



Press release

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## **Tethys Oil increases interest in Block 56 and assumes operatorship**

**Tethys Oil, through its wholly owned subsidiary Tethys Oil Oman Onshore Limited, has entered into an agreement with Medco Arabia Ltd (“Medco”), a wholly owned subsidiary of PT Medco Energi Internasional Tbk of Indonesia, whereby Tethys will acquire a 45 percent interest in the exploration and production license covering Block 56 onshore Oman. The transaction will increase Tethys’ interest in Block 56 from 20 to 65 percent. Tethys Oil will assume operatorship of the block from Medco, who will retain a 5 percent interest in the license. The transaction is subject to government approval.**

In consideration for the 45 per cent interest acquired, Tethys Oil will pay MUS\$ 5 to Medco and will also carry Medco up to MUS\$ 2 of future expenditure. The agreement further includes additional consideration in the case of a declaration of commerciality under the terms of the license.

Tethys Oil acquired its initial 20 percent interest in the block in the fourth quarter 2019. Block 56 covers an area of 5,808 km<sup>2</sup> in the south-eastern part of Oman approximately 200 km south of Blocks 3&4. Testing operations of three previously drilled wells were successfully completed in the first quarter 2020. One of the wells confirmed the presence of an active petroleum system with a crude oil quality of 20-25 degrees API and medium viscosity, although the commercial viability is yet to be determined.

The license for Block 56 is governed by an Exploration and Production Sharing Agreement signed in November 2014, and the exploration phase has been extended until December 2023.

Upon completion of the transaction, Tethys Oil will be the operator and hold a 65 percent interest in Block 56 with Biyaq Oilfield Services holding 25 percent and Intaj LLC and Medco Arabia Ltd holding 5 percent respectively.

### **For further information, please contact**

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### ***Tethys Oil AB (publ)***

*Tethys Oil is a Swedish oil company with focus on onshore areas with known oil discoveries. The company’s core area is the Sultanate of Oman, where it holds interests in Blocks 3&4, Block 49, Block 56 and Block 58. Tethys Oil has net working interest 2P reserves of 26.1 mmbbl and net working interest 2C Contingent Resources of 13.5 mmbbl and had an average oil production of 12,832 barrels per day from Blocks 3&4 during 2019. The company’s shares are listed on Nasdaq Stockholm (TETY). Website: [www.tethysoil.com](http://www.tethysoil.com)*