TETHYS OIL

Annual and Sustainability Report 2024

24

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THE MUSCAT OFFICE

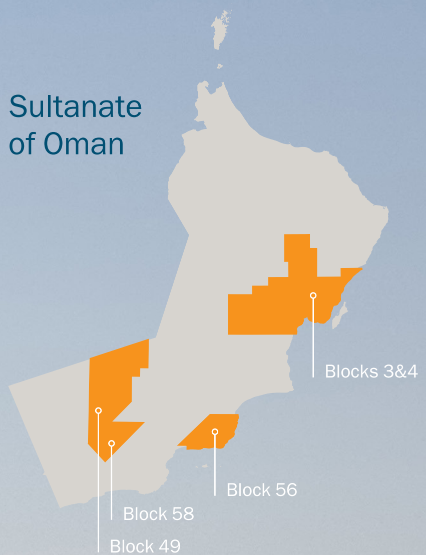
The Muscat office is the base for Tethys Oil’s team of geologists, engineers and operations specialists together with finanace and administrative staff.

STOCKHOLM OFFICE

Tethys Oil’s head office is located in Stockholm, Sweden. It is the base for the Managing Director, the Chief Financial Officer, the Chief Legal Officer and the Head of Energy Investments, along with Tethys Oil’s finance, business development, human resources, sustainability and communications staff.

More information on Tethys Oil’s employees can be found on pages 28 to 35.

Tethys Oil is an oil exploration and production company with focus on onshore areas with known oil discoveries. Founded in 2001, with headquarters in Stockholm, the Group's core area of operations is the Sultanate of Oman, where it has been active since 2006. Tethys Oil currently holds interests in the Exploration and Production Sharing Agreements (EPSA) for blocks that cover an area totalling 18 percent of Oman and is one of the largest acreage holders in the country. From its producing assets on Blocks 3&4, the Group had a production of 7,889 barrels of oil per day in 2024.



54,934 km² — area of operated and non-operated blocks

7,889 barrels — average oil production per day from Blocks 3&4 in 2024

2024 in brief

2024 was another year with high activity across Tethys Oil's oil and gas portfolio – during which both exploration and production activities received equal focus. In February, the Board of Directors initiated a strategic review of the Group's portfolio of oil and gas assets. This process was concluded by a tender offer for the whole Group by Roc Oil Company Pty Limited, a transaction which closed in late December 2024. Tethys Oil's shares were delisted from Nasdaq Stockholm in January 2025.

Production from Blocks 3&4 was 7,889 bopd in 2024. In the first half of 2024, production was impacted by severe weather conditions and their aftermath. In the year's second half, production stabilised and recovered following production assurance initiatives and successful development drilling. On Block 3, two successful exploration wells were drilled on either side of the main Farha trend. On Block 4, the Shallal-1 well was drilled with the aim of testing the commercial potential of the heavy oil in the area. The multi-year seismic coverage programme on Block 4 concluded with 6,200 km^2 of seismic being acquired. The processing and interpretation of the collected data is ongoing.

The second phase of the Gas-to-Power project on Blocks 3&4 was rolled out in 2024. The aim of the project is to reduce routine flaring and the use of diesel generators by using the associated gas produced for power generation. In total, around 90 producing wells were connected to the power plant by the end of the year. The project led to an increase in gas utilisation by 630 percent and a reduction in flaring by 10 percent taking the Group closer to the World Bank's goal of "Zero Routine Flaring by 2030".

In June, Tethys Oil submitted a field development plan (FDP) for Block 56 to the Ministry of Energy and Minerals (MEM). The FDP covers the development of three discoveries in the Eastern Flank area as well as a plan to appraise and develop nearby leads and prospects. The plan was approved in November when the block was declared commercial, and Tethys Oil and its partners on the block were awarded an extension of the EPSA until 2044. The declaration of commerciality is a significant milestone for Tethys Oil as it will be the first time the Group operates a commercially producing oil field. Development and drilling activities are expected to commence before the end of 2025.

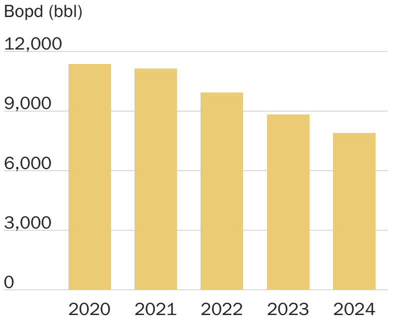
On Block 58, the focus of 2024 was preparing for and drilling the Kunooz-1 exploration well. While the well was unable to confirm the presence of hydrocarbons during testing, the drilling and open-hole testing performed were operational successes with no incidents. The well yielded an increased understanding of the play's prospectivity, and additional analysis and evaluation are planned for 2025.

On Block 49, following discussions with MEM, Tethys Oil entered the second exploration phase in March 2024. The second exploration phase extended the EPSA until December 2026.

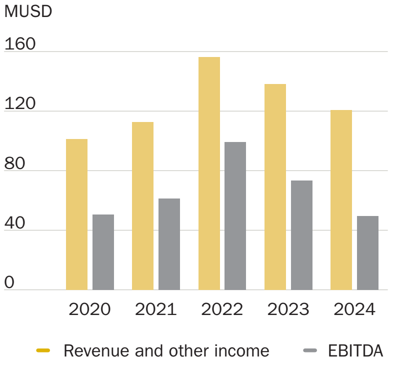
Financial summary

MUSD (unless specifically stated)	2024	2023	2022	2021	2020
Average daily production Blocks 3&4, before government take, bbl	7,889	8,818	9,940	11,136	11,336
Achieved oil price per barrel, USD	80.7	82.4	94.2	62.8	47.7
Revenue and other income	120.9	138.2	156.5	112.7	101.1
EBITDA	54.4	73.5	99.1	61.4	50.4
Cash and cash equivalents	16.0	25.8	41.5	68.6	55.4
Investments in oil and gas properties	81.1	81.7	89.1	35.2	45.4
Free cash flow	-37.3	0.8	-2.3	29.7	6.7

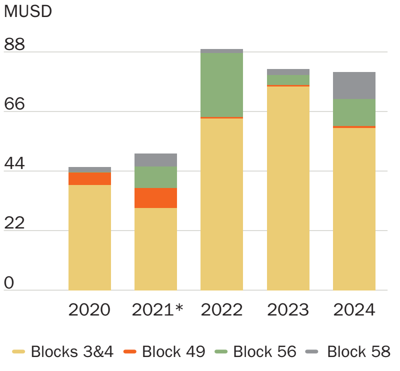
Production per day, barrels



Financials

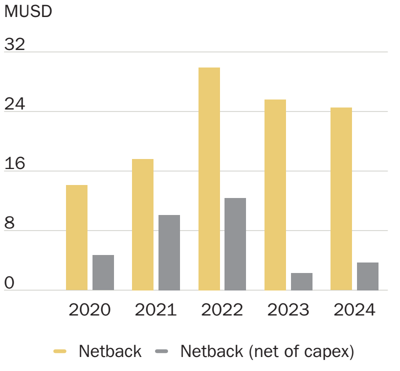


Investments oil & gas assets



*2021 investments for Block 49 are presented adjusted for effects of the farmout to EOG

Netback



Carbon emissions/ revenue (kg CO_2e/USD)

1.80

(1.70 kg CO_2e/USD)

Lost-time injury rate, operated blocks (LTIR)

0.00

(0.00h per 1 mn hours worked)

Flaring intensity (scf/bbl)

668

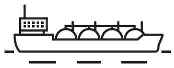
(715 scf/bbl)

Business model: Tethys Oil's position in the value chain

The oil and gas industry is a vital part of the global economy, providing energy for transportation, heating, electricity generation and various industrial processes. The industry is divided into three sectors: upstream, midstream and downstream.

Upstream

The upstream sector includes the entire exploration and production life cycle. From exploration activities such as seismic surveys and exploration and appraisal drilling to the development, production and sales of oil and gas.

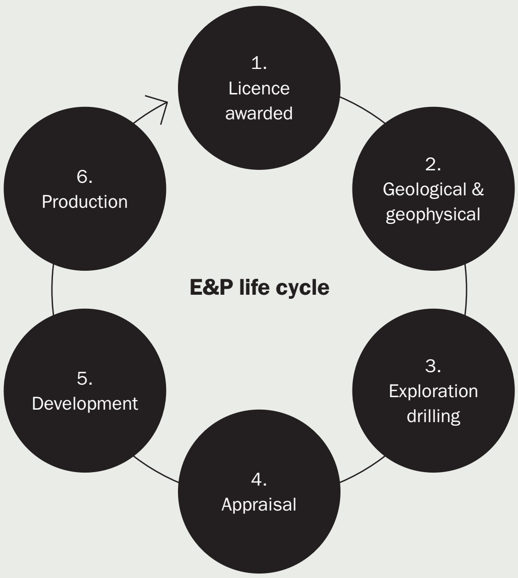


Midstream

The midstream sector covers the storage, transportation and distribution aspects of the industry. Important elements include building and operating pipelines and other transport methods such as oil tankers as well as physical trading of oil and gas and related products.

Downstream

The downstream sector faces the end-consumer and focus on the refining, marketing and distribution of petroleum products, including gasoline, diesel jet fuel, lubricants and petrochemicals, through various channels such as filling stations, wholesale distribution and direct sales to industrial customers.



Tethys Oil's exploration and production life cycle
The stages represent an overview of the process from licence award to production, which is complex and involves risks and opportunities at each step.

1.
A licence is awarded from the government to explore for oil in a specific area.

2.
Geological & geophysical (G&G) includes surface geology and seismic surveys where geoscientists try to identify potential hydrocarbon deposits.

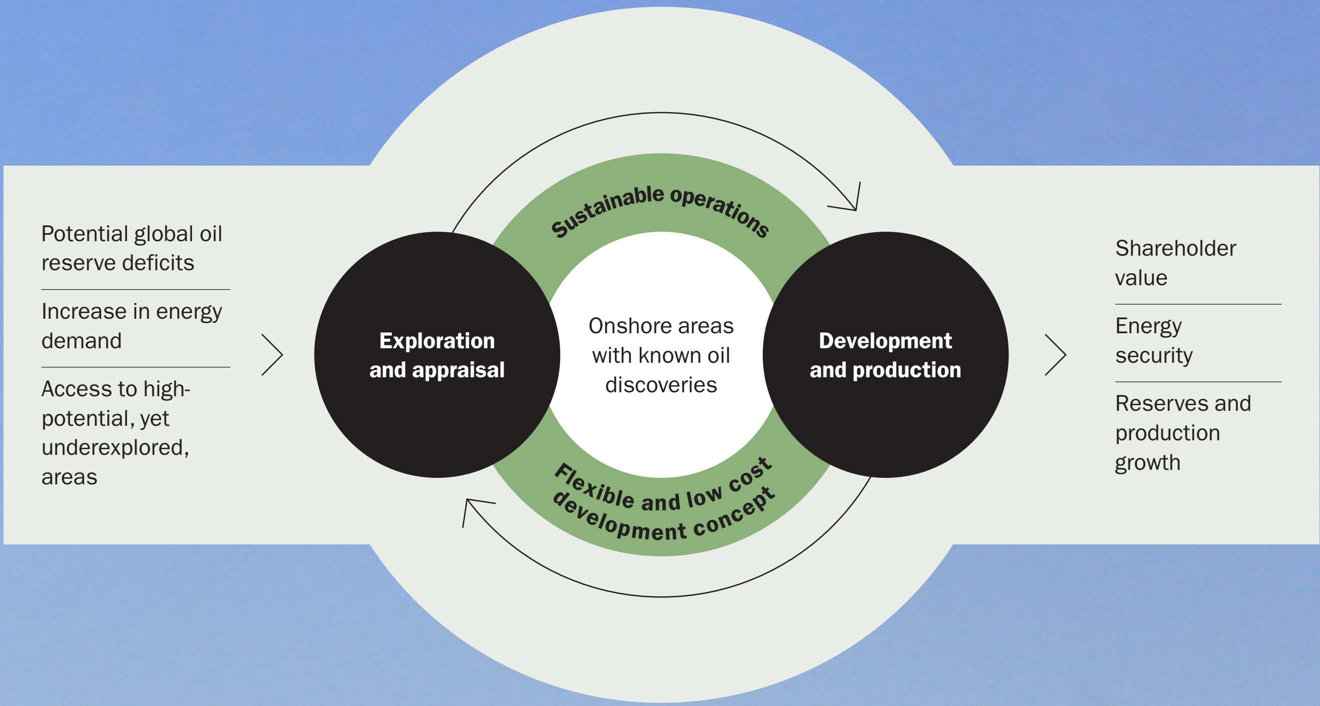
3.
Exploration drilling based on findings of G&G studies.

4.
Additional wells are drilled in the appraisal stage to determine extent of discoveries.

5.
Development starts, including construction of production infrastructure.

6.
Production begins and the extracted oil is being transported to buyers.

Tethys Oil's business model



Tethys Oil's position

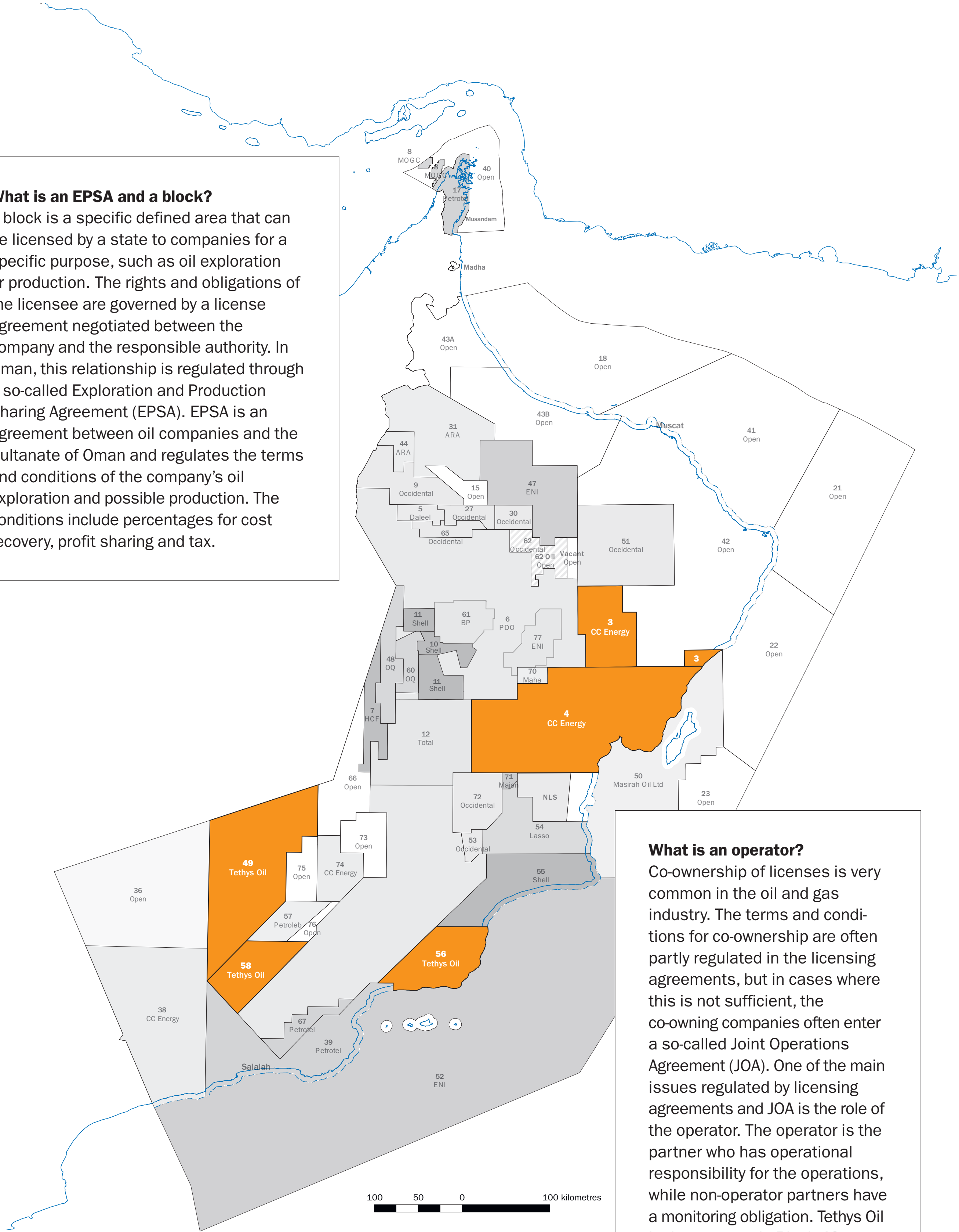
Tethys Oil is active in the upstream oil and gas industry, working across the whole lifecycle of exploration, appraisal, development, and production. Tethys Oil seeks to build, maintain and expand a well-balanced portfolio of oil assets, offering a measured exposure to onshore production, development, appraisal and exploration potential.

The Group focuses 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, creating value through responsible oil and gas exploration and production.

Tethys Oil's exploration strategy

Tethys Oil focuses its value creation process on the high potential, yet underexplored, areas flanking the basins that currently constitute most of Oman's oil production. So far, Tethys Oil's main success story is Blocks 3&4, with 45.6 million barrels of oil produced for Tethys Oil and with continued significant exploration potential remaining. Tethys Oil aims to explore, appraise and develop its operated blocks to bring them to commercial production. In its operations, the Group aims for low-cost drilling and exploration near established infrastructure in areas with the potential for short discovery to production cycles. In 2024, this strategy proved its strength as Block 56 was declared commercial and Tethys Oil remains committed to continue pursuing the underexplored opportunities in Oman and elsewhere.

Licences & agreements	Area, km²	Tethys Oil interest	Initial exploration phase	Second exploration phase	Production and development phase	Expiry date	Partners (operator in bold)
Blocks 3&4, Oman	29,130	30%			●	July 2040	**CCED,** Tethys Oil, Mitsui
Block 49, Oman	15,439	100%		●		December 2026	**Tethys Oil**
Block 56, Oman	5,808	65%			●	November 2044	**Tethys Oil,** Medco, Biyaq, Intaj
Block 58, Oman	4,557	100%	●			July 2025	**Tethys Oil**



What is an EPSA and a block?
A block is a specific defined area that can be licensed by a state to companies for a specific purpose, such as oil exploration or production. The rights and obligations of the licensee are governed by a license agreement negotiated between the company and the responsible authority. In Oman, this relationship is regulated through a so-called Exploration and Production Sharing Agreement (EPSA). EPSA is an agreement between oil companies and the Sultanate of Oman and regulates the terms and conditions of the company's oil exploration and possible production. The conditions include percentages for cost recovery, profit sharing and tax.

What is an operator?
Co-ownership of licenses is very common in the oil and gas industry. The terms and conditions for co-ownership are often partly regulated in the licensing agreements, but in cases where this is not sufficient, the co-owning companies often enter a so-called Joint Operations Agreement (JOA). One of the main issues regulated by licensing agreements and JOA is the role of the operator. The operator is the partner who has operational responsibility for the operations, while non-operator partners have a monitoring obligation. Tethys Oil is the operator in Block 49, Block 56, and Block 58. CCED is the operator of Blocks 3&4.

Sustainability at Tethys Oil

Tethys Oil's approach to sustainability
Tethys Oil recognises the critical interplay between sustainable practices and its role within the global energy landscape. In the spirit of responsible resource management, Tethys Oil's commitment to sustainability spans across environmental, social, and governance dimensions. By fostering a delicate balance between profitability, societal well-being, and environmental stewardship, Tethys Oil aspire to pave the way toward a more sustainable energy future. Tethys Oil's sustainability strategy has evolved with its mission to create lasting shareholder value through responsible oil and gas exploration and production. With a vision of measured growth, Tethys Oil seek to cultivate a balanced portfolio of oil assets, guided by a commitment to prudent risk management. Tethys Oil's corporate culture is characterised by the values of responsibility, fairness, and ethical conduct, fostering a reputation as a forward-thinking and conscientious corporate citizen across all its global operations. Tethys Oil's strategy is rooted in its commitment to serve stakeholders, its long-term growth objectives, and the ethical principles that define its culture, all of which are encapsulated in the Group's mission, vision, and values. For more information about Tethys Oils sustainability work, please see the pages 11–55.

Mission

Tethys Oil is an oil and gas exploration and production company with a primary objective of creating shareholder value by working across the whole upstream industry lifecycle of exploration, appraisal, development, and production. A central belief in the 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 the Group's 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 that is also aligned with the requirements and expectations of the Group's external and internal stakeholders.

Vision

Tethys Oil's vision is that growth continues through successful exploration. 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 the Group's Code of Conduct. Tethys Oil aims to act 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.

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Tethys Oil's sustainability strategy

Within the three focus areas Environment, Social & Safety and Governance, Tethys Oil has identified material topics with the potential to impact and affect people's lives for the better. The focus areas are followed up with KPIs, action plans and long-term goals and targets to ensure progress and performance management. The focus areas contribute to several of the UN Sustainable Development Goals.

Environment

Environment is about conducting operations with minimal disturbance to the environment and to the people living nearby. Potential disturbances could for example affect the local ecosystems, water, air and human health.

Biodiversity & ecosystems

Goal: No Net Loss of biodiversity and prevention of operations in critical habitats

Emission management

Goal: Integrate climate risk into the Group business decisions and organisational strategy

Social and safety

Social and safety is Tethys Oil's focus area concerning its relationships with external and internal stakeholders. Externally, Tethys Oil, as an oil and gas company, operates in environments where the risk of accidents is always present, and its operations could impact local communities. Internally, an inclusive, diverse, and safe workplace is a key aspect of Tethys Oil's success and vital in supporting the Group's strategy on all levels.

Affected communities

Goal: Make a positive impact in the communities where the Group operates

Own workforce – health & safety

Goal: Zero harm

Equal treatment and opportunity for all

Goal: Foster a diverse and inclusive workplace

Governance

Governance refers to corporate governance as an integral part of Tethys Oil, guiding the Group in its decision-making, corporate culture and business objectives. Tethys Oil is committed to conduct business honestly, safely, ethically, and with integrity in full compliance with laws, rules, and regulations applicable to the business in the countries in which it operates.

Business conduct

Goal: Strengthen and uphold a high standard of integrity and ethical business conduct

Business resilience

Goal: Resilience to a low-carbon future

The material topics have individual goals, targets and KPIs that Tethys Oil follow up on continuously and communicate the development and progress on yearly.

Please refer to section in the Sustainability statement, pages 9–55 for the full disclosure of the material topics' goals, targets and KPIs.

ESG scorecard report with target and approach

Material issue	Primary KPI	Target	Performance 2024 (2023)	Action plan	Annual performance against target	Aligned with SDG
Environmental						
Emission management	Flaring intensity (scf/bbl.)	Zero operational routine flaring by 2030.	668 scf/bbl (715) 2% decrease	Endorse and support operator emissions and energy reduction initiatives.		13 Climate action
Biodiversity & ecosystems	Hydrocarbon spills (oil spills per million tones of production).	• Zero Tier 1 hydrocarbon releases. • No significant environmental incidents.	Spill intensity: • Blocks 3&4: 0.032 • Block 56: 0.0 Zero Tier 1 spills.	• Risk assessments & hazard identification plan for spill prevention on operated blocks. • Initiate collaborations in biodiversity conservation programmes.		15 Life on land
Social and safety						
Affected communities	# community engagement projects locally, regionally and nationally.	Ongoing long-term community engagement projects in local, regional and national/ international level.	• Blocks 49,56,58 limited to local projects • Blocks 3&4 fulfills goal	Engaging with local communities to ensure a positive impact through CSR projects and beneficial initiatives for impacting the resilience and vitality of local communities.		8 Decent work and economic growth 4 Quality education
Own workforce health & safety	Lost-time injury frequency rate (LTIR).	Better occupational health and safety records than industry standards.	• Tethys Oil incl. contractors LTIR: 0.00 • CCED LTIR: 0.61	Continuous improvement in lost-time injuries frequency through rigorous health & safety related training and pre-operational risk assessments.		3 Good health and well-being
Equal treatment and opportunity for all	# reported cases of discrimination.	• Human Rights and anti-discrimination training: 100% employees trained in policy. • Zero cases of reported discrimination.	• Zero cases of reported discri-mination. • Employee satis-faction rate 77% based on annual survey.	Fostering a diverse and inclusive workplace though awareness campaigns and policy declarations.		10 Reduced inequalities
Governance						
Business conduct	Employees completed the Code of Conduct course (%).	100% target employees trained on Code of Conduct and relevant policies and procedures.	100% employees trained in relevant policies.	Continue to hold ethical business conduct training with a focus on zero-tolerance of bribery and other forms of corruption.		8 Decent work and economic growth

Sustainability statements

About this report

Pages 9–55 in Tethys Oil's annual report constitute the Group's Sustainability Statements 2024 and complies with the Non-Financial reporting requirements implemented in Swedish law, The Annual Accounts Act 1995:1554 (Årsredovisningslagen), implemented through the EU directive 2014/95/EU. This Sustainability Report is produced in accordance with the Annual Accounts Act (ÅRL Chapter 6, 10-14) and encompasses Tethys Oil AB (publ) and its subsidiaries. The Board of Directors is responsible for the preparation of the report.

In this report, Tethys Oil presents and describes its operations' Environmental, Social and Governance (ESG) performance along with sustainability impacts, risks and opportunities, and aims to explain the organisation's approach to managing the material topics and their impacts. Based on the materiality analysis, the Sustainability Statements summarises activities and reflects the issues most relevant to the business. The report outlines why sustainability is pertinent to Tethys Oil, the Group's priorities and responsibilities, how progress is measured as well as the processes of managing each material topic.

The scope of Tethys Oil's Sustainability Statements 2024
Tethys Oil's Sustainability Statements 2024 covers the operations as consolidated in the 2024 Annual Report. In Blocks 3&4 where Tethys Oil is not assigned the role of operator, the Group is an equity interest partner. The Sustainability Statements reflect impacts in both operated and non-operated EPSAs. However, the reporting of the measures taken to reduce sustainability impacts is focused on the blocks where Tethys Oil is the operator, hence having the control over the decision making of the day-to-day operations.

Due to its limited exposure and Tethys Oil's divestment from the associated Lithuanian company Minijos Nafta in 2024, no data from the company is included in the report.

All ESG related issues are consistent through all activities, however the materiality of the impacts varies depending on the nature of the activity, and if the activity takes place in a production or exploration phase.

The report covers water usage on a Group level for operated blocks, non-operated blocks and offices. However, due to the small volumes needed during exploration phases, water usage is not considered a material topic.

Reporting frameworks and principles
The report's emission data accounts for Greenhouse Gas (GHG) emissions according to GHG Protocol Corporate Accounting and Reporting Standard. The approaches are the equity share method and the operational control method in the performance data, while the reporting on general material issues is based on operational control approach if not stated otherwise. Tethys Oil accounts for 100 percent of the GHG emissions on the blocks where it has operational control. Blocks in which the Group has a non-operator equity share will be accounted as Scope III (Category 15: Investments) emissions. The GHG Protocol standards have been adopted for the report, as well as GHG reporting frameworks and disclosure schemes.

Tethys Oil adopts the Task force on Climate-related Financial Disclosures (TCFD) guidance to analyse and understand the Group's key climate-related risks and the reporting is aligned with the recommendations. Tethys Oil's TCFD index is provided on page 52. Where relevant, the report also highlights the Group's priorities regarding the UN Sustainable Development Goals (SDG). Nine SDGs have been identified to illustrate where the Group has material contributions.

Tethys Oil's Sustainability Statements 2024 have been prepared with reference to the GRI Sustainability Reporting Standards (GRI Standards). The information provided in the GRI index on page 53 is reported for the period from January 1, 2024, to December 31, 2024. Applicable GRI Sector Standard – GRI 11: Oil and Gas 2021.

Reporting boundaries
Joint Operating Agreements (JOA) are particularly common in the oil and gas industry. Within each JOA, one company is assigned the operator status, and each partner has a percentage of owned equity. This distinction is important as the operatorship role manages the operations and has the day-to-day control of the asset, while non-operator partners have a see-to duty. Data for non-operated blocks will be presented in both equity interest and operational control basis. For all the Group's material topics and metrics, the metrics are oriented on an operated basis.

Stakeholder engagement

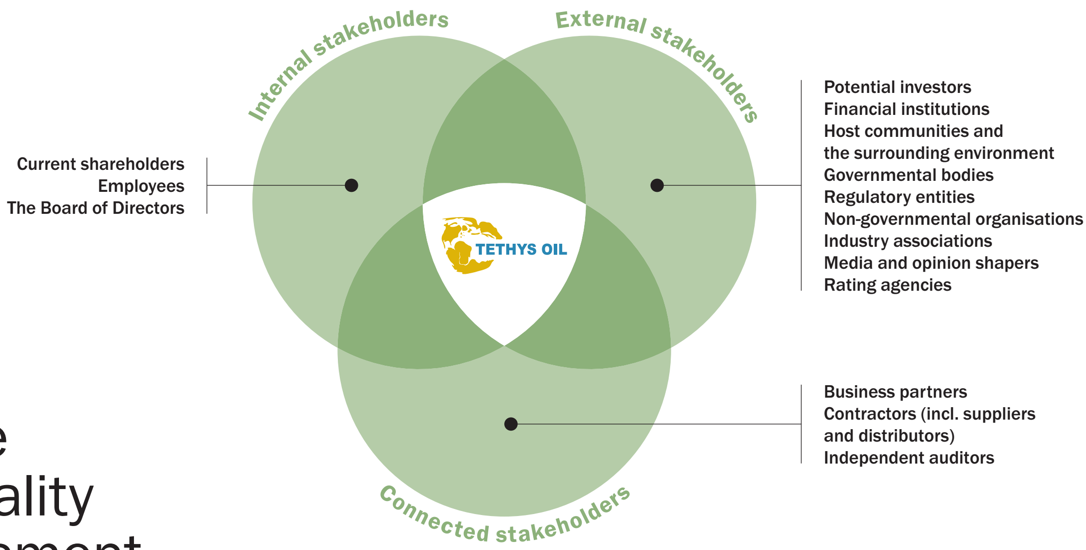
Building on the comprehensive stakeholder analysis conducted in 2023, Tethys Oil continued to actively engage with stakeholders throughout 2024. A key focus for the year was the engagement effort aimed at maintaining an open dialogue on sustainability priorities. These activities included follow-up discussions, and targeted interviews with stakeholders across the primary groups: internal, external, and connected stakeholders.

In 2024, Tethys Oil's Sustainability team maintained and strengthened its engagement framework, ensuring that feedback is consistently gathered, analysed, and integrated into the planning and decision-making processes. Stakeholders participated in structured discussions, providing valuable insights into key ESG areas, and the findings from these engagements have enhanced the double materiality assessment.

The sustainability engagements in 2024 confirmed the previous year's findings, highlighting core ESG priorities. In 2024, the most important issues identified remain "Emissions" within Environment, "Own Workforce (Health and Safety)" within Social and safety, and "Business conduct" within Governance.

Qualitative feedback gathered from the 2024 engagements also offered fresh perspectives, which the Sustainability team and IR workgroup use to enhance transparency and detail in Group communication. This ongoing dialogue is critical to Tethys Oil's goal of evolving its sustainability efforts and reporting to meet stakeholder expectations and further align the Group with best practices for its ESG reporting.

Stakeholder map



Double materiality assessment

In line with Tethys Oil's commitment to sustainable development and regulatory compliance, the presentation of the results from the 2023 double materiality assessment was retuned in 2024. The work on the assessment focused on aligning Tethys Oil's reporting with the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS), as well as future EU requirements.

The 2024 assessment re-evaluated material topics based on ESRS, prioritising sustainability elements that reflect both Tethys Oil's impact on the environment and society, as well as the ESG related financial risks and opportunities. Through this updated framework, Tethys Oil assessed its sustainability strategy across the environmental, social, and governance categories.

Phase 1: Selection of relevant stakeholder groups and 15 material topics for consideration.

Phase 2: Interviews with internal, external and connected stakeholders. Stakeholders are asked for their views on Tethys Oil's impacts, risks and opportunities regarding the topics in their respective categories.

Phase 3: Survey with selected members of Tethys Oil management to estimate the financial impacts of each topic associated with its risk exposure. After consolidating the results from the survey a double materiality map is obtained.

The scope of the governance reporting has been streamlined, with “Business Conduct” being the primary governance topic, which is in alignment with ESRS. As a result, “Business Resilience” is no longer included as a standalone material topic, reflecting a more focused governance approach per CSRD requirements. This change focuses the Group’s efforts on the transparent and ethical business practices that remain core to Tethys Oil’s values.

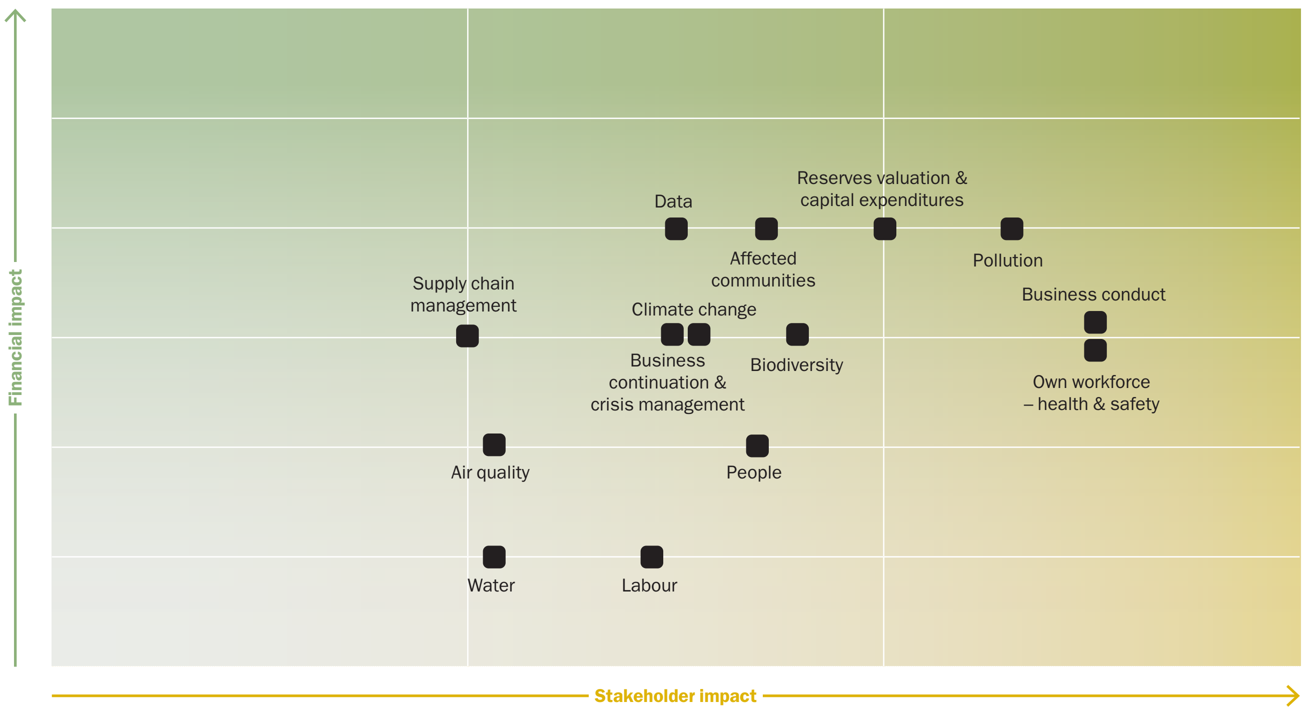
The double materiality assessment was informed by direct dialogue with key stakeholders, combined with current research on environmental, social, and economic challenges within the oil and gas sector. Tethys Oil evaluated both its direct and indirect impacts, looking at operations within its value chain and prioritising material topics for immediate and long-term focus.

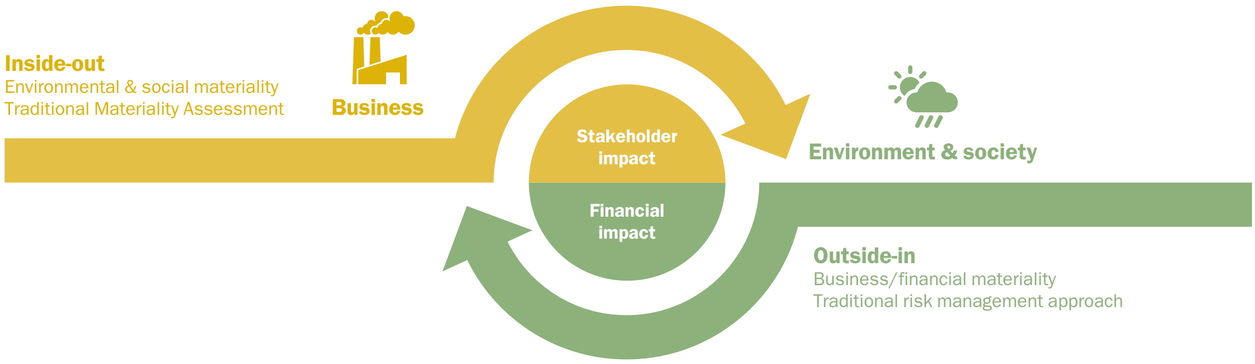
Tethys Oil’s material topics for 2024, aligned with ESRS

- **Environment:** biodiversity & ecosystems, emission management
- **Social and safety:** affected communities and own workforce (health & safety, equal opportunity)
- **Governance:** business conduct

These topics have been carefully prioritised by Tethys Oil’s internal experts and management team. Activities that have been carried out during the year to manage and mitigate impacts related to each material topic are detailed in this report, underscoring Tethys Oil’s proactive approach to responsible and sustainable growth.

Double materiality map





Key sustainability risks

Tethys Oil continues to take a proactive approach to identifying, assessing, and mitigating sustainability-related risks to ensure resilience in a changing business environment. Effective management of these non-financial risks is a crucial aspect of the Group's sustainability strategy, guiding decisions and actions.

Throughout 2024, Tethys Oil conducted a comprehensive review of key sustainability risks, considering both financial and societal dimensions in alignment with double materiality principles. This included a thorough assessment and stress-testing of mitigation measures to strengthen the ability to address both emerging and high priority current risks.

Materiality	Risk	Risk type	Risk description	Detection, preventive and mitigating measures (control, documents, action plan, etc.)
Environmental risks				
Emission	Carbon pricing	Environmental	Carbon pricing of 135–250 USD per tonne of CO_2eq within TCFD exercise.	The use of an internal carbon pricing model. Including financial alternative costs scenarios.
Biodiversity and ecosystems	Oil spills and negative biodiversity impacts	Operational	Material oil spills leading to environmental and/or reputational damage as well as potential legal, operational and financial ramifications.	Continuous QA of oil producing infrastructure including leak reduction programmes and production assurance programmes.
Social and safety risks				
Affected communities	Local community tensions and grievances	Socio-political	The risk of a negative impact from Tethys Oil's operations on local communities, their quality of life and damages to heritages sites and other important areas.	Tethys Oil engages in an active dialogue with local stakeholders in order to understand the concerns surrounding the Group's operations and to set mutually beneficial goals. This is to ensure that local stakeholder needs and priorities are considered and to avoid that the Group's operations disrupt the livelihood of the local population and has a detrimental effect on their quality of life.
Equal treatment for all	Risk for child labour, forced labour or human rights violation	Regulatory	The risk that Tethys Oil's sub-contractors violate the fair treatment and human rights of its employees, affecting Tethys Oil's reputation, finances and license to operate.	Tethys Oil has implemented several policies such as a Supplier Code of Conduct and Diversity and Non-discrimination Policy, Human rights policy and is firmly committed to The UN Global Compact.
Own workforce – health & safety	HSE	Operational	Risk to the health and safety of people as well as impact on the environment due to accidents.	Policies and procedures in place, including recurring training and certifications. Each operational activity has its own risk assessment which allows for a proactive work to minimise risk realisation and impact.
Governance risks				
Business conduct	Ethical misconduct in operations or supply chain, impacting license to operate	Regulatory	The risk that Tethys Oil violate good business conduct and ethics, affecting amongst other the Group's reputation and license to operate.	Tethys Oil has adopted a "zero tolerance" Anti-Corruption Policy in accordance with Transparency International's Business Principles for Countering Bribery and clear procedure for employees to report suspected cases of corruption.

Safe and sustainable operations

Tethys Oil integrates environmental, social, and governance (ESG) considerations into every aspect of its operations. The impact of these considerations, whether as opportunities or risks, change throughout the different stages of the business cycle. As an operator, Tethys Oil has historically focused on exploration and appraisal for which operations tend to involve lower levels of potentially disturbing or damaging activites and limited environmental or social impact. However, all potential risks are carefully identified, prioritised, and managed by the Group.

Impacts on the economy, environment, and society are reported quarterly to the Board of Directors' Sustainability Committee. Before commencing any new exploration, seismic survey, or development project, Tethys Oil conducts a feasibility scoping study in collaboration with environmental services agencies. If the findings of this study are positive and other parameters are met, the Group proceeds with a comprehensive Environmental Impact Assessment (EIA). The EIA is a vital instrument designed to protect and conserve ecosystems, natural resources and human health as well as ensuring sustainable development practices.

Through the EIA process, Tethys Oil establishes a clear understanding of biodiversity and environmental conditions near its operational sites using advanced analytical methods, including sampling and digital mapping techniques. These findings are used to guide decision-making and proactively address potential impacts. In line with EIA recommendations, the Group remains committed to continuously improving operational efficiency and environmental performance. These efforts ensure that risks and impacts are minimised across the entire project lifecycle.

By adhering to these principles, Tethys Oil reinforces its dedication to responsible energy production and aligns its operations with evolving ESG expectations, contributing to the sustainable development of the industry and the regions in which it operates.

Emergency preparedness

Tethys Oil prioritises emergency preparedness to safeguard personnel, protect the environment, and ensure operational integrity. Before any major activities commence, the Group's Health, Safety, and Environment (HSE) department formulates a comprehensive Emergency Response Plan (ERP) aligned with Environmental Authority regulations, the Tethys Oil HSE Policy, and the Incident Flow Chart.

Operational activities undergo rigorous assessments in collaboration with subcontractors, emphasising waste management, adherence to Oman Energy Association (OPAL) road safety standards, biodiversity protection and housekeeping. These proactive measures reflect the Group's commitment to safe and sustainable operations.

Tethys Oil – Emergency Response Programme (ERP)

Tethys Oil's Emergency Response Programme represents a systematic and robust framework designed to mitigate the effects of potential emergencies. The ERP aligns with the Group's commitment to safety, environmental stewardship, and operational resilience. Its core objective is to ensure rapid and effective responses to emergencies while minimising impacts and facilitating recovery.

ERP key components:

By adhering to these principles, Tethys Oil reinforces its readiness to address unforeseen challenges while safeguarding people, the environment, and assets.

Hazard identification: Identifying and evaluating potential risks to prepare accordingly.

Emergency planning: Developing clear, actionable strategies to respond to emergencies effectively.

Training and drills: Conducting regular exercises to ensure all personnel are prepared and confident in their roles during a crisis.

Emergency communication: Establishing clear and reliable channels to coordinate efforts and share critical updates.

Coordination with authorities: Collaborating closely with local and national authorities to align emergency responses.

Environmental protection mitigation: Implementing measures to minimise environmental impacts during and after emergencies.

Documentation and Reporting: Maintaining detailed records to ensure transparency and accountability.

Continuous improvement: Regularly reviewing and updating the programme to incorporate lessons learned and best practices.

Community engagement: Engaging with local communities to foster trust and collaboration in emergency scenarios.

Crisis management
The Crisis Management Plan (CMP) is part of Tethys Oil's Emergency Response Programme (ERMP) and provides strategic guidance for handling crises that might arise despite preventive measures.

The Emergency Management Team (EMT) is tasked with assembling and coordinating critical information, managing non-emergency communications with external stakeholders, and disseminating accurate, legally reviewed updates to stakeholders and media. Crisis management exercises are conducted regularly to maintain readiness before and during operations.

Exploration and appraisal
Tethys Oil's exploration and appraisal activities represent a key area of environmental impact, as identified through EIAs. These assessments have highlighted potential effects on air quality and GHG emissions during various stages of operations. In 2024, Tethys Oil enhanced its environmental monitoring by initiating a screening process of suppliers based on stringent environmental criteria, ensuring alignment with the Group's sustainability strategy.

Exploration and appraisal activities

Site preparation and construction	Drilling operations	Testing/well abandonment
Activities such as constructing well sites, grading logistics bases, upgrading access roads, and preparing land are carried out with measures to minimise environmental impacts.	Drilling, casing, and associated energy use are carefully monitored to reduce emissions and optimise resource efficiency.	Activities such as flaring and well-testing take place over three to four months, after which air quality is expected to return to baseline conditions.

Potential project emissions
Emissions from exploration and appraisal operations arise from various sources, each requiring careful management to minimise environmental impact. Diesel fuel consumption is a significant contributor, as generators at drilling and camp sites, along with mobile sources such as construction equipment and transport trucks, emit pollutants. Additionally, down-hole gas release can occur when gas from drilled formations surfaces with returning drilling mud, posing potential environmental risks.

Fugitive emissions are another concern and can originate from multiple sources. These include emissions from the breakdown and evaporation of materials in drilling mud, often accompanied by odours, as well as leaks or evaporation from cooling systems and chemical storage. Handling paints, solvents, and other chemicals, along with fuel handling and storage operations involving tanks, pipes, and transfer systems, can also result in unintentional releases.

Flaring, though avoided whenever possible, is carefully managed when necessary. Tethys Oil implements strict project controls to mitigate its effects, ensuring environmental restoration and optimising positive outcomes. Emissions during exploration and appraisal operations can arise from a variety of sources, each requiring careful management to minimise impacts.

Developing Block 56
In 2024, with the approval of the Field Development Plan (FDP) for Block 56, the block transitioned from an exploration license to a commercial production license. Entering this new phase, the Group is well-prepared to apply its sustainability practices to the development of Block 56 in line with Tethys Oil's commitments.

Tethys Oil's principles for responsible exploration	Adopt responsible governance and management
	Apply ethical business practices
	Respect human rights
	Commit to project due diligence and risk assessment
	Engage host communities and other affected and interested parties
	Contribute to community development and social well-being
	Protect the environment
	Safeguard the health and safety of staff and the local population

Supporting Environmental Stewardship

Tethys Oil is a corporate member of the Environment Society of Oman (ESO), a leading NGO dedicated to protecting Oman's biodiversity. Among its initiatives, ESO runs the Raptors Research and Conservation Programme, focused on safeguarding endangered raptor species. Through its membership, Tethys Oil supports ESO's broader mission to preserve Oman's natural heritage.

Environment

Pollution management	Biodiversity & ecosystems
Goal: Integrate climate risk into the Company business decisions and organisational strategy	**Goal:** No net loss of biodiversity and prevention of operations in critical habitats

Emissions management

Goal	Target	Performance KPI	Policy Statement
Integrate climate risk into the Group's business decisions and organisational strategy	• Zero routine flaring 2030 • Support operator emissions reductions	Flaring intensity measured in scf/bbl* *Standard cubic foot/barrel	Group Environment and Climate Policy
		Status	**Status**
		672 scf/bbl 6% decrease in flaring intensity 15.6 MUSD invested in Gas-to-Power	Adopted in 2024

Why is this important?
As a major contributor to global emissions, the oil and gas industry must strengthen collaboration and act immediately to ensure that future energy has less emissions. The industry's activities and the use of oil and gas products are responsible for a large portion of two major GHGs: carbon dioxide (CO_2) and methane (CH_4). Methane is more than 80 times more effective at trapping heat than carbon dioxide over a 20-year period. As methane has a short atmospheric lifetime, actions to minimise these emissions can quickly reduce atmospheric concentrations.

To be able to meet future global energy demands, various energy sources combined with energy efficiency are a prerequisite. The resilience in the industry will be determined by energy efficiency and emission reduction.

Tethys Oil's approach
Climate change is a growing priority for Tethys Oil and its stakeholders. The Group is committed to exploring and producing oil and gas with minimal environmental impact, evaluating both direct and indirect effects of its operations across short- and long-term horizons. This commitment is fully integrated into operations on exploration licenses Blocks 49, 56, and 58, where Tethys Oil applies its health, safety, and environmental (HSE) policies. For non-operated blocks, such as Blocks 3&4, the Group provides advice and seeks alignment with its Environment and Climate Policy, recognising that the operator's policies ultimately govern these operations.

In 2024, most of the Group's indirect emissions originated from Blocks 3&4 production activities. Key sources included flaring associated gas, powering production facilities, camps, and rigs with diesel generators. Tethys Oil works proactively with the operator, CCED, to reduce these emissions. Measures include quarterly emissions reporting, site visits with environmental specialists, and third-party audits by an Environmental Monitoring & Auditing Agency. Non-compliance issues are logged, reported, and resolved promptly to ensure adherence to standards, safeguarding both environmental integrity and operational reliability.

As part of its climate strategy, Tethys Oil incorporates GHG intensity of revenue as a key metric, expressed in kilograms of CO_2 equivalent per USD of revenue. This measure enables transparent evaluation of carbon efficiency across assets and projects, guiding decisions to prioritise lower-carbon opportunities while maintaining financial performance. The Group is committed to reducing emissions and enhancing operational efficiency through responsible resource management, as outlined in its Environment and Climate Policy.

In accordance with its Code of Conduct, Tethys Oil applies stringent HSE standards in operated projects and works to influence non-operated projects where feasible. The Group fosters dialogue and transparency with partners and stakeholders to identify and mitigate potential environmental and social impacts. Through its Environment and Climate Policy, overseen by the Managing Director and reviewed by the Board, Tethys Oil ensures active engagement with communities, proactive risk management, and a steadfast commitment to sustainability. This approach strengthens the Group's resilience to environmental and climate-related risks while contributing to long-term value creation.

Activities and results 2024
To enhance transparency in carbon accounting, Tethys Oil continues to disclose GHG emissions using both the equity share method and the operational control method. Total GHG emissions (Scope 1, 2 and 3) decreased by 1.1% and 1.5% in 2024 respectively, for the operational control and equity share methods.

Direct emissions (Scope 1 & 2) increased in 2024 according to operational control method due to activity on operated blocks, but decreased by 6.8% according to equity share method, driven by lower flaring, cold venting and lower stationary and mobile combustion. Calculating GHG emissions using the equity interest method, the three largest contributors to the Group's total emissions (Scope 1+2+3) remain "Flaring," "Waste generated in operations," and "Use of sold products," accounting for 33 percent, 11 percent, and 38 percent, respectively. While emissions from the "Use of sold products" remain challenging to mitigate, the ongoing implementation of the Gas-to-Power project (page 22) on Blocks 3&4 is expected to significantly address flaring emissions and improve the Group's carbon footprint profile.

In 2024, the Gas-to-Power project entered its operational phase, marking a pivotal step in Tethys Oil's strategy to reduce and mitigate GHG emissions. The initiative resulted in 11.5% decline in flaring, 27.3% decline in cold venting and 22.6% decline in power generation emission. Further reduction of emissions is expected, as the project reaches full capacity utilization. By replacing diesel-powered generation in remote field operations with re-used energy from produced gas, Tethys Oil continues to make measurable advancements in sustainability.

Tethys Oil's carbon accounting

Tethys Oil does not hold the operatorship role for Blocks 3&4 and, as a result, does not have direct control over day-to-day operations at these assets. Consequently, the Group's direct influence on emissions is most accurately reflected through the operational control method of carbon accounting.

The majority of Tethys Oil's Scope 1 and 2 emissions are generated from its operated blocks, Blocks 49, 56, and 58. In contrast, emissions from the non-operated Blocks 3&4, operated by CCED, are classified under Scope 3.

This report primarily focuses on emissions from Scope 1 and 2, calculated using the operational control method. However, to provide greater transparency in carbon accounting, Tethys Oil also discloses GHG emissions calculated using the equity share method.

Scope 1: Direct GHG emissions occur from sources that are owned and controlled by the Group.

Scope 2: Indirect GHG emissions from the generation of purchased electricity, steam, heating and cooling consumed by the Group.

Scope 3: All other indirect emissions not covered in Scope 1 and 2. Including extraction and production of purchased materials; transportation of purchased fuels; and use of sold products and services.

Tethys Oil's share of Global Warming Potential (GWP) emissions, based on the operational control method

Scope, GWP (t CO_2e)	2024	2023	2022	2021	2020
Scope 1	2,888	440	1,977	1,813	32
Scope 2	79	70	67	49	40
Scope 3	499,597	508,458	527,362	537,008	465,148
Total Emissions	**503,229**	**508,967**	**529,405**	**538,870**	**465,220**

Most of Tethys Oil's emissions originate from the 30 percent interest share in Blocks 3&4, which are reported as indirect Scope 3 emissions, classified according to the operational control method. The largest parts of Scope 3 emissions (operational control) are the use of sold products (ca. 38%), flaring (ca. 33%) and waste generation in operations (ca. 11%).

Air pollutants

During the monthly sampling period, sampling of selected relevant ambient gases of (SO2, NO2, CO, O3, H2S & NMHC) is conducted at single location within each production facility using portable Ambient Air Monitoring Station Type AQM-65 and Series 500 sensors.

Measured ambient gases at production plant area are compared against relevant Omani Criteria, all the monitoring results by third party environmental agency were within legislative prescribed limits during 2024 in the non-operated Blocks 3&4.

No major or significant release of emissions to environment was observed at the sites.

The environmental strategy for the producing Blocks of 3&4 is focused on:

- Reduction of Greenhouse Gas emissions.
- Minimising impact from all produced water.
- Reducing waste generated from operations and the responsible disposal of all unavoidable waste.
- Improving efficiency to enhance the reduction of emissions, produced water and waste.

To succeed with the environmental strategy, a substantial investment in associated gas utilisation project is necessary.

Gas-to-Power
The Gas-to-Power project undertaken by Tethys Oil and its partners on Blocks 3&4 marks a significant advance in environmental sustainability and operational efficiency. By converting associated gas—otherwise flared—into a reliable electricity source, the project directly tackles one of the energy sector's key environmental challenges: routine flaring. This initiative not only reduces greenhouse gas emissions but also contributes to global efforts to combat climate change.

From a sustainability standpoint, the project underscores Tethys Oil's alignment with international environmental goals, including the World Bank's "Zero Routine Flaring by 2030" initiative and Oman's "Vision 2040", which emphasizes energy efficiency and emissions reduction. The electricity generated powers production facilities and downhole pumps, replacing external energy sources like diesel. This shift enhances energy self-sufficiency while significantly lowering the carbon footprint of operations.

Beyond environmental benefits, the project also delivers economic advantages by reducing operational costs through the utilisation of an existing resource. This further reinforces how sustainability can drive financial performance. As the project advances, it highlights Tethys Oil's role as a responsible energy producer, committed to delivering long-term value for stakeholders while safeguarding the environment.

Renewable Initiatives
In 2024, CCED, the operator of Blocks 3&4, continued to expand renewable energy applications as part of its strategy to reduce greenhouse gas emissions and enhance operational efficiency. Solar panel systems were utilised at several remote production wells, reducing GHG emissions by approximately 9,822 tonnes of CO_2e annually. Solar-powered systems also provided energy for road lighting in camps and remote transmission units, achieving daily savings of around 850 liters of diesel.

The commissioned Gas-to-Power-project will further decrease the reliance on diesel generators. This initiative not only supports emissions reduction but also contributes to operational cost efficiency.

To advance its commitment to renewable energy, CCED is exploring additional applications, including using solar panels for:

- Contractor camps, workshops, wells, and rigs if viable.
- Chemical injection systems.
- Wellhead monitoring and security systems.

These efforts align with CCED's broader GHG mitigation goals and contribute significantly to Oman's low-carbon transition.

Energy

Energy used within organisation: HQs and operated Blocks 49, 56, 58	Unit	2024	2023	2022	2021	GRI indicator
Energy consumption*	MJ	41,042,472	6,691,836	28,235,377	25,898,173	
Fuel consumption within the organisation – non-renewable sources	MJ	40,338,596	6,046,104	27,612,206	25,395,818	
Electricity consumption**	MWh	196	179	173	140	302-1
Energy Intensity	MWh/km driven	0.08	0	0	0	
Energy Intensity (on exploration blocks)	MWh/man-hour worked	0.12	0.03	0.07	0.04	302-3
Man-hours worked (Blocks 49, 56, 58)	man-hour worked	94,875	63,960	120,292	168,185	
Total km driven (Blocks 49, 56, 58)	km	135,244	170,671	276,829	220,456	

Energy used outside the organisation Non-operated Blocks 3&4	Unit		2023	2022	2021	GRI indicator
Energy consumption*	MJ	465,481,323	601,545,613	548,450,569	437,043,761	
Fuel consumption outside of the organisation – non-renewable sources	MJ	465,481,323	601,545,613	548,450,569	437,043,761	302-2
Energy Intensity	MJ/bbl	161	187	151	108	302-3

* Refers to the total energy used for operations
** Electricity consumption includes electricity used for cooling and heating

Emissions

Emissions (Operational control method)	Units	2024	2023	2,022	2,021	GRI indicator
GHG (direct, scope 1)	t CO_2e	**2,888**	**440**	**1,977**	**1,813**	
of which Stationary combustion	t CO_2e	2,884	430	1,967	1,804	305-1
of which Mobile combustion	t CO_2e	4	9	9	10	
GHG (indirect, scope 2)	t CO_2e	**79**	**70**	**67**	**49**	305-2
of which Purchased Energy	t CO_2e	79	70	67	49	
GHG (indirect, scope 3)	t CO_2e	**500,261**	**508,458**	**527,362**	**537,008**	
of which Purchased goods and services	t CO_2e	5	4	4	4	
of which Fuel- and energy related emissions (not included in Scope 1 and 2)	t CO_2e	512	94	354	148	
of which Waste generated in operations	t CO_2e	32.2	25.4	24.8	43.0	
of which Business travel	t CO_2e	101.5	59.9	63.1	45.0	
of which Employee commuting	t CO_2e	14	22	19	18	305-3
of which Investments (Blocks 3&4, Minijos)	t CO_2e	499,597	508,253	526,897	536,750	
of which Flaring	t CO_2e	164,391	185,714	220,496	201,522	
of which Cold Venting	t CO_2e	2,557	3,517	3,871	4,280	
of which Gas Utilized	t CO_2e	17,556	3,062	3,481	3,914	
of which Power Generation	t CO_2e	33,290	43,020	39,223	31,150	
GHG (indirect, scope 3) excluding CO_2	t CO_2e	**15,490**	**16,624**	**19,931**	**16,748**	
N_2O	t CO_2e	71	92	84	76	
CH_4	t CO_2e	15,419	16,532	19,848	16,673	305-1
N_2O	t	0.24	0.31	0.28	0.25	
CH_4	t	617	661	794	667	
Total GHG emission (scope 1, 2, 3)	t CO_2e	**503,229**	**508,967**	**529,405**	**538,870**	
Direct CO_2 emission	t CO_2e	**2,888**	**440**	**1,977**	**1,813**	

Emissions (Equity share method)	Units	2024	2023	2022	2021	GRI indicator
GHG (direct, scope 1)	t CO_2e	**219,675**	**235,604**	**268,360**	**242,621**	305-1
of which Stationary and Mobile combustion	t CO_2e	35,171	43,310	40,512	32,905	
of which Flaring	t CO_2e	164,391	185,714	220,496	201,522	
of which Cold Venting	t CO_2e	2,557	3,517	3,871	4,280	
of which Gas Utilized	t CO_2e	17,556	3,062	3,481	3,914	
GHG (indirect, scope 2)	t CO_2e	**79**	**70**	**67**	**49**	305-2
of which Purchased Energy	t CO_2e	79	70	67	49	
GHG (indirect, scope 3)	t CO_2e	**281,382**	**273,144**	**260,291**	**296,142**	305-3
of which Use of sold products	t CO_2e	190,664	212,547	211,363	228,325	
of which Processing of sold products	t CO_2e	12,907	14,405	13,499	14,635	
of which Transport and Distribution (downstream)	t CO_2e	5,221	5,920	5,630	6,038	
of which Purchased Goods and services	t CO_2e	754	737	699	355	
of which Capital Goods	t CO_2e	9,874	8,642	6,786	2,958	
of which Fuel- and energy related emissions (not included in Scope 1 and 2)	t CO_2e	7,494	9,117	8,581	6,704	
of which Transport and Distribution (upstream)	t CO_2e	32	32	32	32	
of which Waste generated in operations	t CO_2e	54,240	21,581	13,538	36,952	
of which Investments	t CO_2e	81	81	81	81	
of which Business travel	t CO_2e	102	60	63	45	
of which Employee commuting	t CO_2e	14	22	19	18	
GHG (direct, scope 1) excluding CO_2	t CO_2e	**15,490**	**16,624**	**19,931**	**16,748**	305-1
N_2O	t CO_2e	71	92	84	76	
CH_4	t CO_2e	15,419	16,532	19,848	16,673	
N_2O	t	0.24	0.31	0.28	0.25	
CH_4	t	617	661	794	667	
Total GHG emission (scope 1, 2, 3)	t CO_2e	**501,136**	**508,818**	**528,718**	**538,812**	
Direct CO_2 emission	t CO_2e	**219,754**	**235,674**	**268,427**	**242,670**	

GHG Intensity

GHG Intensity, Operational control	Unit	2024	2023	2022	2021	GRI indicator
GHG Intensity for the operated blocks (S1+S2)*	t CO_2e / km driven	0.0219	0.003	0.0074	0.0084	305-4
GHG Intensity for the Group (S1 + S2 + S3 (Cathegories 9, 10, 11 are excluded))**	t CO_2e / 000'bbl	97.9	85.8	82.4	71.3	
GHG Intensity, Equity share						
GHG Intensity for the operated blocks (S1+S2)*	t CO_2e / km driven	1.6	1.4	1	1.1	305-4
GHG Intensity for the Group (S1 + S2 + S3 (Categories 9, 10, 11 are excluded))**	t CO_2e / 000'bbl	101.2	85.7	82.2	71.3	
GHG Intensity for the Group (S1 + S2)**	t CO_2e / 000'bbl	76.1	73.2	74	59.7	

* GHG Intensity for Operating blocks is based on Scope 1&2
** Gases included in the calculation: CO_2, CH_4, N_2O.

Flaring

Flaring and Venting on Blocks 3&4	Unit	2024	2023	2022	2021	GRI indicator
Natural gas flared	t CO_2e	164,391	185,714	220,496	201,522	305-1
Natural gas vented	t CO_2e	2,557	3,517	3,871	4,280	
Natural gas flared	MMscf	1,941	2,302	2,639	2,392	
Natural gas vented	MMscf	45.2	63.0	67.8	72.0	
Flaring intensity	scf / bbl	672	715	727	588	

Biodiversity and ecosystems

Goal	Target	Performance KPI	Policy Statement
No Net Loss (NNL) of biodiversity and prevention of operations in critical habitats	Zero Tier 1 hydrocarbon releases	Hydrocarbon spill intensity measured in produced liquids spilled (bbl)/total produced liquids (Mbbl)	Group Biodiversity Policy
		Status	**Status**
		0.0316	Adopted in 2024

Why is this important?
Biodiversity holds intrinsic value and plays a crucial role in human health, food security, economic stability, and climate change mitigation and adaptation. During the exploration phase, Tethys Oil's operations may affect biodiversity and land use, making these topics a priority. Biodiversity impacts can lead to reduced availability, quality, or access to natural resources, which may affect local communities' well-being, livelihoods, and human rights.

Such impacts can intensify if activities occur in protected or high-biodiversity areas and may persist beyond site closure, rehabilitation, or the immediate geographic scope of operations.

Tethys Oil's approach
Protecting species and habitats in Tethys Oil's operational areas is a top priority. Operating in the arid Sultanate of Oman, where biodiversity is limited and land use opportunities are constrained, Tethys Oil can mitigate potential impacts thanks to the region's strategic geographical characteristics.

Tethys Oil follows precautionary principles, aiming to avoid impacts on natural habitats wherever possible. When avoidance is not feasible, the Group is committed to minimising and restoring any potential effects on ecosystems, adhering to the mitigation hierarchy.

Avoid
In pre-operations assessments, potential impacts are evaluated together with plans for mitigative actions.

Minimise
When impacts cannot be avoided, activities are planned to minimise the effects.

Restore
Diligently work to remediate an area so that it is restored to its original condition as reasonably as practical.

Tethys Oil is required to obtain a permit from Oman's Environment Authority by submitting an EIA Scoping Report. This report assesses potential pollution impacts, including air, dust, waste, noise, and sewage discharge. It also outlines proposed control measures, evaluates the effects on critical areas, and defines mitigation plans to reduce operational impacts. Contractors are required to adhere to the Environment Management Plan as part of this process.

In Blocks 49, 56, and 58, gazelles and lizards are likely Red List species that could inhabit areas of interest, with migratory birds also expected in the region. Feasibility scoping reports are conducted before any exploration, seismic, or development activities. These are carried out with environmental agencies, providing external validation of the assessments. Risks are identified and mitigated before operations begin.

Tethys Oil does not operate in areas designated as protected under the World Conservation Union (IUCN) or UNESCO Natural World Heritage Sites. Currently, no projects are located within these protected areas.

Activities and results 2024
In 2024, Tethys Oil continued to advance its commitment to biodiversity protection by strengthening its Biodiversity Policy. This policy applies to all operations, including those in and beyond areas of high biodiversity value.

Drawing lessons learned from past projects and aligning with industry best practices, the policy ensures biodiversity protections remains central to the planning and execution of all activities.

As part of its ongoing commitment, Tethys Oil actively integrates recommendations from scoping reports into its operational plans. The Group also engages extensively with local stakeholders to incorporate their insights and address concerns. Meeting with local communities, authorities, and experts ensure a collaborative approach. Subcontractors are thoroughly educated on biodiversity-related issues, actively participate in investigations, and contribute to the implementation of mitigation measures.

In 2024, these efforts were supported by enhanced transparency and accessibility. The Tethys Oil's policies are further explained on page 40 in this report.

Spill prevention
Tethys Oil integrates safety and environmental protection criteria throughout its operations to prevent environmental impact and ensure people's safety. The Group's HSE Policy ensures swift detection of spills and timely action to mitigate their effects. In the event of a spill, fluids are removed using suction techniques, and contaminated soil or sand is replaced as necessary.

In early 2024, a Tier 1 spill occurred on the non-operated Blocks 3&4 involving 1,000 barrels of oil due to a crack in a weld. The incident was managed promptly, with oil recovery efforts initiated immediately, and contaminated sand relocated to a designated remediation area. The defective pipeline section was sent for root cause analysis, and inspections of similar welds are being carried out to prevent recurrence. The environmental impact was assessed as low, as the spill occurred in fine-grained sand with no vegetation, which prevented oil from diffusing deeply or spreading widely.

All spills are recorded, and regular site surveys by third-party environmental service agencies provide recommendations for mitigation. The recent Tier 1 incident highlights the importance of continuous vigilance and improvements in spill detection and prevention systems.

Non-operated Blocks 3&4 liquid hydrocarbon spills 2021–2024	2024	2023	2022	2021
Number of Tier 1 Spills	1	0	0	2
Spill Intensity* (Produced Liquids Spilled (bbl)/ Total Produced Liquids (Mbbl))	0.0316	0.0069	0.0023	0.0200

* Calculation: Produced Liquid Spilled (bbls) / Total Produced Liquid (1,000 bbls)

Produced liquid spilled (bbls): All Crude Oil, condensate and/or produced water spills which are not confined to impermeable secondary containment.

Total produced liquid (1,000 bbls): crude oil, condensate and produced water generated from exploration and production activities (does not include gas).

Blocks 3&4 leak reduction programme
Managing spill risk remains a critical focus for Tethys Oil. The 12-month rolling average for Tier 1 and Tier 2 leaks was zero through the end of 2023, but the early 2024 incident has underscored the need for ongoing improvements. The primary efforts by the operator on Blocks 3&4 to reduce spill risks include the following:

- Replacement of flow lines and corroded components.
- Continued sand removal to ensure unobstructed operations.
- Initiation of chemical injection and corrosion management plans following metallurgy studies.

Site closure, decommissioning and reclamation.
Tethys Oil ensures transparency through regular environmental reporting and commits to restoring ecosystems to their pre-operational state through soil remediation and local stakeholder collaboration, in line with international biodiversity goals. When closing or decommissioning a site Tethy's Oil conducts a:

- Baseline assessments prior to operational activities to establish initial environmental conditions.
- A multi-stakeholder approach ensuring transparent communication and active participation from local authorities and relevant stakeholders throughout the planning and execution of operational closure.
- Reclamation efforts aimed at restoring sites to their pre-operational ecosystem, including soil remediation in areas affected by drilling activities.

The Environment Society of Oman (ESO)
As a corporate member of the Environment Society of Oman (ESO), a non-governmental, not-for-profit organisation, Tethys Oil supports efforts to conserve Oman's natural heritage and promote environmental awareness. ESO is affiliated with the International Union for the Conservation of Nature (IUCN) and represents West Asia's environmental organisations within the United Nations Environment Programme (UNEP).

Spills

Spills: Operated Blocks 49, 56, 58	Unit	2024	2023	2022	GRI indicator
Number of spills and leaks	number	0	1	0	306-3
of which minor (less than 0.7bbls/h)	number	0	1	0	
of which medium (0.7bbls/h < spills < 7.0 bbl/h)	number	0	0	0	
of which major (more than 7bbls/h)	number	0	0	0	
Amount of spills and leaks	litre	0	35	0	
Number of oil spills and leaks	number	0	1	0	
of which minor (less than 0.7bbls/h)	number	0	1	0	
of which medium (0.7bbls/h < spills < 7.0 bbl/h)	number	0	0	0	
of which major (more than 7bbls/h)	number	0	0	0	
Amount of oil spills and leaks	litre	0	35	0	

Spills: Non-operated Blocks 3&4	Unit	2024	2023	2022	GRI indicator
Number of spills and leaks	number	182	194	129	306-3
of which minor (less than 0.7bbls/h)	number	181	194	129	
of which medium (0.7bbls/h < spills < 7.0 bbl/h)	number	0	0	0	
of which major (more than 7bbls/h)	number	1	0	0	
Amount of spills and leaks	litre	199,291	43,184	12,649	
Number of oil spills and leaks	number	157	179	93	
of which minor (less than 0.7bbls/h)	number	156	179	93	
of which medium (0.7bbls/h < spills < 7.0 bbl/h)	number	0	0	0	
of which major (more than 7bbls/h)	number	1	0	0	
Amount of oil spills and leaks	litre	193,726	39,845	8,449	

Biodiversity

IUCN Red List species with habitats in areas of Operated Blocks B49, B56, B58	Unit	2024	2023	2022	GRI indicator
Critically endangered	number	2	2	2	304-4
Endangered	number	4	4	4	
Vulnerable	number	5	5	5	
Near threatened	number	7	7	7	

IUCN Red List species with habitats in Operated and Non-operated Blocks, 2024	Blocks 3&4	Block 49	Block 56	Block 58
Critically endangered	1	0	0	2
Endangered	0	4	0	4
Vulnerable	1	5	4	5
Near threatened	1	7	1	7

Social and safety

Equal treatment and opportunity for all	Own workforce – health & safety	Affected communities
Goal: Foster a diverse and inclusive workplace	**Goal:** Zero harm	**Goal:** Make a positive impact in the communities where the Group operates

Equal treatment and opportunity for all

Goal	Target	Performance KPI:	Policy statement
Fostering a diverse and inclusive workplace	Zero cases of discrimination	Reported cases of discrimination	Group Diversity and Non-Discrimination Policy Group Human Rights Policy
		Status	**Status**
		Zero cases of discrimination reported Employee satisfaction rate 77%	Policies updated in 2024

Why is this important?
A successful business is dependent upon its employees as individuals. A fair, respectful, and safe working environment based on equal opportunities and treatment is vital to support a company's strategy on all levels. No matter origin or ethnicity, every person is entitled to the same human rights. Freedom from discrimination is a human right and a fundamental right at work. Respecting diversity and building an inclusive working culture is deeply rooted in Tethys Oil's Scandinavian values.

Tethys Oil's approach
One of Tethys Oil's key asset is its employees. Ensuring a diverse and equitable workplace where all employees feel welcome is essential to the Group's continued success. High employee satisfaction and high-performance standards are a high priority for Tethys Oil, and a prerequisite to attract talent. Further, it shall offer rewarding working conditions and realise each employee's individual potential through training and job promotion. Tethys Oil has zero tolerance towards all forms of child and forced labour in the value chain.

Tethys Oil's position on diversity and discrimination
- Tethys Oil is committed to recruiting and retaining the most qualified candidates for all positions based on merit, without discrimination based on gender, age, disability, nationality, race, religion, or any other characteristic.
- The Group values the cultural diversity of its employees as a key asset and ensures that it is respected. Tethys Oil strictly prohibits all forms of harassment or discrimination in the workplace.
- Employees, partners, and contractors are encouraged to raise concerns or report incidents of discrimination through formal channels without fear of retaliation or harassment.
- Tethys Oil expects all employees to act with integrity and respect in interactions with colleagues, partners, and society, fostering an inclusive and respectful work environment.

Tethys Oil's position on human rights
Tethys Oil requires all employees, suppliers, and business partners to adhere to strict social, ethical, and environmental standards while respecting human rights. The Group upholds internationally recognised human rights principles across all areas of operation. It remains committed to investigating, addressing, and rectifying any human rights violations. This includes providing effective remedies and reparations to victims if violations occur.

Tethys Oil's approach is grounded in the Universal Declaration of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the United Nations Global Compact. It also aligns with the UN Guiding Principles on Business and Human Rights, endorsed by the UN Human Rights Council.

The Group prioritises the rights of local communities and evaluates potential human rights impacts before any new investment or activity. While Tethys Oil respects all human rights, it focuses on those with the highest potential for impact. These typically involve communities within its operational areas or license zones.

Given Tethys Oil's nature as a highly ethical upstream oil and gas operator in Oman, risks of child labour, forced labour, or bonded labour are minimal. However, subcontractor risks are acknowledged. Through stringent policies, transparent procurement processes, and supplier risk assessments, the Group mitigates these risks.

Tethys Oil's commitment to subcontractor compliance with human rights standards is outlined in its Supplier Code of Conduct. This code addresses labour rights and working conditions, ensuring suppliers meet the policy's criteria.

Local hiring
Tethys Oil prioritises hiring locally and developing local talents. Local hiring allows the Group to make meaningful economic contributions to the communities, especially in the areas where professional labour may otherwise be scarce.

Tethys Oil's offices
Tethys Oil's Muscat office primarily focuses on key operational activities and consists of a team of engineers and subsurface specialists together with finance and administration staff members.

In 2024, 23 people were employed in Muscat. Tethys Oil's head office is located in Stockholm, Sweden. It is the base for the Group's executive management, which guides overall strategic direction and corporate objectives, along with Tethys Oil's finance, HR, business development, sustainability and communications staff. In 2024, Tethys Oil had 12 employees based in Stockholm.

In 2024, Tethys Oil had an average of 34 full-time employees of several nationalities, in a broad age range, of which 30 percent were female and 70 percent male. A majority of the staff have graduated from universities and colleges, primarily with geosciences, engineering or business administration . Total employee training hours reached 786 in 2024, advancing by 13% vs. 2023. The average training hours per employee reached 22 hours vs 7 hours in 2021, despite a 29% growth in total number of employees since 2021.

Activities and results 2024
Tethys Oil has a comprehensive programme to track employee satisfaction, a high-priority initiative aimed at understanding employee well-being and management effectiveness. The insights gained through this programmme guide efforts to sustain and enhance satisfaction levels across the Group, supporting a productive and inclusive workplace.

As part of its commitment to human rights, Tethys Oil implemented an updated Human Rights Policy during the year. This policy, aligned with internationally recognised principles, emphasises fostering open, inclusive workplaces and protecting the rights of all employees and stakeholders.

- No human rights-related grievances were filed against Tethys Oil in 2024.
- There were no recorded incidents of discrimination at Tethys Oil's operations in 2024.

To further reinforce its stance on equity and inclusion, Tethys Oil adopted a revised Diversity and Non-Discrimination Policy in 2024. Applicable to all employees and contractors worldwide, the policy governs recruitment, retention, rewards, promotion, and overall human resource management. These updates underscore Tethys Oil's commitment to ensuring fair and respectful treatment for all.

Additional details on Tethys Oil's policies are provided on page 40 of this report.

Discrimination

Incidents of discrimination and corrective actions taken	Units	2024	2023	GRI indicator
Total number of incidents of discrimination during the reporting period	number	0	0	406-1
Status of the incidents and actions taken		No incidents took place	No incidents took place	

Workforce data

Total number of employees	Unit	2024	2023	GRI indicator
Total number of employees	number	36	33	102-7
out of which women	number	11	11	102-8
With employment contract, undetermined period, full time	number	34	31	
out of which women	number	10	10	
With employment contract, undetermined period, part time	number	2	2	
out of which women	number	1	1	
External consultants / contractors	number	4	6	
out of which women	number	2	1	
Sweden				
Total number of employees	number	12	10	102-8
out of which women	number	4	4	
External consultants / contractors	number	4	5	
out of which women	number	2	1	
Oman				
Total number of employees	number	23	22	102-8
out of which women	number	6	6	
External consultants / contractors	number	0	3	
out of which women	number	0	0	
UAE				
Total number of employees	number	1	1	102-8
out of which women	number	1	1	

Average hours of training per year per employee

Group	Unit	2024	2023	Employee Category	GRI indicator
Total training hours for all employees	hours	786	696	Economics, Finance & Legal	404-1
thereof male	hours	417	562	Economics, Finance & Legal	
thereof female	hours	369	134	Economics, Finance & Legal	
Average hours of training per employee	hours	22	21	Economics, Finance & Legal	
thereof male	hours	17	26	Economics, Finance & Legal	
thereof female	hours	34	12	Economics, Finance & Legal	
Total training expenditures for all employees	MUSD	0.063	0.060	Economics, Finance & Legal	
Average training expenditures for all employees	USD	1,754	1,807	Economics, Finance & Legal	

The percentage of women and men employees per employee category

(internal employees)	Unit	Top management		Middle management		Operative staff		GRI indicator
		2024	2023	2024	2023	2024	2023	
Percentage of women in the organisation	%	9	9	9	18	82	73	405-1
Percentage of men in the organisation	%	12	14	24	23	64	64	
Employees <30 years old	%	0	0	0	0	100	100	
Employees between 30–50 years old	%	11	8	7	8	82	85	
Employees >50 years old	%	14	20	57	60	29	20	

The percentage is calculated by reference to the total number of women / men and not to the total number of employees.

Management

The percentage of individuals within the Executive Management team	Unit	2024	2023	GRI indicator
Percentage of men	%	75	75	405-1
Percentage of women	%	25	25	
Percentage of individuals under 30 years old	%	0	0	
Percentage of individuals between 30–50 years old	%	75	75	
Percentage of individuals over 50 years old	%	25	25	

Board of Directors

The percentage of individuals within the Board of Directors	Unit	2024	2023	GRI indicator
Percentage of men	%	100	80	405-1
Percentage of women	%	0	20	
Percentage of individuals under 30 years old	%	0	0	
Percentage of individuals between 30–50 years old	%	0	0	
Percentage of individuals over 50 years old	%	100	100	

Health and safety

Goal	Target	Performance KPI:	Policy statement
Zero harm	Better occupational health and safety records than industry standards	Lost time injury rate (LTIR) measured in hours/ 1 mn hours worked	Group HSE Policy
		Status	**Status**
		0.00 operated blocks 0.61 non-operated blocks	Updated 2024

Why is this important?
Health and safety involves the prevention of physical and mental harm to workers and promotion of workers' health. Healthy and safe working conditions are recognised as a human right, and is a top priority for Tethys Oil. As an oil and gas company, Tethys Oil operates in an industry exposed to certain safety risks and impacts, where accidents potentially can occur. It is thus the Group's responsibility to identify and mitigate potential risks, and to provide the workforce with a safe and healthy working environment.

Tethys Oil's activities are subject to the Health, Safety and Environmental (HSE) risks inherent in the oil industry. Prevention of accidents and ill health is critical to efficient operations. Prevention of illness and promoting of healthy lifestyles provide lasting benefits for the workforce, their families, and the public. Loss of control of safety issues at facilities can potentially result in serious harm to people as well as the environment. The highest safety standards are critical to ensure the sound and effective functioning of Tethys Oil.

Tethys Oil's approach
Tethys Oil is committed to health, safety, and environmental (HSE) stewardship, making it a core value in all its operations. The Group strives to provide a safe and healthy environment for employees, contractors, and the public while minimising environmental impact and promoting sustainable development.

To achieve this, Tethys Oil employs a systematic HSE management approach, continually improving toward the goal of zero harm, accidents, and spills. The HSE work, guided by its policy, led by the Managing Director and supported by all employees, is underpinned by corporate procedures to ensure safe and responsible operations.

Tethys Oil collaborates closely with the operator of its producing assets through the Board of Directors' Technical Committee that oversees operational activities and integrates HSE priorities into decision-making. This partnership fosters transparency, shared accountability, and proactive risk management, extending best practices across contractors and sub-contractors to create a ripple effect of safety and sustainability.

Operating Management System framework
The Operating Management System (OMS) of the International Association of Oil & Gas Producers (IOGP) provides a comprehensive strategy to manage various risks, impacts, and threats associated with occupational health and safety, environmental and social responsibility, as well as process safety, quality, and security.

The purpose of this procedure, is to ensure key technical and operational activities are conducted in a prudent and safe way according to the OMS. Applicable to all types of upstream projects, this framework consists of 10 elements addressed by Tethys Oil's operational management when ensuring the effective handling of risks and the achievement of high performance standards in the oil and gas industry.

To engage contractors, Tethys Oil adopts a dual-level approach:

- **Executive Level:** Regular strategic meetings to reinforce accountability for workplace safety and environmental sustainability.
- **Working Group Level:** On-site and in-office sessions facilitate open communication, feedback, and collaboration to enhance safety and environmental performance.

Through these initiatives, Tethys Oil upholds robust HSE standards while safeguarding its legal and social license to operate. An assurance procedure for key technical and operational activities further solidifies this commitment to sustainability.

Activities and results 2024
In 2024, Tethys Oil strengthened its HSE capabilities by implementing key technical activities and preparing for operations in Blocks 49, 56, and 58 through risk assessments and mitigation plans.

HSE Training Highlights:

H2S Training: Addresses Hydrogen sulfide (H2S) hazards and emergency response actions for high-risk environments.

Defensive Driving: Ensures personnel maintain driving permits and safe driving skills.

Journey Management Plan Training: Guides planning for safe trips exceeding 4.5 hours.

Leadership Training: Equips supervisors with tools for managing risks and uncertainties.

First Aid and CPR Training: Provides certified training for all personnel based on European CPR Council guidelines.

Mitigating accident rates
Tethys Oil integrates contractors into its HSE management systems through the following measures:
- **On-Site Registration:** Contractors adhere to tailored safety plans and site-specific procedures.
- **Induction Training:** Mandatory training covers health, safety, and emergency response protocols.
- **Performance Monitoring:** Ongoing reviews ensure compliance with safety standards and highlight areas for improvement.

At the beginning of 2024, an extreme weather-related fatality occurred on the non-operated Blocks 3&4 involving a CCED employee. After a shift change, adherence to CCED protocols was insufficient, and high-risk actions were observed. As a result, stricter procedures for shift changes have been implemented, and own transport to and from the sites is no longer permitted. This incident underscores the importance of ongoing improvement and training within HSE initiatives at all levels of operation.

Tethys Oil is making continous progress in contractor engagement, drilling performance, environmental initiatives, and annual HSE audits. Tethys Oil is preparing to take on the operatorship in a production phase on Block 56 and will be implementing its Operational Management System (OMS) based on the 10 Elements framework also in this phase. This ensures continued safe, efficient, and sustainable operations.

Safety

Safety performance, non-operated, employees & contractors, operated Blocks 49, 56, 58	Unit	2024	2023	2022	GRI indicator
Fatalities	number	0	0	0	
Fatalities rate	per 1 mn hours worked	0	0	0	
Number of hours worked	hours (thousand)	94	64	120	
Lost time incidents	number	0	0	0	
Lost-time injury rate (LTIR)	per 1 mn hours worked	0	0	0	403-9
High Potential incidents / near miss	number	1	0	0	
Total recordable injuries	number	0	0	0	
Total observations	number	1,860	368	2,382	
Total recordable injury rate (TRIR)	per 1 mn hours worked	0	0	0	
The main types of work-related injury for employees		None occurred in the considered period	None occured in the considered period	None occured in the considered period	

Safety performance, operated, employees & contractors, non-operated Blocks 3&4	Unit	2024	2023	2022	GRI indicator
Fatalities	number	1	0	0	
Fatalities rate	per 1 mn hours worked	0.1	0	0	
Number of hours worked	hours (thousand)	9,880	10,920	8,760	
Lost time incidents	number	5	1	1	
Lost-time injury rate (LTIR)	per 1 mn hours worked	0.61	0.18	0.23	403-9
High Potential incidents / near miss	number	15	40	22	
Total recordable injuries	number	10	5	5	
Total observations	number	112,936	109,097	86,977	
Total recordable injury rate (TRIR)	per 1 mn hours worked	1.01	0.46	0.57	
The main types of work-related injury for employees		Different workrelated	Different workrelated	Different workrelated	

Affected communities

Goal	Target	Performance KPI:	Policy statement
Make a positive impact in the communities where Tethys Oil operates	Ongoing long term community engagement projects at local, regional and national/ international level	Community engagement projects	Group CSR Policy
		Status	**Status**
		Global and National: 2 Regional: 6 Local: 6	Updated 2024

Why is this important?
Access to reliable and affordable energy can improve quality of life, create economic wealth and help people out of poverty. However, extracting oil and gas can stress and impact communities and interfere with resources. This may result from, for example, land use requirements for the industry activities or an influx of people seeking employment and economic opportunities. The support of communities in the host country is crucial for operating a resilient business, therefore good relations with host countries and local communities are prerequisites to Tethys Oil's business.

Tethys Oil's approach
Tethys Oil strives to create shared prosperity among stakeholders by proactively avoiding and mitigating potential negative impacts. The Group is committed to fostering goodwill and economic opportunities through initiatives tailored to the needs of local communities. By engaging directly with stakeholders, Tethys Oil ensures that it listens to, learns from, and incorporates their concerns into operational planning. This process helps address potential disruptions to livelihoods, cultural traditions, and overall quality of life caused by its operations.

The Group actively engages in dialogue with local stakeholders, ensuring their needs and priorities are considered and aligned with Tethys Oil's operational goals. This includes addressing human rights concerns through transparent communication and community-based solutions.
Local issues are managed at the community level, where the Group works to promote local employment, develop skills, and improve health and welfare. Additionally, Tethys Oil facilitates capacity building by transferring knowledge and technology to strengthen local expertise.

Tethys Oil is equally committed to refraining from involvement in tribal, internal conflicts, or acts of violence. Its Corporate Social Responsibility (CSR) efforts, led by the Director of Corporate Affairs, are supported by a dedicated local team and a group wide CSR committee focused on addressing community concerns and fostering strong relationships in operating areas. The team ensures that the Group's CSR initiatives align with international standards and community expectations, creating long-term value for all stakeholders.

Recognising the importance of land and resource rights, Tethys Oil prioritises meaningful and inclusive engagement with local communities and vulnerable groups. This involves transparent consultations and efforts to minimise any potential negative impacts. The Group is committed to acting responsibly

Tethys Oil community engagement is focused on three segments integrated with the ESG strategy.

and ensuring that its operations respect the rights, traditions, and welfare of affected communities.

Activities and results 2024

In 2024, Tethys Oil strengthened its commitment to supporting communities associated with its operations, addressing vital needs in water access, sanitation, education, health, and cultural heritage preservation.

Continuous engagement with stakeholders at national, regional, and local levels across Blocks 49, 56, and 58 ensured alignments with community priorities and integration into the Group's activities.

Building on the CSR Policy established in 2023, Tethys Oil expanded its efforts through collaboration with its Joint Venture partners under the CSR Committee, which operates with an annual budget of MUSD 1. These initiatives focused on fostering community development and supporting sustainable local practices.

During the year the following initiatives have taken place in Tethys Oil's operated and non-operated blocks:

Global and national community contributions

- Outward Bound Oman, "Musta'ad Program": Strengthened leadership and community involvement among local youth in Sharqiya, Jabal Akhdhar, and Salalah, benefiting 674 participants.
- Support and Sponsorship of the 24th Annual Dhofar Festival: Promoted Omani heritage through cultural and community-focused initiatives in 2024.

Regional contributions

- Governmental Joint Projects - Promoted sustainable urban planning, healthcare improvements, and innovative agriculture practices.
- Health Walkway/Park in Mahout: Enhanced community health and wellness infrastructure.
- Fruits and Vegetable Market in Adam: Supported local agricultural and economic development.

Local contributions

- Dialysis Unit in Adam: Strengthened healthcare access for local communities.
- Heritage Festivals in Wilayats Thumriate and Muqshin: Preserved cultural heritage while boosting local economic activity.
- Attah Ramadan Initiative: Provided essential resources to vulnerable families during Ramadan.
- Preparatory Classes in Wilayat Al Jazir: Improved education readiness and access for students in rural areas.
- World Health Day at Al Waha School: Celebrated health awareness activities for 850 students.
- Muqshin School Support: Provided water filtration systems and printers to enhance educational infrastructure.

These initiatives highlight Tethys Oil's commitment to minimising negative impacts, fostering economic opportunities, and respecting the rights and traditions of local communities.

The following initiatives are examples of additional community engagement projects collectively undertaken by the Groups operated and non-operated blocks to support the SDG Goals:

Project	Aligned with SDG goal	National/Regional/Local
Iftar Saeem Initiative 2024	10 – Reduce Inequalities	Local
MEM Joint Projects	10 – Reduce Inequalities	Regional
Health Walkway/Park (Mahout)	3 – Good Health and Well Being	Regional
Heritage Festivals in Thumriate and Muqshin	8 – Decent Work and Economic Growth	Local
Nubian Ibex Conservation	15 – Life on Land	Regional
Traffic week 2024	3 – Good Health and Well-Being	Regional
Workshops for students with special needs	3 – Good Health and Well-Being	Regional
Muqshin School Support	4 – Quality Education	Local
Outward Bound Oman "Musta'ad Program"	4 – Quality Education	National

Supporting Future Engineers at Sultan Qaboos University

Tethys Oil collaborates with the Society of Petroleum Engineering (SPE) at Sultan Qaboos University to nurture technical and soft skills among students. Key initiatives include workshops, mentoring, and the "Energy for Me" programme, which introduces children to petroleum engineering fundamentals.

This sponsorship aligns with Tethys Oil's commitment to education, community development, and Oman's energy future.

Social investments in local communities

Social investments in local communities, Blocks 3&4, gross	Unit	2024	2023	2022
Cash	MUSD	1.2	1.0	1.0
In kind	MUSD	0.0	0.0	0.0
Volunteering hours	hours	0.0	0.0	0.0

Social investments in local communities, Blocks 49, 56, 58, gross	Unit	2024	2023	2022
Cash	MUSD	0.038	0.056	0.032
In kind	MUSD	0	0	0.001
Volunteering hours	hours	8 hrs distribution of coupons for Iftar Saym for Ramadan	8 hrs distribution of coupons for Iftar Saym for Ramadan	8 hrs distribution of coupons for Iftar Saym for Ramadan

Governance

Business conduct
Goal: Strengthen and uphold a high standard of integrity and ethical business conduct

Business resilience
Goal: Resilience to a low-carbon future

Business conduct

Goal	Target	Performance KPI	Policy Statement
A high standard of integrity and ethical business conduct, based on Tethys Oil's zero-tolerance policy on bribery and corruption	100 percent employees trained on Code of Conduct and relevant policies and procedures	Employees who completed the Code of Conduct course	Supplier Code of Conduct Group Code of Conduct
		Status	**Status**
		100 percent	Supplier Code of Conduct adopted 2024

Why is this important?
Failure to conduct a business in an ethical and transparent way can threaten a company's resilience or license to operate. Legal violations, operational negligence or corruption can have severe consequences for a company's reputation or financial stability. The consequences are material and have direct impact on the business, its employees, shareholders, communities, families, suppliers and customers.

Tethys Oil's approach
Tethys Oil holds a high standard of ethical, moral, and legal business conduct and expects its staff to act honestly, with integrity and in accordance with the Group's Code of Conduct. The Code covers policies, standards, laws and regulations that govern the business. These are the foundations for the Group's work with regards to ethics, anti-corruption, and human rights.

The Code constitutes the commitment of the Group, and its Board of Directors and its employees to aspire to high standards of conduct. Employees are encouraged to report suspected or known cases they believe may be illegal or a violation of the Group's Code of Conduct or any Group policies. To provide a secure avenue for employees and third parties to disclose concerns regarding improper, unethical or illegal conduct, Tethys Oil has implemented a Whistleblowing Policy and a whistleblower system, which are proactively communicated to employees. Complaints covered by the whistleblower system and other cases of suspected violation of the Code of Conduct, are managed in accordance with Tethys Oil's procedures. During 2024, zero cases were reported to the whistleblowing channel.

Critical concerns include concerns about the organisation's potential and actual negative impacts on stakeholders raised through grievance mechanisms stated in Tethys Oil's Whistleblowing Policy. The Group's grievance mechanism is a routinised process through which grievances can be raised and remedy can be sought.

Tethys Oil has zero tolerance for corruption. The Group has adopted an Anti-Corruption Policy and transparent procedures for employees, business partners and other external stakeholders to report suspected corruption cases to prevent the abuse of for example public office, company position, power for private gain, or the misuse of private power in relation to business. The policy and the procedures are based on Transparency International's Business Principles framework.

Overview of Group policies

Vision, Mission and Values

Group Code of Conduct

Group Policies

Anti-Corruption Policy	Anti-Fraud Policy	CSR Policy	HSE Policy	Human Rights Policy
Stakeholder Relations Policy	Whistleblowing Policy	Biodiversity Policy	IT & Data Security Policy & Procedure	AML, CTF and KYC Policy
Information and Insider Policies	Diversity and Non-Discrimination Policy	Data and External Privacy Policy	Environment and Climate Policy	Supplier Code of Conduct

Tethys Oil recognises that accepting or offering gifts or hospitality of moderate value is customary and in accordance with local business practice in the region that it operates. Tethys Oil has a policy on gifts in place that clarifies the requirements for staff and contractors when receiving or offering gifts on behalf of the Group.

It is strictly prohibited for Tethys Oil's staff or contractors to give, authorise, offer, promise, request or receive gifts, hospitality and entertainment to improperly influence or reward acts or decisions or as an actual or intended compensation for any improper benefit.

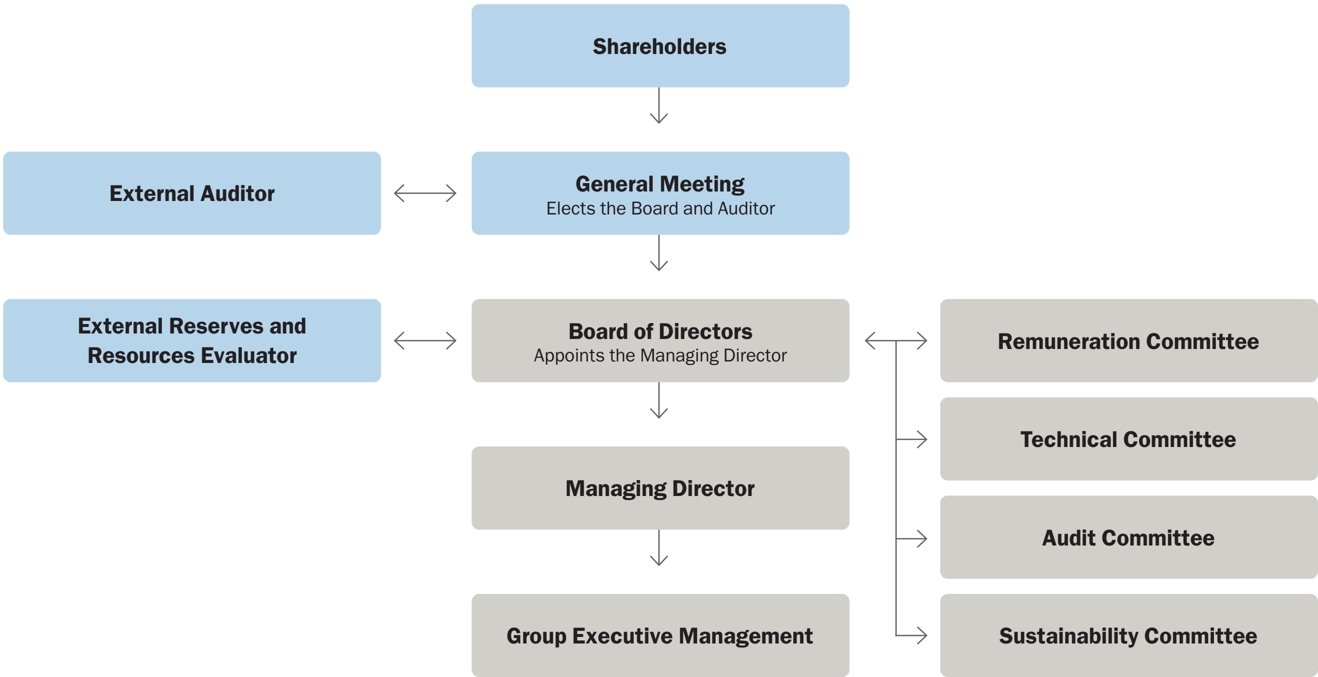
Tethys Oil has strict anti-fraud policies aimed at safeguarding the Group and its staff from fraud and dishonest behaviour. The implementation of the policy aims to improve all Tethys Oil staff's knowledge and understanding of what constitutes fraud, how to prevent, detect and report suspected fraud and where the responsibility for investigation lies. The policy also aims to assist in creating an atmosphere of openness and trust where staff feels comfortable and able to raise concerns without the risk of repercussions.

Activities and results 2024

Tethys Oil is responsible for regularly reviewing the Group's policies. The Policy Group consists of representatives from the legal, compliance, investor relations, sustainability, and human resources departments. Each business area manager is responsible for revising policies when significant changes occur that affect their content. Policy updates are prepared collaboratively with input from relevant areas and functions within the organisation. Following feedback, final versions are submitted for approval by the Board of Directors or the Managing Director. The Managing Director or another member of the Group Executive Management ensures the implementation of the Group's policies.

During the year, existing policies were reviewed and updated to address emerging risks and regulatory requirements. A reassessment of risk exposures resulted in updates of several Group Policies. A new Climate and Environmental Policy was developed to comply with the evolving regulatory expectations and stakeholder priorities. The Whistleblowing Policy was also refined to improve accessibility and compliance with international best practices. These efforts highlight Tethys Oil's ongoing commitment to ethical business conduct and its adherence to the principles of its Code of Conduct.

Tethys Oil's sustainability governance structure in 2024



Sustainability Working Group
The Sustainability Working Group is a cross-functional team of subject matter experts that manages and coordinates the publication of the Group's Sustainability Report as well as other ESG related matters and efforts, as directed by the Executive Management. Tethys Oil's Head of Sustainability is responsible for overseeing ongoing activities as well as developing and implementing strategies within the scope of the Sustainability Working Group.

The Board of Directors
The Board regularly reviews management reports and welcomes external perspectives on a range of sustainability issues and strategy development, including climate, environmental performance, diversity and inclusion of our workforce, and community engagement. The Board members routinely pursue opportunities to remain well informed on recent developments.

Audit Committee:
Supervises the Group's financial reporting including the sustainability reports and is providing support to the Board in the decision making process regarding such matters.

Remuneration Committee:
Supports the Board on decisions regarding remuneration to the Managing Director including proposals and follow-up on the KPIs for variable salary which includes ESG parameters.

Technical Committee:
Follows-up on technical evaluations and operational work and reviews the operations management system including HSE matters.

Sustainability Committee:
Responsible for reviewing and monitoring the continuity and progress of the Groups sustainability goals, the management of sustainability risks and the compliance with the Group Policies and the Code of Conduct.

Payments to authorities

	Production sharing				Income taxes		Licence costs		Total		GRI indicator
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	
Per project	**Barrels ('000)**	**Barrels ('000)**	**USD ('000)**	**USD ('000)**	**USD ('000)**	**USD ('000)**	**USD ('000)**	**USD ('000)**	**USD ('000)**	**USD ('000)**	
Oman											
Blocks 3&4	1,386	1,545	78,410	90,435	33,506	36,672	0	0	111,916	127,107	
Blocks 49							255		255		
Blocks 56		30		1,409		936	350	250	350	2,595	
Blocks 58							250	350	250	350	207-4
Total Oman	1,386	1,575	78,410	91,844	33,506	37,608	855	600	112,771	130,052	
Gibraltar					967	763			967	763	
Total Tethys Oil	**1,386**	**1,575**	**78,410**	**91,844**	**34,473**	**38,371**	**855**	**600**	**113,738**	**130,815**	
Per Authority											
Sultanate of Oman – Ministry of Energy and Minerals	1,386	1,575	78,410	91,844			300	200	78,710	92,044	
Sultanate of Oman – Ministry of Finance					33,506	37,608	555	400	34,062	38,008	207-4
Total Oman	1,386	1,575	78,410	91,844	33,506	37,608	855	600	112,771	130,052	
Total Gibraltar					967	763			967	763	
Total Tethys Oil	**1,386**	**1,575**	**78,410**	**91,844**	**34,473**	**38,371**	**855**	**600**	**113,738**	**130,815**	

Social fines

Non-compliance with laws and regulations in the social and economic area	Units	2024	2023	GRI indicator
Total number of significant fines	number	0	0	
Total monetary value of significant fines	MUSD	0	0	419-1
Total number of non-monetary sanctions	number	0	0	
Cases brought through dispute resolution mechanisms	number	0	0	

Corruption

Confirmed incidents of corruption and actions taken	Units	2024	2023	GRI indicator
Total number and nature of confirmed incidents of corruption	number	0	0	205-3
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	number	0	0	
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.	number	0	0	
Public legal cases regarding corruption brought against the organisation or its employees during the reporting period	number	0	0	
Confirmed breaches to the Code of Conduct	number	0	0	

Communication about anti-corruption policies and procedures	Units	2024	2023	GRI indicator
Communication of anti-corruption policy to the Board of Directors	number of members	5	5	205-2
	%	100	100	
Communication of anti-corruption policy to the employees				
Group level				
Executive management	number of employees	4	4	205-2
	%	100	100	
Middle management	number of employees	7	7	
	%	100	100	
Operative staff	number of employees	25	22	
	%	100	100	

Task force for Climate-related Financial Disclosures

Tethys Oil is committed to producing oil and natural gas in an efficient and sustainable manner, aiming to provide affordable and accessible energy to meet the needs of a growing global population while enhancing quality-of-life standards worldwide. The Group recognises and shares the global concerns surrounding sustainability challenges, including the risks posed by climate change.

In response to these emerging climate-related risks, Tethys Oil has adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to enhance its approach to climate related risks and transparency.

TCFD framework

The TCFD was established in 2015 by the Financial Stability Board (FSB) to create voluntary, consistent guidelines for climate-related financial disclosures. These disclosures aim to help investors, financial institutions, and insurance underwriters better understand material risks associated with climate change.

Under the TCFD framework, companies are encouraged to demonstrate the resilience of their business models in relation to the transition to a lower-carbon economy. As part of this assessment, the use of "below 2 degrees" scenarios is recommended to serve as a reference for such transitions.

The four pillars of the TCFD framework are:

Governance
Disclose the Group's governance around climate-related risks and opportunities.

Strategy
Disclose the actual and potential impacts of climate-related risks and opportunities on the Group's businesses, strategy, and financial planning where such information is material.

Risk management
Disclose how the Group identifies, assesses, and manages climate-related risks.

Metrics and targets
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Strategy and risk management

Identification of climate related risks

The Board has established a Sustainability Committee to amongst other things address, climate related risks. Following the TCFD Framework, Tethys Oil has identified several potential climate related risks, categorised either as transition or physical risks. The risks are mostly long-term in nature, meaning the impact is estimated to come in more than 10 years. Some medium term risk, i.e. risks estimated to have impact within the coming ten years, specifically within the regulatory environment have also been identified.

Transition risks

- **Oil price decline** driven by lower demand (long-term).
- **Carbon price increases** resulting from measures to incentivise emissions reductions (long-term).
- **Stricter regulations** for granting new licenses, requiring more conditions to be met and longer processing times for approvals (mid-term).
- **Reputational challenges** facing the oil and gas industry, potentially affecting the social license to operate, talent attraction and retention, and the valuation of existing assets (mid-term).

Physical risks

Type of climate related physical risks	Frequency/degree of vulnerability[1]	Climate change Impacts due to identified vulnerability[2]	Risk magnitude[3]	Comments
Cyclone	1	1	1	The location of the blocks and nature of the surrounding landscape would mean the area is not subject to cyclones.
High waves	1	1	1	The blocks are located far away from the coast, and as a result, are not subject to high waves.
Landslides	1	1	1	The location of the blocks excludes the impacts of landslides, as they are highly unlikely in the area.
Dust storms	3	1	3	The location of the site and nature of the surrounding landscape would mean the blocks could be subject to high dust levels and dust storms which can reduce visibility for vehicles and workers in the area.
High temperatures	2	1	2	High temperatures are typical in the area particularly in the summer months when temperatures peak. Care should be taken to ensure shelter and sufficient water is provided to hydrate workers on site; and where possible, to provide breaks at time periods when temperatures peak in the summer months.
Sea level rise	1	1	1	The blocks are located far away from the coast, and as a result, are not subject to high sea level rise.
Heavy rains	2	1	2	In the event of heavy rains, potential flooding is possible due to flat lying land and lack of drainage in the area. This potentially can cause ground contamination.
Flash flooding	2	1	2	In the event of heavy rains, potential of flash flooding is possible due to flat lying land and lack of drainage in the area.

[1] 1, 2 or 3 assigned for low, medium or high frequency of vulnerabilities
[2] 1, 2 or 3 assigned for low, medium or high impacts due to identified vulnerabilities
[3] Risk magnitude should be calculated by multiplying frequency and climate impact

Scenario analysis and climate resilience

To stress-test the resilience of Tethys Oil's business model regarding to the transition risks, the Group conducts a scenario analysis exercise. This analysis increases the understanding of the impact of different transition paths to a low carbon economy on the valuation of the Group's assets and the recoverability of the Group's reserves and resources.

Three different scenarios from the International Energy Association (IEA) were considered.

Transition scenarios

	Net zero emissions by 2050 (NZE by 2050)	Announced pledges scenario (APS)	Stated policies scenario (STEPS)
Definitions	The global energy sector reaches net zero CO_2 emissions by 2050. It does not rely on emissions reductions from outside the energy sector to achieve its goals.	All climate commitments made by governments and industries around the world, including the Nationally Determined Contributions (NDCs) and long-term net zero targets, will be met in full and on time.	All energy related policies, both current and under development sector-by-sector and country-by-country that were in place by the end of August 2024, are assumed to take effect.
Objectives	To show what is needed across the main sectors by various actors, for the world to achieve net zero energy related and industrial process CO_2 emissions by 2050.	To show how close current pledges get the world towards the target of limiting global warming to 1.5 °C, it highlights the "ambition gap" that needs to be closed to achieve the goals agreed in Paris in 2015.	To provide a benchmark to assess the potential achievements of recent developments in energy and climate policy. The differences between STEPS and the APS highlights the "implementation gap" that needs to be closed to achieve the announced targets.

Source: https://www.iea.org/reports/global-energy-and-climate-model/understanding-gec-model-scenarios

Oil price

		NZE by 2050			APS			STEPS		
Real terms	**2023**	**2030**	**2040**	**2050**	**2030**	**2040**	**2050**	**2030**	**2040**	**2050**
IEA crude oil (USD/barrel)	82	42	30	25	72	63	58	79	77	75

Carbon pricing

USD per tonne of CO_2	2030	2035	2040	2050
Net zero emissions by 2050 scenario (NZE by 2050)				
Advanced economies with net zero pledges	140	180	205	250
Emerging markets and developing economies with net zero pledges	90	125	160	200
Other emerging markets and developing economies	15	25	35	55
Announced pledges scenario (APS)				
Advanced economies with net zero pledges	135	160	175	200
Emerging markets and developing economies with net zero pledges	40	65	110	160
Stated policies scenario (STEPS)				
Canada	126	126	126	126
European Union	140	145	149	158

Given the inputs from each scenario, Tethys Oil evaluated the impact on the 2024 2P+2C reserves and resources of the:
a) Oil price stand alone
b) Oil price and carbon pricing in combination

Both the operational control and equity share method including scopes 1 and 2 of each method was evaluated. To maximise the stresstest the highest carbon pricing, that of advanced economies was used. The GHG emissions for 2024 are adjusted for the effect of the Gas-to-Power project was applied.

As can be seen in the tables below, "Stated Policies" and "Announced Pledges" scenarios will allow to recover 80 to 90% of value, if oil price impact is considered, and 60 to 90% of value, when both oil price and carbon tax impacts are considered (for Operational control and Equity share methods of carbon accounting), while 100% of volumes are expected to be recovered. "Net Zero by 2050" would lead to a more drastic impact on valuation, impacting 80 to 95%. Currently, carbon taxing in Oman is considered a low-probability scenario in the mid-term; therefore, the risk to value recovery and volume recovery seems to be a low-probability event.

Scenario impact on 2P+2C reserves

Operational control approach for GHG accounting*	NZE by 2050	APS	STEPS
Oil price impact	80%	20%	10%
How much of 2P+2C reserves will be recovered?	36%	100%	100%
Oil price and Carbon pricing impact (S1+S2)	80%	20%	10%
How much of 2P+2C reserves will be recovered?	36%	100%	100%

Equity share approach for GHG accounting*	Net zero emission by 2050	Announced pledges	Stated policy
Oil price impact	80%	20%	10%
How much of 2P+2C reserves will be recovered?	36%	100%	100%
Oil price and Carbon pricing impact (S1+S2)	95%	40%	30%
How much of 2P+2C reserves will be recovered?	36%	100%	100%

* NPV at 10%

Risk management
Measures to mitigate both transition and physical risks have been put in place on both the operated and the non-operated Blocks.

Mitigation measures for transition risks
- **Reduction of GHG emissions:** The Gas-to-Power project aims to eliminate routine flaring and replace diesel consumption for stationary combustion on Blocks 3&4.
- **Carbon intensity KPI:** A carbon intensity key performance indicator has been introduced in management reporting.
- **Carbon pricing in valuations:** Carbon pricing assumptions are incorporated into internal valuations for all current and potential future projects.
- **Regulatory adaptation:** Tethys Oil closely monitors existing and emerging climate-related regulatory requirements at international, national, and regional levels to adapt its operations to evolving standards.

Mitigation measures for physical risks
- **Dust suppression:** Dust control measures are employed during high winds and dust generation to improve visibility for vehicles and reduce particulate matter to compliant levels. Dust levels are monitored quarterly to ensure compliance with the Environmental Authority of Oman's (EA) standards.
- **Flood management:** Drainage systems are installed around buildings and oil tanks to minimise the impact of potential floods caused by heavy rains and weather incidents.
- **Storm and lightning protection:** Precautions are in place to prevent lightning strikes and protect workers and vehicles during storms.
- **Heat management:** During high temperatures, workers are provided with shelter, ample water and when possible, breaks during peak summer heat periods.

Performance data

Introduction

Tethys Oil remains committed to monitoring and reporting key environmental and operational performance metrics.
Water usage continues to be reported for transparency, even though it is not a material issue due to water is only used in the non-operated blocks. Total water withdrawn in 2024 was 2,057 megalitres, with a majority being produced water rather than freshwater.

Total waste generation increased in 2024, mainly due to soil contamination from a spill incident in the non-operated Blocks 3&4. The Group remains proactive in remediation efforts and improving waste management strategies.
Tethys Oil continues to integrate sustainability into its operations, ensuring responsible resource use and minimising environmental impact. On the following pages, non-financial performance data and indices are presented in reference to GRI and TCFD.

Water used and discharged

- Performance data for Tethys Oil operated activities
- Performance data for non-operated Blocks 3&4
- Total Performance data for entire Group

		Total for the Group				In the areas with water stress (B3&4, B49, B56, B58)				
Water withdrawal	**Unit**	**2024**	**2023**	**2022**	**2021**	**2024**	**2023**	**2022**	**2021**	**GRI indicator**
Water withdrawn, total	megaliters	2,057	1,951	1,681	1,603	2,057	1,951	1,681	1,603	303-3, 303-5
thereof produced water	megaliters	1,434	1,346	1,091	913	1,434	1,346	1,091	913	
thereof freshwater (≤1.000 mg/l total dissolved solids)	megaliters	0	0	0	0	0	0	0	0	
thereof other water (>1.000 mg/l total dissolved solids)	megaliters	1,434	1,346	1,091	913	1,434	1,346	1,091	913	
thereof third-party water	megaliters	30.1	32.0	36.4	42.0	30.1	32.0	36.3	42.0	
thereof freshwater (≤1.000 mg/l total dissolved solids)	megaliters	30.1	32.0	36.4	42.0	30.1	32.0	36.3	42.0	
thereof groundwater	megaliters	30.1	31.9	36.3	42.0	30.1	31.9	36.3	42.0	
thereof surface water	megaliters	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	
thereof groundwater	megaliters	592.8	572.5	553.4	648.2	592.8	572.5	553.4	648.2	
thereof freshwater (≤1.000 mg/l total dissolved solids)	megaliters	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
thereof other water (>1.000 mg/l total dissolved solids)	megaliters	592.8	572.5	553.4	648.2	592.8	572.5	553.4	648.2	
Water consumed	megaliters	1,838	1,664	1,404	1,459	1,838	1,664	1,404	1,459	
Water recycled and reused	megaliters	1,225	1,059	813	769	1,225	1,059	813	769	
Re-injected produced water vs. produced water	%	85.4%	78.7%	74.5%	84.2%	85.4%	78,70%	74.5%	84.2%	
Re-injected produced water vs. total water withdrawn	%	59.6%	54.3%	48.4%	47.9%	59.6%	54,30%	48.4%	48.0%	

		Total for the Group				In the areas with water stress (B3&4, B49, B56, B58)				
Water discharged	**Unit**	**2024**	**2023**	**2022**	**2021**	**2024**	**2023**	**2022**	**2021**	**GRI indicator**
Water discharged by destination	megaliters	220	287	277	144	220	287	277	144	303-4
thereof evaporated	megaliters	220	287	277	144	220	287	277	144	
thereof freshwater (≤1.000 mg/l total dissolved solids)	megaliters	0	0	0	0	0	0	0	0	
thereof other water (>1.000 mg/l total dissolved solids)	megaliters	220	287	277	144	220	287	277	144	

Utility water: fresh water from third-party provider
No water withdrawal estimated for B49/56/58

Waste

Waste from operated Blocks 49, 56, 58	Unit	2024	2023	GRI indicator
Total waste	t	25.5	19.8	306-3, 306-5
thereof non-hazardous waste	t	25.5	19.6	
thereof non-hazardous waste at landfill	t	25.5	19.6	
thereof non-hazardous waste disposed to a designated locations by the municipalities in Oman; offsite; general waste	t	25.5	19.6	
Hazardous waste		0.0	0.2	
thereof hazardous waste disposed to a designated locations by the municipalities in Oman; landfill; offsite	t	0.0	0.2	
Waste directed to disposal	t	25.5	19.8	

Waste from non-operated Blocks 3&4 (excluding contractors in 2023)	Unit	2024	2023	GRI indicator
Total waste	t	9,088.0	414.3	306-3, 306-5
thereof non-hazardous waste	t	9,088.0	414.3	
thereof non-hazardous waste at landfill	t	9,088.0	414.3	
thereof non-hazardous waste disposed to a designated locations by the municipalities in Oman; offsite; general waste		9,088.0	414.3	
Hazardous waste, liquids	t	17,977.5	19,674.0	
thereof hazardous waste to landfill, onsite	t	9,192.3	10,698.1	
thereof hazardous waste disposed to a designated locations by the municipalities in Oman; landfill; offsite	t	8,785.2	8,976.0	
Waste directed to disposal	t	9,088.0	414.3	

Hirings

New employee hired by age group and gender	Unit	Number of employees		From which, women		GRI indicator
		2024	2023	2024	2023	
Total Group level						
<30 years old	number	0	0	0	0	401-1
	rate	0%	0%	0%	0%	
30–50 years old	number	4	3	0	0	
	rate	17%	13%	0%	0%	
>50 years old	number	2	0	0	0	
	rate	40%	0%	0%	0%	
Sweden						
<30 years old	number	0	0	0	0	401-1
	rate	0%	0%	0%	0%	
30–50 years old	number	2	1	0	0	
	rate	29%	13%	0%	0%	
>50 years old	number	0	0	0	0	
	rate	0%	0%	0%	0%	
Oman						
<30 years old	number	0	0	0	0	401-1
	rate	0%	0%	0%	0%	
30–50 years old	number	2	2	0	0	
	rate	12%	11%	0%	0%	
>50 years old	number	2	0	0	0	
	rate	200%	0%	0%	0%	

Hirings

New employee hired by age group and gender	Unit	Number of employees		From which, women		GRI indicator
		2024	2023	2024	2023	
UAE						
<30 years old	number	0	0	0	0	401-1
	rate	0%	0%	0%	0%	
30–50 years old	number	0	0	0	0	
	rate	0%	0%	0%	0%	
>50 years old	number	0	0	0	0	
	rate	0%	0%	0%	0%	

Employee turnover by age group and gender	Unit	Number of employees		From which, women		GRI indicator
		2024	2023	2024	2023	
Total Group level						
<30 years old	number	0	0	0	0	401-1
	rate	0%	0%	0%	0%	
30–50 years old	number	1	1	0	1	
	rate	4%	5%	0%	11%	
>50 years old	number	2	0	0	0	
	rate	31%	0%	0%	0%	
Sweden						
<30 years old	number	0	0	0	0	401-1
	rate	0%	0%	0%	0%	
30–50 years old	number	0	1	0	1	
	rate	0%	13%	0%	25%	
>50 years old	number	0	0	0	0	
	rate	0%	0%	0%	0%	
Oman						
<30 years old	number	0	0	0	0	401-1
	rate	0%	0%	0%	0%	
30–50 years old	number	1	0	0	0	
	rate	6%	0%	0%	0%	
>50 years old	number	2	0	0	0	
	rate	67%	0%	0%	0%	
UAE						
<30 years old	number	0	0	0	0	401-1
	rate	0%	0%	0%	0%	
30–50 years old	number	0	0	0	0	
	rate	0%	0%	0%	0%	
>50 years old	number	0	0	0	0	
	rate	0%	0%	0%	0%	

Number of employee departing the Group ÷ Average number of employees = Employee turnover

Standard benefits for full-time employees

Table 1. Benefits	2024	2023	Beneficiaries	Motivation	GRI indicator
Sweden					
Health insurance care	yes	yes	All employees	Health protection	401-2
Parental leave	yes	yes	All employees	Gender equality	401-2
Subsidies for holiday and treatment	yes	yes	All employees	Attraction	401-2
Subsidies for lunches	yes	yes	All employees	Attraction	401-2
Disability and invalidity coverage	yes	yes	All employees	Attraction	401-3
Retirement provision	yes	yes	All employees	Attraction	401-4
Stock ownership	yes	yes	All employees	Attraction	401-5
Oman					
Health insurance care	yes	yes	All employees	Health protection	401-2
Parental leave	yes	yes	Female employees	Attraction	401-2
Subsidies for holiday and treatment	yes	yes	All employees	Attraction	401-2
Disability and invalidity coverage	yes	yes	All employees	Attraction	401-3
Retirement provision	yes	yes	All employees	Attraction	401-4
Stock ownership	yes	yes	All employees	Attraction	401-5
UAE					
Health insurance care	yes	yes	All employees	Health protection	401-2
Subsidies for holiday and treatment	yes	yes	All employees	Attraction	401-2
Stock ownership	yes	yes	All employees	Attraction	401-5

Performance review

The percentage of total employees, by gender and by employee category, who received a regular performance and career development review	Unit	2024	2023	GRI indicator
% of members of the organization who received performance review	%	100	100	404-3
% of women who received performance review	%	100	100	
% of employees with ILC, undetermined period, full time, who received performance review	%	100	100	
% of women, with ILC, undetermined period, full time, who received performance review	%	100	100	
% of employees with ILC, undetermined period, part time, who received performance review	%	100	100	
% of women, with ILC, undetermined period, part time, who received performance review	%	100	100	

Parental leave

Parental leave: Group	Unit	2024		2023		GRI indicator
		Women	Men	Women	Men	
Total number of employees that were entitled to parental leave as per end of year	number	1	5	3	6	401-3
Total number of employees that took parental leave during the year	number	1	4	1	0	
Number of employees who returned to work after parental leave ended	number	0	3	1	0	
Number of employees who returned to work after parental leave ended, who were still employed twelve months after their return to work	number	0	3	1	0	
Return to work rate	%	100	75	100	100	
Retention rate	%	100	100	100	100	

TCFD index

Recommended TCFD Disclosure	Comment	Location of Disclosure
Governance		
a) Board's oversight of climate related risks		
Process and frequency of information		Business conduct, p. 40
Influence on business planning and goals		Business conduct, p. 40
How the Board assesses progress against goals		Business conduct, p. 40
b) Management's role in assessing and managing climate-related risks		
Responsibilities for climate-related risks		Business conduct, p. 40
Description of organisation structure		Business conduct, p. 40
Process of communication		Business conduct, p. 40
Process for monitoring		Business conduct, p. 40
Strategy		
a) Near, medium, and long-term climate-related risks		
Description of time horizons	Long-term (mostly) and mid-term (selectively) have been identified	Strategy and risk management, p. 45
Specific risks that could be material for each time horizon		Strategy and risk management, p. 45
Process to determine material risks		Strategy and risk management, p. 45
b) Impact on business, strategy and planning		
Impact on business and strategy		Strategy and risk management, p. 45
Impact on financial planning, timing and prioritization		Risk management, p. 47
How risks are integrated into current decision-making and strategy formulation		Risk management, p. 47
Describe climate-related strategies	3 external scenarios considered	Scenario analysis and climate resilience, p. 46
c) Resilience of strategy using 2-degree or lower scenarios	Impact on valuation of reserves and resources under different transition scenarios (oil price and carbon pricing)	Scenario analysis and climate resilience, p. 47
Risk Management		
a) Process to assess climate-related risks		
Risk management process		Risk management, p. 47
Existing and emerging regulatory requirements		Emissions management, p. 20
Process for assessing size and scope of risk		Strategy and risk management, p. 45 Scenario analysis and climate resilience, p. 46–47
b) Process to manage climate-related risks		Risk management, p. 47
c) Integration of risk process into overall risk management		Risk management, p. 63–65
Metrics and Targets		
a) Metrics used to assess climate-related risks	GHG emissions, GHG intensity, Energy consumption & intensity Water use & discharge	Emissions management, p. 21, 23-24 Performance data, p. 48
b) Scope 1 and Scope 2 emissions	Scope 1, 2 and 3 calculated with Equity share and Operational control methods	Emissions management, p. 21, 23-24
c) Describe targets used	No routine flaring by 2030	Emissions management, p. 22

GRI index

Statement of use

Tethys Oil AB (publ) has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards and with the use of GRI 1: Foundation 2021 and the applicable GRI Sector Standard GRI 11: Oil and Gas 2021.
AR: Tethys Oil annual Report 2024

GRI standard	Disclosure	Location	Comments	Sector standard ref. no.
General disclosures				
GRI 2: General Disclosures 2021	2-1 Organisational details	AR Backcover	A-d) Applicable	
	2-2 Entities included in the organisation's sustainability reporting	AR 13	A-d) Applicable	
	2-3 Reporting period, frequency and contact point	AR 13	A-d) Applicable	
	2-4 Restatements of information	AR 13	A) Applicable i. Applicable, ii, Applicable, iii Applicable	
	2-5 External assurance	AR 53, 91–93	A) Applicable b) i. Applicable, ii, Applicable, iii Applicable	
	2-6 Activities, value chain and other business relationships	AR 6	A) Applicable b) i. Applicable, ii, Applicable, iii Applicable c) Applicable d) Applicable	
	2-7 Employees	AR 29–32	A) Applicable b) i. Applicable, ii, Applicable, iii Not applicable iv. Applicable v. Applicable c) i Applicable ii Applicable d) Applicable e) Applicable	
	2-8 Workers who are not employees	AR 29–32	Applicable	
	2-9 Governance structure and composition	AR 40–43	Applicable	
	2-10 Nomination and selection of the highest governance body	AR 40–43	Applicable	
	2-11 Chair of the highest governance body	AR 40–43	Applicable	
	2-12 Role of the highest governance body in overseeing the management of impacts	AR 40–43	Applicable 2a, 2b i, ii, 2c	
	2-13 Delegation of responsibility for managing impacts	AR 40–43	A-b) Applicable	
	2-14 Role of the highest governance body in sustainability reporting	AR 40–43	A.b) Applicable	
	2-15 Conflicts of interest	AR 29–30	A-b) Applicable	
	2-16 Communication of critical concerns	AR 29–30, 40–42	A-b) Applicable (Whistleblower policy)	
	2-17 Collective knowledge of the highest governance body	AR 29–30	A-c) Applicable	
	2-22 Statement on sustainable development strategy	AR 11,12	A-f) Applicable + corporate policies	
	2-23 Policy commitments	AR 40–41	A-f) Applicable	
	2-24 Embedding policy commitments	AR 40–41	A) Applicable	
	2-25 Processes to remediate negative impacts	AR 16, 63–65	A-d) Applicable	
	2-26 Mechanisms for seeking advice and raising concerns	AR 29–30, 40	A) Applicable	
	2-27 Compliance with laws and regulations	AR 74–78	A-e Applicable	
	2-28 Membership associations	AR 13	A) Applicable	
	2-29 Approach to stakeholder engagement	AR 14	A) Applicable (Stakeholder Policy)	
	2-30 Collective bargaining agreements	AR 29	A) Applicable	

GRI standard	Disclosure	Location	Comments	Sector standard ref. no.
Material topics				
	3-2 List of material topics	AR 19–43	A-b) Applicable	
	3-3 Management of material topics	AR 19–43	A-f) Applicable	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	AR 2–3, 60, 66	A-b) Applicable	11.14.2
	201-2 Financial implications and other risks and opportunities due to climate change	AR 44–47	A) Applicable	11.2.2
	202-2 Proportion of senior management hired from the local community	AR 29–32	A-d) Applicable	11.14.3
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	AR 36–38	A-b) Applicable	11.14.5
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	AR 16–18, 40–42	A-b) Applicable (Anti-Corruption Policy)	11.20.2
	205-2 Communication and training about anti-corruption policies and procedures	AR 40–42	B) Applicable e) Applicable	11.20.3
	205-3 Confirmed incidents of corruption and actions taken	AR 40–42	A-e) Applicable	11.20.2
GRI 207: Tax 2019	207-1 Approach to tax	AR 43, 83	A) Applicable	11.21.4
	207-2 Tax governance, control, and risk management	AR 43, 78	A-c) Applicable	11.21.5
	207-3 Stakeholder engagement and management of concerns related to tax	AR 16, 63–65, 83	A) Applicable	11.21.6
	207-4 Country-by-country reporting	AR 43	A-c Applicable	11.21.7
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	AR 23	A-g) Applicable	11.1.2
	302-2 Energy consumption outside of the organisation	AR 23	A-c) Applicable	11.1.3
	302-3 Energy intensity	AR 23	A-c) Applicable	11.1.4
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	AR 48	A) Applicable	11.6.2
	303-3 Water withdrawal	AR 48	A-d) Applicable	11.6.4
	303-4 Water discharge	AR 48	A-e) Applicable	11.6.5
	303-5 Water consumption	AR 48	A) Applicable	11.6.6
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	AR 25–27	A) Applicable i. Applicable, ii, Applicable, iii Applicable v. Applicable iv. Applicable	11.4.2
	304-2 Significant impacts of activities, products and services on biodiversity	AR 25–27	A) Applicable (Biodiversity Policy)	11.4.3
	304-3 Habitats protected or restored	AR 25–27	A-g Applicable (Biodiversity Policy)	11.4.4
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	AR 27	A) Applicable i. Applicable, ii, Applicable, iii Applicable v. Applicable iv. Applicable	11.4.5
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	AR 20–24	A-f) Applicable	11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	AR 20–24	A) Applicable	11.1.6
	305-3 Other indirect (Scope 3) GHG emissions	AR 20–24	A) Applicable	11.1.7
	305-4 GHG emissions intensity	AR 20–24	A) Applicable c) Applicable, d) Applicable	11.1.8
	305-5 Reduction of GHG emissions	AR 20–24	A-e) Applicable	11.2.3
GRI 306: Waste 2020	306-3 Waste generated	AR 49	A-b) Applicable	11.5.4
	306-4 Waste diverted from disposal	AR 49	A) Applicable, b-c) Applicable partially	11.5.5
	306-5 Waste directed to disposal	AR 49	A-e) Applicable	11.5.6
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	AR 17–18, 29	A) Applicable	/
	308-2 Negative environmental impacts in the supply chain and actions taken	AR 18, 34	A-c Applicable	/

GRI standard	Disclosure	Location	Comments	Sector standard ref. no.
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	AR 29–32, 49–51	A-b) Applicable	11.10.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	AR 29–32, 49–51	A-b Applicable	11.10.3
	401-3 Parental leave	AR 29–32, 49–51	A-d) Applicable	11.10.4
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	AR 17–18, 33–35	A-b) Applicable	11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation	AR 13–18, 29	A-c) Applicable, (HSE Policy)	11.9.3
	403-3 Occupational health services	AR 33–35	A) Applicable, (HSE Policy)	11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	AR 33–35	A-b) Applicable	11.9.5
	403-5 Worker training on occupational health and safety	AR 33–35	A) Applicable, (HSE Policy)	11.9.6
	403-6 Promotion of worker health	AR 33–35	A-b) Applicable, (HSE Policy)	11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	AR 16–18, 33–35	A) Applicable	11.9.8
	403-9 Work-related injuries	AR 33–35	A) Applicable e) Applicable	11.9.10
	403-10 Work-related ill health	AR 33–35	A-e) Applicable	11.9.11
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	AR 32, 34	A) Applicable	11.10.6
	404-3 Percentage of employees receiving regular performance and career development reviews	AR 51	A) Applicable	/
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	AR 29–32, 49–50	A) i Applicabw, ii Applicable, b) i Applicable, ii. Applicable	11.11.5
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	AR 29–32	A-b) Applicable, (Supplier Code of Conduct)	11.11.7
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	AR 29–30	A-b) Applicable	/
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	AR 29–30, 40–41	A-b) Applicable (Human Risk Policy)	11.18.2
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	AR 17–18, 36–38	A) Applicable (Group CSR Policy)	11.15.2

Auditor’s report on the statutory sustainability report

To the general meeting of the shareholders in Tethys Oil AB (publ), corporate identity number 556615-8266.

Engagement and responsibility
It is the board of directors who is responsible for the statutory sustainability report for the fiscal year 2024 on pages 10-55 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit
Our examination has been conducted in accordance with FAR’s standard RevR 12 The auditor´s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for my our opinion.

Opinion
A statutory sustainability report has been prepared.

Stockholm, 8 April 2025
Deloitte AB

Andreas Frountzos
Authorised Public Accountant

Administration report

The consolidated financial statements of the Tethys Oil Group (hereafter referred to as “Tethys Oil” or the “Group”), where Tethys Oil AB (publ) (the “Company”) with company registration number 556615-8266 is the parent company, are hereby presented for the twelve-month period ended on 31 December 2024. The amounts relating to the comparative period (equivalent period of last year) are shown in parenthesis after the amount for the current period.

The Group’s operations

Tethys Oil is an oil and gas exploration and production company focused on onshore areas with known oil discoveries in the Sultanate of Oman. The Group is headquartered in Sweden, and the Company’s shares were listed on Nasdaq Stockholm (TETY) from 2012 until 10 January 2025, when they were delisted at the request of its new majority shareholder, Roc Oil Company Pty Limited.

The Group seeks to expand its operations in Oman and the surrounding region. Tethys Oil’s operational approach is to explore, appraise and develop its assets concurrently, allowing for continued operations to be funded mainly by cash flow from production.

Licences & Agreements	Tethys Oil Interest %	Phase	Expiry date	Partners (operator in bold)
Blocks 3&4, Oman	30	Production phase	July 2040	**CCED,** Mitsui, Tethys Oil
Block 49, Oman	100	Initial exploration phase	December 2026	**Tethys Oil**
Block 56, Oman	65	Production phase	November 2044	**Tethys Oil,** Medco, Biyaq, Intaj
Block 58, Oman	100	Initial exploration phase	July 2025	**Tethys Oil**

Strategic review

In February 2024, the Board of Directors initiated a strategic review of the Group’s portfolio of oil and gas assets to explore the possibility of rebalancing the portfolio’s mix of assets and to increase the visibility of the assets’ fair market value. The investment bank, Jefferies International, was hired to advise in identifying and evaluating the best possible opportunities available to the company to maximise shareholder value.

As a result of the process, the Board of Directors decided to recommend a tender offer for the whole Group by Roc Oil Company Pty Limited, announced on 13 September.

Roc offered SEK 58.70 in cash for each share in Tethys Oil, an 89.05 percent premium compared to the Tethys Oil share’s closing price on 12 September 2024, valuing the company at approximately SEK 1.894 billion. The transaction closed in December 2024 as Roc Oil’s condition to control more than 90 percent of the shares in Tethys Oil was met. Subsequently, the Tethys Oil share was delisted from Nasdaq Stockholm with 10 January 2025 as the last day of trading. A mandatory redemption process has been initiated in early 2025.

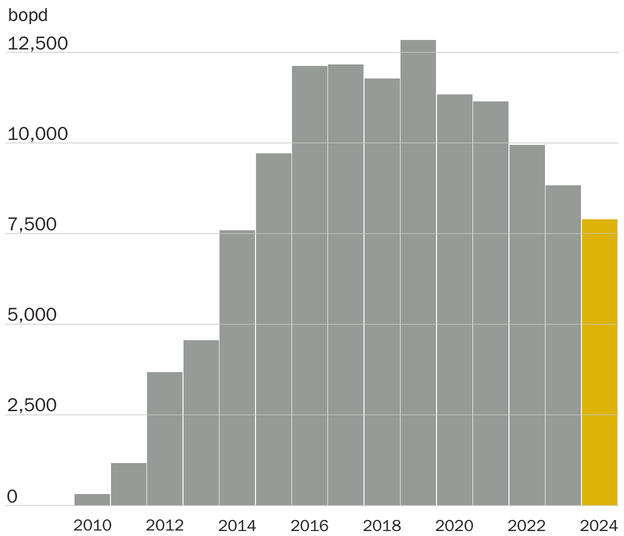
Operational review

Production

The Group’s reported production comes from Blocks 3&4 in Oman, which averaged 7,889 barrels per day in 2024 compared to 8,818 barrels per day in 2023. Reported production declined by 11 percent in 2024 compared to the previous year and amounted to 2.9 million barrels (3.2 million). The principal reason for the lower production was the severe weather conditions with heavy rain and floods and its aftermath throughout the first half of 2024. The severe weather conditions hampered production and export as work and infrastructure were periodically suspended and/or out of service, with the Shahd B field hit particularly hard. In the third quarter, the production had stabilised and began to increase as the ongoing production assurance and asset integrity work came into effect. By the fourth quarter, the production was 8,119 bopd.

The development and appraisal drilling in 2024 focused on the Farha and Shahd fields, with results, on average, slightly above expectations on Farha South and slightly below on the Shahd fields. In total, 49 new development and appraisal wells were drilled on Blocks 3&4 in 2024.

Average daily production net to Tethys Oil, yearly



Gas-to-Power emission reduction project

The first phase of the Gas-to-Power project, commissioned at the end of 2023, was completed in 2024, with delays on Block 4 due to adverse weather conditions. The second phase was initiated in 2024, with a focus on connecting wells on Block 4. By the end of the year, a total of around 90 wells had been connected to the power plant.

The Gas-to-Power system reduces routine flaring of associated gas by utilising it for power generation. By doing so, the Blocks 3&4 operations' dependence on diesel-powered generators is reduced and is ultimately planned to be phased out. The project is expected to have a significant effect on Tethys Oil's GHG emissions by eliminating flaring and reducing the emissions related to diesel consumption.

Exploration and appraisal operations per Block

Blocks 3&4

Five exploration wells, FNW- 001, FE-01, Salam-1, Afnan-1, and Shallal-1, were drilled on Blocks 3&4 in 2024, an increase from four wells in 2023.

In May, the first exploration well, FNW-001, was drilled in northern-western Farha on Block 3, on an adjacent fault block to the main trend, with the Barik formation as its primary target. The well flowed to the surface and has been declared a discovery. A similar well with promising results was drilled on the northeastern side of the main Farha trend in the latter part of the year to explore a potential oil accumulation in the Barik formation.

In July, the exploration well Salam-1 was drilled to test the upper Khufai formation in the northern parts of Block 4. The well had oil shows on logs but also a significant water cut and was declared non-commercial after additional analysis. The drilling operations of the exploration well Afnan-1 began by the end of the third quarter. The well tested the Khufai formation north of Shahd and encountered hydrocarbons but was declared uncommercial due to reservoir tightness and non-commercial recoverable volumes.

The Shallal-1 well was drilled in November to explore the heavy oil potential in the Amin and Miqrat formations on Block 4. As of the end of 2024, well testing and data analysis were ongoing.

In 2019, the partnership on Blocks 3&4 committed to a multiyear programme to acquire high-quality 3D seismic over the prospective areas with the highest potential on the two blocks. The 2023/2024 seismic acquisition programme covering 6,200 km^2 in the southern part of Block 4 was completed by the end of the third quarter. During the year, previously acquired seismic has been processed and interpreted, the results of which should be an increased number of exploration leads and prospects.

Block 49

Following discussions with the Ministry of Energy and Minerals in March, Tethys Oil entered the second exploration phase of the EPSA for Block 49, thus extending it by three years until December 2026. In the second exploration phase, Tethys Oil shall complete the evaluation of Thameen-1 and conduct additional exploration and/or appraisal activities on the block, including drilling a second exploration well. The exact nature and geographical location of these activities depend on the results yielded by the operations on Thameen-1.

Entering the second phase, Tethys Oil continued its focus on evaluating the feasibility of re-entering and re-testing Thameen-1 through hydraulic fracking to determine its potential for oil production. For this purpose, Tethys Oil has conducted additional well analysis by performing new technical and geological reviews. Tethys Oil also continued the process of planning and tendering for an integrated service contract to provide all services needed for a re-test. As the process continues, a more detailed timeline and plan on how to best move forward on the block are expected to be completed in 2025.

Block 56

In November, Tethys Oil received approval from the Ministry of Energy and Minerals (MEM) of the Field Development Plan (FDP) for Block 56, which was submitted to the Ministry in June. With the approval, Block 56 was declared commercial, and the duration of the EPSA was extended by 20 years until 2044. The approved FDP is a significant milestone for Tethys Oil as an operator and for the Block 56 partnership group.

The FDP focuses on the three oil field discoveries in the Eastern Flank area: Al Jumd, Menna, and Sarha. The fields cover multiple reservoirs, and the FDP includes a detailed plan for the appraisal, development, and production of their resources. Drilling activities are expected to begin with three horizontal wells on the Al Jumd discovery in the second half of 2025.

Block 56 also holds additional exploration potential with more than a dozen identified leads and prospects in the Eastern Flank area as well as from the ongoing seismic interpretation of the block's Central Area. 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 block's total recoverable resources.

Block 58
The focus of 2024 was preparing for, drilling, and testing the Kunooz-1 exploration well in the Fahd area in the north-eastern part of Block 58. Drilling started in mid-August and reached its final depth of 3,923 metres in the second half of October. The well targeted 123 mmbo of unrisked prospective resources, with the Nafun play carbonates Buah and Khufai as its primary targets and the Ara/Birba carbonates as secondary targets.

Initial results indicated high reservoir permeability but offered limited data availability for while-drilling evaluation of the hydrocarbon potential. As such, the well-testing and evaluation efforts continued with an open-hole test in December. The flow testing was unable to confirm the presence of hydrocarbons, and the well was subsequently suspended. The well did not result in a discovery, but the data gathered will be analysed, evaluated and used to update the view of the prospectivity of the play in the area.

In South Lahan, the third-party prospective resource audit of the prospects identified from the 450km^2 3D seismic acquired in 2022 was completed in the second quarter. The prospects are intrasalt carbonate stringers within the Ara Group, a proven play that produces condensate and light oil in the nearby Harweel area on Block 6. Six prospects were identified, holding an estimated 251.5 mmbo of unrisked recoverable prospective resources (Pmean). The estimated combined risked recoverable prospective resources are 23.8 mmbo (Pmean).

Following discussions with the Ministry of Energy and Minerals, Tethys Oil has been granted a one-year extension of the initial exploration phase of the EPSA for Block 58. The phase includes a second exploration well and expires in July 2025.

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 offers Tethys Oil exclusivity to negotiate production-sharing agreements for 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.

Negotiations are proceeding and are expected to be concluded in 2025.

Reserves and contingent resources
Oman, Blocks 3&4
Tethys Oil's net working interest Reserves in Blocks 3&4 Oman as of 31 December 2024 amount to 15,392 thousand barrels of oil ("mbo") of proven and probable Reserves (2P). In addition, Tethys Oil's net working interest resources oil base on Blocks 3&4 amounts to 18,750 mbo of 2C Contingent Resources. The Company's 2024 and 2023 year-end Reserves were evaluated by ERC Equipoise Limited ("ERCE") as an independent qualified Reserves evaluator.

Revisions and additions include a net movement of 3,221 mbo to 2C Contingent Resources from 2P Reserves, primarily on the Farha South field, due to changes in the base drilling programme. Additions to the Reserves are primarily driven by the Farha North-West and Farha East fields discovered in 2024.

Based on ERCE's model and current oil price assumptions, Tethys Oil's net entitlement Reserves (Reserves after government take) amount to 3,578 mbo of 1P, 8,004 mbo of 2P and 13,276 mbo of 3P.

The estimated Contingent Resources are attributable to the Erfan, Ulfa, Samha, Farha South, and Tibyan fields. Development of the Contingent Resources in the discoveries is contingent upon a committed work programme and a budget to access these resources.

The evaluation of the Reserves in Oman has been conducted using 2018 Petroleum Resources Management System (PRMS2018), sponsored by the Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists (AAPG), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG), Society of Petrophysicists and Well Log Analysts, (SPWLA), and the European Association of Geoscientists & Engineers (EAGE).

Development of reserves, Blocks 3&4 (working interest)

mbo	1P	2P	3P
Total 31 December 2023	12,344	21,698	36,349
Production 2024	-2,887	-2,887	-2,887
Additions and revisions	-2,577	-3,419	-7,387
Total 31 December 2024	**6,880**	**15,392**	**26,075**
Reserve replacement ratio, %	-89%	-118%	-256%

Contingent resources Blocks 3&4 (working interest)

mbo	1C	2C	3C
Total 31 December 2024	**7,634**	**18,750**	**40,406**

Financial review
Production Entitlement
The terms of the Exploration and Production Sharing Agreement ("EPSA") for Blocks 3&4 allows the joint operations partners to recover their costs up to 40 percent of the value of total oil production on an annual basis, this is referred to as 'cost oil'. After deducting any allowance for cost oil, the remaining production is split 80/20 between the government ("government take") and the joint operations partners. If the costs incurred during the period exceeds the maximum 40 percent of production, it is carried forward to be recovered in future periods and is referred to as the 'Cost Pool'. If there are no costs to be recovered, the joint operations partners receive 20 percent of the oil produced. The terms of the EPSA dictates that the joint operations partners' share of production after government take to be in the range 20–52 percent, depending on available recoverable cost.

During 2024 not all recoverable cost incurred on Blocks 3&4 were recovered from production with the unrecovered cost being carried forward in the Cost Pool for the Blocks. Net entitlement share for 2023 remained at 52 percent (52 percent) of production. As per 31 December 2024 Tethys Oil's net share of the cost pool balance was MUSD 42.1 (22.2).

Revenue and sales

Mitsui Energy Trading (Singapore), a subsidiary of Mitsui & Co Ltd, markets and sells all of Tethys Oil's oil entitlement, the majority of which originates from Blocks 3&4. Oil is lifted and sold on a monthly basis in accordance with the official procedure. The oil is priced based on the Official Selling Price (OSP) as set by the Sultanate of Oman's Ministry of Energy and Minerals, in addition to trading premiums and quality adjustments. The OSP is calculated using the monthly average price of the front month future contract of Oman Export blend (with 2 months to delivery) as traded on the Gulf Mercantile Exchange (GME).

Volumes for oil sales are nominated two to three months in advance and are not based upon the actual production in a month; as a result, sales volumes can deviate from actual production volumes in the period. Where the sales volume exceeds the quantity of barrels produced, an overlift position occurs and where it is less, an underlift position occurs. During the year, the Group's underlift position of 5,620 barrels at the end of 2023 increased to 54,326 barrels at 31 December 2024. The valuation of both over and underlift is based on market price at the balance sheet date.

Revenue and other income

	2024	2023	2022	2021	2020
Oil sold, bbl	1,452,692	1,735,025	1,585,534	1,808,857	2,317,875
Underlift (overlift) movement, bbl	48,709	-61,340	78,829	-8,717	-160,490
Net barrels produced, after government take, bbl[1]	**1,501,401**	**1,673,685**	**1,664,363**	**1,800,140**	**2,157,385**
Achieved oil price, USD/bbl	80.7	82.4	94,2	62.8	47.7
Revenue, MUSD	117.3	143.0	149.4	113.5	110.7
Underlift (overlift) adjust-ments, MUSD	3.6	-5.6	7.1	-0.8	-9.6
EWT	–	0.8	–	–	–
Revenue and other income, MUSD	**120.8**	**138.2**	**156.5**	**112.7**	**101.1**

[1] Does not include the oil sold or the Underlift (overlift) movement from the EWT.

During 2024, Tethys Oil sold 1,452,692 barrels of oil from Blocks 3&4, representing a 16 percent decrease compared to 2023 when 1,735,025 barrels of oil were sold.

Revenue from oil sales in 2024 was MUSD 117.3 (143.0),an 18 percent decrease compared to 2023. The decrease in revenue was driven by the decrease in volume oil sold but also impacted by a lower oil price. Achieved oil price was USD 80.7 per barrel (82.4).

The increase of the underlift position to 54,326 barrels at the end of 2024 from 5,620 barrels at the end of 2023 resulted in an overlift adjustment of MUSD 3.6 (-5.6).

The Revenue and the Underlift (overlift) adjustment add up to Revenue and other income of MUSD 120.8, a 13 percent decrease in 2024 compared to MUSD 138.2 in 2023.

Operating expenses

	2024	2023	2022	2021	2020
Production costs, MUSD	35.2	37.4	33.5	31.0	29.6
Well workovers, MUSD	4.4	6.3	5.0	2.9	3.1
Operator G&A and overhead expenses	11.0	11.5	11.6	9.9	10.7
Total operating expenses producing assets, MUSD	**50.6**	**55.1**	**50.1**	**43.8**	**43.4**
Operating expenses extended well test Block 56, MUSD	0.1	1.3	–	–	–
Total operating expenses, MUSD	**50.6**	**56.4**	**50.1**	**43.8**	**43.4**
Operating expenses per barrel, USD	17.5	17.1	13.8	10.8	10.5

Production costs relate to the oil production on Blocks 3&4, and comprise of expenses for throughput fees, energy, consumables, field staff, and maintenance. Well workovers and interventions relate to downhole work including replacing of electric submersible pumps. Operator G&A and overhead expenses relate to administration as well as operator overhead.

Production costs, well workovers and operator G&A together comprise operating expenses, amounting to MUSD 50.6 in 2024 (55.1), a decrease of 8 percent compared to 2023. The decrease is due to reduced spending in all cost categories driven by lower production, lower fuel consumption as a result of the implementation of the Gas-to-Power project and trimmed G&A.

Depletion, depreciation and amortisation

	2024	2023	2022	2021	2020
DD&A, MUSD	42.8	42.0	40.5	41.2	44.5
DD&A per barrel, USD	14.8	13.1	11.2	10.1	10.7

Depletion, depreciation and amortisation ("DD&A") consists of two components: a linear depreciation and a depreciation linked to the production volume in the period. DD&A for 2024 amounted to MUSD 42.8 (42.0). The increase in DD&A is due to the depreciation factor rising as a result of reduced reserves. The DD&A pertains to Blocks 3&4, and the linear depreciation relates to right-of-use assets amounting to MUSD 0.3.

Impairment

An impairment test was performed of the carrying value of Tethys Oil's interest in Blocks 3&4 as of 31 December 2024. The impairment test resulted in a net present value of MUSD 176.6 compared to a carrying value of MUSD 201.9 and thus resulted in a MUSD 25.3 (36.9) impairment charge in the income statement. The impairment charge had no cash or tax impact.

Exploration Costs

Exploration costs recorded in 2024 were MUSD 31.8 (6.4) and are related to Blocks 3&4, Block 56 and Block 58. Nine dry or uneconomic wells on Blocks 3&4 amounted to a write down of MUSD 5.2. On Block 56 a write down of MUSD 13.8 related to historic oil and gas investments not considered of commercial value under the FDP. On Block 58, the expenses related to the preparation and drilling of the dry Kunooz-1 well were expensed to a total amount of MUSD 12.8.

Administrative expenses

Administrative expenses amounted to MUSD 15.8 for 2024 compared to MUSD 8.3 during 2023. The increase primarily consists of advisory fees related to the strategic review and external debt financing.

Net financial result

The net financial result for 2024 of MUSD 0.1 (-4.4) has been impacted by net gain due to changes in foreign exchange rates between the SEK and USD. Translation differences on loans between the parent company and subsidiaries have no effect on cash flows.

Tax

Tethys Oil's oil and gas operations in Oman are governed by an Exploration and Production Sharing Agreement (EPSA) for each license, whereby Tethys Oil receives its share of oil after government 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 share of oil. The effect of these taxes is netted against revenue and other income in the income statement.

As the final amount of income tax is determined after the end of the calendar year, Tethys Oil's preliminary assessment of the amount of Omani income tax paid on behalf of Tethys Oil in 2024 is MUSD 33.5 (36.7) of which all is related to Blocks 3&4 compared to 2023 when MUSD 0.9 was related to Block 56.

Local income generated in Tethys Oil's Gibraltar subsidiaries are subject to Gibraltar taxes. Tethys Oil recorded MUSD 0.1 (0.5) in tax in Gibraltar in 2024.

Result

Tethys Oil reports a net result after tax for 2024 of MUSD -45.3 (-16.5). The decrease in net result compared to 2023 is primarily due to lower production, increased exploration costs and impairments along with increase in administrative expenditure.

Liquidity and financing

Cash and cash equivalents as per 31 December 2024 amounted to MUSD 16.0 (25.8). Drawdown under the term loan facility amounts to MUSD 27.9 (-) with an additional 32.1 available for future drawdowns.

The free cash flow (cash flow from operations less investments) for the period was MUSD -37.3 (0.8). The decrease is primarily due to reduced cash flow from operations. Cash flow from operations in 2024 before change in change in working capital amounted to MUSD 48.7 (74.9).

Cash flow from Investment activity increased to MUSD -89.0 (-82.0). Cash flow from Investment activity primarily include the cash flow effects of investments in oil and gas properties of MUSD -84.4 (-81.7) and a deposit connected to the loan facility of MUSD -4.4 (–).

Investments and work programme

During 2024, total investments in oil and gas properties amounted to MUSD 81.1 compared to MUSD 81.7 in 2023. In 2024, investments of MUSD 59.9 related to Blocks 3&4, MUSD 0.5 to Block 49, MUSD 10.5 to Block 56 and MUSD 10.0 to Block 58.

The decreased investment on Blocks 3&4 compared to previous year is mainly a result of reduced Geology and Geophysics activity and less costly appraisal wells being drilled compared to 2023. The overall increase in investment is due to the drilling of an exploration well on Block 58 and various payment commitments activated by the declaration of commerciality on Block 56.

Country/Asset, MUSD	Book value 31 Dec 2024	Investments Jan–Dec 2024	Book value 31 Dec 2023	Investments Jan–Dec 2023
Oman Blocks 3&4	176.6	59.9	190.0	75.2
Oman Block 49	1.8	0.5	1.2	0.5
Oman Block 56	39.7	10.5	43.4	3.7
Oman Block 58	7.9	10.0	10.2	2.2
New ventures	0.3	0.3	0.0	0.0
Total	**226.2**	**81.1**	**244.8**	**81.7**

Investments Blocks 3&4, MUSD	2024	2023	2022	2021	2020
Drilling	27.7	35.8	30.1	17.6	19.4
G&G	8.9	17.1	13.4	4.1	9.2
Facilities	23.4	22.3	19.9	8.7	10.2
Total investments Blocks 3&4	**59.9**	**75.2**	**63.4**	**30.4**	**38.8**

Netback

USD/bbl	2024	2023	2022	2021	2020
Netback Blocks 3&4					
Value of oil produced (Average OSP)	80.8	82.3	95.3	64.1	47.2
Government take	-38.8	-39.5	-51.6	-35.7	-22.7
Entitlement value (after government take)	42.0	42.8	43.7	28.4	24.6
Operating expenses	-17.5	-17.1	-13.8	-10.8	-10.5
Netback	24.5	25.6	29.9	17.6	14.1
Capex	-20.8	-23.4	-17.5	-7.5	-9.4
Netback (Net of Capex)	3.7	2.3	12.4	10.1	4.7

The decrease in Netback is a result of the decreased oil price. Netback after Capex has increased due to reduced capex.

Parent company

The parent company reports a net result after tax for 2024 amounting to MSEK 365.2 (592.9). Administrative expenses amounted to MSEK 126.3 for 2024 (64.4). The increase is primarily related to costs for the Strategic Review. Net financial result, which consists of dividends from subsidiaries, interest and currency exchange fluctuations, amounted to MSEK 333.7 (638.6) during 2024.

Other information

Significant agreements and commitments

In Tethys Oil's oil and gas operations, there are two main categories of agreements: one that governs the relationship with the host country, and one that governs the relationship with partners.

The agreements that govern the relationship with host countries can take different forms depending on the licensing and fiscal regime of the country. In the case of Tethys Oil and Oman the relationship is governed by Exploration and Production Sharing Agreements (EPSA or PSA). Tethys Oil holds its interests directly through aforementioned agreements in Oman. The agreements with host countries have a time limit and are normally divided into clearly defined time periods. Financial commitments and/or work commitments normally relate to the different periods.

Tethys Oil has fulfilled its commitments on Blocks 3&4. On Block 49, the second phase includes commitments of hydraulic fracturing, seismic acquisition and processing and exploratory drilling. On Block 56, the field development plan includes the development of the Al Jumd, Menna and Sarha discoveries as well as further exploration. On Block 58, an exploratory drilling commitment remains during the first phase.

The agreements that govern the relationship with partners are referred to as Joint Operating Agreements (JOA). In all areas of operation where Tethys Oil has partners, JOAs are in effect. Other than the aforementioned agreements, there are no individual agreements or similar circumstances relating to the business which are of crucial significance for the group's operations or profitability.

In August 2024 Tethys Oil Block 3&4 Ltd entered into a 5-year amortising term loan facility agreement (the "Facility Agreement") with Abu Dhabi Commercial Bank.

The Facility Agreement will comprise of a credit facility of up to MUSD 60 with a 12-month availability period and a fixed amortisation schedule commencing nine months upon entering the agreement. The primary use of funds is capital expenditure on Blocks 3&4 in Oman. The amounts drawn under the facility are under current conditions expected to carry a single-digit interest, payable quarterly. As part of the agreement Tethys Oil also commits to hedging at least 50 percent of its interest rates and an average of 35 percent of its oil sales. The Facility Agreement is subject to customary covenants for this type of facility and the shares in Tethys Oil Block 3&4 Ltd acts as the collateral for the loan.

Board of Directors

At the Extraordinary General Meeting on January 24, 2025, Lei David Teng was elected as Chairman of the Board, and Shuxing Dong and Tao Toby Meng were elected as Board members. Magnus Nordin was re-elected as a Board member. Per Seime, Klas Brand, Rob Anderson, and Staffan Knafve simultaneously resigned from their Board positions.

Organisation

At the end of the year, Tethys Oil had the equivalent of 33 full time employees (31). Of these, 10 (11) were women. In addition, Tethys Oil has a number of contractors and consultants engaged in the Group's operations.

Group structure

Tethys Oil AB (publ), with organizational number 556615-8266, is the parent company in the Tethys Oil Group. Material subsidiaries include Tethys Oil Block 3&4 Limited, Tethys Oil Montasar Limited, Tethys Oil Qatbeet Limited, Tethys Oil Oman Onshore Limited, Tethys Oil Invest AB and Tethys Oil France AB. The Tethys Oil Group was established on 1 October 2003. The Group has offices in Stockholm, Sweden, Muscat, Oman and Dubai, the United Arab Emirates.

During 2024, Tethys Oil Oman Ltd was transferred from Tethys Oil AB to Tethys Oil Block 3&4 Ltd and a voluntary liquidation process was initiated for Tethys Oil Oman Ltd.

As of 31 December 2024, Roc Oil Company Pty Limited controls more than 90 percent of Tethys Oil AB's votes and shares.

Associated companies
In December 2024, Tethys Oil AB sold its holding in Odin Energi A/S, a Danish limited liability company, which held 50% of the shares in a Lithuanian operating company which controls the Gargzdai oil production licence. The only impact of the sale on the Income Statement was MSEK 1.4 in advisory fees.

Seasonal effects
Tethys Oil has no significant seasonal variations.

Transactions with related parties
See note 20, Related party transactions.

Sustainability report
In accordance with the Swedish Annual Accounts Act (ÅRL chapter 6, §11) Tethys Oil has opted to issue the sustainability report
separate from the administration report. Pages 9 to 55 in the annual report 2024 constitute the statutory sustainability report in accordance with the Annual Accounts Act. The Auditor's report on the Sustainability report is presented on page 56.

Appropriation of profit
For the financial year 2024, Tethys Oil's Board of Directors will propose to the AGM 2025 that no dividend is to be paid. It is also proposed that the balance of retained earnings are retained in the business as described below.

MSEK	2024	2023
Share premium reserve	548.6	548.6
Retained earnings	319.0	-272.4
Profit for the year	365.3	592.9
	1,232.8	**869.0**
The Board of Directors proposes that these earnings be appropriated as follows:		
To be retained in the business	1,232.8	869.0
	1,232.8	**869.0**

Dividend and Distribution
The Board of Directors has proposed that no dividend for the financial year 2024 is to be paid. It's the view of the Board of Directors that all available funds be retained in the business to meet the Group's committments.

Financial statements
The result of the Group's and parent company's operations and the financial position at the end of the financial year is shown in the following income statements, balance sheets, cash flow statements, statements of changes in equity and related notes. Balance sheets and income statements will be resolved at the AGM, 7 May, 2025.

Risk & uncertainties management
Tethys Oil is engaged in the exploration, development and production of oil with operations and subsidiaries across Europe and the Middle East and as such the Group is subject to various risks and uncertainties. These risks and uncertainties stem from Tethys Oil's strategic direction and is an inherent part of the Group's ongoing operations, with each risk carefully weighed against its potential strategic reward. As a part of Tethys Oil's risk management efforts, the Group conducts continuous risk assessments throughout its operational, administrative, financial and sustainability work to identify the most relevant risks to the achievement of its goals. The risks listed below are those considered the most material on a Group-wide level in the 2024 risk assessment, based on their likelihood of realisation and potential impact if realised. Additional information regarding financial and sustainability risks can be found in note 1 and in the Sustainability Report on page 16 respectively.

Operational risks
Tethys Oil's operational risks, if realised, directly affect the Group's ability to produce oil in both the short and long terms. The majority of Tethys Oil's current oil production takes place on Blocks 3&4, where Tethys Oil is not the operator and as such has less of a direct impact on the day-to-day operations. Tethys Oil's primary role regarding Blocks 3&4 is to perform monthly reviews and follow-ups on strategic choices made by the partner group to minimise the realisation and impact of the risks. For its operated blocks, operational risk management has been growing and increased in focus as Tethys Oil expects to start the development of Block 56 in 2025 and exploration activities, including drilling, on Blocks 58 and 49 are ongoing.

Production and reserves decline
The primary financial value from Tethys Oil's operations stems from the short-term production of oil and the long-term reserves to be used in future production. A decline in production has immediate financial effect as less oil is sold and if the reserve replacement ratio is below production, the longevity of operations is at risk. Oil is a finite resource, and decline can occur from normal maturation as well as through active decisions beyond the Group's control taken by the partner group, governments or OPEC+. To mitigate these scenarios Tethys Oil aims at continued investments in a diversified portfolio of production, appraisal and exploration assets.

Exploration risks are primarily related to the geological chances of success in encountering hydrocarbons. For the appraisal and development stages, uncertainties relating to the quality, quantity and productive capacity of a discovery as well as the costs and technical challenges associated with bringing it to commercial production are the main risks. The main risks of the production phase are the ability to maintain long-term profitable as well as safe and sustainable production. Tethys Oil has a strategic portfolio of blocks in all phases of the exploration to production cycle, and is continuously investigating additional expansion opportunities, which if successful will allow for increased reserves, resources and future production. All presented reserves and resources are subject to evaluation by certified external evaluators in addition to internal evaluation.

Short-term production disruptions – Blocks 3&4
Short-term production disruption risks on Blocks 3&4 may be realised either as the effect of strategic partner group decisions, other external factors or natural causes. The blocks produce oil from several different fields, reducing the impact of disruptions at individual sites. Should disruptions occur on the joint oil export infrastructure, the effect may be more severe. As such, continuous investments are made into ongoing production assurance and asset integrity initiatives to minimise the risks' realisation.

Loss of geological data
Tethys Oil's operations is highly dependent on the geological data the Group acquires, primarily through its seismic acquisition programmes. This data is needed for exploration, appraisal, development and production as well as for the possibility to enter farm-out agreements. As such, the secure safekeeping of the geological data is paramount and highly prioritised. Tethys Oil has a system in place which secures the data in both digital and physical format protected against external attacks or incidents.

Operational health and safety
HSE-risks are those risk stemmed from the Group's operations related to the health and safety of people and the negative impact due to accidents. The key aspect to minimise risk realisation and impact is a culture of risk awareness. To foster such a culture, Tethys Oil has implemented a comprehensive HSE-policy framework to be adhered to by all its employees, partners, contractors or other external visitors. For its own operations, the Group is implementing an Operational Management System, based on the industry's best practise system and covering all aspects of its field activities, as well as an Emergency Response Plan and a Crisis Management Plan. The policy framework includes risk assessments for each activity, repeated dry runs and simulated training exercises, third-party-audits and whistleblower systems as well as the continuous review of policies and practises to ensure that the processes are ever improving.

Dependence on key employees
Tethys Oil is active in an advanced and complex industry which is also facing various challenges from the transition to alternative energy sources and as such, the Group is highly dependent on key employees for its successful development. The Group aims to strike an optimal balance between its dependence of key employees and its methods for retaining these employees by providing desirable working environment and remuneration package while also focusing on the continued building of structural capital and a wider organisation.

Financial risks
Additional information on Tethys Oil's financial risks is presented in note 1.

Significant oil price drop
Tethys Oil is highly dependent on the oil price levels for its revenues, its ability to generate cash flow for operations, growth and returns as well as the fair value of its assets. Over time, the oil price is subject to large fluctuations with a variety of underlaying factors, few of which Tethys Oil has any control over, such as the economic conditions of key markets in the global economy and the Group's ability to access such markets. Should the oil price drop significantly, there is a risk that oil production may no longer be profitable.

Tethys Oil diligently monitors market development and has an adaptable expenditure strategy and a strong financial resilience that allows for flexibility and lower cash outflows. Tethys Oil has a flexible approach towards oil price hedging, based on an assessment of the benefits of the hedge contract in specific circumstances. Based on analysis of the circumstances Tethys Oil assess the benefits of forward hedging sales contracts for the purpose of establishing a secured cash flow.

Net result in financial statements (MUSD)	-45.3	-45.3
Shift in oil price (USD/barrel)	+5	-5
Total effect on net result (MUSD)	**+7.5**	**-7.5**

Liquidity and refinancing risks
This is the risk that the Group will not be able to meet its financial obligations or secure short- and long-term funding of its current and future operations. Tethys Oil is operating in several countries and is exposed to currency fluctuations. Income is, and will also most likely be going forward, denominated in the foreign currency, US dollars.

Furthermore, Tethys Oil has since inception been equity and debt financed through share and bond issues, bank loans and financed by asset divestment. Additional capital could be needed to finance Tethys Oil's future operations and/or for acquisition of additional licences. The main risk is that this need could occur during less favourable market conditions. Tethys Oil continuously works to ensure that sufficient cash balances are maintained in order to cover day to day operations, both through the management of the Group's cash flows as well as securing external debt when needed. Management relies on forecasting to assess Tethys Oil's cash position based on expected future cash flows. As of 2024, Tethys Oil has entered into a long-term loan facility with Abu Dhabi Commercial Bank of MUSD 60, securing access to the funding of projects should generated cash flow prove insufficient. As is practise for such facilities, the facility is subject to certain covenants, including primarily the hedging of interest rates and oil sales. Failure to comply with the covenants could lead to the loss of collaterals and the compliance is subject to high-priority monitoring by the finance team. All other financial liabilities of the Group as of year-end 2024 and 2023 were due within 12 months. For more information on the loan facility, please see note 17, Borrowing and deposit on page 86.

External risks

The most material external risks Tethys Oil faces are those whose realisation the Group has little control over. The Group, alongside its partners, monitors environmental, market, political and regulatory developments diligently to allow for early warnings and to take the correlated strategic actions accordingly.

Third-party corruption

In its operations, Tethys Oil is highly dependent on third-party contractors and operators, which carries the risk of Tethys Oil being held responsible for the corrupt actions of third-parties. Such corruption can come in various forms, such as bribery, and could have a material effect on the Group's operations, reputation or financial stability. Tethys Oil has a zero-tolerance of corruption and has implemented a stringent policy framework, including an anonymous Whistleblowing system, as well as legal oversight and know your customer process regarding major third-party transactions and agreements. As Tethys Oil has a good standing and knowledge of its core operational geographical areas, the Group works primarily with well-known contractors and operators with whom it has long-standing relations.

Trade restrictions on oil importing countries

The oil sold by Tethys Oil primarily has its end-customers in Asia and as such the Group's revenues are highly dependent on that its oil can reach its markets. Should any oil importing sanctions, tariffs or similar trade restrictive actions be put in place on its primary markets by international or national regulators and impair Tethys Oil's ability to sell its produced oil, the Group must be ready to alongside its partners shift is targeted market.

Political instability

Tethys Oil's primary source of revenues is the Group's oil sales generated through its interests in EPSAs in the Sultanate of Oman. These agreements have negotiated expiry dates with options for extension granted by the state and the operations often requires local permits. As such, the political stability is paramount and diligently monitored by the Group's management when considering possible and current project. Tethys Oil's principal approache to dealing with this risk, is asset diversification and emphasis on continuous close dialogue with host country authorities and interest groups, nationally and locally. One of the key strategic reasons that Tethys Oil is active in Oman is that the country has a long history of proven political stability even during tumultuous periods in neighbouring countries.

Climate change related operational risks

As an effect of increasing stakeholder awareness and concern regarding climate change, Tethys Oil faces increased material climate changes related risk to its operations. These risks include increased regulation, decreased demand for oil and gas as well as sector divestment from major financial investors. By reporting its environmental impact in a transparent way, using methods such as the GHG protocol and TCFD, and joining industry initiatives to reduce its emissions, the Group mitigates the risks. Currently, Tethys Oil primary GHG emission reduction initiatives is the implementation of the Gas-to-Power project on Blocks 3&4. The Group also uses a KPI of carbon intensity for the Executive Management and incorporates carbon pricing assumptions in internal valuation for all existing and potential future projects.

Natural disasters

Natural disasters include extreme weather such as heavy rain, flooding, lightning, dust storms and high temperatures disrupting the operations, harming people, causing damage to infrastructure, equipment and financial damage. The damages from severe weather conditions tend to take long time to restore once they have occurred. Therefore Tethys Oil focuses on early warning systems, forecasting and damage prevention. The Group, and its contractors and partners, have a well-tested emergency response and crisis management plan and keep close contact with governmental bodies and agencies to synchronise efforts when needed.

Consolidated statement of comprehensive income

1 January – 31 December, MUSD	Note	2024	2023
Revenue and other income	3, 4	**120.8**	**138.2**
Operating expenses	5	-50.6	-56.4
Depletion, depreciation and amortisation	5, 14	-42.8	-42.0
Impairment	14	-25.3	-36.9
Gross profit *		**2.2**	**2.9**
Exploration costs	14	-31.8	-6.4
Administrative expenses	6, 7, 8, 9	-15.8	-8.3
Share of net result from associates		0.1	0.2
Operating result		**-45.3**	**-11.6**
Financial income and similar items	10	20.1	15.2
Financial expenses and similar items	11	-20.0	-19.6
Net financial result		**0.1**	**-4.4**
Result before tax		**-45.2**	**-16.0**
Income tax	12	-0.1	-0.5
Net Result		**-45.3**	**-16.5**
Other comprehensive result			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences		-9.6	5.9
Other comprehensive result		**-9.6**	**5.9**
Total comprehensive result		**-54.9**	**-10.6**
Attributable to:			
Shareholders in the parent company		-54.9	-10.6
Non-controlling interest		–	–

* Presentation of the Consolidated statement of comprehensive income has been adjusted during 2024 with depletion, depreciation and amortisation as well as impairment now included in the gross profit calculation. For more information, please see page 74.

Consolidated balance sheet

31 December, MUSD	Note	2024	2023
ASSETS			
Non-current assets			
Oil and gas properties	14	226.2	244.8
Other fixed assets		1.2	0.4
		227.4	**245.2**
Current assets			
Trade and other receivables	15	20.2	19.9
Prepaid expenses		0.6	0.2
Deposit		4.4	–
Cash and cash equivalents		16.0	25.8
		41.2	**45.9**
TOTAL ASSETS		**268.6**	**291.1**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	16		
Share capital		0.8	0.8
Additional paid in capital		78.0	78.0
Reserves		-9.4	0.3
Retained earnings		134.5	179.2
Total shareholders' equity		**203.9**	**258.2**
Non-current liabilities			
Non-current borrowings	17	24.8	–
Non-current provisions	18	13.9	13.5
Other non-current liabilities		0.7	0.1
		39.3	**13.6**
Current liabilities			
Accounts payable and other current liabilities	17, 19	25.4	19.2
		25.4	**19.2**
Total liabilities		**64.7**	**32.9**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**268.6**	**291.1**

Consolidated statement of changes in equity

	Attributable to shareholders of the parent company				
MUSD	Share capital	Paid in capital	Reserves	Retained earnings	Total equity
Opening balance 1 January 2023	**0.8**	**76.3**	**-5.6**	**213.7**	**285.2**
Net result 2023	–	–	–	-16.5	-16.5
Other comprehensive income 2023	–	–	5.9	–	5.9
Total comprehensive income	**0.0**	**0.0**	**5.9**	**-16.5**	**-10.6**
Transactions with owners					
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
Total transactions with owners	**0.0**	**1.7**	**0.0**	**-18.0**	**-16.4**
Closing balance 31 December 2023	**0.8**	**78.0**	**0.3**	**179.2**	**258.2**
Opening balance 1 January 2024	**0.8**	**78.0**	**0.3**	**179.2**	**258.2**
Net result 2024	–	–	–	-45.3	-45.3
Other comprehensive income 2024	–	–	-9.6	0.8	-8.9
Total comprehensive income	**0.0**	**0.0**	**-9.6**	**-44.5**	**-54.2**
Transactions with owners					
Incentive programme	–	–	–	-0.1	-0.1
Total transactions with owners	**0.0**	**0.0**	**0.0**	**-0.1**	**-0.1**
Closing balance 31 December 2024	**0.8**	**78.0**	**-9.3**	**134.5**	**203.9**

Consolidated cash flow statement

1 January – 31 December, MUSD	Note	2024	2023
Cash flow from operations			
Result before tax		-45.2	-16.0
Adjustments for non cash items:			
Depletion, depreciation	5	42.8	42.0
Impairment	5	25.3	36.9
Exploration costs	5	31.8	6.4
Other non-cash items		-5.5	5.2
Interest received		0.6	1.1
Income tax paid		-1.0	-0.8
Total cash flow from operations before change in working capital		**48.7**	**74.9**
Change in receivables		-0.2	7.5
Change in liabilities		3.3	0.3
Cash flow from operations		**51.8**	**82.7**
Investment activity			
Investment in oil and gas properties	14	-84.4	-81.7
Investment in other fixed assets		-0.3	-0.5
Deposit		-4.4	–
Dividend from associates		0.1	0.2
Cash flow from investment activity		**-89.0**	**-82.0**
Financing activity			
Share issue		–	1.7
Repurchase of shares		–	-2.4
Dividend		–	-6.1
Share redemption		–	-9.0
Incentive programme		-0.3	-0.7
Borrowings	17	27.9	–
Cash flow from financing activity		**27.6**	**-16.5**
Period cash flow		**-9.7**	**-15.7**
Cash and cash equivalents at the beginning of the period		25.8	41.5
Exchange gains/losses on cash and cash equivalents		-0.1	0.0
Cash and cash equivalents at the end of the period		**16.0**	**25.8**

Parent company income statement

1 January – 31 December, MSEK	Note	2024	2023
Other income	4	17.8	16.5
Administrative expenses	6, 7, 8, 9	-126.3	-64.4
Share of net result from associates		0.8	2.2
Operating result		**-107.7**	**-45.7**
Financial income and similar items	10	339.3	784.3
Financial expenses and similar items	11	-5.5	-145.7
Net financial result		**333.7**	**638.6**
Result before tax		**226.1**	**592.9**
Group contribution received	13	139.2	–
Income tax	12	–	–
Net result[1]		**365.3**	**592.9**

[1] As there are no items in the parent company's other comprehensive income, no separate report on total comprehensive income is presented.

Parent company balance sheet

31 December, MSEK	Note	2024	2023
ASSETS			
Non-current assets			
Oil and gas properties	14	3.3	0.4
Shares in subsidiaries	13	1,209.5	939.8
		1,212.7	**940.3**
Current assets			
Short term receivables from subsidiaries	20	142.7	5.4
Other receivables	15	2.1	1.7
Prepaid expenses		0.8	1.2
Cash and cash equivalents		25.4	16.7
		171.0	**25.0**
TOTAL ASSETS		**1,383.7**	**965.2**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	16		
Restricted equity:			
Share capital		6.0	6.0
Statutory reserve		71.1	71.1
Unrestricted equity:			
Share premium reserve		548.6	548.6
Retained earnings		319.0	-272.4
Net result		365.3	592.9
Total shareholders' equity		**1,310.0**	**946.2**
Current liabilities			
Accounts payable and other current liabilities	19	73.8	8.1
Other current liabilities to group companies	20	–	11.0
Total liabilities		**73.8**	**19.1**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,383.7**	**965.2**

Parent company statement of changes in equity

MSEK	Restricted equity: Share capital	Restricted equity: Statutory reserve	Unrestricted equity: Share premium reserve	Unrestricted equity: Retained earnings	Unrestricted equity: Net result	Total equity
Opening balance 1 January 2023	**6.0**	**71.1**	**530.3**	**-382.1**	**294.2**	**519.5**
Transfer of prior year net result	–	–	–	294.2	-294.2	-
Net result 2023	–	-	–	–	592.9	592.9
Total comprehensive income	**0.0**	**0.0**	**0.0**	**0.0**	**592.9**	**592.9**
Transactions with owners						
Share issue	0.0	–	18.3	–	–	18.3
Repurchase of shares	–	–	–	-24.8	–	-24.8
Dividend	–	–	–	-64.5	–	-64.5
Share redemption	–	–	–	-95.9	–	-95.9
Incentive programme	–	–	–	0.7	–	0.7
Total transactions with owners	**0.0**	**0.0**	**18.3**	**-184.5**	**0.0**	**-166.2**
Closing balance 31 December 2023	**6.0**	**71.1**	**548.6**	**-272.4**	**592.9**	**946.2**
Opening balance 1 January 2024	**6.0**	**71.1**	**548.6**	**-272.4**	**592.9**	**946.2**
Transfer of prior year net result	–	–	–	592.9	-592.9	–
Net result 2024	–	–	–	–	365.3	365.3
Total comprehensive income	**0.0**	**0.0**	**0.0**	**0.0**	**365.3**	**365.3**
Transactions with owners						
Incentive programme	–	–	–	-1.5	–	-1.5
Total transactions with owners	**0.0**	**0.0**	**0.0**	**-1.5**	**0.0**	**-1.5**
Closing balance 31 December 2024	**6.0**	**71.1**	**548.6**	**319.0**	**365.3**	**1,309.9**

Parent company cash flow statement

1 January – 31 December, MSEK	Note	2024	2023
Cash flow from operations			
Profit before tax		365.3	592.9
Adjustments for:			
Dividend from Group company	12	-334.4	-540.0
Net exchange differences	12, 13	1.1	-17.4
Finance items – net	12, 13	-0.8	-39.2
Other non-cash items		-1.3	-8.9
Interest received		0.5	1.1
Total cash flow from operations before change in working capital		**30.3**	**-11.5**
Change in receivables		-142.7	-4.2
Change in liabilities		58.9	1.1
Cash flow from operations		**-53.6**	**-14.6**
Investment activity			
Dividend from associates		334.4	2.2
Investment to oil and gas properties		-2.8	–
Cash flow from investment activity		**331.5**	**2.2**
Financing activity			
Share issue		–	18.3
Financing from long term receivables		–	156.8
Repurchased shares	16	–	-24.8
Dividend payment		–	-64.5
Share redemption		–	-95.9
Shareholder’s contribution to subsidiaries		-270.0	–
Incentive programme		-0.3	-6.9
Cash flow from financing activity		**-270.3**	**-17.1**
Period cash flow		**7.6**	**-29.4**
Cash and cash equivalents at the beginning of the period		16.7	47.6
Exchange gains/losses on cash and cash equivalents		1.1	-1.5
Cash and cash equivalents at the end of the period		**25.4**	**16.7**

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 licences in Oman. The Company is a limited liability company incorporated and domiciled in Stockholm, Sweden.

The consolidated financial statements of Tethys Oil AB and its subsidiaries for the year that ended on 31 December 2024 have been approved by the Board of Directors on 8 April 2025.

Basis of preparation

The consolidated financial statements of the Tethys Oil AB Group have been prepared in accordance with prevailing International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) interpretations adopted by the EU Commission as well as by the Swedish Annual Accounts Act (1995:1554). In addition, RFR 1 "Supplementary Rules for Groups" has been applied as issued by the Swedish Financial Reporting Board.

The Parent Company financial statements have been prepared in accordance with the Annual Accounts Act and Swedish Financial Accounting Standards Council's RFR 2 "Accounting for legal entities". By applying RFR 2, the Parent Company shall apply IFRS' rules and statements as adopted by the EU in the annual report for the legal entity, so far as this is possible within the framework of the Annual Accounts Act and with regard to the connection between accounting and taxation. The recommendation states which exceptions and additions that shall be or are allowed to be made from IFRS. The accounting principles of the Parent Company are the same as for the Group, except in the cases specified below in the section titled "Parent Company accounting principles".

The consolidated financial statements for the year ended 31 December 2024 have been prepared on a going concern basis and in accordance with the framework described above. The accounting policies that follow have been consistently applied to all years presented, except where otherwise indicated.

The consolidated financial statements have been prepared on historical cost basis unless disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 2, Critical accounting estimates and judgements.

IASB issued several amended accounting standards that were endorsed by EU, effective date 1 January 2024. None of these had a material effect on the Group financial statements 2024.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods or on foreseeable future transactions.

Presentation of the Consolidated statement of comprehensive income has been changed during 2024 with depletion, depreciation and amortisations as well as impairments now included in the gross profit calculation. Below is a reconciliation bridging the previous reported gross profit to the updated format.

Gross profit FY 2023 presented on 31 December 2023	**81.7**
Presentation change:	
Deduct depletion, depreciation and amortization	-42.0
Deduct impairment	-36.9
Gross profit FY 2023 presented on 31 December 2024	**2.9**

Basis of consolidation

The consolidated group financial statements consolidate the financial statements of Tethys Oil AB and its subsidiaries up to and including 31 December each year.

(i) Subsidiaries

Subsidiaries are all legal entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company, using consistent accounting policies.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, including when control is obtained via potential voting rights, and continue to be consolidated until the date that control ceases.

Intra-group balances and transactions, including unrealised profits arising from intra-group transactions, are eliminated. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(ii) Associates

Associates are entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20 percent and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost. Share of net profit or loss from an associate is accounted for as increase/decrease of the initial investment. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

(iii) Joint arrangements

Under IFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Tethys Oil has joint operations.

Joint operations

Tethys Oil recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

The Group conducts oil and gas operations as a joint operation that does not have a separate legal entity status through licences which are held jointly with other companies. The Groups financial statements reflect the Group's share of production, capital costs, operational costs, current assets and liabilities in the joint operations.

Joint ventures

Interests in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet. Tethys Oil group has no joint ventures.

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Tethys Oil AB Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Foreign currency translation

(i) Functional and presentation currency

The US dollar is the presentation currency of the Group. In management's view this provides the most meaningful information about the company's performance and results to the Group's management and shareholders.

The functional currency of each of the Group's consolidated entities is the currency of the primary economic environment in which the entity operates. The Group's most significant subsidiaries' functional currency is USD, as being most common for oil and gas industry.

Tethys Oil AB's (the Parent Company) functional currency is Swedish Krona ('SEK') as the company is domicile in Sweden and run most of its business primarily in SEK. Accordingly, Tethys Oil AB's (Parent Company) presentation currency is SEK.

(ii) Transactions and balances

Parent Company

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the Central Bank of Sweden (Riksbanken Sverige) rates of exchange prevailing at the balance sheet date and foreign exchange currency differences are recognised as part of the financial net in the income statement.

Transactions in foreign currencies are translated into the functional currency at exchange rates prevailing at the transaction date. Exchange differences are included in financial income/expenses in the income statement.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs or income. All other foreign exchange gains and losses are presented in the statement of profit or loss on as net financial result basis within other gains/(losses).

Group companies

The results and financial position of foreign operations or entity that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at the average exchange rate, except for transactions where it is more relevant to use the rate of the day of the transaction, and
- the translation differences which arise are recorded directly in the foreign currency translation reserve within other comprehensive income. Upon disposal of a foreign operation, the translation differences relating to that operation will be transferred from equity to the income statement and included in the result on sale.

For the preparation of the financial statements for the reporting period, the following exchange rates have been used:

	31 December 2024		31 December 2023	
Currency	**Average**	**Period end**	**Average**	**Period end**
SEK/USD	10.56	11.00	10.61	10.04

Classification of assets and liabilities

Non-current assets, long-term liabilities and provisions consist for the most part of amounts that are expected to be recovered or paid more than twelve months after the balance sheet date. Current assets and current liabilities consist solely of amounts that are expected to be recovered or paid within twelve months after the balance sheet date.

Oil and gas properties

Oil and gas properties are initially recorded at historical cost, where it is probable that they will generate future economic benefits.

Oil and gas properties are all costs for acquiring concessions, licences or interests in production sharing contracts and for the survey, drilling and development of such interests and are capitalised on a field area cost centre basis. This includes capitalisation of decommissioning and restoration costs associated with provisions for asset retirement (see "Provisions"). Oil and gas properties are subsequently carried at cost less accumulated depreciation, depletion, and amortisation (including any impairment).

Gains and losses on disposals of oil and gas properties are determined by comparing the proceeds with the carrying amounts of assets sold and are recognised in the income statement.

Routine maintenance and repair costs for producing assets are expensed to the income statement when they are incurred.

Oil and gas properties are categorised as either producing or non-producing, which are presented as tangible and intangible assets respectively in the financial accounts. Non-producing assets keep their status until commercial production on this block begins at which time they are reclassified as producing assets and tangibles accordingly.

Depreciation, depletion and amortisation

No depreciation or amortisation is charged during the exploration and evaluation phase.

Producing oil and gas properties are depleted on a unit of production basis over the proved and probable reserves of the field concerned, except in the case of assets whose useful lives differ from the lifetime of the field, in which case the straight-line method is applied. In accordance with the unit of production method, net capitalised costs to reporting date, together with anticipated future capital costs for the development of the proved and probable reserves determined at the balance sheet date price levels, are depleted based on the year's production in relation to estimated total proved and probable reserves of oil and gas. Depletion of a field area is charged to the income statement once commercial production commences, under category Depreciation, depletion and amortisation.

Commercial reserves

Proved reserves are those quantities of petroleum which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods and governmental regulations. Proved reserves can be categorised as developed or undeveloped. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimates.

Probable reserves are those unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. In this context, when probabilistic methods are used, there should be at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable reserves.

Exploration costs

The Group adopts the successful efforts method of accounting for exploration and evaluation costs. Exploration costs related to non-producing oil and gas properties are charged to the income statement when a decision is made not to proceed with an oil and gas project, or when the expected future economic benefits of an oil and gas project are less than the capitalised costs. No depletion is charged to non-producing oil and gas properties. Costs related to non-producing oil and gas properties and directly associated with an exploration well are capitalised until the determination of commercial reserves is evaluated. If it is determined that a commercial discovery has not been achieved, these exploration costs are charged to the income statement as exploration costs. Once the commercial reserves are established, and the commercial production commences, exploration assets are tested for impairment and transferred to producing assets.

Impairment of Oil and Gas Properties

Tethys Oil continuously assesses its producing oil and gas properties for any need for impairment. This is performed in conjunction with each balance sheet date or if there are trigger events or changes in circumstances that indicate that the carrying values of assets may not be recoverable. Such indicators include changes in the Group's business plans, relinquished licences, changes in raw materials prices leading to lower revenues and, for oil and gas properties, downward revisions of estimated reserve quantities.

Testing for impairment losses is performed for each cash generating unit, which corresponds to a licence right, production sharing agreement or equivalent owned by Tethys Oil. A cash generating unit usually corresponds to each acquired asset in which Tethys Oil carries on oil and gas operations. Impairment testing means that the balance sheet item amount for each cash generating unit is compared to the recoverable amount for the assets, which is the higher of the fair value of the assets less sales expenses and the value in use. The value in use of the assets is based on the present value of future cash flows discounted by a discount rate; see also note 2, Critical accounting estimates and judgements under the section Impairment of oil and gas properties. An impairment loss is recorded when the book value of an asset or a cash generating unit exceeds the recoverable amount. Impairment losses are charged to the income statement.

Tangible assets other than oil and gas

Other tangible assets are stated at cost less accumulated depreciation. Depreciation is based on cost and is calculated on a straight-line basis over the estimated economic life of 3 to 5 years for office equipment and other assets.

Additional costs to existing assets are included in the assets' net book value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The net book value of any replaced parts is written off. Other additional expenses are deemed to be repair and maintenance costs and are charged to the income statement when they are incurred. The net book value is written down immediately to its recoverable amount when the net book value is higher. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in profit or loss. When revalued assets are sold any amounts included in other reserves in respect of those assets transferred to retained earnings.

Cash and cash equivalents

For presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets. Qualifying assets are assets that take a substantial period of time to complete for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending to be used for the qualifying asset, is deducted from the borrowing costs eligible for capitalisation. This applies to the interest on borrowings to finance fields under development which is capitalised within oil and gas properties until production commences. All other borrowing costs are recognised in the income statement in the period in which they occur. Interest on borrowings to finance the acquisition of producing oil and gas properties is charged to the income statement as incurred.

Provisions

Site restoration provision

Site restoration work is the work anticipated at the end of the useful life of a production unit or when other installation may be required by law, by the terms of operating licences or by an entity's stated policy and past practice.

Amounts used in recording a provision for site restoration are estimated based on current legal and constructive requirements and current technology and price levels for the removal of facilities and plugging and abandoning of wells. Due to changes in relation to these items, the future actual cash outflows in relation to the site decommissioning and restoration can be different. To reflect the effects due to changes in legislation, requirements and technology and price levels, the carrying amounts of site restoration provisions are reviewed on annual basis. The effects of changes in estimates do not give rise to prior year adjustments and are treated prospectively over the estimated remaining commercial reserves of each field. While the Group uses its best estimates and judgement, actual results could differ from these estimates.

Financial Instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into financial assets measured at fair value through profit or loss or at amortised cost. The Group determines the classification at initial recognition.

Financial assets are classified as financial assets measured at amortised cost if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Otherwise, they are classified as financial assets measured at fair value.

After initial recognition, financial assets are measured based on the following classification:

- Financial assets measured at amortised cost are measured at amortised cost using the effective interest method.
- Financial assets other than those measured at amortised cost are measured at fair value through profit and loss.

The Group's financial assets include cash and cash equivalents, trade and other receivables and loans issued and potential financial asset resulting from hedging.

Impairment and de-recognition of financial assets

The Group assesses expected credit losses on financial assets measured at amortised cost. The Group recognises a provision for such expected credit losses at each reporting date. The Group always recognises lifetime expected credit losses ("ECL") for its trade and other receivables and updates this expectation at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition.

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities

All financial liabilities are measured at fair value at initial recognition. However, financial liabilities measured at amortised cost are measured at cost after deducting transaction costs that are directly attributable to the financial liabilities. Financial liabilities are subsequently measured at amortised cost using the effective interest method, except for derivatives measured at fair value through profit or loss. The Group determines the classification at initial recognition.

After initial recognition, financial liabilities are measured based on the following classification:

- Financial liabilities measured at amortised cost are measured at amortised cost using the effective interest method. Amortisation under the effective interest method and gains or losses on de-recognition are recognised as profit or loss in the consolidated statement of income.
- Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as measured at fair value through profit or loss at initial recognition. The net gain or loss recognised in the consolidated statement of profit or loss incorporates any interest paid on the financial liability and is included in the gain/(loss) on derivative financial instruments and investments, net.

The Group's financial liabilities may include loans and borrowings and trade and other payables.

Financial liabilities are recognised initially at fair value plus in the case of loans and borrowings, directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Loans and borrowing are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Loans and borrowings and trade and other payables are subsequently measured at amortised cost using the effective interest rate method.

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid.

Accounts and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid, including any non-cash assets transferred or liabilities assumed, and payable is recognised in profit and loss as other income or finance costs.

Leases

Tethys Oil recognises right of use assets and lease liabilities arising from all leases in the balance sheet, with some exceptions. This model reflects that, at the start of a lease, the lessee always obtains the right to use an asset for a period of time and has an obligation to pay for that right.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Under IFRS 16 Tethys Oil applies the exceptions for short-term leases and leases for which the underlying asset is of low value e.g. office leases and IT servers/programmes and other leases of shorter duration or lesser value. IFRS 16 Leases does not apply to joint operations unless operated by Tethys Oil. In the case of joint operations operated by Tethys Oil, the group recognises its interest share of the value of the underlying assets and corresponding liabilities of the leases in its consolidated group accounts.

At present Tethys Oil does not have any leases under IFRS 16 from joint operations in its group accounts.

Equity

Share capital consists of the registered share capital for the Parent Company. Share issue costs associated with the issuance of new equity are treated as a direct reduction of proceeds. Excess contribution in relation to the issuance of shares is accounted for in the item additional paid-in-capital.

If any Group company purchase Parent Company shares (repurchase of own shares) the proceeds including any directly attributable transaction costs (net after tax) will reduce equity attributable to the shareholders of the Parent Company until the shares are annulled or realised.

If the shares are realised, proceeds net after directly attributable issue costs and tax effects are shown in equity attributable to the shareholders of the Parent Company.

The currency translation reserve contains unrealised translation differences due to the conversion of the functional currencies into the presentation currency.

Retained earnings contain the accumulated results attributable to the shareholders of the Parent Company.

Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Revenue and Other income

Revenue from sale of crude oil

Revenue from sale of crude oil is recognised at the fair value of the consideration received or receivable when the significant risks and rewards of ownership have been transferred, which is when title passes from Tethys Oil to the customer.

The title transfer is the moment when crude oil is loaded onto a tanker on behalf of the customer. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

QBA (Quality Bank Adjustment) is an additional income received by Tethys Oil from the state oil company, PDO. In substance, this is premium paid for the quality of the extracted oil being above the average quality of the oil in Omani. QBA is recognised as part of Revenue from sales of crude oil.

Underlift and overlift adjustment

Lifting arrangements for oil and gas produced in the Company's jointly owned operations are such that each participant may not receive and sell its precise share of the overall production in each period. The resulting imbalance between cumulative entitlement and cumulative production is underlift or overlift.

Underlift and overlift are valued at market value and included within Trade and other receivables and Accounts payables and other current liabilities respectively. Movements during an accounting period are adjusted through cost of sales such that gross profit is recognized on an entitlement basis.

Underlift or overlift positions are taken into account for future oil sales nominations, aiming at balancing the position. Underlift and overlifts are adjusting Revenue income over the periods and recorded on a separate line.

Other Income

Incidental revenues from the test production of oil and gas are recognised as Other Income until quantities of proven and probable reserves are determined or commercial production has commenced.

Income from the sale or farm-out of oil and gas concessions in the exploration stage and the related production costs are reported in the Income Statement net of capital expenditure.

Profit oil and cost recovery in Joint Operation

Tethys Oil's producing oil and gas property in Oman (Blocks 3&4) is governed by an Exploration and Production Sharing Contract (EPSA). Under the EPSA, revenues are derived from cost recovery oil and profit oil. Cost recovery oil allows Tethys Oil to recover a majority of investments and operating expenses (CAPEX and OPEX) incurred. Profit oil is split between the host government and joint operations parties in accordance with a fixed percentage. The joint operations partners split the cost recovery oil and profit oil in accordance with their respective equity interests. Joint operations definition and accounting policy are described in this note above.

Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Post-employment obligations /Pension obligations

The group operates various post-employment schemes mostly defined contribution pension plans. For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share-based payments

Share-based compensation benefits are provided to employees. Equity settled share-based payments are recognised in the income statement as administrative expenses and as equity in the balance sheet. The share-based option is recognised at fair value at the date of grant using the Black & Scholes options pricing model and is charged to the income statement.

Termination benefits
Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Income taxes
Presented income taxes include tax payable or tax receivable for the reporting period, adjustments in regard to previous year's taxes and changes in deferred tax. Valuations of all tax liabilities/claims are in nominal amounts and are prepared in accordance with tax legislation and tax rates decided or announced and at which they are likely to be resolved. The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In such case, the tax is also recognised in other comprehensive income or directly in equity, respectively. Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Related party transactions
Related parties include shareholders and other related parties (e.g. jointly controlled entities, associated companies) representing entities that have significant influence on the Group, and members of key management personnel or other parties that are partly, directly or indirectly, controlled by key management personnel or of its family or of any individual that controls, or has joint control or significant influence over Tethys Oil.

Information about the remuneration of the Board of Directors and senior executives, is disclosed in Note 7 Employees.

For disclosures of the Parent Company's transactions with related parties, refer to Note 20 Related-party transactions.

Cash Flow Statement
The statement of cash flows is prepared in accordance with the indirect method. The reported cash flow only covers transactions that have resulted in payments or disbursements.

Rounding of amounts
All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

Parent Company accounting principles
The Parent Company has prepared its annual report in compliance with the Swedish Annual Accounts Act and the recommendation RFR 2, Accounting for Legal Entities of the Swedish Financial Reporting Board. The Annual Report was prepared on a historical cost basis.

The preparation of financial statements in conformity with RFR 2 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Parent Company's accounting policies.

The accounting principles of the Parent Company deviate from the accounting principles of the group in respect of the following:

Leasing
The Parent Company has chosen not to apply IFRS 16 Leases but has instead chosen to apply RFR 2 and IFRS 16 Leases p. 2–12. This policy choice means that no right of-use assets or lease liabilities are recognised in the balance sheet. Instead, leasing fees are expensed on a straight-line basis over the lease period. The Parent Company only has office leases and IT-servers/-programmes and other leases concerning items of lesser value.

Financial instruments
Assets and liabilities are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost unless stated otherwise. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

All financial assets and liabilities are current and the fair value of these seems to be the carrying amount as the discounting effects are not significant.

Subsidiaries:
The Parent Company's investments in subsidiaries and associates are recognised using the cost method. The values of subsidiaries are tested for impairment when there is an indication of a decline in the value.

Shareholders contributions and group contributions
The Parent Company uses the alternative method in accounting for group contributions and records paid as well as received contributions as appropriations in the income statement. Shareholder contributions paid by the Parent Company are recognised as an increase in the holding's carrying amount.

Income Taxes
A tax liability is recognised when a future payment, in application of a tax regulation, is considered probable and can be reasonably estimated. The exercise of judgment is required to assess the impact of new events on the amount of the liability. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profits will be available against which the losses can be utilised. Estimation and judgement are required to determine the value of the deferred tax asset, based upon the timing and level of future taxable profits.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.

Note 1, Financial risk management

The Group's activities expose it to a variety of financial risks such as foreign currency exchange rate risk, liquidity risk, credit risk and risk of management estimates and assumptions. The Group's risks are continuously monitored and analysed by the Board of Directors and management with the aim to minimise potential adverse effects on the Group's financial performance and position. For further information please see the risk section in the Administration Report on page 63.

Foreign currency risk
The Group is exposed to fluctuations in the foreign exchange markets as fluctuations in exchange rates as expenses in foreign subsidiaries, oil and gas expenditures, or financial instruments may fluctuate due to changes in rates, which can negatively affect the result, cash flow and equity.

Tethys Oil is operating in several countries and is exposed to currency fluctuations. Income is and will also most likely be denominated in foreign currencies, US dollars.

The major proportion of the Group's assets relate to international oil and gas discoveries valued in USD and which generate revenues in USD. During the reporting period all of Tethys Oil's oil sales and operative expenditures were denominated in USD with a share of general and administrative expenses being denominated in SEK. The exchange risk affects the Group by transaction risk and translation risk.

Transaction risk
Transaction exposure arises in the cash flow when invoicing or the costs of invoiced goods and services are not in the local currency. The Group only has limited costs in currencies other than USD, primarily relating to the SEK costs in the Parent Company. Presented below is the exposure to currencies with reference to items in the financial statements:

	2024	2023
Revenues	100% in USD	100% in USD
Investments in Oil & Gas	99.9% in USD	99.9% in USD
External financing at year end	Yes	No

Tethys Oil does not use derivative contracts to hedge exchange rates. The Group policy is that cash held in bank should be in USD, except for a brief period when sufficient amounts of SEK required in the Parent Company to pay dividend and share redemption. Furthermore, there are relatively minor amounts in SEK held in the Parent Company to cover running costs.

Translation risk
Exchange rate changes affect the Group's operating profit in conjunction with the translation of the income statements of subsidiaries into USD. When net assets are translated into USD the translation can negatively affect the Group's statement of financial position. The parent company has issued loans to its subsidiaries denominated in USD and exchange rate changes impact the income statement of the parent company. The Group does not hedge its translation exposure and fluctuating currency rates might negatively affect the operating profit and financial position of the Group.

Liquidity risk and Refinancing risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Furthermore, Tethys Oil has since inception been equity and debt financed through share and bond issues, bank loans and financed by asset divestment. Additional capital could be needed to finance Tethys Oil's future operations and/or for acquisition of additional licences. The main risk is that this need could occur during less favourable market conditions. Tethys Oil continuously works to ensure that sufficient cash balances are maintained in order to cover day to day operations, both through the management of the Group's cash flows as well as securing external debt when needed. Management relies on forecasting to assess Tethys Oil's cash position based on expected future cash flows. All the Group's financial liabilities, apart from the one detailed in note 17 on page 86 and on page 64, were due within 12 months at the end of 2024 and 2023.

Credit risk
Tethys Oil's policy is to limit credit risk by limiting the counterparties to major banks and oil trading companies. Tethys Oil is selling all of its oil through Mitsui Energy Trading Singapore which is part of Mitsui & Co. Ltd., with 30 days payment from bill of lading. As at end of each period the account receivable basically represents the amounts due within the next month. This is the maximum exposure on accounts receivable. There is no history of default, and the Group does not anticipate future credit losses. Cash and cash equivalents are maintained with banks having strong long-term credit ratings. Maximal exposure regarding other financial assets is those presented in the balance sheet. The Board of Directors responsibility is to overview the Group's capital structure and financial management, approve certain business regarding acquisition, investments, possible lending as well as on-going monitoring exposure to financial risks.

Note 2, Critical accounting estimates and judgements

In preparing consolidated financial statements in conformity with IFRS, estimates and assumptions are used by Tethys Oil management in determining the reported amounts of assets and liabilities, revenues and expenses recognised during the periods presented and disclosures of contingent assets and liabilities known to exist as of the date of the financial statements. These estimates and assumptions must be made because certain information that is used in the preparation of such financial statements is dependent on future events, cannot be calculated with a high degree of precision from data available, or are not capable of being readily calculated based on generally accepted methodologies. In some cases, these estimates are particularly difficult to determine, and the Company must exercise significant operations judgment. Actual results for all estimates could differ materially from the estimates and assumptions used by the Company, which could have a material adverse effect on the Group's business, financial condition, results of, cash flows and future prospects. More detailed information about significant estimates is presented below.

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events which are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year are discussed below.

Estimates in oil and gas reserves and resources
The business of the Group is the exploration for, development of and production of oil and gas reserves. Estimates of oil and gas reserves and resources are used in the calculations for impairment tests, in-house modelling and accounting for depletion and site restoration. Changes in estimates in oil and gas reserves and resources, resulting in different future production profiles, will affect the discounted cash flows used in impairment testing, the anticipated date of site decommissioning and restoration and the depletion charges in accordance with the unit of production method. Estimates in oil and gas reserves and resources may change following for instance new wells, long term production data and changes in macroeconomic data.

Impairment of oil and gas properties
Tethys Oil continuously assesses its producing oil and gas properties for any need for impairment testing. This is performed in conjunction with each balance sheet date or if there are events or changes in circumstances that indicate that carrying values of assets may not be recoverable. Such indicators include changes in the Group's business plans, relinquished licences, changes

in oil prices leading to lower revenues and, for oil and gas properties, downward revisions of estimated reserve quantities.

Testing for impairment losses is performed when necessary for each cash generating unit, which corresponds to licence right, production sharing agreement or equivalent owned by Tethys Oil. A cash generating unit thus usually corresponds to each acquired asset in each country in which Tethys Oil carries on oil and gas operations. Impairment testing means that the balance sheet item amount for each cash generating unit is compared to the recoverable amount for the assets, which is the higher of the fair value of the assets less sales expenses and the value in use. The value in use of the assets is based on the present value of future cash flows discounted by a discount rate.

An impairment loss is recorded when an asset's or a cash generating unit's recorded value exceeds the recoverable amount. Impairment losses are charged to the income statement. Recent results are disclosed in note 14, Oil and gas properties under the section Impairment testing.

Oil and natural gas price assumptions
Assumptions and forecasts of oil prices are used in the recurring evaluations of impairment tests. The prices used are a combination of actual prices, forward prices for the next six months, as well as the long-term forecasts provided by Tethys Oil's reserves evaluator ERCE.

Discount rate assumptions
The discount rates used for impairment testing and provisions continuously updated during the year in light of changing economic and geopolitical outlooks. Further details are disclosed in note 18, Site restoration provision.

Site restoration provision
Amounts used in recording a provision for site restoration are estimates based on current legal and constructive requirements and current technology and price levels for the removal of facilities and plugging and abandoning of wells. Due to changes in relation to these items, the future actual cash outflows in relation to the site decommissioning and restoration can be different. To reflect the effects due to changes in legislation, requirements and technology and price levels, the carrying amounts of site restoration provisions are reviewed on a regular basis. The effects of changes in estimates do not give rise to prior year adjustments and are treated prospectively over the estimated remaining commercial reserves of each field. While the Group uses its best estimates and judgement, actual results could differ from these estimates.

Income taxes
Tethys Oil has not recorded a deferred tax in relation to the tax losses carried. Management does not consider the measurement of deferred tax assets to be a significant accounting estimate.

Note 3, Revenue and other income

	Group MUSD	
	2024	2023
Revenue	117.3	143.0
Underlift (+) / overlift (-), adjustment	3.6	-5.6
Other income	–	0.8
Revenue and other income	**120.8**	**138.2**

Tethys Oil sells all oil to Mitsui Energy Trading Singapore, which is part of Mitsui & Co Ltd. Revenue from crude oil sales come from Block 3&4 Oman and are made on a monthly basis. Tethys Oil´s average selling price is based on the monthly average price of the two-month future contract of Oman blend as traded on the Gulf Mercantile Exchange, including trading and quality adjustments. For 2023, oil sale from EWT (extended well test) related to Block 56 is included in Other income.

Note 4, Other Income

Parts of the administrative expenses in Tethys Oil, such as overhead costs in the parent company, have been charged out to oil and gas projects within the group. Other income in the parent company during 2024 amounted to MSEK 17.8 (MSEK 16.5). In case of Tethys Oil being the operator in joint operations, these administrative expenditures are, through the above, also funded by the partner if such partners exist. All internal charge outs are eliminated in the consolidated financial statements. Tethys Oil is as at 31 December 2024 operator in Blocks 49, 56 and 58 in Oman and holds 100 percent of the licenses interest in Block 49, 58 and 65 percent in Block 56.

Note 5, Operating expenditure

MUSD	2024	2023
Production costs	-35.2	-37.4
Well Workovers	-4.4	-6.3
Operator G&A and overhead expenses	-11.0	-11.5
EWT operating expenditure	-0.1	-1.3
Total	**-50.6**	**-56.4**

Note 6, Administrative expenses

		Group MUSD		Parent MSEK	
	Note	2024	2023	2024	2023
Personnel costs and benefits		-5.0	-4.2	-29.7	-30.1
Utilities and office supply		-0.1	-0.6	-3.2	-4.0
Legal and consulting		-8.3	-1.3	-76.3	-11.3
Audit	9	-0.3	-0.4	-3.1	-3.2
Marketing expenses		-0.2	-0.4	-2.0	-3.8
Travel expenses		-0.4	-0.4	-3.2	-5.4
Listing costs		-0.1	-0.2	-1.0	-1.1
Other costs		-1.3	-0.9	-7.9	-5.6
Total		**-15.8**	**-8.3**	**-126.3**	**-64.5**

Note 7, Employees

Average number of full time employees per country	2024 Total	2024 Total men	2023 Total	2023 Total men
Parent company				
Sweden	11	8	9	5
Total parent company	**11**	**8**	**9**	**5**
Subsidiary companies in Sweden	–	–	–	–
Subsidiary companies foreign				
Oman	21	15	21	15
United Arab Emirates	1	–	1	–
Total subsidiary companies foreign	**22**	**15**	**22**	**15**
Total group	**33**	**23**	**31**	**20**

MUSD Salaries, other remuneration and social costs	2024 Salaries, other remuneration	2024 Social costs	2024 Pension costs	2023 Salaries, other remuneration	2023 Social costs	2023 Pension costs
Parent company						
Sweden	-2.0	-0.6	-0.2	-2.2	-0.5	-0.2
Total parent company	**-2.0**	**-0.6**	**-0.2**	**-2.2**	**-0.5**	**-0.2**
Subsidiary companies in Sweden	–	–	–	–	–	–
Subsidiary companies foreign						
Oman	-4.8	–	-0.2	-3.7	–	-0.1
United Arab Emirates	-0.2	–	–	-0.2	–	–
Total subsidiary companies foreign	**-5.0**	**–**	**-0.2**	**-3.8**	**–**	**-0.1**
Total group	**-7.0**	**-0.6**	**-0.5**	**-6.0**	**-0.5**	**-0.2**

MUSD Salaries and other remuneration distributed between The Board and other employees	2024 Board and managing director	2024 Other employees	2023 Board and managing director	2023 Other employees
Parent company				
Sweden	-0.6	-1.4	-0.7	-1.6
Total parent company	**-0.6**	**-1.4**	**-0.7**	**-1.6**
Subsidiary companies in Sweden	–	–	–	–
Subsidiary companies foreign				
Oman	–	-4.8	–	-3.7
United Arab Emirates	–	-0.2	–	-0.2
Total subsidiary companies foreign	**–**	**-5.0**	**–**	**-3.9**
Total group	**-0.6**	**-6.3**	**-0.7**	**-5.5**

During 2024 no women have been members of the Board of Directors, compared to one in 2023. One woman has been a member of the executive management, compared to one in 2023. At the AGM of shareholders on 15 May 2024, Klas Brand, Robert Anderson, Magnus Nordin and Per Seime were re-elected members of the board. Staffan Knafve was elected as a new member of the board. No deputy directors were appointed. At the same meeting, Per Seime was re-appointed to chairman of the board. A new Board was elected at the Extraordinary General Meeting on January 24, 2025. For more information, see below. There have not been any agreements on pensions for any of the directors of the board. For the executive management, the pension costs follow a defined contribution plan.

Salaries and other remuneration to executive management during 2024, MSEK	Basic salary	Pension arrangements	Variable salary	Share based long term incentive[1]	Other benefits	Total 2024
Managing director	5.264	–	1.215	–	0.039	6.517
Other executive management	5.962	1.109	1.606	–	0.089	8.765
Total	**11.226**	**1.109**	**2.821**	**0.000**	**0.127**	**15.283**

Salaries and other remuneration to executive management during 2023, MSEK	Basic salary	Pension arrangements	Variable salary	Share based long term incentive[1]	Other benefits	Total 2023
Managing director	5.156	–	0.786	1.658	0.035	7.635
Other executive management	7.030	0.992	1.154	3.346	0.068	12.590
Total	**12.186**	**0.992**	**1.940**	**5.004**	**0.103**	**20.225**

[1] The Managing director received no warrants (70,000) and Other executive management received no warrants (180,000) as there was no incentive programme in 2024 (250,000).

Total remuneration to executive management decreased in 2024 compared to 2023 and is mainly due to no warrant incentive programme being implemented during the year. During 2024, the variable salary for the managing director increased while the incentive programme decreased. Remuneration to the other members of the executive management decreased as a result of one member leaving the executive management group in 2024 and a new member not serving serving a full year.

According to the employment contract, the Managing Director has a mutual notice period of twelve months. If the employment is terminated by the Company, the Managing Director is entitled to severance pay corresponding to twelve months' salary, less from the date at new employment begins at another company.

At the EGM of shareholders on 25 January 2025 a new Board of Directors was elected. The new board consists of David Teng, Shuxing Dong, Toby Meng and Magnus Nordin. David Teng was appointed as chairman of the board.

Note 8, Incentive programmes

Warrants based programme

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

The allocation is not guaranteed and the Board of Directors of the Company shall resolve on and implement the allocation. The warrants have no vesting period or other restrictions and have been transferred free of charge to the participants and the Group accounts for any income tax for the participants to the extent such tax is attributable to the programme. The market value of the warrants has been calculated in accordance with the Black & Scholes formula by an independent valuation institution. The subscription price is based on the volume-weighted average of the purchase price for the Company's share on Nasdaq Stockholm during approximately a two-week period prior to the date of allocation.

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. In October 2024 the exercise period for the 2021 incentive programme expired without any warrants having been exercised.

In October 2024 , in connection with the public Offer ROC has announced that the Offer does not include the warrants that have been issued by Tethys to participants in Tethys' warrants incentive programs. The Offeror has entered into agreements with all participants in such incentive programs to acquire the warrants for a price which entails a fair treatment in connection with the Offer. Accordingly, the Offeror has acquired all of Tethys's outstanding warrants, comprising all 160,000 warrants of series 2022/2025 and all 250,000 warrants of series 2023/2026.

				Number of warrants				
Warrant incentive programme	**Exercise period**	**Subscription price, SEK**	**Shares per warrant**	**1 Jan 2024**	**Issued 2024**	**Exercised 2024**	**Expired 2024**	**31 Dec 2024**
2021 incentive programme	12 Jun–4 Oct 2024	66.10	1.15	200,000	–	–	200,000	–
2022 incentive programme	18 Aug–6 Oct 2025	92.80	1.07	160,000	–	–	–	160,000
2023 incentive programme	3 Jun–28 Sep 2026	59.40	1.01	250,000	–	–	–	250,000
Total				**610,000**	–	–	**200,000**	**410,000**

				Number of warrants				
Warrant incentive programme	**Exercise period**	**Subscription price, SEK**	**Shares per warrant**	**1 Jan 2023**	**Issued 2023**	**Exercised 2023**	**Expired 2023**	**31 Dec 2023**
2020 incentive programme	13 Jun–6 Oct 2023	45.40	1.19	350,000	–	338,000	12,000	–
2021 incentive programme	12 Jun–4 Oct 2024	66.10	1.15	200,000	–	–	–	200,000
2022 incentive programme	18 Aug–6 Oct 2025	92.80	1.07	160,000	–	–	–	160,000
2023 incentive programme	3 Jun–28 Sep 2026	59.40	1.01	–	250,000	–	–	250,000
Total				**710,000**	**250,000**	**338,000**	**12,000**	**610,000**

	Group MUSD		Parent MSEK	
Warrant incentive programme	**2024**	**2023**	**2024**	**2023**
Incentive programme cost	–	0.6	–	6.0
Total	**0.0**	**0.6**	**0.0**	**6.0**

Long-term incentive program (LTIP)

In 2022 the Board of Directors of Tethys Oil AB approved the launch of a new Long-Term Incentive Programme (LTIP). The Programme is established to form a part of the incentive and retention programme directed to the employees of the Group, except for Executive Management. The aim is to align the objectives of the Company´s shareholders and the employees for increasing the value of the Company in the long-term, to retain the employees at the Company and to offer them a competitive incentive programme that gives them an opportunity to receive Shares acquired with the reward. The programme is denominated in SEK.

During 2024 Tethys Oil had 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 one three-year Vesting Period. The payment of each instalment is conditional on continued employment, and continued ownership of the Reward Shares 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 were settled in 2024. 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. In September 2024, the Board of Directors decided to terminate both LTIP programmes in advance with compensation to employees in amount of MSEK 2.4 equivalent of the outstanding instalments settled in December 2024.

Note 9, Remuneration to company auditor

	Group MUSD		Parent MSEK	
	2024	2023	2024	2023
PwC:				
Audit fee	-0.1	-0.3	-1.2	-3.0
Audit-related fees	–	-0.0	-0.0	-0.1
Deloitte:				
Audit fee	-0.2	–	-1.9	–
Audit-related fees	–	–	–	–
Audit fees to other audit company	-0.0	-0.1	–	-0.0
Total	**-0.3**	**-0.4**	**-3.1**	**-3.2**

The 2024 AGM has appointed Deloitte as auditor for the group, replacing PwC. Accordingly PwC fees during 2024 include statutory audit fees for finalisation of 2023 audit and Deloitte fees include the FY2024 audit fee.

Note 10, Financial income and similar items

	Group MUSD		Parent MSEK	
	2024	2023	2024	2023
Interest income	0.6	1.1	0.5	79.7
Currency exchange gains	19.6	13.7	4.4	120.1
Dividend from group companies	–	–	334.4	584.5
Other financial income	–	0.5	–	–
Total	**20.1**	**15.2**	**339.2**	**784.3**

Note 11, Financial expenses and similar items

	Group MUSD		Parent MSEK	
	2024	2023	2024	2023
Interest expenses	-0.5	–	–	-42.7
Currency exchange loss	-10.7	-18.6	-5.5	-102.8
Provision for expected credit loss	-5.0	–	–	–
Other financial expenses	-3.8	-1.0	–	-0.3
Total	**-20.0**	**-19.6**	**-5.5**	**-145.7**

Note 12, Tax

The Group's income tax charge amounts to MUSD 0.1 (0.5) and is related to Tethys Oil's income in Gibraltar. Tethys Oil has not recorded a deferred tax asset in relation to the tax losses carried forward since there is uncertainty as to if the tax losses may be utilised.

The tax losses are in another jurisdiction than where main profits are generated. Tax losses carried forward amounted to MSEK 111.7 (272.7). There are no time limits for the utilization of tax losses.

Parent MSEK	2024	2023
Result before tax	365.3	592.9
Tax at applicable tax rate 20.6% (2023: 20.6%)	-75.2	-122.1
Non-deductible expenses	-14.3	-0.3
Non-taxable income	69.0	120.9
Utilised (+) / Built up (-) tax loss carry forwards previously not recorded as deferred tax assets	20.5	1.6
Tax expense	**0.0**	**0.0**

Tethys Oil's oil and gas operations in Oman are governed by separate Exploration and Production Sharing Agreements ("EPSA") for each contract area. 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 share of oil. The effect of these taxes is netted against revenue and other income in the income statement. Currently Blocks 3&4 and Block 56 are the Omani EPSAs in a tax paying position.

As the final amount of income tax is determined after the end of the calendar year, Tethys Oil's preliminary assessment of the amount of Omani income tax paid on behalf of Tethys Oil in 2024 is MUSD 33.5 (37.6) of which MUSD 33.5 (36.7) is related to Blocks 3&4 and MUSD - (0.9) to Block 56.

Local income generated in Tethys Oil's Gibraltar subsidiaries are subject to Gibraltar taxes. Tethys Oil recorded MUSD 0.1 (0.5) in tax in Gibraltar in the period.

Note 13, Shares in subsidiaries

Company	Reg. number	Reg. office	Number of shares (thousands)	Percentage	Nominal value per share	Book Value MSEK
Tethys Oil France AB	556658-1491	Sweden	1.0	100%	SEK 100	1,209.2
Tethys Oil Invest AB *	556658-1442	Sweden	1.0	100%	SEK 100	1,210.2
Tethys Oil Exploration AB *	556658-1483	Sweden	1.0	100%	SEK 100	0.1
Tethys Oil Middle East North Africa B.V.	27306813	Netherlands	18.0	100%	EUR 1	0.2
Tethys Oil Oman Ltd	95212	Gibraltar	0.1	100%	GBP 1	0.0
Tethys Oil Block 3&4 Ltd	101981	Gibraltar	1.0	100%	USD 1	0.0
Tethys Oil Montasar Ltd	115710	Gibraltar	1.0	100%	USD 1	0.0
Tethys Oil Oman Onshore Ltd	118203	Gibraltar	1.0	100%	USD 1	0.0
Tethys Oil Qatbeet Ltd	119982	Gibraltar	1.0	100%	USD 1	0.0
						1,209.4

* Wholly owned by Tethys France AB

Shares in subsidiaries, MSEK	Parent 2024	Parent 2023
1 January	939.9	1.0
Shareholders contribution	269.5	–
Revaluation	–	938.9
31 December	1,209.4	939.9

In 2023, the Group decided to optimise the treasury function to ensure efficiency of its intercompany financing.

Tethys Oil restructured its holding of certain group companies and transferred the holding of intercompany loans from the parent company to the indirectly wholly owned subsidiary Tethys Oil Invest AB that is acting as an internal treasury company.

This resulted in the revalution of Tethys Oil AB's direct shareholding in TO France by MSEK 938,9 and indirect shareholding in TO Invest accordingly.

During 2024 Tethys Oil AB made additional investment in Tethys Oil France AB via shareholders contributions of 269,5 MSEK.

Note 14, Oil and gas properties

The agreements that govern the relationship with host countries are referred to as licenses or Exploration and Production Sharing Agreements (EPSA or PSA). Tethys Oil holds its interest directly through aforementioned agreements in Oman. The agreements with host countries have a time limit and are normally divided into periods. Financial commitments and or work commitments normally relate to the different periods. Tethys Oil has fulfilled its commitments on Blocks 3&4. In Block 58 the initial work commitments during the first period include geological studies, seismic acquisition and processing and exploratory drilling. In Block 49 work for the second period commitments incldue seismic acquisition, exploratory drilling and completing the hydraulic frack in Thameen-1. The Parent company oil and gas properties are part of the new venture category.

Country	Licence	Phase	Expiration date	Tethys Oil, %	Partners (operator in bold)
Oman	Blocks 3&4	Production	July 2040	30%	**CCED**, Mitsui, Tethys Oil
Oman	Block 49[1]	Exploration	December 2026	100%	**Tethys Oil**
Oman	Block 56[2]	Production	November 2044	65%	**Tethys Oil**, Medco Arabia Ltd, Intaj LLC, and Biyaq Oil Field Services
Oman	Block 58[3]	Exploration	July 2025	100%	**Tethys Oil**

[1] Tethys Oil has entered into a 3 year extended exploration period on Block 49 starting in December 2023. In case of a commercial oil or gas discovery, the EPSA will be transformed in to a 15 year production licence with the option of a further five year extension. In case of a commercial discovery Oman Government Company, has a right to acquire up to a 30% interest in Block 49 against refunding of past expenditure.

[2] Declaration of Commerciality has been issued for Block 56 in December 2024 and the EPSA is transformed in to a 20 year production licence with the option of a further five year extension. Oman Government Company has a right to acquire up to a 25% interest in Block 56 against refunding of past expenditure.

[3] Tethys Oil has the right to enter into a second three year exploration period. In case of a commercial oil or gas discovery, the EPSA will be transformed in to a 15 year production licence with the option of a further five year extension. In case of a commercial discovery Oman Government Company, has a right to acquire up to a 30% interest in Block 58 against refunding of past expenditure. The initial work commitments during the first period include geological studies, seismic acquisition and processing and exploratory drilling.

MUSD	31 December 2024	31 December 2023
Producing properties (tangible oil & gas assets)	176.6	190.0
Non-producing properties (intangible oil & gas assets)	49.5	54.8
Total oil and gas properties	**226.2**	**244.8**

MUSD Licence	Phase	Tethys Oil's share	31 December 2024	Investments	DD&A	Impairment	Exploration costs	Site restoration and other adjustments	1 January 2024
Blocks 3&4	Production	30%	176.6	59.9	-42.4	-25.3	-5.2	-0.5	190.0
Block 49	Exploration	100%	1.8	0.5	–	–	–	0.2	1.1
Block 56	Production	65%	39.7	10.5	–	–	-13.8	-0.4	43.4
Block 58	Exploration	100%	7.9	10.0	–	–	-12.8	0.5	10.2
New ventures			0.3	0.3	–	–	–	–	0.0
Total			**226.2**	**81.1**	**-42.4**	**-25.3**	**-31.8**	**-0.1**	**244.8**

MUSD Licence	Phase	Tethys Oil's share	31 December 2023	Investments	DD&A	Impairment	Exploration costs	Site restoration and other adjustments	1 January 2023
Blocks 3&4	Production	30%	190.0	75.2	-41.5	-36.9	-6.3	1.0	198.5
Block 49	Exploration	100%	1.1	0.5	–	–	–	–	0.6
Block 56	Production	65%	43.4	3.7	–	–	–	0.8	38.9
Block 58	Exploration	100%	10.2	2.2	–	–	–	–	8.0
New ventures			0.0	0.0	–	–	-0.1	–	0.1
Total			**244.8**	**81.7**	**-41.5**	**-36.9**	**-6.4**	**1.8**	**246.1**

MUSD Producing cost pools	Blocks 3&4	Total
Cost 1 Jan 2024	628.5	628.5
Investments	59.9	59.9
Impairment	-25.3	-25.3
Exploration cost	-5.2	-5.2
Change in estimates	-0.5	-0.5
Cost 31 Dec 2024	**657.5**	**657.5**
Accumulated depreciation 1 Jan 2024	-438.5	-438.5
Depletion charge for the year	-42.4	-42.4
Accumulated depreciation 31 Dec 2024	**-480.9**	**-480.9**
Net book value 31 Dec 2024	**176.6**	**176.6**

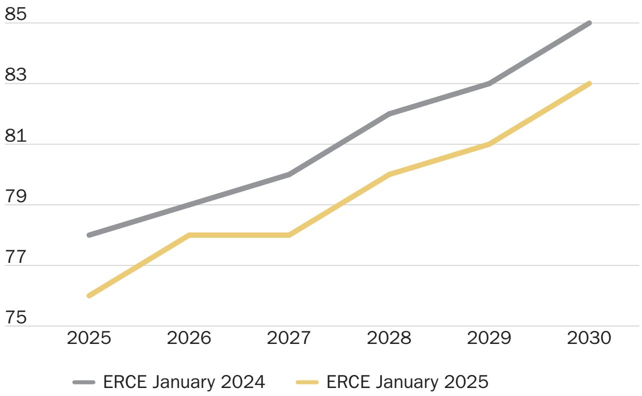
MUSD Producing cost pools	Blocks 3&4	Total
Cost 1 Jan 2023	595.5	595.5
Investments	75.2	75.2
Impairment	-36.9	-36.9
Exploration cost	-6.3	-6.3
Change in estimates	1.0	1.0
Cost 31 Dec 2023	**628.5**	**628.5**
Accumulated depreciation 1 Jan 2023	-397.0	-397.0
Depletion charge for the year	-41.5	-41.5
Accumulated depreciation 31 Dec 2023	**-438.5**	**-438.5**
Net book value 31 Dec 2023	**190.0**	**190.0**

Impairment testing
In response to the 2024 exploration and development investments on Blocks 3&4 not yielding the expected production output and reserve additions, Tethys Oil conducted an impairment test of the Group's interest in Blocks 3&4 based on the reserves and resources evaluation effective as of 31 December 2024. As a result of the test, an impairment charge of MUSD 25.3 was recognised in 2024. The discount rate is 11.8 percent based on the actual debt to capital ratio per 31 December 2024 of 13.6 percent. Had the debt to capital ratio been 50 or 0 percent, the discount rate would have been 10.2 percent and 12.4 percent, respectively. For a summary of Blocks 3&4's reserves and resources report 2024, see page 59.

Valuation sensitivity to discount rate

Discount rate	10.2%	11.8%	12.4%
Blocks 3&4 valuation, MUSD	194.5	176.6	170.8

ERCE Brent oil price expectations



Exploration cost
Exploration cost in 2024 amounted to MUSD 31.8 related to exploration and appraisal wells on Blocks 3&4, Block 56 and Block 58.

Note 15, Trade and other receivables

	Group MUSD		Parent MSEK	
	2024	**2023**	**2024**	**2023**
Trade receivables oil sales	9.2	9.8	–	–
Underlift position	4.1	0.5	–	–
Non-trade receivables*	0.4	5.0	–	–
Joint operation receivables	3.2	0.1	–	–
Other receivables	3.3	4.5	2.1	1.7
Total	**20.2**	**19.9**	**2.1**	**1.7**

*As of 31 December 2024, the balance is stated net of the provision for expected credit loss, as presented in note 11.

Note 16, Shareholders' equity

As at 31 December 2024, the number of issued shares in Tethys Oil amounted to 33,458,828 (33,458,828), with a nominal value of SEK 0.18 (SEK 0.18). All shares represent one vote each. No shares were issued during the period.

The Company was delisted from Nasdaq Stockholm as a consequence of the acquisition of the Company's shares by ROC. The last day of trading was 10 January 2025. Please see the administration report for further details.

Note 17, Borrowing and deposits

In August 2024, Tethys Oil, through the subsidiary Tethys Oil Block 3&4 Ltd, and Abu Dhabi Commercial Bank PJSC (ADCB) have signed an agreement for a 5-year MUSD 60 amortising term loan facility. The purpose of the facility is to support capital expenditure for Blocks 3&4 in Oman, with the shares of Tethys Oil Block 3&4 Ltd acting as the collateral for the loan.

The loan comprises a credit facility of up to MUSD 60 with a 12-month availability period and a fixed amortisation schedule commencing nine months upon entering the agreement. The primary use of funds is capital expenditure on Blocks 3&4 in Oman. The loans drawn under the facility are under current conditions expected to carry a single-digit interest, payable quarterly. The loan is subject to customary covenants for this type of facility.

During 2024 Tethys Oil has borrowed MUSD 27.9, whereof MUSD 24.8 is presented in the financial statement as long-term and MUSD 3.1 short-term. Interest of MUSD 0.3 has been accrued at end of the period.

In accordance with the agreement Tethys Oil has a deposit account in ADCB which secures Tethys Oil's ability to repay loan principal and interest due within the next 12 months. As at end of the period the Deposit account amounted to MUSD 4.4.

	Group MUSD	
	2024	**2023**
Short- term borrowing	3.1	–
Long-term borrowing	24.8	–
Total	**27.9**	–

Note 18, Site restoration provision

Tethys Oil estimates that its share of site restoration costs for Blocks 3&4 at year end 2024 amounts to MUSD 13.0 (MUSD 12.5). Because of the revised value of the site restoration provision, the value of Oil and Gas properties for Block 3&4 have been reduced by the corresponding amount. The change in provision follows an annual review of the site restoration calculation which estimates the cost of plugging all of the wells and removing surface facilities. The value is inflated using an annual inflation factor of 2.0 percent (2.0) and the long-term provisions are discounted using a risk-free interest rate of 4.9 percent (4.2 percent) and a credit spread of 4.0 percent (4.0) for Block 3&4. The provisions at year end 2024 for Block 49, 56 and 58 respectively are MUSD 0.3 (0.2), MUSD 0.2 (0.8) and MUSD 0.4 (0.0)

MUSD	**31 December 2024**	**31 December 2023**
Provisions as of beginning of period	13.5	10.8
Accretion expense	1.1	0.9
Impact of changes to discount rate	-3.8	-2.1
Change in estimates and provisions relating to new drilling and installations	3.0	3.9
Total provision for abandonment liabilities	**13.9**	**13.5**
Breakdown of the provision to short-term and long-term liabilities		
Long-term	13.9	13.5
Short-term	–	–
Total provision for abandonment liabilities	**13.9**	**13.5**

Note 19, Accounts payable and other current liabilities

	Group MUSD		Parent MSEK	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Accounts payable	0.3	0.2	2.9	2.3
Joint operations payable	11.0	17.2	–	–
Short term borrowing	3.1	–	–	–
Interest on borrowings payable	0.3	–	–	–
Accrued liabilities	9.7	–	68.4	3.7
Tax liability	–	0.3	–	–
Other current liabilities	0.9	1.5	2.6	2.1
Total	**25.3**	**19.2**	**73.8**	**8.1**

Note 20, Related party transactions

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

During the year, the Company entered into the following significant transactions with related parties.

Transactions with group companies, MSEK	**2024**	**2023**
Interest income	–	78.5
Other income	17.8	16.5
Dividend income	334.4	584.5
Interest expense	–	-42.7
Total	**352.2**	**636.8**

Balance with related parties, MSEK	**2024**	**2023**
Short-term receivable from group companies	142.7	5.4
Total	**142.7**	**5.4**

Balance with related parties, MSEK	**2024**	**2023**
Other current liabilities to group companies	–	11.0
Total	–	**11.0**

The receivables or payables from related parties arise from the net of purchased services and upstreamed or downstreamed funds between parent and subsidiaries. The interest rates are in the range of SOFR +4–6% per annum for long term receivables or payables and are unsecured in nature. Short term payables or receivables are unsecured in nature and bear no interest.

During 2024 Tethys Oil received dividend of MSEK 0.8 (2.2) from the associated company Odin Energy A/S

Information on the Board of Directors and senior executives, as well as remuneration for these, is disclosed in Note 7 Employees

Note 21, Pledged assets

During 2024 Tethys Oil has entered into an agreement for a 5-year MUSD 60 amortising term loan facility with ADCB. In accordance with the agreement the shares for Tethys Oil Block 3&4 Ltd acts as the collateral for the loan.

The parent company had no pledged assets as per 31 December 2024.

Note 22, Contingent liabilities

As part of the October 2020 farmin transaction with Medco contingent consideration of MUSD 8.0 was realised as Block 56 declared commerciality in late 2024.

There are no further contingent liabilities as of the end of the reporting period.

Note 23, Subsequent events

Tethys Oil was delisted from Nasdaq Stockholm with the last day of trading on 10 January, 2025.

At the Extraordinary General Meeting on January 24, 2025, Lei David Teng was elected as Chairman of the Board, and Shuxing Dong and Tao Toby Meng were elected as Board members. Magnus Nordin was re-elected as a Board member. Per Seime, Klas Brand, Rob Anderson, and Staffan Knafve simultaneously resigned from their Board positions.

No other significant events have occurred after the end of the reporting period other than as described in the report.

Key financial data

Group	2024	2023	2022	2021	2020
Operational items					
Production before government take, Oman Blocks 3&4, bbl	2,887,309	3,218,625	3,628,074	4,064,803	4,148,818
Production per day, Oman Blocks 3&4, bbl	7,889	8,818	9,940	11,136	11,336
Oil sales, bbl	1,452,692	1,735,025	1,585,534	1,808,857	2,317,875
Achieved oil price, USD/bbl	80.7	82.4	94.2	62.8	47.7
Cash flow from operations, MUSD	51.8	82.7	87.0	64.9	52.1
Average number of full-time employees	33	31	29	26	22
Income statement and balance sheet					
Revenue and other income, MUSD	120.9	138.2	156.5	112.7	101.1
EBITDA, MUSD	54.4	73.5	99.1	61.4	50.3
EBITDA-margin	45%	53%	63%	54%	50%
Operating result, MUSD	-45.3	-11.6	54.2	16.1	5.8
Operating margin	-37%	-8%	35%	14%	6%
Net result, MUSD	-45.3	-16.5	58.3	16.7	3.3
Net margin	-37%	-12%	37%	15%	3%
Cash and cash equivalents, MUSD	16.0	25.8	41.5	68.6	55.4
Shareholders' equity, MUSD	203.9	258.2	285.2	256.6	257.7
Balance sheet total, MUSD	268.6	291.1	316.0	284.5	280.3
Capital structure					
Equity ratio	76%	89%	90%	90%	92%
Leverage ratio	4%	neg.	neg.	neg.	neg.
Investments in oil and gas properties, MUSD	81.1	81.7	89.1	35.2	45.4
Net cash, MUSD	-7.5	25.7	41	67.8	55.1
Profitability					
Return on shareholders' equity	-22.22%	-6.09%	21.53%	6.46%	1.23%
Return on capital employed[1]	-17.59%	-4.10%	19.14%	5.92%	2.12%

MUSD	2024	2023	2022	2021	2020
Operating result	-45.3	-11.6	54.2	16.1	5.8
Add: Depreciation. depletion and amortisation	42.8	42.0	40.5	41.2	44.5
Add: Impairment	25.3	36.9	–	–	–
Add: Exploration costs	31.8	6.4	4.5	4.1	–
Less: Share of net result from associate	-0.1	-0.2	-0.1	–	–
EBITDA	**54.4**	**73.5**	**99.1**	**61.4**	**50.3**
Cash and cash equivalents	16.0	25.8	41.5	68.6	55.4
Less: Interest bearing debt	-28.7	-0.1	-0.5	-0.8	-0.3
Net cash	**-12.7**	**25.7**	**41.0**	**67.8**	**55.1**

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.

EBITDA	Earnings before interest, taxes, depreciation, and amortisation.
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. The majority 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 results in an overlift and the opposite is 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 as 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.
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.
Debt-to-capital ratio	The debt-to-capital ratio is calculated by dividing debt over capital employed.
Return on capital employed:	Net result plus net financial result as a percentage of average capital employed (total assets less non interestes-bearing liabilities).

Assurance

The Board of Directors and the managing director declare that the consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU and give a true and fair view of the Group's financial position and results of operations. The financial statements of the parent company have been prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the parent company's financial position and results of operations. The statutory Administration Report of the Group and the parent company provides a fair review of the development of the Group's and the parent company's operations, financial position and results of operations and describes material risks and uncertainties facing the parent company and the companies included in the Group.

Stockholm, 8 April 2025

Lei David Teng
Chairman of the board

Shuxing Dong
Director

Tao Toby Meng
Director

Magnus Nordin
Managing Director

Auditor's endorsement

Our audit report was submitted on 8 April 2025.
Deloitte AB

Andreas Frountzos
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Tethys Oil AB (publ), corporate identity number 556615-8266

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Tethys Oil AB for the financial year 2024-01-01 – 2024-12-31. The annual accounts and consolidated accounts of the company are included on pages 57–90 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other information

The audit of the annual accounts and consolidated accounts for the previous financial year has been performed by another auditor who has submitted an auditor's report dated on 27 March 2024 with unmodified statements in the Annual Report.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annaul accounts and consolidated accounts and is found on pages 1–56. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company’s internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors’ and the Managing Director’s use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company’s and the group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Tethys Oil AB for the financial year 2024-01-01 – 2024-12-31 and the proposed appropriations of the company’s profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

A separate list of loans and collateral has been prepared in accordance with the provisions of the Companies Act.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company’s profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company’s and the group’s type of operations, size and risks place on the size of the parent company’s and the group’s equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company’s organization and the administration of the company’s affairs. This includes among other things continuous assessment of the company’s and the group’s financial situation and ensuring that the company’s organization is designed so that the accounting, management of assets and the company’s financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors’ guidelines and instructions and among other matters take measures that are necessary to fulfill the company’s accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor’s responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Stockholm, 8 April 2025
Deloitte AB

Signature on Swedish original

Andreas Frountzos
Authorized Public Accountant

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