

Q4 2014

10 February 2015



Q4 Highlights

- Record net sales of MSEK 310, up 5% compared to Q3-14
- EBITDA of MSEK 200, down 14% compared to Q3-14 due to timing related opex effects
- Net result negatively affected by a MSEK 127 write down related to Lithuanian producing asset Gargzdai
- Net result MSEK 18, down 89% compared to Q3-14
- Earnings per share SEK 0.51 for Q4-14
- Net cash position of MSEK 347
- Production and reserves:
 - New production record in December 2014: 8,438 BOPD
 - New third party reserve report as at 31 Dec 2014
 - 1P reserves 11.8 mmbo (10.8 mmbo 31 Dec 2013)
 - 2P reserves 17.8 mmbo (15.2 mmbo 31 Dec 2013)
 - 3P reserves 25.1 mmbo (20.0 mmbo 31 Dec 2013)
 - Internal reserve replacement ratio of 193%

Tethys' assets

	Country	Licence	Area, km2	Tethys share	Partners*	2P reserves 31 Dec 2014 (mmbo)	Production Q4 2014 (bopd)
Producing Assets	Oman	Block 3 & 4	34,610	30%	CC Energy , Mitsui	17.8	8,236
	Lithuania	Gargzdai	884	25%	Odin Energi, Geonafta	**	114
Exploration assets	Oman	Block 3 & 4	34,610	30%	CC Energy , Mitsui		
	Oman	Block 15	1,389	<i>Discussions concerning the future of Block 15 are ongoing</i>			
	Lithuania	Rietavas	1,594	30%	Odin Energi, Private investors		
	Lithuania	Raseiniai	1,535	30%	Odin Energi, Private investors		
	France	Attila	1,986	40%	Galli Coz		
	France	Alès	215	37.5%	Private investors		

* Operator in bold

** Lithuanian reserves deemed sub-economic



Reserves

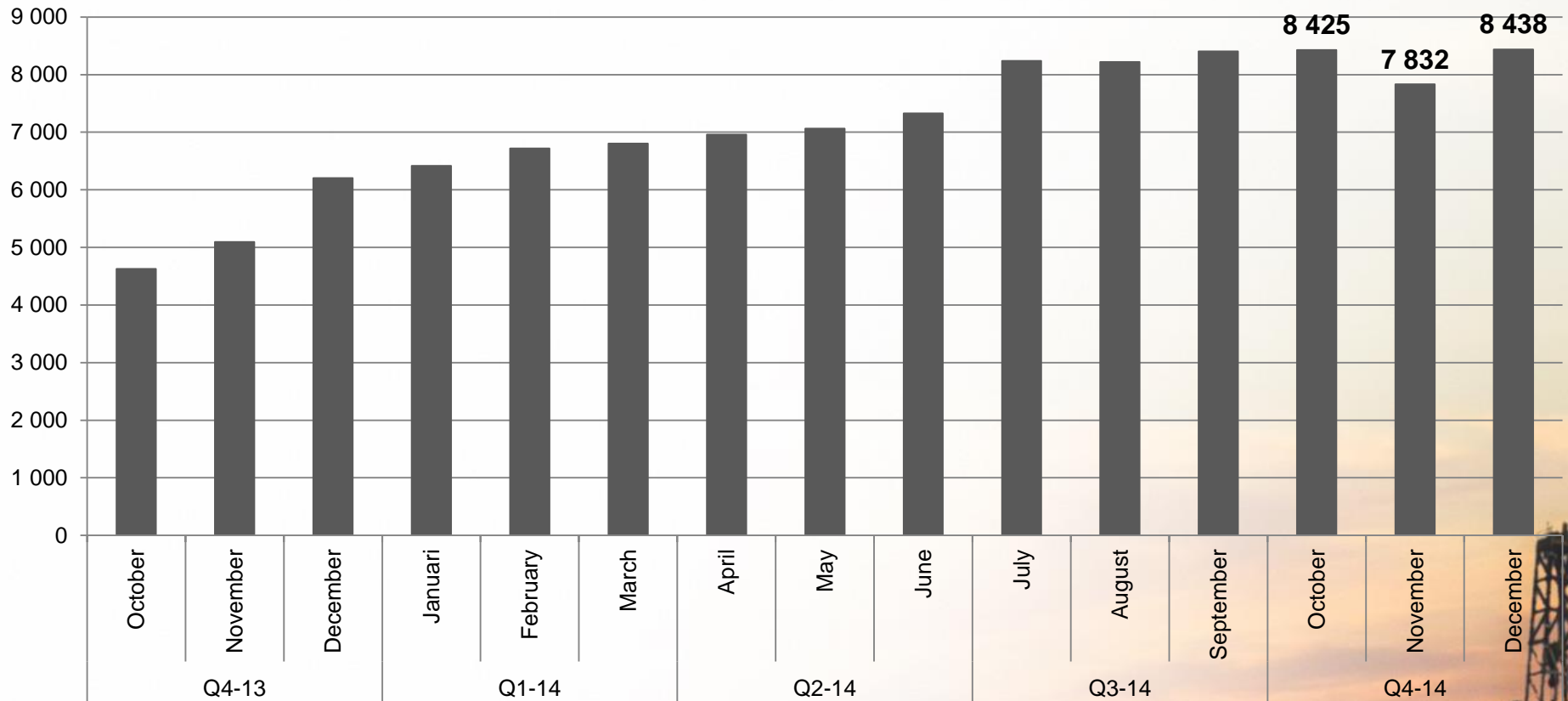
Reserves Oman (31 Dec 2014, mmbo)			
<i>mmbo</i>	1P	2P	3P
Farha South	8.3	11.2	13.3
Saiwan East	0.5	1.3	2.9
Lower Buah area	3.0	5.3	8.9
Total	11.8	17.8	25.1

Development of reserves			
<i>mmbo</i>	1P	2P	3P
Total 31 Dec 2013	10.8	15.2	20.0
Production 2014	-2.8	-2.8	-2.8
Revisions	2.5	3.2	4.5
Discoveries	1.3	2.1	3.4
Total 31 Dec 2014	11.8	17.8	25.1

Independent petroleum consultant DeGolyer and MacNaughton (“D&M”) reviews Tethys Oil’s reserves in Oman annually.

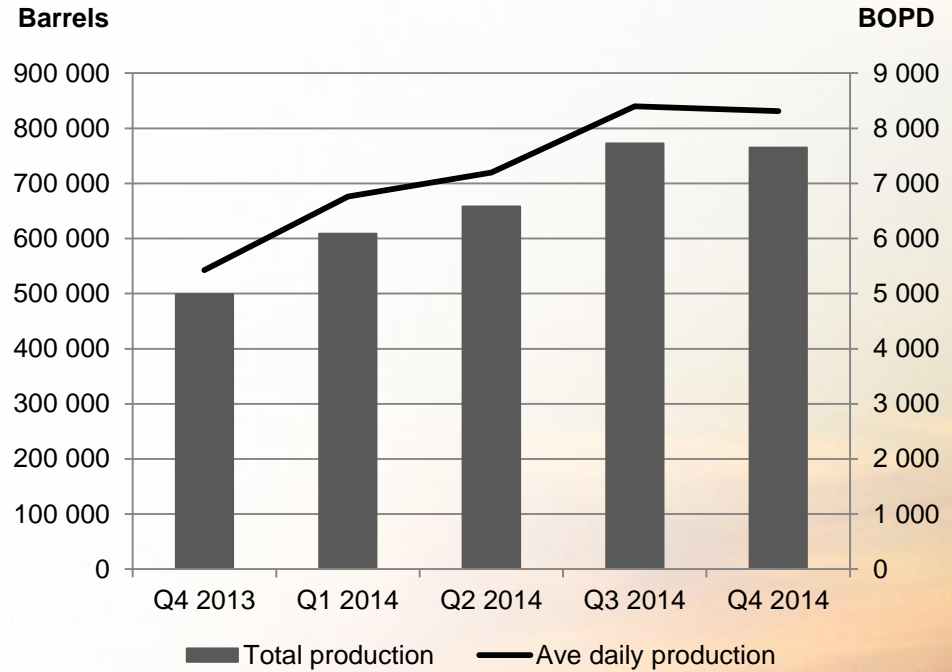
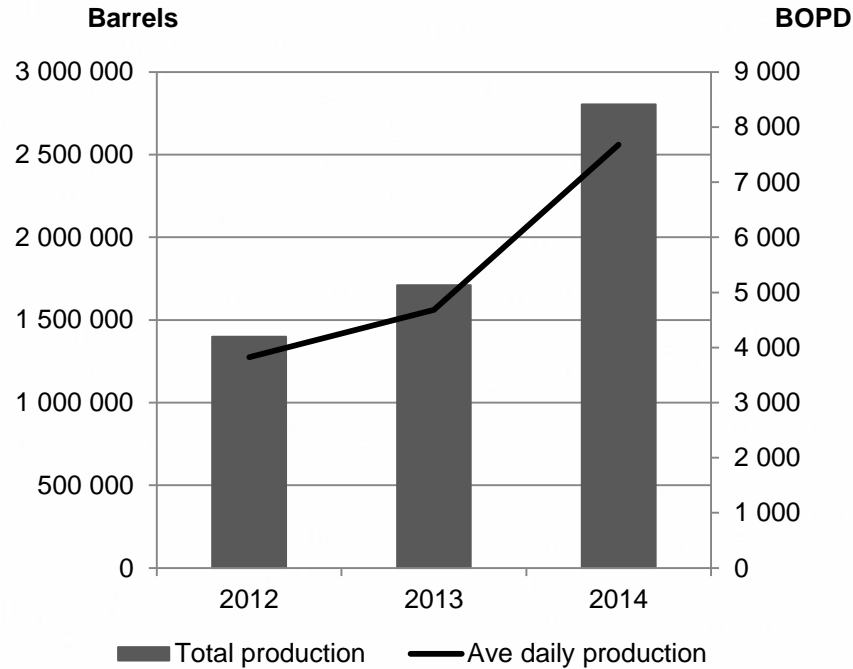


Average daily production in Oman



- Production record in December 2014 with 8,438 bopd
- Production in November affected by maintenance/construction work

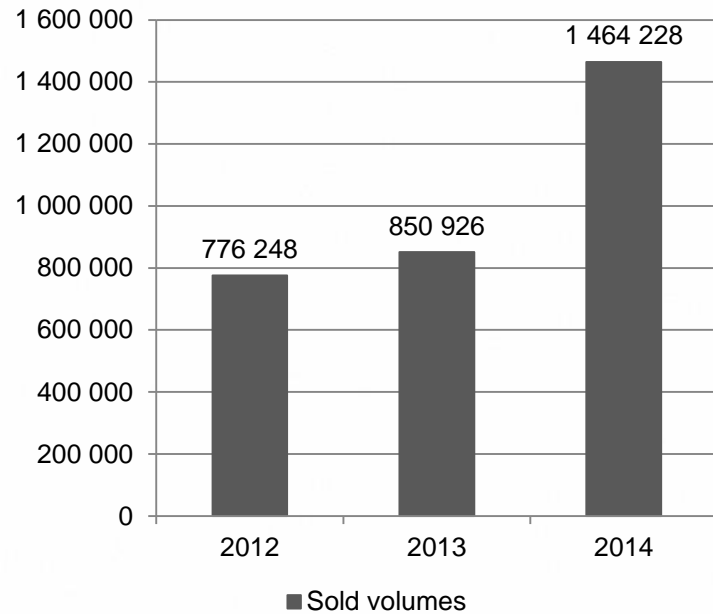
Production



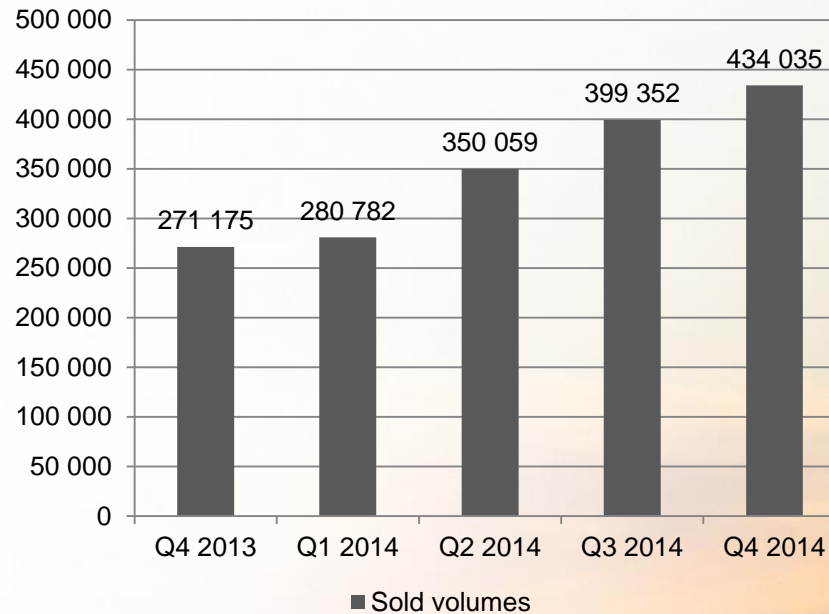
- Total production in Q4 2014 inline with previous quarter
- 53% increase in average daily production compared with Q4-13

Sold barrels

Barrels

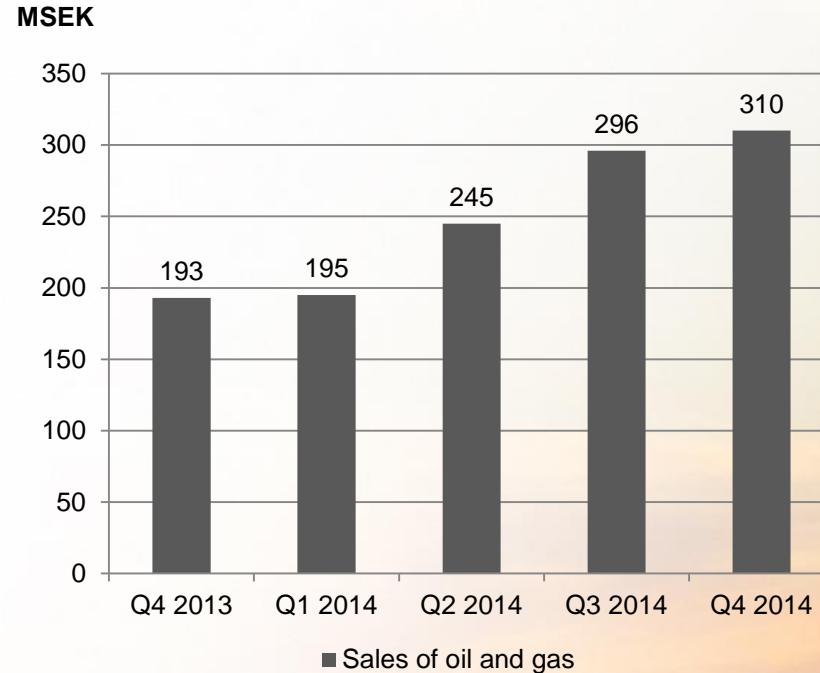
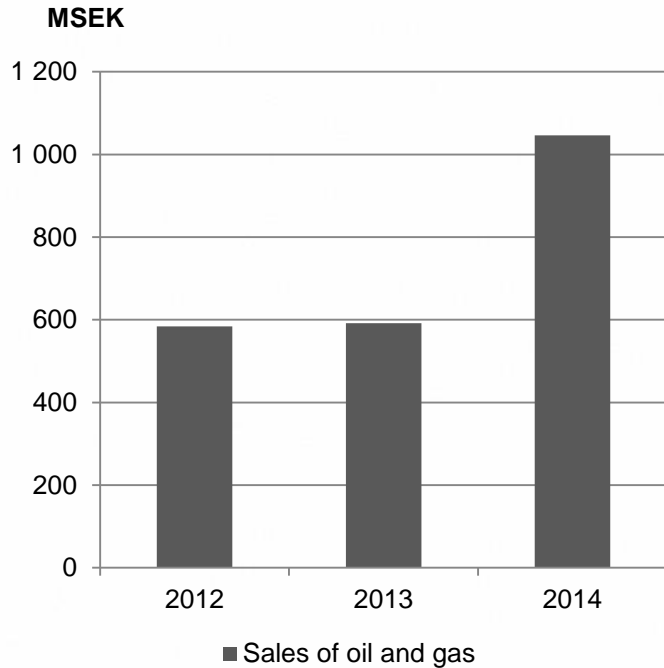


Barrels



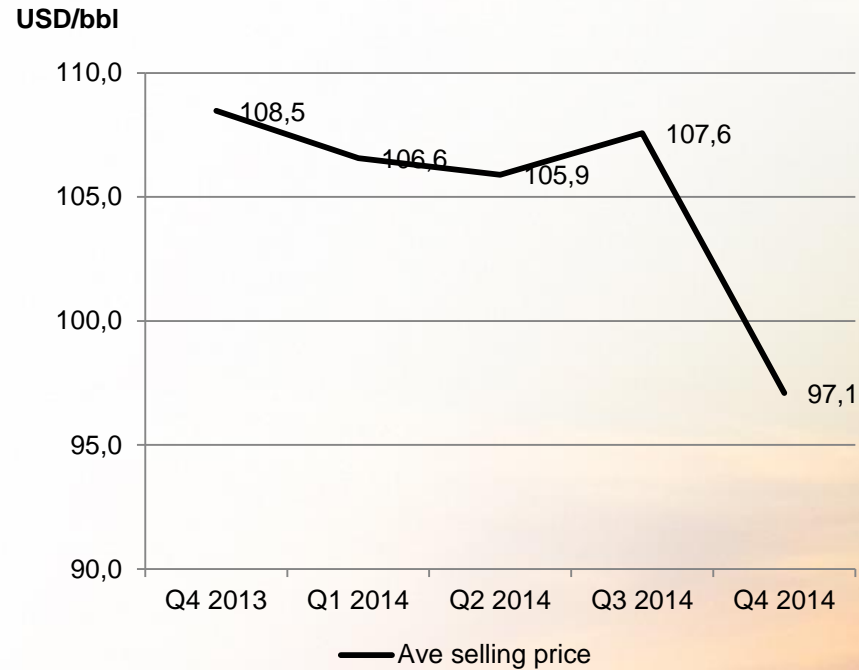
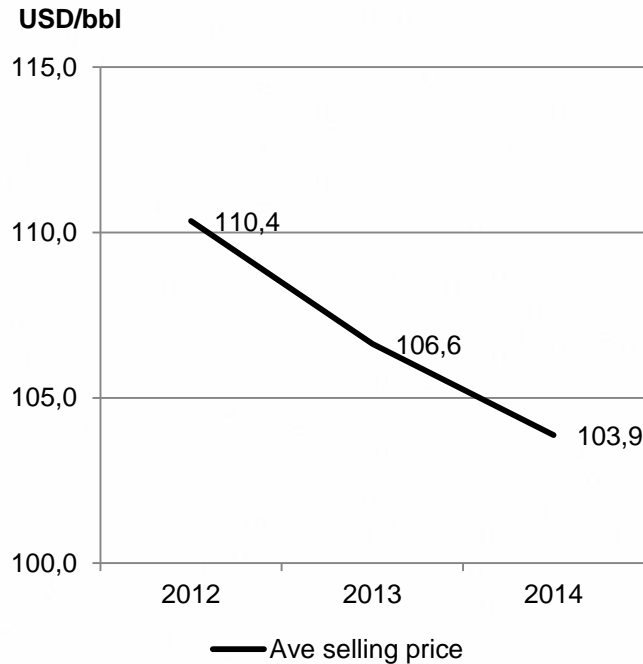
- Record sales volumes in Q4-14 and in full year 2014
- Underlift position of 27,188 bbl changed to overlift of 12,828 bbl from Q3-14 to Q4-14

Sales MSEK



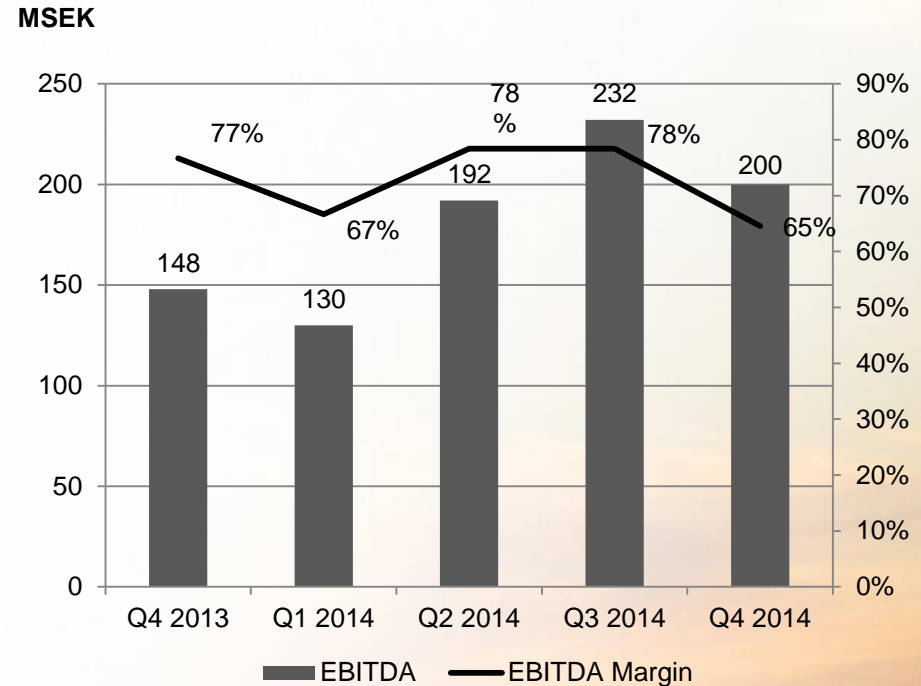
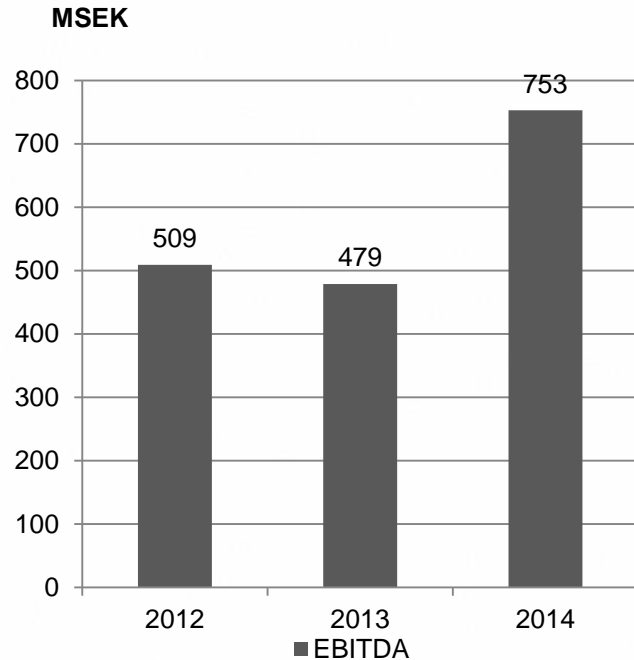
- Net oil sales of MSEK 310 in Q4-14, up 5% compared to Q3-14
- The Q-o-Q sales increase is composed of 9% increase in barrels sold, 8% USD/SEK change and 10% oil price decrease

Average selling price per barrel



- Selling price down only 10% due to 2 months lag in future price mechanism

EBITDA

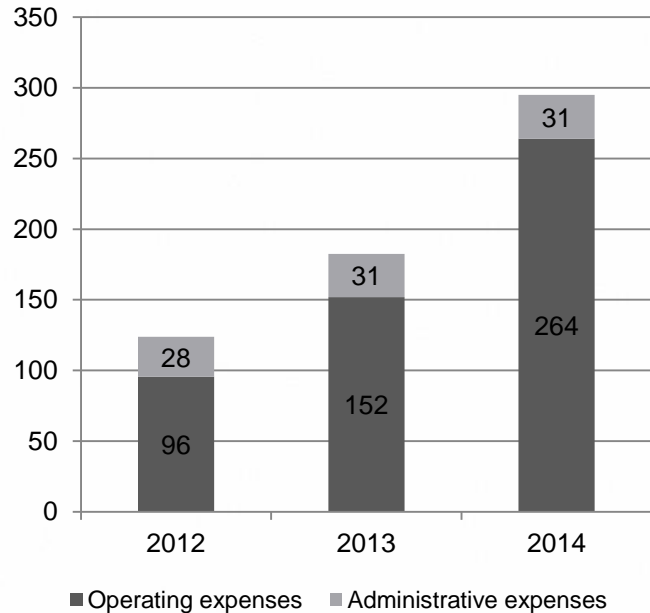


- EBITDA of MSEK 200 in Q4, down 14% compared to Q3-14
- Q4 EBITDA lower following higher OPEX due to timing related opex effects and lower oil price
- EBITDA margin the last five quarters has been in the range 65%-78%

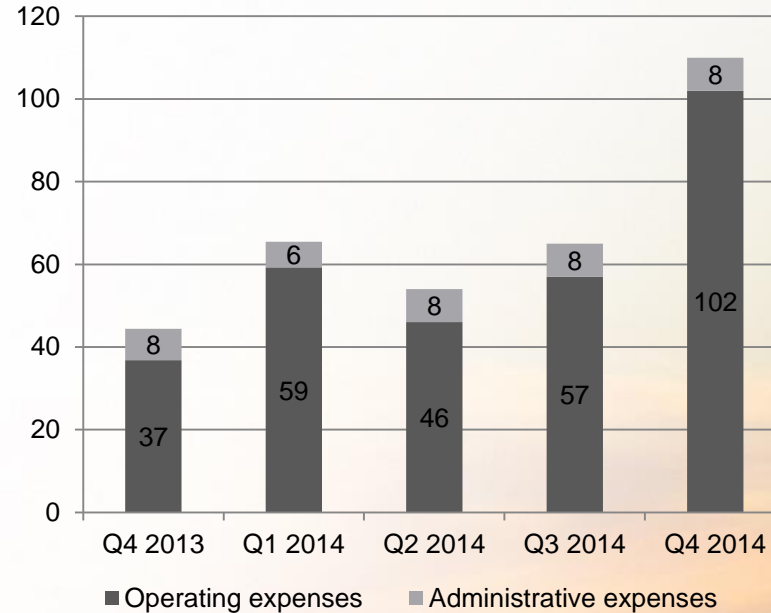


Expenses

MSEK



MSEK

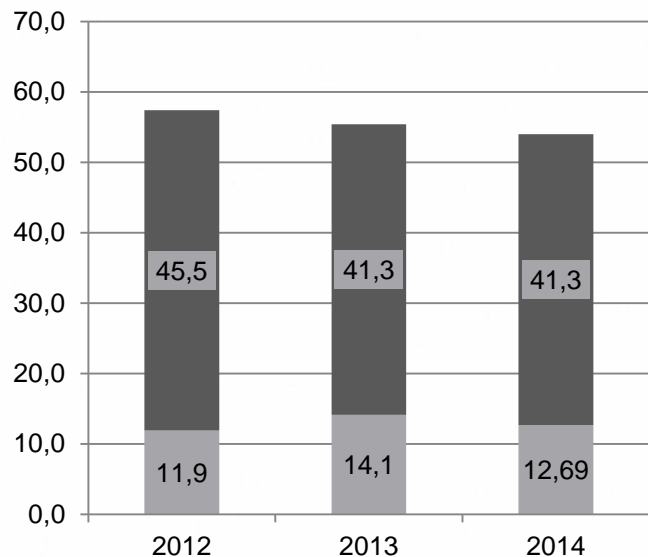


- Operating OPEX increased from MSEK 57 in Q3-14 to MSEK 102 in Q4-14
- Increase in OPEX is due to:
 - a reservation made for expected but not yet billed OPEX
 - overlift adjustment



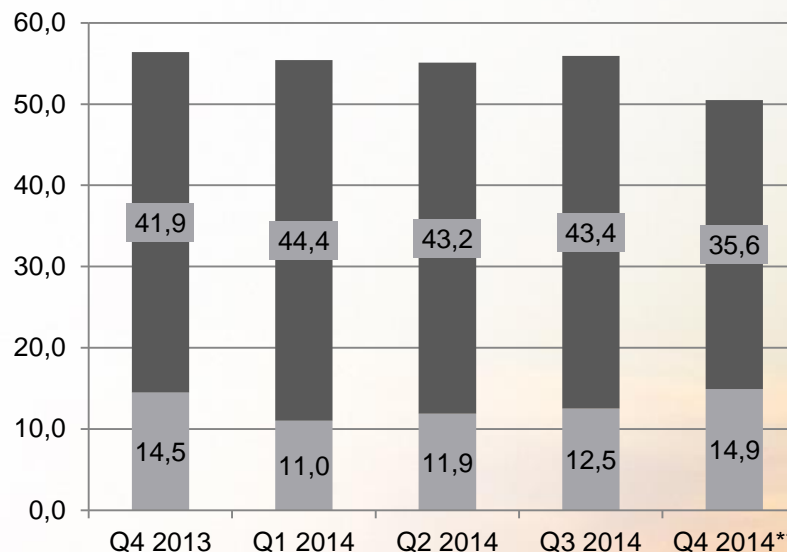
Adjusted net back* and opex per barrel

USD/bbl



■ Opex/bbl (USD/bbl) ■ Netback (USD/bbl)*

USD/bbl



■ Opex/bbl (USD/bbl) ■ Netback (USD/bbl)*

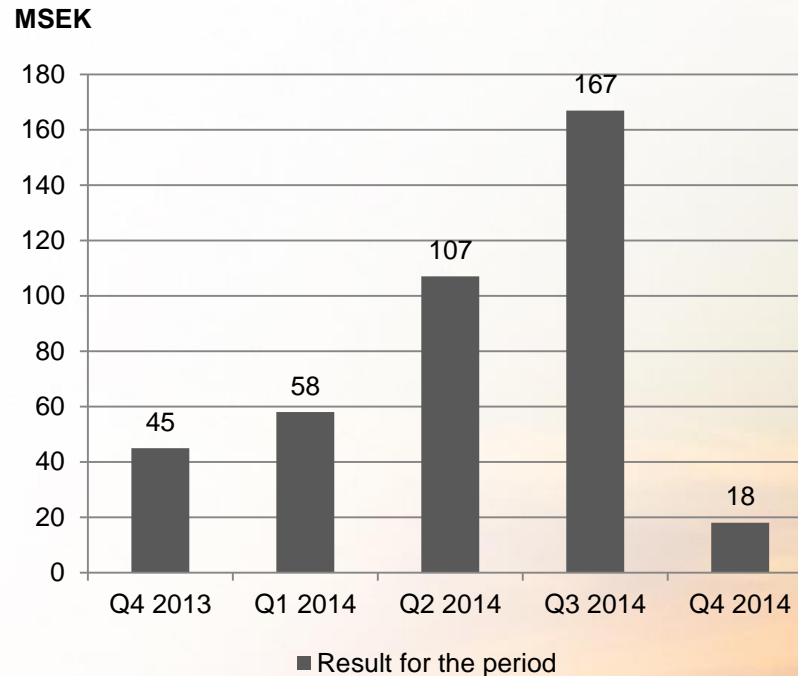
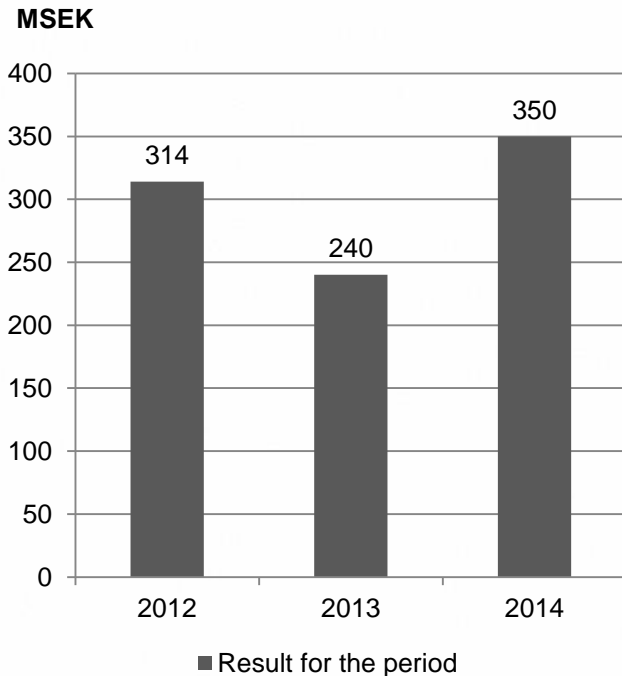
- Adjusted for timing differences, net back has fallen from range USD 40-45 per barrel to USD 36 due to lower oil prices
- Adjusted opex between USD 11 and 15 per barrel, of which direct lifting cost accounts for 50-60%



* After current government take

** The Q4-14 number is estimated

Net result after tax



- Result is down 89% Q-o-Q to MSEK 18
- Result was negatively affected
 - by a non cash MSEK 127 write down related to Lithuanian producing asset Gargzdai
 - Higher OPEX in relation to sales



Balance Sheet Q4 2014

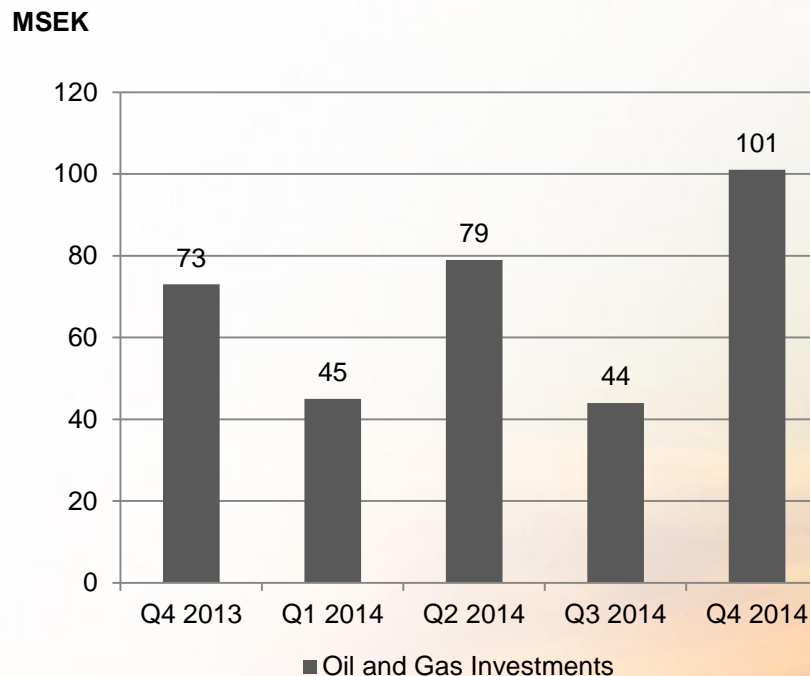
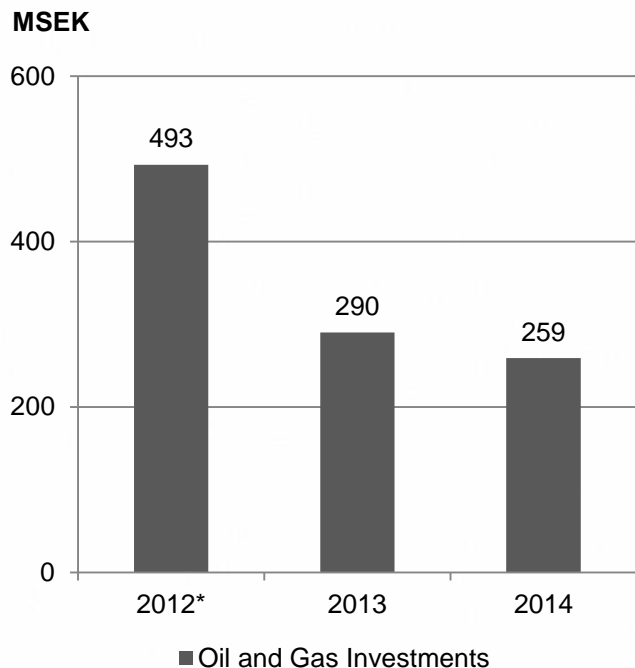
(MSEK)	2014-12-31	2014-09-30	2013-12-31
Cash	372	194	295
Long term liabilities	25*	33*	422
Net cash	347	161	-127
Total assets	1,816	1,619	1,563
Shareholders' equity	1,675	1,547	1,100

- Strong cash position of MSEK 372
- The MUSD 100 senior revolving reserve based lending facility is not used by the end of the fourth quarter
- Almost all cash held in USD – close to MUSD 50
- Share buy back programme launched in Q4-14, 298,160 shares repurchased
- Exchange rate as per balance sheet day: 7.77 SEK per USD.



* Provision for site restoration costs

Oil and gas investments

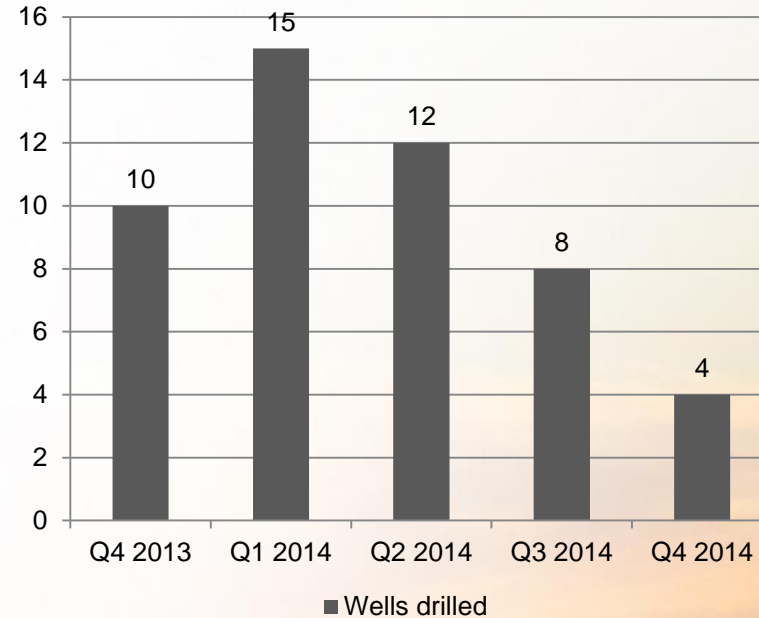
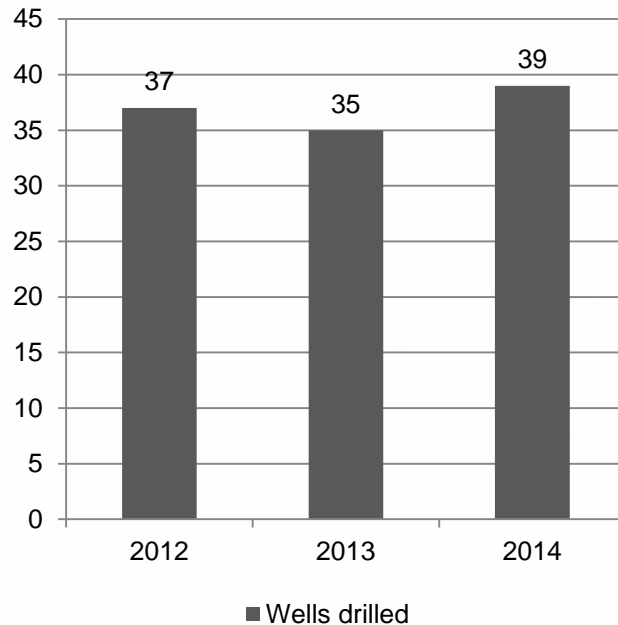


- Majority of investments were development, appraisal and exploration of Blocks 3&4
- Actual investments in Blocks 3 and 4 during 2014 amounted to MUSD 38 (MSEK 263) compared to original investment budget of MUSD 60 (MSEK 400):
 - some infrastructure investments have been pushed forward
 - fewer wells due to changes to the drilling programme following new data



* Adjusted investments

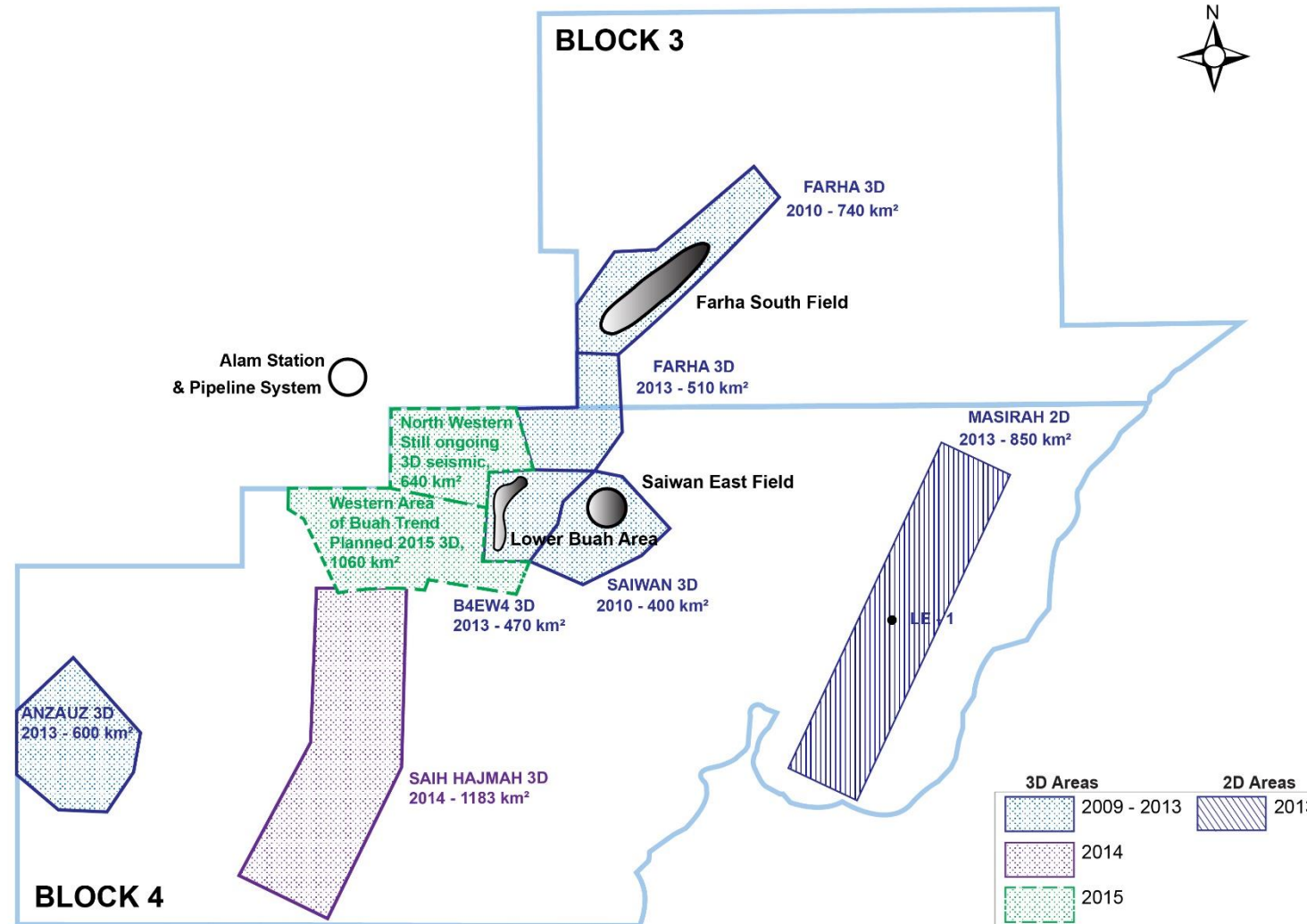
Wells in Oman



- 4 wells drilled in Q4 2014, including, 2 appraisal wells, 1 water injector well and one far field exploration well

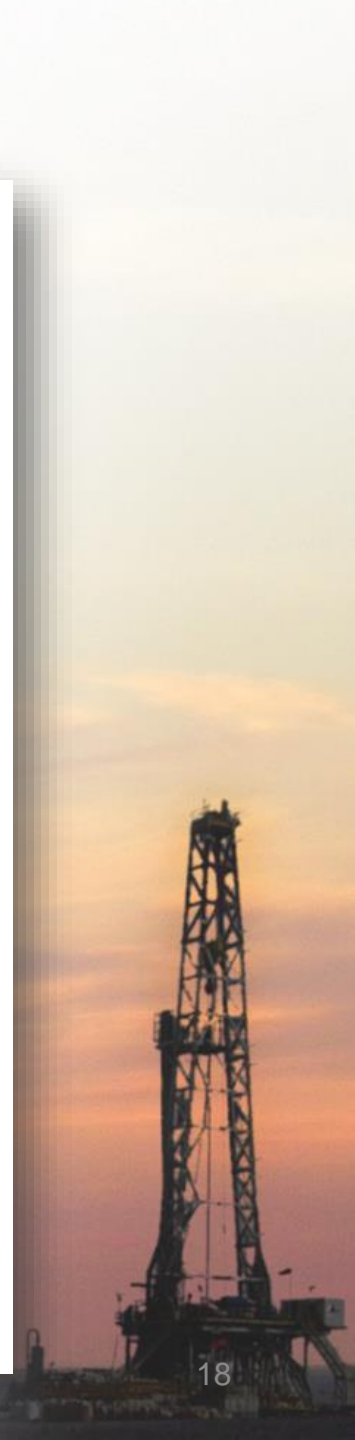
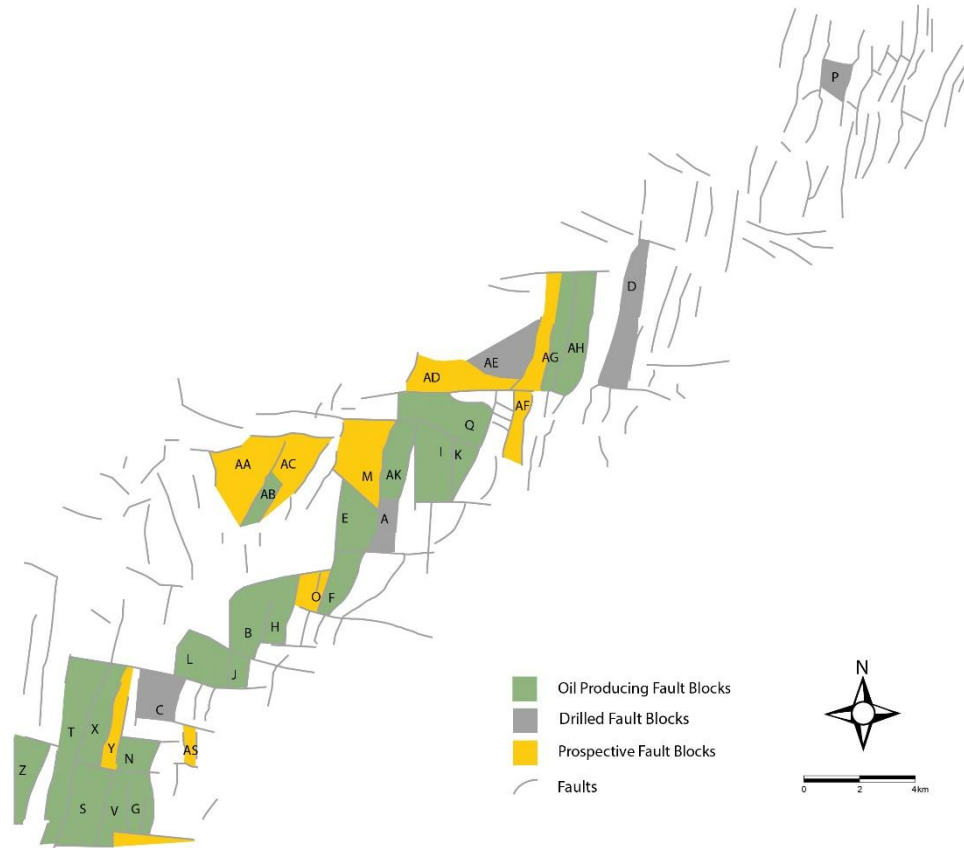
Block 3 and 4 overview

Current Activities Oman Blocks 3 & 4



Farha South field

Producing Fault Blocks at Farha South



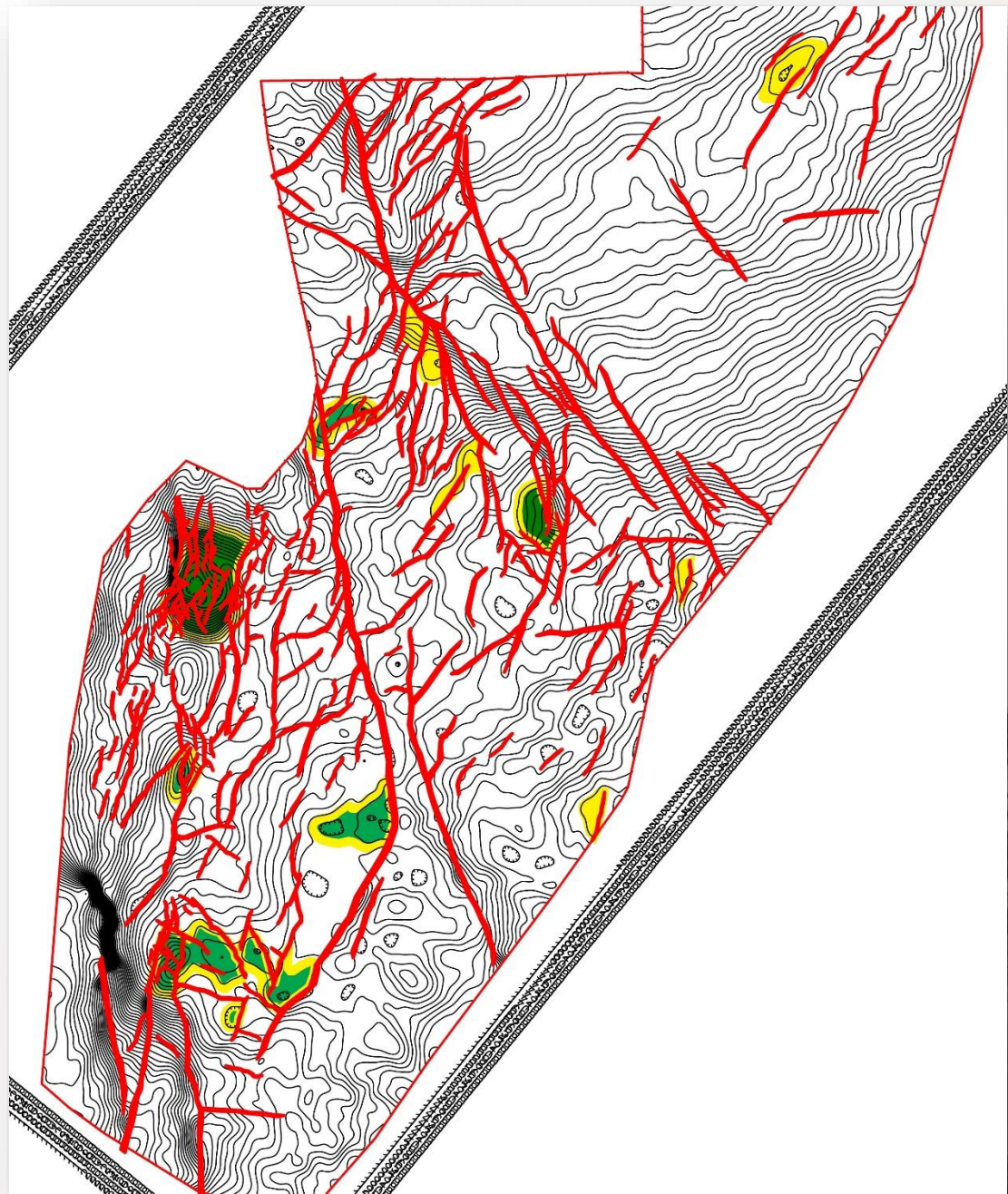
Lower Buah area

Production from 3
reservoir layers:

- Lower Buah
- Lower al Bashir
- Khufai

 Producing areas

 Prospects /
prospective areas



Outlook

- Water injection launched in Lower Buah area
- New leads in the Lower Buah area continue to be identified
- Drilling focus on Lower Buah area – at least one rig committed all year
- Seismic studies in other parts of the Blocks will continue
- Three wells are planned on Raiseiniai license in Lithuania in Q2

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