



Press release

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Tethys Oil enters into farmout agreement with EOG Resources over Block 49 onshore Oman

Tethys Oil, through its wholly owned subsidiary Tethys Oil Montasar Ltd (“Tethys”), has entered into an agreement with EOG Resources Oman Block 49 Limited (“EOG”), a wholly owned subsidiary of EOG Resources, Inc., for EOG to obtain a 50 percent interest in the Exploration and Production Sharing Agreement (“EPSA”) covering Block 49 onshore Oman (“the Block”) which comprises 15,439 km² (approximately 3.8 million acres). Under the agreement, EOG will also have the option to assume operatorship of the Block and increase its interest to 85 percent for any operation relating to unconventional hydrocarbon resources. The agreement is subject to government approval.

EOG will acquire access to the data from several thousand line kilometers of 2D seismic grids, two recently acquired seismic surveys (2D and 3D), nine exploration wells plus additional geotechnical studies and reports. As consideration for both the 50 percent interest and access to data, EOG will refund all costs incurred on the Block and fund the Thameen-1 exploration well, up to a combined amount of MUSD 15.

Tethys will continue as operator for the first exploration period including the drilling of the Thameen-1 well. After the commitments for the first period have been satisfied, EOG will have the option to take over operations of the block and increase its interest to 85 percent for any operation relating to unconventional hydrocarbon resources. Should EOG exercise its option, Tethys would retain a 15 percent interest. The agreement includes consideration if the option is exercised and in the case of commercial development of unconventional hydrocarbon resources. The parties would retain 50 percent each of any operations relating to conventional hydrocarbon resources.

“We are delighted to have reached this agreement with one of the world’s foremost experts when it comes to unconventional hydrocarbons and very happy to welcome EOG as a partner in joining us in the pursuit of hydrocarbons in Block 49” says Tethys Oil’s Managing Director Magnus Nordin.

“We are excited to partner with Tethys to evaluate an oil-rich basin for both conventional and unconventional potential,” said William R. “Bill” Thomas, Chairman and Chief Executive Officer of EOG Resources, Inc. “This agreement expands EOG’s footprint in Oman which also includes Block 36, and provides us with an attractive opportunity to explore a basin with significant potential upside for the company.”

Block 49 covers an area of 15,439 km² onshore the South West of the Sultanate of Oman. Tethys Oil was awarded Block in 2017. After three years of seismic work, including reprocessing of older seismic data and processing and interpretation of seismic data from two new campaigns, Tethys is

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

ready to drill the Thameen-1 well. The well is expected to spud in mid-December 2020 and to be drilled to a depth of close to 4,000 meters to evaluate three potential reservoir targets.

The initial three-year exploration phase for Block 49 has been extended with one year and runs until December 2021. The EPSA holders can elect to enter into a second exploration phase of an additional three years.

For further information, please contact

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This information is information that Tethys Oil AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 13:15 CET on 10 November 2020.