

Q2 2015

18 August 2015



Q2 Highlights

- Production increase continues: new production record with 9,434 BOPD in Q2-15 – up 8% compared to Q1-15
- Net sales of MSEK 265, up 63% compared to Q1-15
- EBITDA of MSEK 153, up 101% compared to Q1-15
- Net result MSEK 53, up 37% compared to Q1-15
- Earnings per share SEK 1.52 for Q12-15
- Cash and bank of MSEK 323
- SEK 3.00 per share was distributed to the shareholders during Q2 2015 (dividend and share redemption)
- 9 wells drilled on Block 3 and 4 in Oman
- Lithuanian drilling programme commenced

Tethys' assets

	Country	Licence	Area, km2	Tethys share	Partners*	2P reserves 31 Dec 2014 (mmbo)	Production Q2 2015 (bopd)
Producing Assets	Oman	Block 3 & 4	34,610	30%	CC Energy , Mitsui	17.8	9,329
	Lithuania	Gargzdai	884	25%	Odin Energi, Geonafta	**	105
Exploration assets	Oman	Block 3 & 4	34,610	30%	CC Energy , Mitsui		
	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

- Tethys Oil has withdrawn from discussions regarding Block 15 in Oman



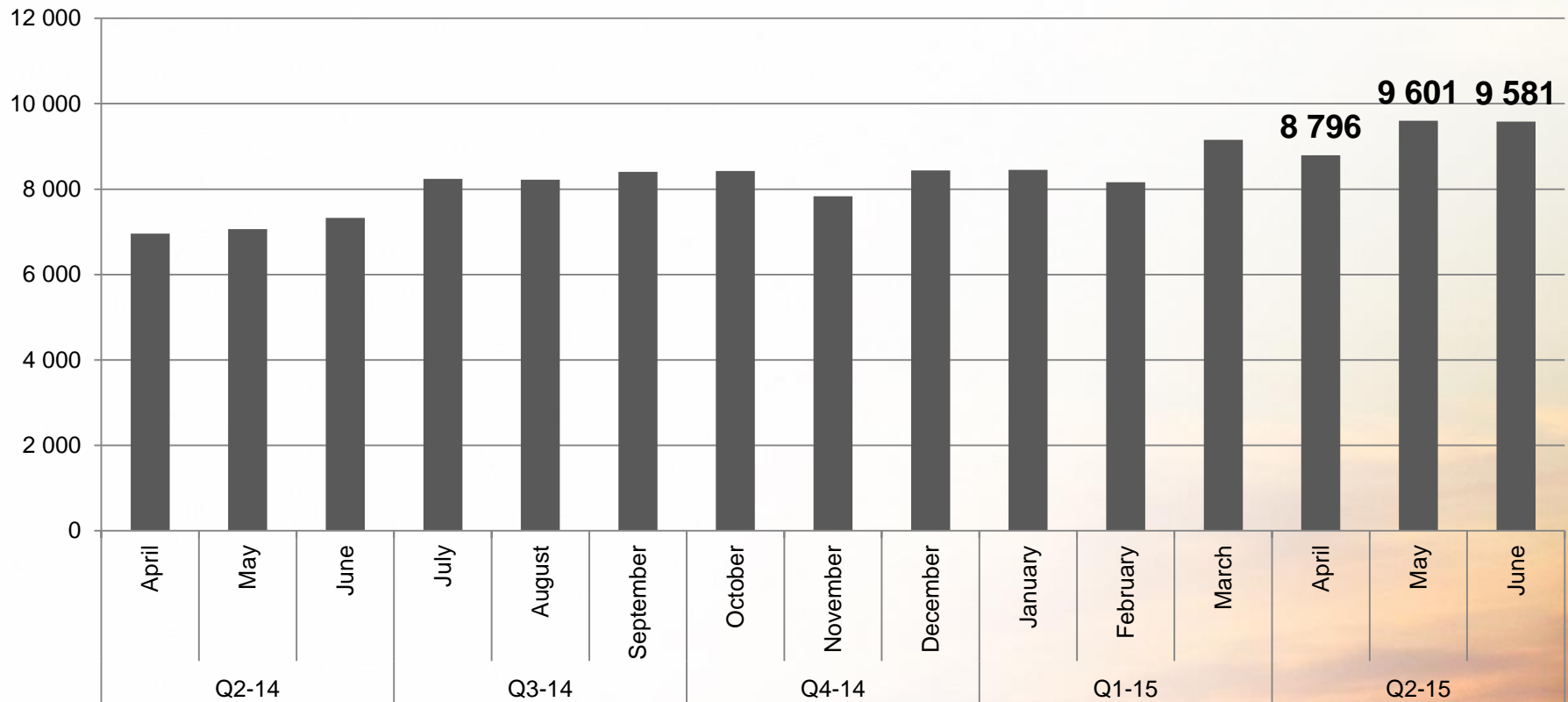
Reserves

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

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



Average daily production in Oman

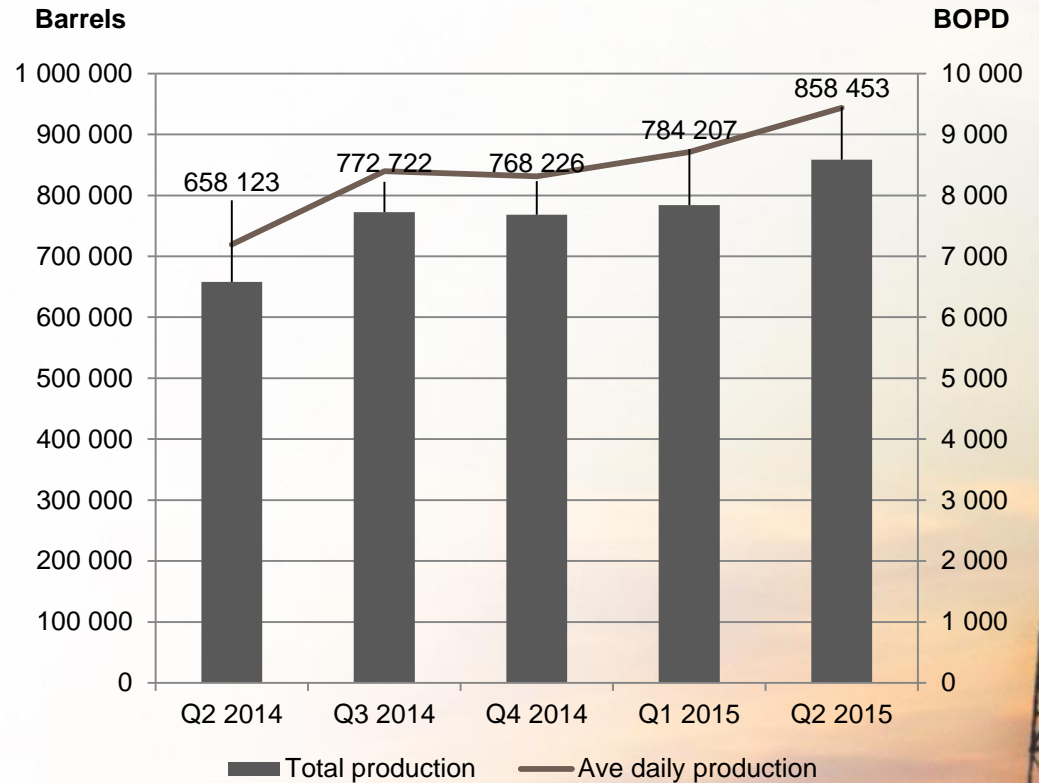
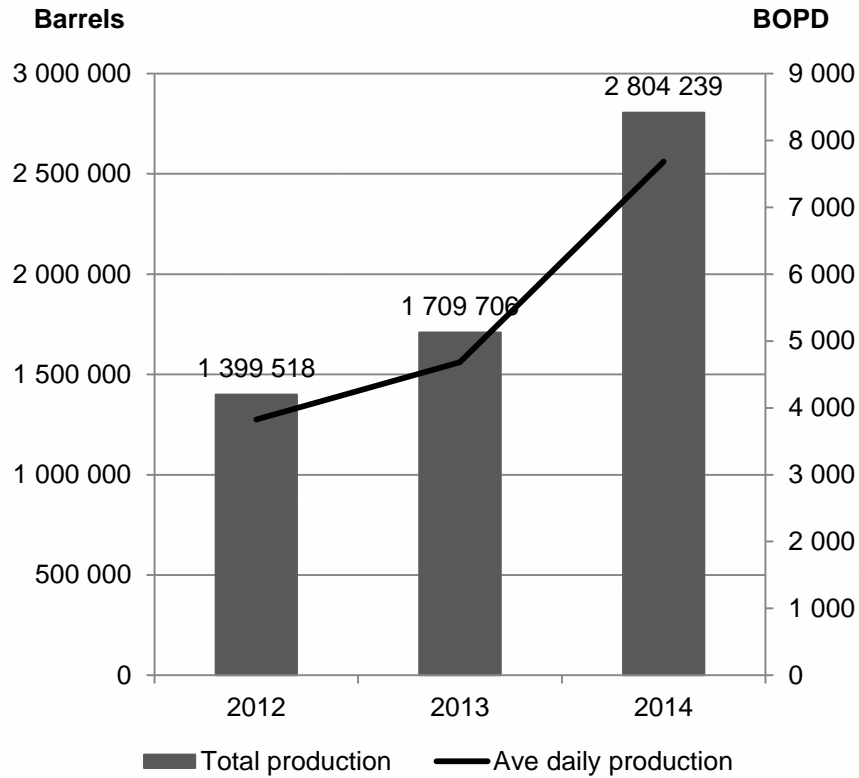


- New production record in May 2015
- Production increase continues with month on month volatility

Cash flow

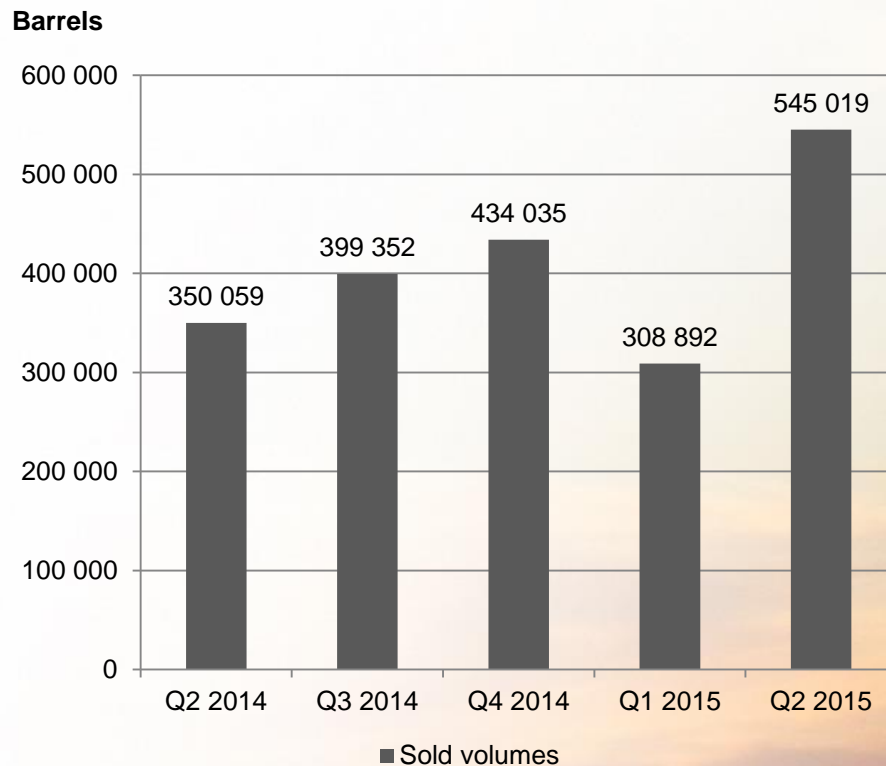
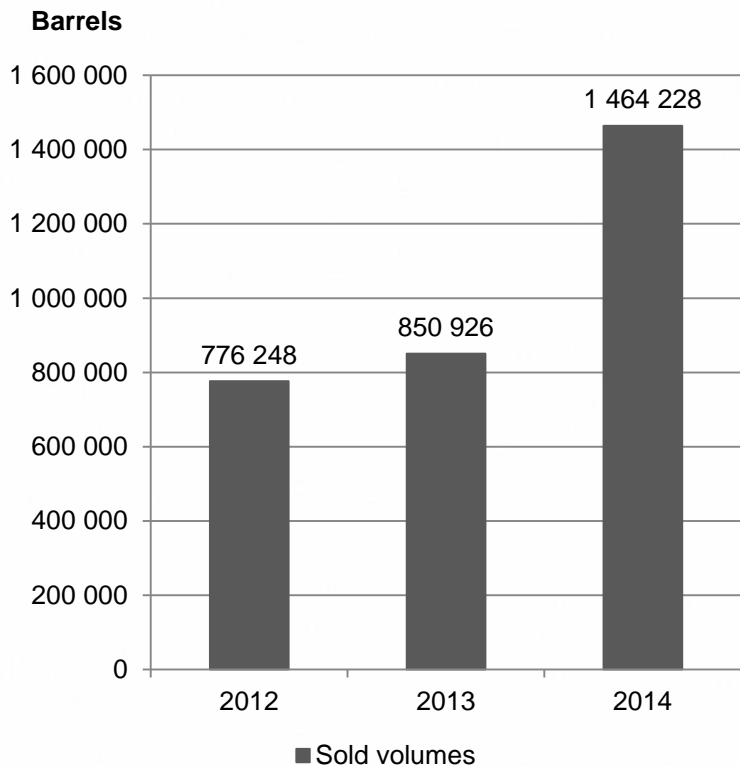
- Tethys Oil's operations continue to yield positive cash flow also at current oil prices
- Blocks 3 and 4 investments expected to continue to be covered from cash flow from operations
- During the first half 2015, the cash flow from operations amounted to MSEK 212 and investments in oil and gas amounted to MSEK 181.
- Including the dividend received from Lithuanian assets, the cash flow from operations after investments during first 6 months amounted to MSEK 52.
- Lithuania operations are expected to be financed from oil production from the Gargzdai licence and available cash in the associated Lithuanian companies

Production



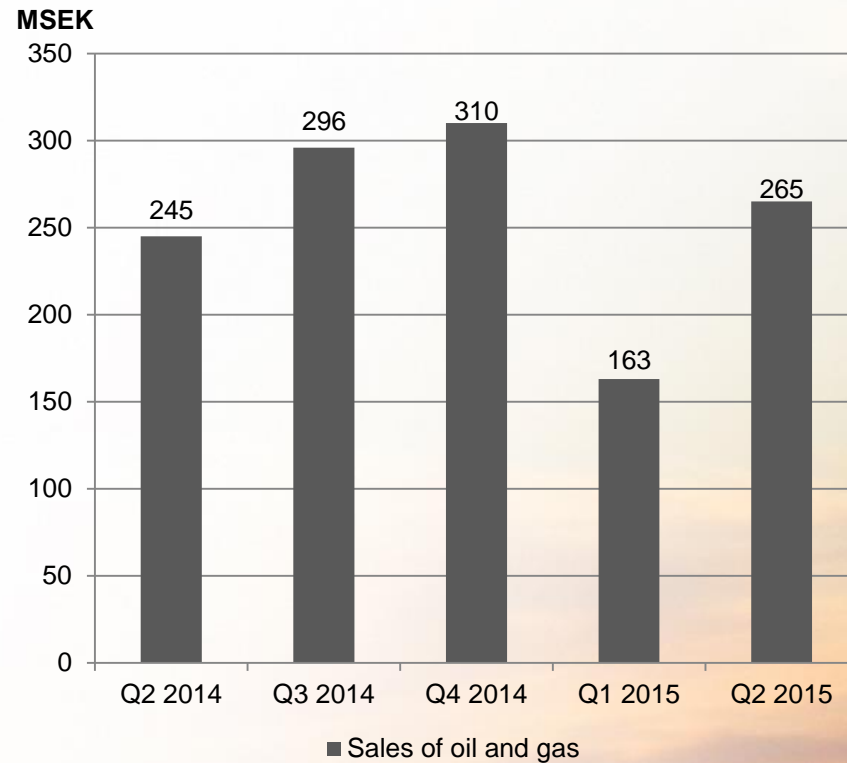
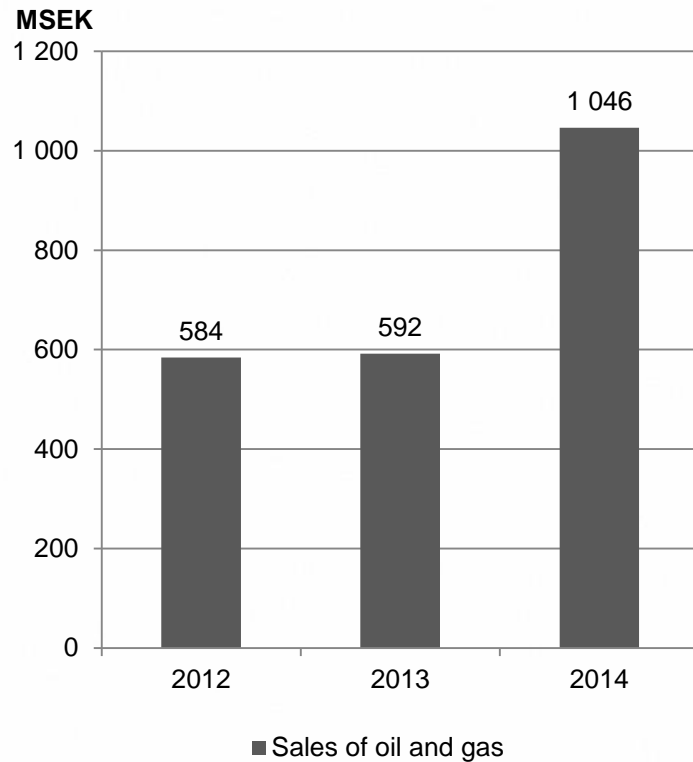
- Average daily production in Q2 2015 increased 8% compared with Q1-15
- 30% increase in average daily production compared with Q2-14

Sold barrels



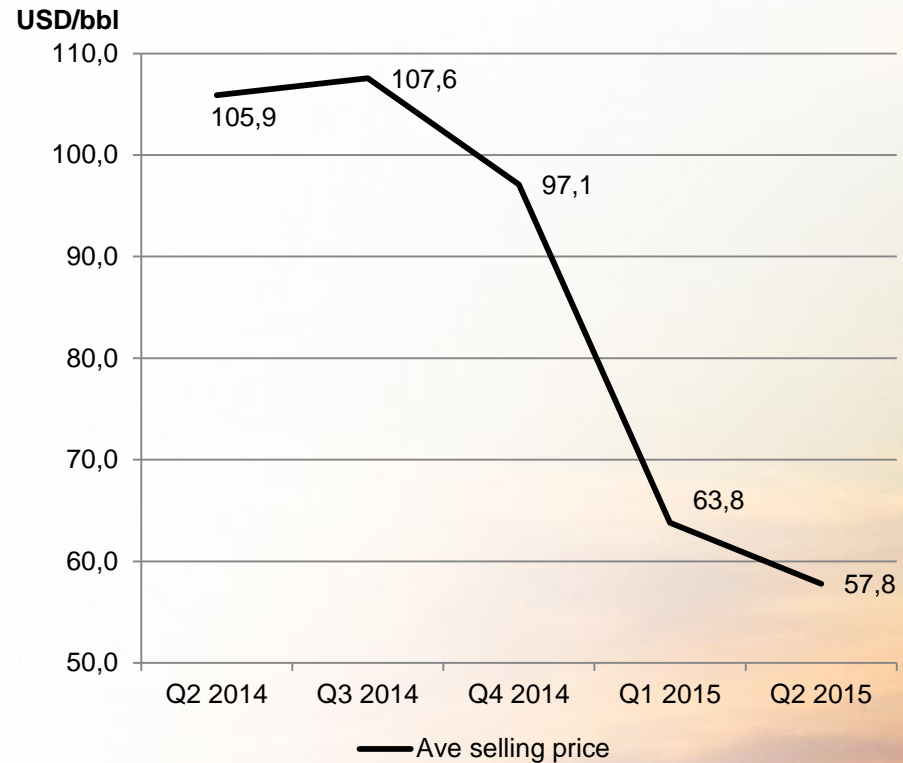
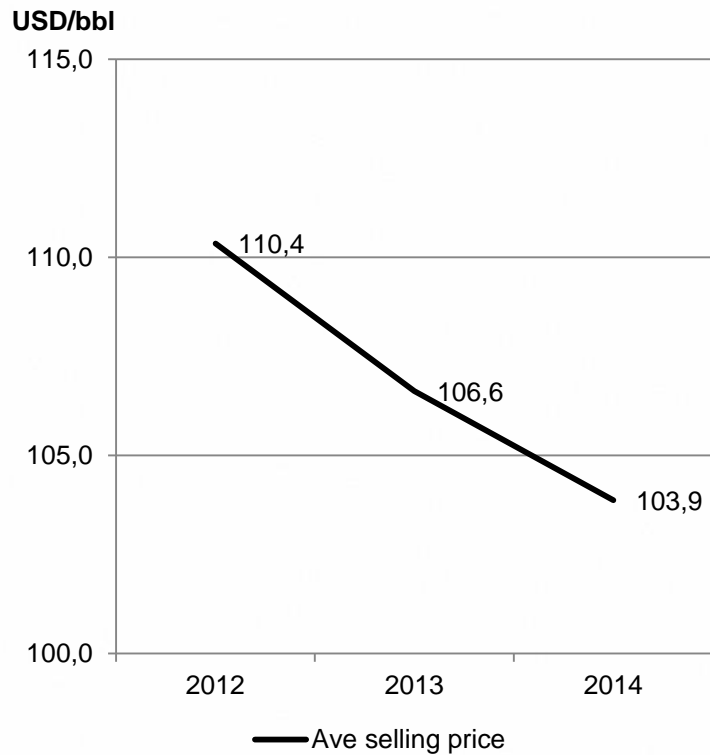
- Movement of more than 100,000 barrels from an underlift to an overlift position during the quarter (from underlift of 80,924 barrels to overlift of 22,647 barrels)

Sales MSEK



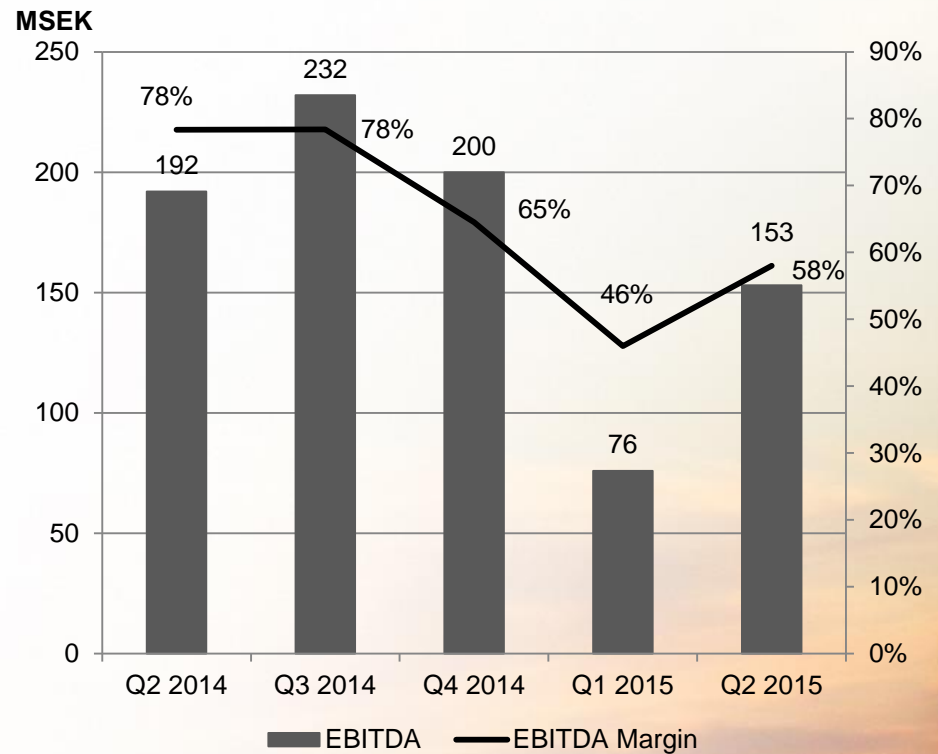
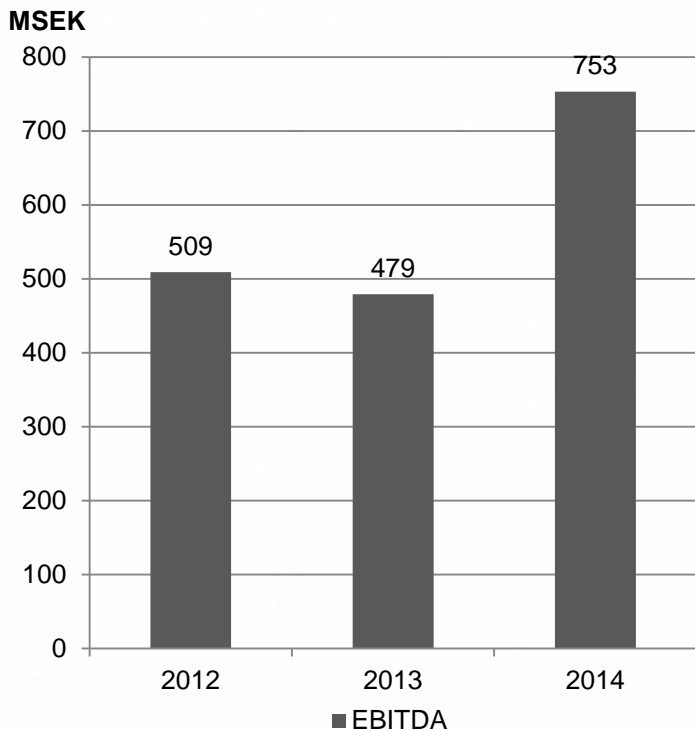
- Net oil sales of MSEK 265 in Q2-15, up 63% compared to Q1-15
- The main driver behind the net sales increase was movement from underlift to overlift position

Average selling price per barrel



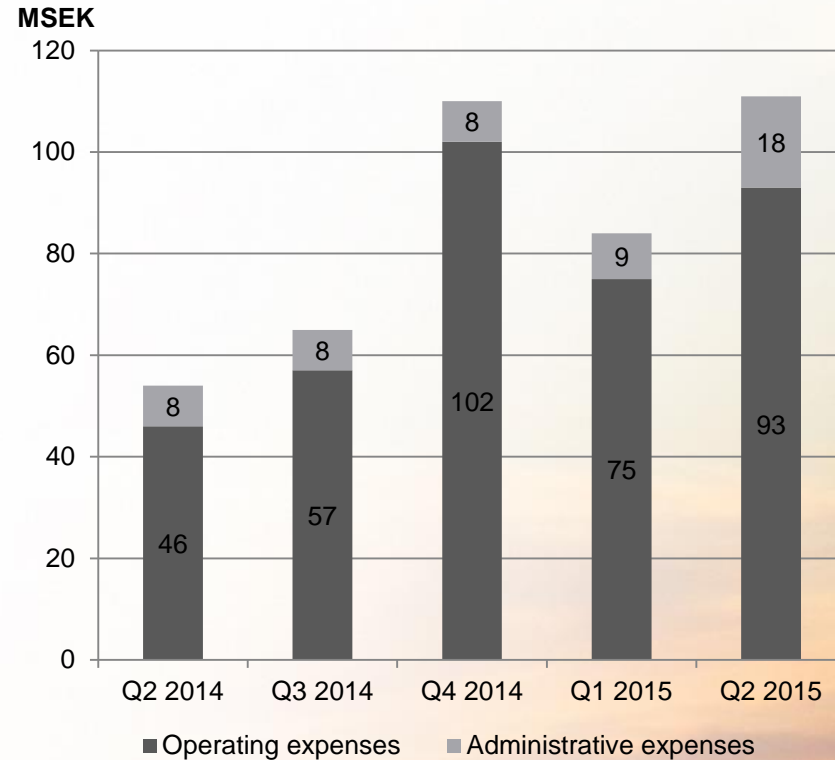
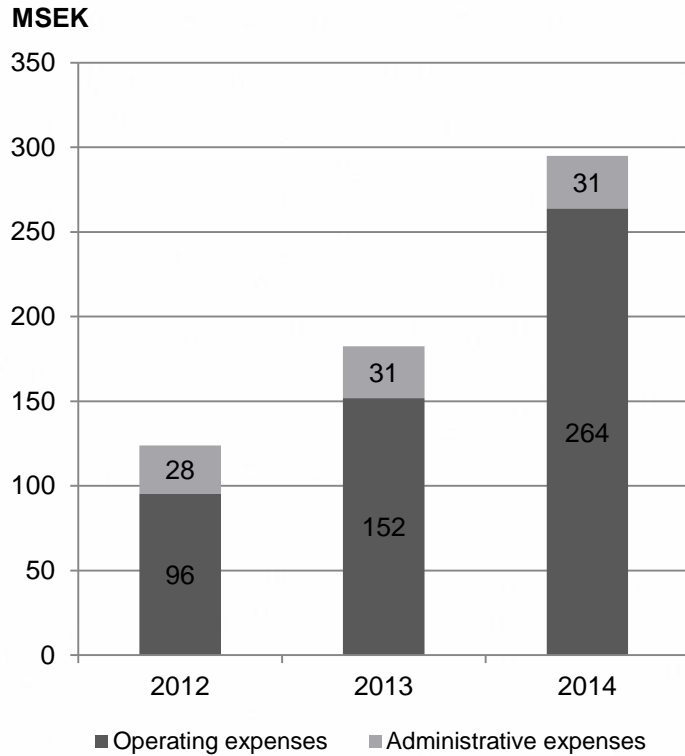
- Average selling price per barrel amounted to USD 57.8/bbl in Q2, 9 per cent lower than in Q1 (63.8 USD/bbl)
- 2 months lag in future price mechanism

EBITDA



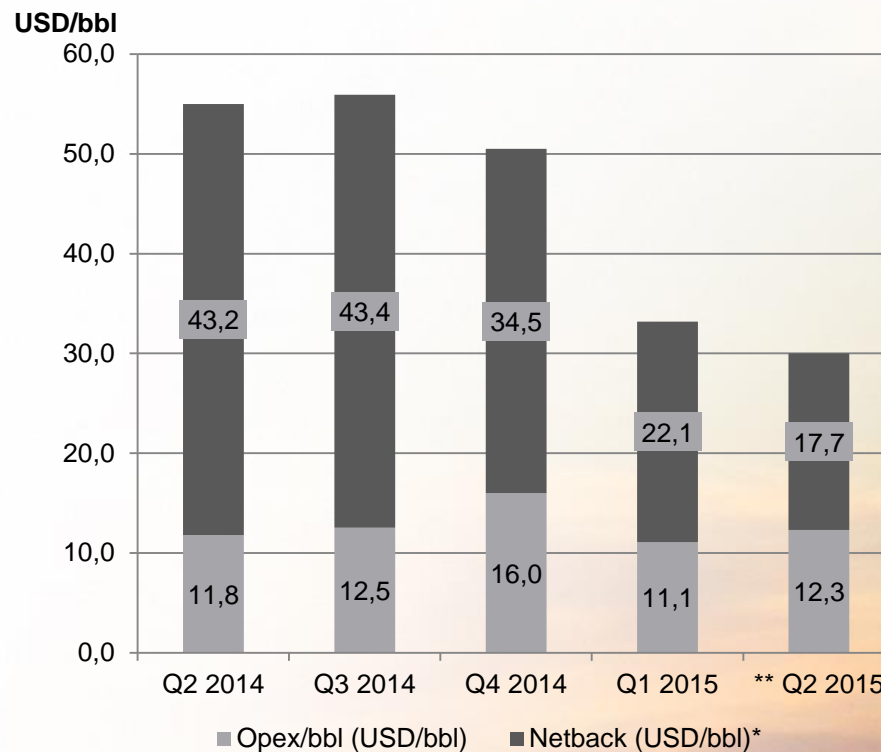
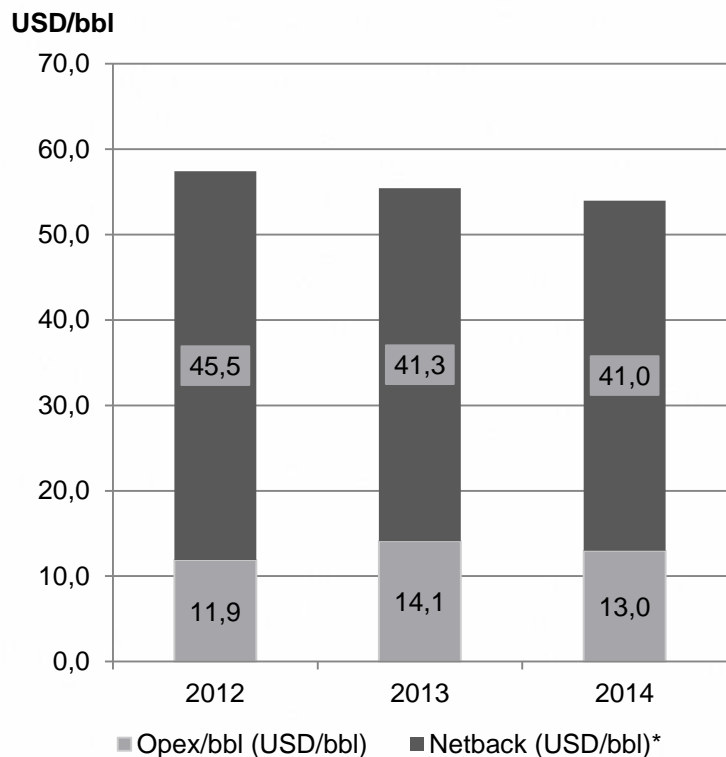
- EBITDA of MSEK 153 in Q2-15, up 101% compared to Q1-15
- The EBITDA increase in Q2-15 is a result of higher sales in Q2

Expenses



- OPEX increase of MSEK 19 due to an overlift position as per 30 June 2015 amounting to 22,647 barrels
- One off increase in admin expenditures mainly due to incentive programme

Adjusted net back* and opex per barrel

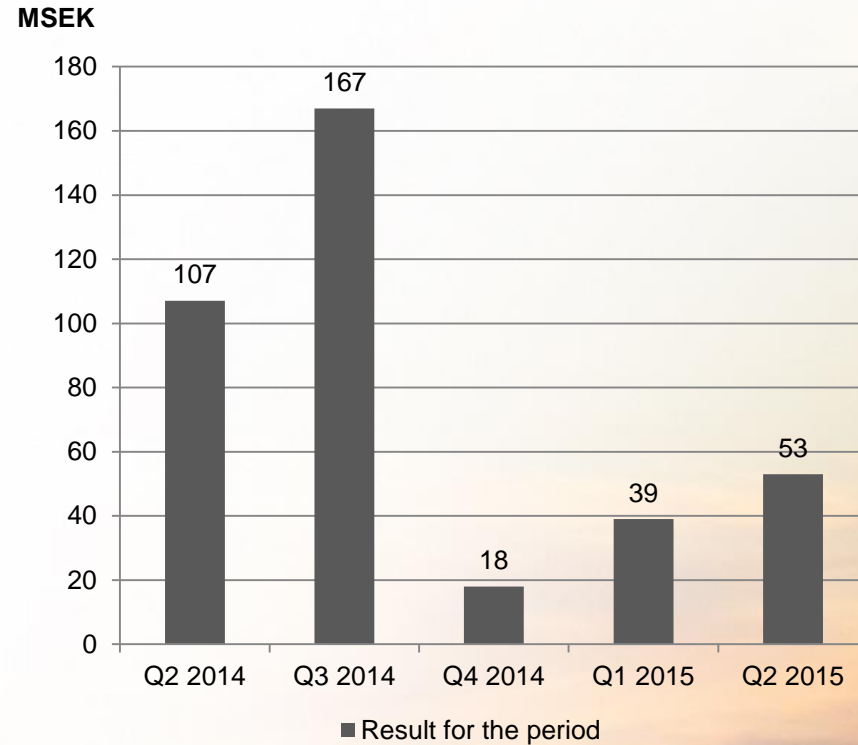
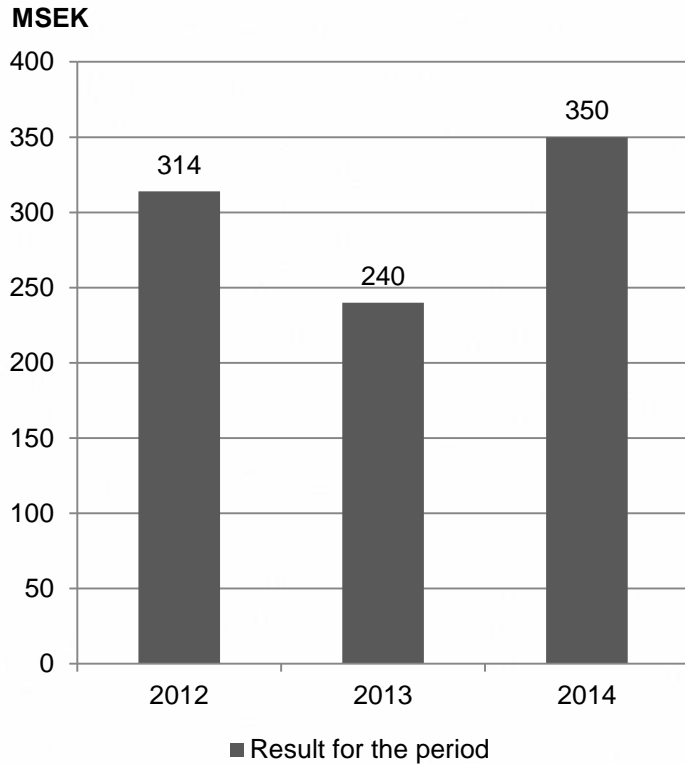


- Adjusted for timing differences, net back has fallen due to lower oil prices
- Adjusted opex between USD 11 and 16 per barrel, of which direct lifting cost accounts for 50-60%



* After current government take
 ** The Q2-15 number is estimated

Net result after tax



- Net result increase by 37% Q-o-Q explained mainly by: Movement from underlift to overlift position, Lower oil prices, Higher production, Write off Block 15

Balance Sheet Q2 2015

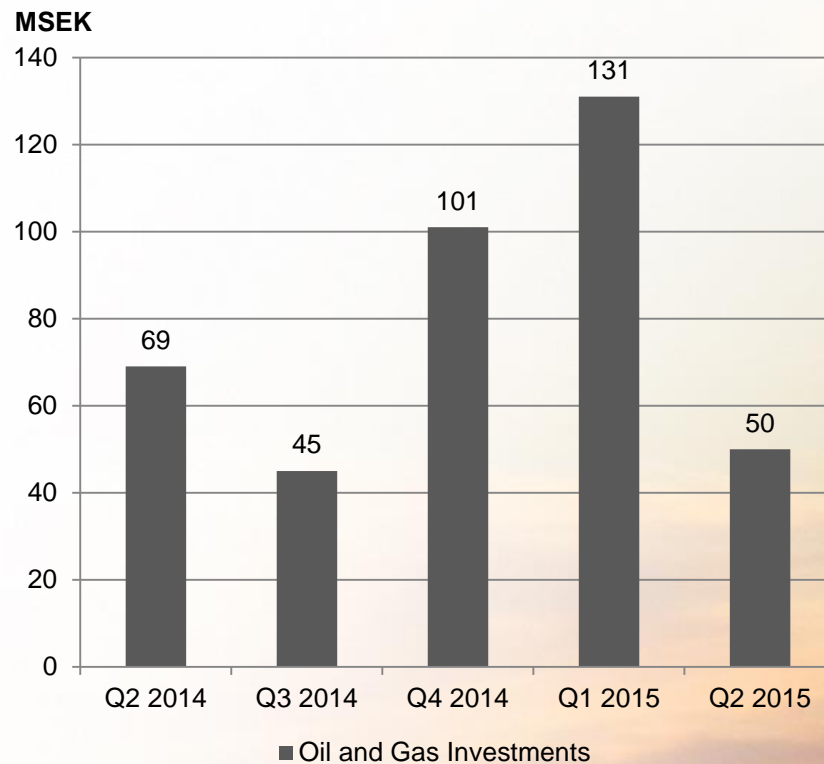
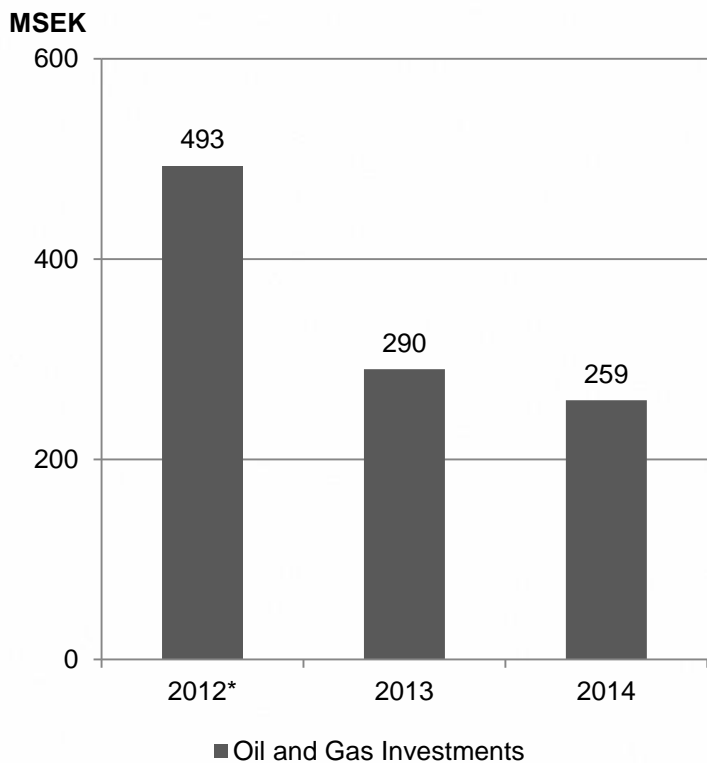
(MSEK)	2015-06-30	2015-03-31	2014-12-31
Cash	323	400	372
Long term liabilities	28*	29*	25*
Total assets	1,888	2,061	1,816
Shareholders' equity	1,744	1,888	1,675

- Strong cash position of MSEK 323
- The up to MUSD 100 senior revolving reserve based lending facility is undrawn at the end of Q2-15
- A large part of cash and cash equivalents are held in USD which has appreciated against SEK during the first half 2015
- Exchange rate as per balance sheet day: 8.23 SEK per USD.



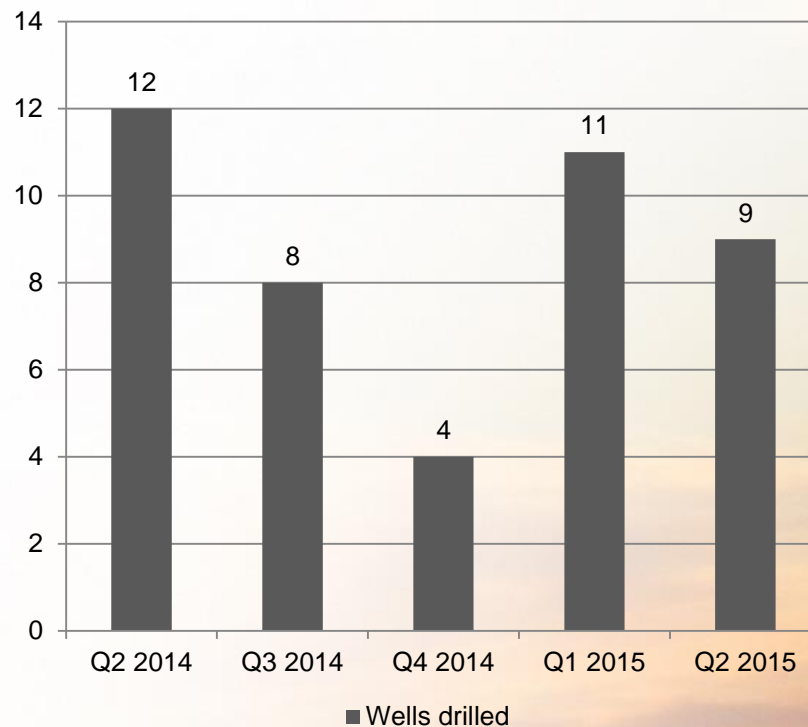
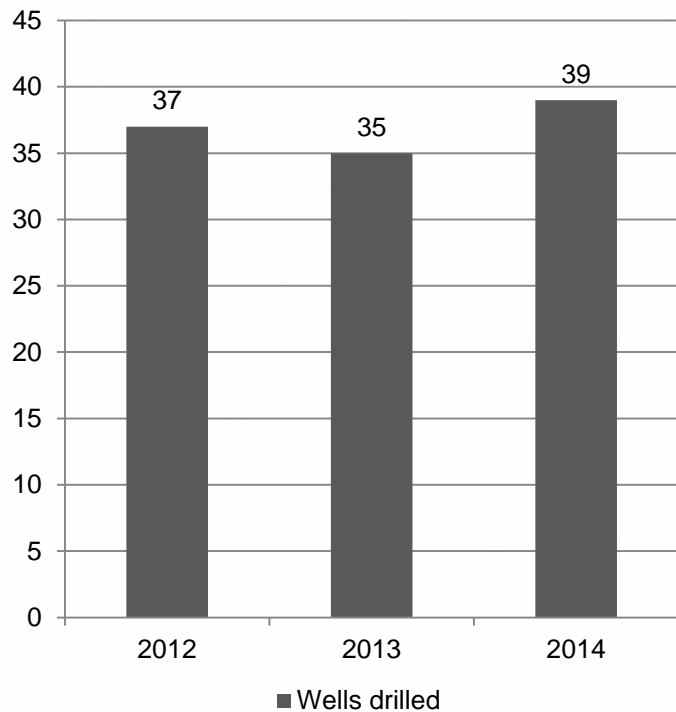
* Provision for site restoration costs

Oil and gas investments



- Tethys investment in Blocks 3 and 4 amounted to MSEK 50 in Q2
- Investments down due to timing effects

Wells in Oman



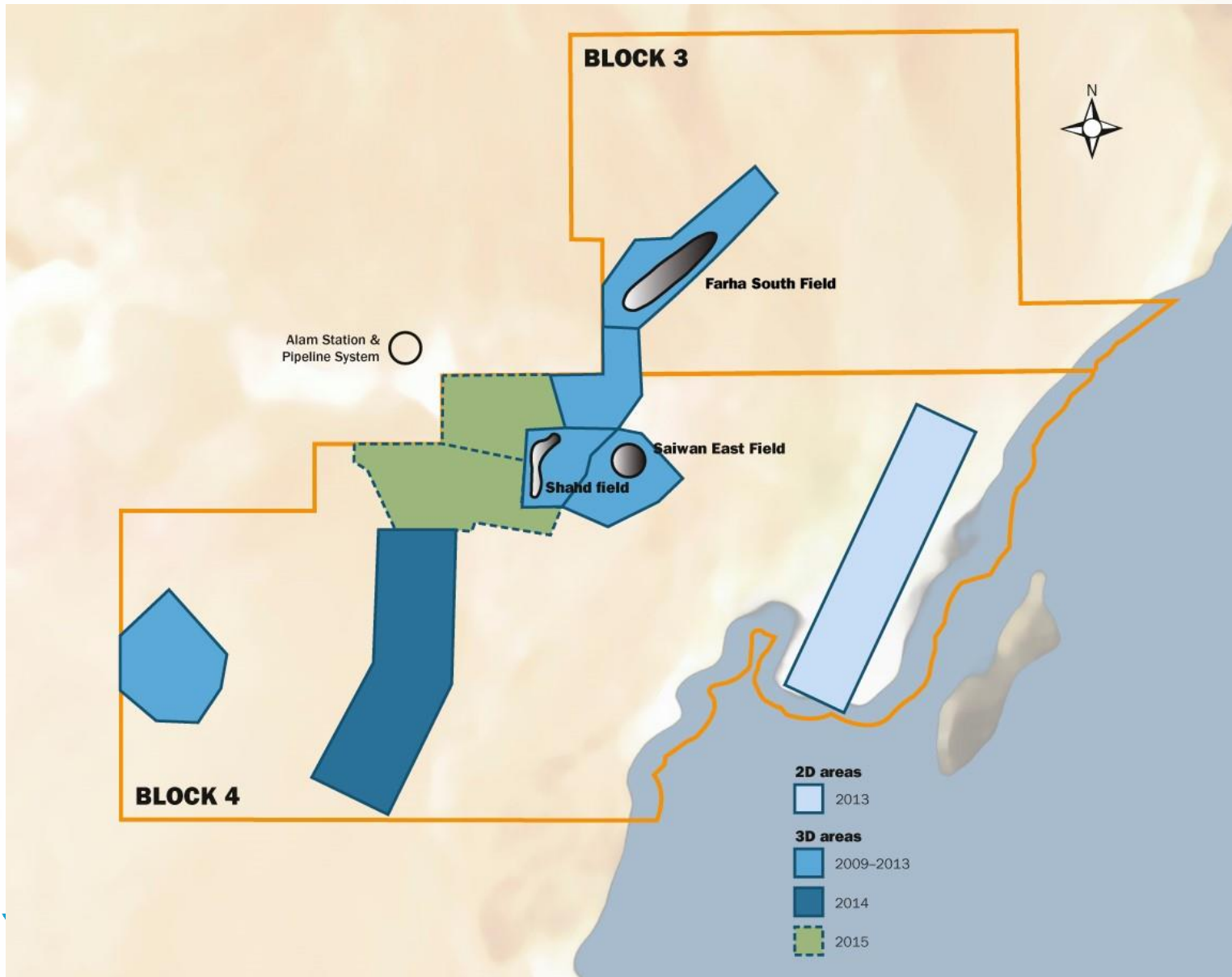
- 9 wells drilled in Q2 2015
 - 7 wells on Farha South oil field
 - 2 wells on Shahd oil field

One additional rig in operation bringing the total to 4 rigs.

One more contracted

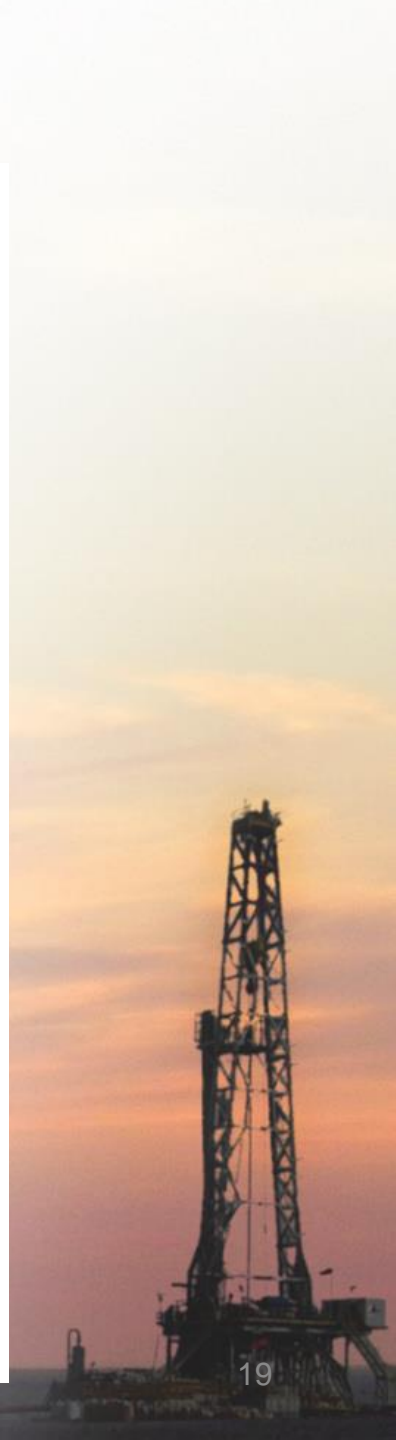
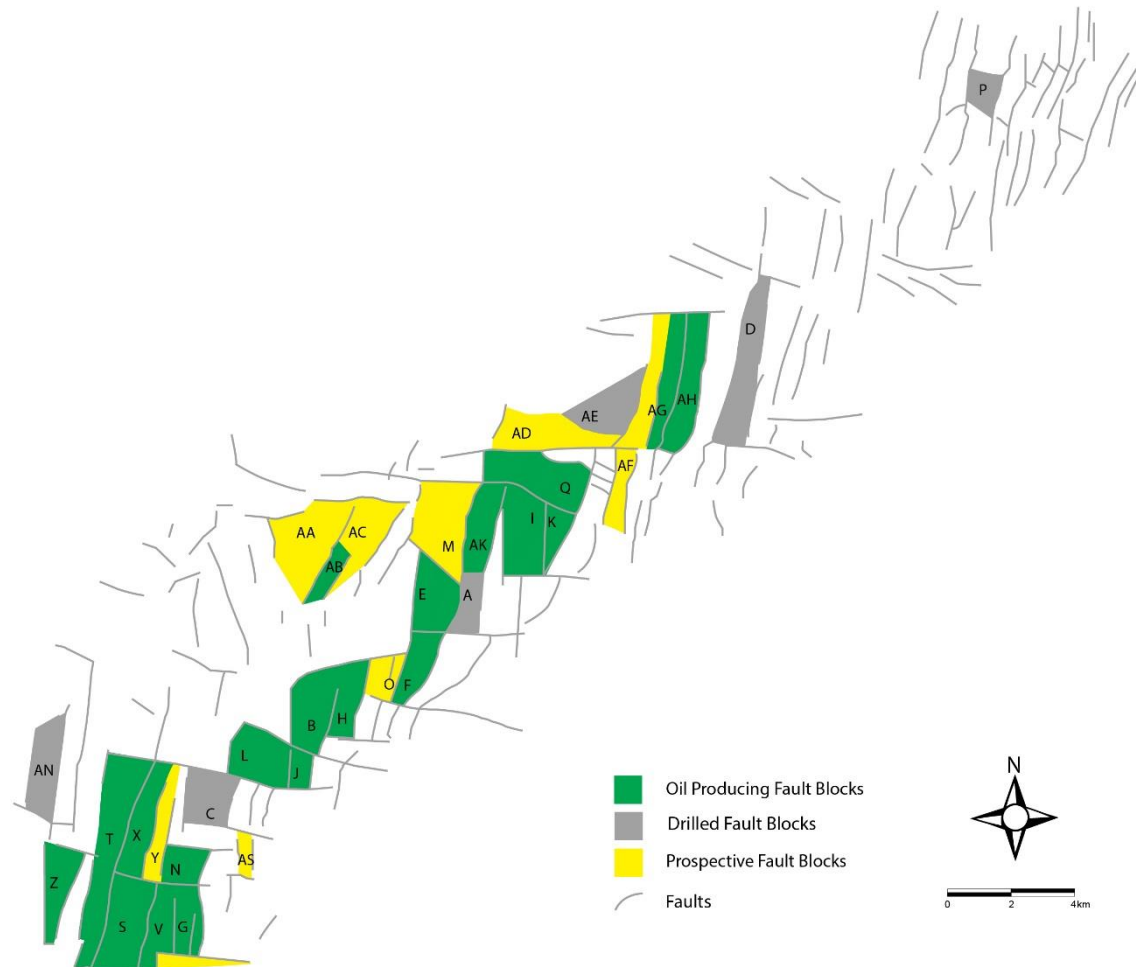


Block 3 and 4 overview





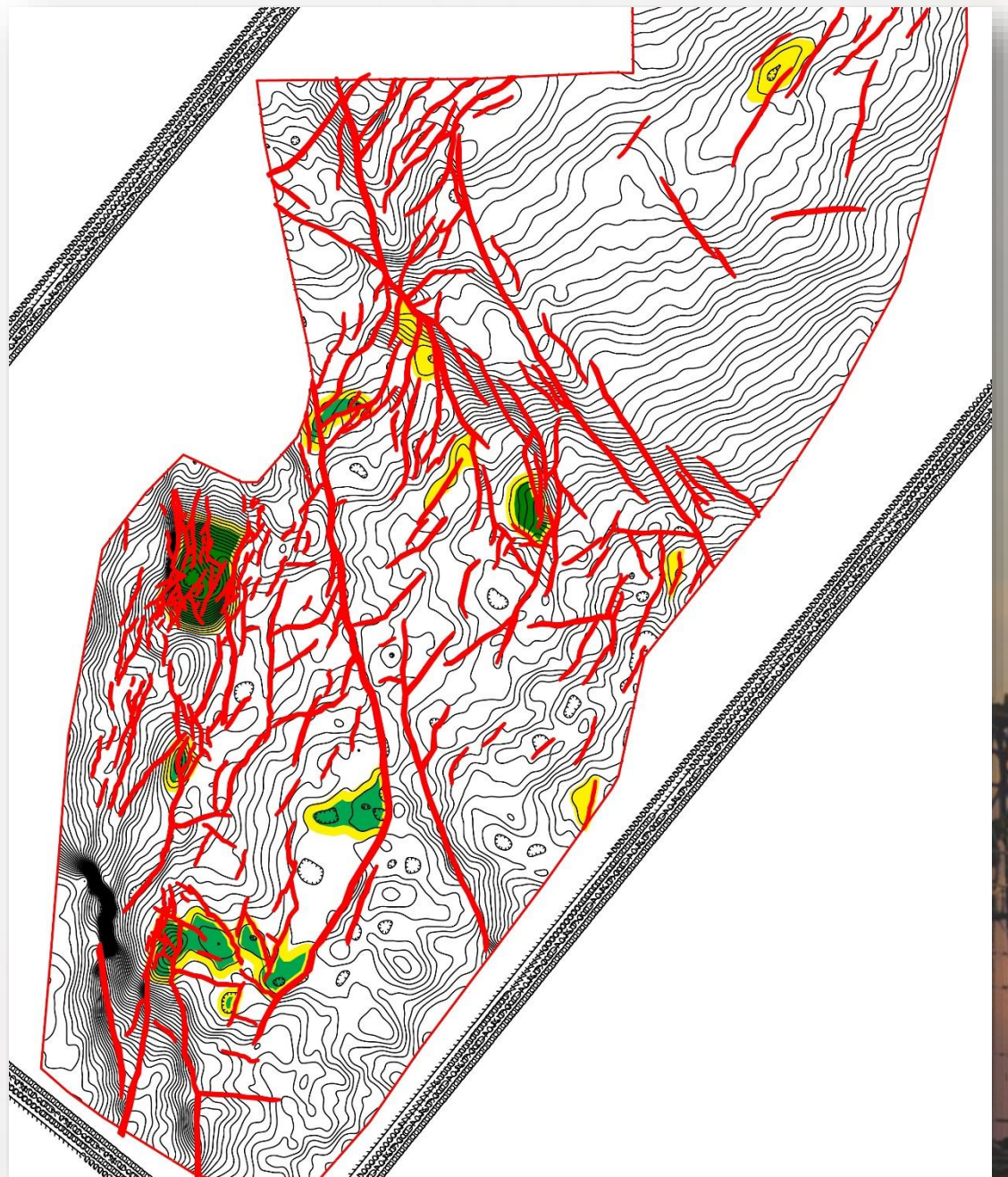
Farha South field, 30 June 2015

Producing Fault Blocks At Fahra South (Blocks 3 & 4, Oman)



Shahd Oil field

-  Producing areas
-  Prospects / prospective areas



Conclusion

- **Oil production continues to increase**
- **Tethys Oil continues to make good money**
- **Tethys Oil has a strong balance sheet**
- **Tethys Oil continues to grow organically**
- **Tethys Oil is in a strong predatory position**
- **Tethys Oil pays dividends**



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