



Q1 2014

6 May 2014



Q1 Highlights

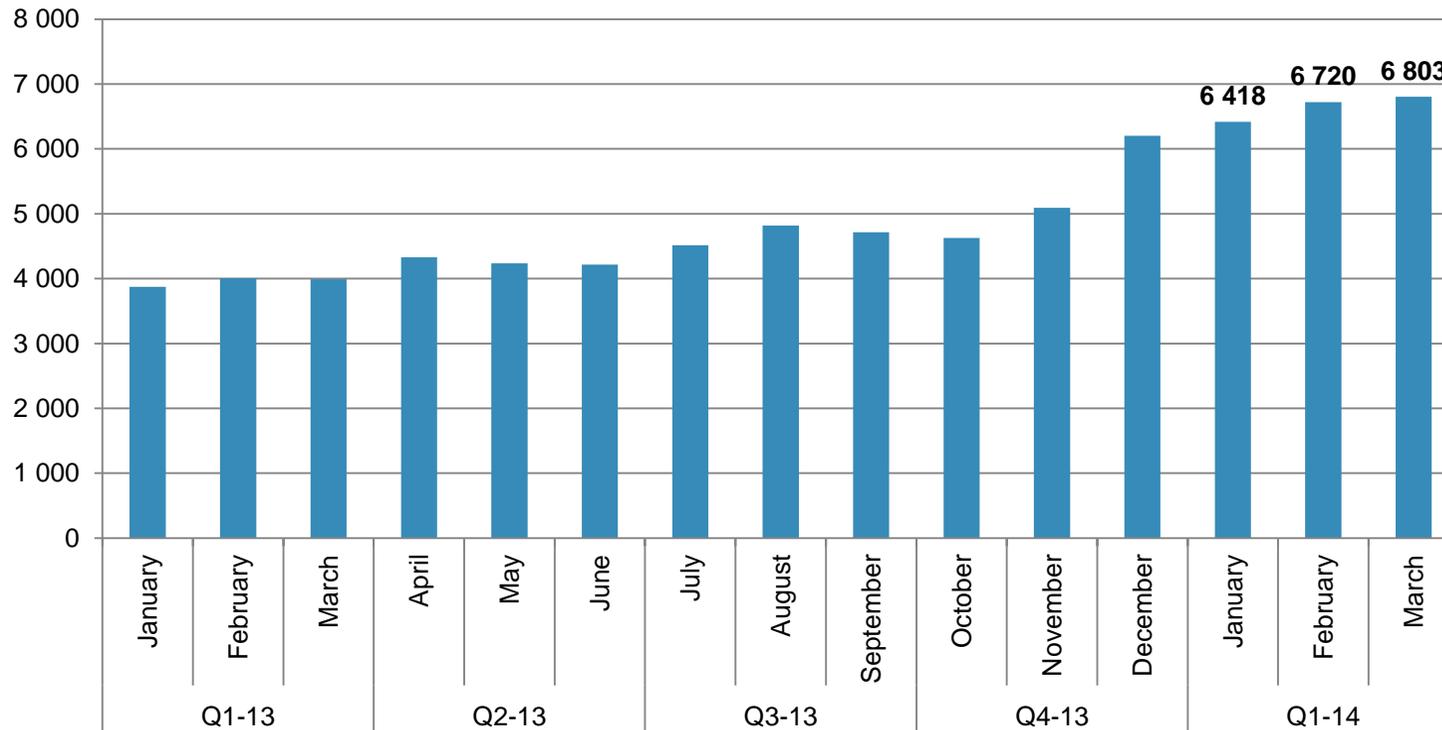
25%

Increase in average daily production quarter on quarter

65%

Increase in average daily production compared with Q1-13

Average daily production in Oman

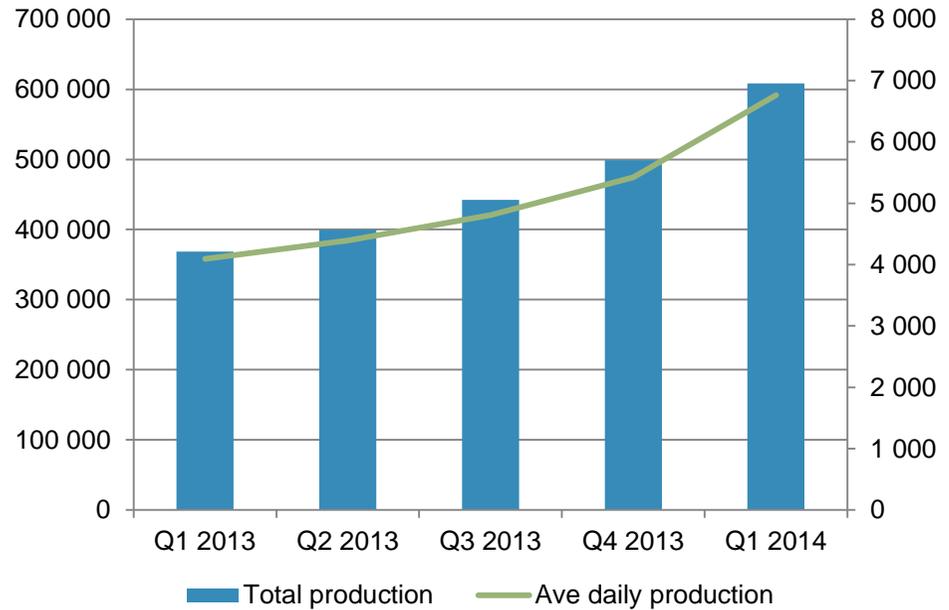
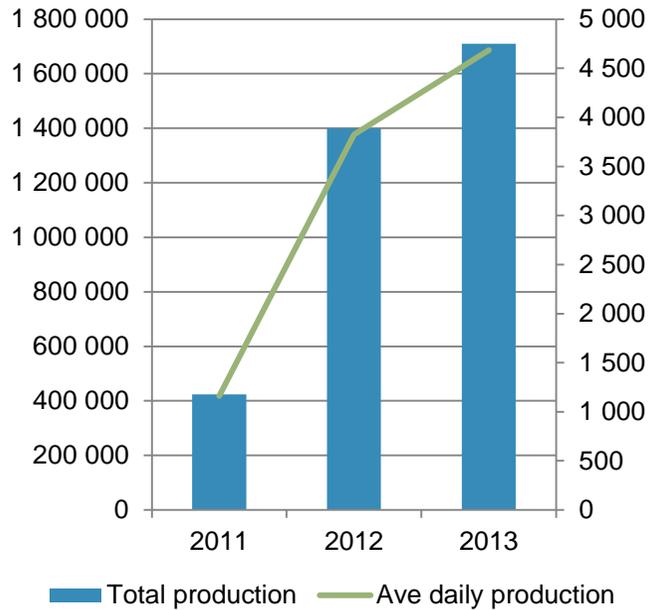


- Total production in Q1 2014 highest ever
- 3 month in a row with record production
- Close to 7,000 bopd

Q1 Highlights

- Exploration and appraisal continues:
 - New oil discovery onshore Oman – Exploration well on area 6 flows in excess of 2,200 bopd
 - Appraisal well 7 on area 4 confirms reservoir extension to south east
 - High drilling activity continues
- Record net sales of MSEK 195, up 1% compared to Q4
- EBITDA of MSEK 130, down 12% compared to Q4
- Net result MSEK 58, up 29% compared to Q4
- Earnings per share SEK 1.62
- Four-year, up to MUS\$ 100, Senior Revolving Reserve-Based Lending Facility signed
- MSEK 400 bond redeemed after reporting period

Production

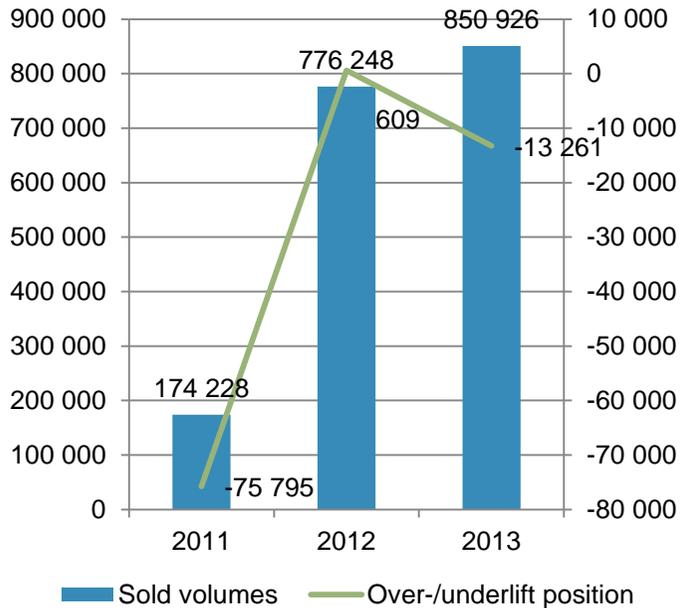


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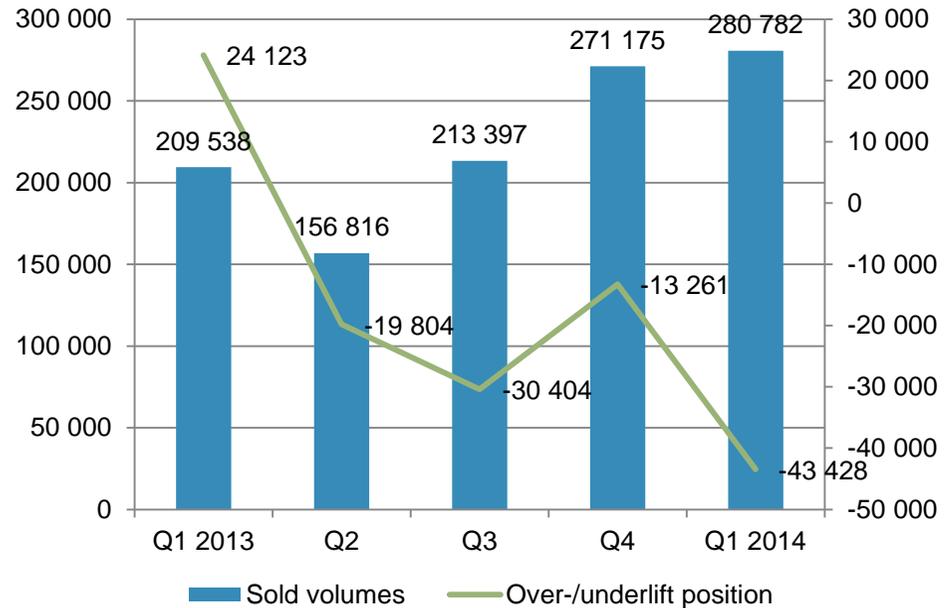


Sales in barrels

Barrels



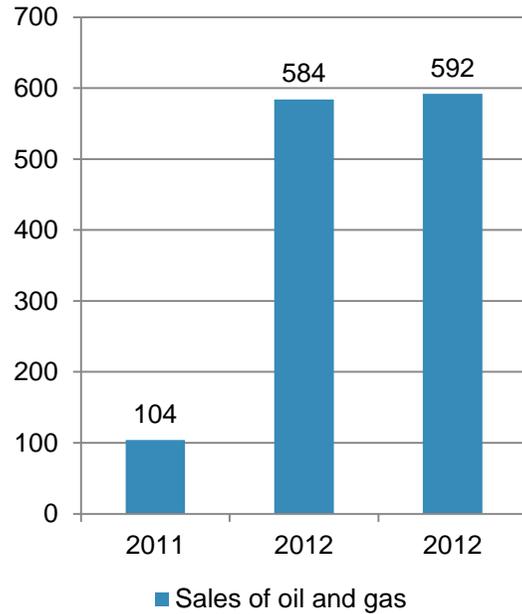
Barrels



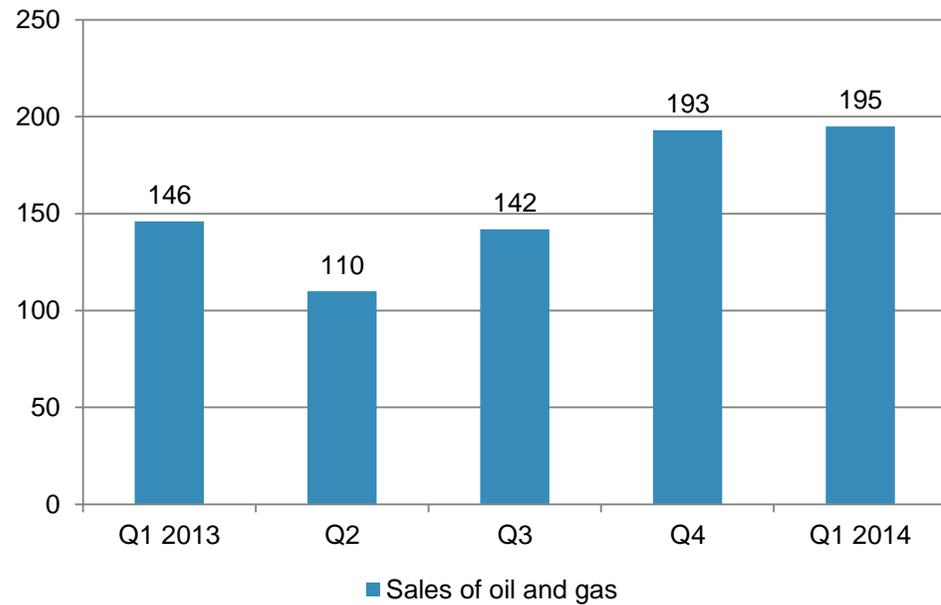
- Record net oil sales of 280,782 barrels
- Underlift position increased with 30,167 bbl to 43,428 bbl Q-o-Q

Sales

MSEK

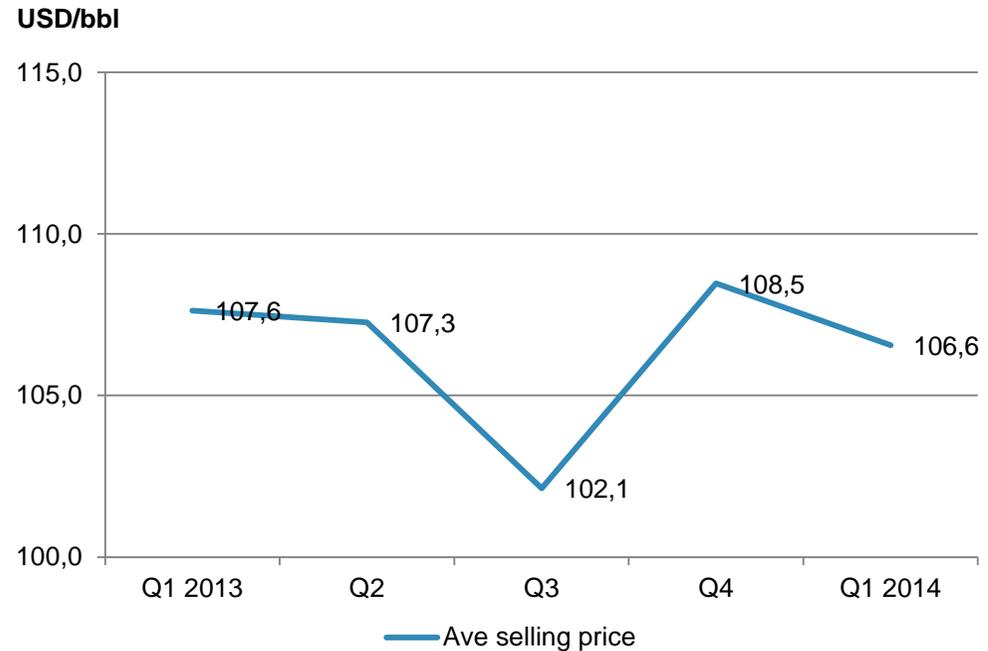
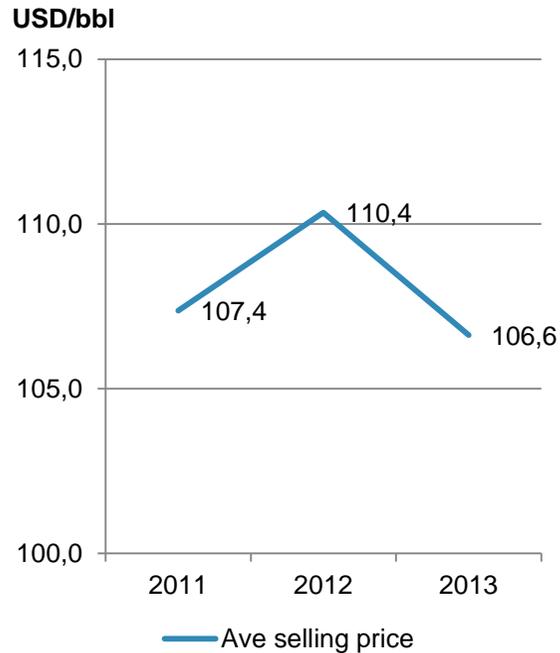


MSEK



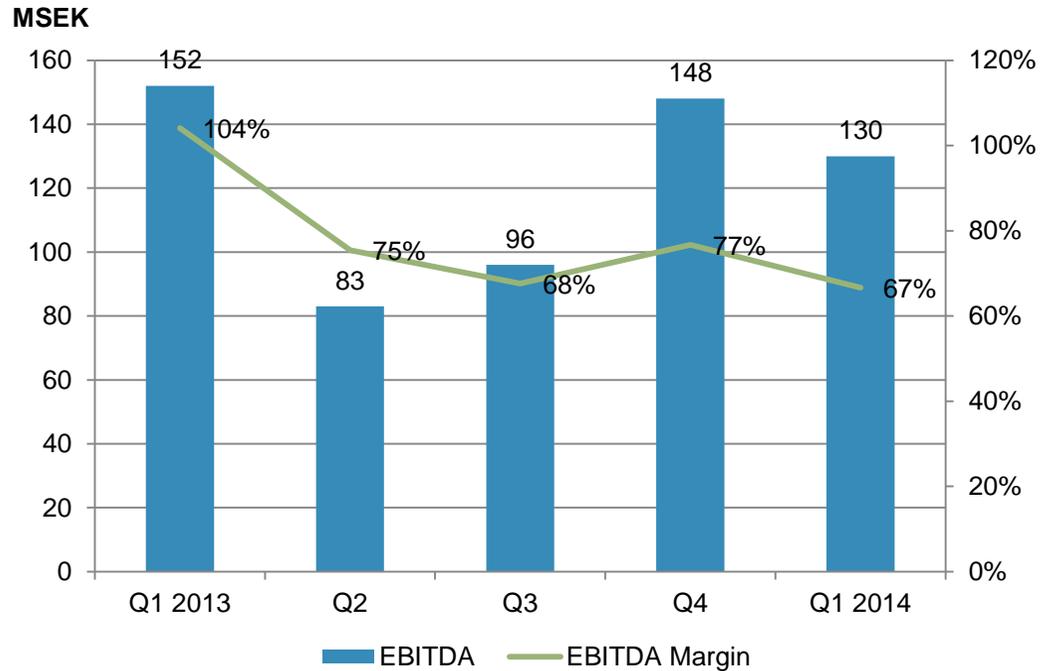
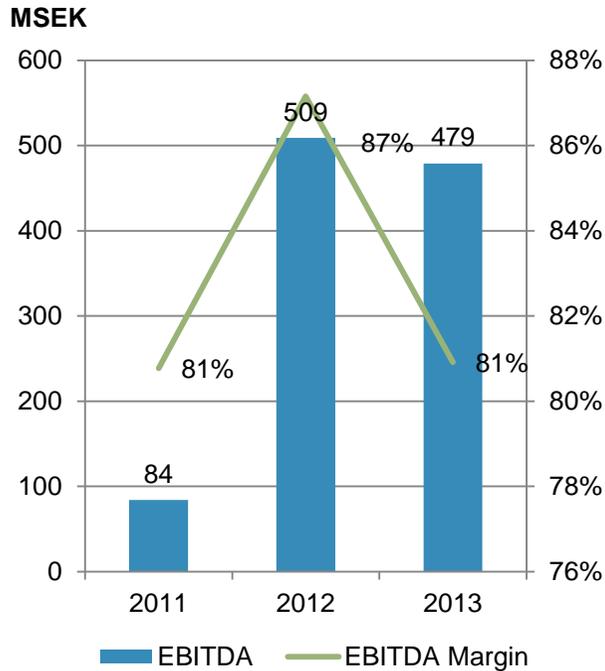
- Net oil sales of MSEK195 in Q1, up 1% compared to Q4-13

Average selling price per barrel



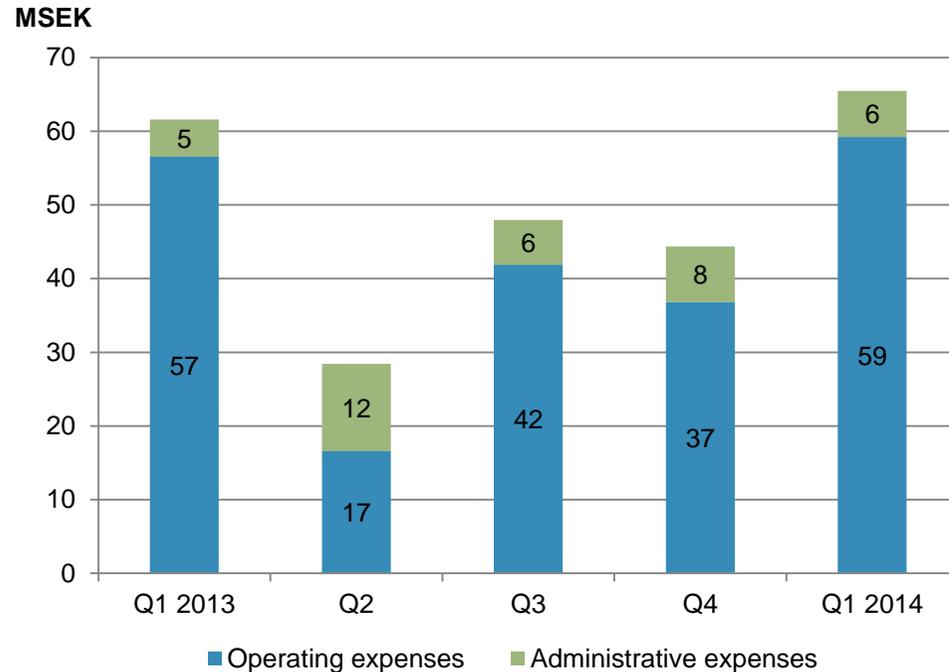
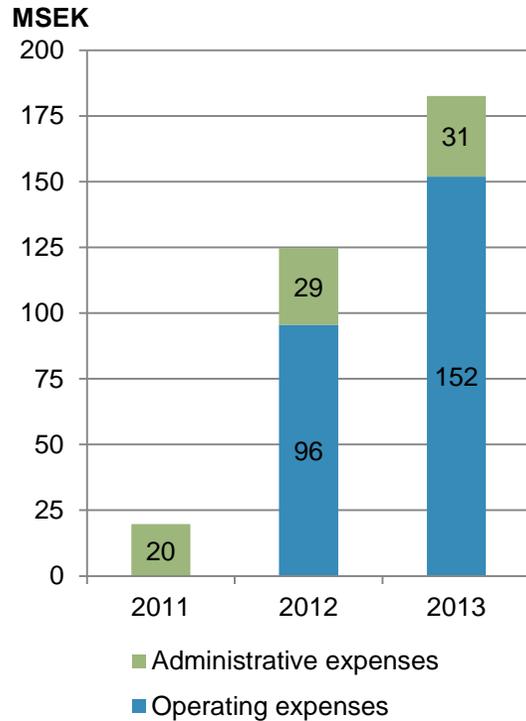
- Stable oil prices - down 2% Q-o-Q
- Stable exchange rate SEK/USD – less than 1% appreciation of SEK

EBITDA



- Q1 2013 was affected by bonus payment from Mitsui
- EBITDA margin the last four quarters has been in the range 67%-75%
- EBITDA margin Q1 2014 lower due to higher opex and increased underlift position

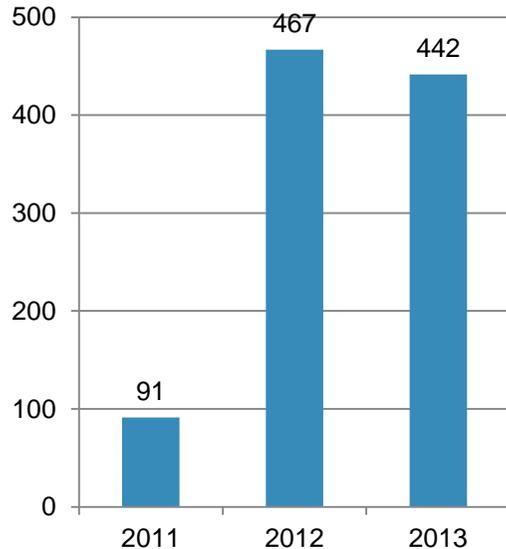
Expenses



- Increase in opex impacted by transfer of late incoming expenses from 2013. A similar development was seen during first quarter 2013.

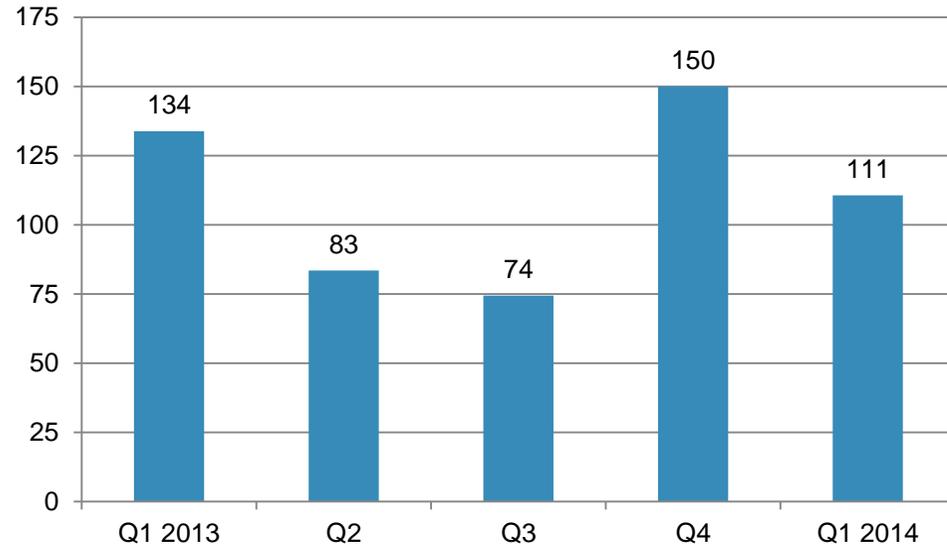
Cash flow

MSEK



■ Cashflow from operations before changes in working capital

MSEK

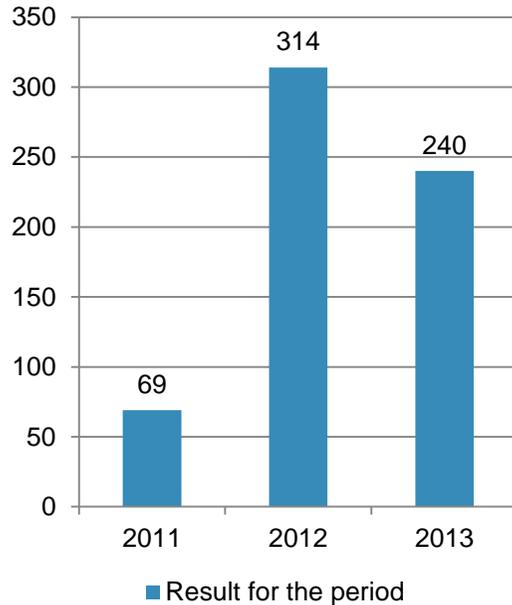


■ Cashflow from operations before changes in working capital

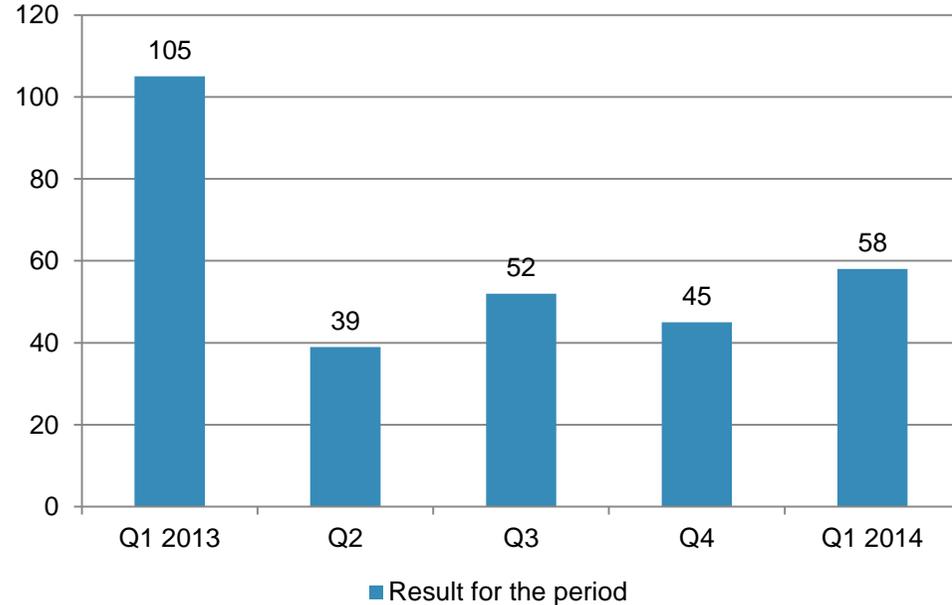
- Cash flow down due to higher opex and semi annual interest payment affecting Q1 2014
- The investment budget is expected to be fully financed by cash flow from operations

Net result after tax

MSEK



MSEK



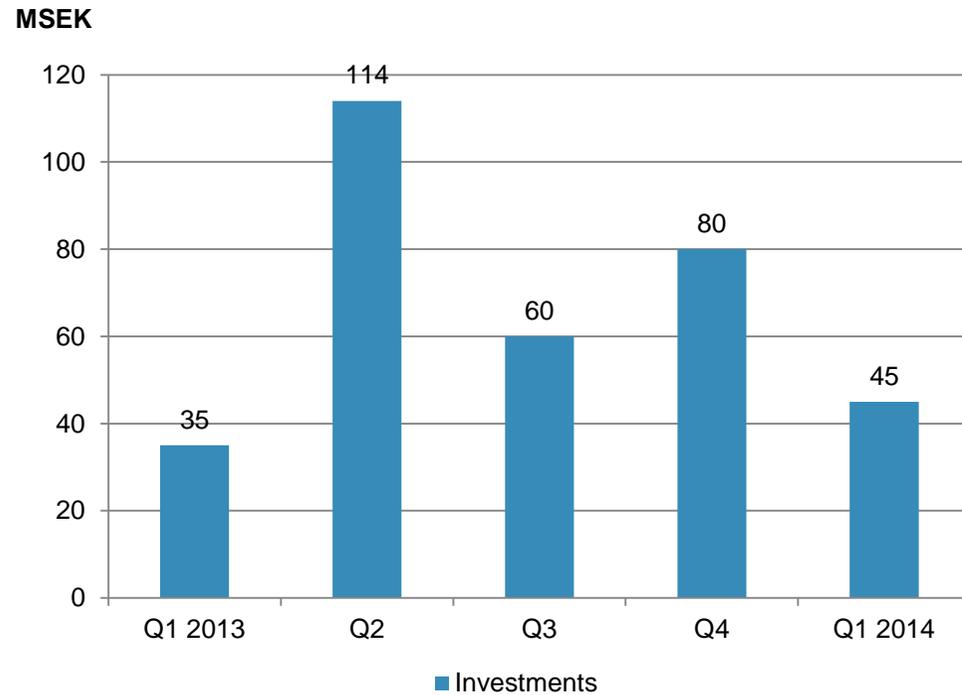
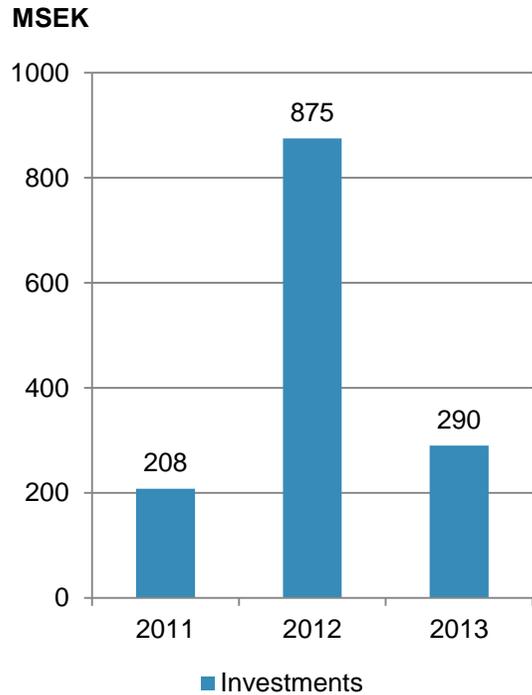
- Result is up 29% Q-o-Q mainly due to negative effect of exploration costs of MSEK 55 during the fourth quarter 2013.
- Down 45 % compared to Q1 2013 due to Mitsui bonus

Balance Sheet Q1 2014

	2014-03-31	2013-12-31
Cash (MSEK)	363	295
Total assets	1,625	1,563
Long term debts (MSEK)	423	422
Shareholders' equity	1,127	1,100

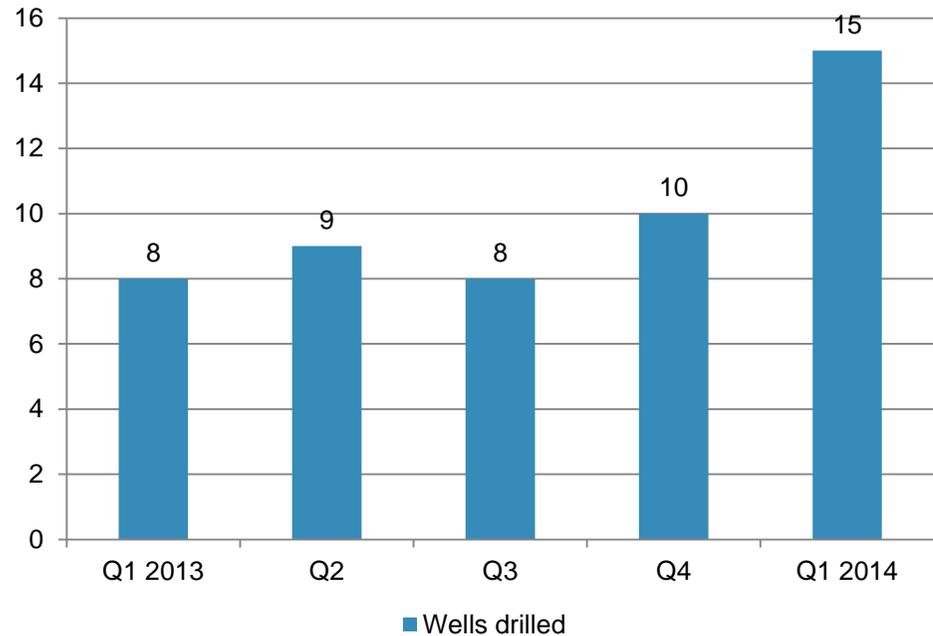
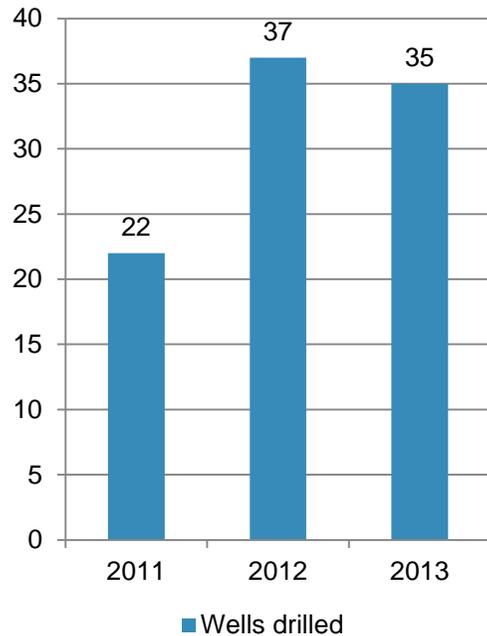
- A four-year, up to MUSD 100, senior revolving reserve based lending facility signed to optimize and reduce financing costs, and to increase financial and operational flexibility
- April 2014: MSEK 400 outstanding bond redeemed at 104.50% + accrued interest

Investments



- Majority of investments were made on Blocks 3 & 4
- Focus on development, appraisal and exploration drilling

Wells in Oman



- 15 wells completed in Q1 2014 – fourth rig in operations January 2014
- Appraisal wells in areas 4 and 6
- Water injection and production wells on Farha South

Reserves in Oman

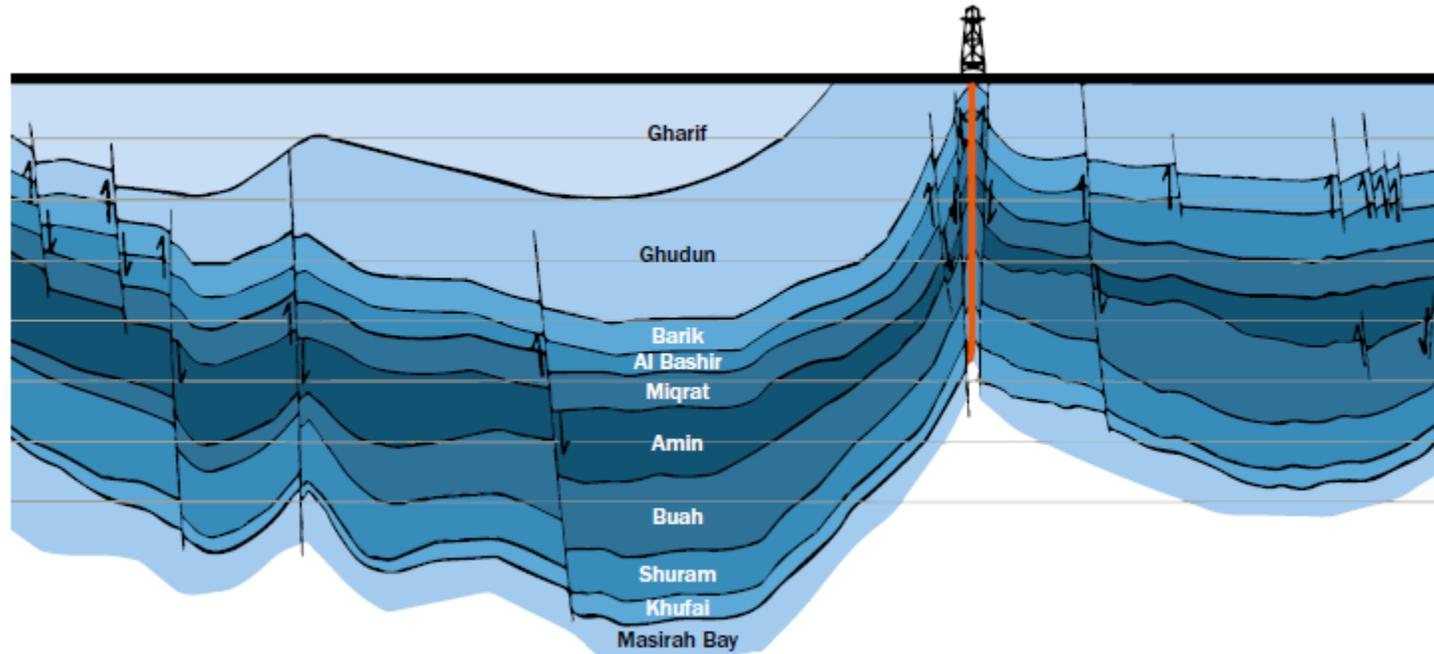
Reserves 31 December 2013, mmbo (Audited by DeGoyler and MacNaughton)

	1P	2P	3P
Farha South	8.9	11.7	13.5
Saiwan East*	0.7	1.3	2.8
Area 4	1.2	2.2	3.7
Total	10.8	15.2	20.0

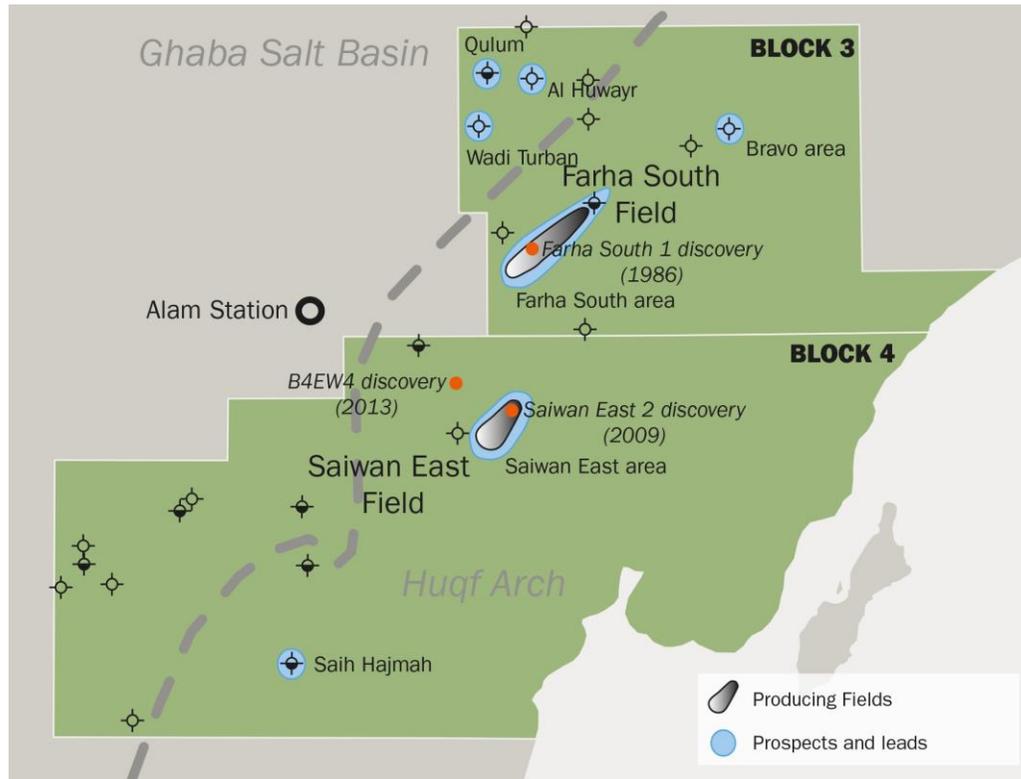
**Includes Area 3, Oman*

- Farha South field reserves are from the Barik reservoir
- Saiwan East field, including the B4EW3 area reserves, are in the Khufai reservoir
- B4EW4 area reserves are in the Lower Buah reservoir

Block 3 and 4 stratigraphy

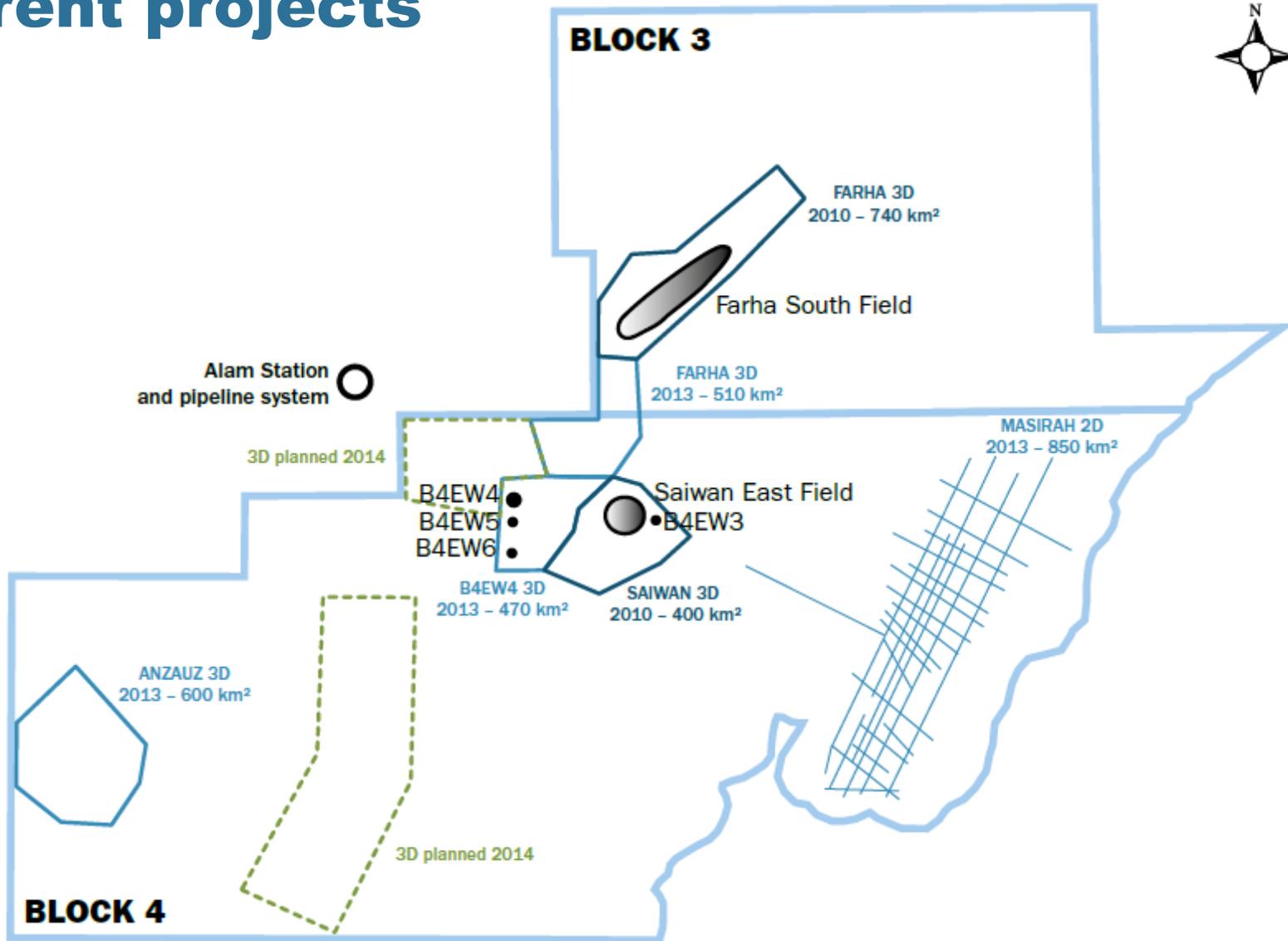


Oman – Block 3 & 4 update



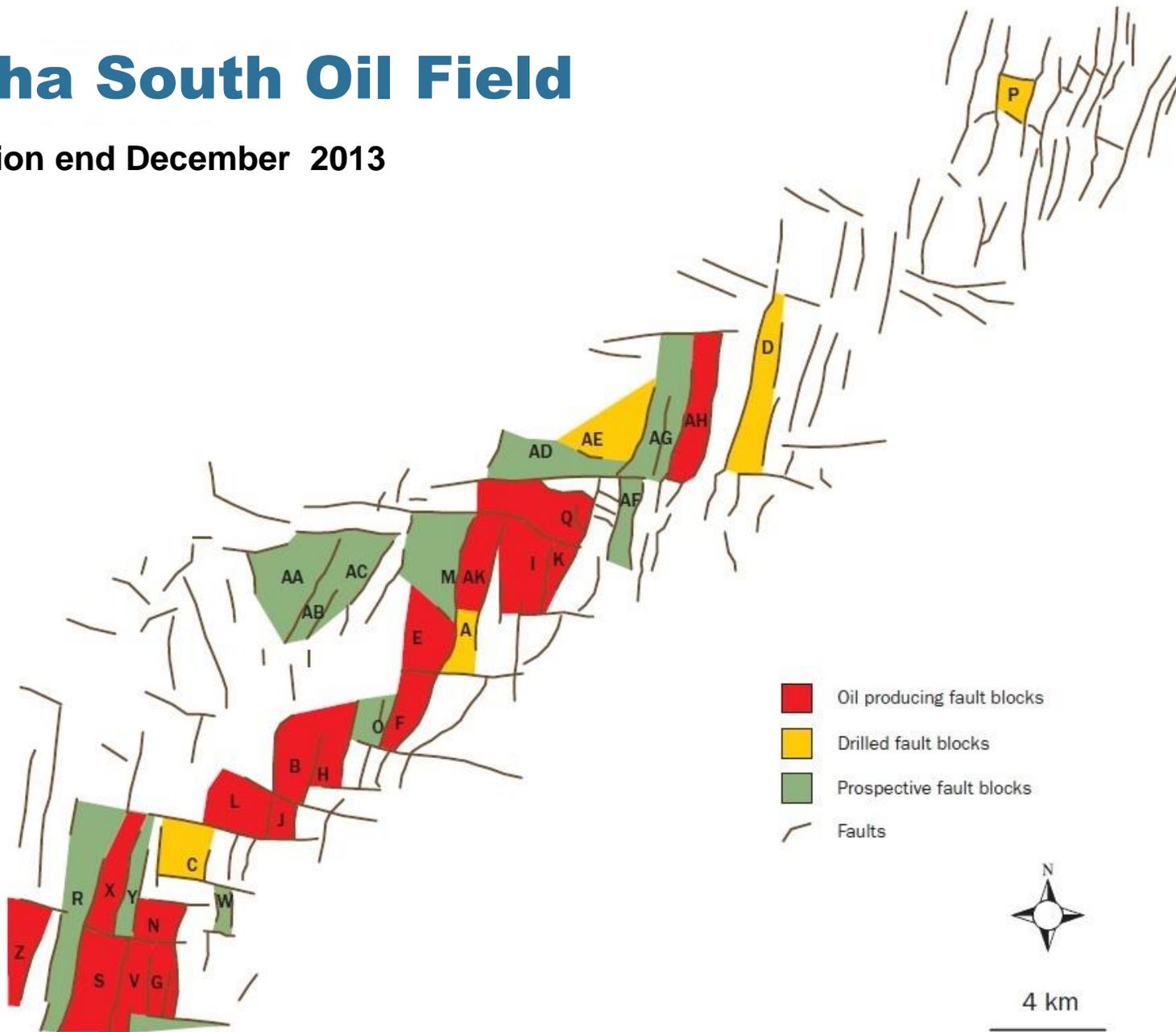
- Appraisal well 7 on area 4 confirms reservoir extension to the south east
- New oil discovery onshore Oman – exploration well on area 6 flows in excess of 2,200 bopd
- Appraisal and exploration on Lower Buah continues
- Water injection program on Farha South continues

Current projects



Farha South Oil Field

Situation end December 2013



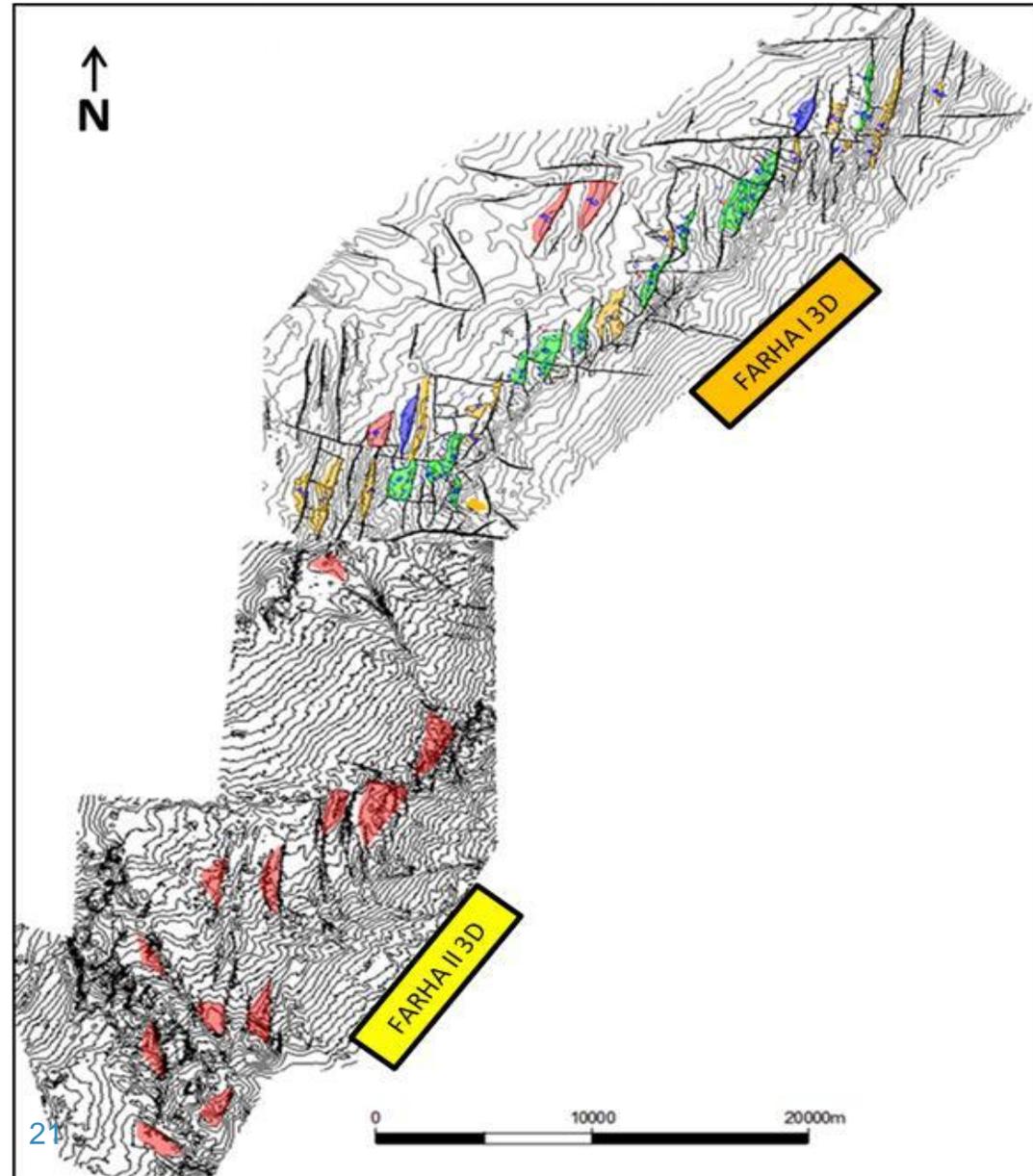
Farha South Oil Field

Farha Old 3D

- Producing Barik FB: 17

Farha New 3D

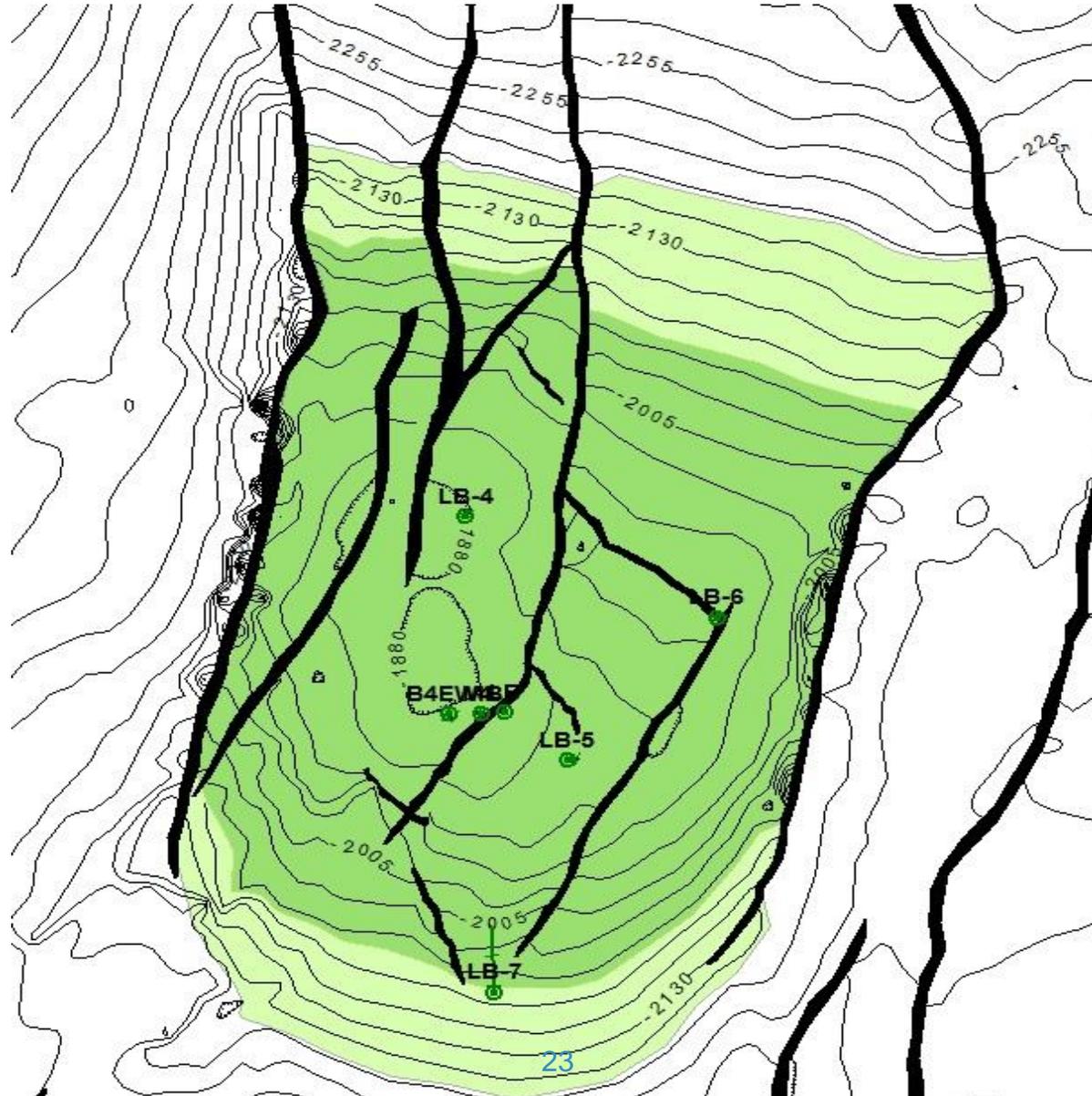
- Leads South Farha South



Lower Buah exploration areas



Area 4 Structure



Lithuania



Gargzdai licence

- drilling of infill wells in order to stabilize/increase the production

Rietavas licence

- exploration well Kalnujai-1 drilled in the southern part of the licence
- work programme focused on analysis and interpretation of cores

Raseiniai licence

- 80 km² 3D seismic completed and interpreted
- a dozen reefal prospects have been identified
- drilling campaign to be launch in Q3

Outlook Oman and Lithuania

- Further appraisal of exploration areas 4 and 6 ongoing
- New Lower Buah prospect drilling
- 'Far field' exploration drilling in Masirah Graben in western part of Block 4 to commence
- Farha South water injection programme to continue
- Farha South and South Farha South exploration/appraisal drilling pending
- Raiseiniai license seismic completed – over a dozen reefal prospects identified



TETHYS OIL

