

TETHYS OIL

Second quarter and
half year report 2014



Second quarter and half year report 2014

- New third party reserve report relating only to Lower Buah reservoir on Block 4, Oman as at 30 June 2014
 - 1P reserves 2.3 mmbo (1.2 mmbo 31 Dec 2013)
 - 2P reserves 5.0 mmbo (2.2 mmbo 31 Dec 2013)
 - 3P reserves 7.4 mmbo (3.7 mmbo 31 Dec 2013)
- Second quarter 2014 net sales of MSEK 245 compared to MSEK 195 in the first quarter 2014, an increase with 26 per cent. The strong net sales development is based on the production increase during the quarters as well as change in underlift position
- Net result after tax during second quarter 2014 amounted to MSEK 107, and is up 86 per cent compared to MSEK 58 during first quarter 2014. Strong sales development and lower operating expenditures per barrel mainly explain the increase in net result and net margin
- Second quarter 2014 earnings per share before and after dilution of SEK 3.02 compared to SEK 1.62 during first quarter 2014
- New production record achieved from Oman each month during first six months 2014
- New production record in July with 8,239 barrels per day from Oman
- Second quarter production increased 8 per cent compared with first quarter 2014. Total production amounted to 658,123 barrels corresponding to 7,232 barrels per day. The increase is mainly due to continued successful appraisal in the Lower Buah (including B4EW4) area and continued implementation of the water injection programme in the Farha South area
- Early redemption of MSEK 400 bond loan completed after MUS\$ 100 reserve based credit facility obtained
- After the reporting period, Tethys increased its indirect interest in the Rietavas licence onshore Lithuania

Second quarter 2013	First quarter 2014	Second quarter 2014	% Q2 2014 to Q1 2014	% MSEK (unless specifically stated)	First half 2014	First half 2013	% H1 2014 to H1 2013
399,839	608,582	658,123	8%	Production, before government take (bbl)	1,266,705	768,321	65%
4,394	6,762	7,232	7%	Average daily production, before government take (bbl)	6,998	4,245	65%
156,816	280,782	350,059	25%	Net sales, after government take (bbl)	630,841	366,354	72%
107.26	106.56	105.89	-1%	Average selling price per barrel, USD	106.19	107.68	-1%
110	195	245	26%	Net sales of oil and gas	440	256	72%
49	83	134	61%	Operating result	216	173	25%
83	130	192	48%	EBITDA	322	235	37%
39	58	107	86%	Result for the period	165	144	15%
1.10	1.62	3.02	86%	Earnings per share before and after dilution, SEK	4.64	4.04	15%
182	60	-3	-105%	Net debt	-3	182	-102%
114	45	69	53%	Investments	114	149	-23%

Tethys Oil is a Swedish energy company focused on exploration and production of oil and natural gas. Tethys Oil's core area is Oman, where the company is one of the largest onshore oil and gas concession holders. Tethys Oil also have exploration and production assets onshore Lithuania and France. The shares are listed on NASDAQ OMX Stockholm (TETY).

Dear Friends and Investors

Once upon a time, actually not too long ago, Tethys was an event driven fringe-company. An exploration company offering lots of optimism and hope, but with a poor income statement and a weak balance sheet. Today, when we present this report filled with record numbers, that time seems a distant past. Gone are the zero sales lines and discussions on future capital needs. The revenues of MSEK 245 this quarter was a record high. EBITDA for the quarter was a healthy MSEK 192 and our net result for the quarter amounted to MSEK 107 (incidentally both also record numbers). In brief, we are now an oil company with substantial assets and strong finances. Future exploratory and appraisal work can now be funded from cash flow, or bank borrowing secured by reserves.

Now, analysts can have opinions about our upcoming reports and investors can speculate in share buy backs or even future dividends. It is great, at least in some respects, to be part of 'quarterly capitalism'. But this marvelous transition does not mean that we have lost our soul. We made it here, not through mergers or acquisitions, but through success with the drill bit. Through persistent and systematic efforts of appraisal and exploration along our strategic lines.

The main driver behind our record high production of 7,232 barrels of oil per day in the second quarter (superseded in July by a new record production number of 8,239 barrels of oil per day) was the continued successful appraisal of the Lower Buah reservoir on Block 4. We have drilled four new appraisal/exploration wells in the Lower Buah reservoir and one in the

Khufai reservoir on Block 4. All have been successful and put in production.

As a consequence, we commissioned an interim reserve report from our reserve auditors, DeGolyer and MacNaughton, to estimate Lower Buah reserves as at 30 June 2014. But before we look at the numbers, let us just bear in mind that our appraisal strategy remains focused on production and cash flow, and only thereafter on reserve estimates. However, also with this conservative strategy, our reserve increase in Lower Buah for the first six months of 2014 has been quite satisfactory. When we compare the Lower Buah numbers to the reserve report as per 31 December 2013, our June 2P is larger than our December 3P number and the Lower Buah continues to show promise as one of our most important reservoirs. The 3P number for June stands at no less than 7.4 million barrels. But let us not forget that we have also made additional discoveries in the Khufai and that most of our production still comes from the Barik reservoir in the Farha South field. Exploration and appraisal work will continue throughout 2014 and we look forward to a new year-end reserve audit.

Onshore Oman is not our only project area. Lithuania should offer exploration wells later this year, our assets in France are quiet but not dead and new areas and other projects may loom in the future. As our growth continues, we are staffing up with new senior colleagues. In Muscat, on 1 September Mr Hussain Al Lawati, a former Director General of Exploration of the Ministry of Oil and Gas, will join Tethys, most recently from a senior position with



Oman Oil Company Exploration and Production. And in Stockholm, former investment banker Mr. Jesper Alm, has recently joined us.

So stay with us – the journey continues, albeit at a higher level!

Stockholm in August 2014

Magnus Nordin
Managing Director

Financial and operational review¹

Production, reserves and net sales

Production

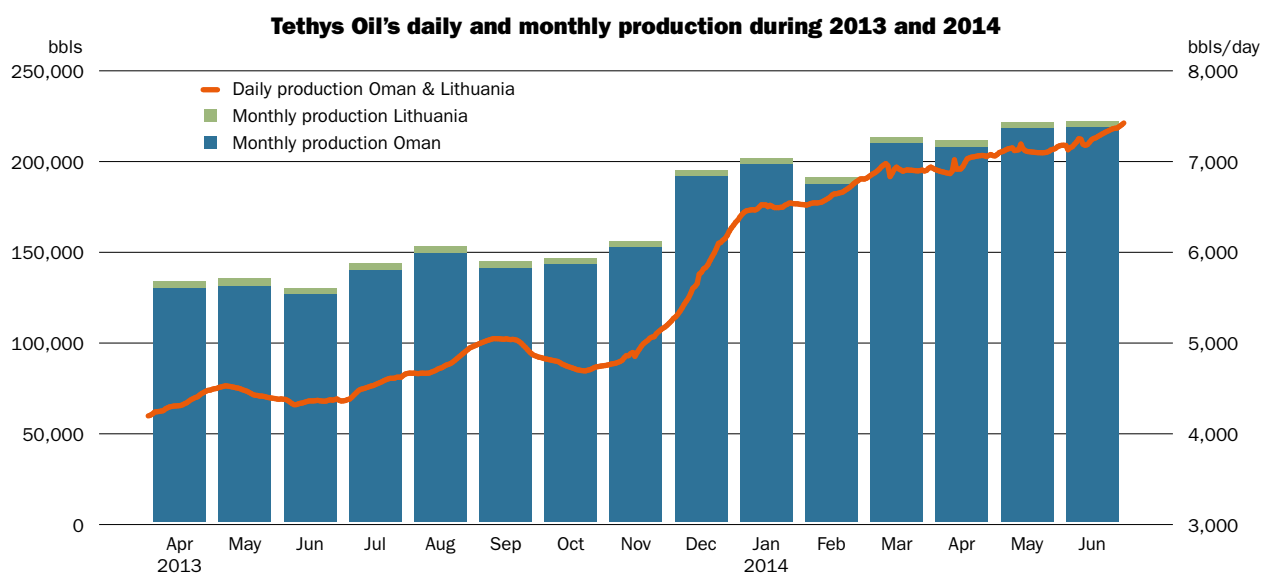
Tethys Oil's primary production comes from onshore Oman where the company has 30 per cent interest in Blocks 3 and 4. Through an indirect interest of 25 per cent of Gargzdai Lithuania, Tethys Oil has supplemental production.

Production from Block 3 and 4 onshore Oman comes from two fields – the Farha South and Saiwan East oil fields – and from the Lower Buah structures within the exploration areas on Block 4. The production development has mainly been driven by continued implementation of the water injection programme on Farha South and even more importantly from the successful exploration and appraisal results from the Lower Buah structures within the exploration areas on Block 4. Production from Oman accounts for 97 per cent of total production.

During the first half year of 2014, the Blocks 3&4 Joint Venture's share of production has continued to be 52 per cent of total production, which is the highest possible share of production according to the terms of the EPSA. Tethys Oil's share of the Joint Venture is 30 per cent. For further information regarding Tethys Oil's share of production, please refer to the Annual Report 2013. The high share of production will remain as long as there are remaining recoverable costs, which are created through further investments in the blocks. The estimated recoverable costs as per 30 June 2014, net to Tethys Oil, amounts to MUSD 62.

Production from the Gargzdai licence in western Lithuania is in line with the previous quarter. Tethys Oil's interest in Gargzdai is held indirectly through Odin Energi A/S, an associated Danish company.

Quarterly volumes, before government take	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
<i>Tethys' share of quarterly production, (bbl)</i>					
Oman, Block 3&4					
Production	647,569	597,979	488,522	430,763	387,734
Average daily production	7,116	6,644	5,310	4,682	4,261
Lithuania, Gargzdai					
Production	10,554	10,603	10,507	11,589	12,105
Average daily production	116	118	114	126	133
Total production	658,123	608,582	499,028	442,352	399,839
Total average daily production	7,232	6,762	5,424	4,808	4,394



1 The consolidated financial statements of the Tethys Oil Group (Hereafter referred to as "Tethys Oil" "Tethys" or the "Group"), where Tethys Oil AB (publ) (the "Company") with organisational number 556615-8266 is the parent company, are hereby presented for the first six months 2014. Segments of the Group are geographical markets.

Reserves

Following successful appraisal drilling during the first six months of 2014 of the Lower Buah reservoir on Block 4 onshore the Sultanate of Oman, Tethys Oil has commissioned an interim report from the company's reserve auditors, DeGolyer and MacNaughton Canada Limited, to estimate Lower Buah reserves as at 30 June 2014. The Barik reservoir at the Farha South oil field on Block 3 and the Khufai reservoir at the Saiwan East oil field on Block 4 are not covered in this interim reserve report.

Oman

Tethys Oil's net working interest reserves in the Lower Buah reservoir, including what was previously referred to as "Exploration area 4 (B4EW4), Oman", on Block 4 onshore the Sultanate of Oman as per 30 June 2014, amounted to 2.3 million barrels of oil ("mmbo") of proven reserves (1P), 5.0 mmbo of proven and probable reserves (2P) and 7.4 mmbo of proven, probable and possible reserves (3P).

Development of the Lower Buah reserves

(Audited by DeGolyer and MacNaughton)

Mmbo	1P	2P	3P
Total 31 December 2013	1.2	2.2	3.7
Production from Lower Buah 2014	-0.4	-0.4	-0.4
Revisions/discoveries	1.5	3.2	4.1
Total 30 June 2014	2.3	5.0	7.4

The review of the reserves in Oman has been conducted by independent petroleum consultant DeGolyer and MacNaughton Canada Limited ("D&M"). The report has been calculated

using 2007 Petroleum Resources Management System (PRMS), Guidelines of the Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists (AAPG) and Society of Petroleum Evaluation Engineers (SPEE).

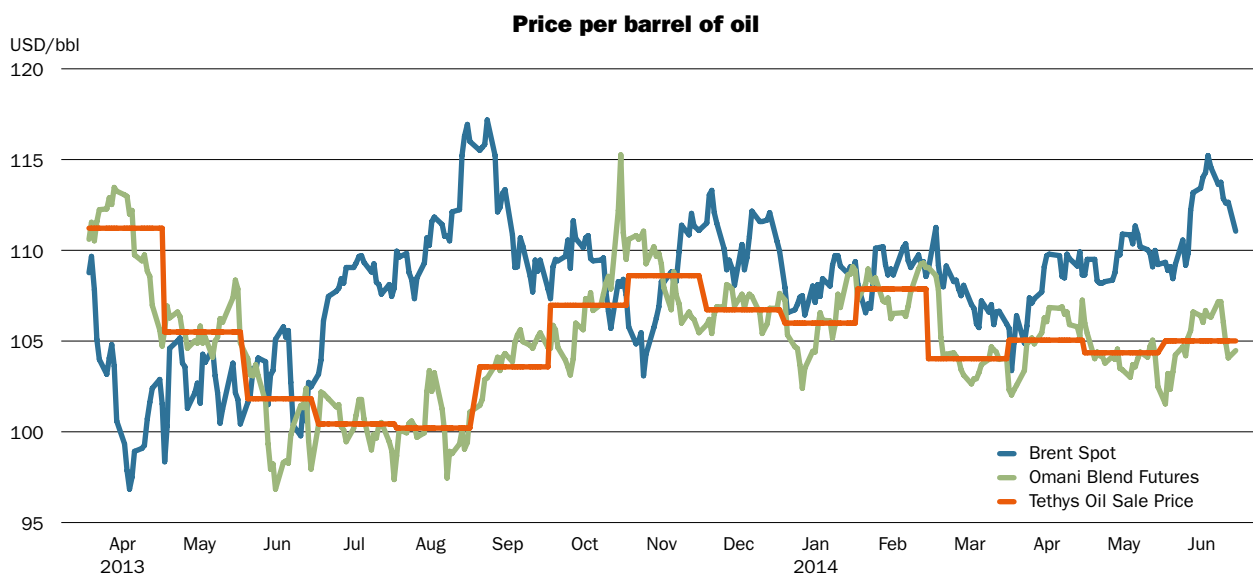
Net sales

During the second quarter 2014, Tethys Oil sold 350,059 barrels of oil after government take from Block 3 and 4 in Oman compared to 280,782 during first quarter 2014. This resulted in net sales during the second quarter 2014 of MSEK 245 compared to MSEK 195 during the first quarter 2014. The average selling price per barrel amounted to USD 106 per barrel during the second quarter 2014 compared to USD 107 per barrel during the first quarter 2014.

During the second quarter 2014 the sold volumes and net sales have basically been in line with the production development and to some extent caught up with the very strong production increase during the first quarter 2014. The underlift position as per 31 December 2013 amounted to 13,261 barrels and was increased to 43,428 barrels as per 31 March 2014 and reduced to 30,105 as per 30 June 2014. For the first half 2014, the net sales development has not been as strong as the production development, although the second quarter reduced the effect.

The SEK/USD exchange rate has been stable between the first quarter 2014 and the second quarter 2014 with less than 1 per cent depreciation of the SEK in relation to USD.

The selling price received by Tethys Oil is determined for each calendar month based on the monthly average price of the two



month future contract of Omani blend (see chart below) as traded on Dubai Mercantile Exchange. During the second quarter 2014, prices have been trading between high levels of USD 107 per barrel and low levels of USD 102 per barrel. Second quarter 2014 prices are in line with the previous quarters.

Result

Tethys Oil reports a net result after tax for the second quarter 2014 of MSEK 107, representing earnings per share of SEK 3.02. The result for the second quarter 2014 is up 86 per cent compared to the first quarter 2014 mainly due to strong sales development combined with lower operating expenditure per barrel. The result for the first half 2014 is 109 per cent higher than the first half 2013, adjusted for the one-off bonus received from Mitsui during first half 2013, following the approval of the Field Development Plan.

Net profit from associated companies

Tethys Oil holds indirect interest in the three Lithuanian licences; Gargzdai, Rietavas and Raseiniai. Tethys Oil holds a share in these licences through the interests in associated companies Jylland Olie and Odin Energi. Total result from Tethys Oils shares in associated companies Odin Energi and Jylland Olie during the second quarter 2014 amounted to MSEK 1 compared to MSEK 1 during the first quarter 2014.

Net financial result

The result for the first half 2014 has been impacted by net foreign exchange losses and interest on long term debt. The currency exchange effect of the group amounts to MSEK 9 and most of the effect relates to the stronger US dollar in relation to the Swedish krona. Currency translation differences between the parent company and subsidiaries are non-cash related items. Interest on long term debt amounted to MSEK 29 and other financial expenditures amounted to MSEK 14. The currency exchange effect and interest on long term debt is part of net financial result amounting to MSEK 52 for the second quarter. The financial result of the first half 2014 is affected by the bond redemption conducted during the second quarter 2014. The total expenditures related to the bond loan amounted during the first half 2014 to MSEK 34, where the extraordinary effect of the early redemption, including extra interest payment and expensing all associated costs with the bond financing, amounted to MSEK 23.

Depletion, depreciation and amortisation

Depletion, depreciation and amortisation ("DD&A") for the second quarter 2014 amounted to MSEK 57 compared to MSEK 48 for the first quarter 2014. Higher DD&A is referable to depletion of oil and gas properties which furthermore only relate to Blocks 3&4. The depletion development between second quarter 2014 and the previous quarter is explained by the higher production. The production has increased faster than reserves have been verified, creating a higher proportion of depletion.

Operating expenses

Operating expenses (OPEX) amounted during the second quarter 2014 to MSEK 46 compared to MSEK 59 during the first quarter 2014. Operating expenses are related to oil and gas production on Block 3 and 4 in Oman, for example expenses for trucking, tariffs, supervision and administration etc. Furthermore, over and underlift adjustments are made within the Operating expenses category, in accordance with Tethys Oil's accounting principles. Due to an underlift position as per 30 June 2014 amounting to 30,105 barrels, the Operating expenses during the second quarter 2014 have been reduced by MSEK 1. On a per produced barrel level, the Operating expenditures were reduced from USD 15.2 per barrel during the first quarter 2014 to USD 10.6 per barrel during the second quarter 2014. The decrease in Operating expenses is explained by both higher production levels and late incoming expenses from 2013 affecting first quarter 2014.

Administrative expenses

Administrative expenses amounted to MSEK 8 for the second quarter 2014 compared to MSEK 6 during first quarter 2014. Administrative expenses are mainly salaries, rents, listing costs and external services.

Investments and work program

Omani assets

During the second quarter 2014, total investments amounted to MSEK 79 of which MSEK 78 relate to Blocks 3 & 4. A total of 12 wells were completed on Blocks 3 and 4 during the quarter.

The water injection programme on Farha South continued with three water injector wells and one water source well completed in the quarter. Three production wells were also drilled in the Farha South field. A number of wells in the Farha South field have also been worked over.

The appraisal of the Lower Buah in exploration areas 4 and 6 on Block 4 has continued with the drilling of one appraisal well on area 4 and three appraisal wells on area 6. All four wells encountered oil and have been hooked up to the production equipment. A 12 inch flowline has been constructed from area 4 to production facilities on the Saiwan East field replacing the previous trucking.

An exploration well on area 7 was completed in the second quarter. The area 7 structure was previously undrilled and is located approximately 20 kilometres north of area 6. The well encountered oil and was completed in the Khufai layer. The well has been hooked up to the production system to undergo a long term production test.

An exploration well in the eastern part of Block 4 onshore Oman started in June. The well, LE-1, is being drilled almost 100 kilometres east of the Saiwan East oilfield in the Bar Al Hickman area in the eastern part of Block 4 in a previously undrilled area.

Summary of oil and gas interests (MSEK):

Country	Licence	Tethys Oil %	Total area, km ²	Partners (operator in bold)	Book value 30 Jun 2014	Book value 31 Dec 2013	Investments Jan–Jun 2014
Oman	Block 15	40%	1,389	Odin Energy , Tethys Oil	3	0,2	3
Oman	Block 3,4	30%	34,610	CCED , Mitsui, Tethys Oil	1,049	1,011	122
France	Attila	40%	1,986	Galli Coz , Tethys Oil	–	–	0
France	Alès	37.5%	215	Tethys Oil , MouvOil	–	–	–
Lithuania	Gargzdai ²	25%	884	Odin , GeoNafta, Tethys Oil	–	–	–
Lithuania	Rietavas ²	30%	1,594	Odin , Tethys Oil, private investors	–	–	–
Lithuania	Raseiniai ²	30%	1,535	Odin , Tethys Oil, private investors	–	–	–
New ventures					–	0,2	0
Total			42,794		1,052	1,012	125

² The interest in the three Lithuanian licences are indirectly held through a shareholding in two Danish private companies, which in turn hold shares in Lithuanian companies holding 100 per cent of the licences. The two Danish companies, Odin Energi and Jylland Olie, are not consolidated in Tethys Oils financial statements due to the ownership structure, which is why there are no oil and gas properties related to the licences. The ownership of Jylland Olie and Odin Energi are presented in the balance sheet under Shares in associated companies.

Regarding licences Rietavas and Raseiniai, the table presents the indirect ownership after the decision in July 2014 by Chevron to leave the Rietavas licence. As per 30 June 2014 the indirect ownership was 14 per cent and 30 per cent in Rietavas and Raseiniai respectively. For further information, please see Subsequent events.

Currency exchange effects

The book value of oil and gas properties includes currency exchange effects of MSEK 17, which are not cash related items and therefore not included in investments. For more information please see above under *Result – Net financial result*.

Lithuanian assets

Tethys Oil's interests in three Lithuanian licences are held through two private Danish companies. For more information regarding the ownership structure, please refer to note 8. As per 30 June 2014 the shareholding in the two associated Danish companies, Odin Energi and Jylland Olie, amounted to MSEK 171. The book value has been affected by a depletion of MSEK 5 which was made during the second quarter. The depletion is made by applying the unit of production method, where the depletion rate is determined by the production to reserves rate. Starting in the second quarter 2014 the producing Lithuanian assets will be depleted using the above mentioned method.

Tethys Oil's share of net profit during the second quarter 2014 from Odin Energi and Jylland Olie, which indirectly hold the Lithuanian licences, amounted to MSEK 0 compared to MSEK 1 during first quarter 2014. The second quarter 2014 result was mainly generated from selling 6 821 barrels (Tethys Oil's indirect share) at an average price of USD 111 per barrel, compared to 10,969 barrels at an average price of USD 111 per barrel during the first quarter 2014. Tethys Oil expects part of the cash flow from the indirectly held Lithuanian interests to be distributed to Tethys Oil in form of a dividend. During the second quarter 2014, Tethys Oil received a dividend from the Lithuanian assets of MSEK 11.

The drilling of infill wells has continued on the Gargzdai licence during the second quarter. Results are mildly encouraging and give some hope of production increases in the third quarter.

On the Rietavas licence, the work programme continues. Focus has been on 2D seismic while analysis and interpretation of cores continues.

The reefal prospects mapped by last year's 3D seismic study have been further investigated through inversion analysis and prospect ranking is in progress with a view to start a drilling campaign later during the third quarter.

Liquidity and financing

Cash and bank as per 30 June 2014 amounted to MSEK 33 compared to MSEK 295 as per 31 December 2013. Net debt as per 30 June 2014 amounted to MSEK -3 (i.e. net cash position) compared to MSEK 127 as per 31 December 2013.

The decrease in liquidity is explained by the repayment of a bond loan with nominal value MSEK 400 which was conducted during the second quarter. The bond was replaced by a four-year, up to MUS\$ 100, senior revolving reserve based lending facility with BNP Paribas as facility agent. During the second quarter, Tethys exercised its option for early redemption of the bonds and redeemed all outstanding bonds. The early redemption price was 104.50 per cent of the nominal amount of the bonds plus accrued unpaid interest. The payment and redemption occurred 7 April 2014. The interest rate of the new credit facility is floating between LIBOR + 3.75 per cent to LIBOR + 4.00 per cent per annum, depending on the level of utilization of the facility. As per 30 June 2014, there was no outstanding debt, i.e. nothing was borrowed from the new credit facility.

The reduction of net debt during the first half 2014 is explained by the strong sales development on Blocks 3 and 4, which has been significantly higher than the oil and gas investments during the same period.

The development of Block 3 and 4 continues, with a main focus on exploration, appraisal and a water injection programme to enhance production. Lead times to bring discoveries to production remain very short. Tethys Oil's share of the total Joint Venture investment budget for 2014 on Blocks 3&4, amounts to around MSEK 400. The investment budget is expected to be fully financed by cash flow from operations.

Tethys Oil's operations in Lithuania is expected to continue to be self-financed from oil production on the Gargzdai licence and financed by available cash in the associated Lithuanian companies.

A large part of cash and cash equivalents are kept in USD which has appreciated against SEK during the second quarter. The currency exchange effect on cash and cash equivalents amounted during the second quarter 2014 to MSEK 11.

Derivative instruments

As per 30 June 2014, Tethys Oil holds oil price put options (Brent) amounting to MSEK 0.2. The total numbers of put options are 390,000, equalling 65,000 options per month from July to December 2014. The options will expire each month and all have strike price USD 90 per barrel, where one option equals the right to sell one barrel. The put options were acquired to secure oil price at USD 90 per barrel without limiting upside potential should oil prices be higher at each monthly lifting. The acquisition of put options was made to match expected expenditures 2014. The average premium paid was USD 1.37 per barrel. The value of the put options as per 31 March 2014 amounted to MSEK 2 and during the second quarter 2014, 195,000 options have expired.

Parent company

The Parent company reports a net result after tax for the second quarter 2014 amounting to MSEK -31 compared to MSEK -21 for the first quarter 2014. Administrative expenses amounted

to MSEK 6 for the second quarter 2014 compared to MSEK 4 for the first quarter 2014. Net financial loss amounted to MSEK 23 during the second quarter 2014 compared to MSEK 20 for the first quarter 2014. Additional interest paid on the bond loan in conjunction with the early redemption has had a negative impact on net financial result during the second quarter 2014. In conjunction with the early redemption, the parent company was repaid for the previous loan to the subsidiary Tethys Oil Blocks 3 and 4 Ltd. The turnover in the Parent company relates to chargeouts of services to subsidiaries.

Share data

As per 30 June 2014, the number of outstanding shares in Tethys Oil amount to 35,543,750, with a quota value of SEK 0.17. All shares represent one vote each. Tethys Oil does not have any incentive program for employees. There has been no change in the number of shares since 31 December 2013.

Risks and uncertainties

A statement of risk and uncertainties are presented in note 1, page 15.

Subsequent events

- In July 2014, after the reporting period, Tethys increased its indirect interest in the Rietavas licence onshore Lithuania from 14 to 30 per cent as joint venture partner Chevron elected to leave the licence. The work programme continues as planned and is fully funded from available funds within the joint venture company. The increase is an effect of the adjustment of the shareholding in the associated Lithuanian companies
- Tethys Oil's share of production from Oman during July 2014 amounted to 255,400 barrels of oil corresponding to an average daily production of 8,239 barrels of oil per day

Consolidated statement of comprehensive income in summary

Second quarter 2013		First quarter 2014		Second quarter 2014		MSEK	First half 2014	First half 2013
110	195	245				Net sales of oil and gas	440	257
-33	-48	-57				Depletion, depreciation and amortisation	-105	-61
-1	-0	-0				Exploration costs	-0	-1
0	-	-				Other income	-	65
-17	-59	-46				Operating expenses	-105	-73
1	1	0				Net profit/loss from associates	1	3
-0	-0	-0				Other losses/gains, net	-0	-0
-12	-6	-8				Administrative expenses	-15	-17
49	83	134				Operating result	216	173
3	0	0				Financial income and similar items	0	4
-13	-25	-27				Financial expenses and similar items	-52	-33
-10	-25	-27				Net financial loss/profit	-52	-29
39	58	107				Result before tax	165	144
-0	0	-				Income tax	0	-0
39	58	107				Result for the period	165	144
Other comprehensive result								
Items that may be subsequently reclassified to profit or loss:								
2	-31	50				Currency translation differences	19	-14
2	-31	50				Other comprehensive result for the period	19	-14
41	26	158				Total comprehensive result for the period	184	130
35,543,750	35,543,750	35,543,750				Number of shares outstanding	35,543,750	35,543,750
35,543,750	35,543,750	35,543,750				Number of shares outstanding (after dilution)	35,543,750	35,543,750
35,543,750	35,543,750	35,543,750				Weighted number of shares	35,543,750	35,543,750
1.10	1.62	3.02				Earnings per share, SEK	4.64	4.04
1.10	1.62	3.02				Earnings per share (after dilution), SEK	4.64	4.04

Consolidated balance sheet in summary

MSEK	Note	30 Jun 2014	31 Mar 2014	31 Dec 2013
ASSETS				
Non current assets				
Oil and gas properties	4	1,052	977	1,012
Office equipment		1	1	2
Investment in associates	8	171	185	184
		1,224	1,163	1,198
Current assets				
Other receivables		92	94	65
Prepaid expenses		18	2	1
Derivative instruments		0	2	5
Cash and cash equivalents		33	363	295
		143	462	366
TOTAL ASSETS		1,367	1,625	1,563
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital		6	6	6
Additional paid in capital		552	552	552
Other reserves		-8	-58	-27
Retained earnings		734	627	569
Total shareholders' equity	9	1,284	1,127	1,100
Non current liabilities				
Bond issue	10	-	394	393
Loan facility		-	-	-
Provisions	11	30	29	29
		30	423	422
Current liabilities				
Accounts payable		1	1	1
Other current liabilities		51	71	25
Accrued expenses		0	4	15
		52	76	41
Total liabilities		82	498	463
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,367	1,625	1,563
Pledged assets	12	1,236	1,042	989
Contingent liabilities	13	-	-	-

Consolidated statement of changes in equity in summary

MSEK	Share capital	Paid in capital	Other reserves	Retained earnings	Total equity
Opening balance 1 January 2013	6	552	-27	329	860
Comprehensive income					
Result for the first quarter 2013	-	-	-	105	105
Result for the second quarter 2013	-	-	-	39	39
Result for the third quarter 2013	-	-	-	52	52
Result for the fourth quarter 2013	-	-	-	45	45
Year end result	-	-	-	240	240
Other Comprehensive income					
Currency translation differences first quarter 2013	-	-	-16	-	-16
Currency translation differences second quarter 2013	-	-	2	-	2
Currency translation differences third quarter 2013	-	-	5	-	5
Currency translation differences fourth quarter 2013	-	-	9	-	9
Total other comprehensive income	-	-	0	-	0
Total comprehensive income	-	-	0	240	240
Closing balance 31 December 2013	6	552	-27	569	1,100
Opening balance 1 January 2014	6	552	-27	569	1,100
Comprehensive income					
Result for the first quarter 2014	-	-	-	58	58
Result for the second quarter 2014	-	-	-	107	107
Period result	-	-	-	165	165
Other Comprehensive income					
Currency translation differences first quarter 2014	-	-	-31	-	-31
Currency translation differences second quarter 2014	-	-	50	-	50
Total other comprehensive income	-	-	19	-	19
Total comprehensive income	-	-	19	165	184
Closing balance 30 June 2014	6	552	-8	734	1,284

Consolidated cash flow statement in summary

Second quarter 2013	First quarter 2014	Second quarter 2014	MSEK	Note	First half 2014	First half 2013
Cash flow from operations						
49	83	134	Operating result		216	173
-	-19	-22	Interest paid	10	-41	-19
-0	0	-	Income tax		0	-0
1	0	0	Adjustment for exploration costs	4	0	1
33	47	50	Adjustment for depletion, depreciation and other non cash related items	4	97	62
83	111	162	Total cash flow from operations before change in working capital		273	217
11	-31	4	Change in receivables		-27	-24
-15	44	-20	Change in liabilities		24	-52
79	124	146	Cash flow from operations		270	141
Investment activity						
-122	-45	-79	Investment in oil and gas properties	4	-125	-155
-	-	-	Oil and gas properties from cost oil repayment	6	-	-2
9	-	11	Dividend from associated companies	8	11	9
-0	1	-0	Investment in other fixed assets		0	0
-114	-45	-69	Cash flow from investment activity		-114	-149
Financing activity						
-	-	-	Share issue, net after issue costs		-	-
-	-	-400	Bond repayment		-400	-
-	-	-18	Long term credit facility		-18	-
-	-	-418	Cash flow from financing activity		-418	-
-34	80	-341	Period cash flow		-262	-8
270	295	363	Cash and cash equivalents at the beginning of the period		295	248
1	-12	11	Exchange gains/losses on cash and cash equivalents		-0	-3
237	363	33	Cash and cash equivalents at the end of the period		33	237

Parent company income statement in summary

Second quarter 2013	First quarter 2014	Second quarter 2014	MSEK	Note	First half 2014	First half 2013
-	-	-	Net sales of oil and gas		-	-
-0	-0	-5	Depletion, depreciation and amortisation		-5	-0
1	2	3	Other income		5	2
1	1	0	Net profit/loss of associates	8	1	3
-0	-0	-0	Other losses/gains, net		-0	-0
-10	-4	-6	Administrative expenses		-10	-12
-8	-1	-8	Operating result		-9	-7
7	4	2	Financial income and similar items		6	11
-13	-24	-25	Financial expenses and similar items	10	-49	-33
0	-0	-0	Write down of shares in group company		-0	-
-6	-20	-23	Net financial loss		-44	-22
-14	-21	-31	Result before tax		-52	-29
-	-	-	Income tax		-	-
-14	-21	-31	Loss for the period*		-52	-29
35,543,750	35,543,750	35,543,750	Number of shares outstanding	9	35,543,750	35,543,750
35,543,750	35,543,750	35,543,750	Number of shares outstanding (after dilution)	9	35,543,750	35,543,750
35,543,750	35,543,750	35,543,750	Weighted number of shares	9	35,543,750	35,543,750

* As there are no items in the parent company's other comprehensive income, no separate report on total comprehensive income is presented.

Parent company balance sheet in summary

MSEK	Note	30 jun 2014	31 mar 2014	31 dec 2013
ASSETS				
Total non current assets		206	546	551
Total current assets		12	11	36
TOTAL ASSETS		219	557	588
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	9	126	158	179
Total non current liabilities	10	-	394	393
Total current liabilities		92	5	16
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		219	557	588
Pledged assets	12	1,236	1,042	989
Contingent liabilities	13	-	-	-

Parent company statement of changes in equity in summary

MSEK	Restricted equity		Non restricted equity			Total equity
	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Net result	
Opening balance 1 January 2013	6	71	481	-194	-83	281
Transfer of prior year net result	-	-	-	-83	83	-
Comprehensive income						
Loss for the first quarter 2013	-	-	-	-	-15	-15
Loss for the second quarter 2013	-	-	-	-	-14	-14
Loss for the third quarter 2013	-	-	-	-	-5	-5
Loss for the fourth quarter 2013	-	-	-	-	-68	-68
Year end result	-	-	-	-	-103	-103
Total comprehensive income	-	-	-	-	-103	-103
Closing balance 31 December 2013	6	71	481	-277	-103	179
Opening balance 1 January 2014	6	71	481	-277	-103	179
Transfer of prior year net result	-	-	-	-103	103	-
Comprehensive income						
Loss for the first quarter 2014	-	-	-	-	-21	-21
Loss for the second quarter 2014	-	-	-	-	-31	-31
Period result	-	-	-	-	-52	-52
Total comprehensive income	-	-	-	-	-52	-52
Closing balance 30 June 2014	6	71	481	-379	-52	126

Notes

General information

Tethys Oil AB (publ) ("the Company"), organisation number 556615-8266, and its subsidiaries (together "the Group" or "Tethys Oil") are focused on exploration for and production of oil and natural gas. The Group has interests in licences in Oman, Lithuania and France.

The Company is a limited liability company incorporated and domiciled in Stockholm, Sweden. The Company is listed on NASDAQ OMX Stockholm.

Accounting principles

The six months report 2014 of the Tethys Oil Group has been prepared in accordance with IAS 34 and the Annual Accounts Act. The six months report 2014 of the Parent company has been prepared in accordance with the Annual Accounts Act and the Recommendation RFR 2 – "Accounting for legal entities", issued by the Swedish Financial Accounting Standards Council. The same accounting principles were used as described in the Annual report 2013.

Exchange rates

For the preparation of the financial statements for the reporting period, the following exchange rates have been used.

Currency	30 June 2014		31 March 2014		31 December 2013	
	2014	2014	2014	2014	2013	2013
	Average	Period end	Average	Period end	Average	Period end
SEK/CHF	7.37	7.43	7.31	7.30	7.05	7.40
SEK/EUR	9.01	9.06	8.94	8.89	8.68	9.03
SEK/LTL	2.61	2.62	2.59	2.57	2.52	2.55
SEK/USD	6.57	6.69	6.51	6.38	6.52	6.58

Second quarter 2014 comparison with second quarter 2013		Effect of currency exchange rates on operating result, MSEK	First half 2014 comparison with first half 2013	
second quarter 2013	first quarter 2014		second quarter 2013	first half 2013
4	4	Net sales of oil and gas	4	
-1	-1	Depreciation, depletion and amortization	-1	
-	-	Exploration costs	-	
-	-	Other income	-	
-1	-1	Operating expenses	-1	
-	-	Net profit/loss from associate	-	
-	-	Other losses/gains, net	-	
-0	-0	Administrative expenses	-0	
2	2	Summary of currency exchange rate effect on operating result	2	

The table above presents the currency exchange effect on operating result compared with the above comparative periods, by applying the average exchange rate of the respective comparative period on the second quarter and first half 2014 accounts.

Fair value

The nominal value of accounts payables, cash and bank and accounts receivables is a fair approximation of those line items.

30 June 2014			
MSEK	Financial assets and liabilities at fair value through profit or loss	Other receivables and cash and bank	Other liabilities
Other receivables	-	92	-
Cash and bank	-	33	-
Derivative instruments*	0	-	-
Debt	-	-	30
Accounts payables	-	-	1
Other current liabilities	-	-	51

31 December 2013			
MSEK	Financial assets and liabilities at fair value through profit or loss	Other receivables and cash and bank	Other liabilities
Other receivables	-	65	-
Cash and bank	-	295	-
Derivative instruments*	5	-	-
Debt	-	-	422
Accounts payables	-	-	1
Other current liabilities	-	-	25

* Note that Derivative instruments are put options. These instruments can be sold and are categorized as level 2 in accordance with IFRS 7. The valuation is made based on available market prices of the Brent oil price.

Note 1) Risks and uncertainties

The Group's activities expose it to a number of risks and uncertainties which are continuously monitored and reviewed. The main risks and uncertainties are operational and financial risks described below.

Operational risk

At its current stage of development Tethys Oil is partly commercially producing oil and partly exploring for and appraising undeveloped known oil and/or natural gas accumulations. The operational risk is different in these different parts of Tethys Oil's operations. The main operational risk in exploration and appraisal activities is that the activities and investments made by Tethys Oil and its partners will not evolve into commercial reserves of oil and gas. The oil price is of significant importance to Tethys Oil in all parts of operations as income and profitability is and will be dependent on prices prevailing from time to time. Significantly lower oil prices will reduce current and expected profitability in projects and can make projects sub economic. Lower oil prices could also decrease the industry interest in Tethys Oil's projects regarding farmout or sale of assets. As per 30 June 2014, Tethys Oil owns 390,000 put options, equalling 65,000 options per month from July to December 2014. These put options have a strike price of USD 90 per barrel to secure oil price during 2014 without limiting any upside potential should market oil prices be higher. These put options therefore reduce the oil price risk during 2014 significantly.

Another operational risk factor is access to equipment in Tethys Oil's project. Especially in the drilling/development phase of a project the group is dependent on advanced equipment such as rigs, casing, pipes etc. A shortage of these supplies can present difficulties for Tethys Oil to fulfil projects. Through its operations Tethys Oil is furthermore subject to political risk, environmental risk and the risk of not being able to retain key personnel.

Financial risk

By operating in several countries, Tethys Oil is exposed to fluctuations in a number of currencies. Income is and will also most likely be denominated in foreign currencies, US dollars in particular. Furthermore, Tethys Oil has

since inception been equity financed through share issues and financed by asset divestment. Additional capital may be needed to finance Tethys Oil's future operations and/or for acquisition of additional licences. The main risk is that this need may occur during less favourable market conditions.

A more detailed analysis of the Group's risks and uncertainties and how the Group addresses these risks, are given in the Annual report for 2013.

Note 2) Net sales of oil and gas.

Second quarter 2013	First quarter 2014	Second quarter 2014		First half 2014	First half 2013
156,816	280,782	350,059	Barrels sold, bbl	630,841	366,354
110	195	245	Net sales, MSEK	440	257
107.26	106.56	105.89	Oil price, USD/bbl	106.19	107.68

Tethys Oil is selling all of its oil through Mitsui Energy Trading Singapore, which is part of Mitsui & Co Ltd. All oil sales come from Blocks 3 & 4 Oman and are made on a monthly basis.

Note 3) Segment reporting

The Group's accounting principle for segments describes that operating segments are based on geographic perspective. The operating result for each segment is presented below.

Group income statement Jan-Jun 2014								
MSEK	Dubai	France	Lithuania	Oman	Sweden	Switzerland	Other	Total
Net sales	-	-	-	440	-	-	-	440
Depreciation, depletion and amortisation	-0	-	-5	-100	0	-	-	-105
Exploration costs	-	-0	-	-	0	-	-0	-0
Other income	-	-	-	-	-	-	-	-
Operating expenses	-	-	-	-105	-	-	-	-105
Net profit/loss from associates	-	-	1	-	-	-	-	1
Other losses/gains, net	-	-	-	-	0	-	-	-0
Administrative expenses	-2	-	-	-2	-10	-0	-0	-15
Operating result	-2	-0	-3	233	-10	-0	-0	216
Total financial items								-52
Result before tax								165
Income tax								0
Result for the period								165

Group income statement Jan-Jun 2013								
MSEK	Dubai	France	Lithuania	Oman	Sweden	Switzerland	Other	Total
Net sales	-	-	-	257	-	-	-	257
Depreciation, depletion and amortisation	-0	-	-	-60	-0	-0	-	-61
Exploration costs	-	-1	-	-	-	-	-0	-1
Other income	-	-	-	65	-	-	-	65
Operating expenses	-	-	-	-73	-	-	-	-73
Net profit/loss from associates	-	-	3	-	-	-	-	3
Other losses/gains, net	-	-	-	-	-0	-	-	-0
Administrative expenses	-2	-0	-	-1	-12	-1	-0	-17
Operating result	-2	-1	3	187	-12	-1	-0	173
Total financial items								-29
Result before tax								144
Income tax								-0
Result for the period								144

Note 4) Oil and gas properties

Country	Licence name	Phase	Expiration date	Remaining commitments	Tethys Oil	Partners (operator in bold)
Oman	Block 15	Exploration	Oct 2014	None	40%	Odin Energy , Tethys Oil
Oman	Block 3,4	Production	Jul 2040	None	30%	CCED , Mitsui, Tethys Oil
France	Attila	Exploration	2015 ³	None	40%	Galli Coz , Tethys Oil
France	Alès	Exploration	2015	MUSD 1.5 ⁴	37.5%	Tethys Oil , MouvOil
Lithuania	Gargzdai ⁵	Production	No expiration date	None	25%	Odin , GeoNafta, Tethys Oil
Lithuania	Rietavas ⁵	Exploration	Sep 2017	MLTL 6.2	30%	Odin , Tethys Oil, private investors
Lithuania	Raseiniai ⁵	Exploration	Sep 2017	MLTL 6.6	30%	Odin , Tethys Oil, private investors

MSEK	30 Jun 2014	31 Mar 2014	31 Dec 2013
Producing cost pools	1,049	974	1,011
Non-producing cost pools	3	2	0
Summa olje- och gastillgångar	1,052	977	1,012

MSEK Country	Asset type	Book value 30 Jun 2014	Other non-cash adjustments 1 Jan–30 Jun 2014	Currency exchange diff 1 Jan–30 Jun 2014	DD&A ⁶ 1 Jan–30 Jun 2014	Exploration costs 1 Jan–30 Jun 2014	Investments 1 Jan–30 Jun 2014	Book value 1 Jan 2014
Oman Block 3&4	Producing	1,049	–	17	-100	–	122	1,011
Oman Block 15	Non-producing	3	–	0	–	–	3	0
France Attila	Non-producing	–	–	–	–	-0	0	–
France Alès	Non-producing	–	–	–	–	–	–	–
New ventures	Non-producing	–	–	–	–	-0	0	0
Total		1,052	–	17	-100	-0	125	1,012

MSEK Country	Asset type	Book value 31 Dec 2013	Other non-cash adjustments 1 Jan–31 Dec 2013	Currency exchange diff 1 Jan–31 Dec 2013	DD&A 1 Jan–31 Dec 2013	Exploration costs 1 Jan–31 Dec 2013	Investments 1 Jan–31 Dec 2013	Book value 1 Jan 2013
Oman Block 3&4	Producing	1,011	0	-5	-137	–	263	890
Oman Block 15	Non-producing	0	–	-0	–	-51	25	27
France Attila	Non-producing	–	–	–	–	-1	1	–
France Alès	Non-producing	–	–	–	–	-0	0	–
Sweden Gotland	Non-producing	–	–	–	–	-2	0	2
New ventures	Non-producing	0	–	–	–	-1	1	0
Total		1,012	0	-5	-137	-56	290	920

Investments Block 3&4, MSEK	1 Jan 2014– 30 Jun 2014 6 months	1 Jan 2013– 31 Dec 2013 12 months
Drilling – Exploration/Appraisal	30	58
Drilling – Development	48	103
G&G	8	67
Facilities	10	61
Pipeline	13	5
Mitsui repayment	–	16
Tethys sole cost	2	3
Other capex	-6	-1
Accruals	16	-49
Total Investments Block 3&4	122	263

Oil & gas assets Block 3&4 Closing balances	30 Jun 2014	31 Dec 2013
Drilling – Exploration/Appraisal	151	120
Drilling – Development	404	350
G&G	119	110
Facilities	377	362
Pipeline	89	75
Mitsui repayment	134	135
Tethys sole cost	25	22
Other capex	29	28
Accruals	18	1
Accumulated depletion	-296	-191
Total oil and gas properties Block 3&4	1,049	1,011

3 In accordance with the licence terms, Tethys Oil has in connection with the licence extension filed a mandatory application of relinquishment of part of the licence which is still pending approval from French authorities.

4 Tethys Oil has a commitment towards the partner MouvOil and the French authorities to pay for seismic and drilling. The work is estimated to amount to MUSD 1.5.

5 The interest in the three Lithuanian licences are indirectly held through a shareholding in two Danish private companies, which in turn hold shares in Lithuanian companies holding 100 per cent of the licences. The two Danish companies, Odin Energi and Jylland Olie, are

not consolidated in Tethys Oils financial statements due to the ownership structure, which is why there are no oil and gas properties related to the licences. The ownership of Jylland Olie and Odin Energi are presented in the balance sheet under Shares in associated companies. Regarding licences Rietavas and Raseiniai, the table presents the indirect ownership after the decision in July 2014 by Chevron to leave the Rietavas licence. As per 30 June 2014 the indirect ownership was 14 per cent and 30 per cent in Rietavas and Raseiniai respectively. For further information, please see Subsequent events.

6 Depletion, depreciation and amortisation

Note 5, Operating expenses

Second quarter 2013	First quarter 2014	Second quarter 2014	Operating expenditures, MSEK	First half 2014	First half 2013
-7	-	-11	General & Administrative	-11	-7
-15	-	-25	Production cost Permanent Production Facilities	-25	-15
-8	-	-4	Well workovers	-4	-8
18	3	-1	Over- / Underlift	1	2
-3	-	-3	Other	-3	-3
-2	-48	-1	Accruals	-50	-29
-0	-13	-0	Transferred costs from previous year	-14	-13
-17	-59	-46	Total	-105	-73

Note 6) Other income

In accordance with the farmout agreement with Mitsui from 2010, Tethys Oil received from Mitsui a bonus amounting to MSEK 65 (MUSD 10) as commercial production exceeded 10,000 bopd for 30 consecutive days and following the approval of the Field Development Plan ("FDP") December 2012. The bonus was received during the first quarter 2013.

Parts of the administrative expenses in Tethys Oil are charged to oil and gas projects where the expenditures are capitalised. In case of Tethys Oil being the operator, these administrative expenditures are, through the above, also funded by the partners. The chargeout to the projects where Tethys Oil is operator is presented in the consolidated income statement as Other income. All other internal chargeouts are eliminated in the consolidated financial statements.

Note 7) Derivative instruments

As per 30 June 2014, Tethys Oil holds oil price put options (Brent) amounting to MSEK 0 (5). The total numbers of put options are 390,000, equalling

65,000 options per month from July to December 2014. The options will expire for each month and all have strike price USD 90 per barrel. The put options were acquired to secure oil price at USD 90 per barrel without limiting upside potential should oil prices be higher.

The value of the put options are based on a fair market value at the end of a reporting period and any change to the previous valuation will be accounted for as a financial income or financial expenditure. The put options are acquired to secure oil price and thereby sales and hedge accounting in accordance with IAS 39 will not be applicable.

Note 8) Associates

Tethys Oil holds an indirect interest of three Lithuanian companies holding three licences; Gargzdai, Rietavas and Raseiniai licences. The interest is held through two Danish private companies part of the Odin Group of companies, Odin Energi and Jylland Olie. The table below presents the ownership and the result from associates as per 30 June 2014.

Tethys Oil AB	Ownership		Ownership		Ownership	
	Odin Energi	50%	Jylland Olie	40% ⁷	Jylland Olie	40% ⁷
	UAB Minijos Nafta	50%	UAB TAN Oil	75%	UAB TAN Oil	75%
	Gargzdai license	100%	Raseiniai license	100%	UAB LL Investicos	100%
					Rietavas license	100%
Tethys Oil's indirect interest		25%		30%⁷		30%⁷

MSEK	UAB Minijos Nafta	UAB TAN Oil
Tethys Oil's share of profit loss from associates	First half 2014	First half 2014
Gross revenue	14	-
Royalty	-1	-
Net revenue	13	-
Depreciation	-2	-
Appraisal/development costs	-0	-
Operating expenditures	-7	-
Administrative expenditures in Lithuanian company	-1	-
Operating result	2	-
Financial income	0	-
Financial expenditures	-0	-
Profit before tax	2	-
Tax	-0	-
Tethys share of net profit from associates	1	-
Total share of net profit from associates	1	-

7 Regarding licences Rietavas and Raseiniai, the table presents the indirect ownership after the decision in July 2014 by Chevron to leave the Rietavas licence. As per 30 June 2014 the indirect ownership was 14 per cent and 30 per cent in Rietavas and Raseiniai respectively. For further information, please see Subsequent events.

MSEK	30 Jun 2014	31 Dec 2013
1 January	184	188
Acquisitions	-	-
Tethys share of net profit from associates	1	5
Dividend from associates	-11	-9
Depletion	-5	-
Balance end of period	171	184

For an overview of the ownership structure of Tethys Oil's interest in Lithuania, please see page 42 in the Annual Report 2013.

Note 9) Shareholders' equity

As per 30 June 2014, the number of outstanding shares in Tethys Oil amounts to 35,543,750 (35,543,750), with a quota value of SEK 0.17 (0.17). All shares represent one vote each. Tethys Oil does not have any incentive program for employees.

Note 10) Non current liabilities

In September 2012, Tethys Oil issued a secured three-year bond loan of MSEK 400. The bonds were issued at 100 per cent of the nominal value and run with a fixed interest rate of 9.50 per cent per year. The maturity date of the bonds were 7 September 2015. The bonds were listed on NASDAQ OMX Stockholm. The transaction costs amounted to MSEK 12 and are depreciated during the maturity time of the bond.

In February 2014, it was announced that Tethys Oil signed a four-year, up to MUSD 100, senior revolving reserve based lending facility with BNP Paribas. Security for the facility is the interest in the Block 3&4 licence. In connection with the first drawdown of the facility, Tethys exercised its option for early redemption of the bonds and redeemed all outstanding bonds. The early redemption price was 104.5 per cent of the nominal amount of the bonds plus accrued unpaid interest. The payment and redemption occurred 7 April 2014.

The interest rate of the new credit facility is floating between LIBOR +3.75 per cent to LIBOR +4.00 per cent per annum, depending on the level of utilization of the facility. As per 30 June 2014 there was no outstanding debt, i.e. there was no borrowed amount from the new credit facility.

Note 11) Provisions

Tethys Oil estimates that Tethys Oil's share of site restoration regarding Block 3&4 amounts to MSEK 30 (29). As a consequence of this provision, oil and gas properties have increased with an equal amount.

Note 12) Pledged assets

As per 30 June 2014, pledged assets amounted to MSEK 1,236 (989). Pledged assets are mainly a continuing security with regard to the credit facility where Tethys Oil has entered into a pledge agreement. The pledge relates to all shares in the subsidiary Tethys Oil Block 3&4 Ltd for the benefit of the lenders in the credit facility and the value of the pledge is equal to the shareholders' equity value in Tethys Oil Block 3&4 Ltd. Of pledged assets, MSEK 1 (1) relate to a pledge in relation to office rental.

Note 13) Contingent liabilities

There are no outstanding contingent liabilities as per 30 June 2014, nor for the comparative period.

Key ratio

1 Apr 2013 – 30 Jun 2013 3 months	1 Jan 2014 – 31 Mar 2014 3 months	1 Apr 2014 – 30 Jun 2014 3 months	Group	1 Jan 2014 – 30 Jun 2014 6 months	1 Jan 2013 – 30 Jun 2013 6 months
Operational items					
399,839	608,582	658,123	Production before government take, bbl	1,266,705	768,321
4,394	6,762	7,232	Production per day, bbl	6,998	4,245
156,816	280,782	350,059	Net sales after government take, bbl	630,841	366,354
107.26	106.56	105.89	Achieved oil price, USD/bbl	106.19	107.68
Items regarding the income statement and balance sheet					
110	195	245	Net sales, MSEK	440	257
83	130	192	EBITDA, MSEK	322	235
74.95%	66.96%	78.08%	EBITDA-margin, %	73.16%	91.50%
49	83	134	Operating result, MSEK	216	173
44.52%	42.39%	54.56%	Operating margin, %	49.18%	67.51%
39	58	107	Net result, MSEK	165	144
35.55%	29.63%	43.69%	Net margin, %	37.47%	56.03%
237	363	33	Cash and cash equivalents, MSEK	33	237
990	1,127	1,284	Shareholders' equity, MSEK	1,284	990
1,454	1,625	1,367	Balance sheet total, MSEK	1,367	1,454
Capital structure					
68.09%	69.34%	93.95%	Solvency, %	93.95%	68.09%
18.39%	5.29%	-0.23%	Leverage ratio, %	-0.23%	18.39%
68.09%	69.34%	93.95%	Adjusted equity ratio, %	93.95%	68.09%
8.11	9.13	8.44	Interest coverage ratio, %	8.44	8.11
114	45	69	Investments, MSEK	114	149
182	60	-3	Net debt, MSEK	-3	182
Profitability					
4.24%	5.18%	8.99%	Return on shareholders' equity, %	13.83%	15.54%
13.17%	5.37%	9.46%	Return on capital employed, %	15.28%	13.17%
Key figures per employee					
19	17	17	Average number of employees	17	19
Number of shares					
n.a.	n.a.	n.a.	Dividend per share, SEK	n.a.	n.a.
2.23	3.50	4.1	Cash flow used in operations per share, SEK	7.6	3.97
35,544	35,544	35,544	Number of shares on balance day, Thousands	35,544	35,544
27.85	31.70	36.13	Shareholders' equity per share, SEK	36.13	27.85
35,544	35,544	35,544	Weighted number of shares on balance day, Thousands	35,544	35,544
1.1	1.62	3.02	Earnings per share, SEK	4.64	4.04
1.1	1.62	3.02	Earnings per share after dilution, SEK	4.64	4.04

For definitions of key ratios please refer to the 2013 Annual Report.
The abbreviation n.a. means not applicable.

Financial calendar

Nine month report 2014 (January – September 2014) on 4 November 2014

Year-end report 2014 (January – December 2014) on 10 February 2015

Three month report 2015 (January – March 2015) on 5 May 2015

Six month report 2015 (January – June 2015) on 18 August 2015

Board Assurance

The Board of Directors and the Managing Director certify that the half year report gives a fair review of the performance of the business, position and profit or loss of the Company and the Group, and describes the principal risks and uncertainties that the Company and the companies in the Group face.

Stockholm, 19 August 2014

Tethys Oil AB (publ)

Org. No. 556615-8266

Staffan Knafve
Chairman of the Board

Per Brilioth
Director

Magnus Nordin
Managing Director

Jan Risberg
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This report has not been subject to review by the auditors of the company.

