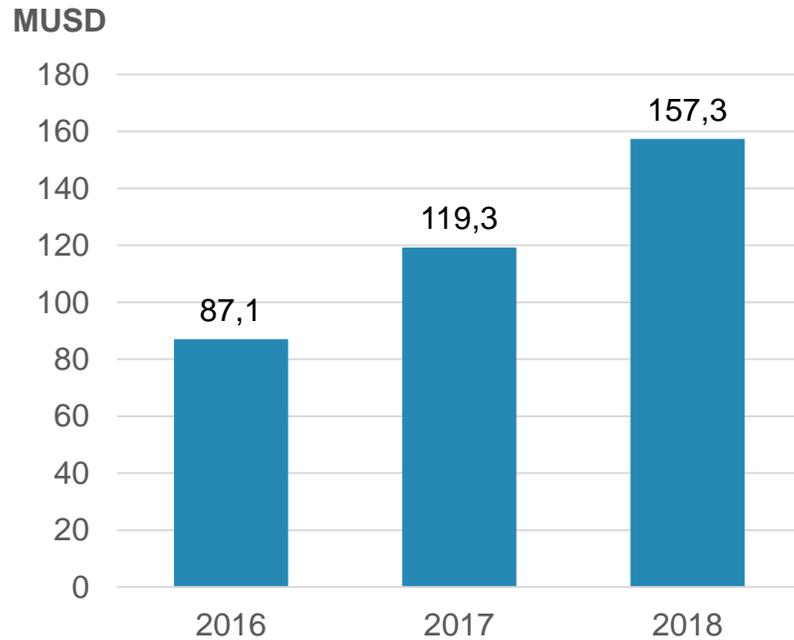
- Record average daily production in Q3-19 of 13,053 bopd up 1% from Q2-19 and 10% from Q3-18
- Increase in production in Q3-19 mainly a result of additional infrastructure on Ulfa EPF, high production from new Shahd wells and maintenance work on the older fields

Average achieved selling price per barrel



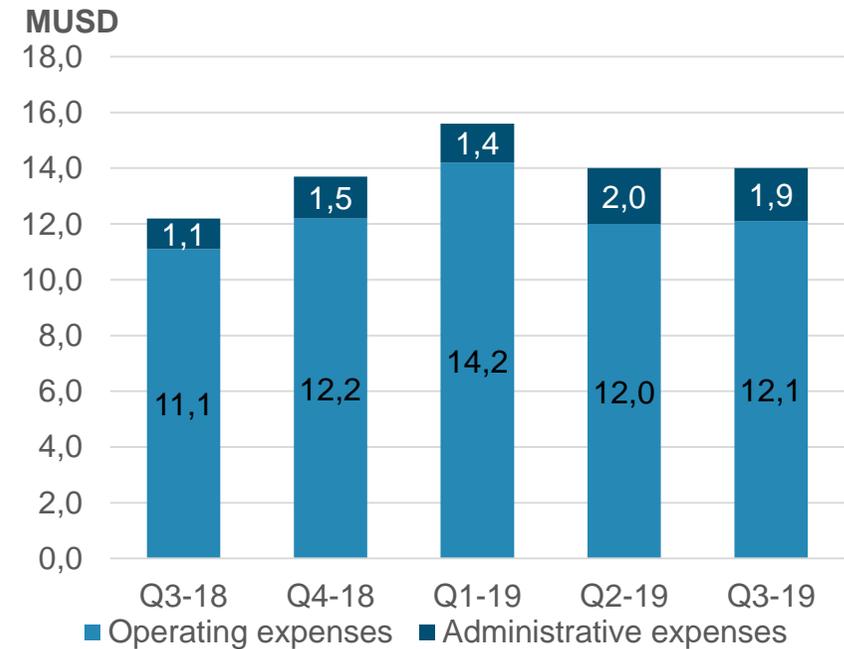
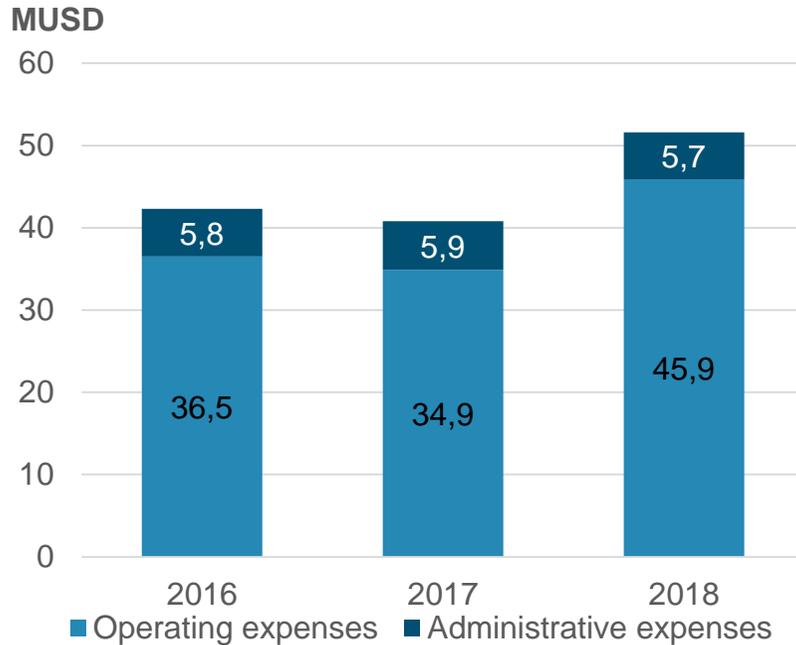
- Average achieved selling price down 4% to USD 65.4/bbl, (Q2-19:USD 67.8/bbl)
- Selling price – effective two-month lag to spot price.
- Oil prices seemingly stabilised above USD 60 per barrel

Revenue and other income



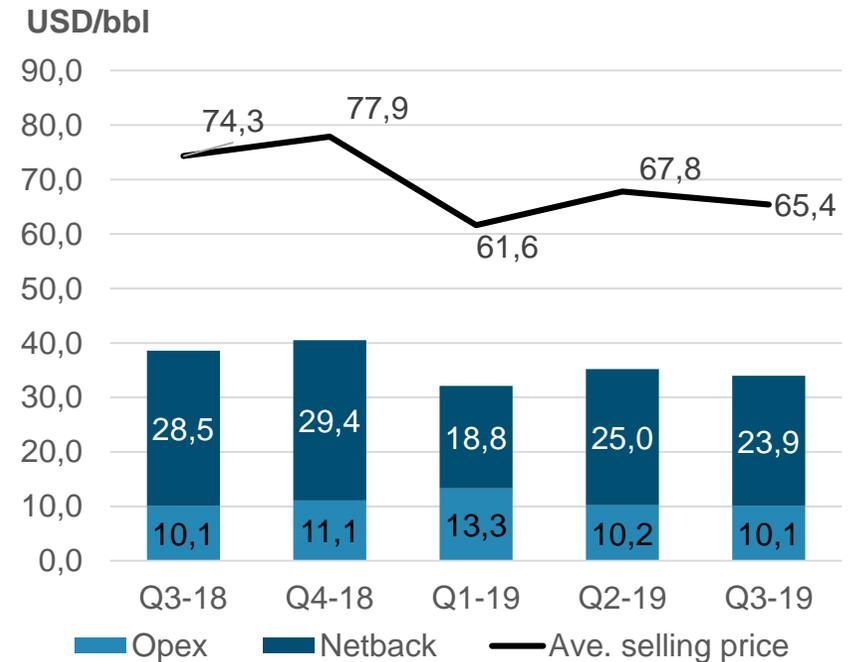
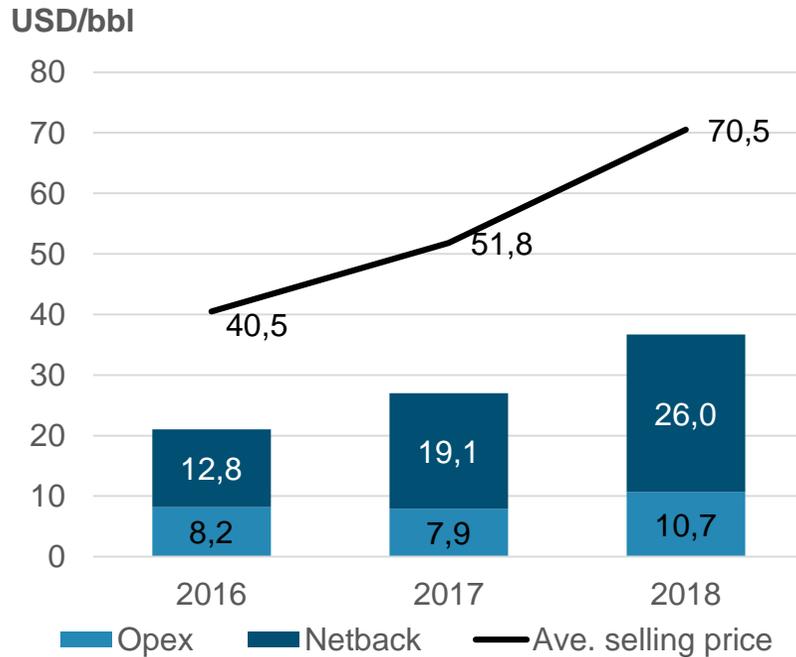
- Q3-19 Revenue and other income amounted to MUSD 40.7, down 1% compared with Q2-19 following lower oil price

Expenses



- Opex in Q3-19 amounted to MUSD 12.1, in line with MUSD 12.0 in Q2-19

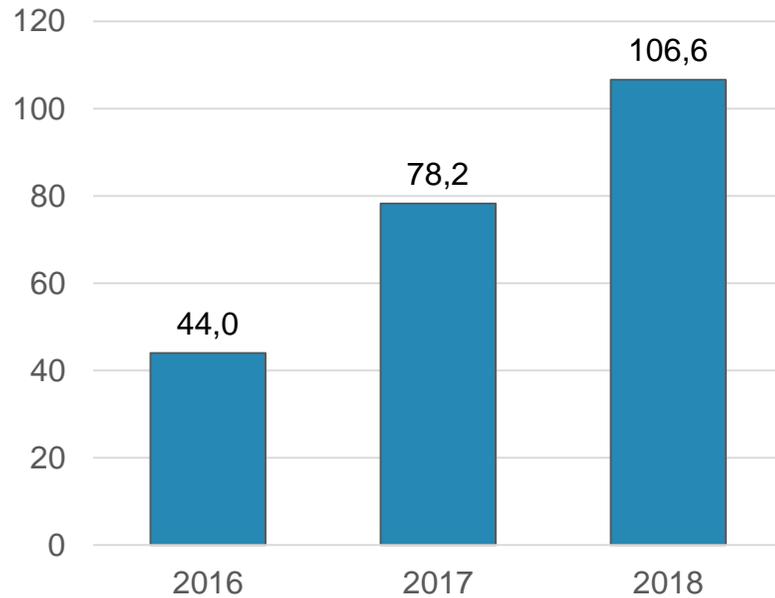
Opex and Netback* per barrel (USD/bbl)



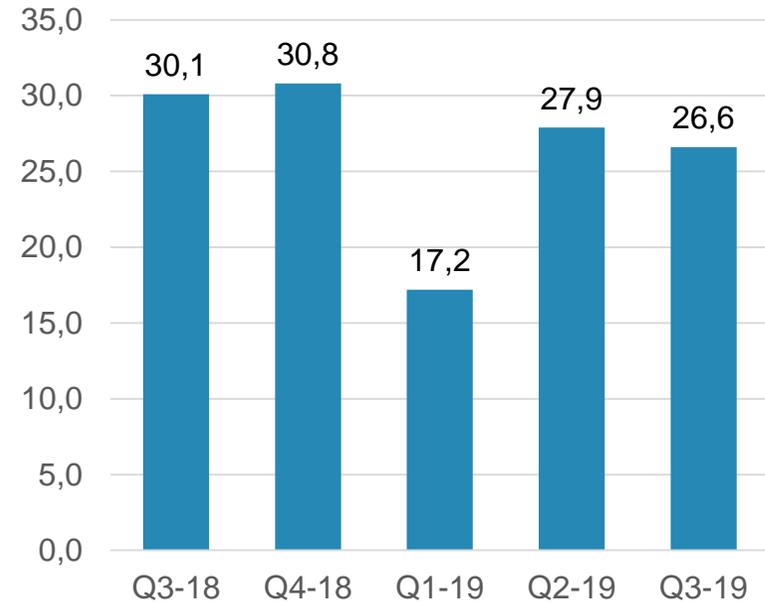
- Netback down 4% in Q3-19 compared with Q2-19 due to lower oil prices
- Lower opex/bbl due to slightly higher production in Q3-19
- Average opex/bbl 2019 expected to be in the region of USD 11 for the remainder of 2019

EBITDA

MUSD



MUSD



- EBITDA of MUSD 26.6 in Q3-19, down 5% compared with Q2-19
- EBITDA margin of 65% in Q3-19, compared with 68% in Q2-19

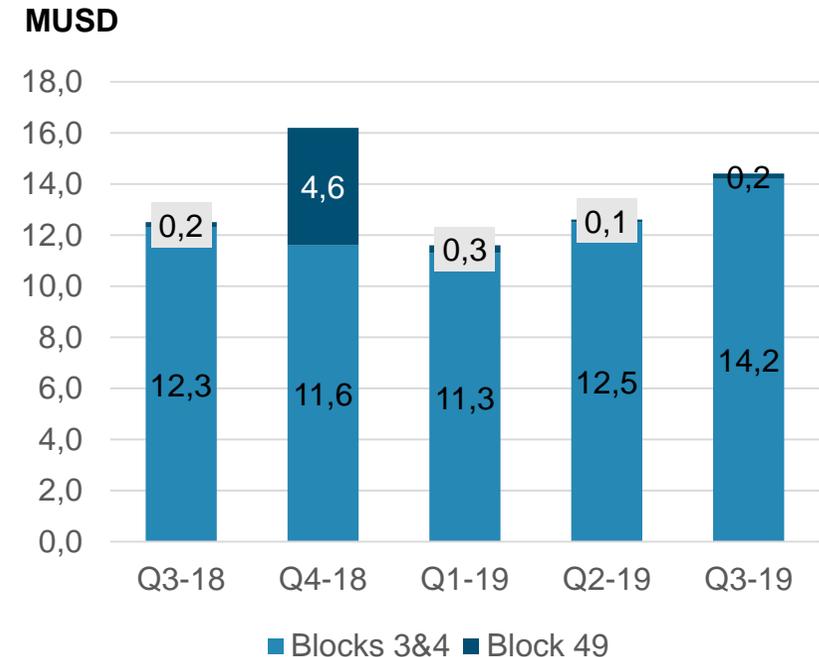
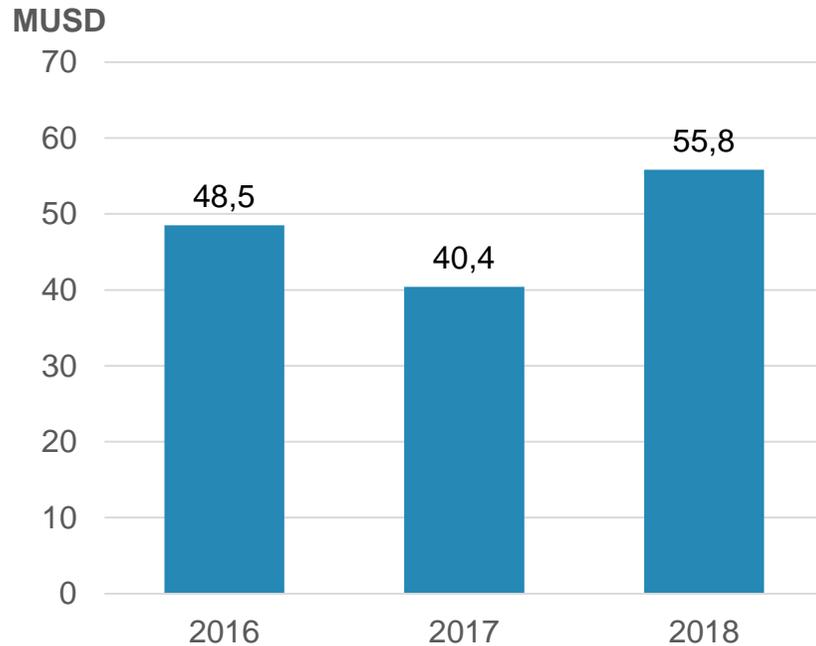
Balance Sheet

(MUSD)	2019-09-30	2019-06-30	2018-12-31
Net cash	71.9	62.0	73.1
Total assets	296.5	281.1	291.4
Shareholders' equity	273.2	258.3	267.6

Continued strong cash generation:

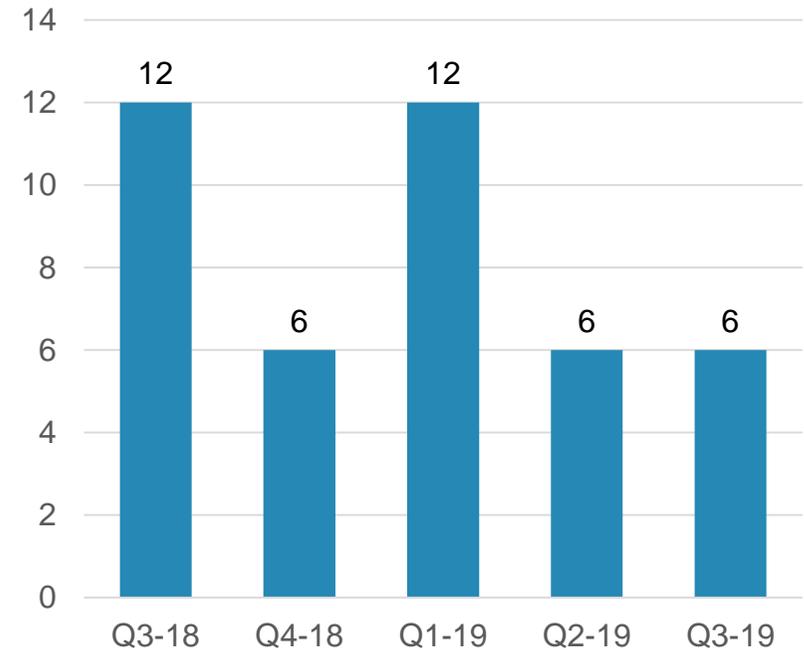
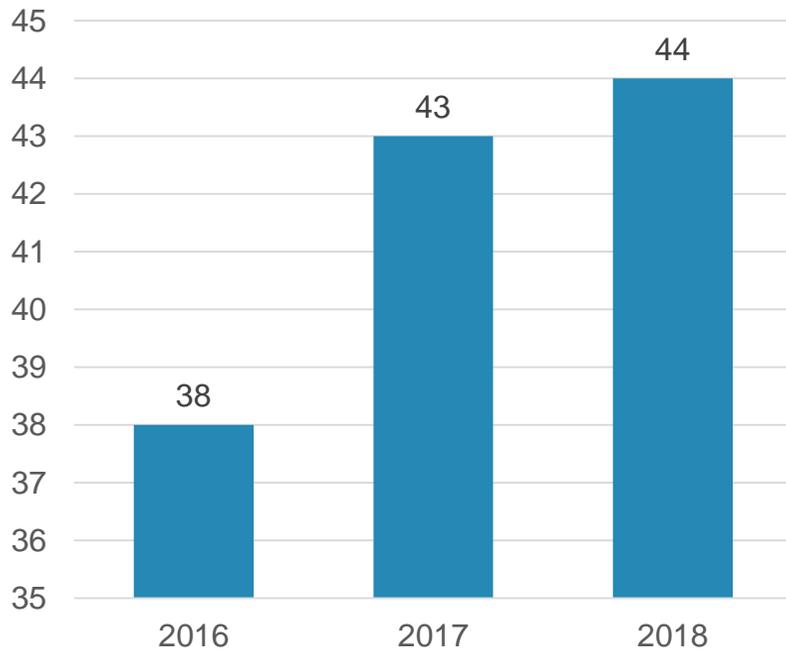
- Operations continue to generate strong cash flows – net cash back over MUSD 70 following record distribution of MUSD 24.9 to our shareholders in Q2-19.

Oil and gas investments in Blocks 3&4 and 49



- Investments on Blocks 3&4 in Q3-19 of MUSD 14.2 (MUSD 12.5 in Q2-19)
- Investment on Block 49 in Q3-19 MUSD 0.2 (Q4-18 of MUSD 4.6 following seismic campaign)
- Investment guidance 2019: MUSD 50-55

Wells on Blocks 3&4



Wells completed Q3-19 (primary purpose)	Ulfa, Samha and Erfan Fields	Farha South	Shahd and Saiwan East	Near and far field exploration	Total
Appraisal/Production	2	-	3	-	5
Water injection	-	-	-	-	-
Water source	-	-	-	-	-
Exploration	-	-	-	1	1
Total	2	-	3	1	6

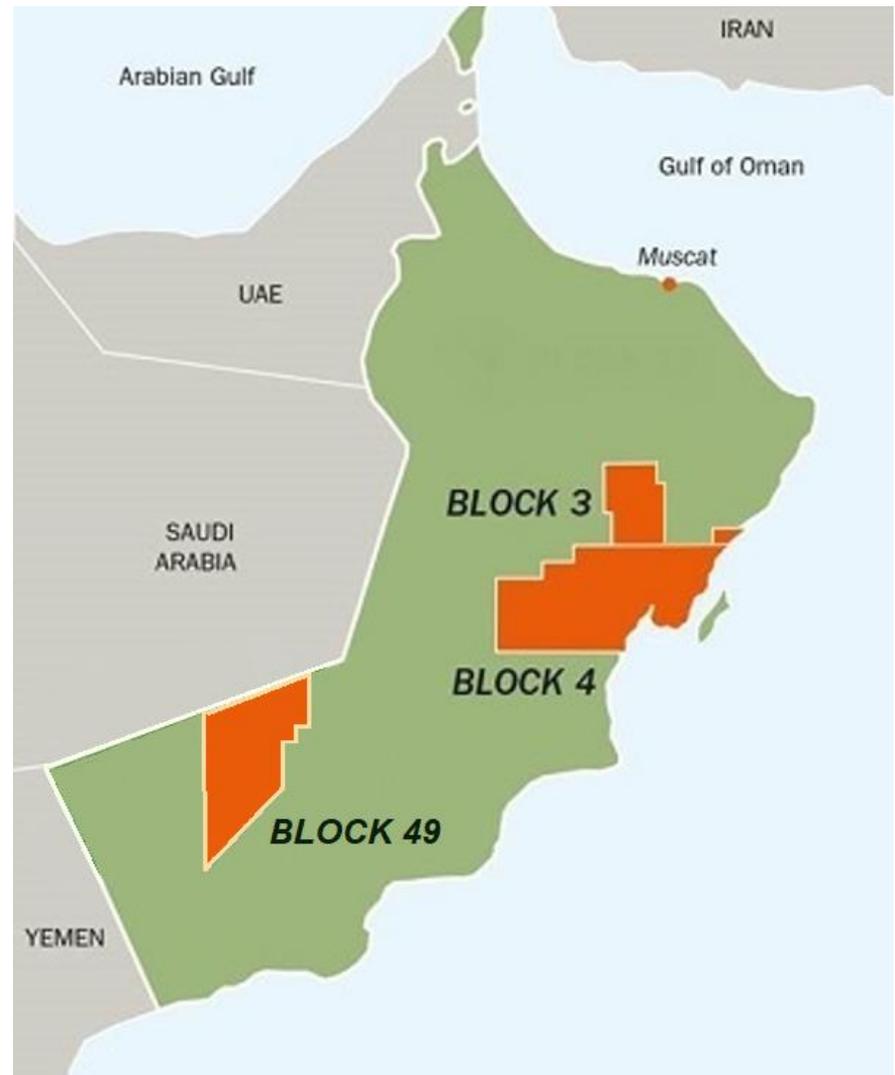
Operations Q3 2019

Blocks 3&4

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

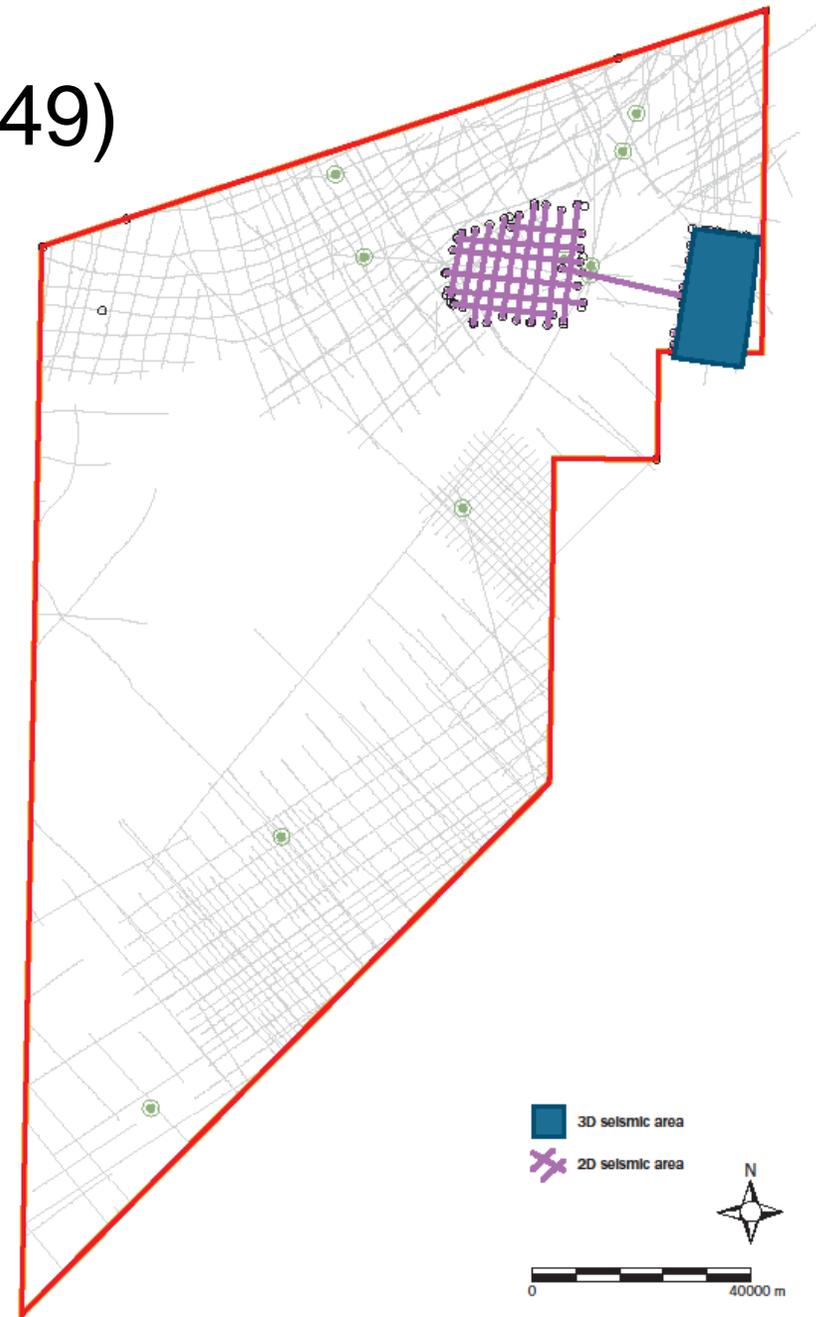
Block 49

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



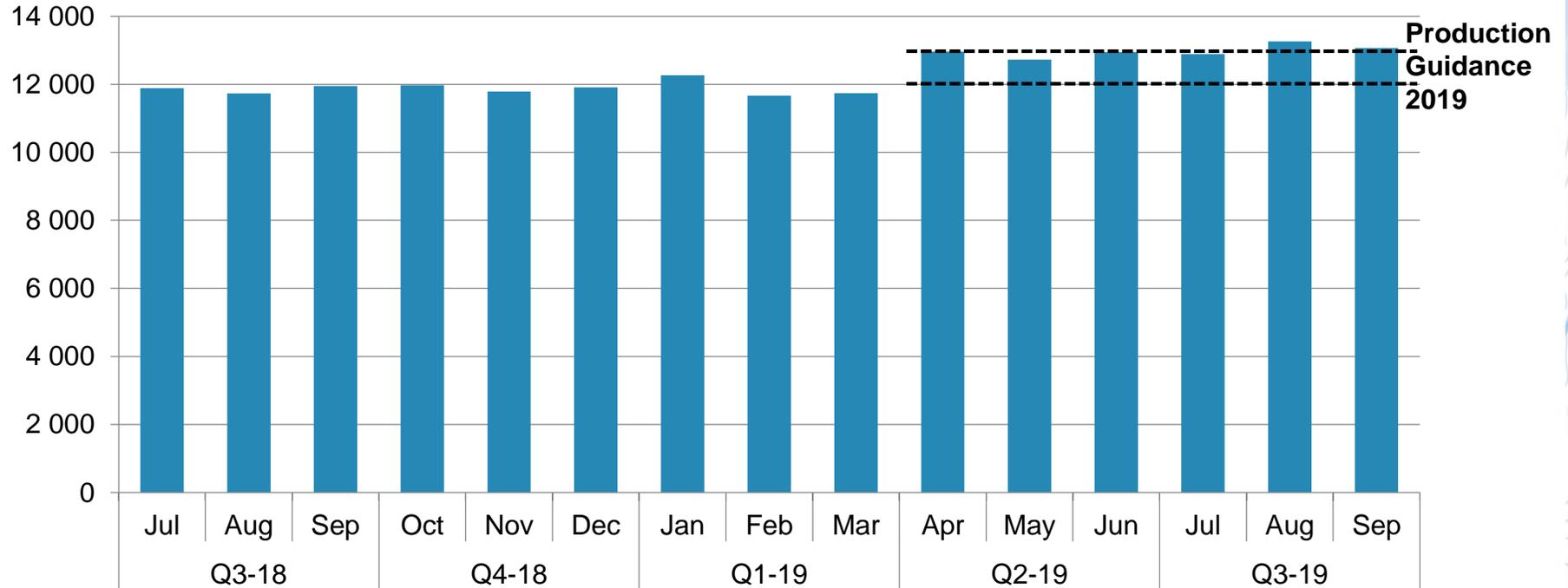
Seismic campaign (Block 49)

- 253 km² of 3D and 299 km of 2D seismic data were acquired in Q4-18
- Interpretation of all seismic 2D data and most of 3D data completed. One lead in 2D area matured to drillable prospect. Several potential leads identified. Maturation of leads continue in 3D area
- Preparations for exploration drilling ongoing with a view to spud an exploration well in first half 2020
- Tendering for drilling equipment and services, including drilling rig, in progress



Net production development, Blocks 3&4

BOPD



- Production guidance 2019: annual ave. net production from Tethys Oil’s existing operations during 2019 expected between 12,000-13,000 bopd. Based on YTD production levels, full year production expected to be at higher end of guidance
- Production in Q3-19 amounted to 13,053 bopd and in nine month 2019 to 12,616 bopd

Reserves and resources at 31 Dec 2018

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

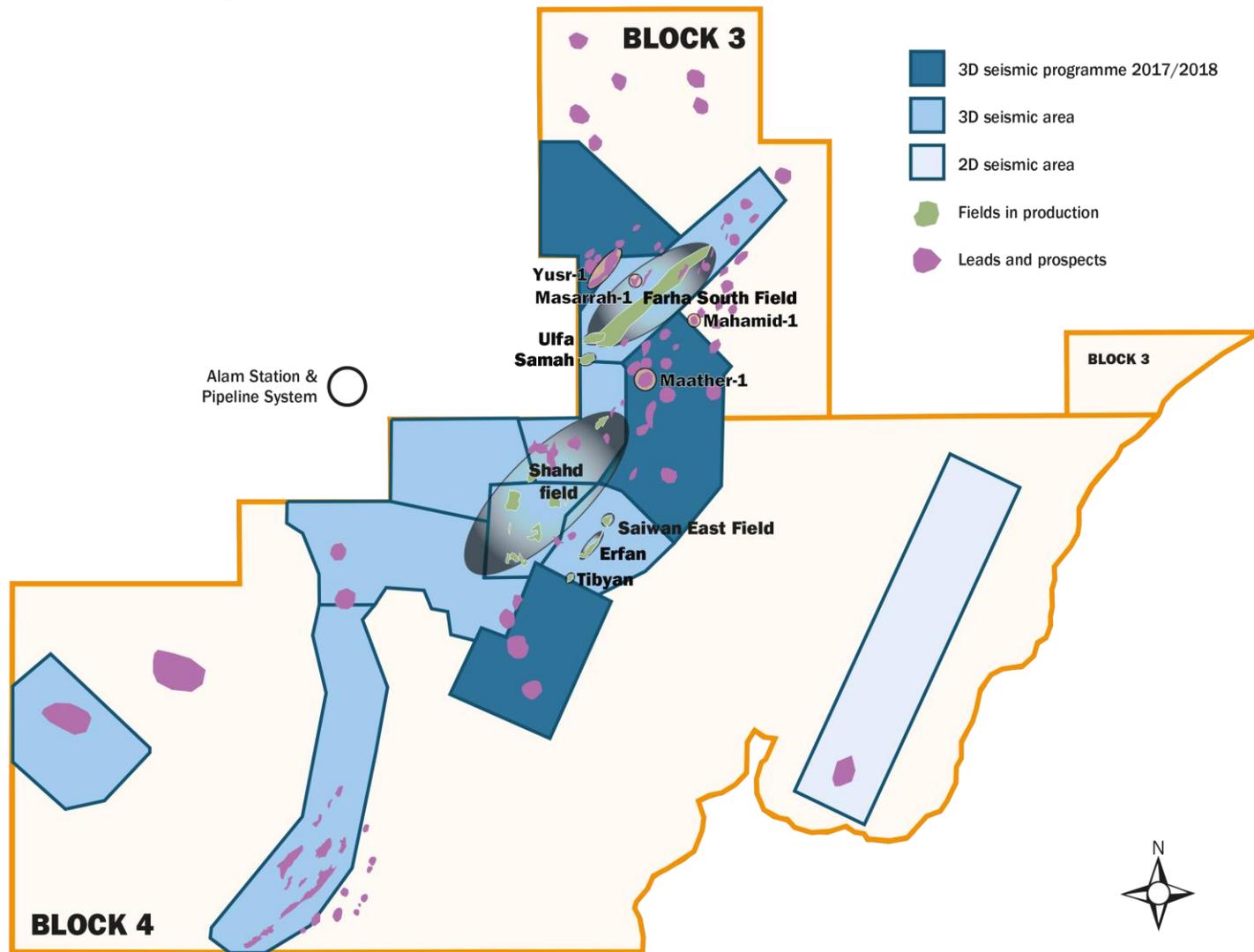
<i>mbo</i>	1P	2P	3P
Total 31 December 2017	15,559	22,044	32,414
Production 2018	-4,295	-4,295	-4,295
Additions and revisions	5,471	7,608	7,765
Total 31 December 2018	16,735	25,357	35,884

Contingent Resources Blocks 3&4 Oman (audited)

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

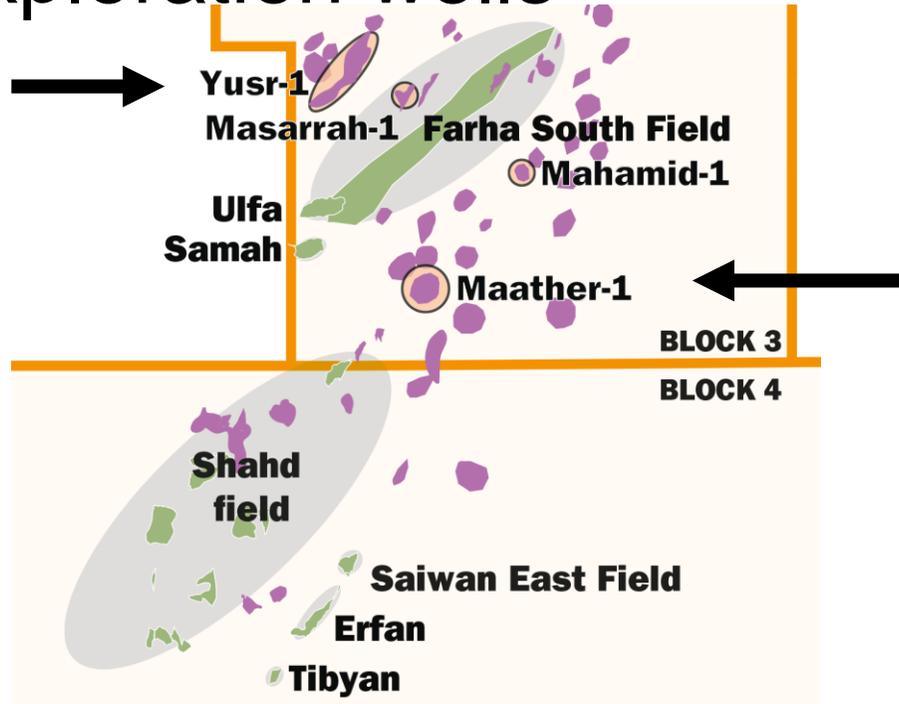
2018 year-end reserves and resources report prepared by ERCE

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



More than 25 leads and prospects currently mapped

Exploration wells



Yusr-1

- Drilling completed in Q3-19
- Good oil shows in Khufai
- Inconclusive test results. To be re-tested in Q4-19

Maather-1

- Spudded in Q3-19. Drilling ongoing
- To test Buah, Khufai and Masirah Bay formations and underlying formations in the Cryogenian
- Will, if successful, support lead and prospect maturation in this area

Erfan-5 & -6 appraisal/development wells

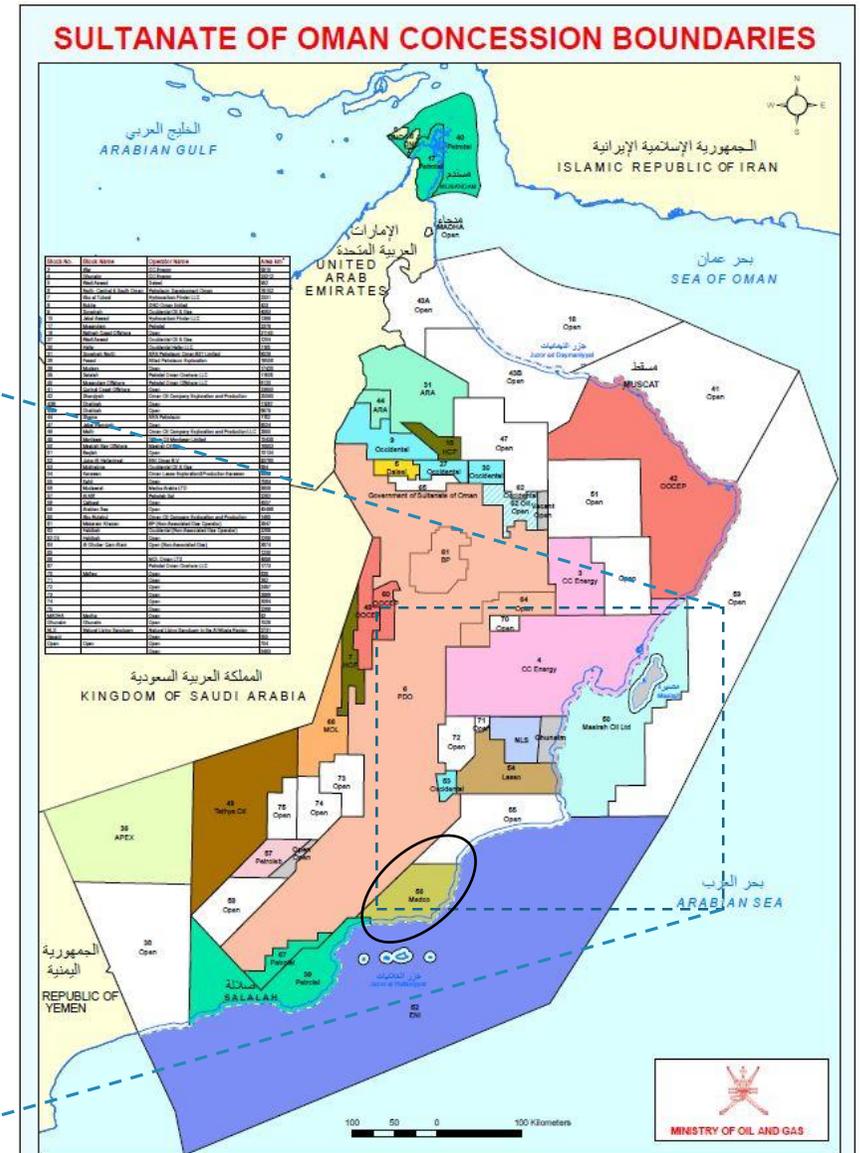
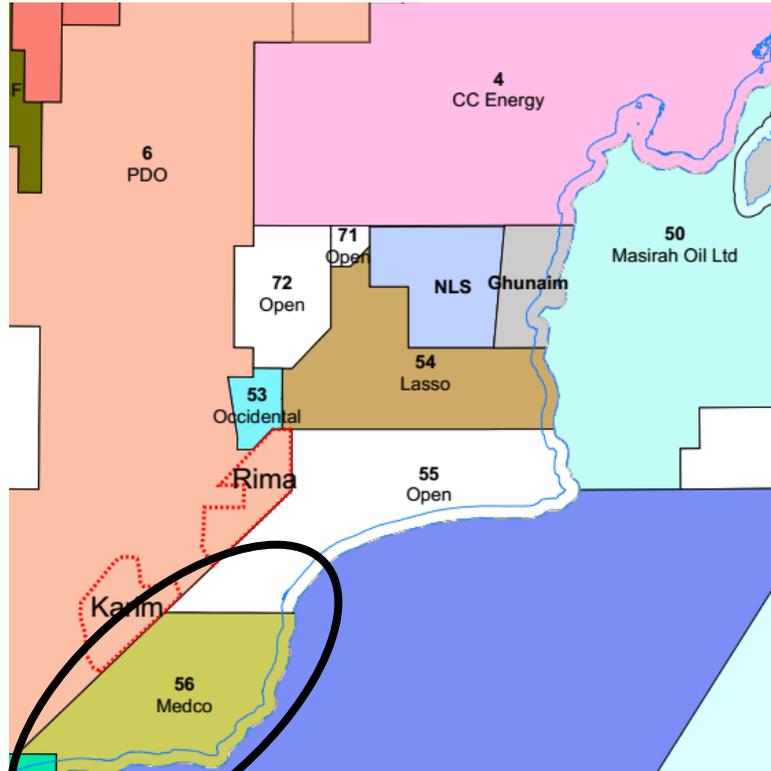
- Encountered oil as expected
- Both wells were drilled outside previously drilled area
- Both wells have been connected to the Saiwan East production facility



Block 56

Block 56, Onshore Oman

- Area: 5,808 km²
- Located some 200 km south of Blocks 3&4
- Partners after farm in; Medco Arabia Ltd (50% and operator), Intaj LLC (25%) Tethys Oil (20 %) Biyaq Oil Field Service (5%)
- Subject to government approval



Appraisal with excellent exploration potential

- 11 wells drilled to date, all but one have encountered oil or oil shows
- No well has been determined commercial.
- Current operator has drilled three of these wells
- Work programme to flow test up to three wells is currently being prepared
- Situated at the intersection of different geological provinces including geology familiar from Blocks 3&4
- Multiple play concepts, both proven and unproven



Outlook

- **Blocks 3&4:**
 - Testing of exploration well Yusr-1
 - Exploration well Maather-1 ongoing
 - Third exploration well scheduled for Q4
- **Block 49:**
 - Prospect identified
 - First exploration well planned to be drilled in first half 2020
- **Block 56:**
 - Flow test of three wells that have already been drilled
- Maturation of leads continues on all blocks
- 2019 production guidance unchanged at 12,000-13,000 bopd

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