

# Tethys Oil AB (publ)

## Second quarter and half-year report

### 1 January – 30 June 2024



#### Second quarter 2024 (First quarter 2024)

- Block 56 Field Development Plan submitted to the Ministry of Energy and Minerals in early June.
- Drilling operations on the exploration well Kunooz-1 in the Fahd area, Block 58, will begin in the second week of August.
- Strategic review of the Group's portfolio of Oil and Gas assets is ongoing with significant alternatives for the Board to review.
- First operations of the Gas-to-Power-project on Blocks 3&4 successful, with emission reductions and cost savings as the result going forward.
- Production from Blocks 3&4 in the second quarter was severely impacted by extreme weather conditions and amounted to 7,688 barrels of oil per day (8,032). Net entitlement was 52% (52%) and the achieved oil price was USD 84.3 per barrel (79.5).
- Revenue and other income was MUSD 30.8 (30.1) and EBITDA MUSD 15.7 (13.0).
- Cash flow from operations was MUSD 19.9 (6.2) and Free cash flow MUSD 3.1 (-10.8).

#### Events after the end of the quarter

- Entered into a MUSD 60 amortising term loan facility agreement with Abu Dhabi Commercial Bank.
- Initial exploration phase of the EPSA for Block 58 has been granted a one-year extension until July 2025.
- Production guidance for the full year 2024 of 8,000 ± 200, previously 8,200 ± 400 barrels of oil per day.
- Capital expenditure for the full year 2024 is now expected to be MUSD 77 (previously MUSD 90-94) following updates to the work programmes.

MUSD, unless specifically stated	Second quarter 2024	First quarter 2024	Second quarter 2023	First six months 2024	First six months 2023	Full year 2023
Net daily production, before government take, barrels per day	7,688	8,032	8,994	7,860	9,201	8,818
Production before government take, bbl	699,575	730,878	818,432	1,430,447	1,665,434	3,218,625
Net entitlement barrels, bbl	363,779	380,053	425,585	743,832	866,026	1,673,685
Net entitlement as share of production, percent	52%	52%	52%	52%	52%	52%
Achieved Oil Price, USD/bbl	84.3	79.5	81.6	82.0	81.6	82.4
Revenue and other income	30.8	30.1	34.7	60.9	70.1	138.2
EBITDA	15.7	13.0	16.9	28.7	35.7	73.5
Operating result	5.3	2.1	6.1	7.4	13.8	-11.6
Net result	4.5	7.3	8.1	11.8	16.0	-16.5
Earnings per share, before and after dilution, USD	0.14	0.23	0.25	0.37	0.50	-0.51
Cash flow from operations	19.9	6.2	25.7	26.2	46.1	82.7
Investments in oil and gas properties	16.7	17.0	21.4	33.7	41.4	81.7
Free cash flow	3.1	-10.8	4.0	-7.7	4.4	0.8
Cash and cash equivalents	18.1	14.9	33.9	18.1	33.9	25.8

## Dear Friends and Investors,

Where shall I begin, when I tell the story of the second quarter 2024?

With the imminent spud of the long-awaited Kunooz-1 well on Block 58, targeting more than a hundred million barrels of oil?

With the Field Development Plan for Block 56, which was presented to the Ministry for Oil and Gas in early June?

With discussing the stabilisation of production on Blocks 3&4 or maybe with the MUSD 60 loan credit facility from Abu Dhabi Commercial Bank?

No! None of the above will do. Let us go straight for the Elephant in the Room: The STRATEGIC REVIEW!

What is happening? Will there be a restructuring of Tethys Oil's asset portfolio? Will Blocks 3&4 be divested or farmed down? Will Block 58 find a partner? Will there even be an uncovered need for financing? Or additional partners in Block 56? When will cash distribution return? The questions are many and manifold and so are the answers.

First financing. Tethys is fully financed and fully able to meet all commitments. Cash flow from operations has increased with stabilising production from Blocks 3&4 and buoyant oil prices.

Any potential shortfall will be met with the newly signed and announced MUSD 60 credit arrangement with Abu Dhabi Commercial Bank. A facility and arrangement Tethys' is very happy about as we look forward to long-term cooperation with ADCB.

The Strategic Review was never primarily about financing but about optimising the asset portfolio and make visible the values in the balance sheet. As part of the review the Investment Bank Jefferies was retained to assist. That process has attracted a lot of interest. We first anticipated to announce specific conclusions on the review in May, which was then prolonged until the end of June. But it is hardly for a lack of interest that this has been postponed, rather quite the opposite! Discussions on divestments, investments, farm-outs and farm-downs are ongoing.

Exactly what the conclusion will be or when it will be reached is not possible to comment on today, but the alternatives are numerous, interesting and exciting.

So, the Strategic Review leads its own life while we continue with business as usual.

Kunooz-1 is finally about to start with spud scheduled for later this week. It remains the highest profile well in Oman this year, offering an excellent risk/reward. As with most high-profile explorations wells the chance of success is not much more than 20 percent but if it comes in the structure may hold more than 100 million barrels of oil. A result which would boost Tethys' resource base by an order of magnitude!

Closer to commercialisation we find Block 56 where the first comments from the Ministry on the FDP has been received and are in the process of being answered. Initially the plan will focus on the Al Jumud, Sarha and Menna discoveries along the area of the block which covers the Eastern flank of the Oman Salt Basin. First production is expected from the Al Jumud discovery, which produced more than 60,000 barrels of oil during an Extended Well Test last year. We are hopeful of FDP approval within the next couple of months and in time to allow Al Jumud and the others to be included in Tethys' year-end reserve report with aim to make us reach at least a 100 percent reserve replacement ratio, irrespective of results from Blocks 3&4, for 2024.

Financially the quarter marked a significant improvement from the first quarter this year. With all the options on our table, and a strong operational as well as financial performance, we remain confident of an interesting continuation of 2024. If all goes well, we could hopefully be back with distributions again, maybe already next year.

So stay with us!

Stockholm, August 2024

Magnus Nordin  
*Managing Director*



## Second 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 30 June 2024:

Licences & Agreements	Tethys Oil Interest %	Phase	Expiry date <sup>1</sup>	Partners (operator in bold)
Blocks 3&4, Oman	30	Production phase	July 2040	<b>CCED</b> , Tethys Oil, Mitsui
Block 49, Oman	100	Second exploration phase	December 2026	<b>Tethys Oil</b>
Block 56, Oman	65	Second exploration phase	December 2024	<b>Tethys Oil</b> , Medco, Biyaq, Intaj
Block 58, Oman	100	Initial exploration phase	July 2025 <sup>2</sup>	<b>Tethys Oil</b>

### Producing assets – Blocks 3&4

#### Production on Blocks 3&4

Tethys Oil's share of production from Blocks 3&4 during the second quarter 2024, before government take, amounted to 699,575 barrels of oil (730,878). This corresponds to 7,688 barrels of oil per day (8,032).

The second quarter's production was negatively impacted by severe weather conditions with heavy rain and floods throughout the earlier half of the quarter.

Beginning in the middle of May, production resumed incrementally on all fields with increased production during the second half of the quarter as a result. The effects of the extreme weather, however, lingered on with decreasing severity all throughout the second quarter, with some wells not reopened until July.

Primarily the Shahd B field was affected, with hampered production and export as work, wells and infrastructure were periodically suspended and/or out of service.

During the quarter the production assurance efforts continued with a total of 16 well workovers conducted, primarily focused on the replacement of pumps and stimulation efforts in older wells, and an increased number of upgraded flowlines.

#### Development and appraisal activities

Development activities targeting the Barik and Khufai formations on the Farha South and Shahd fields respectively increased as the second quarter progressed. A total of 12 appraisal wells and oil producers, as well as two water injectors, were completed with results slightly above expectations on Farha South and slightly below on the Shahd fields. The focus on the Farha and Shahd fields will remain throughout 2024, with no additional development wells planned on other fields in the third or fourth quarters.

In parallel, the appraisal of Lower Al Bashir formation continued with the evaluation of the fracking operations performed by the end of the first quarter. Conclusions from the testing are expected to be presented in the latter half of 2024.

<sup>1</sup> 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.

<sup>2</sup> The first phase of EPSA for Block 58 was extended by one year until July 2025 following discussions with the Ministry of Energy and Minerals during the second quarter 2024.

### **2024 exploration drilling**

In May, the first exploration well, FNW-1, was drilled in northern-western Farha on Block 3, on a parallel fault block to the main trend, with the Barik formation as its primary target. Following the drilling operations, the well has now entered a period of additional testing that is expected to be completed in the third quarter.

Two exploration wells will be drilled in the third and fourth quarter respectively with the Khufai formation in the northern parts of Block 4 as their primary target.

Additionally, a data gathering well is planned to be drilled in October with the aim of further exploring the heavy oil potential in the Amin and Miqrat formations on Block 4.

### **Seismic acquisition**

The 2023/24 seismic acquisition programme covering 6,200 km<sup>2</sup> in the southern part of Block 4 is nearing completion. Acquisition of the final 1,600 km<sup>2</sup> continued during the quarter and is expected to conclude in the third or fourth quarter. In parallel, interpretation of the seismic acquired so far has begun and once completed, the conclusions will be used for future exploration drilling in the area.

### **Gas-to-Power emission reduction project**

The first phase of the Gas-to-Power project, commissioned at the end of the 2023, has been completed, with some delays on Block 4 due to the impact of adverse weather conditions. Nonetheless, it is fully operational with a positive effect on the quarter's GHG-emissions and operating expenditures. The expansion work during the quarter continued to be focused on setting up power lines on Block 3 to transfer power from the power plant to the production infrastructure on the Ulfa, Farha and Shahd fields.

The Gas-to-Power system will reduce routine flaring of associated gas by utilising it for power generation. By so doing, the Blocks 3&4 operations' dependence on diesel powered generators will be reduced, and ultimately phased out. The project is expected to have a significant effect on Tethys Oil's GHG-emissions by reducing the amount of diesel consumed. The second phase of the project will include additional fields on Block 4 and is expected to be completed in the latter parts of 2024.

## Exploration assets

### Block 56

#### Field Development Plan submitted to the MEM

In early June, Tethys Oil submitted the Field Development Plan (“FDP”) for Block 56 to the Ministry of Energy and Minerals for review and approval. The FDP is the first of its kind the Group has submitted as an operator and constitutes a significant milestone for Tethys Oil and the Block 56 partnership.

The FDP focuses on a detailed plan for the appraisal, development and production of the resources in the three discovered oil fields, the Al Jumd, Menna and Sarha fields, covering multiple reservoirs. The proposed development is based on the data collected and learnings from Tethys Oil’s extensive exploration and appraisal campaign on the Eastern Flank area over the past three years, including the drilling of multiple wells, the six-month production test on Al Jumd in 2023, recently added data from the testing of Sarha-3 and Menna-1 as well as a multiple of geological and geophysical studies and tests.

The development will initially focus on drilling up to seven horizontal production wells on the Al Jumd discovery in 2025, while in parallel preparing the Sarha and Menna fields for development drilling. The surface development concept is designed to accommodate both the current fields but also future discoveries. Initially oil will be exported by truck to existing infrastructure on nearby blocks, as was the case during the Al Jumd production test. As development continues and volumes increase, more permanent production facilities and export infrastructure will be put in place.

The FDP also includes a roadmap for a continued exploration strategy for Block 56’s more than a dozen identified leads and prospects. The exploration activities on the block’s additional leads and prospects will continue in parallel to the field development of current discoveries and may have a significant future contribution to the total recoverable resources of the block.

By the publishing of this interim report, Tethys Oil has received and answered the first round of comments from the MEM, which follows the expected timeline for such a process. Tethys Oil aims to get final FDP approval and declare Block 56 commercial in the third or fourth quarter 2024. With the declaration of commerciality, the block’s EPSA will enter the production phase and is expected to be extended by 15 years. Once in the production phase,

the partner group can profitably sell the oil produced on the block.

#### Testing of Menna-1 and Sarha-3 exploration wells

The testing of Menna-1, drilled in December 2023, and Sarha-3 continued in the second quarter. The testing on Menna-1 included three formations, the Al Khlata, Karim, and Birba, which all had well log indications of hydrocarbons when drilled. It has been confirmed that the oil produced on Menna-1 is of similar quality to that on the Al Jumd discovery. Additional testing focused on establishing the resource volume and long-term production capabilities.

In parallel to the drilling of Menna-1, Tethys Oil completed a workover of Sarha-3, allowing for testing of the well’s other formations of interest, Al Khlata and Gharif. In 2022 only limited flows to surface were recorded from the Karim formation, the only section that was tested at the time. The aim of the 2024 tests has been to gather data about the larger Sarha structure and to confirm the other oil-bearing horizon’s production capabilities. The testing so far has confirmed flows to surface from the Gharif formation and analysis of the Khlata formation was ongoing in the second quarter.

The results from the testing of the two discoveries were integrated into the FDP for Block 56.

#### Seismic interpretation

Interpretation of the 3D seismic over the Central Area of the block continued during the quarter. The ongoing interpretation is expected to yield an inventory of leads and prospects for further geological/physical studies and maturation in the third and fourth quarters.

## Block 58

### **Kunooz-1 exploration well in Fahd**

The drilling of the exploration well Kunooz-1 in the Fahd area, north-eastern Block 58, will begin in the second week of August. The drilling operations were originally planned for June and July but were postponed due to delays in the availability and mobilisation of the contracted drilling rig. The drilling rig has, by the date of this report, reached, and set up at, the drill site, with final preparations and inspection ongoing.

The exploration well has an expected total depth of approximately 3,800 metres and targets some 120 mmbo of unrisks recoverable prospective resources in the Khufai, Buah and Birba formations. The drilling operations, including initial testing, is expected to be ongoing for up to 60 days.

### **South Lahan prospect portfolio**

The third-party prospective resource audit of the prospects identified during processing and interpretation of the 450 km<sup>2</sup> 3D seismic over South Lahan acquired in 2022 was completed in the second quarter. The prospects' structures are intrasalt carbonate stringers within the Ara Group, a play that is proven and producing light oil in the nearby Harweel area on neighbouring Block 6.

Six prospects were identified, holding an estimated 251.5 mmbo of unrisks recoverable prospective resources (P<sub>mean</sub>). The estimated combined risks recoverable prospective resources are 23.8 mmbo (P<sub>mean</sub>).

Following the audit, the prospect currently called SL-5 has been selected as the location for the first exploration well in South Lahan. Tethys Oil will, together with the MEM, decide on whether the second exploration well on Block 58 will be drilled in South Lahan or Fahd following the results from Kunooz-1.

### **Farmout process**

The farmout process, initiated in 2023, has become an integrated part of the strategic portfolio review and is ongoing.

### **Extension of initial exploration phase**

Tethys Oil has, following discussions with the Ministry of Energy and Minerals in the second quarter, been granted a one-year extension of the initial exploration phase of the EPSA for Block 58. Following the extension, the initial exploration phase now expires in July 2025. As a part of the extension, the planned second exploration well on Block 58 in 2024 has been moved to 2025.

## **Block 49**

### **Thameen-1 re-entry and re-testing**

Preparations for the re-entry and re-testing of the Thameen-1 well continued in the second quarter. Various kinds of reviews have been ongoing, and a hoist is being procured to prepare the well ahead of the planned fracking operations. In parallel, the tendering and procurement process for an integrated

service contract to provide all services needed for the re-test, including rig, hydro frac services and well testing is moving forward.

A more detailed timeline and plan on how to best move forward on the block are expected to be completed by the fourth quarter.

## Strategic updates

### Strategic review of Omani oil and gas assets

The strategic review of the Group's portfolio of Omani Oil and Gas assets, initiated by Tethys Oil's Board of Directors in the first quarter of 2024, continued throughout the second quarter. Significant interest has been shown by a number of industry players for various parts of the portfolio and the process is ongoing, supported by the Group's advisor, the investment bank Jefferies.

The review is performed to identify possibilities to rebalance the asset portfolio to allow for optimised capital allocation, focusing on growth and return on investment.

### MUSD 60 loan facility agreement

In early August, Tethys Oil, through the Group subsidiary Tethys Oil Block 3&4 Ltd, have entered into an agreement for a five-year MUSD 60 amortising term loan facility with Abu Dhabi Commercial Bank. The credit facility has a 12-month availability period and a fixed amortisation schedule commencing nine months upon entering the agreement. The loans drawn under the facility are, under current circumstances, expected to be subject to single digit interest rates, calculated on the basis of the market standard risk-free USD SOFR base rates and a spread. As part of the agreement Tethys Oil also commits to hedging up to 50 percent of its interest rates and an average of 35 percent of its oil sales. The loan is subject to covenants that are customary for this type of facility.

The facility ensures that Tethys Oil is adequately funded and positioned to continue investing across its portfolio of assets in various stages of maturity and provides Tethys Oil's Board of Directors additional flexibility and optionality with respect to the Group's ongoing strategic review.

### Signing of Heads of Agreement with Sonatrach

In April, Tethys Oil signed a Heads of Agreement with the Algerian national oil and gas company, Sonatrach. The agreement expresses the willingness of both parties to achieve a partnership regarding hydrocarbon exploration, development and exploitation on two areas in the north-eastern part of Algeria.

The characteristics of the areas, El Hadjira II and El Haiad II, are in line with Tethys Oil's focus on onshore areas with known discoveries. The areas are located near established oil and gas infrastructure as well as producing fields, with significant amounts of seismic and well data being provided to Tethys Oil.

Tethys Oil and Sonatrach has since the signing of the agreement entered into further discussions aimed at establishing a framework regarding work programmes and financial terms for potential future appraisal and development opportunities in the areas. The discussions regarding the potential partnership are expected to be concluded in the fourth quarter after which a formal agreement on development and production sharing may be signed, subject to approval by the Board.

The signing of the agreement regarding the possible development of assets in Algeria is not a part of, nor directly affected by, the ongoing strategic review of Tethys Oil's portfolio of oil and gas assets in Oman.

### Guidance for the full year 2024

Production for the full year 2024 is expected to be 8,000 barrels per day +/- 200 barrels from previously 8,200 barrels per day +/- 400 barrels. The revision is due to the effects on production as a result of the weather-related disruptions experienced in the first and second quarter.

Capital expenditure for the full year 2024 is expected to be MUSD 77 (previously MUSD 90-94) as a result of updated work programmes.

Capital expenditure on Blocks 3&4 is expected to be MUSD 64 (previously MUSD 63-67).

Block 56 capital expenditure is expected to be MUSD 3 (previously MUSD 8) as the planned exploration well is deferred to 2025.

Capital expenditure on Block 58 is expected to be MUSD 9 (previously MUSD 18.5) as the second exploration well is deferred to 2025.

Guidance for operating expenditure is unchanged at USD 17.5 per barrel for the full year 2024.



## Group Financial Review and Result <sup>3</sup>

### 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 remained at 52 percent in the second quarter 2024. The Average OSP for the quarter was USD 84.8, compared to USD 79.9 in the first quarter.

In the second quarter 2024, Tethys Oil's Net Entitlement was 363,779 barrels of oil, compared to 380,053 barrels of oil in the first quarter. The decrease is a consequence of lower production leading to a decreased cost allowance and profit oil. Tethys Oil's share of the Cost Pool as per 30 June 2024 was MUSD 32.9 compared to MUSD 28.9 on 31 March 2024.

In the second quarter, Tethys Oil sold 386,951 barrels of oil from Blocks 3&4 compared to 364,859 barrels of oil in the first quarter 2024.

The Achieved Oil Price in the second quarter was USD 84.3 per barrel compared to USD 79.5 per barrel in the previous quarter.

As oil sales exceeded the Net Entitlement, an overlift movement of 23,172 barrels was recorded in the second quarter, resulting in an overlift position of 2,357 barrels as of 30 June 2024 compared to an underlift position of 20,815 barrels at the close of the previous quarter.

Production entitlement and sales	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
<b>Blocks 3&amp;4</b>					
Production, before Government take, bbl	699,575	730,878	772,515	780,676	818,432
Average daily production, barrels per day	7,688	8,032	8,397	8,486	8,994
Net Entitlement barrels, bbl	363,779	380,053	401,708	405,952	425,585
Net Entitlement share of production, percent	52%	52%	52%	52%	52%
Oil sales, bbl	386,951	364,859	383,004	417,275	463,196
Underlift (+) / overlift (-), movement, bbl	-23,172	15,194	18,704	-11,323	-37,611
Underlift (+) / overlift (-), closing position, bbl	-2,357	20,815	5,620	-13,083	-1,760

<sup>3</sup> 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 of the second quarter 2024 compared to the first quarter 2024. 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. The financial statements for the second quarter and first six months of 2024 presents financial results compared to the second quarter and first six months of 2023.

## 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 30.8 in the second quarter compared to MUSD 30.1 in the first quarter. The increase in revenue is a result of an increased Achieved oil price but was held back by the reduction in production.

The revenue was adjusted by MUSD -1.8 for the shift in under-/overlift position compared to MUSD 1.1 in the first quarter.

### Operating expenses

Operating expenses for producing assets 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.

The Total operating expenses in the second quarter of 2024 amounted to MUSD 12.6 compared to MUSD 15.0 for the previous quarter, a decrease of 16 percent.

Production costs include expenses for throughput fees, energy, consumables, equipment rental, field staff and maintenance. The production costs decreased to MUSD 9.2 during the second quarter 2024 from MUSD 10.1 in the first quarter. The first quarter production costs included the majority of the bonus and benefit payments and planned shut-down costs that did not re-occur in the second quarter.

Workovers and well interventions amounted to MUSD 0.9 in the second quarter 2024 compared to MUSD 1.6 in the previous quarter due to a decrease in the workover requirements.

Operator G&A and overhead expenses decreased to MUSD 2.5 in the second quarter from MUSD 3.2 in the first quarter as a result of cost saving and the inclusion of the bulk of annual bonus and benefit payments in the first quarter.

Operating expenses per barrel decreased to USD 18.0 in the quarter compared to USD 20.3 in the previous quarter as a result of the reduced operating expenses more than offsetting the decrease in production volumes.

Operating expenses, MUSD	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Production costs	9.2	10.1	9.1	8.9	9.5
Workovers and well interventions	0.9	1.6	1.4	1.4	1.9
Operator G&A and overhead expenses	2.5	3.2	2.7	2.8	2.9
<b>Operating expenses producing assets (Blocks 3&amp;4)</b>	<b>12.6</b>	<b>14.8</b>	<b>13.2</b>	<b>13.1</b>	<b>14.2</b>
Operating expenses extended well test Block 56	-	0.1	-	0.6	0.7
<b>Total operating expenses</b>	<b>12.6</b>	<b>15.0</b>	<b>13.2</b>	<b>13.7</b>	<b>14.9</b>

Operating expenses per barrel Blocks 3&4, USD	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Production costs per barrel	13.1	13.8	11.8	11.4	11.6
Workovers and well interventions per barrel	1.3	2.1	1.8	1.9	2.3
Operator G&A and overhead expenses per barrel	3.6	4.3	3.5	3.5	3.5
<b>Operating expenses producing assets per barrel</b>	<b>18.0</b>	<b>20.3</b>	<b>17.1</b>	<b>16.8</b>	<b>17.4</b>

### Other expenses and result

Administrative expenses for the second quarter 2024 was MUS\$ 2.5 compared to MUS\$ 2.2 in the previous quarter. The increase is primarily due to one-off expenses related to organisational changes in Oman.

EBITDA increased to MUS\$ 15.7 in the second quarter, compared to MUS\$ 13.0 in the first quarter. The increase in EBITDA follows the higher revenue and reduction in operating expenses.

DD&A for the second quarter was MUS\$ 10.4 compared to MUS\$ 10.8 in the first quarter 2024. The reduction is a consequence of the lower production.

The operating result in the second quarter increased to MUS\$ 5.3 compared to MUS\$ 2.1 in the previous quarter.

Financial net result for the quarter was MUS\$ -0.8 compared to MUS\$ 5.2 in the previous quarter. The Financial net result is primarily caused by currency fluctuations.

Net result for the second quarter 2024 amounted to MUS\$ 4.5, compared to MUS\$ 7.3 in the first quarter. The earnings per share, before and after dilution, was USD 0.14 compared to USD 0.23 in the previous quarter.

Financial review and result, MUS\$	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Revenue	32.6	29.0	34.8	32.7	37.8
Underlift (+) / Overlift (-) adjustment	-1.8	1.1	1.6	-0.9	-3.1
Revenue and other income	30.8	30.1	36.4	31.8	34.7
Operating expenses	-12.6	-15.0	-13.2	-13.7	-14.9
Administrative expenses	-2.5	-2.2	-1.6	-1.7	-2.8
<b>EBITDA</b>	<b>15.7</b>	<b>13.0</b>	<b>21.5</b>	<b>16.4</b>	<b>16.9</b>
DD&A	-10.4	-10.8	-10.2	-10.1	-10.7
Impairment	-	-	-36.9	-	-
Exploration costs	-	-	-6.3	-	-0.1
Share of net result from associates	-	-	-0.0	0.2	-
<b>Operating result</b>	<b>5.3</b>	<b>2.1</b>	<b>-31.9</b>	<b>6.5</b>	<b>6.1</b>
Financial net result	-0.8	5.2	-6.8	0.2	2.0
Income tax	-0.0	-	-	-0.5	-
<b>Net result</b>	<b>4.5</b>	<b>7.3</b>	<b>-38.7</b>	<b>6.2</b>	<b>8.1</b>
<i>Earnings per share, after dilution, USD</i>	<i>0.14</i>	<i>0.23</i>	<i>-1.20</i>	<i>0.19</i>	<i>0.25</i>

Financials per barrel, USD/bbl	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Achieved Oil Price	84.3	79.5	90.4	76.9	81.6
Operating expenses	18.0	20.3	17.1	16.8	17.4
EBITDA	22.5	17.7	27.8	21.0	20.7
DD&A	14.9	14.8	13.2	12.9	13.1

## Netback

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.

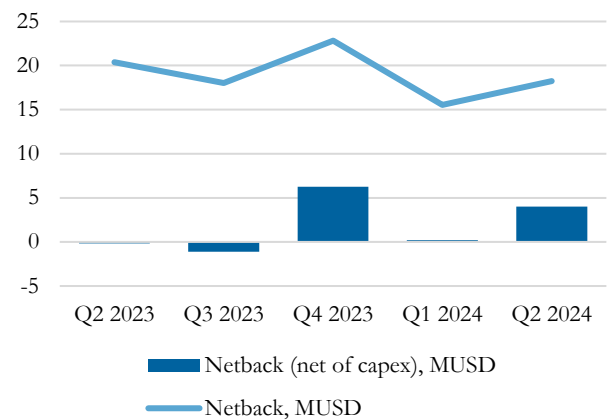
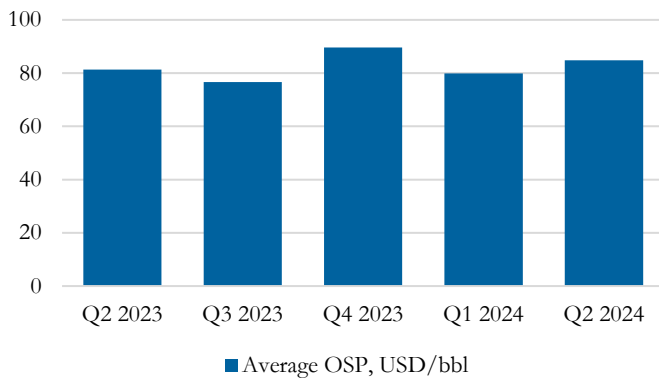
Tethys Oil calculates Netback for its production from Blocks 3&4 and presents it both as a total, as

USD per barrel and in MUSD. To align the calculations with the effects of the cost recovery mechanism of the EPSA, Netback (net of capex) is also presented.

Netback (net of Capex) per barrel increased to USD 5.7 per barrel as result of the higher oil price and decrease in operating expenses.

Netback Blocks 3&4, USD/bbl	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Value of oil produced (Average OSP)	84.8	79.9	89.7	76.7	81.3
Government take	-40.7	-38.3	-43.0	-36.8	-39.0
<b>Entitlement value (after government take)</b>	<b>44.1</b>	<b>41.5</b>	<b>46.6</b>	<b>39.9</b>	<b>42.3</b>
Operating expenses	-18.0	-20.3	-17.1	-16.8	-17.4
<b>Netback</b>	<b>26.1</b>	<b>21.3</b>	<b>29.5</b>	<b>23.1</b>	<b>24.9</b>
Capex	-20.4	-21.0	-21.5	-24.5	-25.1
<b>Netback (net of capex)</b>	<b>5.7</b>	<b>0.3</b>	<b>8.1</b>	<b>-1.4</b>	<b>-0.2</b>

Netback Blocks 3&4, MUSD	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Value of oil produced (Average OSP)	59.3	58.4	69.3	59.9	66.5
Government take	-28.5	-28.0	-33.3	-28.7	-31.9
<b>Entitlement value (after government take)</b>	<b>30.8</b>	<b>30.4</b>	<b>36.0</b>	<b>31.1</b>	<b>34.6</b>
Operating expenses	-12.6	-14.8	-13.2	-13.1	-14.2
<b>Netback</b>	<b>18.2</b>	<b>15.5</b>	<b>22.8</b>	<b>18.0</b>	<b>20.4</b>
Capex	-14.2	-15.3	-16.6	-19.1	-20.6
<b>Netback (net of capex)</b>	<b>4.0</b>	<b>0.2</b>	<b>6.2</b>	<b>-1.1</b>	<b>-0.2</b>



## Financial position and cash flow

### Assets and equity

As of 30 June 2024, the Group's total assets amounted to MUS\$ 294.3 compared to MUS\$ 287.8 at the end of the previous quarter. The majority of the Group's assets are oil and gas properties, making up MUS\$ 257.4 at the end of the quarter compared to MUS\$ 251.0 at the end of the previous quarter. As of 30 June 2024, the Shareholders' equity was MUS\$ 265.3 compared to MUS\$ 260.3 at the end of the previous quarter.

### Liquidity and financing

As of 30 June 2024, cash and cash equivalents amounted to MUS\$ 18.1 (MUS\$ 14.9). Tethys Oil had no financial debt by the closing of the second quarter.

In early August, Tethys Oil signed a loan agreement for a MUS\$ 60 amortising term loan facility with Abu Dhabi Commercial Bank. More information on the loan agreement is found on page 8.

### Cash flow and investments

The Free Cash flow in the second quarter 2024 was MUS\$ 3.1, an increase from MUS\$ -10.8 in the previous quarter. The increase is mainly a result of increased Cash flow from operations, including a positive cash flow from change in working capital, in the period.

Cash flow from operations before change in working capital amounted to MUS\$ 15.5 compared to MUS\$ 12.9 in the previous quarter.

The change in working capital amounted to MUS\$ 4.4 compared to MUS\$ -6.7 in the previous quarter. The positive contribution from working capital is the result of decrease in accounts receivable and the shift in underlift/overlift position.

Cash flow from operations in the second quarter 2024 amounted to MUS\$ 19.9 compared to MUS\$ 6.2 in the previous quarter.

Outgoing cash flow from Investment activities decreased to MUS\$ -16.8 compared to MUS\$ -17.1 in the previous quarter.

Capital investments on Blocks 3&4 for the second quarter amounted to MUS\$ 14.2 (15.3). The decrease was primarily driven by an increased use of inventory, offsetting the otherwise increased activities between the quarters.

The second quarter capital investments on Block 58 of MUS\$ 1.4 (0.2) relate to the civils works and pre-drilling expenses for the Kunooz-1 well.

The capital investments on Block 49 and Block 56 of MUS\$ 0.1 (0.3) and MUS\$ 0.8 (1.1) respectively are related to the blocks' test activities and preparations for future drilling. The capital investment of MUS\$ 0.1 (0.0) in new venture is related to the new Algeria venture.

There was no cash flow from financing activities in the period 1 January to 30 June 2024.

Balance Sheet, MUS\$	30 Jun 24	31 Mar 24	31 Dec 23	30 Sep 23	30 Jun 23
<b>Non-current assets</b>					
Oil and gas properties	257.4	251.0	244.8	277.0	266.0
Other fixed assets	0.6	0.3	0.4	0.5	0.5
<b>Current assets</b>					
Other current assets	18.2	21.6	20.1	22.1	20.6
Cash and cash equivalents	18.1	14.9	25.8	27.7	33.9
<b>Total assets</b>	<b>294.3</b>	<b>287.8</b>	<b>291.1</b>	<b>327.2</b>	<b>321.0</b>
<b>Shareholders' equity</b>	<b>265.3</b>	<b>260.3</b>	<b>258.2</b>	<b>288.4</b>	<b>282.2</b>
Non-current liabilities	14.1	13.8	13.6	11.6	11.5
Current liabilities	14.9	13.8	19.2	27.2	27.3
<b>Total equity &amp; liabilities</b>	<b>294.3</b>	<b>287.8</b>	<b>291.1</b>	<b>327.2</b>	<b>321.0</b>
Cash flow, MUS\$	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
<b>Cash flow from operations</b>	<b>19.9</b>	<b>6.2</b>	<b>21.9</b>	<b>14.8</b>	<b>25.7</b>
Cash flow from investments	-16.8	-17.1	-19.4	-20.9	-21.7
<b>Free cash flow</b>	<b>3.1</b>	<b>-10.8</b>	<b>2.5</b>	<b>-6.1</b>	<b>4.0</b>
Cash flow from financing activities	-	-	-4.4	-0.1	-10.0
<b>Period cash flow</b>	<b>3.1</b>	<b>-10.8</b>	<b>-2.0</b>	<b>-6.2</b>	<b>-6.0</b>
<b>Investments in oil and gas properties</b>					
Blocks 3&4	14.2	15.3	16.6	19.1	20.6
Block 49	0.1	0.3	0.1	0.0	0.1
Block 56	0.8	1.1	2.3	0.2	0.5
Block 58	1.4	0.2	0.2	1.7	0.2
New ventures	0.1	0.0	0.0	-	-
<b>Total investments in oil and gas properties</b>	<b>16.7</b>	<b>17.0</b>	<b>19.2</b>	<b>21.1</b>	<b>21.4</b>

## Parent Company & Share Data

The parent company's operating result for the second quarter 2024 amounted to MSEK -8.9 compared to MSEK -10.2 in the previous quarter. Administrative expenses during the period were MSEK 13.5 compared to MSEK 14.6 in the previous quarter. The decrease is partly attributed to the decrease of personnel costs and business travel expenses compared to the previous quarter.

The Financial net result for the second quarter 2024 was MSEK 33.5 compared to MSEK 0.6 in the previous quarter. The Financial net result consists of foreign currency gains and losses of MSEK 0.3 (0.6). The current quarter also includes a dividend received from subsidiary of MSEK 33.2.

### Share data

The company's shares are listed on Nasdaq Stockholm (TETY). As of 30 June 2024, the total number of issued shares in Tethys Oil AB was 33,458,828, with a nominal value of SEK 0.18. All shares represent one vote each.

At the end of the period, Tethys Oil held 1,189,901 shares in treasury – the equivalent of 3.6 percent of issued shares.

### Annual General Meeting 2024

Tethys Oil's Annual General Meeting ("AGM") 2024 was held on 15 May 2024. For the full list of resolutions, please refer to Tethys Oil's website.

### Warrant based incentive programmes

As of 30 June 2024, Tethys Oil has three active warrant-based incentive programmes which, if exercised, can result in the issue of up to 653,700 new shares, corresponding to a potential 2.0 percent increase of total shares issued. None of the programmes had their exercise period during the quarter and none were in the money. More information regarding these programs is disclosed in Note 8 of the financial report.

### Long-Term Incentive Program (LTIP)

As of 30 June 2024, Tethys Oil has two share based Long-Term Incentive Programmes for all employees excluding the Executive management. LTIP 2022 was launched in October 2022 and LTIP 2023 was launched in April 2023. In June 2024 the Board of Directors decided to terminate the 2023 LTIP program early and cancelled the final instalment planned for 2025 without compensation. More information regarding these programmes is disclosed in Note 8 of the financial report.

Numbers of shares	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Shares in issue, end of the period	33,458,828	33,458,828	33,458,828	33,056,608	33,056,608
Shares issued, during the period	-	-	402,220	-	-
Shares repurchased, during the period	-	-	-	25,000	58,795
Treasury shares, end of the period	1,189,901	1,189,901	1,189,901	1,189,901	1,164,901
Shares outstanding, end of the period	32,268,927	32,268,927	32,268,927	31,866,707	31,891,707
Weighted average outstanding before dilution, during the period	32,268,927	32,268,927	32,243,389	31,867,861	31,936,260
Weighted average outstanding after dilution, during the period	32,268,927	32,268,927	32,247,353	31,924,740	31,957,531

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

MUSD	Note	Second quarter 2024	Second quarter 2023	First six months 2024	First six months 2023	Full year 2023
<b>Revenue and other income</b>	2, 3	30.8	34.7	60.9	70.1	138.2
Operating expenses		-12.6	-14.9	-27.6	-29.5	-56.4
<b>Gross profit</b>		18.2	19.8	33.4	40.5	81.7
Depletion, depreciation and amortisation	2	-10.4	-10.7	-21.2	-21.7	-42.0
Impairment		-	-	-	-	-36.9
Exploration costs		-	-0.1	-	-0.1	-6.4
Administrative expenses		-2.5	-2.8	-4.7	-4.9	-8.3
Share of net result from associates		-	-	-	-	0.2
<b>Operating result</b>		5.3	6.1	7.4	13.8	-11.6
<b>Financial result – net</b>		-0.8	2.0	4.4	2.2	-4.4
<b>Result before tax</b>		4.5	8.1	11.9	16.0	-16.0
Income tax		-0.0	-	-0.0	-	-0.5
<b>Net result</b>		4.5	8.1	11.8	16.0	-16.5
<b>Other comprehensive income</b>						
<i>Items that may be subsequently reclassified to profit or loss:</i>						
Exchange differences		0.4	-1.3	-4.9	-1.0	5.9
<b>Other comprehensive income</b>		0.4	-1.3	-4.9	-1.0	5.9
<b>Total comprehensive income</b>		5.0	6.8	6.9	15.0	-10.6
<i>Total comprehensive income attributable to:</i>						
Shareholders in the parent company		5.0	6.8	6.9	15.0	-10.6
Non-controlling interest		-	-	-	-	-
<b>Result per share</b>						
Earnings per share (before dilution), USD		0.14	0.25	0.37	0.50	-0.51
Earnings per share (after dilution), USD		0.14	0.25	0.37	0.50	-0.51
Weighted average number of shares (before dilution)		32,268,927	31,936,260	32,268,927	32,068,976	32,060,671
Weighted average number of shares (after dilution)		32,268,927	31,957,531	32,268,927	32,115,497	32,099,193

**CONSOLIDATED BALANCE SHEET IN SUMMARY**

<b>MUSD</b>	<b>Note</b>	<b>30 Jun 2024</b>	<b>31 Dec 2023</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Oil and gas properties	4	257.4	244.8
Other fixed assets		0.6	0.4
		<b>258.0</b>	<b>245.2</b>
<b>Current assets</b>			
Trade and other receivables	5	17.9	19.9
Prepaid expenses		0.3	0.2
Cash and cash equivalents		18.1	25.8
		<b>36.3</b>	<b>45.9</b>
<b>TOTAL ASSETS</b>		<b>294.3</b>	<b>291.1</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital		0.8	0.8
Additional paid in capital		78.0	78.0
Reserves		-4.7	0.3
Retained earnings		191.1	179.2
<b>Total shareholders' equity</b>		<b>265.3</b>	<b>258.2</b>
<b>Non-current liabilities</b>			
Non-current provisions		14.0	13.5
Other non-current liabilities		0.1	0.1
		<b>14.1</b>	<b>13.6</b>
<b>Current liabilities</b>			
Accounts payable and other current liabilities	6	14.9	19.2
		<b>14.9</b>	<b>19.2</b>
<b>Total liabilities</b>		<b>29.0</b>	<b>32.9</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>294.3</b>	<b>291.1</b>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN SUMMARY**

MUSD	Share capital	Paid in capital	Reserves	Retained earnings	Total equity
<b>Opening balance 1 January 2023</b>	<b>0.8</b>	<b>76.3</b>	<b>-5.6</b>	<b>213.7</b>	<b>285.2</b>
Net result 2023	-	-	-	-16.5	-16.5
Other comprehensive income	-	-	5.9	-	5.9
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>5.9</b>	<b>-16.5</b>	<b>-10.6</b>
<b>Transactions with owners</b>					
Share issue	0.0	1.7	-	-	1.7
Repurchase of shares	-	-	-	-2.3	-2.3
Dividend	-	-	-	-6.3	-6.3
Share redemption	-	-	-	-9.4	-9.4
Incentive programme	-	-	-	0.0	0.0
<b>Total transactions with owners</b>	<b>0.0</b>	<b>1.7</b>	<b>0.0</b>	<b>-18.0</b>	<b>-16.4</b>
<b>Closing balance 31 December 2023</b>	<b>0.8</b>	<b>78.0</b>	<b>0.3</b>	<b>179.2</b>	<b>258.2</b>
<b>Opening balance 1 January 2024</b>	<b>0.8</b>	<b>78.0</b>	<b>0.3</b>	<b>179.2</b>	<b>258.2</b>
Result for the six-month period	-	-	-	11.8	11.8
Other comprehensive income	-	-	-4.9	0.0	-4.9
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>-4.9</b>	<b>11.9</b>	<b>7.0</b>
<b>Transactions with owners</b>					
Incentive programme	-	-	-	0.1	0.1
<b>Total transactions with owners</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>
<b>Closing balance 30 June 2024</b>	<b>0.8</b>	<b>78.0</b>	<b>-4.7</b>	<b>191.1</b>	<b>265.3</b>

**CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY**

MUSD	Note	Second quarter 2024	Second quarter 2023	First six months 2024	First six months 2023	Full year 2023
<b>Cash flow from operations</b>						
Result before tax		4.5	8.1	11.9	16.0	-16.0
Adjustment for:						
Depletion, depreciation		10.4	10.5	21.2	21.4	42.0
Impairment		-	-	-	-	36.9
Exploration costs		-	0.1	-	0.1	6.4
Other non-cash related items		0.5	-0.5	-4.4	-0.3	5.2
Interest received		-	-	-	-	1.1
Income tax paid		-	-	-0.3	-0.1	-0.8
<b>Total cash flow from operations before change in working capital</b>		<b>15.5</b>	<b>18.1</b>	<b>28.4</b>	<b>37.1</b>	<b>74.9</b>
Change in receivables		3.4	4.7	1.9	7.0	7.5
Change in liabilities		1.1	2.8	-4.1	1.9	0.3
<b>Cash flow from operations</b>		<b>19.9</b>	<b>25.7</b>	<b>26.2</b>	<b>46.1</b>	<b>82.7</b>
<b>Investment activity</b>						
Investment in oil and gas properties	4	-16.7	-21.4	-33.7	-41.4	-81.7
Investment in other fixed assets		-0.1	-0.3	-0.2	-0.3	-0.5
Dividend from associates		-	-	-	-	0.2
<b>Cash flow from investment activity</b>		<b>-16.8</b>	<b>-21.7</b>	<b>-33.9</b>	<b>-41.7</b>	<b>-82.0</b>
<b>Financing activity</b>						
Share issue		-	-	-	-	1.7
Repurchase of shares		-	-0.3	-	-2.2	-2.4
Dividend		-	-	-	-	-6.1
Share redemption		-	-9.0	-	-9.0	-9.0
Incentive programme		-	-0.7	-	-0.7	-0.7
<b>Cash flow from financing activity</b>		<b>-</b>	<b>-10.0</b>	<b>-</b>	<b>-12.0</b>	<b>-16.5</b>
<b>Period cash flow</b>		<b>3.1</b>	<b>-6.0</b>	<b>-7.7</b>	<b>-7.6</b>	<b>-15.7</b>
Cash and cash equivalents at the beginning of the period		14.9	39.9	25.8	41.5	41.5
Exchange gains/losses on cash and cash equivalents		0.0	-0.0	-0.0	-0.0	-0.0
<b>Cash and cash equivalents at the end of the period</b>		<b>18.1</b>	<b>33.9</b>	<b>18.1</b>	<b>33.9</b>	<b>25.8</b>

**PARENT COMPANY INCOME STATEMENT IN SUMMARY**

MSEK	Note	Second quarter 2024	Second quarter 2023	First six months 2024	First six months 2023	Full year 2023
Other income		4.5	3.7	8.9	9.1	16.5
Administrative expenses		-13.5	-18.9	-27.9	-32.6	-64.4
Dividend income from associates		-	-	-	-	2.2
<b>Operating result</b>		<b>-8.9</b>	<b>-15.2</b>	<b>-19.0</b>	<b>-23.5</b>	<b>-45.7</b>
Net financial result		33.5	37.0	34.2	42.7	638.6
<b>Result before tax</b>		<b>24.6</b>	<b>21.8</b>	<b>15.1</b>	<b>19.2</b>	<b>592.9</b>
Income tax		-	-	-	-	-
<b>Net Result<sup>1</sup></b>		<b>24.6</b>	<b>21.8</b>	<b>15.1</b>	<b>19.2</b>	<b>592.9</b>

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	30 Jun 2024	31 Dec 2023
<b>ASSETS</b>			
Total non-current assets		940.9	940.3
Total current assets		28.9	25.0
<b>TOTAL ASSETS</b>		<b>969.7</b>	<b>965.2</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Restricted shareholders' equity		77.1	77.1
Unrestricted shareholders' equity		885.0	869.0
Total current liabilities		7.6	19.1
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>969.7</b>	<b>965.2</b>

## 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 30 June 2024 has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act.

The interim consolidated financial statements have been prepared, consistent with the 2023 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 2023 annual report.

The accounting principles applied in the period are consistent with those applied for the financial year 2023 and the comparable interim reporting period, as they are described in the 2023 annual report.

The interim financial information for the period ended 30 June 2024 and 30 June 2023 has not been reviewed by the Company’s auditors.

### Exchange rates

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

### 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.

### 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 2023 on pages 85-87 and page 117.

Currency	30 Jun 2024		30 Jun 2023		31 Dec 2023	
	Average	Period end	Average	Period end	Average	Period end
USD/SEK	10.53	10.61	10.47	10.85	10.61	10.04

**Note 2) Segment reporting**

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

Producing assets include 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. The detailed analysis of Oil and gas properties is presented in note 4.

Group income statement January-June 2024					
MUSD	Producing assets	Non-producing assets	Other	Eliminations	Total
Revenue and other income	60.9	0.4	0.8	-1.2	60.9
Operating expenses	-27.4	-0.1	-	-	-27.6
Depreciation, depletion and amortisation	-21.1	-	-0.1	-	-21.2
Administrative expenses	-2.6	-0.7	-2.7	1.3	-4.7
<b>Operating result</b>	<b>9.8</b>	<b>-0.4</b>	<b>-2.0</b>	<b>0.0</b>	<b>7.4</b>
Revenue by country					
MUSD	Producing assets	Non-producing assets	Other	Eliminations	Total
Revenue and other income					
Oman	60.9	0.4	-	-0.4	60.9
Other	-	-	0.8	-0.8	0.0
Oil and gas properties as of 30 June 2024					
MUSD	Producing assets	Non-producing assets	Other	Eliminations	Total
Oil and gas properties	198.5	58.8	0.1	-	257.4

Group income statement January-June 2023					
MUSD	Producing assets	Non-producing assets	Other	Eliminations	Total
Revenue and other income	70.1	-	0.9	-0.9	70.1
Operating expenses	-28.8	-0.7	-	-	-29.5
Depreciation, depletion and amortisation	-21.5	-	-0.3	0.1	-21.7
Exploration costs	-	-	-0.1	-	-0.1
Administrative expenses	-2.0	-0.2	-3.3	0.7	-4.9
<b>Operating result</b>	<b>17.7</b>	<b>-0.9</b>	<b>-2.9</b>	<b>-0.1</b>	<b>13.8</b>
Revenue by country					
MUSD	Producing assets	Non-producing assets	Other	Eliminations	Total
Revenue and other income					
Oman	70.1	-	-	-	70.1
Other	-	-	0.9	-0.9	0.0
Oil and gas properties as of 30 June 2023					
MUSD	Producing assets	Non-producing assets	Other	Eliminations	Total
Oil and gas properties	216.6	49.4	0.0	0.0	266.0

**Note 3) Revenue and other income**

MUSD	Second quarter 2024	Second quarter 2023	First six months 2024	First six months 2023	Full year 2023
Revenue	32.6	37.8	61.6	76.3	143.8
Underlift (+) / overlift (-), adjustments	-1.8	-3.1	-0.7	-6.2	-5.6
<b>Revenue and other income</b>	<b>30.8</b>	<b>34.7</b>	<b>60.9</b>	<b>70.1</b>	<b>138.2</b>

**Note 4) Oil and gas properties**

MUSD	Phase	Tethys Oil's share	30 Jun 2024	Investments	DD&A	Impairment	Exploration cost	Site restoration and other adjustments	31 Dec 2023
Blocks 3&4	Prod.	30%	198.5	29.6	-21.0	-	-	-	190.0
Block 49	Expl.	100%	1.6	0.4	-	-	-	-	1.2
Block 56	Expl.	65%	45.4	2.0	-	-	-	-	43.4
Block 58	Expl.	100%	11.8	1.6	-	-	-	-	10.2
New ventures			0.1	0.1	-	-	-	-	0.0
<b>Total</b>			<b>257.4</b>	<b>33.7</b>	<b>-21.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>244.8</b>

**Note 5) Trade and other receivables**

MUSD	30 Jun 2024	31 Dec 2023
Trade receivables oil sales	10.3	9.8
Underlift position	-	0.5
Non-trade receivables	5.5	5.0
Joint operation receivables	-	0.1
Other current receivables	2.1	4.4
<b>Total</b>	<b>17.9</b>	<b>19.9</b>

**Note 6) Accounts payable and other current liabilities**

MUSD	30 Jun 2024	31 Dec 2023
Accounts payable	0.4	0.2
Joint operations payable	13.2	17.2
Overlift position	0.2	-
Tax liabilities	0.0	0.3
Other current liabilities	1.1	1.5
<b>Total</b>	<b>14.9</b>	<b>19.2</b>

**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, Tethys Oil Invest 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) Incentive programmes**

Tethys Oil has incentive programmes as part of the remuneration package to employees.

**Warrants**

Warrants have been issued annually since 2015, following a decision by the respective AGM. Since 2021 warrants are only issued to the Executive

Management. No warrants were issued or exercised during the period.

Warrant incentive programme	Exercise period	Subscription price, SEK	Shares per warrant	1 Jan 2024	Number of warrants			30 Jun 2024
					Issued 2024	Exercised 2024	Expired 2024	
2021 programme	12 Jun - 4 Oct 2024	66.10	1.15	200,000	-	-	-	200,000
2022 programme	18 Aug - 6 Oct 2025	92.80	1.07	160,000	-	-	-	160,000
2023 programme	3 Jun - 28 Sep 2026	59.40	1.01	250,000	-	-	-	250,000
<b>Total</b>				<b>610,000</b>	-	-	-	<b>610,000</b>

**Long-Term Incentive Programme (LTIP)**

Tethys Oil currently has two identical share based Long-Term Incentive Programmes for all employees excluding the Executive management, which were approved by the board. LTIP 2022-2024 ("LTIP 2022") was launched in October 2022 and LTIP 2023-2025 ("LTIP 2023") was launched in April 2023.

Each Programme comprises three-year Vesting Period. The payment of each instalment is purchased within the programme. For LTIP 2022 a total

amount of MSEK 6.0 was granted to the participants of the programme to be earned during the vesting period out of which MSEK 2.3 remain outstanding as at reporting date. The maximum limit for LTIP 2023 is MSEK 5.3. In June 2024, the Board of Directors decided to terminate LTIP 2023 programme in advance by cancelling the final instalment due in 2025 without compensation. The net effect of the cancellation amounted at MSEK 0.6 and MSEK 2.4 remain outstanding as of the reporting date accordingly.

**Note 9) 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, filed on an annual basis.

**Note 10) Pledged assets**

The parent company has no pledged assets as per 30 June 2024 (2023: MUS\$ 0.0).

**Note 11) Contingent liabilities**

As part of the October 2020 farmin transaction with Medco for Block 56 there is further potential

contingent consideration upon a declaration of commerciality.

**Note 12) 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 2023 Annual Report.

<b>EBITDA and Net cash, MUSD</b>	<b>Second quarter 2024</b>	<b>Second quarter 2023</b>	<b>First six months 2024</b>	<b>First six months 2023</b>	<b>Full year 2023</b>
Operating result	5.3	6.1	7.4	13.8	-11.6
Add: Depreciation, depletion and amortisation	10.4	10.7	21.2	21.7	42.0
Add: Impairment	-	-	-	-	36.9
Add: Exploration costs	-	0.1	-	0.1	6.4
Less: Share of net result from associates	-	-	-	-	-0.2
<b>EBITDA</b>	<b>15.7</b>	<b>16.9</b>	<b>28.7</b>	<b>35.7</b>	<b>73.5</b>
Cash and cash equivalents	18.1	33.9	18.1	33.9	25.8
Less: Interest bearing debt	-0.1	-0.3	-0.1	-0.3	-0.1
<b>Net cash</b>	<b>18.0</b>	<b>33.6</b>	<b>18.0</b>	<b>33.6</b>	<b>25.7</b>

**Key data per quarter**

	<b>Q2 2024</b>	<b>Q1 2024</b>	<b>Q4 2023</b>	<b>Q3 2023</b>	<b>Q2 2023</b>
Net daily production before government take, Blocks 3&4, bbl	7,688	8,032	8,397	8,486	8,994
Net entitlement barrels, bbl	363,779	380,053	401,708	405,952	425,585
Net entitlement share of production, percent	52%	52%	52%	52%	52%
Oil sales, bbl	386,951	364,859	383,004	417,275	463,196
Achieved Oil Price, USD/bbl	84.3	79.5	90.4	76.9	81.6
Average OSP, USD/bbl	84.8	79.9	89.7	76.7	81.3
Operating expenses, USD/bbl	18.0	20.3	17.1	16.8	17.4
Revenue and other income, MUSD	30.8	30.1	36.4	31.8	34.7
EBITDA, MUSD	15.7	13.0	21.5	16.4	16.9
Operating result, MUSD	5.3	2.1	-31.9	6.5	6.1
Earnings per share after dilution, USD	0.14	0.23	-1.20	0.19	0.25
Cash flow from operations, MUSD	19.9	6.2	21.9	14.8	25.7
Investment in oil and gas properties, MUSD	16.7	17.0	19.2	21.1	21.4
Free cash flow, MUSD	3.1	-10.8	2.5	-6.1	4.0
Cash and cash equivalents, MUSD	18.1	14.9	25.8	27.7	33.9
Return on shareholders' equity, rolling 12 months	-8%	-6%	-6%	13%	18%
Return on capital employed, rolling 12 months	0%	-6%	-4%	12%	16%
Share price end of period, SEK	34.1	35.6	43.5	54.9	48.8



**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**

<b>EBITDA</b>	Earnings before interest, tax, depreciation, and amortisation.
<b>EBITDA-margin</b>	EBITDA as a percentage of revenue and other income.
<b>Equity ratio</b>	Shareholders' equity as a percentage of total assets.
<b>Return on shareholder's equity, rolling 12 months</b>	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.
<b>Return on capital employed, rolling 12 months</b>	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.
<b>Net entitlement</b>	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.
<b>Net entitlement share</b>	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.
<b>Cost Oil</b>	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").
<b>Profit Oil</b>	Profit Oil remains after the deduction of Cost Oil. The majority of the Profit Oil is the government's take according to a fixed percentage.
<b>Cost pool</b>	Any outstanding balance of unrecovered historical cost from previous periods.
<b>Production before government take</b>	Net share of total production.
<b>Underlift/ Overlift</b>	Calculation of net from Net Entitlement barrels and lifted barrels. Lifting more barrels results in an overlift and the opposite is an underlift.
<b>Netback</b>	Gross profit per barrel of oil. Average OSP reduced by royalties/government take and operating and transport expenses per barrel.
<b>Achieved Oil Price</b>	Achieved Oil Price is calculated with revenue from oil sales within the period divided by sold barrels of oil.
<b>Average OSP</b>	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).
<b>Oman OSP</b>	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.
<b>Net cash</b>	Cash and equivalents less interest-bearing debt.
<b>Number of employees</b>	Average number of fulltime employees during the period.
<b>Shareholders' equity per share</b>	Shareholders' equity divided by the number of outstanding shares.
<b>Weighted average number of shares (after dilution)</b>	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.
<b>Treasury shares</b>	Own shares held by Tethys Oil following share repurchases.
<b>Earnings per share</b>	Net result for the period divided by the weighted number of shares.
<b>SEK</b>	Swedish krona.
<b>MSEK</b>	Millions of Swedish kronor.
<b>USD</b>	US dollar.
<b>MUSD</b>	Millions of US dollars.
<b>Bbl</b>	One barrel of oil = 159 litres, 0.159 cubic meters.
<b>Bopd</b>	Oil production is often given in numbers of Barrels of Oil per Day.
<b>Mbo</b>	Thousand Barrels.
<b>Mmbo</b>	Million Barrels.
<b>EPSA</b>	Exploration and Production Sharing Agreement.
<b>Prospective resources (2U)</b>	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.

## FINANCIAL CALENDAR:

- Report for the third quarter 2024 (January – September) on 5 November 2024
- Year-end report 2024 (January – December) on 4 February 2025
- Report for the first quarter 2025 (January – March 2025) on 6 May 2025

## CONFERENCE CALL

**Date:** 6 August 2024

**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/sc68haue>

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

Stockholm, 6 August 2024

**Tethys Oil AB (publ)**

Org. No. 556615-8266

### Board assurance

The Board of Directors and the Managing Director certify that the half-year report gives a fair review of the performance of the business, position and profit or loss of the Company and the Group and describes the principal risks and uncertainties that the company and the companies in the Group face.

Per Seime

*Chairman*

Rob Anderson

*Director*

Klas Brand

*Director*

Staffan Knafve

*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 and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 7:30 CEST on 6 August 2024.*