



Tethys Oil
Q4 and year-end 2021
8 February 2022



Highlights 2021

- Production 11,136 (11,336) bopd
- Capex 2021 MUSD 35.2 (45.4)
- EBITDA MUSD 61.4 (50.4)
- Free Cash flow MUSD 29.6 (6.7)
- Net Result MUSD 16.7 (3.3)
- Achieved Oil Price USD 62.8 (47.7) per barrel
- 2P RRR 82% (120%)
- Year-end 2P reserves +2C resources 41.77 (40.82) mmbbl
- Net Cash at year end MUSD 67.8 (55.1)
- Proposed cash distribution for 2022 SEK/share 7 (4)
- Yield on announcement 9.7%



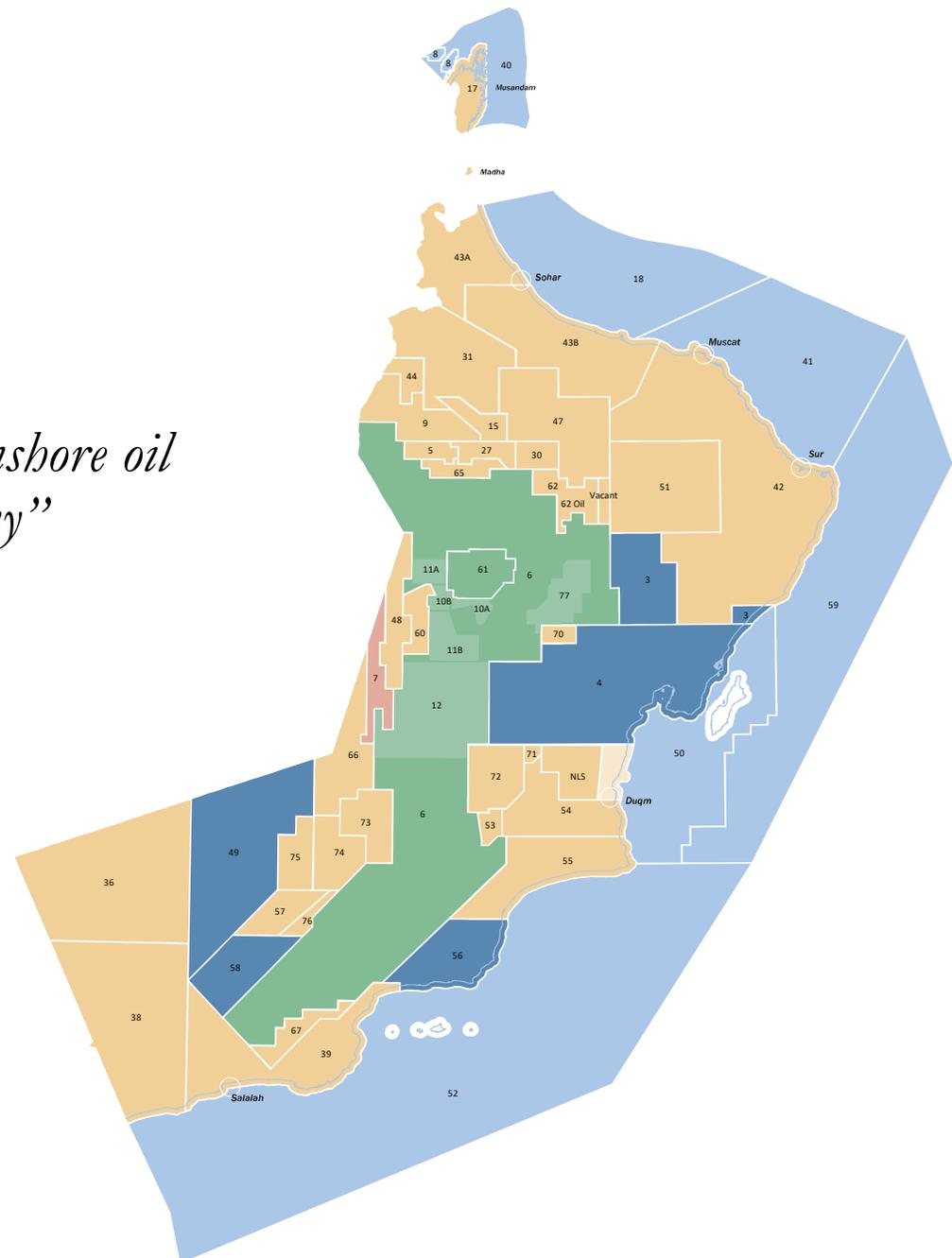
Outlook 2022 & Ongoing Operations

- Production Guidance 2022 11,000-11,500
- Capex Guidance 2022 MUSD 91 (Actual 2021: MUSD 35.2)
- Avg OSP 1Q USD 79.0 (45.4) per barrel
- 3 rigs and 1 workover rig fully operational of Blocks 3&4
- 3 well campaign started Block 56
- 2,000 km² 3D seismic halfway completed Block 56
- 3D seismic campaign completed Block 58. Prospect maturation ongoing
- Block 49 still being evaluated. Tethys Back to 100% interest
- Milestone of 30 employees in group reached

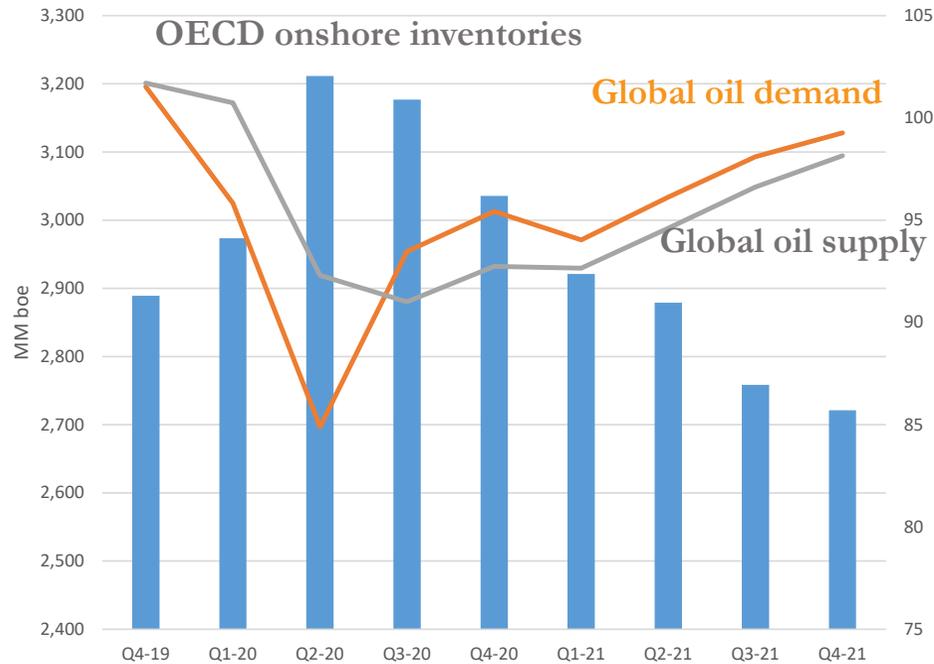
Tethys Oil

”A self funded, dividend paying onshore oil exploration and production company”

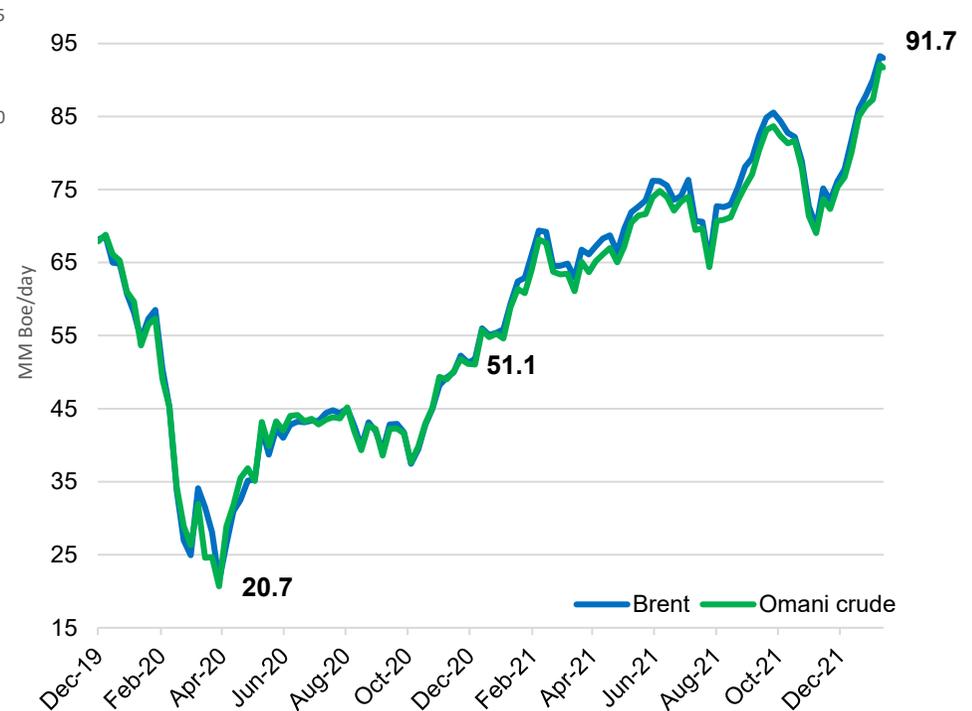
- Focused on the Sultanate of Oman since 2006
- One of the country’s largest acreage holders



2021 Oil market in summary – year of surprises

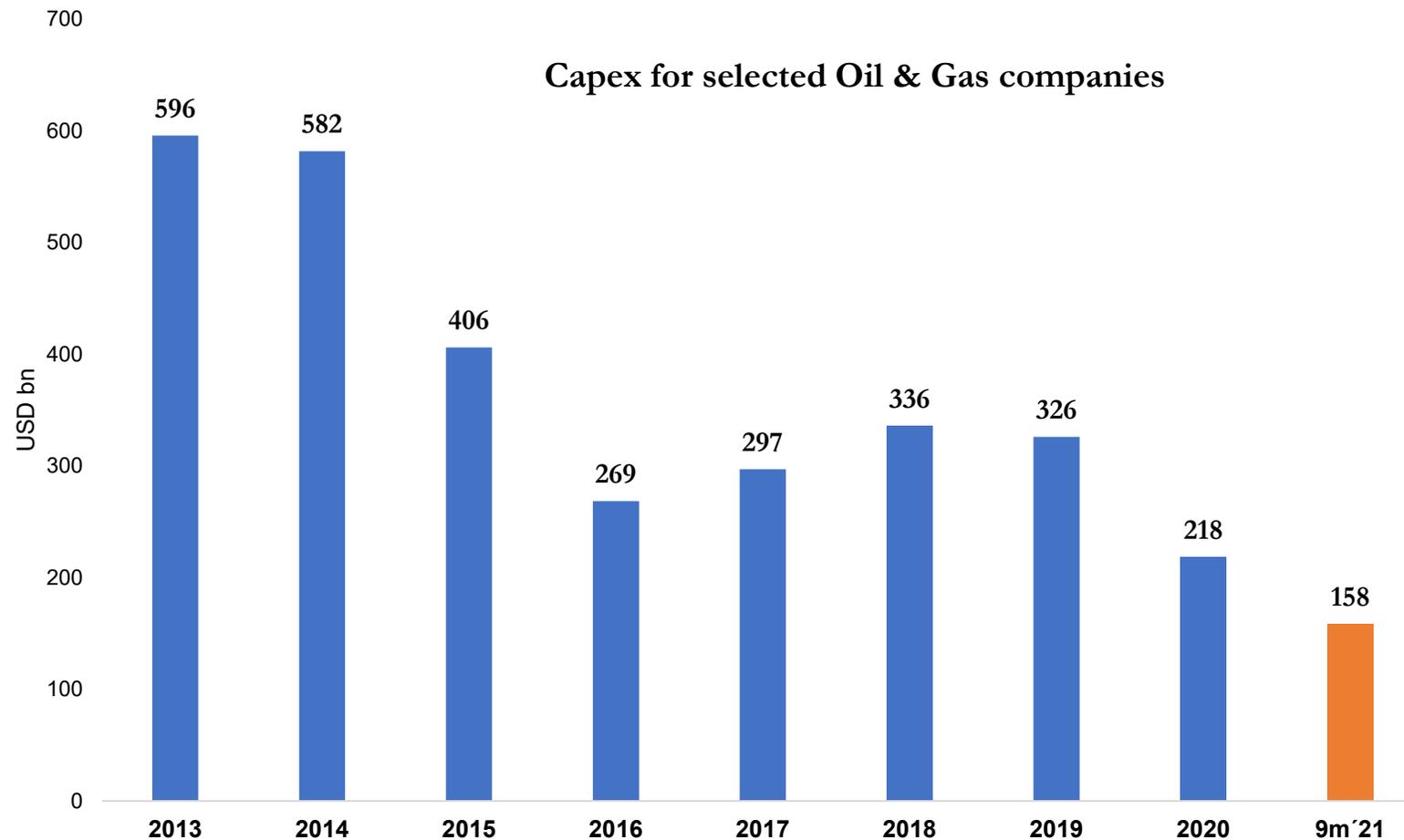


Source: EIA, OPEC, Bloomberg



- Strength of demand recovery took many by surprise
- Supply response from the industry has been slow, resulting in falling inventories
- And steadily increasing prices...

Signs of Industry underinvestment

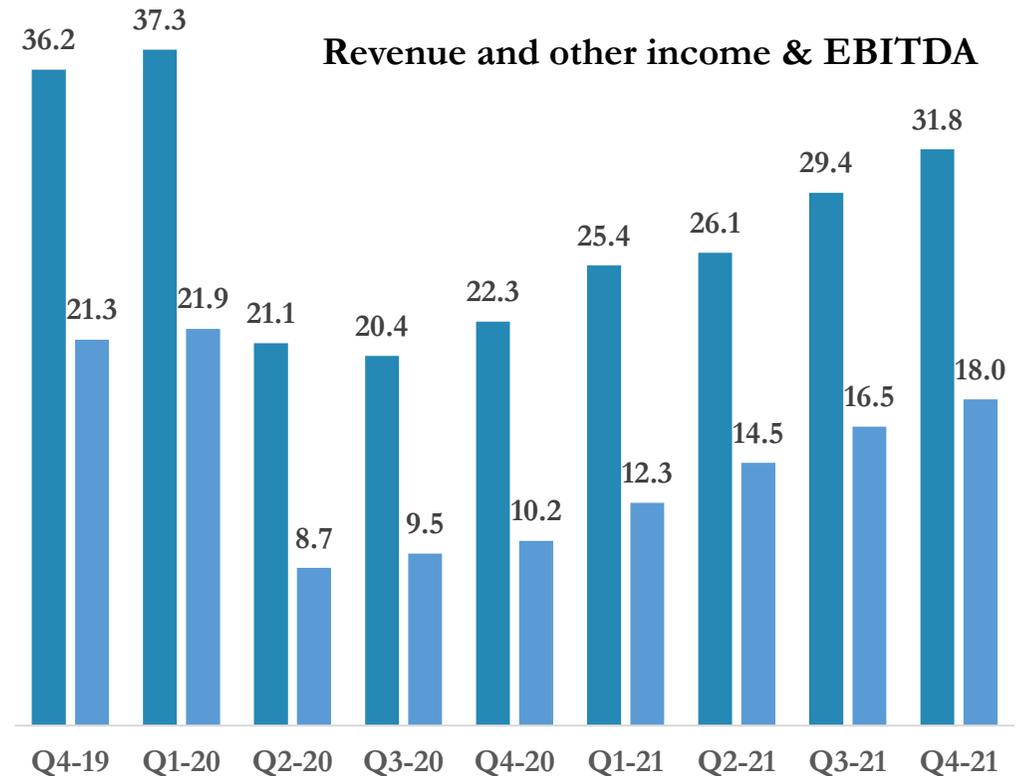


- Long-term underinvestment exacerbated by drastic capex cuts in 2020 may have damaged output capacity in the coming years...
- Energy transition initiatives may hamper investment

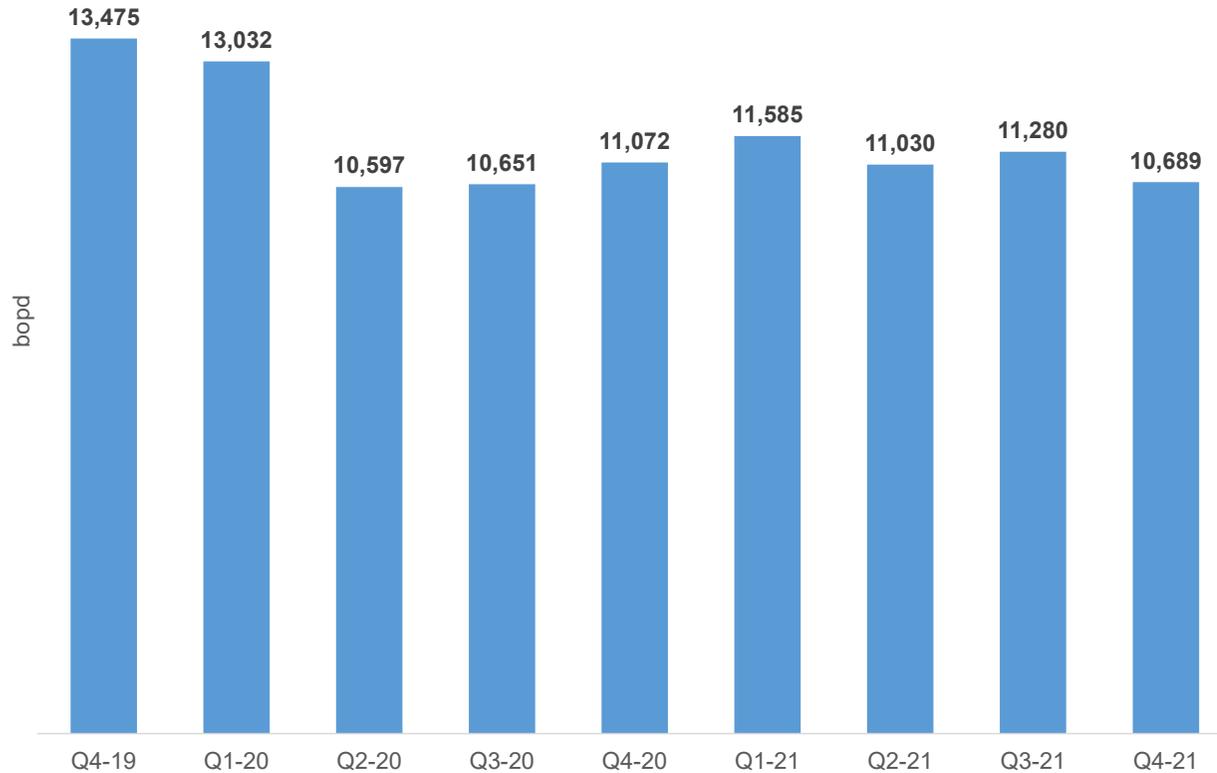
Source: EIA, OPEC, Bloomberg

Financial Review - Q4 2021

- Revenue and other income MUSD 31.8 (MUSD 29.4)
- EBITDA MUSD 18.0 (MUSD 16.5)
- Operating Profit MUSD 4.0 (MUSD 6.0)
- Exploration cost MUSD -4.1 (MUSD -)
- Net result of MUSD 4.1 (MUSD 6.1)
- Free cash flow of MUSD 9.4 (MUSD 13.1)
- Net Cash MUSD 67.8 (MUSD 58.5)



Production, Blocks 3&4



- Full year production of 11,136 bopd in line with Q3 2021 guidance

- Q4 production 6% below Q3
- An effect of operational issues experienced earlier in 2021:
 - surface operational issues
 - bottlenecks in water handling
 - delayed start-up of the drilling rigs that were put on standby in 2020.
- A majority of the disrupting factors were remedied by the end of the fourth quarter 2021.

Official Selling Price (OSP)

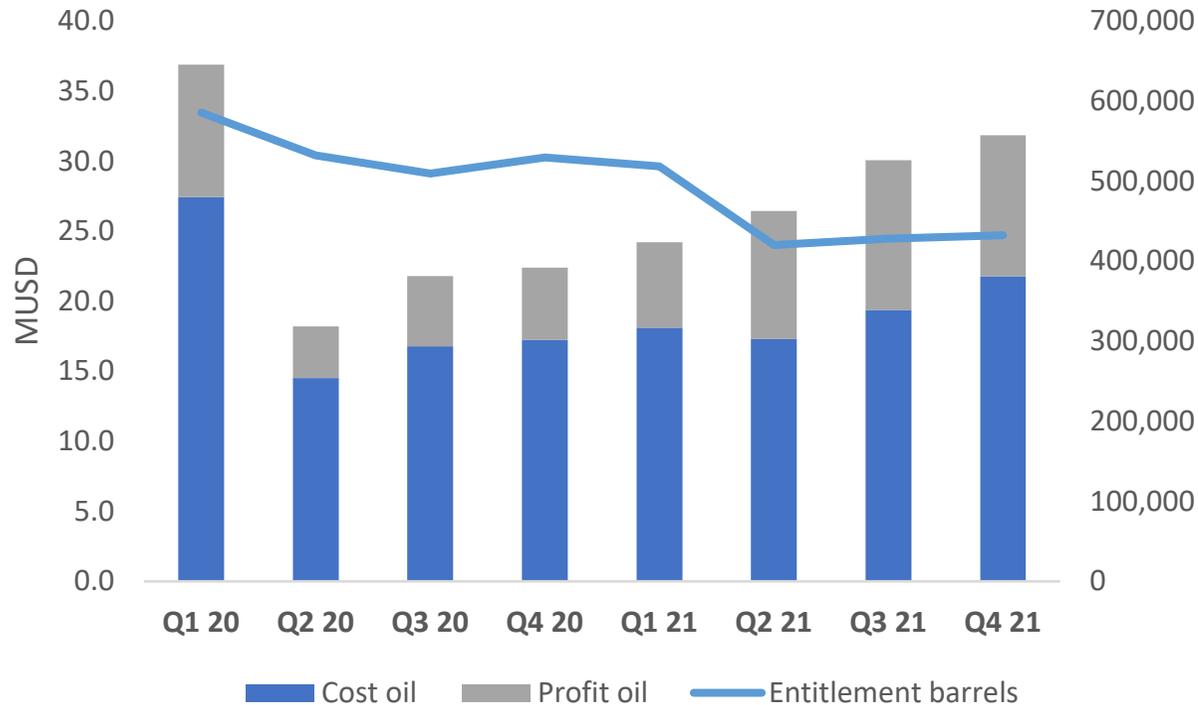
Q4-21 Average OSP:
USD 74.6/bbl

Q1-22 Average OSP:
USD 79.0/bbl



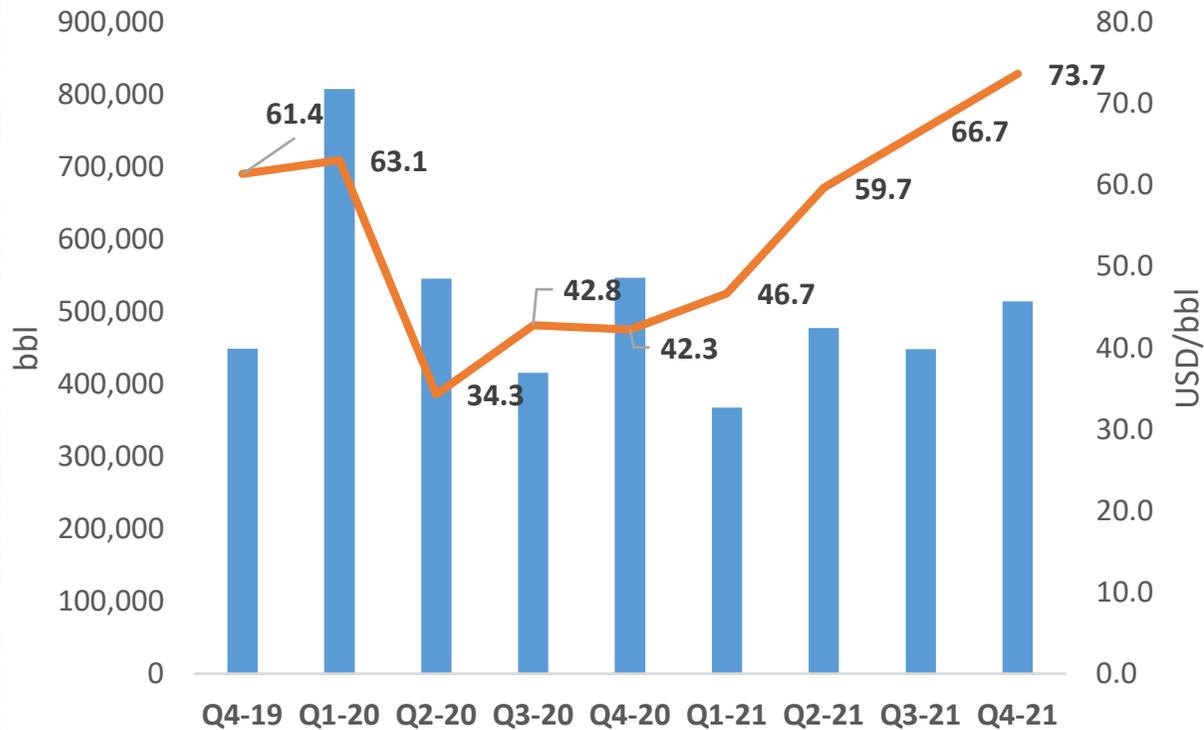
- Pricing for Q1 22 liftings already locked in
 - Achieved price will reflect mix of lifting volumes
- Oman Blend trading at ~USD -2 per barrel differential to Brent

Net Entitlement – volume vs value



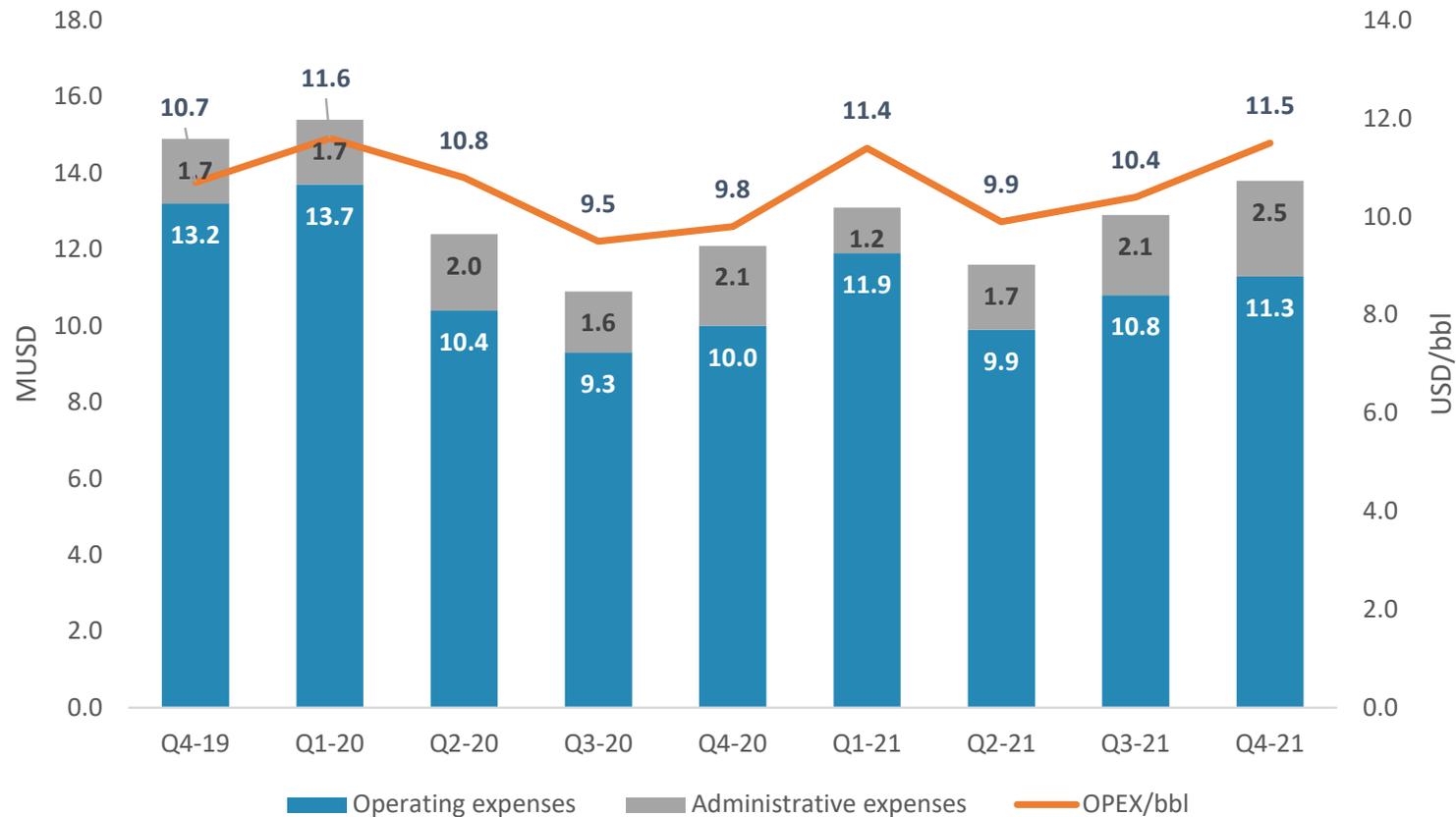
- Small increase in entitlement barrels in Q4 vs Q3 (1 percent)
- Value of entitlement increased 6 percent in Q4 vs Q3 (calculated with average OSP)
- Higher oil price drives lower entitlement share but higher profit oil value
- Increased proportion profit oil

Oil Sales & Achieved price



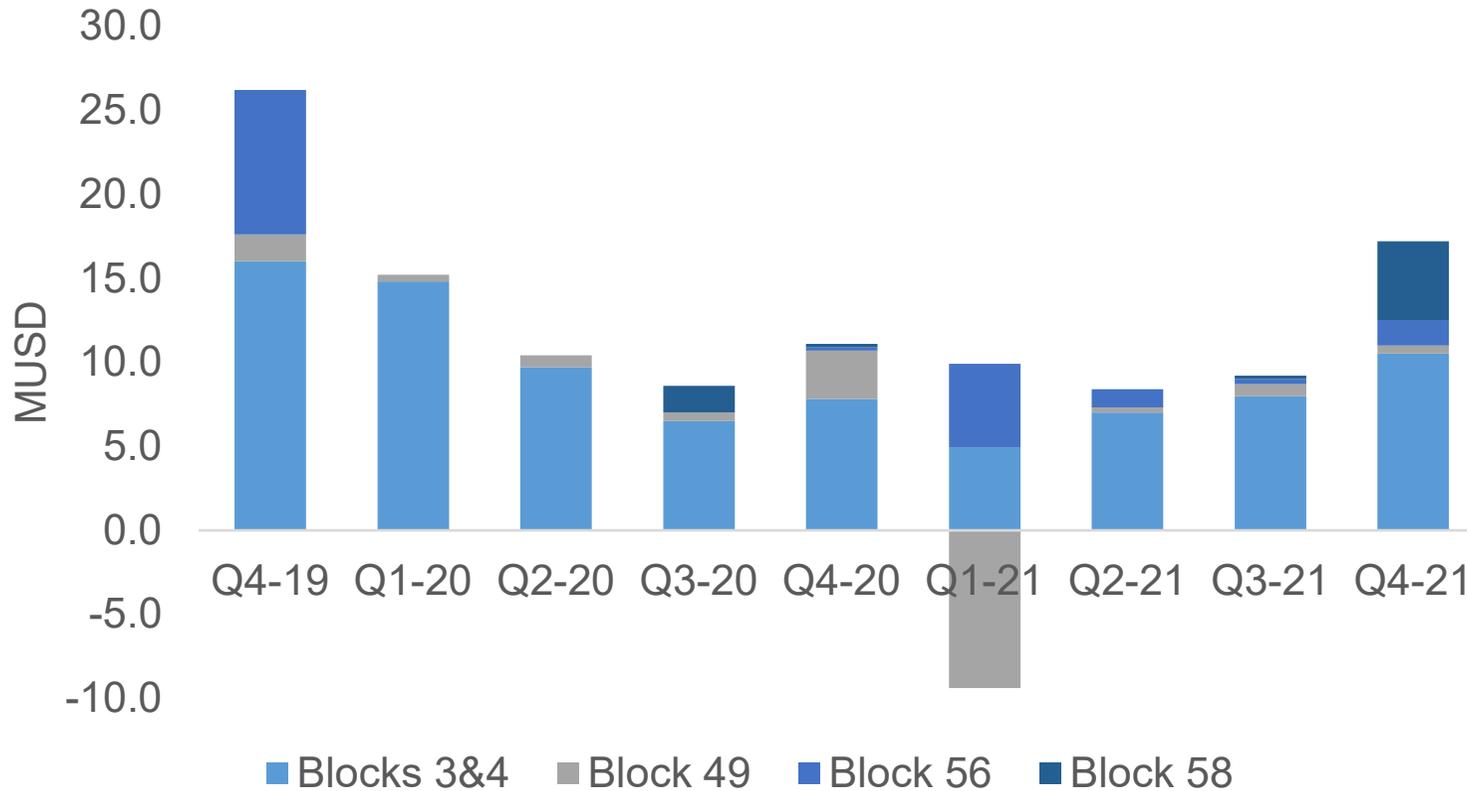
- Q4 oil sales included nominations from September to December 2021
- The achieved price reflects the volume weighted average for those months
- The timing of monthly liftings has normalised as of the end of 2021
- Tethys Oil was overlifted by 11,886 barrels at the end of December 2021

Maintaining opex levels



- Opex up 5% in Q4 vs Q3 reflectin increased activity
- 2022 Guidance 12 USD/BBL (+/- 0.5)

Oil and Gas capex ramped up in Q4



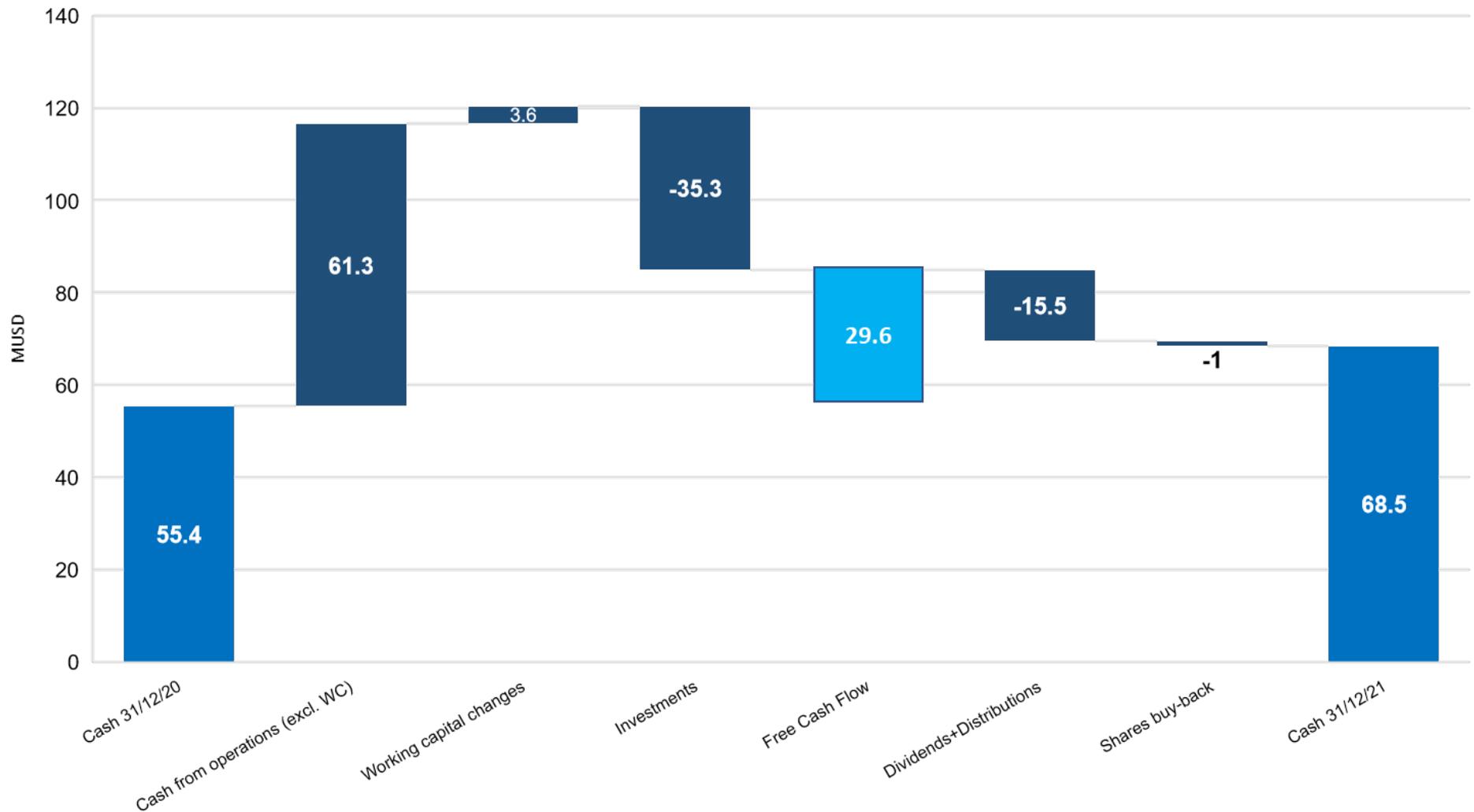
- Q4-21 capex of MUSD 17.2 vs. 9.2 in the previous quarter
- 2021FY capex landed at MUSD 43 (before effects of farmout)
- 2022 Guidance MUSD 91

Free cash flow positive throughout 2021



- Free cash flow in Q4-21 of MUSD 9.3 vs. 9.0 in Q4-20
- Significant capex spend on operated exploration blocks expected to impact cash flow H1 2022

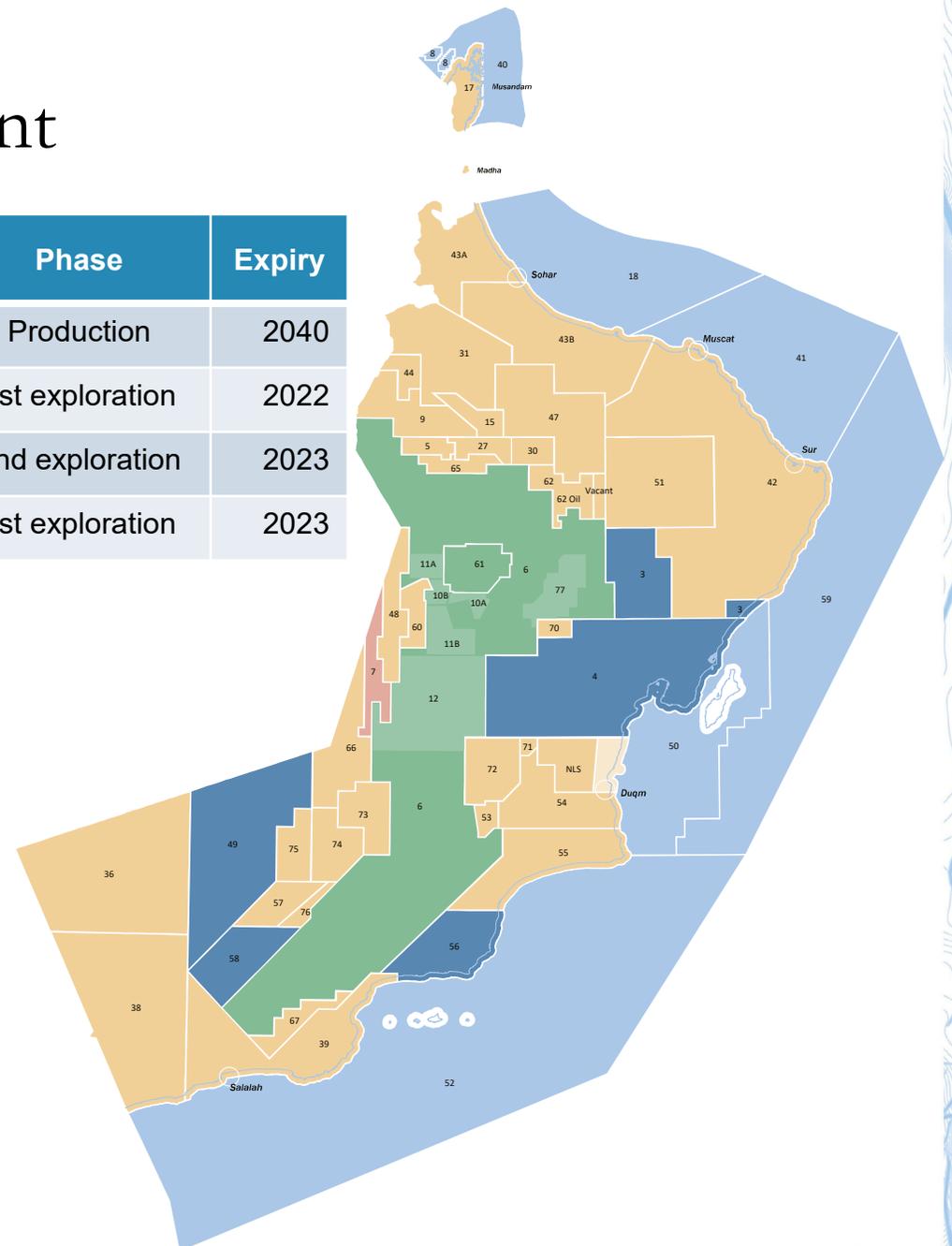
2021: Strong Free Cash Flow generation



2021 Portfolio development

EPSA/License	Working Interest %	Award/ Acquisition	Phase	Expiry
Blocks 3&4	30%	2007	Production	2040
Block 49	100%*	2017	1st exploration	2022
Block 56	65%	2019	2nd exploration	2023
Block 58	100%	2020	1st exploration	2023

- Block 56: Completed farmin transaction with Medco and assumed operatorship in Q1
- Block 49: Completed farmin transaction with EOG in Q1
- Block 49: Tethys Oil has been granted a 6 month extension of the initial exploration period to June 2022
- Block 49: EOG has notified Tethys Oil of its intention to withdraw from the Block 49 EPSA. Tethys is in the formal process of assuming EOG's 50 percent interest (*subject to Government approval)



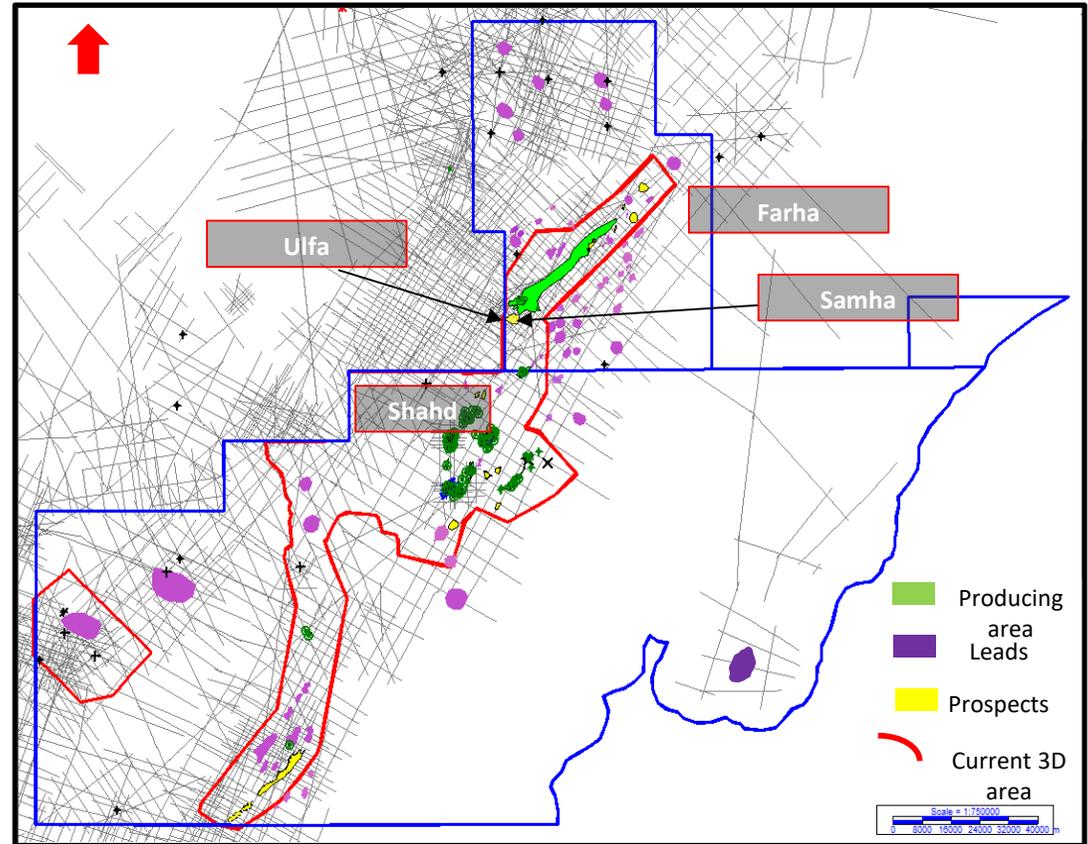
Blocks 3&4 – coming back to full speed

Q4 2021

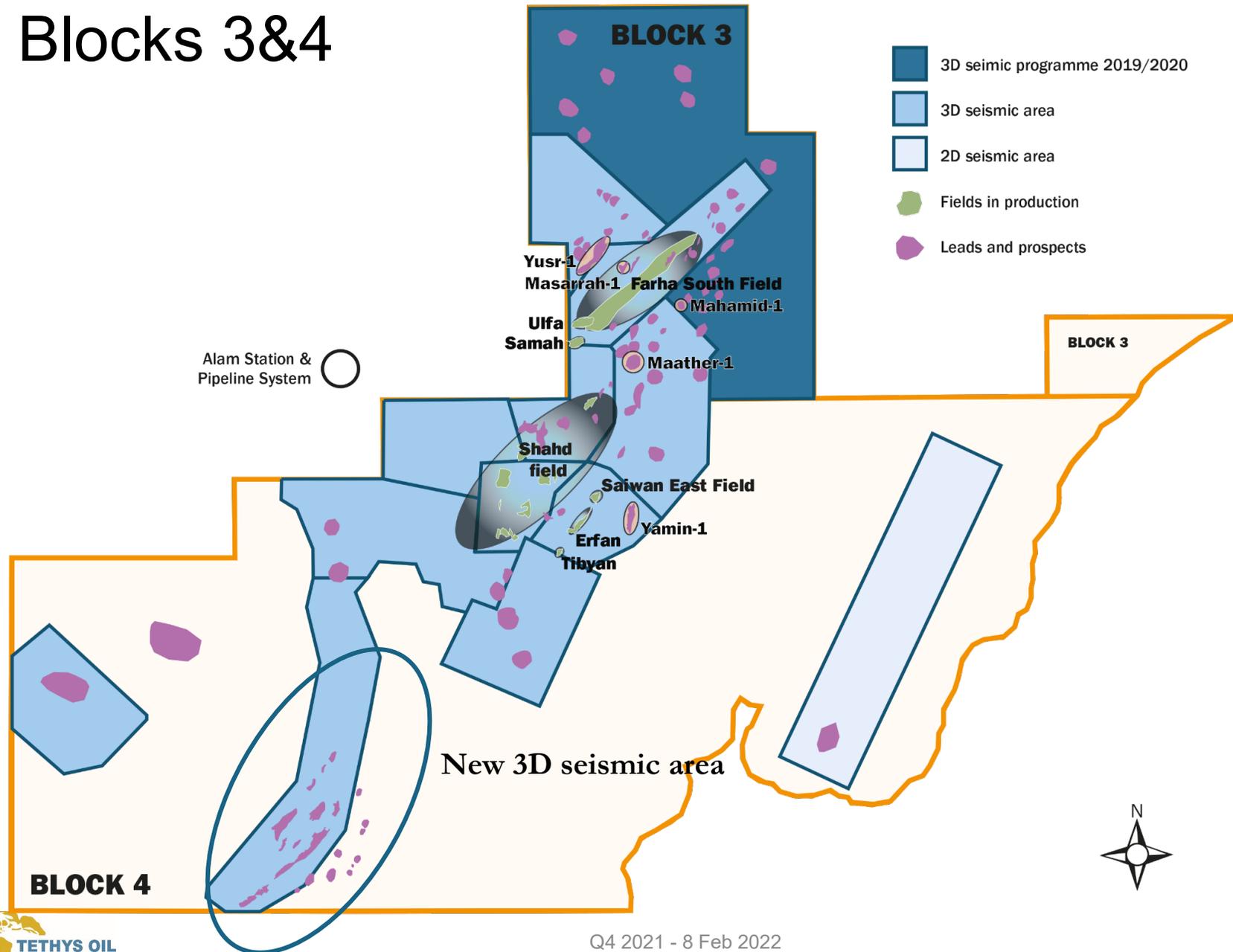
- All 3 drilling rigs operating without disruption throughout the quarter
- 3 production wells, 1 appraisal well and 1 exploration well drilled
- Priority given to production assurance investments, improved water handling capacity as well as increased workover activity
- Mubash'er exploration well drilled on Block 3 was dry
- 3D seismic acquisition campaign started in December 2021 (will cover a total of up to 3,500 km²)

2022

- All 3 drilling rigs operating throughout the year – expect ~30% well count increase
- Hamdah-1 exploration well to spud in Q1 2022



Blocks 3&4



Blocks 3&4 – Emission reduction initiatives

- The gas utilisation project is progressing
- Will utilise the associated gas for local power generation and reduce routine flaring and the use of diesel-powered generators
- Reduction of emissions and operating costs
- The Front-end Engineering Design study (including the hazard and operability study) is expected to be concluded by early 2022
- An Engineering, Procurement and Construction (EPC) contract is expected to be procured in 2022



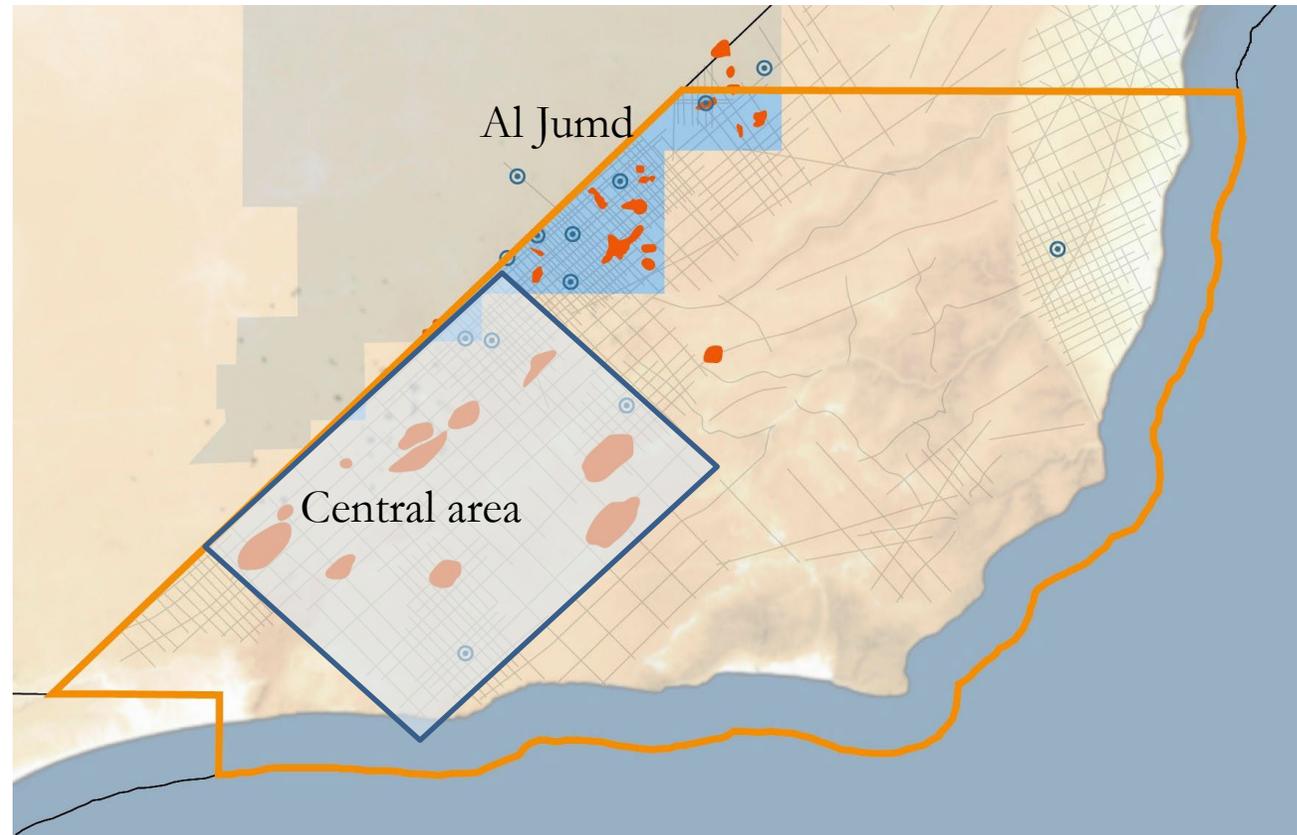
Block 56 – ”A Smorgasbord of opportunity”

Q4 2021

- 2,000 km² 3D seismic survey commence at the end of Q4 21

2022

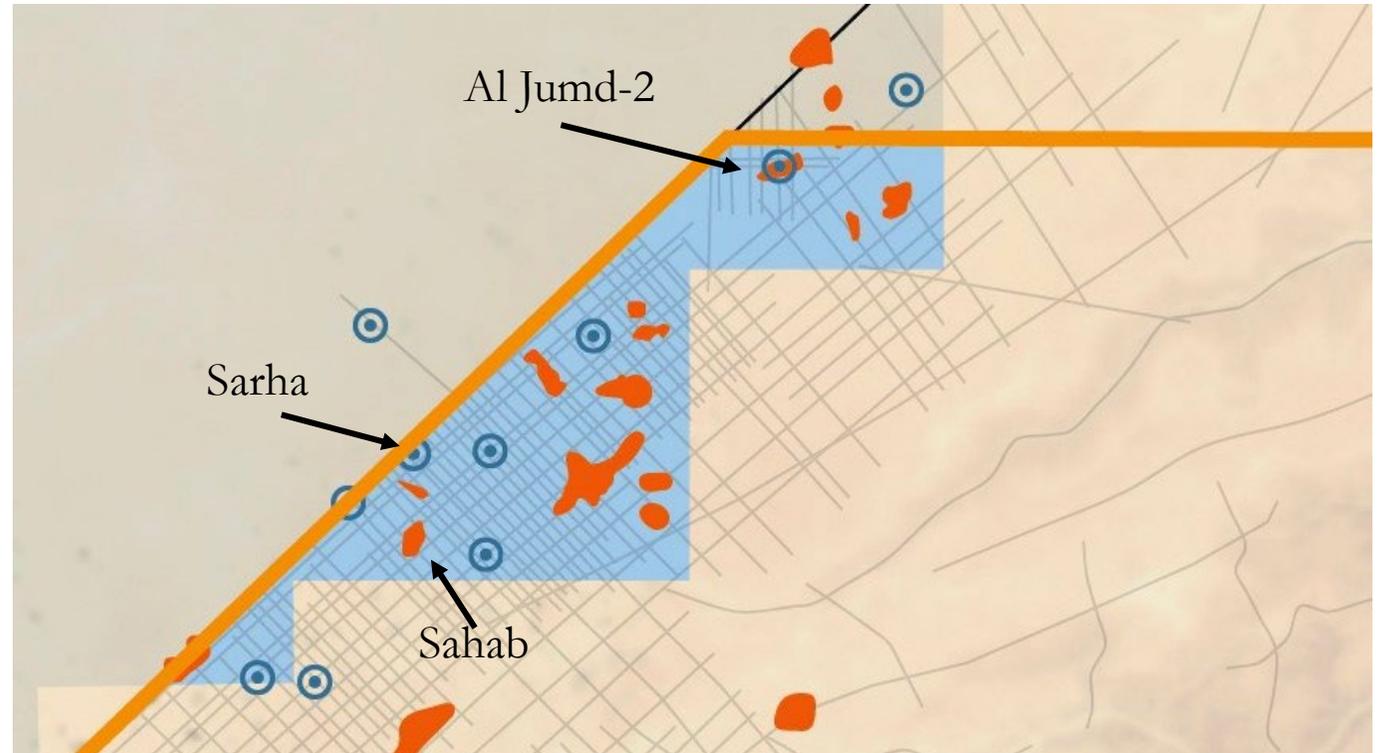
- 3 well exploration appraisal campaign on Al Jumd area commenced in January
- Potential long –term production test of Al Jumd-2



Block 56 – Al Jumd area campaign

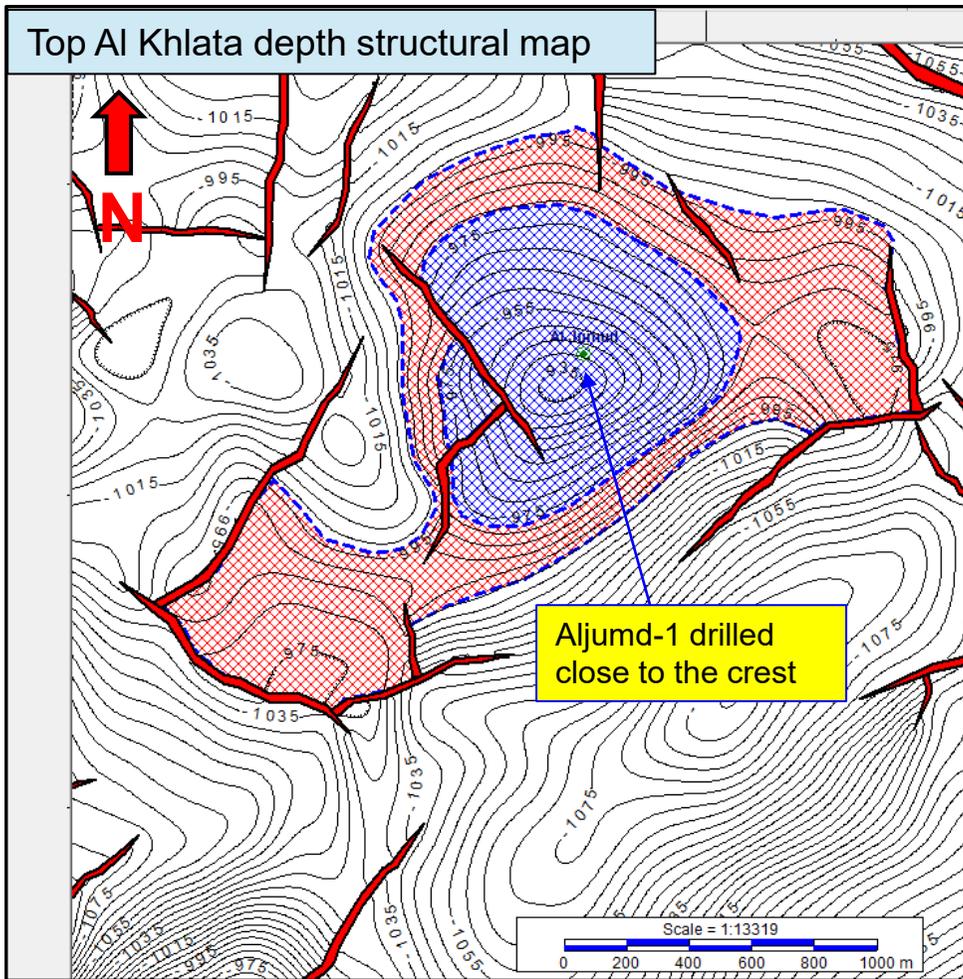
Al Jumd-2 appraisal well

- Lateral well to prove up volumes and commerciality viability of the Al Jumd discovery
- **Sarha-3** appraisal well
- **Sahab-1** exploration well
- Gross prospective resource potential (unrisked) of 7 mmbo



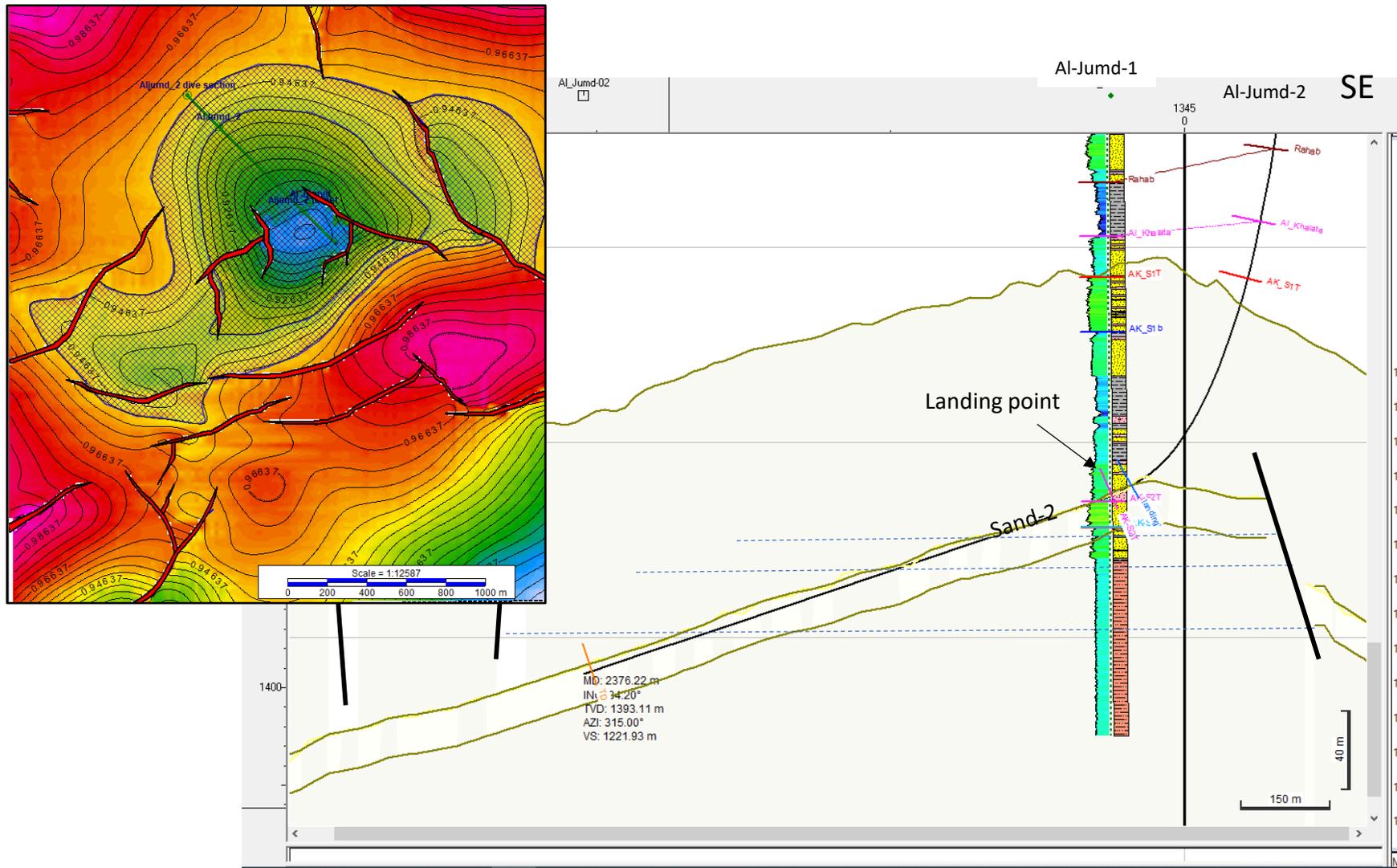
- Al Jumd area holds ~10 identified leads and prospects
- Generally shallow structural targets in proven plays
- Potentially good development economics

Block 56 – Al Jumd-1 discovery overview



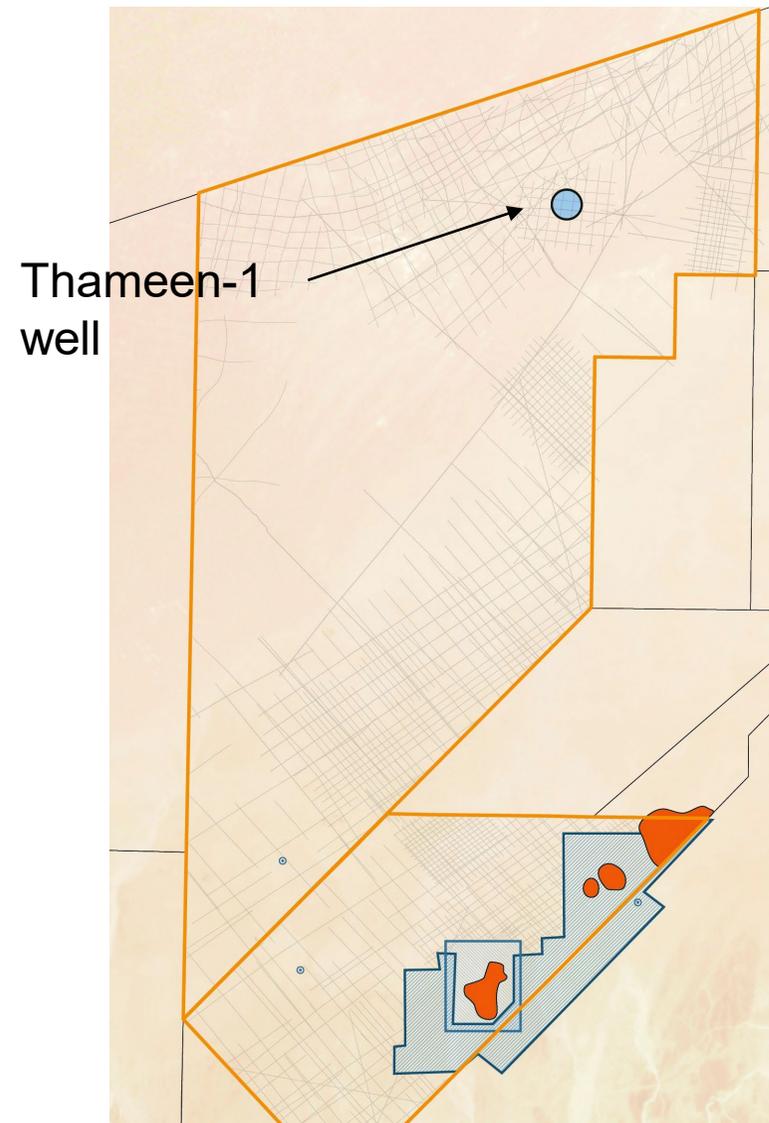
- Al Jumd-1 drilled by Oilex in 2008 encountered oil shows in Gharif, Al Khlata (free oil at shakers)
- MEDCO Arabia re-completed well and tested Sand-2 of Al Khlata in December 2019-February 2020 and tested around 100 bpd of heavy oil with gravity of 20 API and viscosity of 213 cP.

Block 56 – Al Jumud-2 planned lateral section



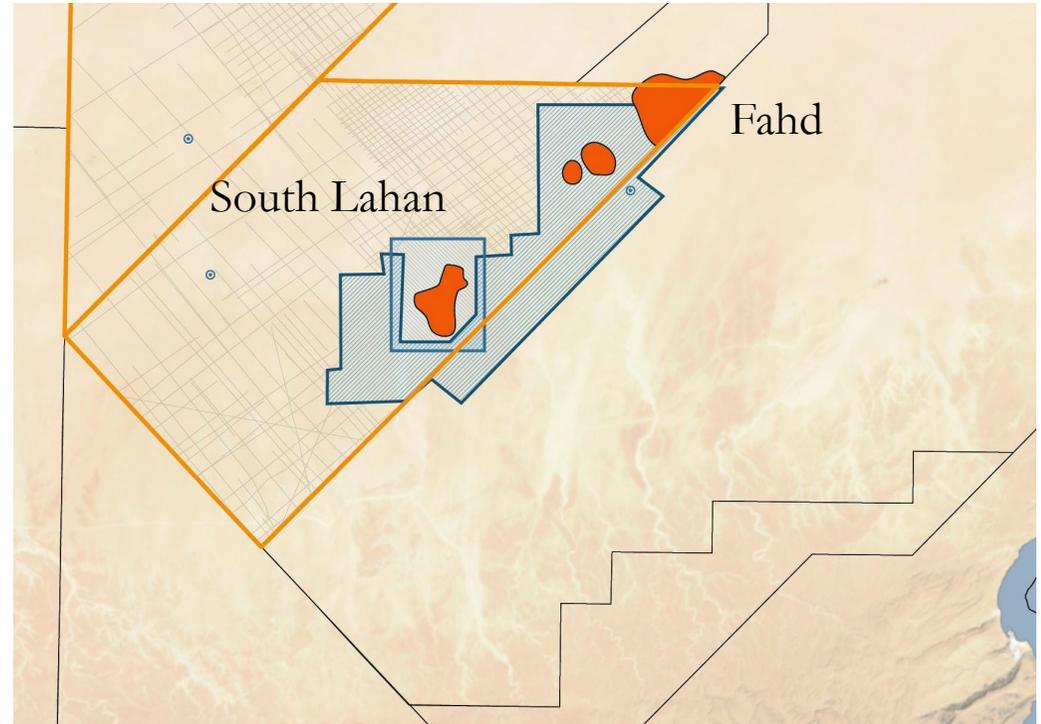
Block 49

- Initial phase of EPSA extended to June 2022
- EOG has notified of its intention to withdraw
- Tethys Oil will assume EOG interest and hold 100%
- 2022 work programme is a feasibility study of a potential unconventional reentry of Thameen-1 well
- Outcome of study a key determinant in Tethys Oil's course of action with regards to entering the second exploration phase



Block 58 - first exploration well by end of 2022

- 450km² 3D seismic survey over South Lahan area completed in Q4 2021
- Targeting to mature prospects for potential 2023 exploration drilling in the area
- Maturation of prospects in the Fahd area ongoing
- Exploration well on Fahd area expected to be drilled by end of 2022



2021 YE Reserves and Resources

- 82% RRR (Reserve replacement ratio) - affected by the drop in investments
- Increase in 2C resources – future reserve growth potential

Development of Reserves, Blocks 3&4 Oman (audited)

<i>mbo</i>	1P	2P	3P
Total 31 December 2020	17,948	26,922	37,874
Production 2021	-4,057	-4,057	-4,057
Additions and revisions	3,366	3,366	3,366
Total 31 December 2021	16,645	26,174	38,449
Reserve replacement ratio, %	83%	82%	137%

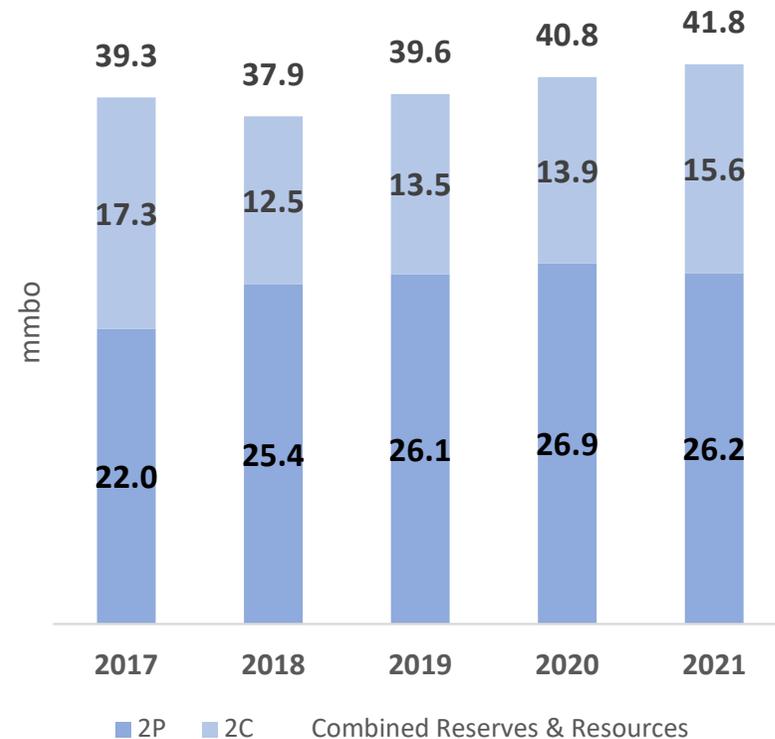
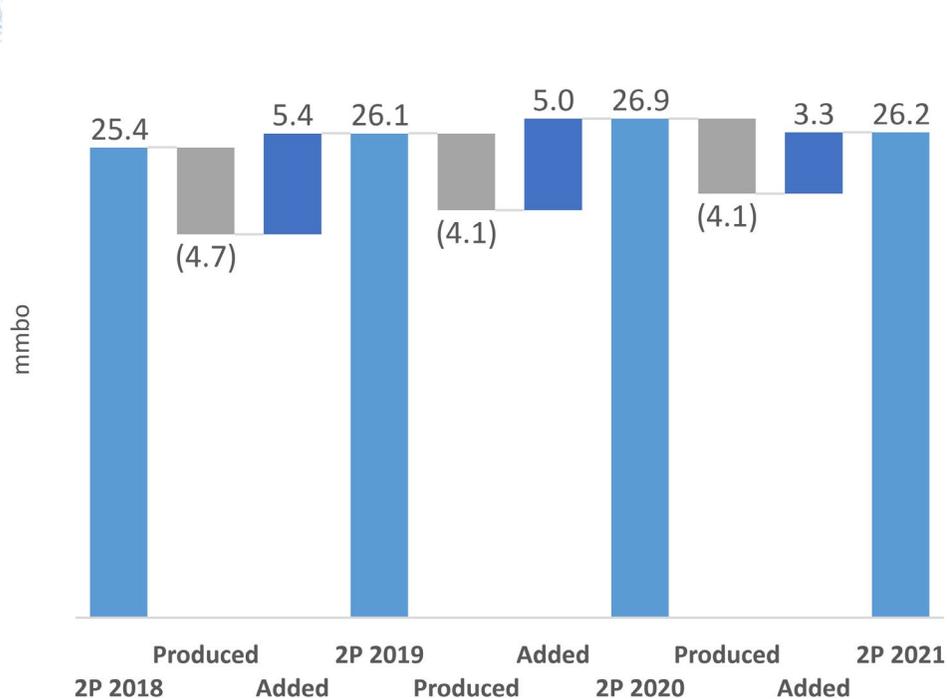
Contingent Resources Blocks 3&4 Oman (audited) 31 Dec 2021

<i>mbo</i>	1C	2C	3C
Total	5,640	15,600	33,360

Contingent Resources Blocks 3&4 Oman (audited) 31 Dec 2020

<i>mbo</i>	1C	2C	3C
Total	5,022	13,904	27,911

Reserves and resources



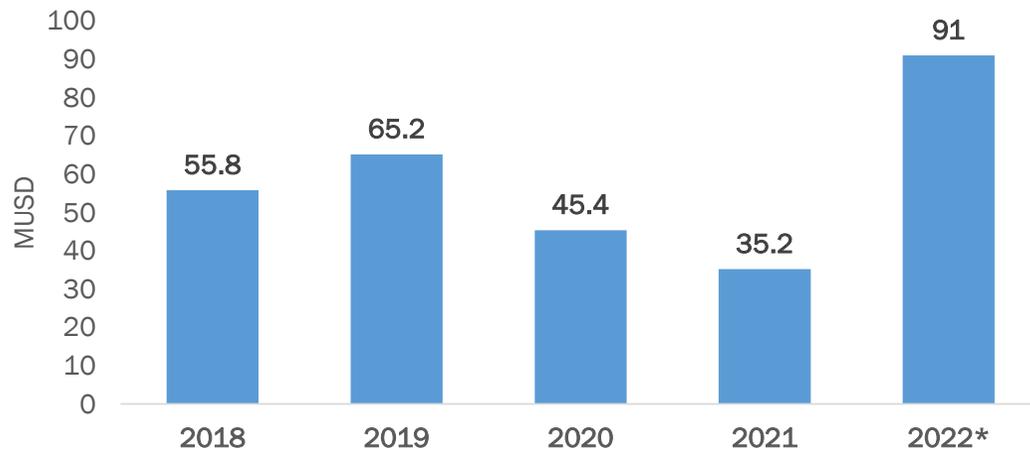
- Despite lower RRR than in previous years 2P reserves are in line with YE 2019 levels
- Highest combined 2P & 2C resource base, yet

2022 Production Guidance & Work programme

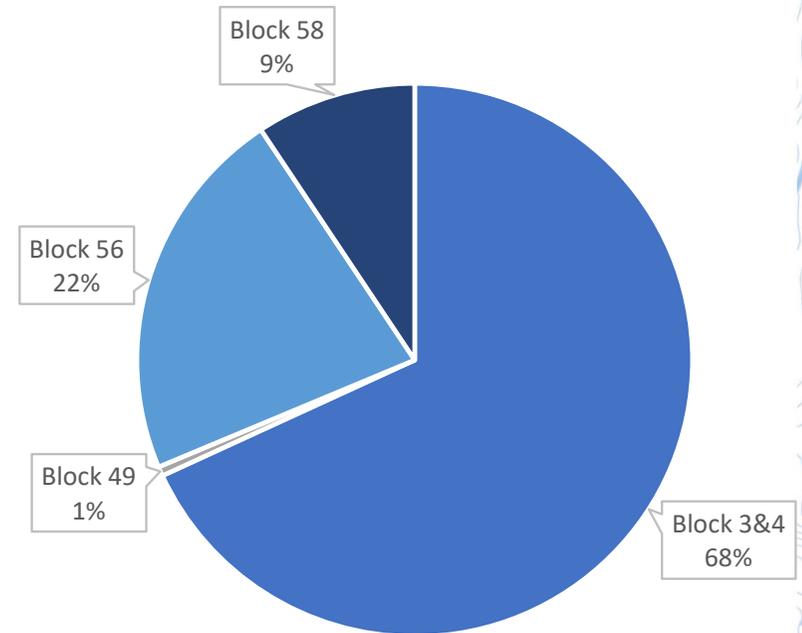
- Daily average production of 11,000 to 11,500 barrels of oil per day for the full year
 - Outcome dependent on the performance and timing of new drills in the 2022 work programme
 - OPEC+ quotas are not expected to limit output
- Operating expenditures of USD 12 (+/- 0.5) per barrel
- The 2022 work programme & budget targets investments for a total of MUSD 91 compared to 2021's MUSD 35.2 (positively affected by EOG proceeds)
 - Block 3&4 – MUSD 62 (30.3) primarily increased activity, upgrades, improvements, expansion and 3D seismic acquisition
 - Block 49 – MUSD 0.5 (-7.9) primarily feasibility study of the application techniques on the Thameen-1 well
 - Block 56 – MUSD 20 (7.9) primarily the drilling of the three wells in the Al Jumd area, subsequent well testing and the 3D seismic survey on the central area of the Block
 - Block 58 – MUSD 8.5 (4.8) primarily to cover the expense related to seismic processing and the drilling of one exploration well
- Cash flow and cash on hand remain used to fund the investments
- For the Blocks operated by Tethys Oil, a majority of the investments will be incurred the first six months of 2022

2022 Production Guidance & Work programme

- Significant increase in oil and gas capex planned in 2022
 - 32% from Tethys operated blocks

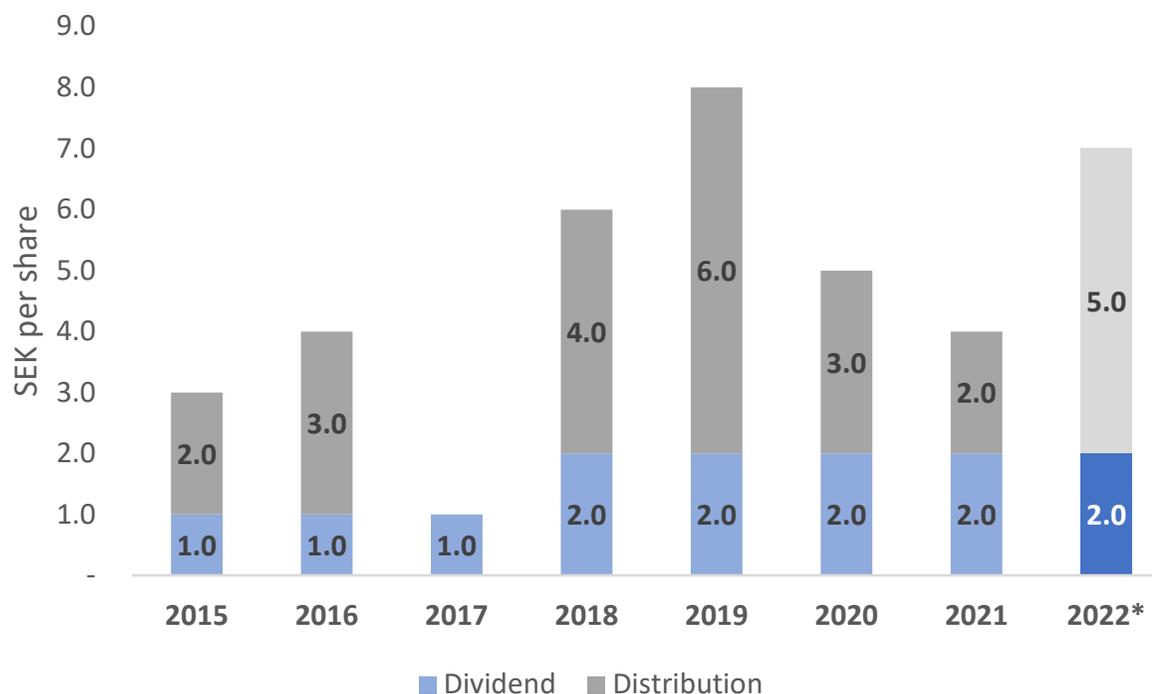


**2022 guidance*



Dividend proposal

- The board of directors proposes a dividend of **SEK 2.00** per share (AGM 2021: SEK 2.00).
- The board of directors also proposes an extraordinary distribution to shareholders of **SEK 5.00** per share by way of a mandatory share redemption programme following the AGM 2022 (AGM 2021: SEK 2.00).
Further details are to follow in the proposal to the 2022 AGM.



Summary

- 2021 operationally challenged by Covid-19 cutbacks
 - Production and reserves negatively impacted
- Oil prices and finances rebounded
- 2022 investment turnaround
 - Targeting both increased production and reserves
 - Activity across abroad portfolio
- Shareholder distribution increased
- Oil prices strongest since 2014



Tethys Oil

Q&A Q4 2021





Tethys Oil

Q1 2022

Will be published 10 May 2022

Financial Calendar 2022

- Annual Report in week 14
- Report for first quarter 2022 (January – March 2022) on 10 May 2022
- The Annual general meeting for 2022 is to be held in Stockholm on 18 May 2022 at CEST 15:00
- Report for second quarter 2022 (January – June 2022) on 9 August 2022
- Report for third quarter 2022 (January – September 2022) on 8 November 2022
- Report for fourth quarter 2022 (January – December 2022) on 7 February 2023

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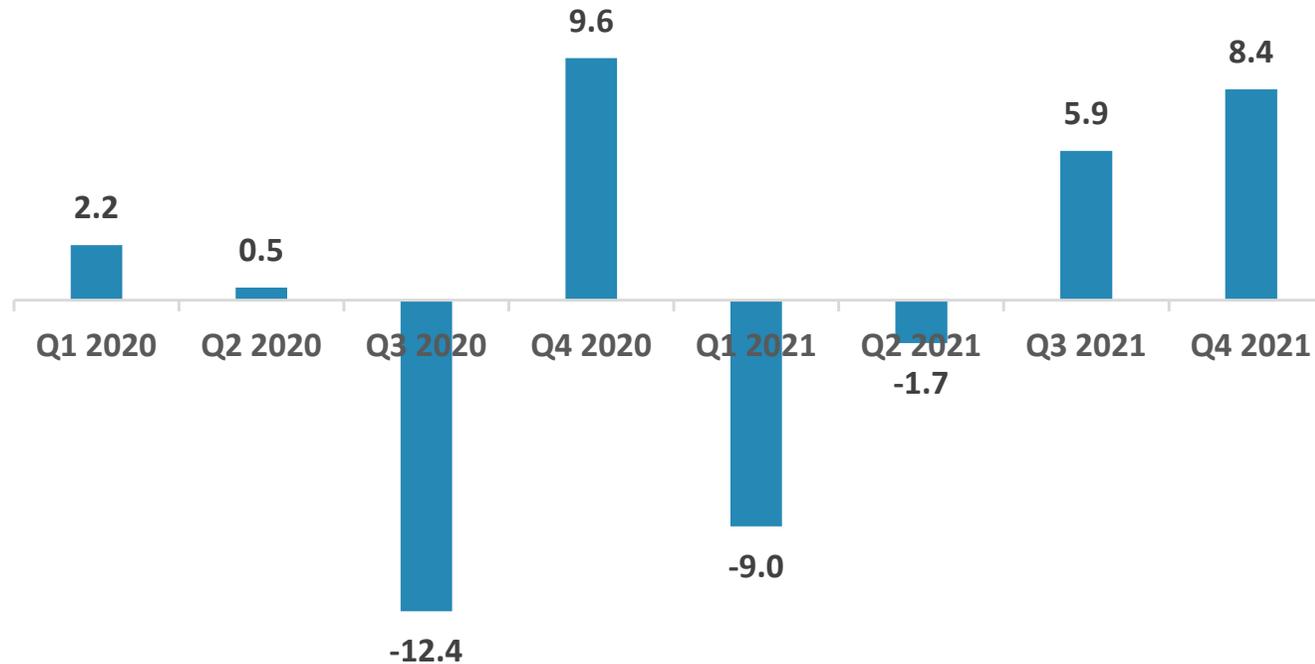
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Working capital



- Positive WC change in Q4 as a result of movement from underlift to overlift