

Tethys Oil AB (publ)
First quarter interim report
1 January – 31 March 2023



First quarter 2023 (fourth quarter 2022)

- Oil export from the extended well test of the Al Jumd discovery started at the end of March following the installation and commissioning of the fiscal meter. The well test commenced in April with Al Jumd-2 being the first of the three wells to be opened.
- Continued progress in seismic interpretation and prospect maturation on Blocks 56 and 58 ahead of an exploration drilling programme scheduled for the second half of the year.
- The drilling of three exploration wells on Blocks 3&4 commenced in the first quarter, with promising initial results and further testing to be conducted in the second quarter.
- Production in the quarter amounted to 9,411 barrels of oil per day, (9,441).
- Revenue and other income was MUSD 35.3 (43.2) and EBITDA MUSD 18.7 (27.8), both impacted by slightly lower entitlement of 52% (54%) and a lower achieved oil of USD 81.7 per barrel (93.3).
- Cash flow from operations amounted to MUSD 20.4 (25.2) with the investments in oil and gas properties amounted to 20.0 (24.6).
- Blocks 3&4 contributed with a netback net of capex of MUSD 2.4 in the first quarter (7.5).

MUSD, unless specifically stated	First quarter 2023	Fourth quarter 2022	First quarter 2022	Full year 2022
Net daily production, before government take, barrels per day	9,411	9,441	10,475	9,940
Production before government take, bbl	847,002	868,589	942,768	3,628,074
Net entitlement barrels, bbl	440,441	467,564	433,052	1,664,363
Net entitlement as share of production, percent	52%	54%	46%	46%
Achieved Oil Price, USD/bbl	81.7	93.3	80.4	94.2
Revenue and other income	35.3	43.2	34.6	156.5
EBITDA	18.7	27.8	20.2	99.1
Operating result	7.7	14.8	8.7	54.2
Net result	8.0	13.0	9.9	58.3
Earnings per share, after dilution, USD	0.25	0.40	0.30	1.78
Cash flow from operations	20.4	25.2	11.6	87.0
Investments in oil and gas properties	20.0	24.6	24.6	89.1
Free cash flow	0.4	0.4	-13.1	-2.3
Cash and cash equivalents	39.9	41.5	55.4	41.5

Letter to shareholders

Dear Friends and Investors,

Finally, as the first quarter was drawing to a close, the fiscal meter for the extended well test (“EWT”) on Block 56 was commissioned allowing for the test to begin in earnest in early April. The three horizontal wells drilled on the Al Jumd discovery last year will now be evaluated, and the structure appraised for commercial viability. An important, if not decisive, milestone has been reached in the continuing exploration of onshore Block 56!

The other major Block 56 event in the first quarter was the finalisation of the processing of the Central Area seismic. Interpretation is ongoing and by the end of the second quarter we hope to have identified several drillable prospects to be tested by the drill bit in the second half of 2023.

On Block 58 seismic interpretation is further along with work on the Fahd area completed, drillable prospects identified, and prospective resources estimated and risked. Interpretation of the Lahan area is nearing completion and these carbonate stringers imbedded in salt hold interesting potential but the year’s exploration drilling in Block 58 will most likely target the large Fahd prospects.

Exploration drilling on Block 58 and Block 56 will be the main focus areas for the second half of the year and with prospective resources well close to 200 million barrels of oil, success could be transformative.

We expect to revisit our old friend on Block 49, the Thameen-1 well, later this year, most likely in the third quarter. The well will undergo a re-test and preparations and tendering for the services needed to re-enter the well and conduct hydraulic fracturing operations in the tight sandstone are ongoing.

With so much activity on our operated blocks it is almost easy to forget our non-operated 30 percent in Blocks 3&4. However, there were some encouraging exploration activities on these blocks as well. Three exploration wells were drilled, all of which encountered oil. The two near field ones, Elaf-1 and Rahbah-1 are undergoing production testing and evaluation, the results of which are eagerly awaited.

The far field Jari-1 well, drilled to test a large, so far unproven play, in the southern part of Block 4, encountered oil while drilling in tight sandstone of

pre-Cambrian age. This Cryogenian sandstone, known locally as the Abu Mahara, is prolific in the area and, if the play works, substantial resources could be unlocked. As expected, the reservoir was too tight to allow flows to surface and the next step is to further evaluate the well by doing what Tethys is doing in Thameen in Block 49, test after creating fractures. We would not expect any results until the end of the second quarter, but those results will also be eagerly awaited.

But of course, exploration is not primarily what Blocks 3&4 are about. These blocks are the source of our production and cash flow. The operator CCED managed to stabilise production during the quarter at more than 31,000 barrels of oil per day, corresponding to almost 9,500 barrels of oil per day for Tethys 30 percent stake. Infrastructure improvements continued and water handling stabilised and with four rigs in operation we would expect to see further contribution to production as the exploration focus of the first quarter changes back to production and appraisal drilling in and around the producing fields.

Oil prices above USD 80 contributed to a strong operating cash flow of MUSD 20 which funded our continued strong investments during the quarter and also a comparatively high opex of about USD 17 per barrel. First quarter opex has historically been comparatively high and we would expect opex per barrel to come down as the year evolves. Net entitlement returned to 52 percent, reflecting the high level of capex and opex, resulting in a cash flow contribution from Blocks 3&4 of MUSD 2.4 which covered investments in our other blocks.

With continued strong potential in Blocks 3&4 and with fast moving exploration and appraisal activities in our operated Blocks 49, 56 and 58, I can but reiterate:

Stay with us, the year has just begun.

Stockholm, May 2023
Magnus Nordin
Managing Director



First Quarter Review

Licences and agreements

Tethys Oil's core area is onshore in the Sultanate of Oman ("Oman"), where the Group holds interest in four exploration and production sharing agreements ("EPSA") per 31 March 2023:

Licences & Agreements	Tethys Oil Interest %	Phase	Expiry date ¹	Partners (operator in bold)
Blocks 3&4, Oman	30	Production phase	July 2040	CCED , Tethys Oil, Mitsui
Block 49, Oman	100 ¹⁾	Initial exploration phase	December 2023	Tethys Oil
Block 56, Oman	65	Second exploration phase	December 2023	Tethys Oil , Medco, Biyaq, Intaj
Block 58, Oman	100	Initial exploration phase	July 2024	Tethys Oil

1) Contingent on final formal government approval

The quarter had high levels of activity, particularly on Blocks 3&4 and on Block 56.

Production from Blocks 3&4 continued in line with the fourth quarter and Tethys Oil's 30 percent share amounted to a production of 9,411 barrels of oil per day. Significant exploration activities were also carried out on Blocks 3&4 with three exploration wells drilled or started, while 3D seismic was being shot in the southern part of Block 4 as a part of the 2022/23 and 2023/24 seismic acquisition programmes.

In Block 56 the long-awaited extended well test of the Al Jumd discovery commenced just as the quarter had ended and in the Central Area, the seismic interpretation of the 2,000 km² study began in late March as the processed data was received.

In Block 58 the seismic interpretation of the Fahd area was completed, and prospective resources estimated while in parallel, the interpretation of the Lahan area continued into the second quarter.

And finally on Block 49 preparations to re-enter and re-test the Thameen-1 well continued.

Blocks 3&4

Tethys Oil's share of production from Blocks 3&4 during the first quarter 2023, before government take, amounted to 847,002 barrels of oil. This corresponds to 9,411 barrels of oil per day, which is on par with the production in the fourth quarter 2022 (9,441) and is within the 2023 production guidance.

The effort to boost production continued in the first quarter of 2023 and has now reached the point where production rates have stabilised. The upgrade of the Saiwan station's produced water re-injection system ("PWRI") is completed, and the facility is fully operational while most of the backlog affecting 2022 has been cleared. In parallel to a high level of general maintenance, the current work includes the continued replacement of older flow lines, increasing the number of loop lines and the water handling initiatives aimed at increasing the output from wells with high water cut.

With four drilling rigs in operation, 47 wells are expected to be drilled in 2023, more than in any of the last ten years. In addition to the three exploration wells, nine production and appraisal wells were completed during the first quarter. The wells included appraisal wells on the Shahd and Ulfa fields which both flowed oil to surface and could be added to production. The drilling of production wells was focused on the Farha South field where five wells were drilled. In total, the work programme for 2023 on Blocks 3&4 includes three exploration wells, six appraisal wells and 38 development wells.

¹ The Model EPSA in Oman consists of two exploration phases (initial phase and second phase) which normally have a duration of three years each. Upon discovery and declaration of commerciality the operator can apply to enter the production phase which typically has a duration of 15-30 years. With each exploration phase the operator commits to a minimum work obligation which usually includes the acquisition of seismic and drilling of wells. In recent years, the Ministry of Energy and Minerals (MEM) has from time to time granted extensions to an ongoing exploration phase to allow the operator to complete its work programme and fulfil its commitments and any subsequent analysis.

Seismic acquisition

The Blocks 3&4 partnership aims to cover 100 percent of the Blocks' potentially prospective areas with 3D seismic before the end of 2024. In the southern part of Block 4, the 5,200 km² 2022/23 seismic acquisition programme was completed in March. Upon completion, the programme was immediately followed by the start of the 2023/24 programme that will cover an additional 6,200 km².

Exploration drilling

Three exploration wells were started in the first quarter: Elaf-1, Jari-1 and Rahbah-1.

Elaf-1, located some eight kilometres northwest of Ulfa-1, was drilled during February and March and targeted the Khufai and Buah formations. The well encountered oil and flowed oil to surface when tested. Elaf-1 will undergo further testing and evaluation with results expected later in the second quarter.

Jari-1, located in the southern part of Block 4, commenced in February and has reached its total depth. Jari-1 is drilled in a underexplored area of Block 4, near where the Luja-1 well was drilled in 2019. Whereas Luja confirmed the presence of a working petroleum system no flows were recorded, and the reservoir was found to be tight. Jari-1's primary target is the same as in Luja, the Pre-Cambrian Abu Mahara sandstone and just like Luja, Jari encountered oil in the target zone. Samples have been collected and as the reservoir, as expected, was tight, plans are in place to conduct hydraulic fracturing operations in the coming months. Should these prove to be successful the area holds significant resource potential.

The drilling of Rahbah-1, located about seven kilometres southeast of the Ulfa field, started in March. The well is targeting the Khufai, Buah and Barik formations and testing of the well commenced in late April with more data expected by the end of the second quarter.

Gas to power emission reduction project

Work continued on the gas to power project initiated last year. The commercial evaluation has been completed and when the project is fully implemented in the fourth quarter 2023, a substantial amount of the power needed to operate the facilities on Blocks 3&4 will come from associated gas reducing diesel consumption and emissions.

Production entitlement and sales

Tethys Oil's oil sales derive from its 30 percent interest in Blocks 3&4, from which the company's share of the oil production, "Net Entitlement", is calculated. The Net Entitlement consists of two components: Cost Oil and Profit Oil. The Cost Oil is the value of recoverable costs incurred in the period and any outstanding balance of unrecovered historical cost from previous periods, the "Cost Pool". The total amount of Cost Oil received in a given period is capped to a fixed share of total production, after conversion to barrels using the Official Selling Price ("OSP"). What remains after the deduction of Cost Oil is Profit Oil, which is split between the government and contractors according to a fixed percentage.

The Net Entitlement share of production in the first quarter decreased to 52 percent from 54 percent in the fourth quarter 2022. The Average OSP for the quarter was USD 81.6, compared to USD 92.9 in the fourth quarter 2022.

In the first quarter 2023, Tethys Oil's Net Entitlement was 440,441 barrels of oil, down from 467,564 barrels of oil in the fourth quarter 2022. The decreased Net Entitlement in the first quarter is a result of lower total production as well as recoverable costs exceeding the Cost Oil allowance in the period.

The Cost Pool as per 31 March 2023 was MUSD 4.3 compared to no Cost Pool per 31 December 2022.

Tethys Oil sold 471,550 barrels of oil from Blocks 3&4 in the first quarter 2023 compared to 424,444 barrels of oil in the fourth quarter 2022.

As oil sales exceeded Net Entitlement, an overlift of 31,109 barrels is recorded in the first quarter, resulting in a reduced underlift position. At the end of the quarter Tethys Oil's underlift position was 35,851 barrels of oil compared to 66,961 barrels of oil at the end of 2022.²

The Achieved Oil Price in the first quarter was USD 81.7 per barrel compared to USD 93.3 per barrel in the previous quarter.

Production entitlement and sales	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Blocks 3&4					
Production, before Government take, bbl	847,002	868,589	900,491	916,226	942,768
Average daily production, barrels per day	9,411	9,441	9,788	10,068	10,475
Net Entitlement barrels, bbl	440,441	467,564	378,742	385,005	433,052
Net Entitlement share of production, percent	52%	54%	42%	42%	46%
Oil sales, bbl	471,550	424,444	420,474	261,072	479,544
Underlift (+) / overlift (-), movement, bbl	-31,109	43,120	-41,732	123,933	-46,474
Underlift (+) / overlift (-), closing position, bbl	35,851	66,961	23,841	65,573	-58,360

² Tethys Oil sells all of its oil from Blocks 3&4 on a monthly basis to a service provider under a long-term contract. Oil sales volumes are nominated by Tethys Oil two to three months in advance and are not based upon the actual production in a month; as a result, the Group's oil sales volumes can be above or below production entitlement

volumes. Where the oil sales volume exceeds the volume of entitlement barrels produced, an overlift position occurs and where it is less, an underlift position occurs. Tethys Oil is contractually obliged to maintain a neutral under-/overlift position over time.

Block 56

Extended well test of Al Jumd commenced

Following the approval and commissioning of the fiscal meter and related systems required for the extended well test (“EWT”) of the Al Jumd discovery, oil export could commence at the end of March. In the initial weeks following commissioning the tanks holding the oil produced during short term tests in 2022 were emptied. The oil stored in tanks on the Al Jumd field was trucked approximately 15 kilometres to the Simsim offloading facility which is connected to the Omani national pipeline system. Once the tanks holding approximately 4,000 barrels of oil had been emptied in early April, the extended well test production could begin.

The test is expected to continue until September and during the coming months, the wells will be tested to establish the long-term production capabilities of the wells and the resource volume of the discovery.

Al Jumd-2 was the first well to be re-opened and it has gradually been increasing its production up to some 350 barrels of oil per day. In May, Al Jumd-2 will be followed by the re-opening of the Al Jumd-3 well which is expected to follow a similar gradual production increase. By June, the last of the three wells, Al Jumd-4, is expected to be re-opened. The first review of the EWT is expected before the end of the second quarter and the test will then be continuously evaluated as it progresses. The first lifting and sale of the produced oil will be in July.

Central area exploration

Processing of the 3D seismic data over the Central Area of Block 56 was completed in the quarter with interpretation ongoing since the start of the year. Prospect maturation will follow, and it is expected that drillable prospects should have been matured and identified by the middle of 2023. Exploration drilling in the area is planned for the second half of 2023.

On the basis of legacy seismic data and results from previously drilled exploration wells, the Central Area is estimated to hold some 50 million barrels of unrisks resources. As the seismic interpretation progresses a more updated and precise estimate on the basis of the 3D seismic is expected to be disclosed.

Extension of the second exploration phase

The results of the extended well test in Al Jumd will, together with the exploration drilling on the Central Area, determine the Company’s course of action in relation to the expiry of the EPSA for Block 56 in December 2023.

Block 58

Pre-drilling activities in Fahd

In the first quarter of 2023, Tethys Oil focused on further analysis of the finalised prospect inventory for the Fahd area in Block 58’s north-eastern corner. The area has a total unrisks prospective resource potential of 184 mmbbl split between three identified prospects, of which the most promising is the Fahd South prospect.

The location of the first exploration well is to be picked in May, after which the civil work can begin ahead of the planned drilling in the third quarter.

Developing prospect portfolio of South Lahan

During the first quarter work on the South Lahan area, in the Block’s central-eastern part, was focused on completing the processing and interpretation of the 450 km² 3D seismic data collected in 2022.

The interpretation is expected to result in the identification of a number of drillable prospects by the end of May. Thereafter work will focus on prospect selection and planning ahead of the drilling of an exploration well in the area in 2024.

Extension of the initial exploration phase

In support of the work carried out and to allow enough time to drill and evaluate Block 58, Tethys Oil applied for a one-year extension of the initial exploration phase. This request was granted by the Ministry of Energy and Minerals in January and the first exploration phase is thus extended until July 2024.

Block 49

Thameen-1 re-entry and re-testing

The focus of the work programme for Block 49 in 2023 is to re-enter the Thameen-1 well with the aim to establish if the tight hydrocarbon bearing zone in the Hashira sandstone formation can flow oil following stimulation.

The hydrocarbon bearing zone is more than 30 metres thick and Tethys Oil is planning to re-entre and re-test the well following a hydraulic fracture operation. Should such a test prove successful, Thameen-1 would be considered a discovery and form the basis for further evaluation of the discovery.

In the first quarter focus has been on planning a tendering for an integrated service contract to provide the re-entry, frack and test operations. Key tenders are expected to be completed in May 2023, and the operations are expected to commence in the second half of 2023.

Group Financial Review and Result³

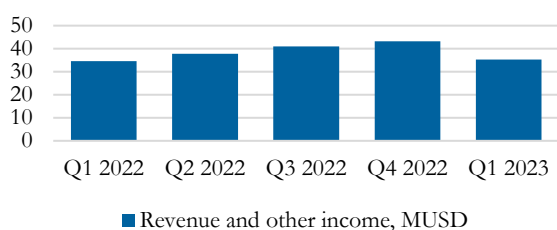
Income Statement

Revenue and other income

Tethys Oil's revenue and other income is comprised of revenue from the oil sold in the period adjusted for the period's movement in under-/overlift position.

Revenue and other income amounted to MUSD 35.3 compared to MUSD 43.2 in the previous quarter, a decrease of 18 percent. The decrease is mainly the result of an overlift adjustment of MUSD -3.2 in the current quarter compared to an underlift adjustment of MUSD 3.6 in the previous quarter.

Revenue from oil sales was lower in the first quarter, MUSD 38.5 compared to MUSD 39.6 in the previous quarter as the lower Achieved oil price offset the increase in oil sales volumes.



Operating expenses

Operating expenses comprise of Production costs, Workovers and well interventions and Operator G&A and overhead expenses, all relating to Tethys Oil's interest in Blocks 3&4 in Oman. Operating expenses in the first quarter of 2023 amounted to MUSD 14.6 compared to MUSD 13.0 for the previous quarter, an increase of 12 percent.

Production costs include expenses for throughput fees, energy, consumables, equipment rental, field staff and maintenance. The production costs increased to MUSD 9.9 during the first quarter 2023 from MUSD 8.7 in the previous quarter.

Power generation is the main driver behind the cost increase in the quarter. A combination of increased diesel consumption, cost and equipment rental has significantly impacted production cost. The increased volume of water produced on the fields is driving the need for power generation for downhole pumps and surface facilities. The first quarter costs also include the customary annual bonuses and benefit payments affecting comparability to the previous quarter.

Workovers and well interventions amounted to MUSD 1.5 in the first quarter 2023, unchanged compared to the previous quarter.

Operator G&A and overhead expenses were MUSD 3.1 in first quarter 2023 compared to MUSD 2.8 in the previous quarter. Operator G&A is mainly comprising of staff costs and thus, the staff benefits and bonuses have a visible impact in the quarter.

The combination of the overall increase in operating expenses and the lower oil production during the first quarter equated to an increase in operating expenses per barrel, USD 17.2 compared to USD 15.0 in the previous quarter.

Operating expenses, MUSD	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Production costs	9.9	8.7	8.3	8.1	8.3
Workovers and well interventions	1.5	1.5	1.4	1.1	1.0
Operator G&A and overhead expenses	3.1	2.8	2.6	2.9	3.3
Operating expenses	14.6	13.0	12.3	12.1	12.6
Operating expenses per barrel, USD					
Production costs per barrel	11.7	10.0	9.2	8.8	8.8
Workovers and well interventions per barrel	1.8	1.8	1.6	1.2	1.1
Operator G&A and overhead expenses per barrel	3.7	3.2	2.8	3.2	3.5
Operating expenses per barrel	17.2	15.0	13.6	13.2	13.4

³ The Group financial review is performed by analysing the current interim reporting period performance versus the previous interim reporting period. Accordingly, the current interim financial review is focused on developments in the first quarter 2023 compared to the fourth quarter 2022. Management believes that this analysis more precisely demonstrates trends and achievements of the Tethys Oil Group

activities. Please note that the financial report statements are presented in accordance with IAS 34, which requires presentation of the current interim period in comparison to the comparable interim period of the immediately preceding financial year. This financial interim report for the first quarter 2023 presents financial results compared to the first quarter 2022.

Other expenses and result

Administrative expenses for the first quarter 2023 were MUSD 2.1 compared to MUSD 2.4 in the previous quarter. The reduced expenses are explained by the fourth quarter being burdened by annual recurring payments such as year-end bonuses and general business expenses.

EBITDA (earnings before interest, tax, depreciation and amortisation) decreased to MUSD 18.7 in the first quarter, compared to MUSD 27.8 in the previous quarter. The decrease in EBITDA follows the lower Revenue and other income and the higher operating expenses.

DD&A for the first quarter increased to MUSD 11.0 from MUSD 9.8 in the previous quarter as a consequence of a higher depletion factor per unit of production resulting from the lower 2P reserves at the end of 2022.

The operating result in the first quarter 2023 decreased to MUSD 7.7, compared to MUSD 14.8 in the previous quarter.

Financial net result in the first quarter 2023 amounted to MUSD 0.2 compared to MUSD -1.3 in the previous quarter and consists primarily of exchange rate differences.

Net result for the first quarter 2023 amounted to MUSD 8.0, representing an earnings per share after dilution of USD 0.25, compared to USD 0.40 in the previous quarter.

Financial review and result, MUSD	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Revenue	38.5	39.6	45.1	26.1	38.5
Underlift (+) / Overlift (-) adjustment	-3.2	3.6	-4.2	11.7	-3.9
Revenue and other income	35.3	43.2	40.9	37.8	34.6
Operating expenses	-14.6	-13.0	-12.3	-12.1	-12.6
Administrative expenses	-2.1	-2.4	-1.6	-1.6	-1.8
EBITDA	18.7	27.8	27.0	24.1	20.2
DD&A	-11.0	-9.8	-10.1	-10.2	-10.5
Exploration cost	-	-3.3	-0.2	-	-1.0
Share of net result from associates	-	-	0.1	-	-
Operating result	7.7	14.8	16.9	13.9	8.7
Financial result – net	0.2	-1.3	1.5	3.1	1.2
Income tax	-	-0.6	-	-	-
Net result	8.0	13.0	18.4	17.0	9.9
<i>Earnings per share, after dilution, USD</i>	<i>0.25</i>	<i>0.40</i>	<i>0.56</i>	<i>0.52</i>	<i>0.30</i>

Financials per barrel, USD/bbl	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Achieved Oil Price	81.7	93.3	107.3	100.1	80.4
Operating expenses	17.2	15.0	13.6	13.2	13.4
EBITDA	22.1	32.0	30.0	26.3	21.4
DD&A	13.0	11.2	11.2	11.2	11.0

Netback⁴

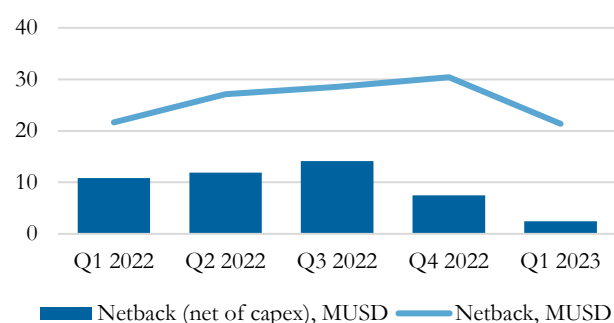
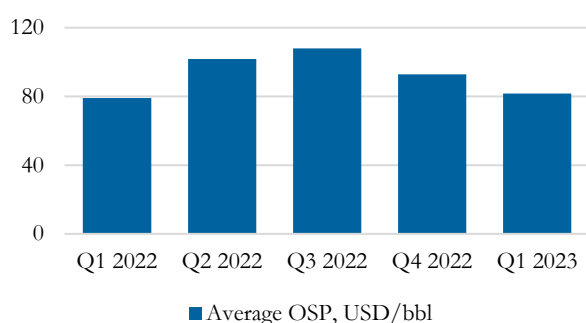
Netback is the gross profit associated with bringing a barrel of oil to market and is calculated as revenues net of production and transportation costs, as well as any royalties and government take.

Tethys Oil calculates Netback for its production from Blocks 3&4 and presents it both as a total, in MUSD, and as USD per barrel. To align the calculations with the effects of the cost recovery mechanism of the EPSA, Netback (net of capex) is also presented.

The Netback (net of capex) in MUSD and in USD per barrel in the first quarter decreased mainly due to the lower Average OSP. In addition, the lower Net Entitlement share and the higher Operating expenses compounded the effect. The lower capex in the first quarter 2023 compared to the fourth quarter 2022 offset the decrease somewhat.

Netback Blocks 3&4, USD/bbl	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Value of oil produced (Average OSP)	81.6	92.9	107.9	101.9	79.1
Government take	-39.2	-42.9	-62.5	-59.1	-42.8
Entitlement value (after government take)	42.4	50.0	45.4	42.8	36.3
Operating expenses	-17.2	-15.0	-13.6	-13.2	-13.4
Netback	25.2	35.0	31.8	29.6	22.9
Capex	-22.4	-26.4	-16.0	-16.7	-11.5
Netback (net of capex)	2.9	8.6	15.8	12.9	11.4

Netback Blocks 3&4, MUSD	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Value of oil produced (Average OSP)	69.1	80.7	97.1	93.4	74.6
Government take	-33.2	-37.3	-56.3	-54.1	-40.3
Entitlement value (after government take)	35.9	43.4	40.8	39.2	34.3
Operating expenses	-14.6	-13.0	-12.3	-12.1	-12.6
Netback	21.4	30.4	28.5	27.1	21.7
Capex	-18.9	-22.9	-14.4	-15.3	-10.8
Netback (net of capex)	2.4	7.5	14.1	11.9	10.9



⁴ Starting in the second quarter 2022, Tethys Oil calculates Netback by using Average OSP as its base rather than Achieved Oil Price. All

Netback amounts presented in the interim report, such as in the tables above, have been retroactively recalculated for previous periods.

Financial position and cash flow

Assets and equity

As of 31 March 2023, the Group's total assets amounted to MUSD 321.2 compared to MUSD 316.0 at the end of the previous quarter. The majority of the Group's assets are oil and gas properties, making up MUSD 255.3 compared to MUSD 246.1 as of 31 December 2022. As of 31 March 2023, the Shareholder's equity was MUSD 291.3 compared to MUSD 285.2 at the end of the previous quarter.

Liquidity and financing

As of 31 March 2023, cash and cash equivalents amounted to MUSD 39.9 compared to MUSD 41.5 at the end of the previous quarter. Tethys Oil is fully self-funded and has no financial debt.

Cash flow and investments

When compared to the previous period, the cash flow in the period reflects the reduced cash flow from operations and lower investments as well as increased share buy-backs. Total cash flow for the first quarter 2023 was MUSD -1.6 compared to MUSD -0.8 in the previous quarter.

Cash flow from operations before change in working capital amounted to MUSD 18.9 compared to MUSD 28.1 in the previous quarter.

The net change in working capital amounted to MUSD 1.4 compared to MUSD -2.9 in the previous quarter. The positive movement is mainly a result of the reduced underlift position.

Cash flow from operations in the first quarter 2023 was MUSD 20.4 compared to MUSD 25.2 in the previous quarter.

In the first quarter 2023, investments decreased to MUSD 20.0 from MUSD 24.7 in the previous quarter. Capital investments on Blocks 3&4 were MUSD 18.9 in the first quarter compared to MUSD 22.9 in the previous quarter. The decrease was to a large part driven by lower expenditures in Projects and Facilities. Capital investments on Block 56 was MUSD 0.7 in the first quarter compared to MUSD 0.8 in the previous quarter, reflecting the preparations for the extended well testing after the completion of the drilling campaign in the Al Jumd area.

Tethys Oil's free cash flow for the quarter amounted to MUSD 0.4 unchanged compared to the previous quarter.

Cash flow from financing activities increased to MUSD -2.0 from MUSD -1.3 in the previous quarter as share repurchases increased.

Balance Sheet, MUSD	31-Mar-23	31-Dec-22	30-Sep-22	30-Jun-22	31-Mar-22
Non-current assets					
Oil and gas properties	255.3	246.1	237.5	226.5	218.1
Other fixed assets	0.6	0.8	0.6	0.7	0.9
Current assets					
Other current assets	25.3	27.6	19.5	12.2	24.9
Cash and cash equivalents	39.9	41.5	42.1	40.2	55.4
Total assets	321.2	316.0	299.7	279.6	299.3
Shareholders' equity	291.3	285.2	271.1	255.1	265.3
Non-current liabilities	11.4	11.2	14.1	14.0	13.7
Current liabilities	18.6	19.6	14.5	10.5	20.3
Total equity & liabilities	321.2	316.0	299.7	279.6	299.3
Cash flow, MUSD	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Cash flow from operations	20.4	25.2	23.5	26.8	11.6
Cash flow from investments	-20.0	-24.7	-20.2	-19.7	-24.7
Free cash flow	0.4	0.4	3.4	7.1	-13.1
Cash flow from financing activities	-2.0	-1.3	-0.4	-22.8	0.0
Period cash flow	-1.6	-0.8	2.9	-15.7	-13.1
Blocks 3&4	18.9	22.9	14.4	15.3	10.8
Block 49	0.3	0.2	0.1	0.0	0.0
Block 56	0.7	0.8	5.2	4.2	13.7
Block 58	0.1	0.7	0.5	0.1	0.1
Total investments in oil and gas properties	20.0	24.6	20.2	19.6	24.6

Parent Company & Share data

The parent company's operating result for the first quarter 2023 amounted to MSEK -8.3 compared to MSEK -14.3 in the previous quarter. Administration expenses during the period were MSEK 13.7 compared to MSEK 17.9 in the previous period.

The net financial result for the first quarter 2023 was MSEK 5.7 compared to MSEK 239.9 in the previous quarter. During the fourth quarter the parent company received a dividend of MSEK 250.5 from a subsidiary group company. Other than the dividend, net financial result mainly consists of interest income and expense on intercompany loans and foreign currency exchange gains/losses associated with the intercompany loans.

Share data

As of 31 March 2023, the total number of issued shares in Tethys Oil AB was 33,056,608, with a nominal value of SEK 0.18. All shares represent one vote each. The company's shares are listed on Nasdaq Stockholm (TETY).

Share buy-back

Tethys Oil's Annual General Meeting on 18 May 2022 ("AGM") resolved to grant the Board of Directors the authorisation to repurchase up to 10

percent of the company's shares. During the first quarter 2023 Tethys Oil repurchased 367,755 shares. As of 31 March 2023, Tethys Oil held 1,106,106 shares in treasury – the equivalent of 3.35 percent of issued shares.

For the complete repurchase authorisation, please refer to Tethys Oil's website www.tethysoil.com.

Dividend and distribution proposal

The board of directors has proposed a dividend of SEK 2.00 per share (AGM 2022: SEK 2.00) to be paid in November 2023.

The board of directors proposes an extraordinary distribution to shareholders of SEK 3.00 per share by way of a mandatory share redemption programme following the AGM 2023 (AGM 2022: SEK 5.00). Full details are available on Tethys Oil's website.

Warrant based incentive programmes

As of 31 March 2023, Tethys Oil has three active warrant-based incentive programmes, which, if exercised can result in the issuance of up to 766,000 new shares, corresponding to a potential 2.3 percent increase of total shares issued. During the first quarter 2023, only the 2020 warrant programme was in the money and contributed a dilution effect.

Numbers of shares	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Shares in issue, end of the period	33,056,608	33,056,608	33,056,608	33,056,608	33,056,608
Shares issued, during the period	-	-	-	-	-
Shares repurchased, during the period	367,755	186,778	76,900	-	-
Treasury shares, end of the period	1,106,106	738,351	551,573	474,673	474,673
Shares outstanding, end of the period	31,950,502	32,318,257	32,505,035	32,581,935	32,581,935
Weighted average outstanding before dilution, during the period	32,191,324	32,435,616	32,577,137	32,581,935	32,581,935
Weighted average outstanding after dilution, during the period	32,261,122	32,531,314	32,670,830	32,780,953	32,682,353

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

MUSD	Note	First quarter 2023	First quarter 2022	Full year 2022
Revenue and other income	3	35.3	34.6	156.5
Operating expenses		-14.6	-12.6	-50.1
Gross profit		20.8	22.0	106.4
Depletion, depreciation and amortisation	2	-11.0	-10.5	-40.5
Exploration costs		-	-1.0	-4.5
Administrative expenses		-2.1	-1.8	-7.3
Share of net result from associates		-	-	0.1
Operating result		7.7	8.7	54.2
Financial result – net		0.2	1.2	4.7
Result before tax		8.0	9.9	58.9
Income tax		-	-	-0.6
Net result		8.0	9.9	58.3
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss:				
Exchange differences		0.3	-1.2	-5.9
Other comprehensive income		0.3	-1.2	-5.9
Total comprehensive income		8.3	8.7	52.4
<i>Total comprehensive income attributable to:</i>				
Shareholders in the parent company		8.3	8.7	52.4
Non-controlling interest		-	-	-
Result per share				
Earnings per share (before dilution), USD		0.25	0.30	1.79
Earnings per share (after dilution), USD		0.25	0.30	1.78
Weighted average number of shares (before dilution)		32,191,324	32,581,935	32,543,670
Weighted average number of shares (after dilution)		32,261,122	32,682,353	32,664,523

CONSOLIDATED BALANCE SHEET IN SUMMARY

MUSD	Note	31 Mar 2023	31 Dec 2022
ASSETS			
Non-current assets			
Oil and gas properties	4	255.3	246.1
Other fixed assets		0.6	0.8
		255.9	246.9
Current assets			
Trade and other receivables	5	24.6	26.9
Prepaid expenses		0.7	0.7
Cash and cash equivalents		39.9	41.5
		65.2	69.1
TOTAL ASSETS		321.2	316.0
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		0.8	0.8
Additional paid in capital		76.3	76.3
Reserves		-5.3	-5.6
Retained earnings		219.5	213.7
Total shareholders' equity		291.3	285.2
Non-current liabilities			
Non-current provisions		11.0	10.8
Other non-current liabilities		0.4	0.4
		11.3	11.2
Current liabilities			
Accounts payable and other current liabilities	6	18.6	19.6
		18.6	19.6
Total liabilities		29.9	30.8
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		321.2	316.0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN SUMMARY

MUSD	Share capital	Paid in capital	Reserves	Retained earnings	Total equity
Opening balance 1 January 2022	0.8	76.3	0.3	179.2	256.6
Net result 2022	-	-	-	58.3	58.3
Other comprehensive income	-	-	-5.9	-	-5.9
Total comprehensive income	0.0	0.0	-5.9	58.3	52.4
Transactions with owners					
Repurchase of shares	-	-	-	-1.6	-1.6
Dividend	-	-	-	-6.6	-6.6
Share redemption	-	-	-	-16.2	-16.2
Incentive programme	-	-	-	0.6	0.6
Total transactions with owners	0.0	0.0	0.0	-23.8	-23.8
Closing balance 31 December 2022	0.8	76.3	-5.6	213.7	285.2
Opening balance 1 January 2023	0.8	76.3	-5.6	213.7	285.2
Result for the period	-	-	-	8.0	8.0
Other comprehensive income	-	-	0.3	-	0.3
Total comprehensive income	0.0	0.0	0.3	8.0	8.3
Transactions with owners					
Repurchase of shares	-	-	-	-2.0	-2.0
Incentive programme	-	-	-	-0.2	-0.2
Total transactions with owners	0.0	0.0	0.0	-2.2	-2.2
Closing balance 31 March 2023	0.8	76.3	-5.3	219.5	291.3

CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY

MUSD	Note	First quarter 2023	First quarter 2022	Full year 2022
Cash flow from operations				
Result before tax		8.0	9.9	58.9
Adjustment for:				
Depletion, depreciation		11.0	10.5	40.5
Exploration costs		-	1.0	4.5
Other non-cash related items		0.2	-0.8	-4.4
Income tax paid		-0.1	-	-
Total cash flow from operations before change in working capital		18.9	20.6	99.5
Change in receivables		2.3	-15.0	-17.7
Change in liabilities		-0.9	6.0	5.2
Cash flow from operations		20.4	11.6	87.0
Investment activity				
Investment in oil and gas properties	4	-20.0	-24.6	-89.1
Investment in other fixed assets		-	-0.1	-0.3
Dividend from associates		-	-	0.1
Cash flow from investment activity		-20.0	-24.7	-89.3
Financing activity				
Repurchase of shares		-2.0	-	-1.6
Dividend		-	-	-6.6
Share redemption		-	-	-16.2
Incentive programme		-	-	-0.2
Cash flow from financing activity		-2.0	-	-24.6
Period cash flow		-1.6	-13.1	-26.9
Cash and cash equivalents at the beginning of the period		41.5	68.6	68.6
Exchange gains/losses on cash and cash equivalents		0.0	-0.1	-0.2
Cash and cash equivalents at the end of the period		39.9	55.4	41.5

PARENT COMPANY INCOME STATEMENT IN SUMMARY

MSEK	Note	First quarter 2023	First quarter 2022	Full year 2022
Other income		5.4	3.6	14.8
Administrative expenses		-13.7	-10.1	-49.7
Dividend income from associates		-	-	1.6
Exploration costs		-	-	-0.4
Operating result		-8.3	-6.5	-33.7
Net financial result		5.7	17.6	327.9
Result before tax		-2.6	11.1	294.2
Income tax		-	-	-
Net Result¹		-2.6	11.1	294.2

1. *As the parent company does not recognise any Other comprehensive income, no such report is presented.*

PARENT COMPANY BALANCE SHEET IN SUMMARY

MSEK	Note	31 Mar 2023	31 Dec 2022
ASSETS			
Total non-current assets		948.0	904.2
Total current assets		30.1	55.9
TOTAL ASSETS		978.1	960.1
SHAREHOLDERS' EQUITY AND LIABILITIES			
Restricted shareholders' equity		77.1	77.1
Unrestricted shareholders' equity		416.4	442.4
Total current liabilities		484.6	440.6
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		978.1	960.1

NOTES

General information

Tethys Oil AB (publ) (the “Company”), corporate identity 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 and production agreements in Oman and an associated equity interest in a producing company in Lithuania. The Company is a limited liability company incorporated and domiciled in Stockholm, Sweden. The Company is listed on Nasdaq Stockholm.

Accounting principles

The interim report for the period ended 31 March 2023, has been prepared in accordance with IAS 34 and the Swedish Annual Reports Act.

The interim consolidated financial statements have been prepared, consistent with the 2022 consolidated financial statements, in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and by the Swedish Annual Accounts Act.

The Parent Company’s financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the recommendations “RFR 2 on Financial Reporting for Legal Entities” issued by the Swedish Financial Reporting Board.

The interim report does not contain the entirety of the information that appears in the annual report and accordingly, the interim report should be read in conjunction with the 2022 annual report.

The accounting principles applied in the period are consistent with those applied for the financial year 2022 and the comparable interim reporting period, as they are described in the 2022 annual report.

The interim financial information for 2023 and 2022 is not reviewed by the company’s auditors.

Exchange rates

For the preparation of the financial statements for the reporting period, the exchange rates presented below have been used.

Currency	31 Mar 2023		31 Mar 2022		31 Dec 2022	
	Average	Period end	Average	Period end	Average	Period end
SEK/USD	10.43	10.35	9.57	9.26	10.12	10.44

Note 1) Risks and uncertainties

Tethys Oil is exposed to a variety of risks associated with oil and gas operations. Risk management is an integral part of the Company’s business activities, and the business areas consequently have the main responsibility for managing risks arising from its business activities. A detailed analysis of Tethys Oil’s operational, financial, and external risks and mitigation of those risks through risk management is described in Tethys Oil’s Annual report 2022.

The conflict in Ukraine

The conflict in Ukraine has, directly and indirectly, a significant effect on the world economy and the oil price. Tethys Oil has no operations in the affected geographical areas. Tethys Oil operations in Oman are not considered to be at risk and is not directly affected. However, Tethys Oil is dependent on the world economy at large. Management follows the situation carefully and react accordingly when necessary.

Note 2) Segment reporting

The Group's Operating segments are reported based on a split between Producing assets, Non-producing assets and Other. The operating result for each segment is presented below.

Producing assets includes the Company's non-operated interest in Blocks 3&4. Non-producing

assets include the operated exploration interests in Block 49, Block 56 and Block 58.

The segment Other includes the head office and other central functions across the Group. Oil & Gas properties detailed analysis is presented in note 4.

Group income statement Jan-Mar 2023				
MUSD	Producing assets	Non-producing assets	Other	Total
Revenue and other income ¹	35.3	-	-	35.3
Operating expenses	-14.6	-	-	-14.6
Depreciation, depletion and amortisation	-10.9	-	-0.1	-11.0
Administrative expenses	-0.8	0.0	-1.3	-2.1
Operating result	9.1	0.0	-1.4	7.7
Revenue by country	Producing assets	Non-producing assets	Other	Total
Revenue and other income ¹				
Oman	35.3	-	-	35.3
Other	-	-	-	-
Oil and gas properties as of 31 Mar 2023	Producing assets	Non-producing assets	Other	Total
Oil and gas properties	206.6	48.6	0.1	255.3

Group income statement Jan-Mar 2022				
MUSD	Producing assets	Non-producing assets	Other	Total
Revenue and other income ¹	34.6	-	-	34.6
Operating expenses	-12.6	-	-	-12.6
Depreciation, depletion and amortisation	-10.4	-	-0.1	-10.5
Exploration costs	-1.0	-	-	-1.0
Administrative expenses	-1.3	-	-0.5	-1.8
Operating result	9.3	0.0	-0.6	8.7
Revenue by country	Producing assets	Non-producing assets	Other	Total
Revenue and other income ¹				
Oman	34.6	-	-	34.6
Other	-	-	-	-
Oil and gas properties as of 31 December 2022	Producing assets	Non-producing assets	Other	Total
Oil and gas properties	180.3	37.5	0.3	218.1

1. Revenue and other income relate only to external customers.

Note 3) Revenue and other income

MUSD	First quarter 2023	First quarter 2022	Full year 2022
Revenue	38.5	38.5	149.4
Underlift (+) /overlift (-), adjustments	-3.2	-3.9	7.1
Revenue and other income	35.3	34.6	156.5

Note 4) Oil and gas properties

MUSD			31 Mar 2023	Investments	DD&A	Exploration cost	Site restoration and other adjustments	31 Dec 2022
Licence	Phase	Tethys Oil's share						
Blocks 3&4, Oman	Prod.	30%	206.6	18.9	-10.9	-	-	198.5
Block 49, Oman	Expl.	100%*	1.0	0.3	-	-	-	0.6
Block 56, Oman	Expl.	65%	39.6	0.7	-	-	-	38.9
Block 58, Oman	Expl.	100%	8.1	0.1	-	-	-	8.0
New ventures			0.1	-	-	-	-	0.1
Total			255.3	20.0	-10.9	-	-	246.1

* Contingent final formal government approval

Note 5) Trade and other receivables

MUSD	31 Mar 2023	31 Dec 2022
Trade receivables oil sales	12.1	12.5
Underlift position	2.9	6.1
Non-trade receivables	5.0	4.9
Joint operation receivables	1.2	0.1
Other current receivables	3.3	3.3
Total	24.6	26.9

Note 6) Accounts payable and other current liabilities

MUSD	31 Mar 2023	31 Dec 2022
Accounts payable	0.3	0.6
Joint operations payable	16.7	16.9
Tax liabilities	0.5	0.6
Other current liabilities	1.0	1.5
Total	18.6	19.6

Note 7) Related party transactions

In the Tethys Oil Group, Tethys Oil AB (publ) with organisational number 556615-8266 is the parent company. Material subsidiaries include Tethys Oil Oman Limited, Tethys Oil Block 3&4 Limited, Tethys Oil Montasar Limited, Tethys Oil Oman Onshore Limited, Tethys Oil Qatbeet Limited, Tethys Oil France AB and Tethys Oil Exploration AB.

Tethys Oil enters into related-party transactions as part of the normal course of business and on an arm's length basis. During the period, there were no transactions with related parties external to the Group.

Note 8) Tax

Tethys Oil's oil and gas operations in Oman are governed by an Exploration and Production Sharing Agreement for each Block ("EPSA"), whereby Tethys Oil receives its share of oil after the government's take. Under the terms of each EPSA, Tethys Oil is subject to Omani income taxes, which are paid in full, on behalf of Tethys Oil, from the government's share of the oil. The effect of these

taxes is netted against revenue and other income in the income statement.

Local income generated in Tethys Oil's Gibraltar subsidiaries are subject to Gibraltar taxes, reported on annual basis.

Note 9) Pledged assets

The parent company has no pledged assets as per 31 March 2023 (On 31 March 2022, MSEK 0.5 was pledged related to the office rental space).

Note 10) Contingent liabilities

As part of the farmin transaction with Medco for Block 56 there is further potential consideration contingent upon a declaration of commerciality.

Note 11) Subsequent events

Other than as described in the report, no significant events have occurred after the end of the reporting period.

ALTERNATIVE PERFORMANCE MEASURES: RELEVANT RECONCILIATIONS

Alternative performance measures are used to describe the development of operations and to enhance comparability between periods. These are not defined under IFRS but correspond to the methods applied by executive management and the Board of Directors to measure Tethys Oil's financial performance.

Alternative performance measures should not be viewed as a substitute for financial information presented in accordance with IFRS but rather as a complement. Besides the definitions presented in the section "Alternative performance measures: Glossary and Definitions, definitions of alternative performance measures" additional information can be found in the 2022 Annual Report.

EBITDA and Net cash, MUSD	First quarter 2023	First quarter 2022	Full year 2022
Operating result	7.7	8.7	54.2
Add: Depreciation, depletion and amortisation	11.0	10.5	40.5
Add: Exploration costs	-	1.0	4.5
Less: Share of net result from associates	-	-	-0.1
EBITDA	18.7	20.2	99.1
Cash and cash equivalents	39.9	55.4	41.5
Less: Interest bearing debt	-0.4	-0.7	-0.5
Net cash	39.6	54.7	41.0

Key data per quarter

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Net daily production before government take, Blocks 3&4, bbl	9,411	9,441	9,788	10,068	10,475
Net entitlement barrels, bbl	440,441	467,564	378,742	385,005	433,052
Net entitlement share of production, percent	52%	54%	42%	42%	46%
Oil sales, bbl	471,550	424,444	420,474	261,072	479,544
Achieved Oil Price, USD/bbl	81.7	93.3	107.3	100.1	80.4
Average OSP, USD/bbl	81.6	92.9	107.9	101.8	79.0
Operating expenses, USD/bbl	-17.2	-15.0	-13.6	-13.2	-13.4
Revenue and other income, MUSD	35.3	43.2	40.9	37.8	34.6
EBITDA, MUSD	18.7	27.8	27.0	24.1	20.2
Operating result, MUSD	7.7	14.8	16.9	13.9	8.7
Earnings per share after dilution, USD	0.25	0.40	0.56	0.52	0.30
Cash flow from operations, MUSD	20.4	25.2	23.5	26.8	11.6
Investment in oil and gas properties, MUSD	20.0	24.6	20.2	19.6	24.6
Free cash flow, MUSD	0.4	0.4	3.4	7.1	-13.1
Cash and cash equivalents, MUSD	39.9	41.5	42.1	40.2	55.4
Return on shareholders' equity, rolling 12 months	20%	22%	19%	15%	9%
Return on capital employed, rolling 12 months	18%	19%	16%	12%	8%
Share price end of period, SEK	54.7	60.5	62.7	63.5	78.8

ALTERNATIVE PERFORMANCE MEASURES: GLOSSARY AND DEFINITIONS

The Company applies the European Securities and Markets Authority's (ESMA) guidelines on alternative performance measures. The alternative key financial performance indicators are defined as financial measures of historical or future earnings trends, financial position, financial performance, or cash flows that are not defined or specified in the applicable regulations for financial

reporting, IFRS, and the Annual Accounts Act. These measures should not be regarded as a substitute for measures defined in accordance with IFRS.

If an alternative performance measure cannot be identified directly from the financial statements, a reconciliation is required.

Definitions of key ratios and abbreviations

EBITDA-margin	EBITDA as a percentage of revenue and other income.
Equity ratio	Shareholders' equity as a percentage of total assets.
Return on shareholder's equity, rolling 12 months	Return on shareholder's equity is calculated by dividing the net result for the past 12 months by the average of the ingoing and outgoing shareholder's equity for the same period.
Return on capital employed, rolling 12 months	Return on capital employed is calculated dividing the operating result for the past 12 months by the average capital employed (equity plus non-current liabilities) for the same period.
Net entitlement	Volumes and share of oil production from Joint operation, which the company is entitled to sell expressed in barrels. Calculated monthly based on EPSA. Consist of 2 components: Cost oil and Profit Oil.
Net entitlement share	The oil production from Joint operation, which the company is entitled to sell expressed as a percentage of the company's total share of the oil produced. Calculated as Cost oil plus Profit Oil divided by Production.
Cost Oil	The Cost Oil is the value of recoverable costs incurred in the period and any outstanding balance of unrecovered historical cost from previous periods ("the Cost Pool") The total amount of Cost Oil for a given period is capped to a fixed share of total production, after conversion to barrels using the Official Selling Price ("OSP").
Profit Oil	Profit Oil remains after the deduction of Cost Oil. Most of the Profit Oil is the government's take according to a fixed percentage.
Cost pool	Any outstanding balance of unrecovered historical cost from previous periods.
Production before government take	Net share of total production.
Underlift/ Overlift	Calculation of net from Net Entitlement barrels and lifted barrels. Lifting more barrels than entitlement barrels resulted in an overlift and the opposite in an underlift.
Netback	Gross profit per barrel of oil. Average OSP reduced by royalties/government take and operating and transport expenses per barrel.
Achieved Oil Price	Achieved Oil Price is calculated with revenue from oil sales within the period divided by sold barrels of oil.
Average OSP	The Average OSP is calculated as the production weighted average of the monthly Official Selling Price (OSP) for Omani Export Blend in the quarter and does not take into consideration the timing of monthly liftings or any trading and quality adjustments (as is the case with the Achieved oil price).
Oman OSP	Oman's Official Selling Price (OSP) is calculated using the monthly average price of the front month futures contract of Oman blend (with 2 months to delivery) as traded on the Dubai Mercantile Exchange.
Net cash	Cash and equivalents less interest-bearing debt.
Number of employees	Average number of fulltime employees during the period.
Shareholders' equity per share	Shareholders' equity divided by the number of outstanding shares.
Weighted average number of shares (after dilution)	Number of shares at the beginning of the year with newly issued shares time weighted for the period on issue. Dilution effects include potential shares that may be converted to shares under favourable conditions, primarily warrants with subscription prices lower than the share price.
Treasury shares	Own shares held by Tethys Oil following share repurchases.
Earnings per share	Net result for the period divided by the weighted number of shares.
SEK	Swedish krona.
MSEK	Millions of Swedish kronor.
USD	US dollar.
MUSD	Millions of US dollars.
Bbl	One barrel of oil = 159 litres, 0.159 cubic meters.
Bopd	Oil production is often given in numbers of Barrels of Oil per Day.
Mbo	Thousand Barrels.
Mmbo	Million Barrels.
EPSA	Exploration and Production Sharing Agreement.
Prospective resources (2U)	Like reserves and contingent resources, prospective resources volume estimates are defined probabilistically. 1U is the low estimate, 2U is the best estimate and 3U the high.

ABOUT TETHYS OIL AB(PUBL)

Tethys Oil is an oil exploration and production company with focus on onshore areas with known oil discoveries. The company's core area is the Sultanate of Oman, where it has been present since 2006 and currently holds interests in Blocks 3&4, Block 49, Block 56 and Block 58. Tethys Oil has 2P reserves of 23.9 mmbbl and 2C Contingent Resources of 14.6 mmbbl and had an average oil production of 9,940 barrels per day during 2022. The company's shares are listed on Nasdaq Stockholm (TETY).

Website: www.tethysoil.com

Mission

Tethys Oil is an oil and gas exploration and production company with a primary objective of creating shareholder value working across the whole upstream industry lifecycle of exploration, appraisal, development, and production. A central belief in our business model is to explore for and produce oil and gas in an economically, socially, and environmentally responsible way. The Group applies the same standards to its activities worldwide to satisfy both its commercial and ethical requirements in accordance with our Code of Conduct.

Tethys Oil seeks to be a sustainable and profitable business long-term. Sustainability means running a business that is not only profitable but is aligned with the requirements and expectations of stakeholders both within and outside the Group.

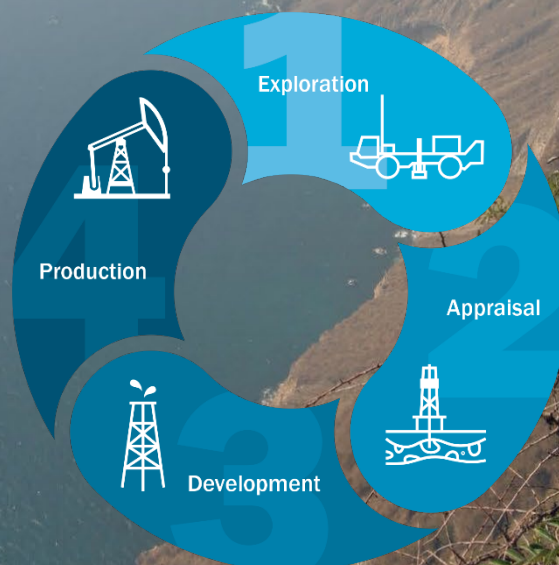
Vision

Tethys Oil's vision is that growth continues through its exploration success. It seeks to build, maintain and expand a well-balanced and self-financed portfolio of oil assets, offering a measured exposure to onshore production, development, appraisal and exploration potential. The focus of today and tomorrow is on geographies with proven petroleum systems, existing infrastructure, established institutional frameworks and low political risk. In all its activities, Tethys Oil seeks a balanced approach to risk.

Values

Tethys Oil's corporate culture emanates from the Group's Scandinavian roots. It is the responsibility of Tethys Oil's management to foster a corporate culture that promotes the values and principles outlined in Tethys Oil's Code of Conduct. Tethys Oil aims to act in all respects in a responsible, fair, accountable and ethical manner towards all aspects of the environment and to all individuals and entities that the Group encounters in its course of doing business. Tethys Oil aims to apply the same standards to all its activities wherever they are carried out.

It is of vital importance to Tethys Oil that the Group maintains and further builds on its reputation as a responsible and forward-looking corporate citizen in all countries where Tethys Oil has a presence and in relation to all stakeholders, may they be shareholders, employees, contractors, partners or someone else.



FINANCIAL CALENDAR:

- The Annual General Meeting 2023 is to be held in Stockholm on 10 May 2023
- Report for the second quarter 2023 (January- June 2023) on 8 August 2023
- Report for third quarter 2023 (January – September 2023) on 7 November 2023

CONFERENCE CALL

Date: 9 May 2023

Time: 10.00 CEST

To participate in the conference call, you may choose one of the following options:

Link to webcast: <https://edge.media-server.com/mmc/p/pedz392j>

To participate via phone, please register [here](#) to receive dial-in information.

Stockholm, 9 May 2023

Tethys Oil AB (publ)

Org. No. 556615-8266

The Board of Directors

Per Seime

Chairman

Rob Anderson

Director

Klas Brand

Director

Alexandra Herger

Director

Magnus Nordin

Managing Director

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

FOR FURTHER INFORMATION, PLEASE CONTACT:

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This information is information that Tethys Oil AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 7:30 CEST on 9 May 2023.