

The Board of Directors' of Tethys Oil AB statement under Chapter 19 Section 22 of the Companies Act

The financial position of Tethys Oil and the Tethys Oil Group

The financial position of Tethys Oil and the Tethys Oil Group as of 31 December 2013 is presented in the annual report for the financial year 2013. Furthermore, the principles applied for valuation of assets, provisions and debt are presented in the annual report. The proposal regarding transfer and repurchase of own shares entails that the board is authorized to acquire own shares so that the Company's holding amounts to a maximum of 1/10 of all the shares in the Company.

The defensibility of the authorization to purchase own shares

The Group's equity attributable to the shareholders of the Parent Company was SEK 178,674,727 as of 31 December 2013 and unrestricted equity in the Parent Company was SEK 101,679,768.

With reference to the above, and to other information that has come to the knowledge of the Board of Directors, it is the opinion of the Board that the proposed authorization to purchase own shares is defensible with reference to the demands that the nature, scope and risks of Tethys Oil's operations place on the size of the Company's and the Group's equity, and the Company's and the Group's consolidation needs, liquidity and position in general..

Stockholm, April 2014

The board of directors in Tethys Oil AB (publ)