



Tethys Oil

Second quarter and
Six months report 2012

Second quarter 2012

- 41% increase in 2C contingent resources to 13.8 mmbo
- Export pipeline works completed on Block 3 and 4 Oman – launched in June
- 10 wells drilled on Block 3 Oman
- Record gross production of 302,081 bbls corresponding to 3,320 bopd
- Net sales of MSEK 154
- Result before write down of oil and gas interests MSEK 128
- Write down of oil and gas properties of MSEK 113 regarding part of Block 15 and France
- Net result MSEK 15
- Earnings per share of SEK 0.46
- Directed new share issues of MSEK 120 completed in May 2012

Six months 2012

- Record gross production of 586,562 bbls corresponding to 3,223 bopd
- Net sales of MSEK 298
- Net result MSEK 123 – significantly impacted by write downs
- Earnings per share of SEK 3.75

MSEK (unless specifically stated)	1 Jan 2012– 30 Jun 2012 6 months	1 Apr 2012– 30 Jun 2012 3 months	1 Jan 2011– 30 Jun 2011 6 months	1 Apr 2011– 30 Jun 2011 3 months	1 Jan 2011– 31 Dec 2011 12 months
Production, before government take (bbl)	586,562	302,081	83,249	64,585	423,469
Net sales, after government take (bbl)	380,416	184,994	20,903	4,871	147,228
Average selling price per barrel, USD	113.83	119.34	92.99	105.80	107.37
Net sales of oil and gas	298	154	13	3	104
Operating result	105	-4	2	-2	83
EBITDA	238	120	3	-1	84
Result for the period	123	15	-14	1	69
Earnings per share, SEK	3.75	0.46	-0.43	0.02	2.12
Cash and cash equivalents	44	44	178	178	93
Investments	442	232	21	6	205

Tethys Oil AB (publ)

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 France, Lithuania and Sweden. The shares are listed on First North (TETY) in Stockholm. Remium AB is Certified Adviser.

Dear Friends and Investors



Tethys oil continues on its path forward. Production from Oman has been steady well above 10,000 barrels of oil per day. A new record production level was reached in July 2012, after the export pipeline was completed. With the commissioning of the Permanent Production facilities, relating to both the Farha South and Saiwan East Fields, expected before the end of the third quarter, we expect production to continue to increase further. Fully commissioned, the facilities should have a capacity of around 18,000 bopd.

Maybe even more importantly: the oil resources available for production keeps increasing. During the first six months of the year, we saw the 2C contingent resources increase from the continued appraisal/exploration of the Farha trend by more than 40%! At this time, our resources are contingent only upon the approval of a Field Development Plan (“FDP”) and/or declaration of commerciality. The FDP is undergoing intense discussion between the ministry of oil and gas of Oman and the operator, and we expect the FDP to be finalized within the next couple of months.

Prospectivity, both on Block 3 and Block 4, remains high. If the exploration over the next 6-12 months is 100% successful, based on current estimate, it could bring an additional 30 million barrels net to Tethys. To increase the probability of success some additional 3D seismic will most likely be acquired, which brings us to the subject of liquidity and finance.

We expect the 2012 budget of MSEK 430 for Block 3 and 4 to increase by approximately MSEK 120. This increase will cover the completion of production facilities and the added exploration expenditures mentioned above. All major construction work has

been completed and the work that remains is primarily related to connecting the various production facilities components.

Our cost oil component on Blocks 3 and 4 will soon be available for investments, and when the FDP is approved and commercial production is established, we will get our additional ten million dollars from Mitsui. But until then, external financing is required to bridge our way. This far along the company’s growth curve, we believe additional financing should and could be met by debt finance rather than equity. In this regard, we have mandated Pareto Öhman to investigate the market for a corporate bond. Whatever the outcome, we are confident that any finance requirement in the near term will be met through debt or forward selling of oil, and we do not believe equity finance will be needed.

On Block 15 in Oman, we have written off all costs associated with the JAS-2 well. Although hydrocarbons are clearly present in the well, production right now is highly uncertain. The JAS-1 well is another matter. We are hopeful to see that well in a long term production test before the end of this year. And with new 3D seismic planned to

be shot in fourth quarter, we still believe Block 15 has good potential to yield interesting additional discoveries.

In Lithuania, we drilled an exploration well on the Gargzdai license. Oil was present in the Cambrian prospect target, but porosity was found to be insufficient for commercial production. Of greater importance was however the vast amount of information we retrieved from the thick shale section. The data gathered here should yield some interesting results once the analysis is completed.

So stay with us...

Stockholm in August 2012

Magnus Nordin Vince Hamilton
Managing Director Chairman of the Board

Financial and operational review¹

Tethys has income from production from two areas, Blocks 3 and 4 onshore Oman and the Gargzdai licence onshore Lithuania. Contingent resources are attributable to Blocks 3 and 4 while Tethys has indirect reserves in Gargzdai. The bulk of investments occur on Blocks 3 and 4 in Oman.

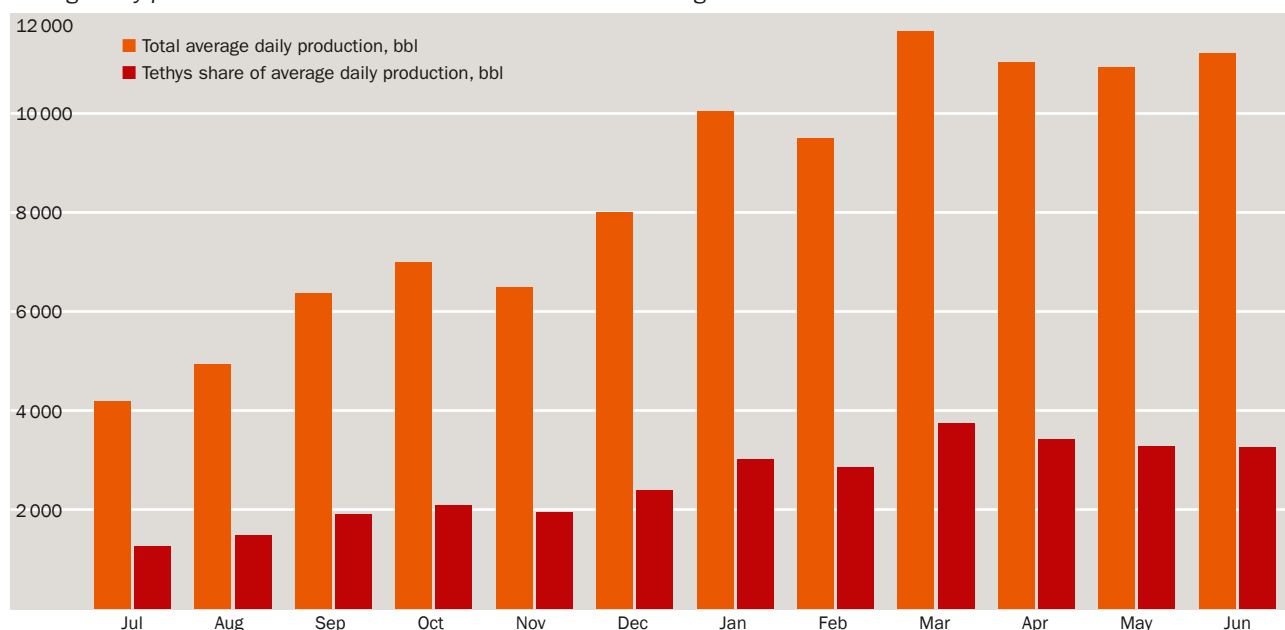
Production

Production from the Farha South and Saiwan East oil fields on Blocks 3 and 4 onshore Oman has continued during the period utilising the Early Production System ("EPS"). Production rates have varied, depending on both test programme design as well as on transport and facility capacity.

Quarterly volumes, before government take	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Total quarterly production, (bbl)					
Production	1,006,937	948,270	659,720	474,349	215,283
Average daily production	11,065	10,421	7,171	5,156	2,366
Tethys' share of quarterly production, (bbl)					
Production	302,081	284,481	197,916	142,304	64,585
Average daily production	3,320	3,126	2,151	1,547	710

Total production increased during the second quarter 2012, amounting to 330,864 barrels in April, 339,270 in May and 336,803 in June. Production in May and June was limited by infrastructural work and work on export pipeline.

Average daily production from Blocks 3 and 4 onshore Oman during 2011-2012



Production on the Gargzdai licence in western Lithuania during the second quarter 2012 amounted to 52,208 barrels of oil, corresponding to 574 barrels of oil per day (bopd). The production share attributable to Tethys Oil amounts to 25 per cent of the total, or 13,052 barrels corresponding to 143 bopd. The average oil price achieved during the quarter was USD 107.33 per barrel. Tethys interest in the Gargzdai licence is held through an arrangement with Odin Energi AS. Through this arrangement Tethys Oil currently holds a receivable

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 2012 ended 30 June 2012. The amounts relating to the comparative period (equivalent period of last year) are shown in parenthesis after the amount for the current period. Segments of the Group are geographical markets.

on Odin regarding the interest in Gargzdai licence, which is to be converted to shares. In order to enable the transfer of shares a reconstruction of the Odin group is ongoing. The reconstruction is in line with the agreement, and is progressing according to plan.

Net sales

During the first six months 2012, Tethys Oil sold 380,416 (20,903 for same period last year) barrels of oil after government take from the Early Production System on Block 3 and 4 in Oman and 184,994 (4,871) barrels of oil during the second quarter. This resulted in net sales during the first six months 2012 of MSEK 298 (MSEK 13) and MSEK 154 (MSEK 3) during the second quarter. The average selling price per barrel amounted to USD 113.83 per barrel during the first six months 2012 (USD 92.99 per barrel) and USD 119.34 per barrel (USD 105.80) for the second quarter.

Result

Tethys Oil reports a result for the first six months 2012 of MSEK 123 (MSEK -14) and MSEK 15 (MSEK 1) for the second quarter, representing earnings per share of SEK 3.75 (SEK -0.43) for the first six months 2012 and SEK 0.46 (SEK 0.02) for the second quarter. The financial development fundamentally reflects the underlying growth in production and sales. However, the result for the first six months has significantly been impacted by:

- write downs of oil and gas properties of MSEK 113 regarding JAS-2 related expenditures on Block 15 in Oman and unconventional hydrocarbon projects in France
- an additional lifting, originally scheduled for December 2011 (which regarded production from December 2011) but conducted in early January 2012, giving the first six months 2012 additional sales amounting to MSEK 38

The write downs of oil and gas properties relating to Block 15 in Oman, amounting to MSEK 99, are made as a consequence of the production test of JAS-2 conducted in the first quarter 2012 and evaluations following the results of the test. The evaluation concludes that the JAS-2 well most likely cannot be put in production and therefore Tethys Oil has elected to write off all costs related to this well. Expenditures related to the well JAS-1

remains capitalised pending a long term production test expected to commence later 2012. Production tests previously made indicate that JAS-1 economically can justify capitalized expenditures related to the well. Write downs of oil and gas properties related to unconventional hydrocarbon projects in France, amounting to MSEK 13, are made as uncertainty remains as to when Tethys Oil's unconventional hydrocarbon projects in France can be undertaken and conducted.

During May 2012, Tethys Oil received MSEK 17 as return from the Lithuanian investment. The return on investments was received as dividend from the Lithuanian company Minijos Nafta and was paid out relating to the business year 2011. The process of converting Tethys Oil's receivable to shares is ongoing.

The result for the first six months 2012 has been impacted by net foreign exchange losses. The currency exchange effect of the group amounts to MSEK 2 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. The currency exchange effect is part of net financial result amounting to MSEK 18 for the first six months 2012 and MSEK 19 for the second quarter.

Cash flow from operations before changes in working capital during the first six months 2012 amounted to MSEK 253 (MSEK 3) and MSEK 132 (MSEK -1) for the second quarter.

Depletion of oil and gas properties for the first six months 2012 amounted to MSEK 20 (-) and MSEK 10 (-) for the second quarter. The company considers the conditions for applying depletion under the accounting principles to have been met as of 1 January 2012.

Operating expenses amounted during the first six months 2012 to MSEK 48 (-) and MSEK 28 (-) for the second quarter. Operating expenses are directly related to oil and gas production on Block 3 and 4 in Oman, for example expenses for trucking, tariffs, supervision and administration etc. Due to an underlift position as per 30 June 2011 amounting to 391 barrels, the Operating expenses during the first

six months 2012 have been reduced by MSEK 0. The company considers the conditions for presenting operating expenses under the accounting principles to have been met as of 1 January 2012.

Administrative expenses amounted to MSEK 12 (MSEK 10) for the first six months 2012 and MSEK 6 (MSEK 4) for the second quarter. Depreciation amounted to MSEK 0.3 (MSEK 0.2) for the first six months period and MSEK 0.1 (MSEK 0.1) for the second quarter. Administrative expenses are mainly salaries, rents, listing costs and outside services. Depreciation is referable to office equipment. The administrative expenditures during the first six months 2012 are higher compared with same period last year due to increased activity. Part of the administrative expenses are capitalised in the subsidiaries and if Tethys is the operator these expenses are funded by partners. In the consolidated income statement these internal transactions are eliminated.

Summary of oil and gas interests

Tethys Oil has interests in licences in Oman, Lithuania, France and Sweden. See graph next page.

Oil and gas properties as at 30 June 2012 amounted to MSEK 512 (MSEK 207). Investments in oil and gas properties of MSEK 444 (MSEK 21) were incurred for the six month period ending 30 June 2012.

Currency exchange effects

The book value of oil and gas properties includes currency exchange effects of MSEK -6 during the first six months 2012, which are not cash related items and therefore not included in investments. For more information please see above under *Result*.

Reserves and resources

Tethys Oil has contingent resources on Blocks 3 and 4 onshore Oman. The contingent resources are only contingent on the finalization and the final approval of a field development plan ("FDP"). Tethys Oil's contingent resources have been audited by independent petroleum consultant DeGolyer and MacNaughton ("D&M") as per 31 December 2011. D&M has made an updated audit of the reserves as per 30 June 2012.

Summary of oil and gas interests

Country	Licence name	Tethys Oil, %	Total area, km ²	Partners (operator in bold)	Book value 30 Jun 2012	Book value 31 Dec 2011	Investments Jan-Jun 2012
Oman	Block 15	40%	1,389	Odin Energy , Tethys Oil	23	114	7
Oman	Block 3, 4	30%	33,125	CCED , Mitsui, Tethys Oil	483	74	436
France	Attila	40%	1,986	Galli Coz , Tethys Oil	–	10	0
France	Alès	37.5%	215	Tethys Oil , MouvOil	3	6	1
Sweden	Gotland Större (incl Gotland Mindre)	100%	581	Tethys Oil	2	2	0
Lithuania	Rietavas, Raseiniai ²	20%	3,129	Odin Energi , Tethys Oil, private investors	–	–	–
New ventures					1	1	1
Total			40,425		512	207	444

² The interest in Rietavas and Raseiniai licences are indirectly held through a 40 per cent shareholding in Jyllands Olie ApS which in turn holds 50 per cent of the shares in UAB LL Investicos which holds 100 per cent of the two licences. As Jyllands Olie ApS is not consolidated in Tethys Oils financial statements due to the ownership structure, there are no oil and gas properties related to the two licences. The ownership of Jyllands Olie ApS is presented in the balance sheet under Shares in associated companies.

The interest in the Gargzdai license was as of 30 June 2012 not converted from receivable to shareholding. The investment is presented in the balance sheet under Other long term receivables

Tethys Oil's net working interest resources oil base (C) in the Sultanate of Oman as per 30 June 2012 amounts to 3.4 million barrels of oil ("mmbo") of 1C contingent resources, 13.8 mmbo of 2C and 17.3 mmbo of 3C.

Contingent Resources* Blocks 3 and 4, Oman

Mmbo	1C	2C	3C
As per 31 Dec, 2011	2.6	9.8	12.4
Production 1 Jan – 30 Jun 2012	-0.6	-0.6	-0.6
Revisions	+1.4	+4.6	+5.5
As per 30 Jun, 2012	3.4	13.8	17.3
Increase	31%	41%	40%
Ökning (%)	31%	41%	40%

* For associated production profile, see appendix 1.

Tethys Oil's share of reserves in the Gargzdai license in Lithuania, according to the agreement with Odin Energi A/S ("Odin"), amounts as per 31 December 2011 to 0.7 mmbo of 1P reserves, 1.7 mmbo of 2P and 3.0 mmbo of 3P. The reserves are calculated on the basis of the reserves from the independent petroleum consultant Miller Lents review as per 1 January 2011, reduced with the operator's numbers of aggregated production for 2011.

Review of operations

Oman

Blocks 3 and 4

During the first six months 2012, investments amounting to MSEK 436 were made in Blocks 3 and 4. Of the total investment amount, MSEK 255 consists

of new investments in the blocks and the remaining MSEK 180 (MUSD 26) emanate from that part of investments previously made by Mitsui on Tethys Oil's behalf under the Carry agreement (see below) which was recovered by Mitsui during the six month period from Tethys Oil's share of cost recovery oil entitlement.

Tethys Oil's share of the 2012 budget amounted to MSEK 430, which included both OPEX and CAPEX. MSEK 303 has been spent of this amount, of which MSEK 255 is attributable to CAPEX and MSEK 48 is attributable to OPEX.

Of the CAPEX investments of MSEK 255 made by Tethys Oil during the first six months, around two thirds have been spent on production facilities and infrastructure. Almost all of the remaining third of CAPEX have been spent on production/water injection wells. Most of the production facilities and infrastructure have been completed by the second quarter and will reduce operating expenditures to some extent in the third quarter but mainly in the fourth quarter 2012. During the remainder of 2012, Tethys Oil expects an increased focus on exploration on Blocks 3 and 4, as production facilities and infrastructure are being completed. For 2012, Tethys Oil expects an increase of the budget of MSEK 120 relating to completion of production facilities and seismic acquisitions.

All of the production wells have been drilled on the Farha South field on Block 3, where a total of 10 wells were completed during

the second quarter 2012. Of these, three wells were drilled into the Barik reservoir of previously undrilled fault blocks resulting in the discovery of three new oil bearing blocks. As at 30 June 2012, a total of 14 fault blocks are in production with more planned to be drilled later this year.

Five production wells were drilled and completed in previously drilled blocks to increase production and two water injections wells were drilled and completed. The drilling programme is continuing with two rigs in operation. During the coming months increased focus will be on exploration.

In July 2012, an exploration well (designated B4EW3) was spudded on Block 4. The well is located approximately 6 km east of the producing Saiwan East field. The primary target is the Khufai formation, the primary producer in the Saiwan East field. The secondary target is the deeper Masirah Bay sandstone formation, which is an un-tested formation. As of the date of the report drilling operations are still continuing.

By the end of May 2012, the preparation work was initiated for the launch of the export pipeline, connecting the oil fields with the national Omani pipeline system. The work partially affected the production both in May and in June 2012. This pipeline was fully operational by the end of June, and all trucking activities have ceased. Installation of processing facilities and other infrastructure relating to the permanent production system is continuing.

Block 15

The main focus on Block 15 is to put the JAS-1 well in an extended production test. JAS-1 flowed gas and condensate when tested in 2007. The tender process for this test has been initiated. An extension of the 3D seismic survey shot in 2008 is also planned before drilling activities will resume.

Lithuania

In January 2012, Tethys announced the acquisition of assets in Lithuania. According to the agreement, Tethys interests in Lithuania shall be held together with Odin through Odin group companies giving Tethys a net indirect interest of 25 per cent in UAB Minijos Nafta ("MN") and 20 per cent in UAB LL Investicos ("LLI"). MN holds the Gargzdai license and LLI holds the Rietavas and Raiseiniai licenses. Tethys has received newly issued shares in Odin group companies for the holding of LLI. In order to enable the transfer of shares in Odin group companies for Tethys holding in MN, a reconstruction of the Odin group is ongoing. The reconstruction is in line with the agreement, and is progressing according to plan.

Gargzdai license

The Skomantai-1 exploration well on the Gargzdai licence was spudded in May and the work programme was completed in early August. The objectives of the well were to explore a previously undrilled oil prospect in the Cambrian sandstone and to evaluate the thick shale section for unconventional hydrocarbon potential. Oil was present in the Cambrian prospect, but porosity was found to be insufficient to produce commercial quantities of oil. An extensive data gathering was carried out on the shale section. Electric logs were recorded and seven cores with a total combined length of 63 metres were taken. The cores are being sent to a laboratory for analysis of various properties. The well has been suspended to allow for future work on the shale section.

The rig has been moved to drill the first of two planned sidetracks in existing wells. The work programme also includes acquisition of 50 kilometres of 3D seismic over the north eastern part of the license.

Rietavas and Raiseiniai licenses

The work programmes for the Rietavas and Raiseiniai licenses have not been finalized, but reprocessing of existing seismic data on both licenses is ongoing. In addition, the

Silale-1 well on the Rietavas license, which flowed 150 bopd from the Cambrian layer when it was discovered in the eighties, has been worked over and the results are being evaluated.

France

Alès

On the Alès licence, the seismic interpretation is continuing. Additional processing of four seismic lines has been completed. Well data and logs from 17 wells in the greater Alès Basin area have been acquired in order to gain better understanding about the basin settings, structure and geometry. The planning of an additional 50 km 2D seismic study is ongoing.

Sweden

Gotland

A soil sampling survey was performed on some known reefal prospects that have been identified on existing seismic lines within our license area. The results of the survey were encouraging. Tethys is now investigating the possibility to conduct exploratory drilling operations on 10 potential locations. Tethys has contracted an external consultant to survey and produce an Environmental Impact Assessment for the 10 potential locations.

Liquidity and financing

Cash and bank as at 30 June 2012 amounted to MSEK 44 (MSEK 93).

During the first six months 2012, Tethys Oil has invested MSEK 442. These investments have mainly regarded Block 3 and 4 and been financed by available liquidity, cash flow from operations of MSEK 257, return on Lithuanian investment of MSEK 17 and share issue of MSEK 120 before issue costs.

Investments in Block 3 and 4 have significantly increased during 2012. Until 31 December 2011 Tethys Oil's share of such investments were paid under the Mitsui carry agreement and did not affect Tethys Oil's cash position. The agreement with Mitsui was made in 2010, whereby Mitsui acquired 20 percentage points in Blocks 3 and 4 onshore Oman. Apart from a cash consideration, Mitsui undertook to fund Tethys Oil's share of non exploration related capital expenditure up to MUSD 60 on Blocks 3 and 4 effectively from 1 January 2010. As per 31 December 2011, Mitsui had fulfilled the undertaking and additional

investments relating to Blocks 3 and 4 must be paid by Tethys Oil directly.

Also under the carry agreement, Mitsui has during the first quarter 2012 started to recover the MUSD 60 paid on behalf of Tethys Oil from the proceeds of Tethys Oil's share of cost recovery oil entitlement. Under the carry agreement, Tethys Oil will allocate its entire share of cost recovery entitlement to Mitsui until the full MUSD 60 has been recovered by Mitsui. The allocated cost recovery to Mitsui will be treated as investments in oil and gas properties. During the first six months 2012, the amount received by Mitsui from Tethys Oil's cost recovery entitlement amounted to MUSD 26. The remaining cost recovery entitlement to be allocated to Mitsui (MUSD 34 as at 30 June 2012) is presented as a contingent liability.

The high level of investments on Block 3 and 4 is likely to continue. Additional financing will be required to fund further investments up until Mitsui has recovered the remaining MUSD 34 of Tethys Oil's share of cost recovery. The additional financing needs are primarily anticipated to be met through debt financing.

Further under the carry agreement, Mitsui will pay to Tethys Oil a bonus amounting to MUSD 10 when commercial production exceeds 10,000 bopd for 30 consecutive days. Given that 10,000 bopd has already been achieved during test production, the Company is hopeful that the rate also can be met once commercial production has been established and that the bonus payment could be paid out during 2012.

A large part of the liquidity is kept in USD which has depreciated against SEK during the reporting period. The currency exchange effect on cash and cash equivalents amounted during the first six months 2012 to MSEK -1.

Other long term receivables

Tethys Oil and private Danish oil company Odin Energi entered into an Investment Agreement regarding assets in Lithuania. According to the agreement, Tethys interests in Lithuania shall be held together with Odin through Odin group companies giving Tethys a net indirect interest of 25 per cent in UAB Minijos Nafta ("MN") and 20 per cent in UAB LL Investicos ("LLI"). Tethys has received newly issued shares in Odin group companies for the holding of

LLI. Regarding the holding in Minijos Nafta as per 30 June 2012, Tethys Oil currently holds a receivable on Odin which is to be transferred into shares in Odin group companies. For the transfer of shares to Tethys Oil, a reconstruction of the Odin group is ongoing. The reconstruction is in line with the agreement, and is progressing according to plan. The receivable amounts to MEUR 15.2, equivalent of MSEK 135. The loan is secured by a pledge of 30 per cent of the share capital of Odin.

Parent company

The Parent company reports a result for the first six months 2012 amounting to MSEK -127 (MSEK -16) and MSEK -126 (MSEK 3) for the second quarter. The result for the six months period and the second quarter has been significantly impacted by write down of shares in subsidiaries. The write downs amounted to MSEK 144 and are a consequence of the write downs of oil and gas properties made in the group during the reporting period. Administrative expenses amounted to MSEK 5 (MSEK 5) for the first six months 2012 and MSEK 3 (MSEK 2) for the second quarter. Net

financial result amounted to MSEK -123 (MSEK -12) during the first six months 2012 and MSEK -123 (MSEK 5) for the second quarter. Write down of shares in subsidiaries are part of net financial result. The stronger US dollar has had a positive impact on net financial result during the six month period 2012. The exchange rate losses regard translation differences and are non cash related. Investments during the first six months 2012 amounted to MSEK 102 (MSEK 47). Financial investments are financial loans to subsidiaries for their oil and gas operations. The turnover in the Parent company relates to chargeouts of services to subsidiaries.

Board of Directors

At the Annual General Meeting of shareholders on 16 May 2012 Håkan Ehrenblad, Vincent Hamilton, John Hoey, Magnus Nordin and Jan Risberg were re-elected members of the Board. Katherine Støvring and Staffan Knafve were elected as new directors. No deputy directors were appointed. At the same meeting Vincent Hamilton was appointed Chairman of the Board.

Share data

As per 30 June 2012, the number of outstanding shares in Tethys Oil amount to 35,543,750 (32,543,750), with a quota value of SEK 0.17 (SEK 0.17). All shares represent one vote each. Tethys Oil does not have any incentive program for employees.

In May 2012, Tethys Oil conducted two private placements of 3,000,000 shares in total. The two private placements were made at SEK 40 per shares, which corresponded to approximately 7 per cent discount to the volume weighted average share price the last trading day before the private placements. Proceeds from the share issues amounted to MSEK 120 before issue costs. The shares from the private placements were registered in May and June 2012.

Risks and uncertainties

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

Consolidated statement of comprehensive income

TSEK	1 Jan 2012– 30 Jun 2012 6 months	1 Apr 2012– 30 Jun 2012 3 months	1 Jan 2011– 30 Jun 2011 6 months	1 Apr 2011– 30 Jun 2011 3 months	1 Jan 2011– 31 Dec 2011 12 months
Net sales of oil and gas	298,479	153,768	12,561	3,164	103,538
Depreciation of oil and gas properties	-19,648	-10,208	–	–	–
Write off of oil and gas properties	-113,148	-113,148	–	–	–
Other income	–	–	-188	-321	-187
Operating expenses	-48,392	-28,247	–	–	–
Other losses/gains, net	-50	-35	5	-18	-52
Administrative expenses	-11,863	-6,081	-9,919	-4,358	-20,243
Operating result	105,378	-3,950	2,459	-1,534	83,057
Financial income and similar items	6,415	5,755	2,607	2,460	2,339
Financial expenses and similar items	-4,949	-3,192	-19,025	-177	-16,281
Return on investments	16,618	16,618	–	–	–
Net financial profit	18,084	19,182	-16,418	2,283	-13,943
Result before tax	123,462	15,232	-13,959	749	69,114
Income tax	-66	-26	-53	-26	-123
Result for the period	123,395	15,205	-14,012	724	68,991
Other comprehensive result					
Currency translation differences	5,282	9,734	-7,941	1,173	4,785
Other comprehensive result for the period	5,282	9,734	-7,941	1,173	4,785
Total comprehensive result for the period	128,678	24,939	-21,952	1,896	73,776
Number of shares outstanding	35,543,750	35,543,750	32,543,750	32,543,750	32,543,750
Number of shares outstanding (after dilution)	35,543,750	35,543,750	32,543,750	32,543,750	32,543,750
Weighted number of shares	32,945,066	32,945,066	32,508,827	32,513,118	32,520,596
Earnings per share, SEK	3.75	0.46	-0.43	0.02	2.12
Earnings per share (after dilution), SEK	3.75	0.46	-0.43	0.02	2.12

Consolidated balance sheet

TSEK	30 Jun 2012	31 Dec 2011
ASSETS		
Fixed assets		
Oil and gas properties	511,946	206,651
Office equipment	1,980	2,298
Total fixed assets	513,926	208,949
Financial assets		
Investment in associate	23,951	23,951
Other long term receivables	134,648	136,278
Total financial fixed assets	158,598	160,228
Current assets		
Other receivables	19,392	1,399
Prepaid expenses	2,144	1,181
Cash and bank	43,688	93,105
Total current assets	65,224	95,685
TOTAL ASSETS	737,748	464,862
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	5,924	5,424
Additional paid in capital	557,829	438,329
Other reserves	2,328	-2,955
Retained earnings	138,156	14,761
Total shareholders' equity	704,237	455,559
Non current liabilities		
Other non current liabilities	2,911	1,705
Total non current liabilities	2,911	1,705
Non interest bearing current liabilities		
Accounts payable	2,079	2,226
Other current liabilities	27,514	4,114
Accrued expenses	1,007	1,258
Total non interest bearing current liabilities	30,600	7,598
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	737,748	464,863
Pledged assets	500	500
Contingent liabilities	240,097	-

Consolidated statement of changes in equity

TSEK	Share Capital	Paid in Capital	Other reserves	Retained Earnings	Total Equity
Opening balance 1 January 2011	5,417	436,608	-7,739	-54,231	380,055
Comprehensive income					
Result for the first quarter 2011	-	-	-	-14,735	-14,735
Result for the second quarter 2011	-	-	-	724	724
Result for the third quarter 2011	-	-	-	38,627	38,627
Result for the fourth quarter 2011	-	-	-	44,376	44,376
Period result	-	-	-	68,991	68,991
Other Comprehensive income					
Currency translation differences first quarter 2011	-	-	-9,113	-	-9,113
Currency translation differences second quarter 2011	-	-	1,173	-	1,173
Currency translation differences third quarter 2011	-	-	6,618	-	6,618
Currency translation differences fourth quarter 2011	-	-	6,108	-	6,108
Total other comprehensive income	-	-	4,785	-	4,785
Total comprehensive income	-	-	4,785	68,991	73,776
Transactions with owners					
Share issue in kind June	7	1,721	-	-	1,728
Total transactions with owners	7	1,721	-	-	1,728
Closing balance 31 December 2011	5,424	438,329	-2,955	14,761	455,559
Opening balance 1 January 2012	5,424	438,329	-2,955	14,761	455,559
Comprehensive income					
Result for the first quarter 2012	-	-	-	107,601	107,601
Result for the second quarter 2012	-	-	-	15,205	15,205
Period result	-	-	-	123,395	123,395
Other Comprehensive income					
Currency translation differences first quarter 2012	-	-	-4,451	-	-4,451
Currency translation differences second quarter 2012	-	-	9,734	-	9,734
Total other comprehensive income	-	-	5,282	-	5,282
Total comprehensive income	-	-	5,282	123,395	128,677
Transactions with owners					
Share issue June	500	119,500	-	-	120,000
Total transactions with owners	500	119,500	-	-	120,000
Closing balance 30 June 2012	5,924	557,829	2,328	138,156	704,237

Consolidated cash flow statement

TSEK	1 Jan 2012– 30 Jun 2012 6 months	1 Apr 2012– 30 Jun 2012 3 months	1 Jan 2011– 30 Jun 2011 6 months	1 Apr 2011– 30 Jun 2011 3 months	1 Jan 2011– 31 Dec 2011 12 months
Cash flow from operations					
Operating result	105,378	-3,950	2,459	-1,534	83,057
Interest received	–	–	12	–	62
Interest paid	–	–	–	–	–
Income tax	-66	-26	-53	-26	-123
Adjustment for write down of oil and gas properties	113,148	113,148	–	–	–
Adjustment for depreciation and other non cash related items	34,799	23,313	245	256	8,281
Total cash flow from operations before change in working capital	253,259	132,485	2,662	-1,303	91,277
Decrease/increase in receivables	-18,956	-8,538	16,815	-2,723	18,743
Decrease/increase in liabilities	23,002	-52,406	-698	1,384	3,584
Cash flow from operations	257,305	71,541	18,779	-2,642	113,604
Investment activity					
Investment in oil and gas properties	-263,894	-108,263	-20,597	-5,171	-44,375
Oil and gas properties from cost oil repayment	-180,101	-125,864	–	–	–
Investment in associate	–	–	–	–	-23,951
Investment in long term liabilities	1,630	1,630	–	–	-139,175
Investment in other fixed assets	-76	52	-688	-355	-891
Cash flow from investment activity	-442,441	-232,444	-21,285	-5,526	-208,392
Financing activity					
Share issue	120,000	120,000	1,727	1,727	1,727
Return on investment	16,618	16,618	–	–	–
Cash flow from financing activity	136,618	136,618	1,727	1,727	1,727
Period cash flow	-48,519	-24,285	-779	-6,441	-93,061
Cash and cash equivalents at the beginning of the period	93,105	67,947	190,512	183,649	190,512
Exchange gains/losses on cash and cash equivalents	-898	27	-11,380	1,145	-4,344
Cash and cash equivalents at the end of the period	43,688	43,688	178,353	178,353	93,106

Parent company income statement condensed

TSEK	1 Jan 2012– 30 Jun 2012 6 months	1 Apr 2012– 30 Jun 2012 3 months	1 Jan 2011– 30 Jun 2011 6 months	1 Apr 2011– 30 Jun 2011 3 months	1 Jan 2011– 31 Dec 2011 12 months
Net sales of oil and gas	–	–	–	–	–
Depreciation of oil and gas properties	–	–	–	–	–
Write off of oil and gas properties	–	–	–	–	–
Other income	982	538	1,626	746	3,236
Other losses/gains, net	-50	-35	5	-18	-52
Administrative expenses	-5,374	-3,256	-5,411	-2,397	-10,502
Operating result	-4,442	-2,753	-3,780	-1,669	-7,318
Financial income and similar items	9,039	7,100	7,124	4,732	9,148
Financial expenses and similar items	-4,812	-3,124	-19,019	-174	-16,270
Write down of shares in group companies	-143,880	-143,880	–	–	-229
Return on investment	16,618	16,618	–	–	–
Net financial loss	-123,035	-123,286	-11,896	4,558	-7,351
Result before tax	-127,477	-126,039	-15,676	2,889	-14,669
Income tax	–	–	–	–	–
Result for the period	-127,477	-126,039	-15,676	2,889	-14,669
Number of shares outstanding	35,543,750	35,543,750	32,543,750	32,543,750	32,543,750
Number of shares outstanding (after dilution)	35,543,750	35,543,750	32,543,750	32,543,750	32,543,750
Weighted number of shares	32,945,066	32,945,066	32,508,827	32,508,827	32,520,596

Parent company balance sheet condensed

TSEK	30 jun 2012	31 dec 2011
ASSETS		
Total fixed assets	135	169
Total financial fixed assets	121,608	160,829
Total current assets	173,342	141,658
TOTAL ASSETS	295,085	302,657
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	242,483	249,960
Total non interest bearing current liabilities	52,602	52,697
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	295,085	302,657
Pledged assets	500	500
Contingent liabilities	–	–

Parent company statement of changes in equity

TSEK	Restricted equity		Non restricted equity			Total equity
	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Net result	
Opening balance 1 January 2011	5,417	71,071	365,537	-147,221	-31,903	262,901
Transfer of prior year net result	-	-	-	-31,903	31,903	-
Comprehensive income						
Loss for the first quarter 2011	-	-	-	-	-18,565	-18,565
Profit for the second quarter 2011	-	-	-	-	2,889	2,889
Profit for the third quarter 2011	-	-	-	-	1,953	1,953
Loss for the fourth quarter 2011	-	-	-	-	-946	-946
Period result					-14,669	-14,669
Total comprehensive income	-	-	-	-	-14,669	-14,669
Transactions with owners						
Share issue in kind	7	-	1,721	-	-	1,728
Total transactions with owners	7	-	1,721	-	-	1,728
Closing balance 31 December 2011	5,424	71,071	367,258	-179,124	-14,669	249,960
Opening balance 1 January 2012	5,424	71,071	367,258	-179,124	-14,669	249,960
Transfer of prior year net result	-	-	-	-14,669	14,669	-
Comprehensive income						
Loss for the first quarter 2012	-	-	-	-	-2,026	-2,026
Loss for the second quarter 2012	-	-	-	-	-126,039	-126,039
Period result	-	-	-	-	-127,477	-127,477
Total comprehensive income	-	-	-	-	-127,477	-127,477
Transactions with owners						
Share issue June	500	-	119,500	-	-	120,000
Total transactions with owners	500	-	119,500	-	-	120,000
Closing balance 30 June 2012	5,924	71,071	486,758	-193,794	-127,477	242,483

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 exploration licences in Lithuania, France, Oman and Sweden.

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

Accounting principles

The half year report 2012 of the Tethys Oil Group has been prepared in accordance with IAS 34 and the Annual Accounts Act. The half year report 2012 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 in the Annual report 2011.

Financial instruments

Tethys Oil has not used any derivative financial instruments during the period in order to hedge risks.

Exchange rates

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

Currency	2012 Average	2012 Period end	2011 Average	2011 Period end
SEK/USD	6.89	7.00	6.42	6.38
SEK/CHF	7.39	7.38	7.07	7.56

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 mainly exploring for oil and natural gas and appraising undeveloped known oil and/or natural gas accumulations. The main operational risk is that the interest the group has in oil and gas assets will not evolve into commercial reserves of oil and gas. The oil price is of significant importance to Tethys Oil 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. 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 2011.

Note 2, Net sales of oil and gas

During the first six months 2012, Tethys Oil sold 380,416 (20,903) barrels of oil after government take from the Early Production System on Block 3 and 4 in Oman and 184,994 barrels during the second quarter (4,871). This resulted in net sales during the first six months 2012 of TSEK 298,479 (TSEK 12,561) and TSEK 153,768 (TSEK 3,164) for the second quarter. The average selling price per barrel amounted to USD 113.83 per barrel during the first six months 2012 (USD 92.99) and USD 119.34 (USD 105.80) for the second quarter.

Note 3, Oil and gas properties

TSEK Country	Book value	Depletion	Write downs	Investments	Book value	Book value	Write downs	Investments	Book value
	30 Jun 2012	1 Jan–30 Jun 2012	1 Jan–30 Jun 2012	1 Jan–30 Jun 2012	1 Jan 2012	31 Dec 2011	1 Jan–31 Dec 2011	1 Jan–31 Dec 2011	1 Jan 2011
Oman Block 15	22,605 ³	–	-99,093	7,012	113,671 ⁴	113,671 ⁴	–	19,807	92,682 ⁴
Oman Block 3,4	483,455 ³	-19,648	–	435,558	74,466 ⁴	74,466 ⁴	–	16,890	66,573 ⁴
France Attila	–	–	-9,747	30	9,717	9,717	–	479	9,238
France Alès	3,335	–	-3,124	695	5,764	5,764	–	5,764	–
Sweden Gotland Större	2,338	–	–	137	2,200	2,200	–	615	1,628
New ventures	547	–	-697	571	835	835	–	819	16
Total	511,946	-19,648	-113,148	443,995	206,651	206,651	–	44,375	170,135

Oil and gas properties TSEK	Group			Parent		
	1 Jan 2012– 30 Jun 2012 6 months	1 Jan 2011– 30 Jun 2011 6 months	1 Jan 2011– 31 Dec 2011 12 months	1 Jan 2012– 30 Jun 2012 6 months	1 Jan 2011– 30 Jun 2011 6 months	1 Jan 2011– 31 Dec 2011 12 months
Investments in oil and gas properties						
Opening balance	291,508	254,990	254,990	–	–	–
Investments in France	725	4,279	6,243	–	–	–
Investments in Oman	442,570	16,005	36,698	–	–	–
Investments in Sweden	137	273	615	–	–	–
Other investments in oil and gas properties	571	27	819	–	–	–
Adjustment	-5,905 ³	-12,957	-7,859 ⁴	–	–	–
Closing balance	729,599	262,617	291,508	–	–	–
Depletion*						
Opening balance	–	–	–	–	–	–
Depletion	19,648	–	–	–	–	–
Closing balance	19,648	–	–	–	–	–
Write down						
Opening balance	84,857	84,857	84,857	–	–	–
Write down	113,148	–	–	–	–	–
Closing balance	198,005	84,857	84,857	–	–	–
Net book value	511,946	177,732	206,651	–	–	–

³ The book values of oil and gas properties include non cash items of TSEK -5,905 during the first six months 2012. These adjustments are not part of investments.

⁴ The book values of oil and gas properties include non cash items of TSEK -7,859 during the full year 2011. These adjustments are not part of investments. Of these adjustments, TSEK -9,564 relates to currency exchange losses and TSEK 1,705 relates to provision for site restoration.

Tethys Oil presents depletion of oil and gas properties relating to Block 3 and 4, which is in line with the Accounting principles, as Block 3 and 4 starting from first quarter 2012 is considered to be in a commercial production phase.

Note 4, Operating expenses

During the first six months 2012, the operating expenses amounted to TSEK 48,392 (TSEK –) and for the second quarter operating expenses amounted to TSEK 28,247 (TSEK –). Operating expenses are directly related to oil and gas production on Block 3 and 4 in Oman, for example expenses for trucking, tariffs, supervision and administration etc. Due to an underlift position as per 30 June 2011 amounting to 391 barrels, the Operating expenses during the first six months 2012 have been reduced by TSEK 35. The company considers the conditions for presenting operating expenses under the accounting principles to have been met as of 1 January 2012.

Note 5, Other income

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 6, Associated companies

Tethys Oil holds an indirect interest of 20 per cent in Lithuanian assets; Rietavas and Raiseniai licences. The interest is held through a 40 per cent ownership in a Danish private company, Jyllands Olie ApS, in partnership with Odin Energi holding the remaining 60 per cent. Jyllands Olie in turn owns 50 per cent interest in the Lithuanian private company UAB LL Investicos. There have been no financial activities in the Jyllands Olie other than the described investment in the Lithuanian company.

Tethys Oil acquired its 20 per cent indirect interest for MUSD 3.5, equivalent of TSEK 23,951.

Note 7, Other long term receivables

Tethys Oil and private Danish oil company Odin Energi entered into an Investment Agreement regarding assets in Lithuania. According to the agreement, Tethys interests in Lithuania shall be held together with Odin through Odin group companies giving Tethys a net indirect interest of 25 per cent in UAB Minijos Nafta (“MN”) and 20 per cent in UAB LL Investicos (“LLI”). Tethys has received newly issued shares in Odin group companies for the holding of LLI. Regarding the holding in Minijos Nafta as per 30 June 2012, Tethys Oil currently holds a receivable on Odin which is to be transferred into shares in Odin group companies. For the transfer of shares to Tethys Oil, a reconstruction of the Odin group is ongoing. The reconstruction is in line with the agreement, and is progressing according to plan. The receivable amounts to MEUR 15.2, equivalent of TSEK 134,648. The loan is secured by a pledge of 30 per cent of the share capital of Odin.

During May 2012, Tethys Oil received TSEK 16,618 as return from the Lithuanian investment. The return on investment was received as dividend from the Lithuanian company Minijos Nafta was paid out relating to the business year 2011. The process of converting Tethys Oil's receivable to shares is ongoing.

Note 8, Shareholders' equity

As per 30 June 2012, the number of outstanding shares in Tethys Oil amount to 35,543,750 (32,543,750), with a quota value of SEK 0.17 (SEK 0.17). All shares represent one vote each. Tethys Oil does not have any incentive program for employees.

In May 2012, Tethys Oil conducted two private placements of 3,000,000 shares in total. The two private placements were made at SEK 40 per shares, which corresponded to approximately 7 per cent discount to the volume weighted average share price the last trading day before the private placements. Proceeds from the share issues amounted to TSEK 120,000 before issue costs. The shares from the private placements were registered in May and June.

Note 9, Provisions

Tethys Oil estimates that Tethys Oil's share of site restoration regarding Block 3&4 amounts to TSEK 2,911 (TSEK 1,705). As a consequence of this provision, oil and gas properties have increased with an equal amount.

Note 10, Contingent liabilities

As per an agreement between Tethys Oil and Mitsui from 2010, Mitsui undertook to fund Tethys Oil's share of non exploration related capital expenditure up to MUSD 60 on Blocks 3 and 4 effectively from 1 January 2010. As per 31 December 2011, Mitsui had fulfilled the undertaking. As per the same agreement, Mitsui holds the right to and has started during the first quarter 2012 to recover the MUSD 60 paid on behalf of Tethys Oil from the proceeds of Tethys Oil's share of cost recovery production entitlement. During the first six months 2012, Mitsui received MUSD 26 from Tethys Oil's cost recovery. Remaining contingent liability as per 30 June 2012 amounts to MUSD 34 equivalent of TSEK 240,097 (TSEK –).

Note 11, Related party transaction

During the year, Tethys Oil Suisse S.A., a wholly owned subsidiary of Tethys Oil AB, has paid rent to Mrs Mona Hamilton amounting to CHF 48,000. Mrs. Mona Hamilton is the wife of Vincent Hamilton, the Chairman and Chief Operating Officer of Tethys Oil. The rent of office space is a commercially based agreement between Tethys Oil Suisse S.A. and Mrs. Mona Hamilton.

Key ratios

Group

	1 Jan 2012– 30 Jun 2012 6 months	1 Apr 2012– 30 Jun 2012 3 months	1 Jan 2011– 30 Jun 2011 6 months	1 Apr 2011– 30 Jun 2011 3 months	1 Jan 2011– 31 Dec 2011 12 months
Items regarding the income statement and balance sheet					
Gross margin before extraordinary items, TSEK	n.a.	n.a.	n.a.	n.a.	n.a.
Operating result, TSEK	105,378	-3,950	2,459	-1,534	83,057
Operating margin, %	35.30%	-2.57%	19.58%	-48.48%	80.22%
Result before tax, TSEK	123,462	15,232	-13,959	749	69,114
Net result, TSEK	123,395	15,205	-14,012	724	68,991
Net margin, %	41.34%	9.89%	-111.55%	22.87%	66.63%
Shareholders' equity, TSEK	704,237	704,237	359,830	359,830	455,559
Balance sheet total, TSEK	737,748	737,748	363,149	363,149	464,862
Capital structure					
Solvency, %	95.46%	95.46%	99.09%	99.09%	98.00%
Leverage ratio, %	n.a.	n.a.	n.a.	n.a.	n.a.
Adjusted equity ratio, %	95.46%	95.46%	99.09%	99.09%	98.00%
Interest coverage ratio, %	n.a.	n.a.	n.a.	n.a.	n.a.
Investments, TSEK	442,441	232,444	21,285	5,526	208,392
Profitability					
Return on shareholders' equity, %	17.52%	2.16%	-3.89%	0.20%	15.14%
Return on capital employed, %	16.73%	2.06%	-3.86%	0.20%	16.25%
Key figures per employee					
Average number of employees	12	12	12	12	12
Number of shares					
Dividend per share, SEK	n.a.	n.a.	n.a.	n.a.	n.a.
Cash flow used in operations per share, SEK	7.81	2.17	0.58	-0.08	3.49
Number of shares on balance day, thousands	35,544	35,544	32,544	32,544	32,544
Shareholders' equity per share, SEK	19.81	19.81	11.06	11.06	14.00
Weighted number of shares on balance day, thousands	32,945	32,945	32,509	32,513	32,521
Earnings per share, SEK	3.75	0.46	-0.43	0.02	2.12
Earnings per share after dilution, SEK	3.75	0.46	-0.43	0.02	2.12

For definitions of key ratios please refer to the 2011 Annual Report.

The abbreviation n.a. means not applicable.

Financial information

The Company plans to publish the following financial reports:

Nine month report 2012 (January – September 2012) on 12 November 2012

Year end report 2012 (January – December 2012) on 11 February 2013

Three month report 2013 (January – March 2013) on 6 May 2013

Six month report 2013 (January – June 2013) on 19 August 2013

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

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, 28 August 2012

Tethys Oil AB (publ)
Org. No. 556615-8266

Vincent Hamilton
Chairman of the Board

Håkan Ehrenblad
Director

John Hoey
Director

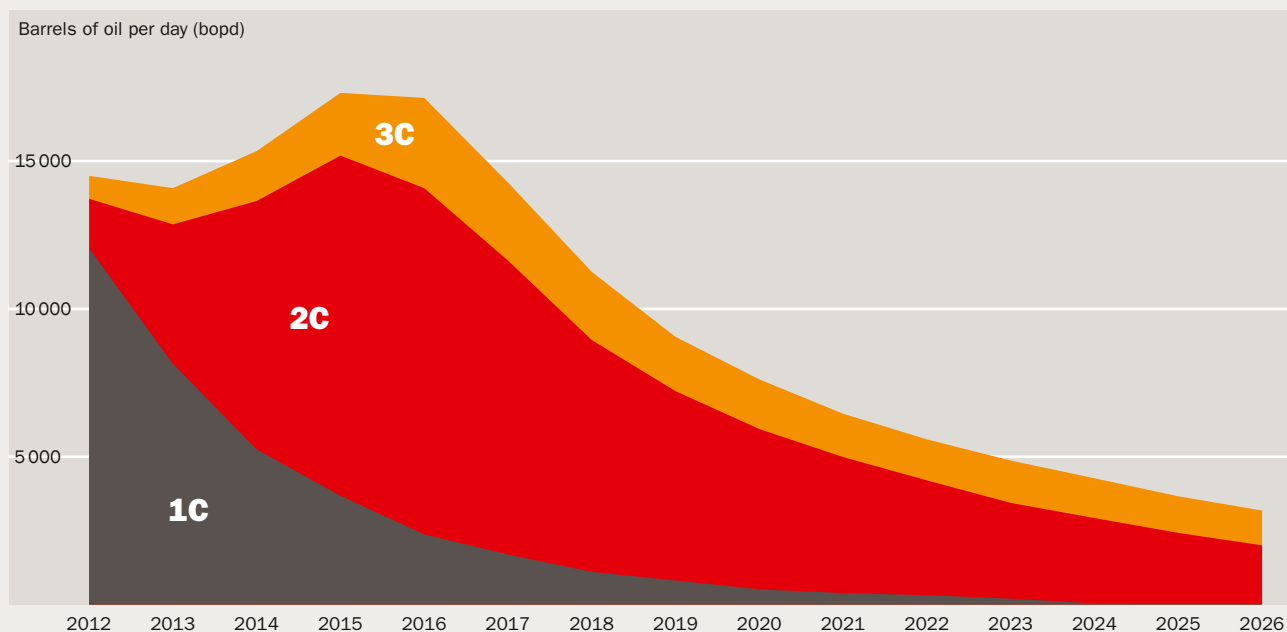
Staffan Knafve
Director

Jan Risberg
Director

Katherine Støvring
Director

Magnus Nordin
Managing Director

Appendix 1 – Contingent resources associated production profile



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