



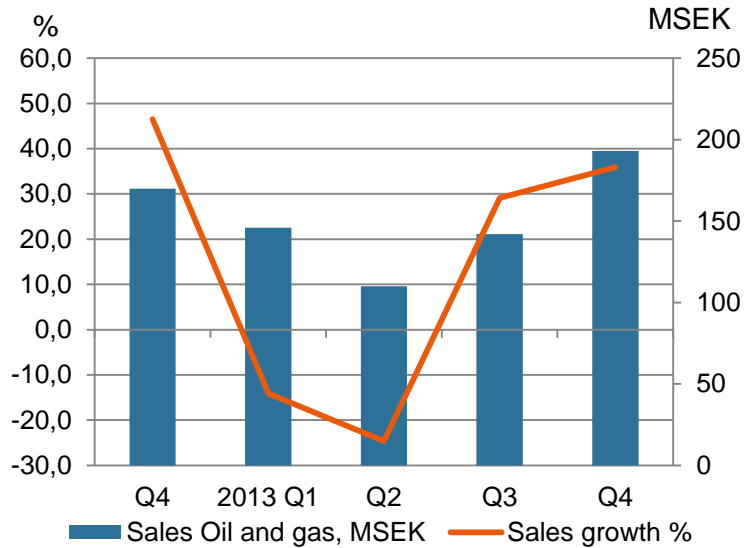
TETHYS OIL

Q4 and full year 2013

Q4 Highlights

- 21 per cent increase in product compared to fourth quarter 2012.
- Year-end audited reserves Block 3&4 Oman net to Tethys:
 - 1P reserves 10.7 million barrels (5.3)
 - 2P reserves 15.2 million barrels (14.3)
 - 3P reserves 20.0 million barrels (18.7)
- Second appraisal well on the B4EW4 structure flows in excess of 2,000 barrels per day
- Record flow rates from third appraisal well - flows in excess of 3,000 barrels per day
- Record net sales of MSEK 193 (170)
- EBITDA of MSEK 148 (193)
- Net result MSEK 45 (145)
- Earnings per share SEK 1.26 (4.07)

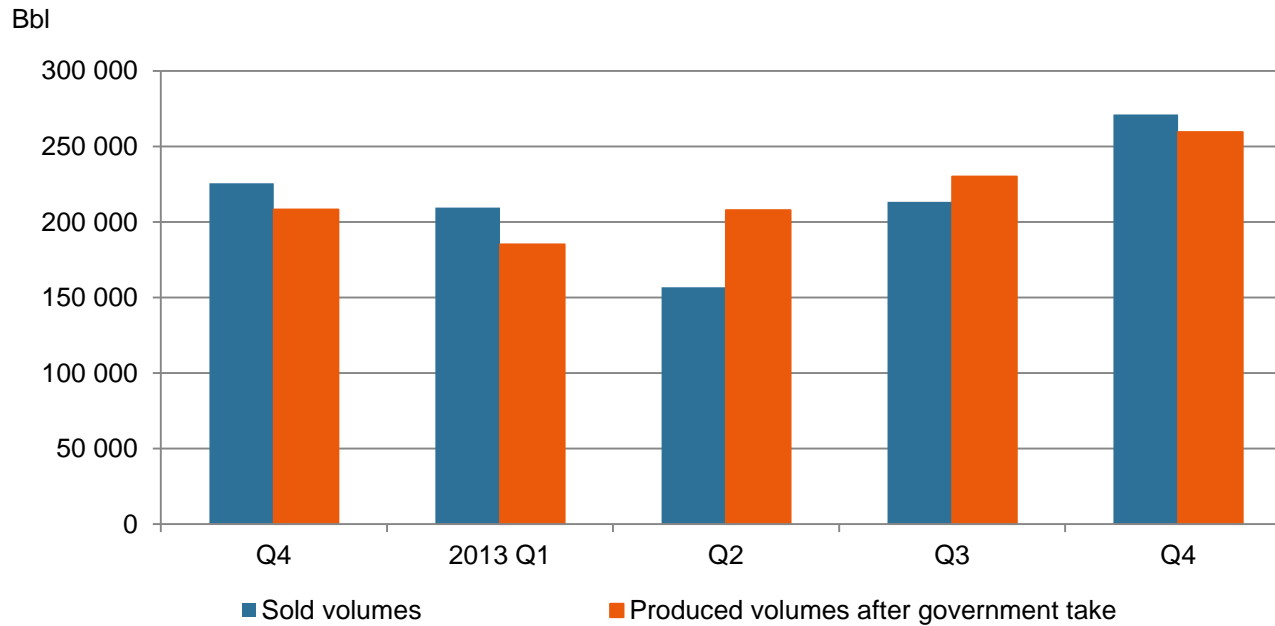
Sales



	Q4 2013	Q4 2012	2013	2012
Sales (MSEK)	193	170	592	584
Sales growth (%)	36	47	14	461

- Record Net oil sales
- Increase in underlift position of 14 000 barrels during 2013 compared to decrease of 76 000 barrels in 2012
- 3 % lower oil price
- 4 % higher SEK in relation to USD

Sales – over & underlift

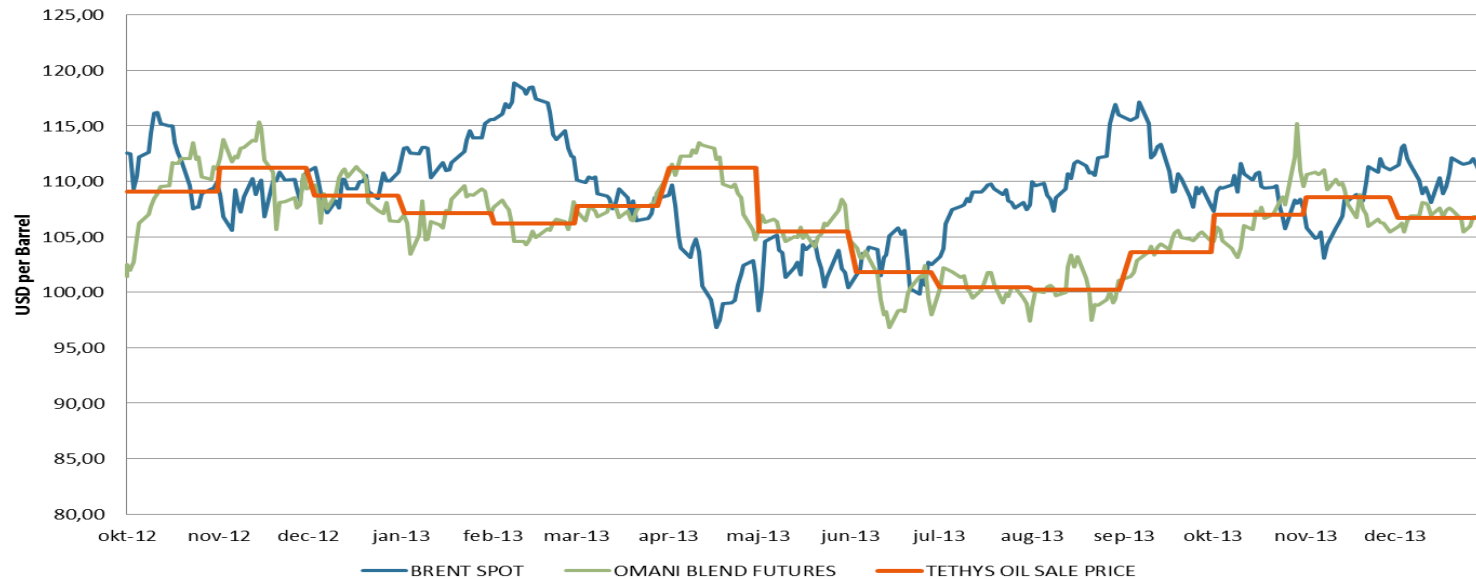


- Underlift position per 31 Dec, 13,752 barrels
- Underlift decrease in Q4 of 17,144 barrels

Oil price development

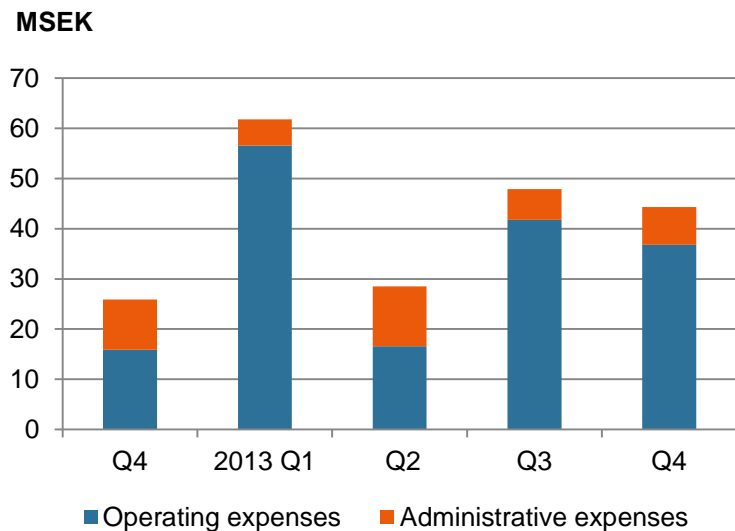
	Q4 2013	Q4 2012	2013	2012
Average selling oil price (USD/barrel)	108.47	111.71	106.63	110.35

Spot Brent and Omani Blend Futures



- Secured oil price in 2014 - put options at strike USD 90 per barrel
- Options amount to 65 000 barrels per month
 - Feb-Dec average premium USD 1.37 per barrel

Expenses

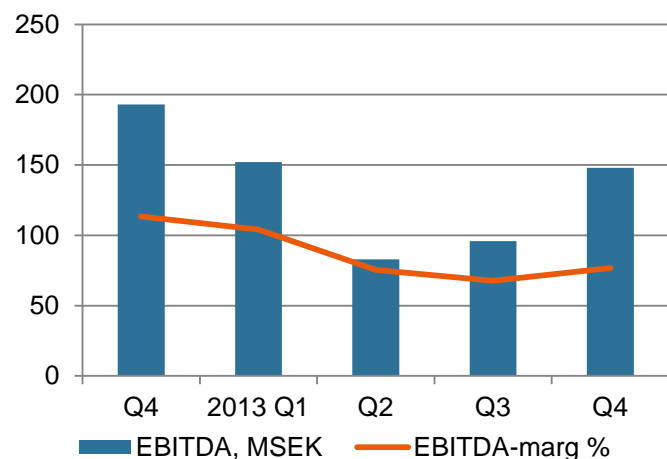


	Q4 2013	Q4 2012	2013	2012
Operating expenses (MSEK)	36.8	15.9	151.9	95.5
Administrative expenses (MSEK)	7.5	10.0	30.7	29.2

- Opex significantly impacted by transfer of late incoming expenses from 2012 and well work overs
- Opex per barrel USD 13.6 (10.4)
 - direct production costs USD 7.5 (7.8)

Q4 2012 and Q1 2013 EBITDA include revenues from associates (Lithuania) and the Mitsui bonus.

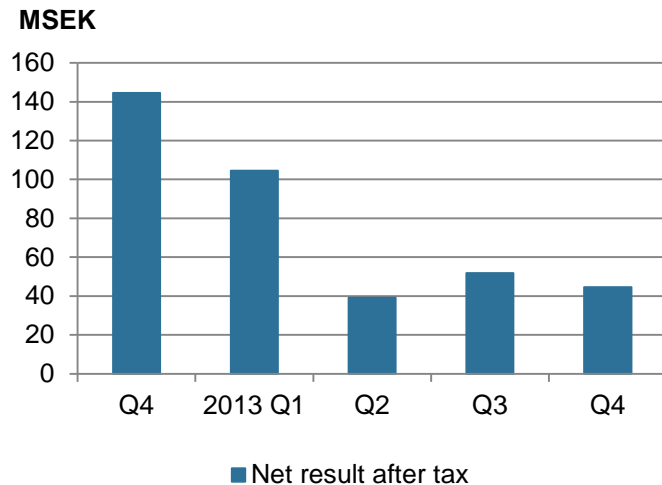
EBITDA



	Q4 2013	Q4 2012	2013	2012
EBITDA (MSEK)	148	177	479	530
EBITDA (%)	77	114	81	91

- EBITDA margin grow in line with production excl one off effects
- Q4 2012 include revenues from associates (Lithuania) and Q1 2013 the Mitsui bonus

Net result after tax

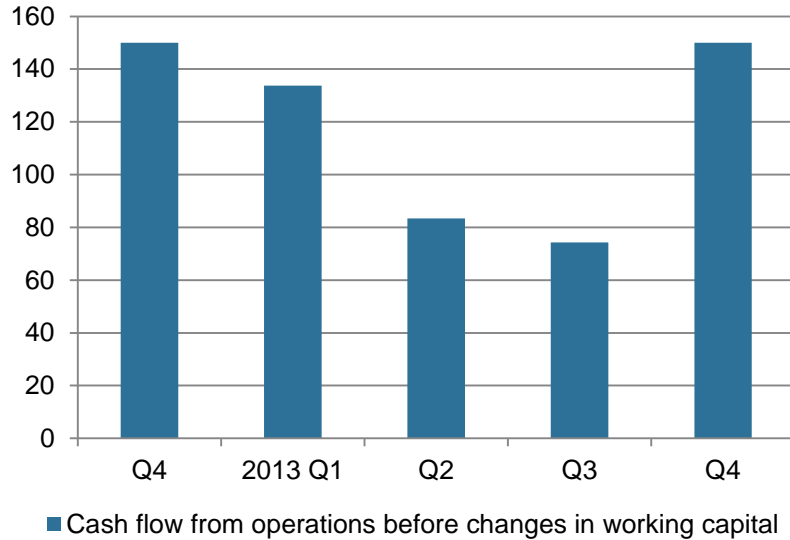


	Q4 2013	Q4 2012	2013	2012
Net result after tax (MSEK)	45	145	240	314

Net result after tax affected by:

- Exploration costs of MSEK 56 (5), relating to Block 15
- Higher depreciation due to higher investments
- Higher Opex due to timing effects, work over wells and B4EW4 test production
- No dividend

Cash flow



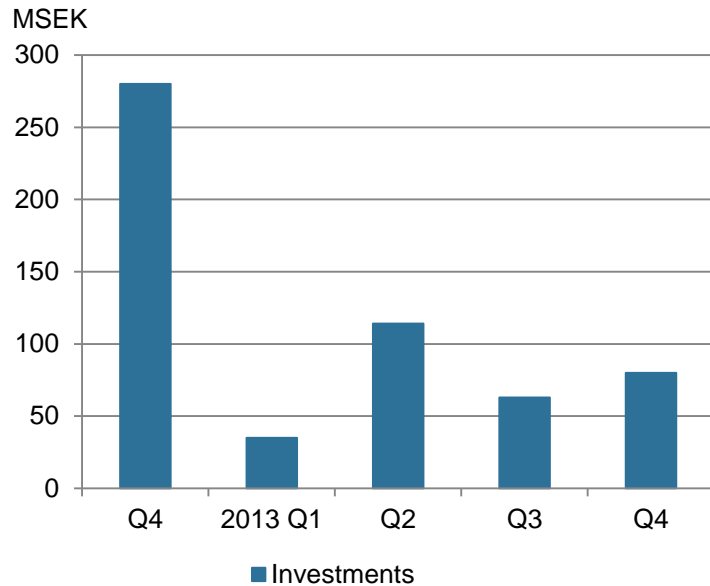
	Q4 2013	Q4 2012	2013	2012
Cash Flow (MSEK)	150	150	442	467

- Increased interest payment from Q4 2012 due to the bond loan

Balance Sheet Q4 2013

	2013-12-31	2012-12-31
Cash (MSEK)	248	295
Shareholders equity (MSEK)	1,100	860
Long term debts (MSEK)	422	417
Equity per share (SEK)	30.96	24.20
Cash per share (SEK)	6.98	8.30

Investments

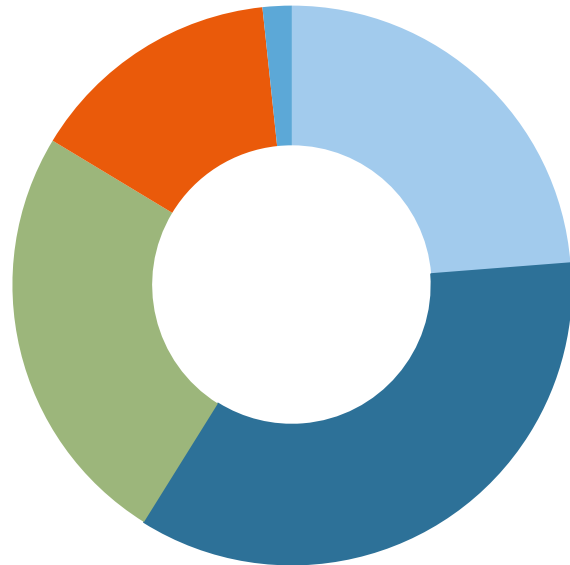


	Q4 2013	Q4 2012	2013	2012
Investments (MSEK)	80	280	289	875

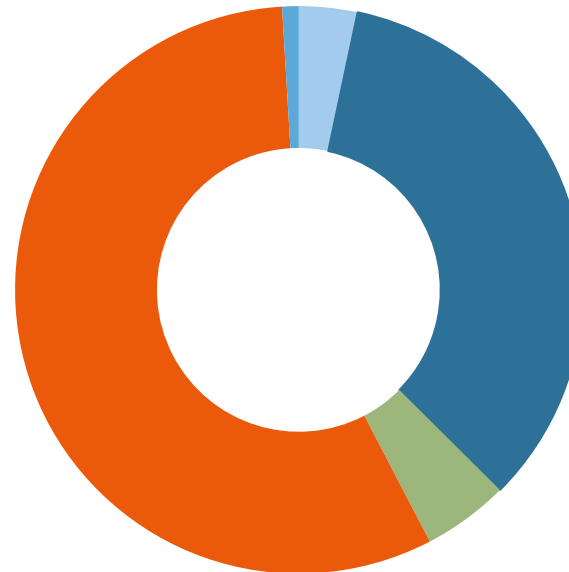
- Majority of investments were made on Blocks 3 & 4
- Focus on appraisal drilling, seismic and water injection programmes
- Lower investments than budget due to deferred infrastructure investments and delayed third rig
- About MSEK 27 spent on Block 15

Blocks 3 & 4 JV:s investments

10 months 2013

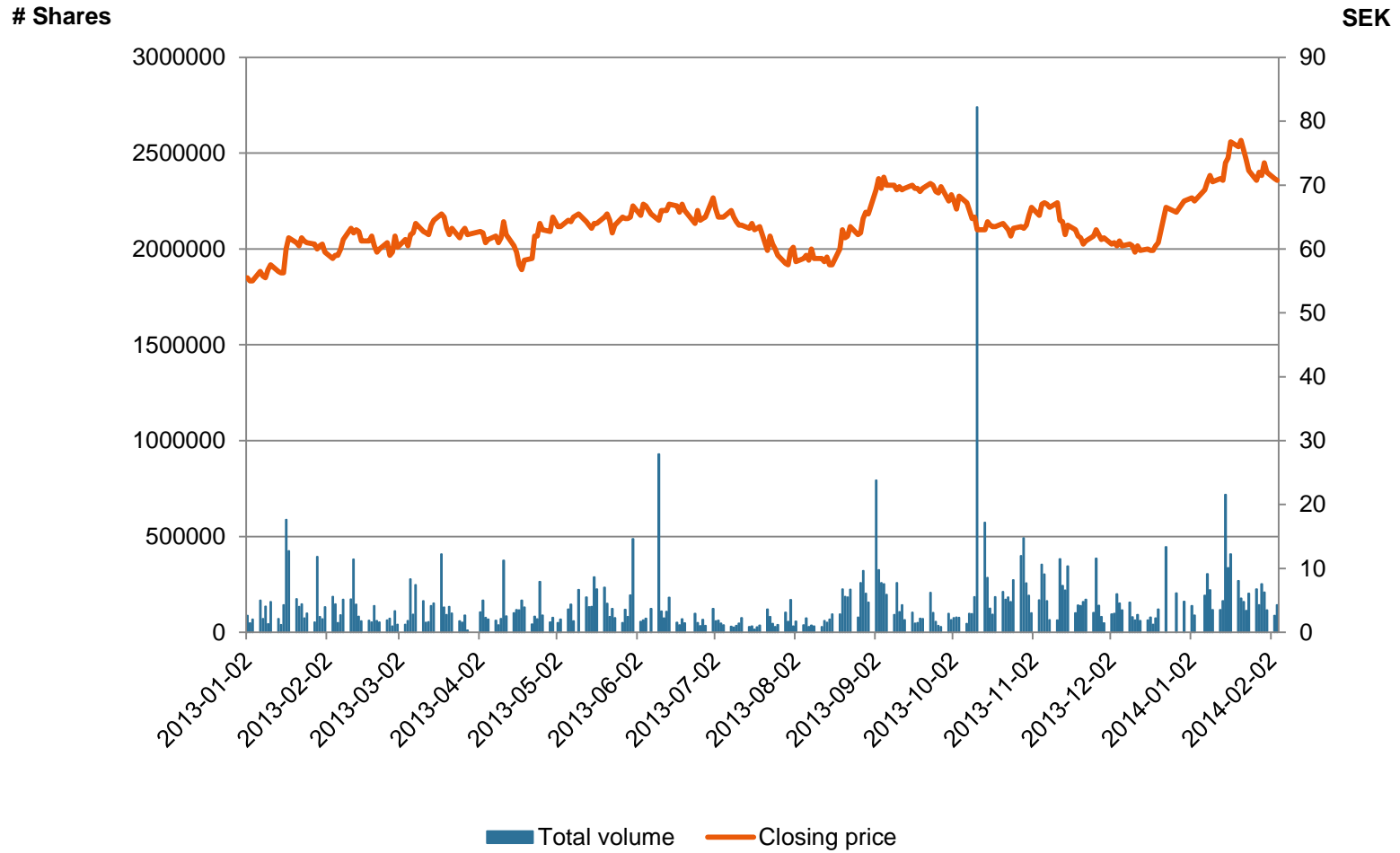


12 months 2012

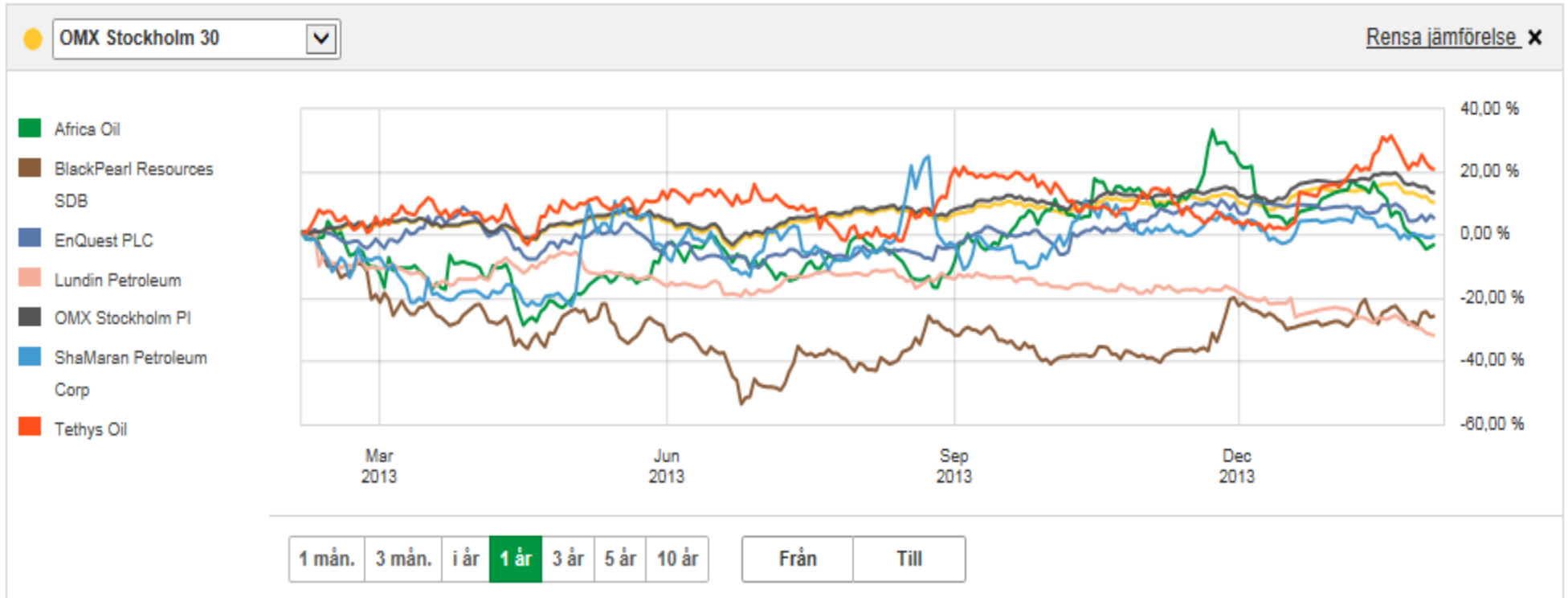


- Drilling - Exploration/Appraisal
- Drilling - Development
- Geology and seismic
- Facilities/Pipeline
- Other capex

Share price

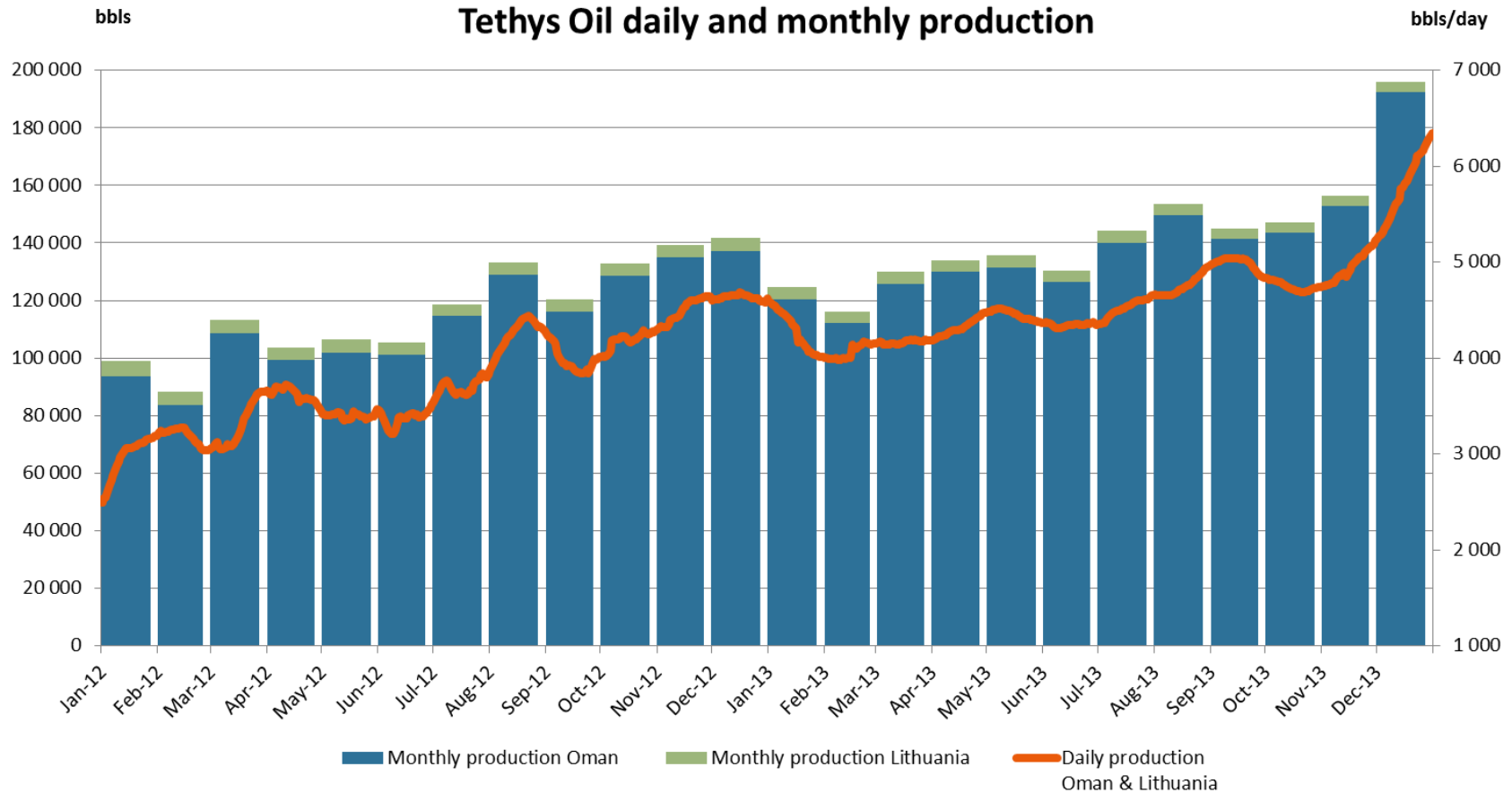


Share price development – 1Y

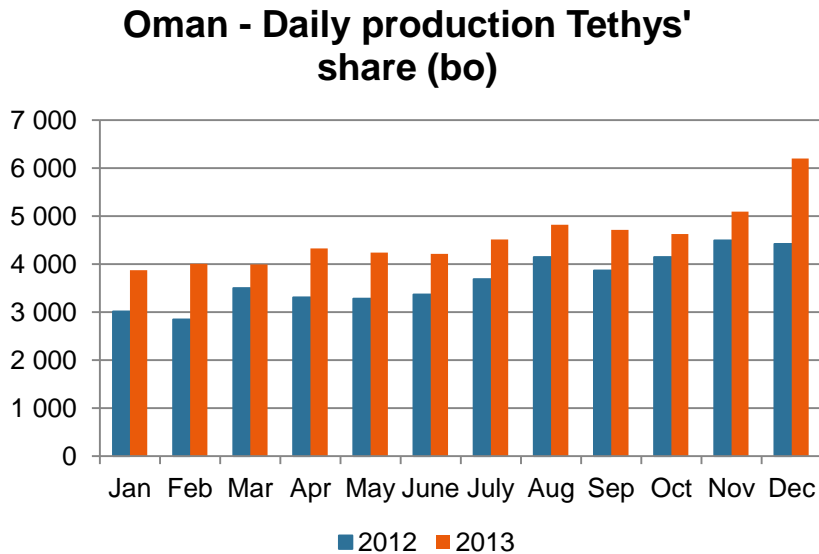


Shelton Petroleum and PA Resources excluded

Total production

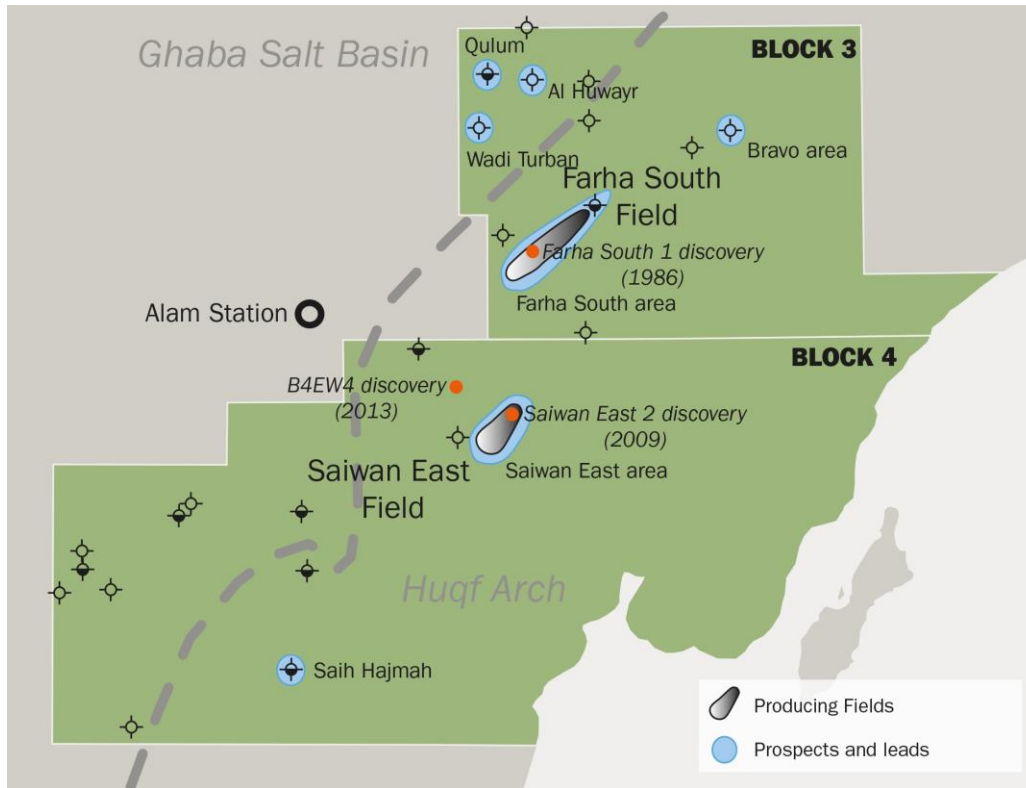


Oman production



- Record production in Q4
- Average daily production 5,310 bbl
- Production from: Farha South, Saiwan East and test production B4EW4
- The JV's share of production currently 52 percent
- January new record production of 6,418 bbl

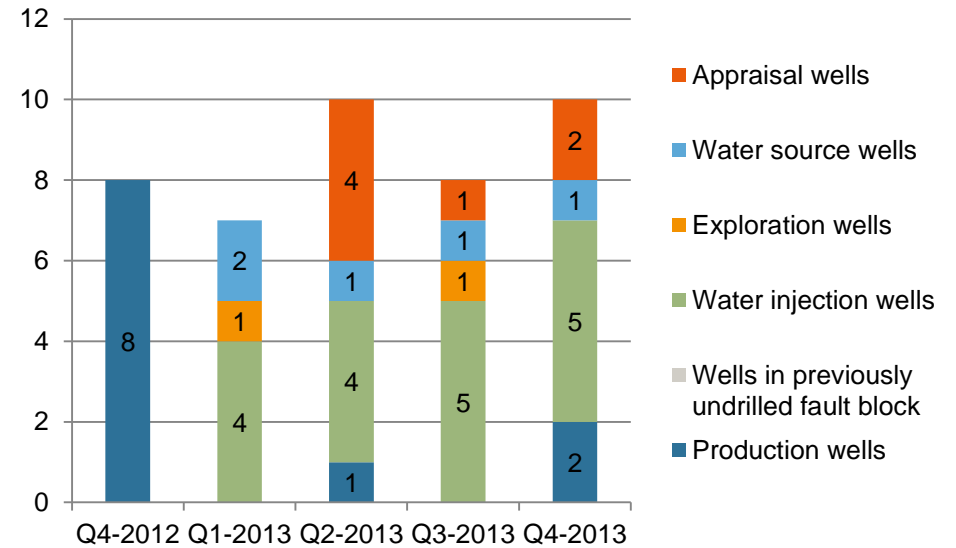
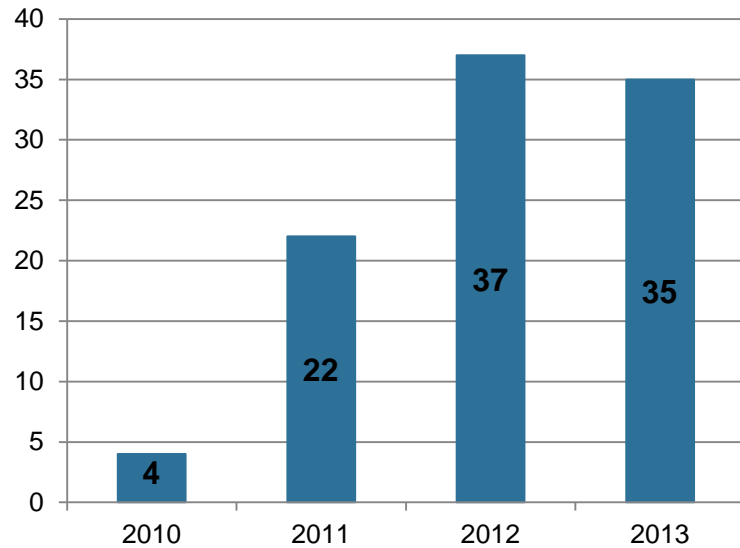
Oman – Block 3 & 4 update



- Appraisal drilling on B4EW4 confirmed presence of oil and in long term production test
- Exploration well in B4EW5 wet and work to increase flow is undertaken
- Appraisal well B4EW4-6 flows in excess of 3,000 bopd
- Exploration well ongoing in nearby area B4EW6
- Modern seismic covers less than 10% of the block area

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Wells in Oman



- 35 wells completed in 2013
- Appraisal wells in B4EW4 area
- Water injection and production wells on Farha South

Appraisal and exploration wells 2013

B4EW4

Well	Date	Type of well	Target reservoir	Result
B4EW4	February	Exploration	Multiple	Oil
B4EW4-2	June	Appraisal	Middle Buah	No flows
B4EW4-3	June	Appraisal	Lower Al Bashir	Oil
B4EW4-4	July	Appraisal	Lower Buah	Oil
B4EW4-5	November	Appraisal	Lower Buah	Oil
B4EW4-6	December	Appraisal	Lower Buah	Oil

B4EW5

Well	Date	Type of well	Target reservoir	Result
B4EW5	Sept	Exploration	Multiple	Oil

B4EW6

Well	Date	Type of well	Target reservoir	Result
B4EW6	On-going	Exploration	Buah	On-going

Development of reserves

Development of reserves, mmbo (Audited by DeGoyler and MacNaughton)			
	1P	2P	3P
Total Dec 31, 2012	5.3	14.3	18.7
Production 2013	-1.7	-1.7	-1.7
Revisions	5.7	0.1	-1.6
Discoveries	1.5	2.5	4.6
Total	10.8	15.2	20.0

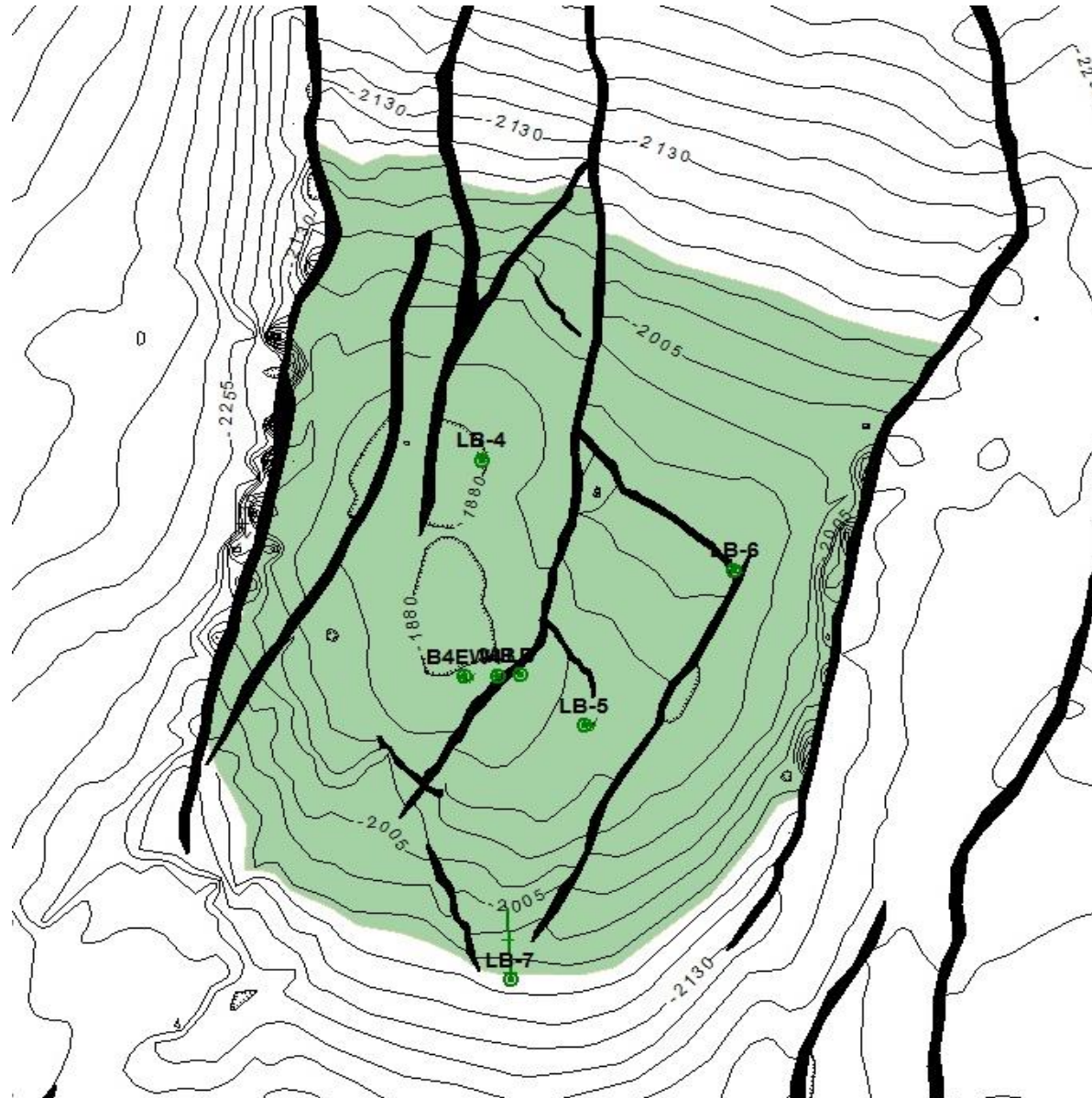
- 1P reserves doubled – increase of 200% since 2012
- 2P – increase of 21%
- 3P – increase of 18%
- Reserve replacement ratio 153%

Current reserves

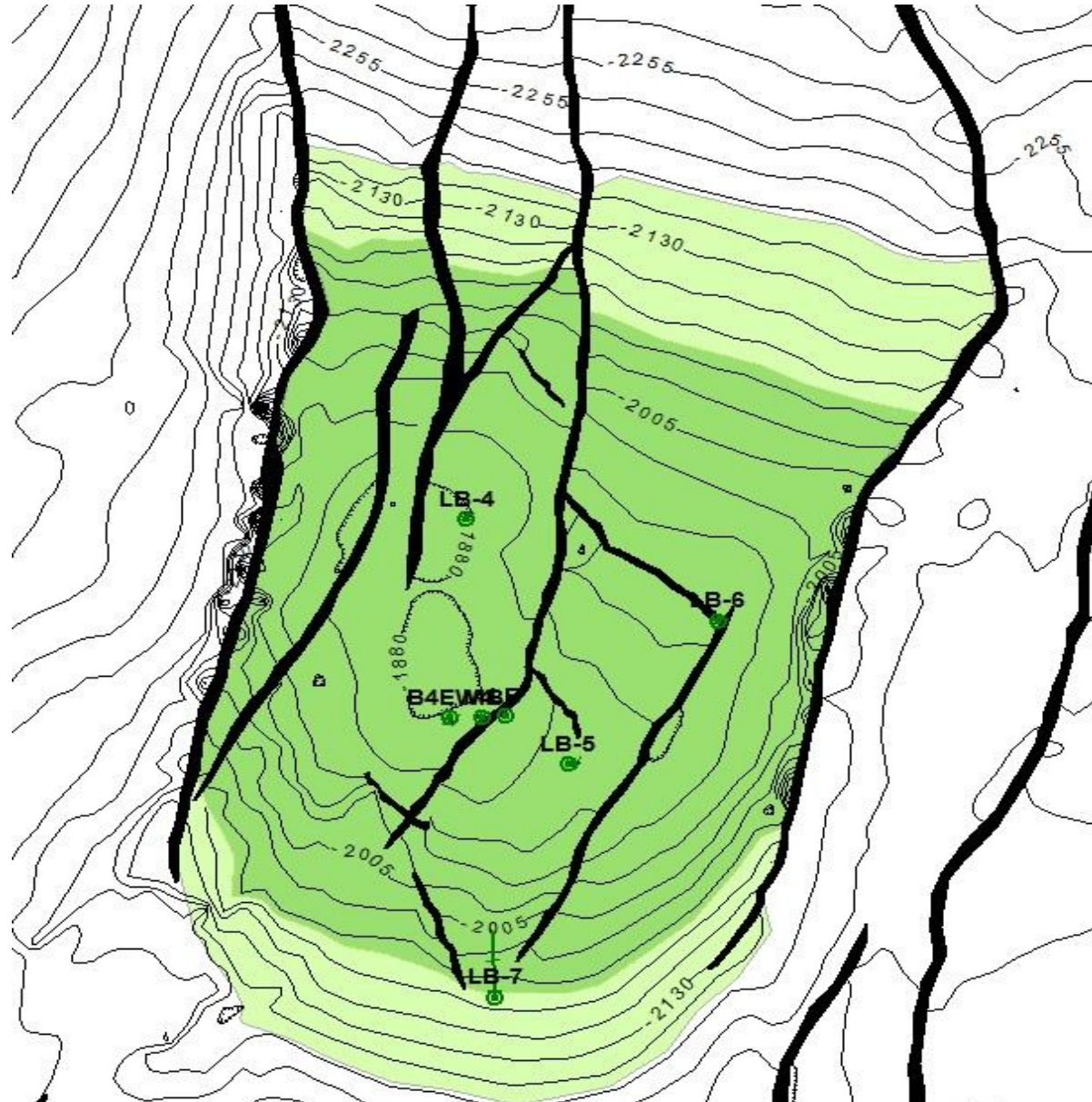
Reserves 31 December 2013, mmbo (Audited by DeGoyler and MacNaughton)			
	1P	2P	3P
Farha South	8.9	11.7	13.5
Saiwan East	0.6	1.2	2.6
B4EW3	0.0	0.2	0.3
B4EW4	1.2	2.2	3.7
Total	10.8	15.2	20.0

- Farha South field reserves are from the Barik reservoir
- Saiwan East field, including the B4EW3 area reserves, are in the Khufai reservoir
- B4EW4 area reserves are in the Lower Buah reservoir

B4EW4 Structure Seismic Interpretation

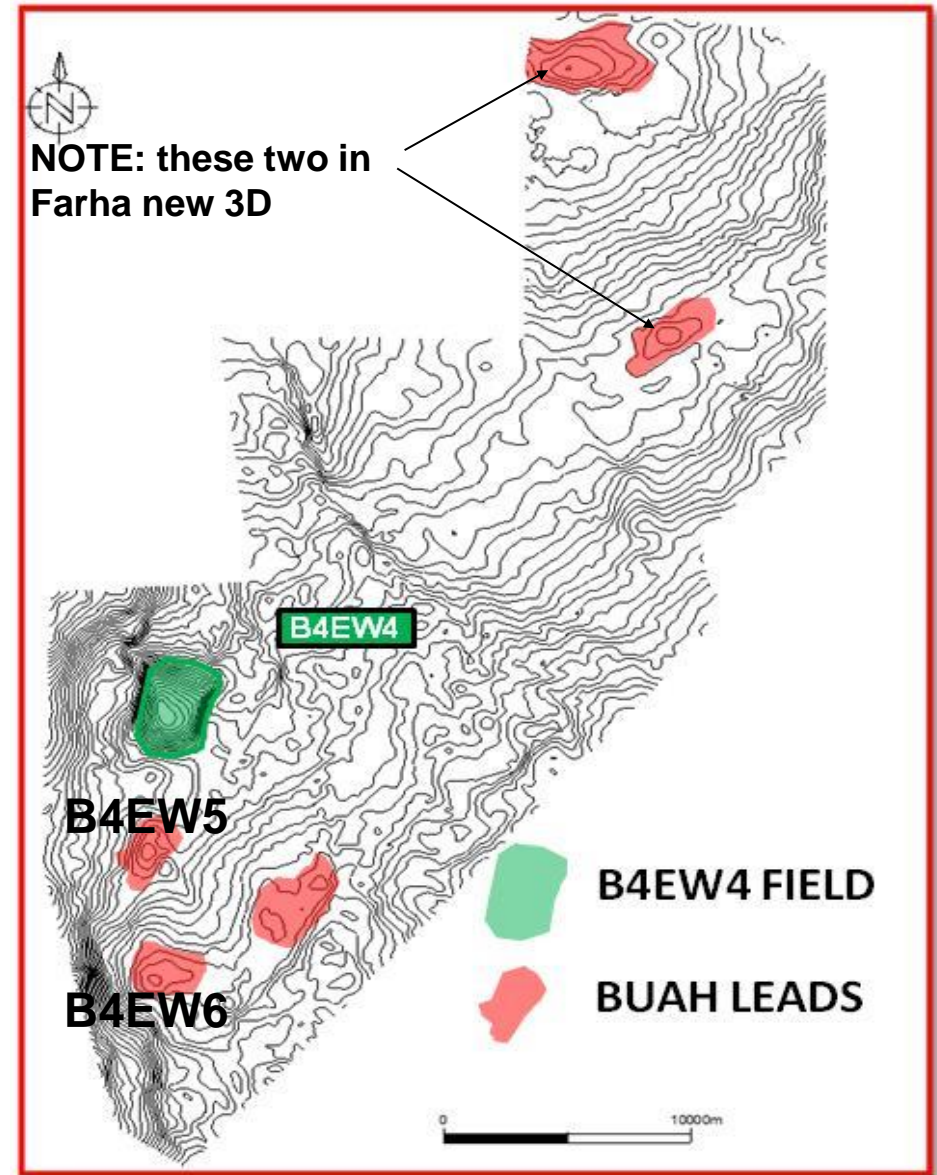


B4EW4 Structure Seismic Interpretation



B4EW4 and Buah Prospects/Leads

- B4EW4 - 3 wells producing from Lower Buah. 2P reserves 2.2 million barrels. Appraisal drilling continues
- B4EW5 – tested oil, evaluation on-going
- B4EW6 – well in progress



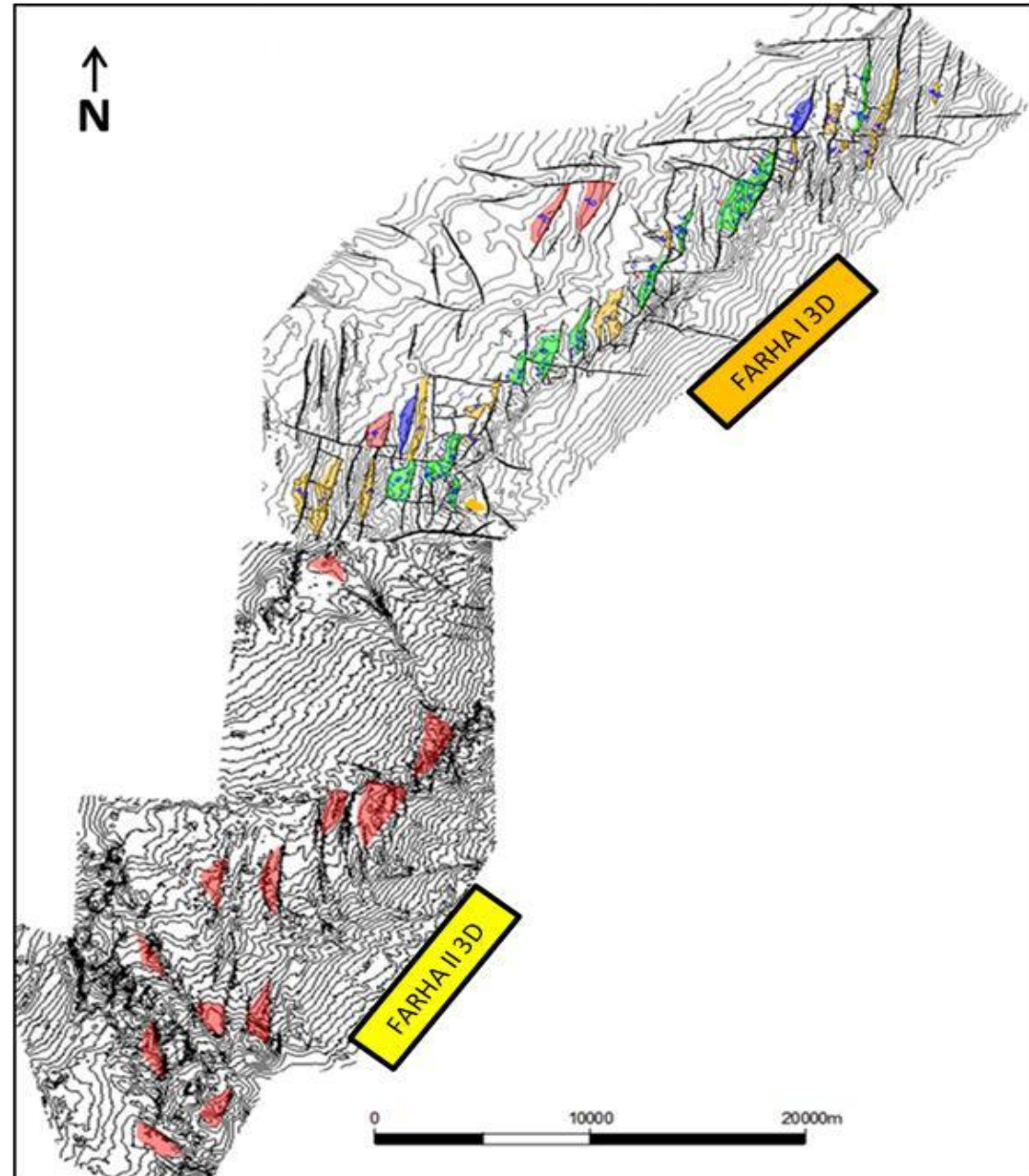
Farha

Farha Old 3D

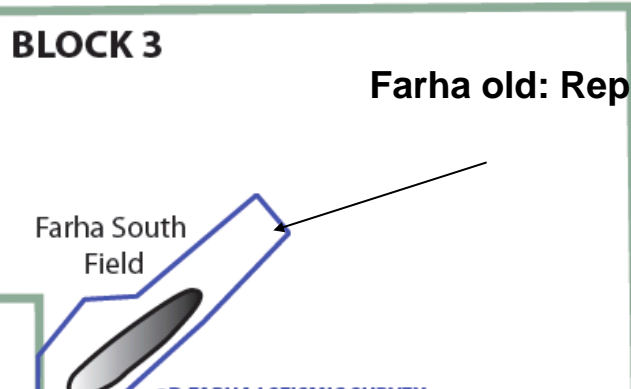
- Producing Barik FB: 16
- New FB drilled 2013: 1 (FS-68 in A)

Farha New 3D

- Leads South Farha South



Seismic Activities



Farha old: Reprocessing completed

Farha new: 510km² 3D completed

Processing completed

Farha South Field

3D FARHA I SEISMIC SURVEY

Alam Station

B4EW4: 470km² 3D completed

Processing completed

B4EW4 (Lead B)

LB 2

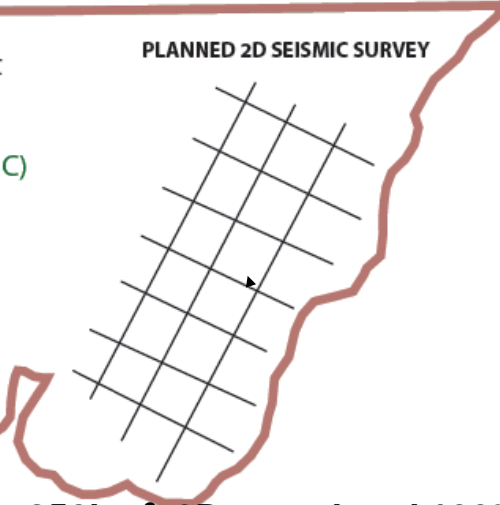
Saiwan East Field

B4EW3 (Lead C)

PLANNED 2D SEISMIC SURVEY

3D FARHA II SEISMIC SURVEY

3D SAIWAN I SEISMIC SURVEY



PLANNED 3D SEISMIC SURVEY

600km² 3D completed
Processing ongoing

850km² 2D completed 100% in 2013
Processing ongoing



BLOCK 4

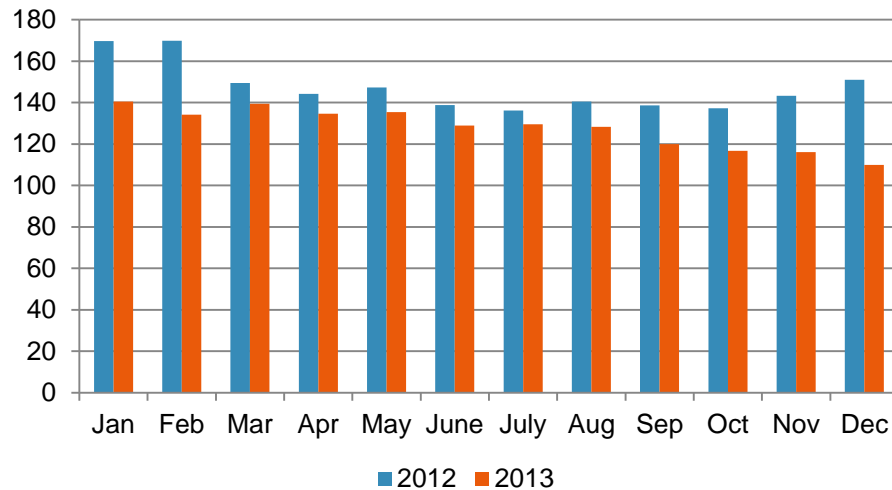
Oman - Block 15 update



- Sidetrack to JAS-2 completed in October
- Disappointing results from production test for both JAS-1 and Jas-2
- Production test terminated
- Evaluation of other opportunities on the Block

Lithuanian production

Lithuania - Daily production Tethys' share (bo)



- Average daily production 114 bbl in Q4
- Declining production - according to plan
- Evaluation of various production enhancing techniques

Lithuania - Gargzdai update



- 7 producing fields
- Production declining according to plan
- A pilot Co₂ production enhancement project carried out
- 2-3 undrilled conventional prospects
- Exposure to thick shale sections prospective for shale oil/shale gas
- Cores and other data collected in shale section for analysis

Lithuania – Rietavas update



Conventional exploration and shale exposure. Work programme fully funded by Chevron*

- Soviet era Silale discovery successfully appraised
- Silale-1 and Silale-5 in intermittent production
- Exploration well Rietavas-1 in progress. Cores currently undergoing analysis
- Preparations for a further exploration well in the southern part
- Preparations for a 3D seismic programme

*Chevron has an option to acquire part of Tethys' interest

Lithuania – Raseniai update



Exploration for conventional oil in Silurian Reefs and other carbonates

- Twin of Soviet era stratigraphic well, Lapgiriai-1 drilled during spring - presence of oil confirmed.
- 3D seismic study, partly funded by EU completed. Processing ongoing suggests both reefs and matrix fractures present

Outlook 2014 Oman and Lithuania

- B4EW4 appraisal to continue
- Several Lower Buah prospects to be drilled
- Farah South and South Farah South exploration/appraisal drilling
- Inhouse estimate of 3-20 mmbbl potential in Barik, Lower Buah, Khufai 'near field' exploration drilling
- 'Far field' exploration drilling in Masirah Graben and Western part of Blocks 3 and 4
- Farah South water injection programme to continue
- Rasinaï license seismic processing to be completed



TETHYS OIL

