



TETHYS OIL

Q1 2022

10 May 2022

Presenters

Magnus Nordin, Managing Director

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Highlights Q1-2022

- The three-well exploration and appraisal campaign in Al Jumd on Block 56 was finalised without incidents and with good oil shows
 - Initial flows of 700 bopd from Al Jumd-2
- Production 10,475 (11,136) bopd, negatively affected by higher than anticipated water cut on the Anan field
- Full year average revised to 10,500-11,000 down from 11,000-11,500
- Revenue and other income MUSD 34.6 (31.8)
- EBITDA MUSD 20.2 (18.0)
- Achieved Oil price of USD 80.4 per barrel (73.7)
- Investments in oil and gas properties MUSD 24.6 (17.2)



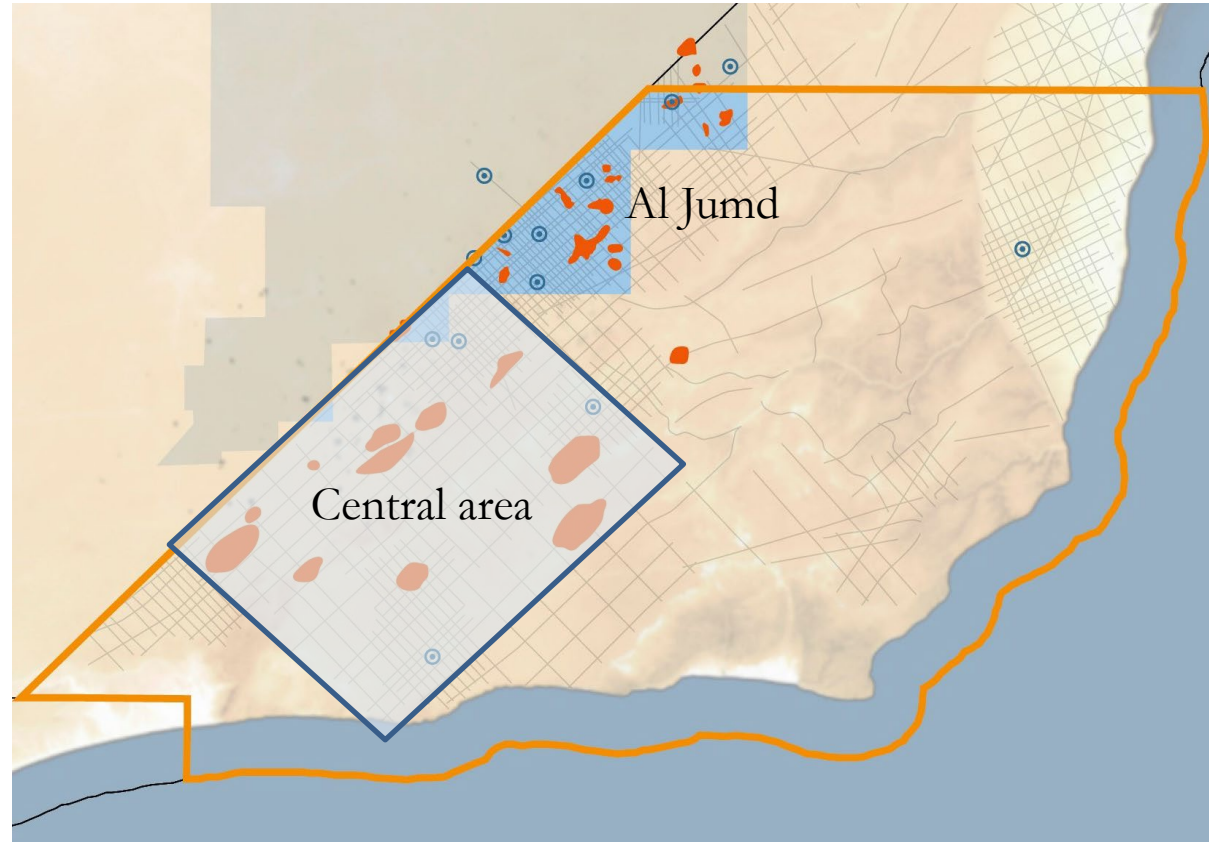
Significant activities on all parts of Block 56

AL Jumd area

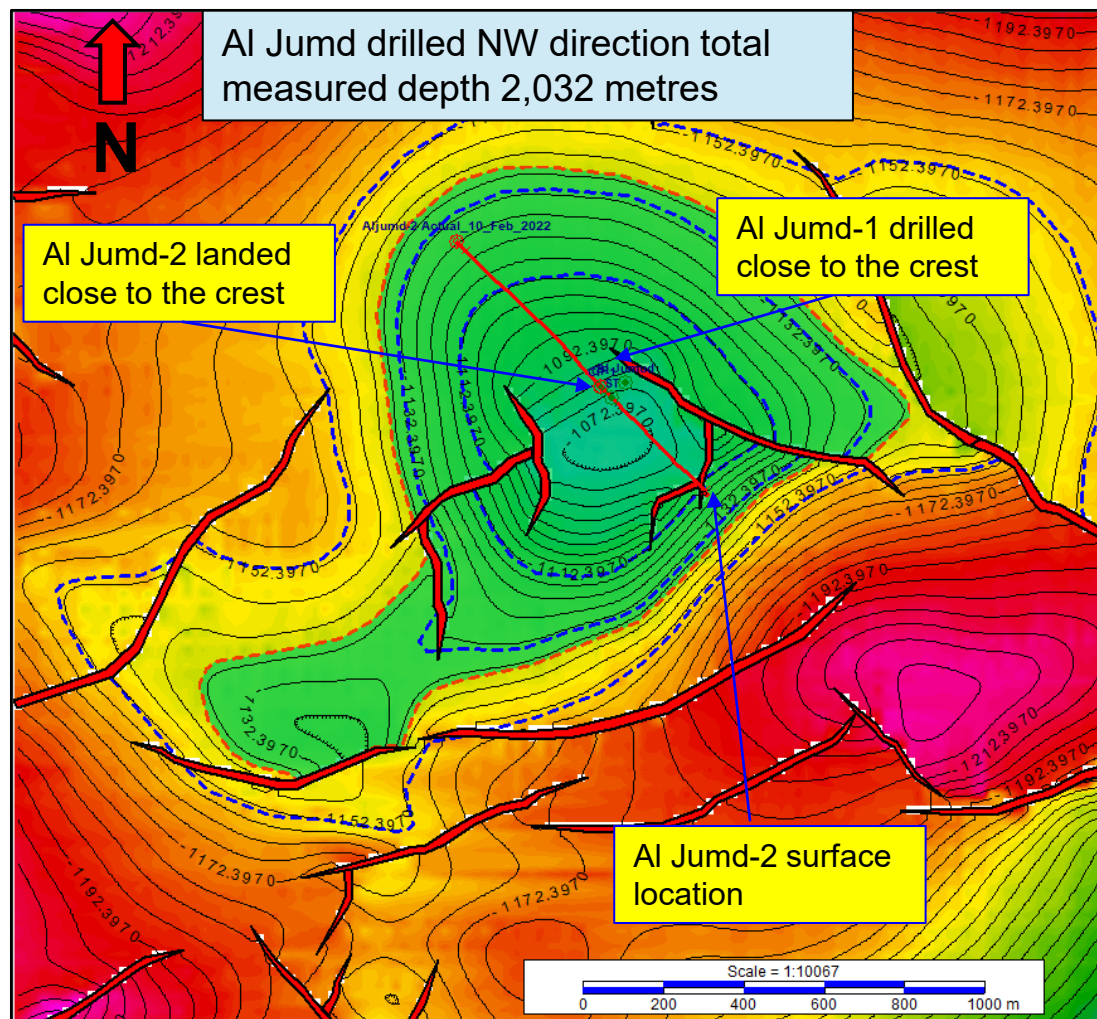
- Three-well exploration and appraisal campaign finalised
- Al Jumd-2 had initial flows of 700 bopd under test
- Sahab-1 and Sarha-3 had oil shows in all target formations
- Results warranting further tests
- Further appraisal wells and long-term production test being prepared for later in 2022

Central area

- 2,000 km² 3D seismic survey completed
- Processing started and interpretation pending
- Aiming for exploration drilling in 2023



Block 56 – Al Jumd field overview



- Al Jumd-1 drilled by Oilex in 2008 encountered oil shows in Gharif, Al Khlata (free oil at shakers)
- MEDCO Arabia re-completed well and tested Sand-2 of Al Khalata in December 2019-February 2020 and tested around 100 bpd of heavy oil API and viscosity of 213 cP.
- Al Jumd-2 drilled by Tethys in Q1 2022
- Total measured depth 2,032 meters
- True vertical depth 1,838 meters
- Tested initial rate of 700 BOPD of 25 API gravity oil from 430 metre horizontal section in Al Khalata sand-2
- Long term production test to Early Production System being prepared
- Plans to drill two additional horizontal appraisal wells in Q3 in final preparation

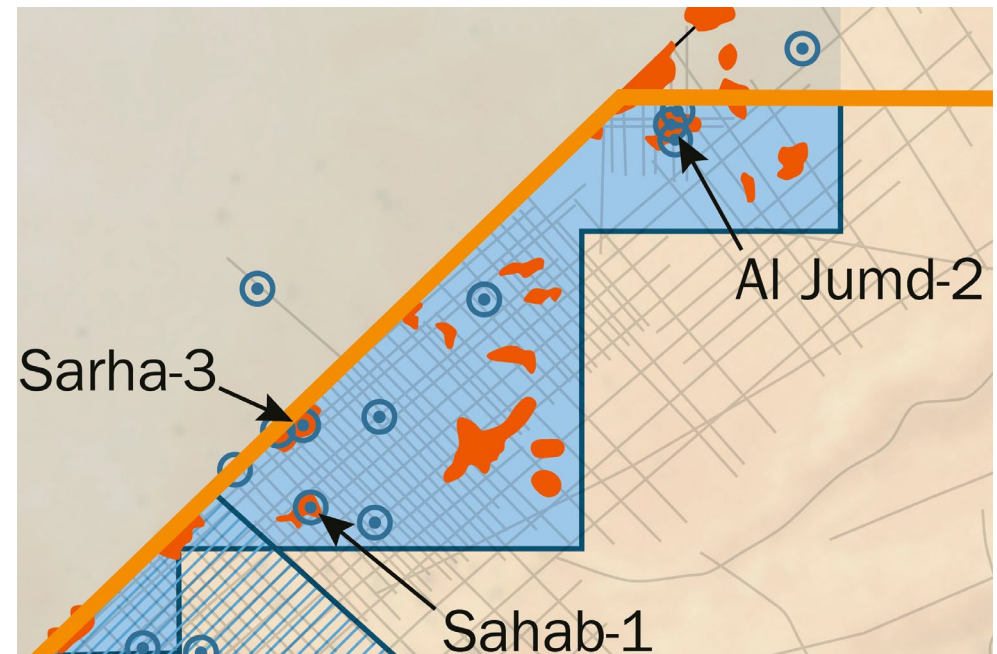
Block 56 – Al Jumd area campaign

Sahab-1 exploration well

- Drilled to a depth of 1,400 metres
- Oil shows in Al Khalata, Karim and the Ara carbonates layers
- Further tests after test operations on Sarha-3

Sarha-3 appraisal well

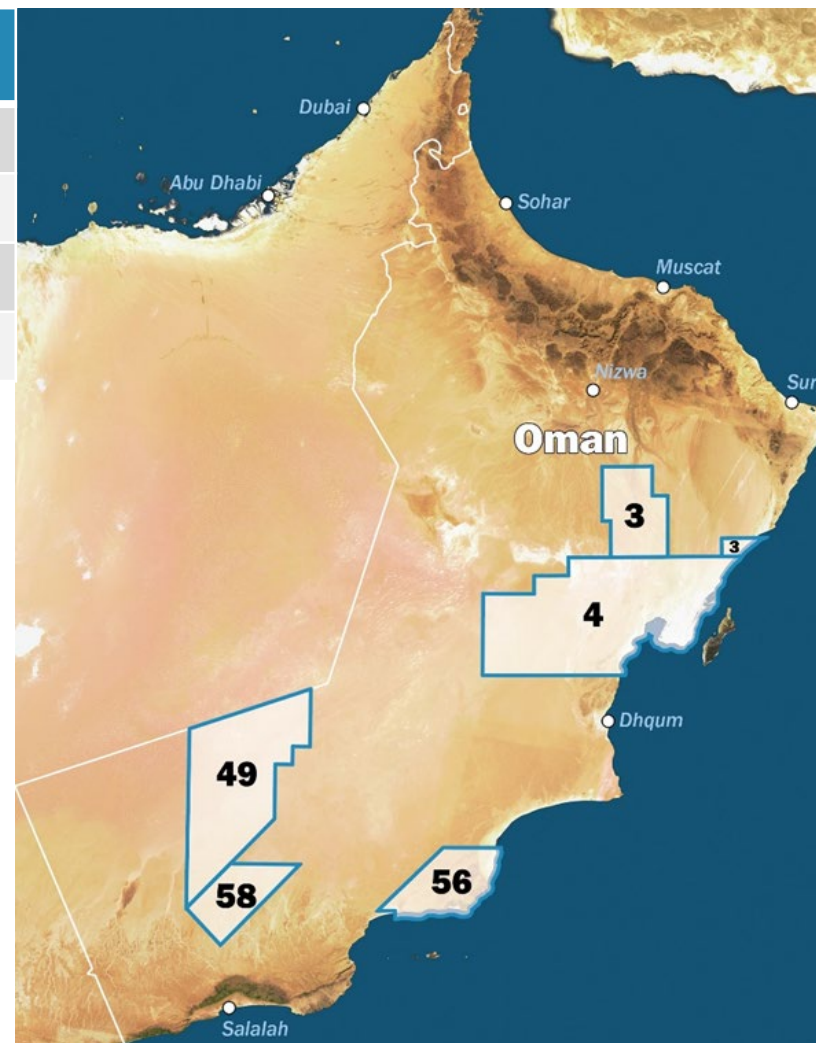
- Drilled as a vertical well to a depth of 1,200 metres
- Oil shows in the Al Khalata and Karim layers
- Testing operations in final stage of preparations



Other exploration activities

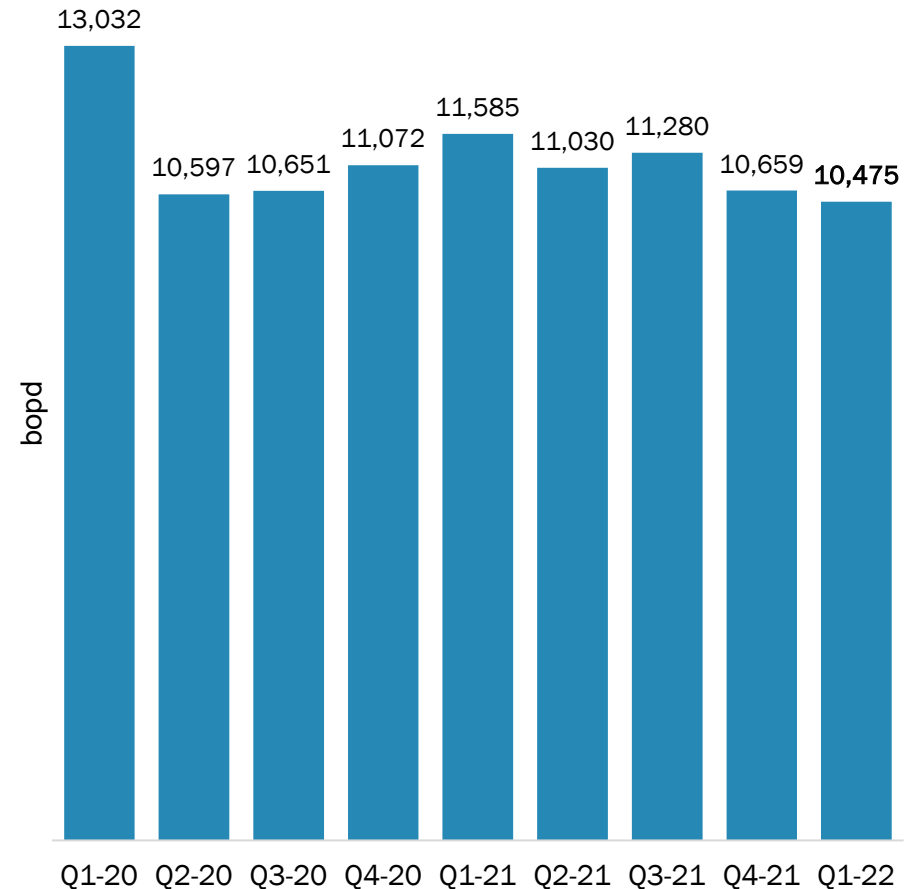
EPSA/Licences	Working Interest %	Award/ Acquisition	Phase	Expiry
Blocks 3&4	30%	2007	Production	2040
Block 49	100%*	2017	1st exploration	2022
Block 56	65%	2019	2nd exploration	2023
Block 58	100%	2020	1st exploration	2023

- Blocks 3&4: Hamdah-1 exploration well did not encounter any oil
- Block 58: Data interpretation and processing of newly acquired seismic data ongoing. Well design for a Fahd area prospect is near completion – targeting drilling before end of 2022
- Block 49 still being evaluated, plan of action to be decided on in Q2
 - Primarily dependent on studies from Thameen-1



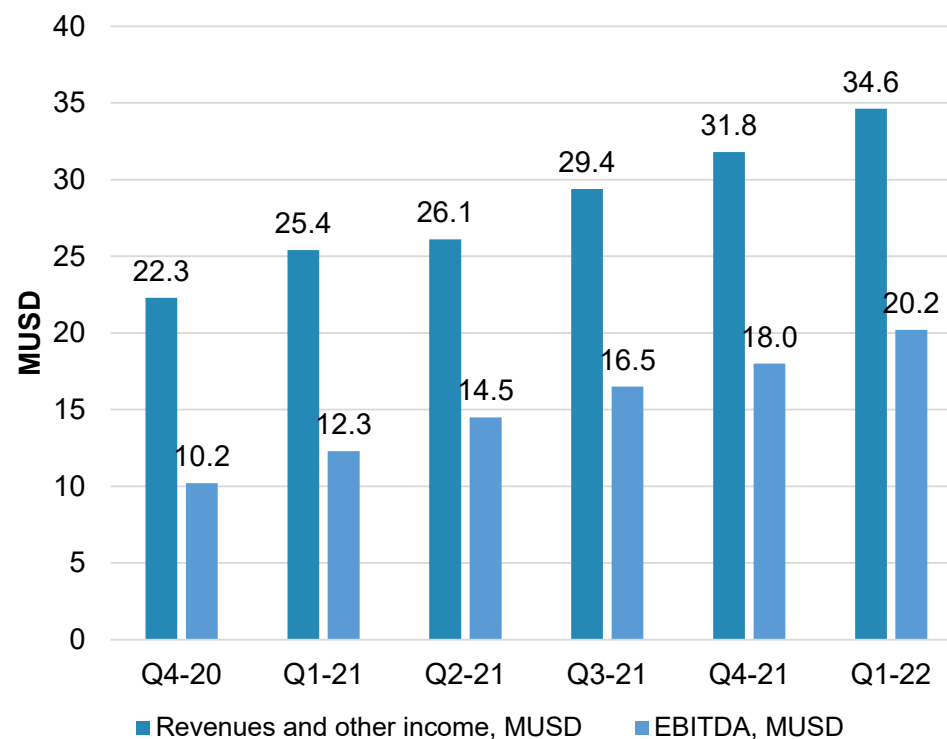
Blocks 3&4 – Production

- Weak production development primarily due to an unexpected and significant increase in water cut from the Anan field
- Causes under investigation – we expect to see the significant effects Anan issues also during the second quarter
- The revised production guidance of 10,500-11,000 bopd for the full year 2022 reflects no expected improvement in output from the Anan field
- “Catch up” programme has made good progress on drilling of wells, workovers and facility upgrades
- A fourth drilling rig is to be brought in during H2 2022 to enable continued high rate of production drilling while retaining ability to drill exploration wells



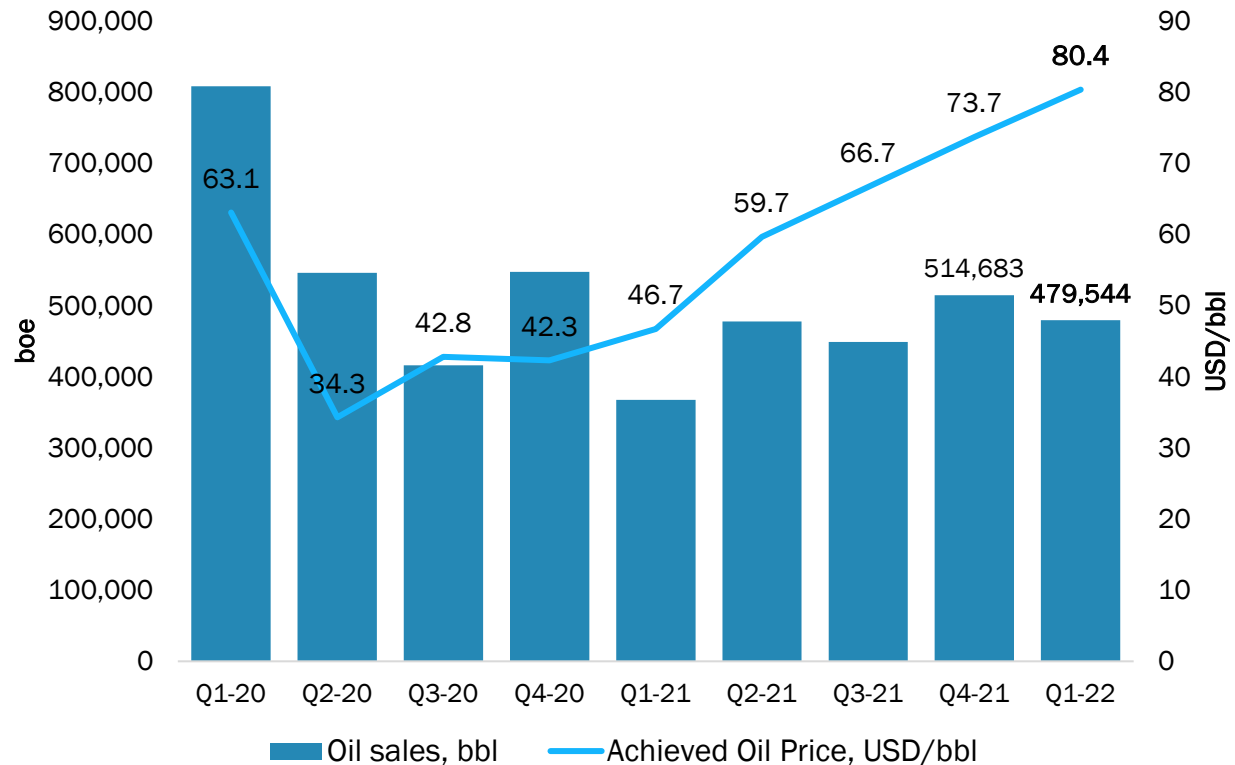
Q1 2022 – Financials in summary

- Achieved Oil Price USD 80.4 (73.7) per barrel
- Net Entitlement: 46% (44%)
- Revenue and other income MUSD 34.6 (31.8)
- EBITDA MUSD 20.2 (18.0)
- Net Result MUSD 9.9 (4.1)
- Investments in oil & gas properties MUSD 24.6 (17.2)
- Free Cash Flow MUSD -13.1 (9.4)
- Net Cash MUSD 54.7 (67.8)



Stable oil sales volumes but increasing prices

- Q1-22 oil sales of 479,544 bbl included nominations from January to March '22
- Tethys Oil was overlifted by 58,377 barrels at the end of Q1-22
 - 11,886 barrels at the 2021YE
- Achieved oil price reflects January-March 2022 OSP for Oman Export Blend



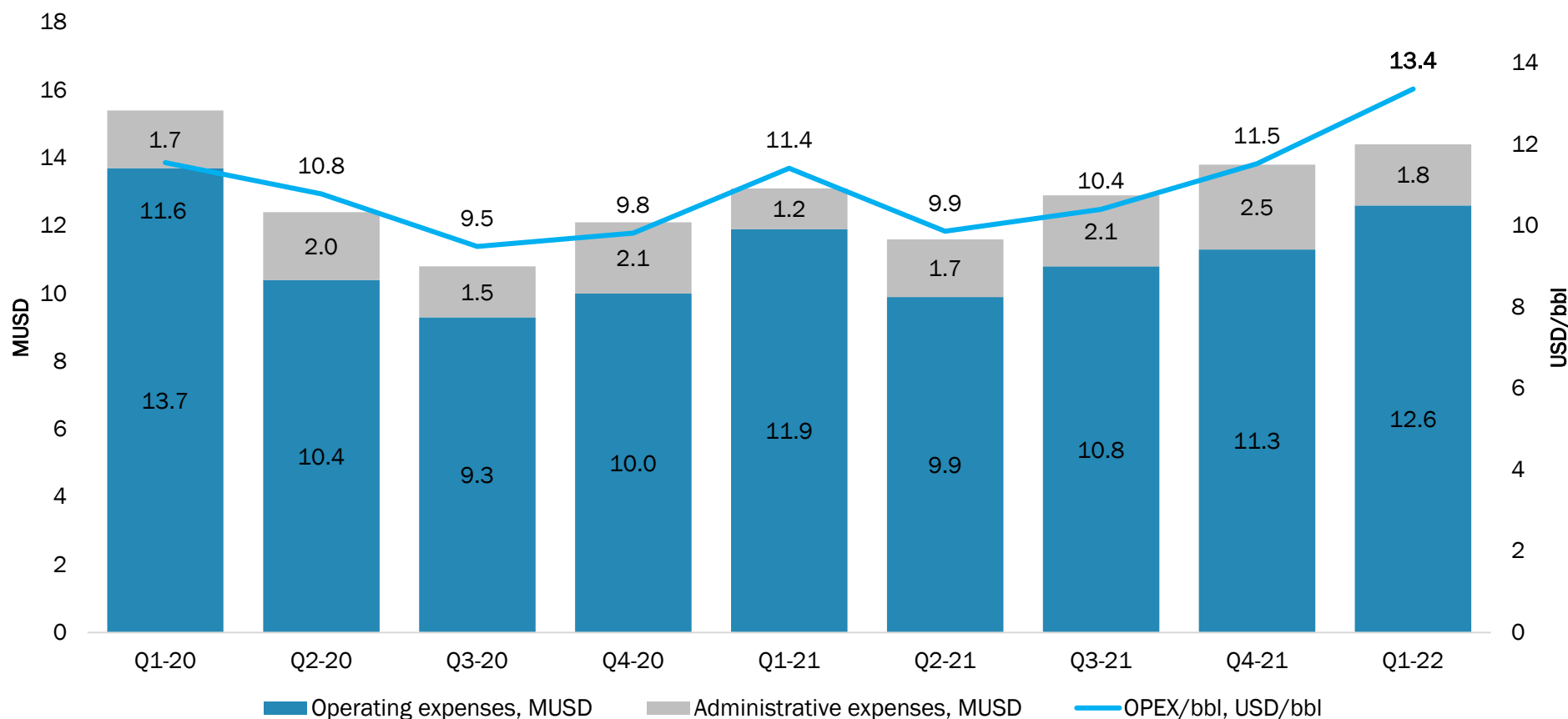
Official Selling Price (OSP): strong boost in Q2

- The Q1-22 Average OSP reflect market (spot) pricing for November 2021- January 2022
- The February spike in prices visible in Q2-22



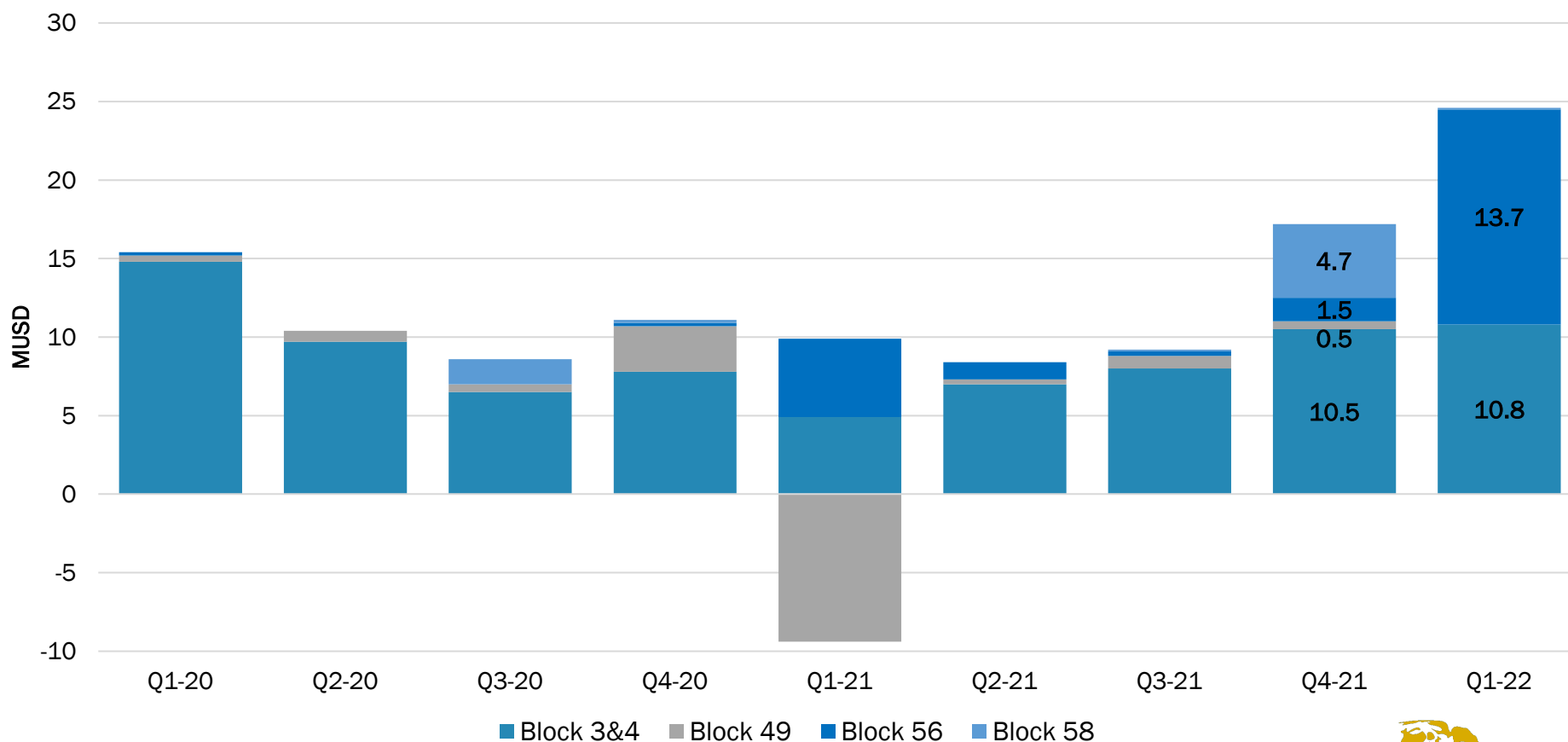
Opex per bbl impacted by production & operator G&A

- Opex up vs Q4 reflecting increased activity & seasonal operator G&A (included in opex)
- Opex per bbl impacted by lower production Q/Q
- 2022 Guidance unchanged 12 USD/bbl (+/- 0.5)



Oil and Gas capex accelerated in Q1 2022

- Q1-22 capex of MUSD 24.6 vs. 17.2 in Q4-21
- Capex boosted by investments on Block 56 of MUSD 13.7 (1.5), as a result of the completion of the drilling campaign of 3 wells and seismic acquisitions.
- FY 2022 Guidance MUSD 91

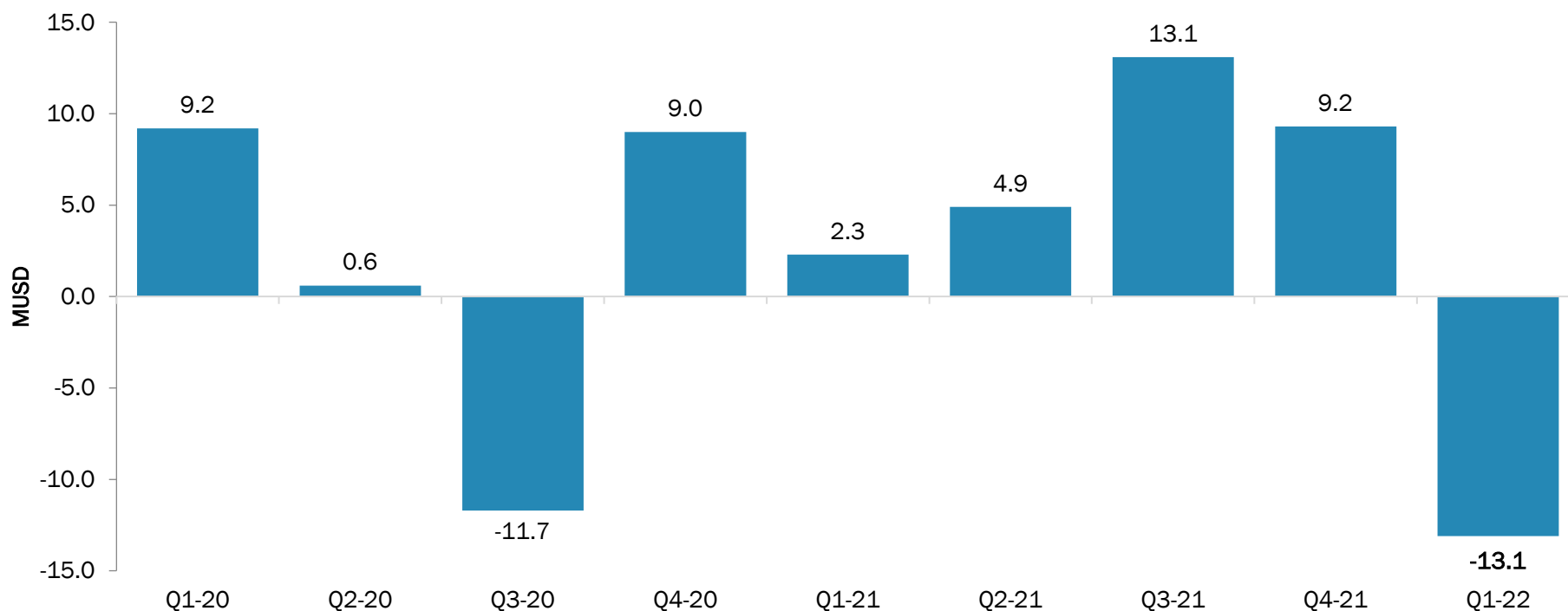


Q1 2022 - 10 May 2022

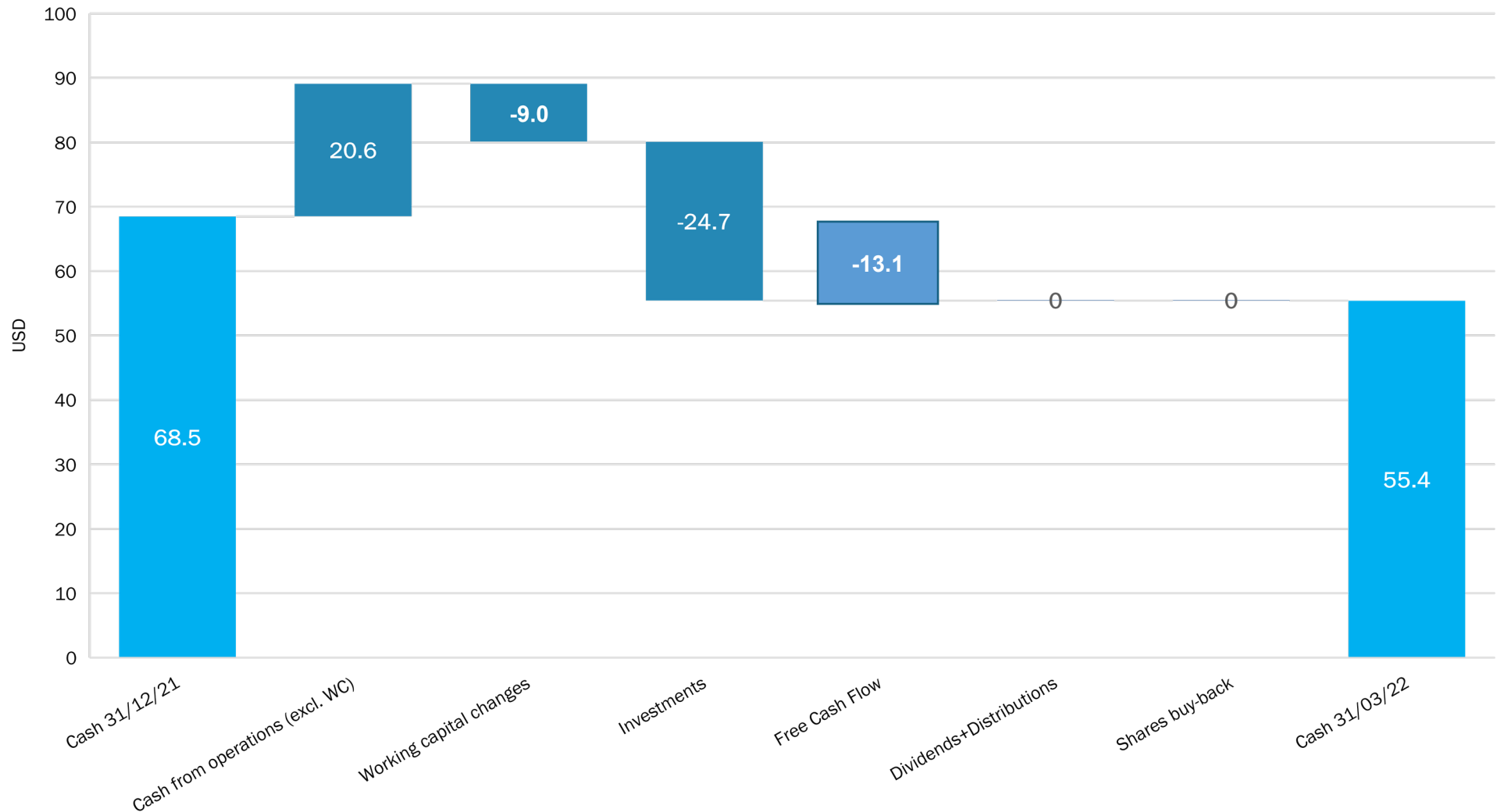


Free cash flow in Q1 2022

- Free Cash Flow in Q1-22 of MUSD -13.1 vs. 9.2 in Q4-20, affected by increased receivables:
 - Cash Flow from Operating activity before change in working capital amounted to MUSD 20.6 (18.1)



Q1-2022: Strong Cash Balance despite higher capex



2022 Production Guidance & Work programme

- Daily average production guidance for Blocks 3&4 of 10,500-11,000, down from 11,000-11,500 barrels of oil per day for the full year
 - Operating expenditures per expected to remain in the USD 12 (+/- 0.5) range for the full year
- The 2022 work programme & budget targeted investments for a total of MUSD 91
 - Blocks 3&4 and Block 56 represented MUSD 62 and MUSD 20 respectively
 - Investments will be financed by the Company's cash flow from operations and available cash

Summary

- Al Jumd campaign progressing successfully - more activity to come
- Al Jumd-2 tested at 700 bopd from 430 meter horizontal section. Additional wells and long-term test planned
- Testing of five separate zones with oil shows in Sarha-3 and Sabah-1 in second quarter
- 2022 production negatively impacted by increased water cut in the Anan field
- Increased revenue and results, driven by higher oil prices
- High levels of exploration and development investment funded from cash flows and cash on hand





Q&A Q1 2022



Q2 2022

Will be published 9 August 2022

Financial Calendar 2022

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

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