

Q3 2016

1 November 2016



Q3-16 Highlights

- Production up 1% compared to Q2-16: 12,297 BOPD in Q3
- Average selling price per barrel of USD 45.8, up 28% compared to Q2-16
- Revenue of MUSD 26, up 26% compared to Q2-16
- EBITDA of MUSD 16, up 86% compared to Q2-16
- Net result MUSD 6, (MUSD -3 in Q2-16)
- Earnings per share USD 0.19 for Q3-16
- Cash flow from operations amounted to MUSD 15 and investments in oil and gas amounted to MUSD 9
- Net cash of MUSD 48, (MUSD 41 in Q2-16)
- An EGM on 25 October resolved to distribute SEK 3.00 per share in a redemption procedure

Tethys Oil's assets

	Country	Licence	Area, km2	Tethys share	Partners*	2P reserves, net, 31 Dec 2015 (mmbo) **	Production, net, Q3 2016 (bopd)
Producing Assets	Oman	Block 3 & 4	34,610	30%	CC Energy, Mitsui	18.2	12,182
	Lithuania	Gargzdai	884	25%	Odin Energi, Geonafta	-	114
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		

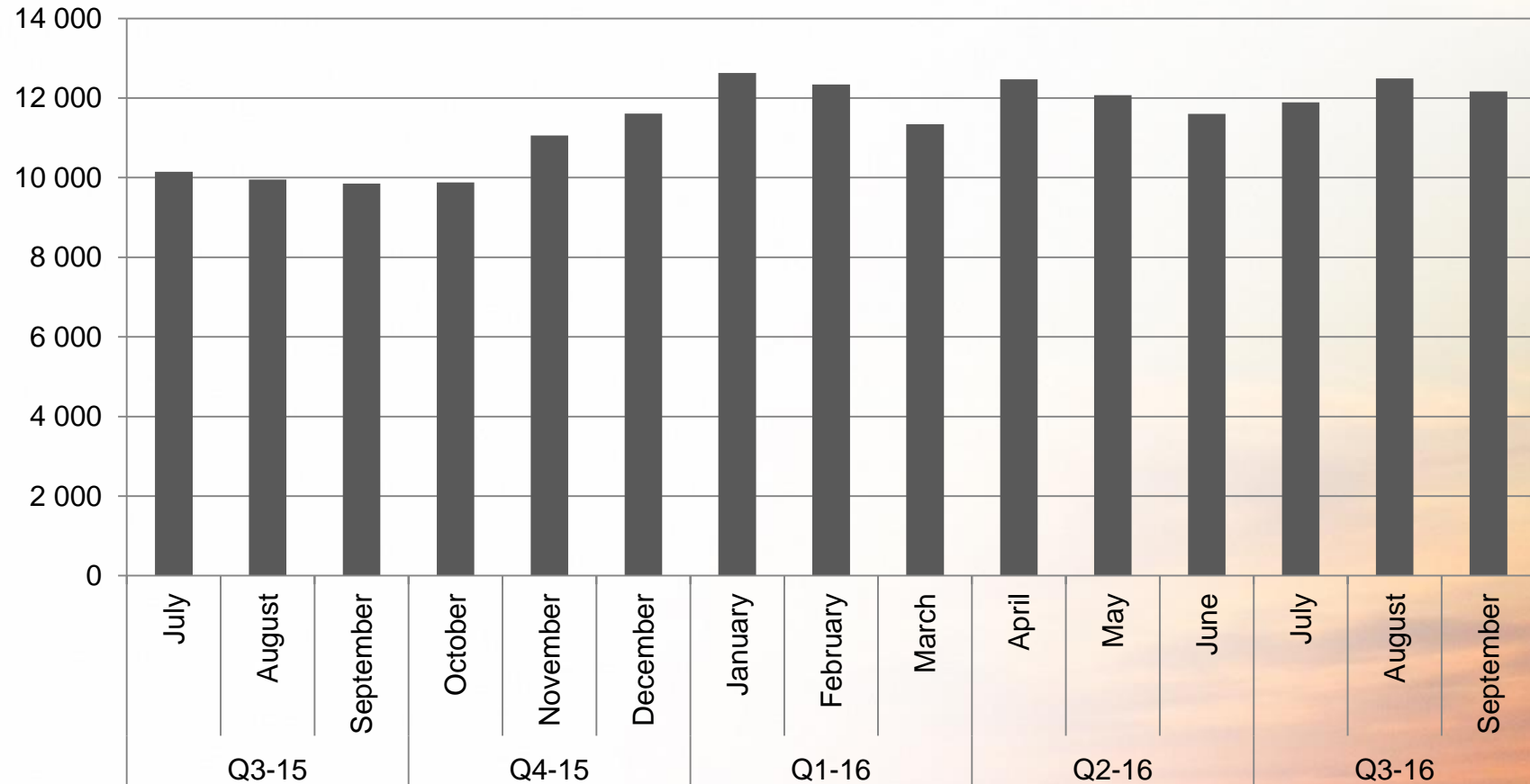
* Operator in bold

** Reserves in Oman audited by DeGolyer and MacNaughton



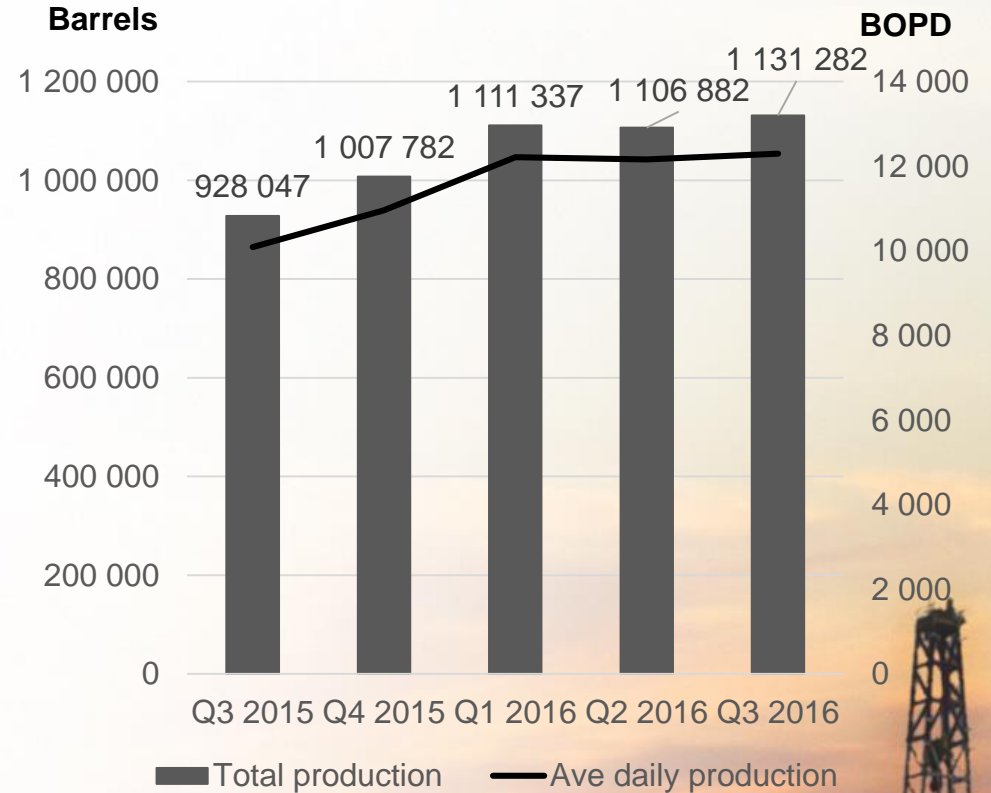
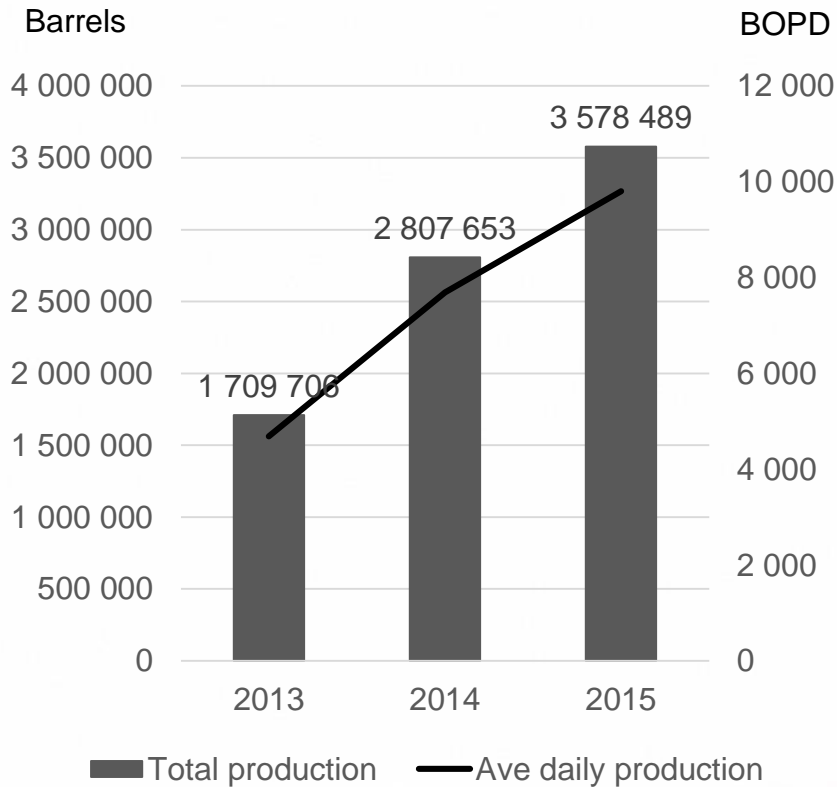
Average daily production in Oman

BOPD



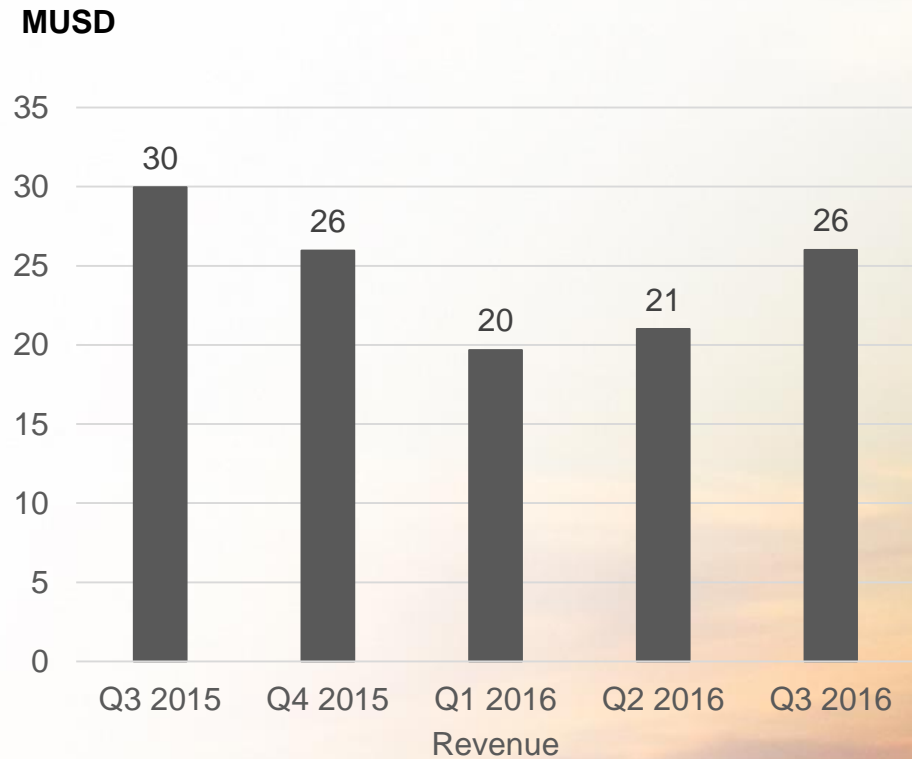
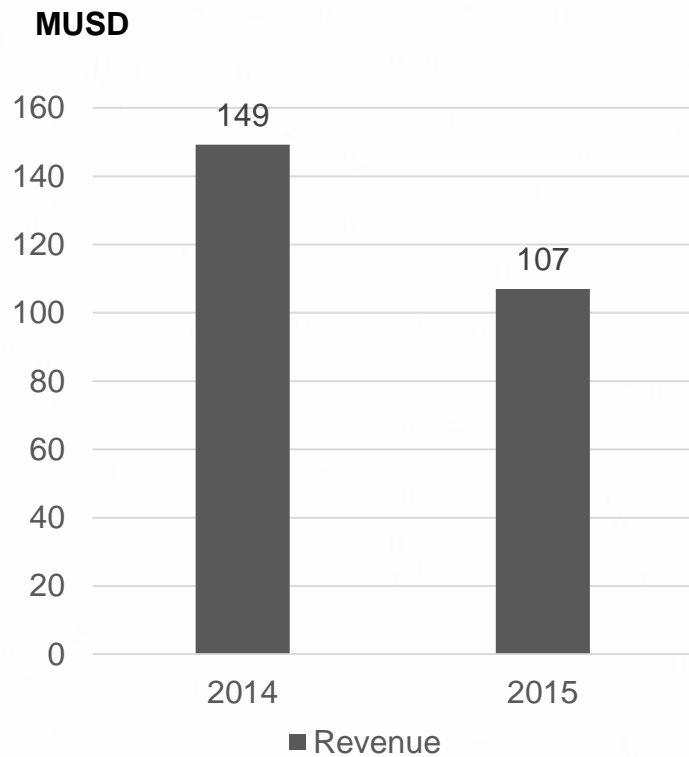
- Average production continues to exceed 12,000 BOPD in Q3-16
- Planned maintenance work on Blocks 3 and 4 conducted in first half 2016

Production



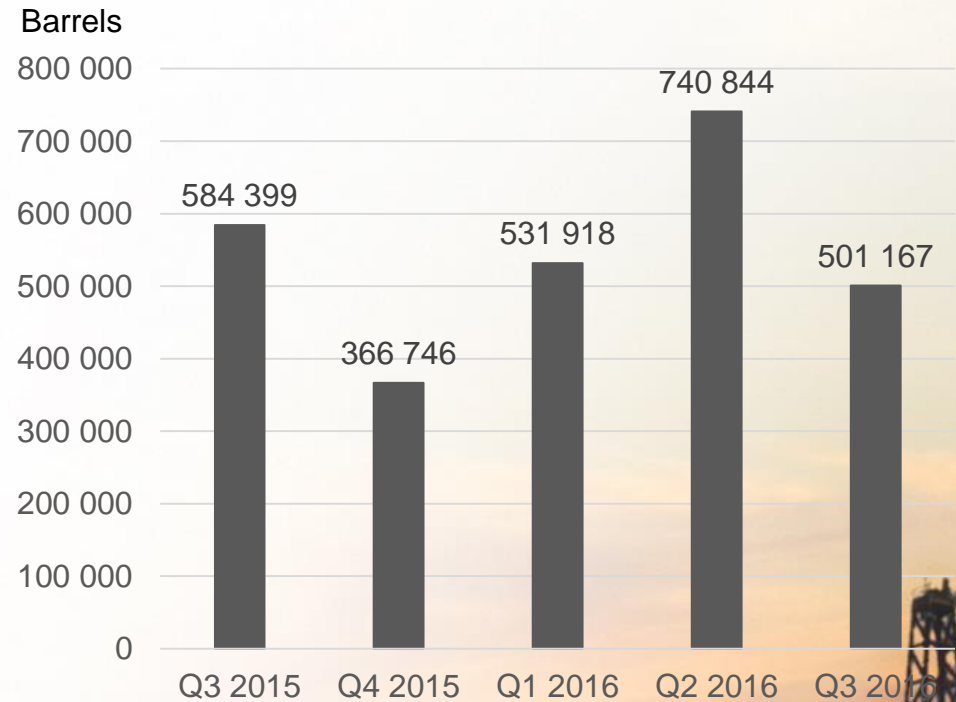
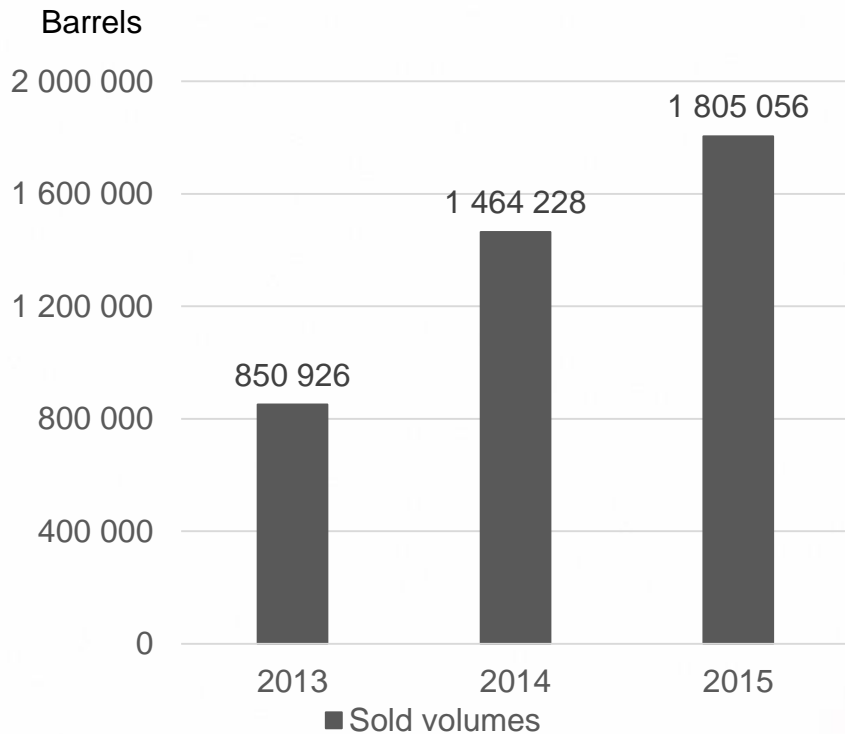
- Average daily production in Q3-16 was up 1% compared with Q2-16
- Average daily production in Q3-16 increased 22% compared with Q3-15

Revenue MUSD



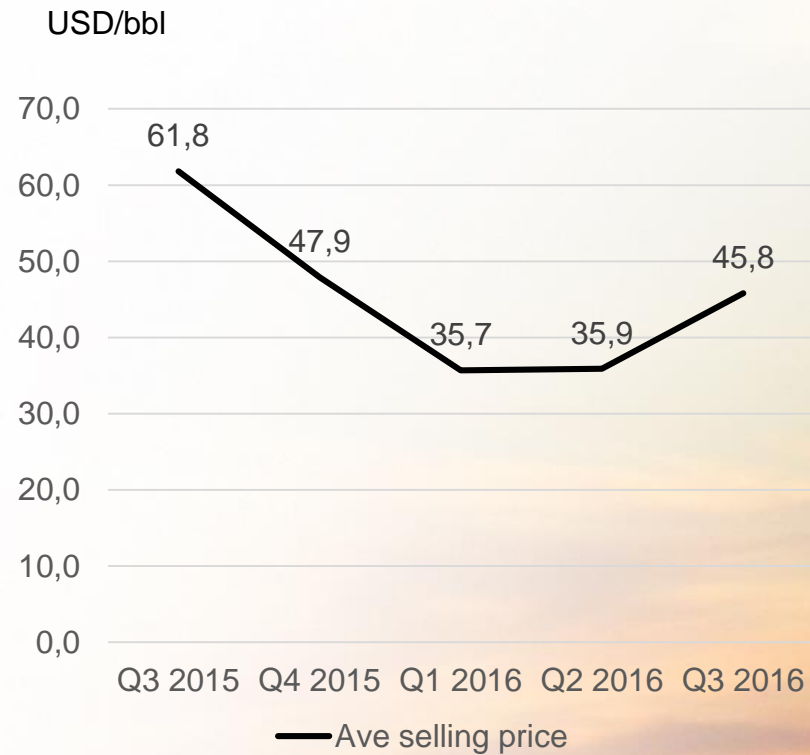
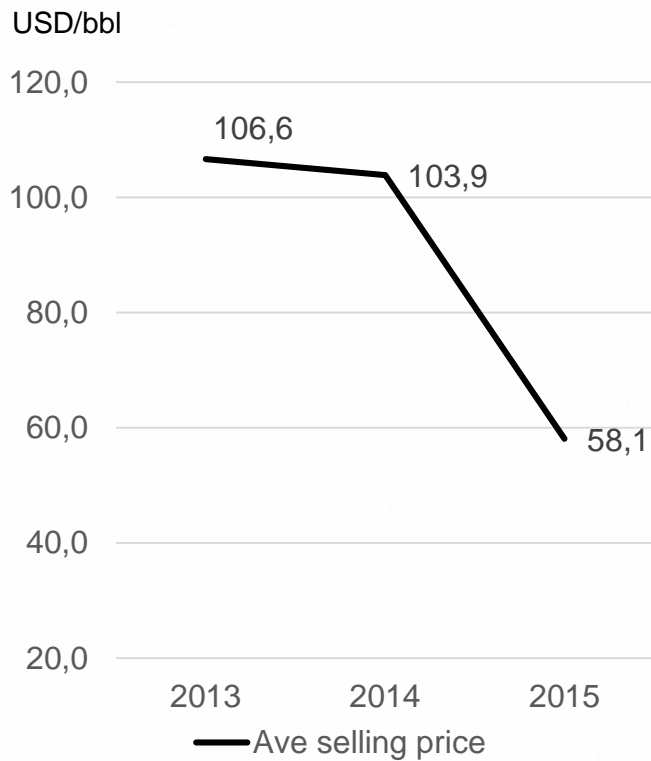
- Q3-16 revenue amounted to MUSD 26, up 26% compared to Q2-16

Sold barrels



- Overlift position decreased in Q3-16 with 81,630 barrels from overlift of 107,365 barrels to overlift of 25,735 barrels

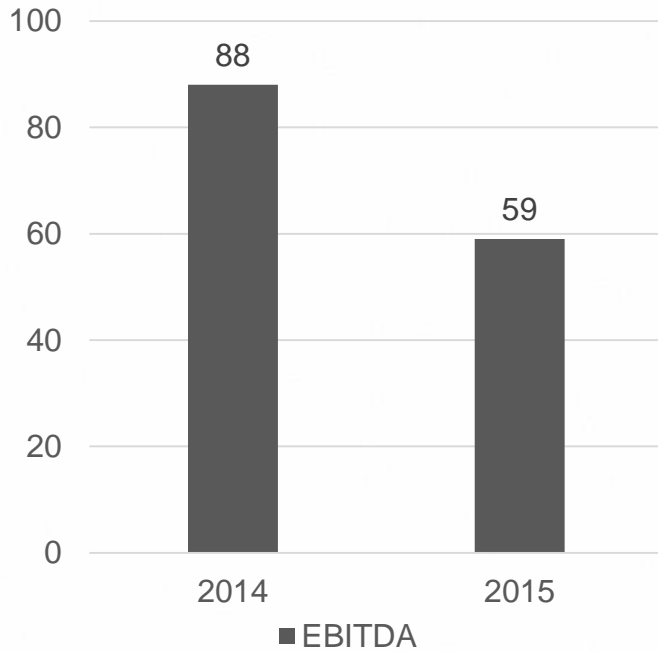
Average achieved selling price per barrel



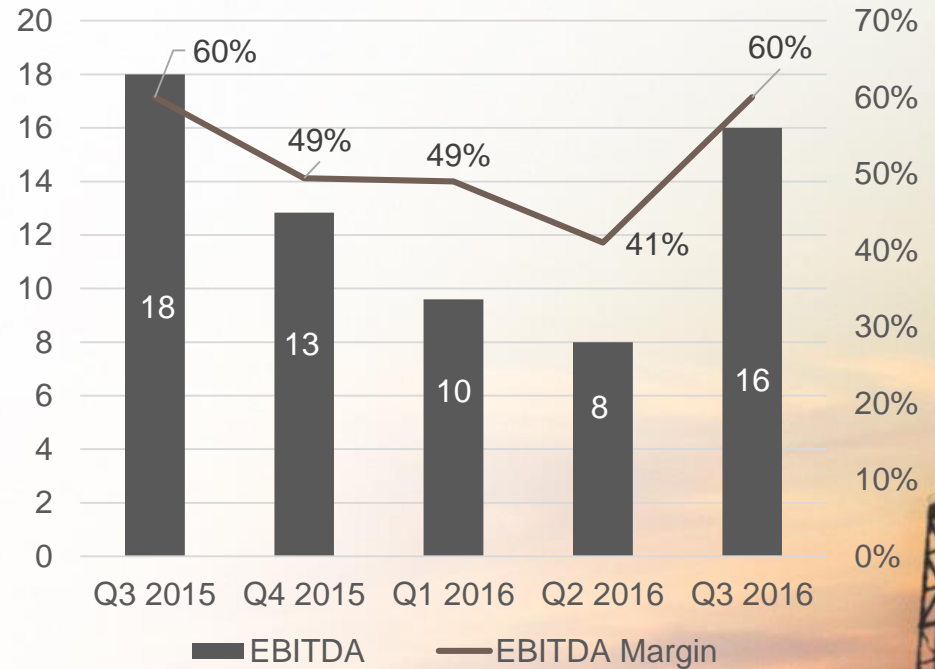
- Average achieved selling price increased 28% from Q2-16 to USD 45.8 per barrel
- International oil prices between USD 40-50 per barrel in Q3
- 2 months delay in achieved selling price

EBITDA

MUSD



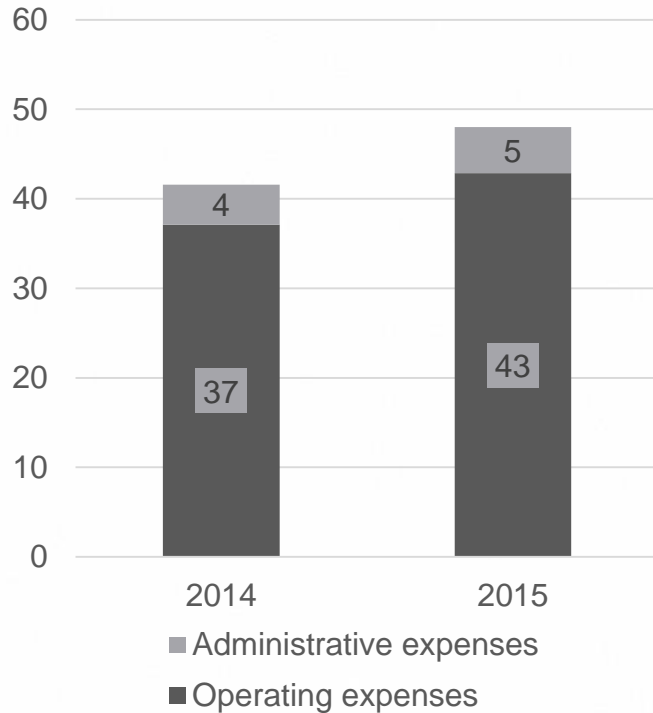
MUSD



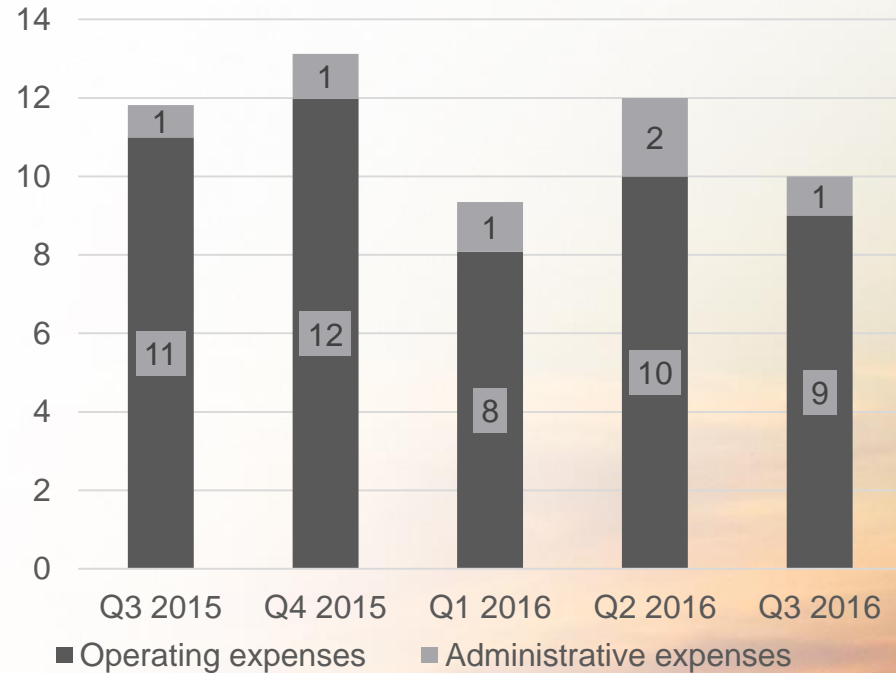
- EBITDA of MUSD 16 in Q3-16, up 86% compared with Q2-16 following lower operating costs and higher oil price
- EBITDA margin amounted to 60% in Q3-16

Expenses

MUSD

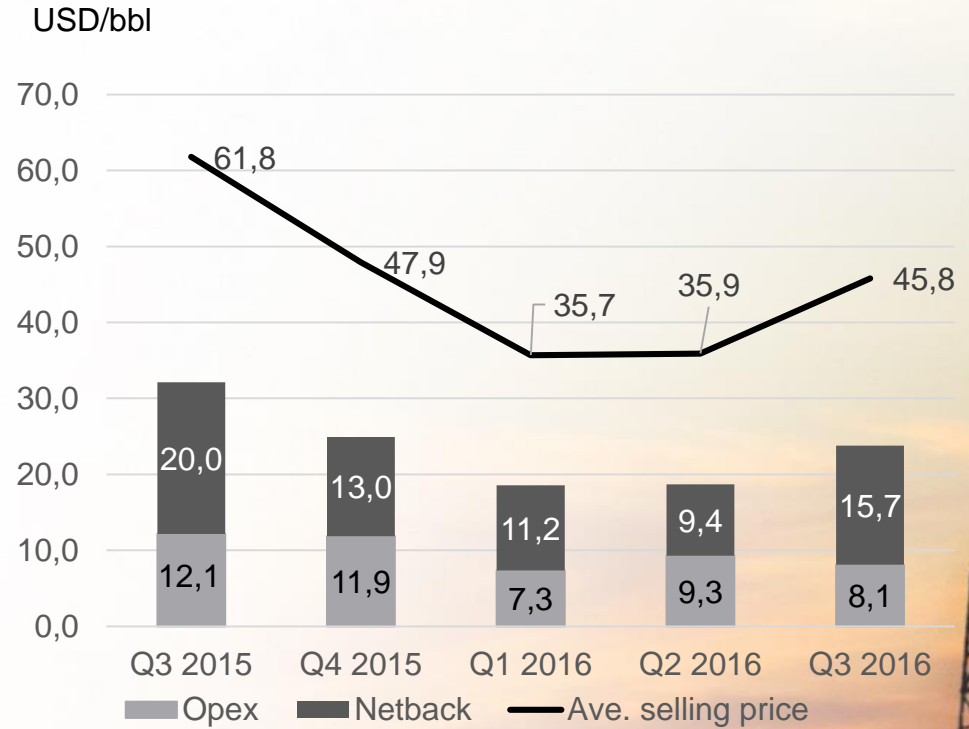
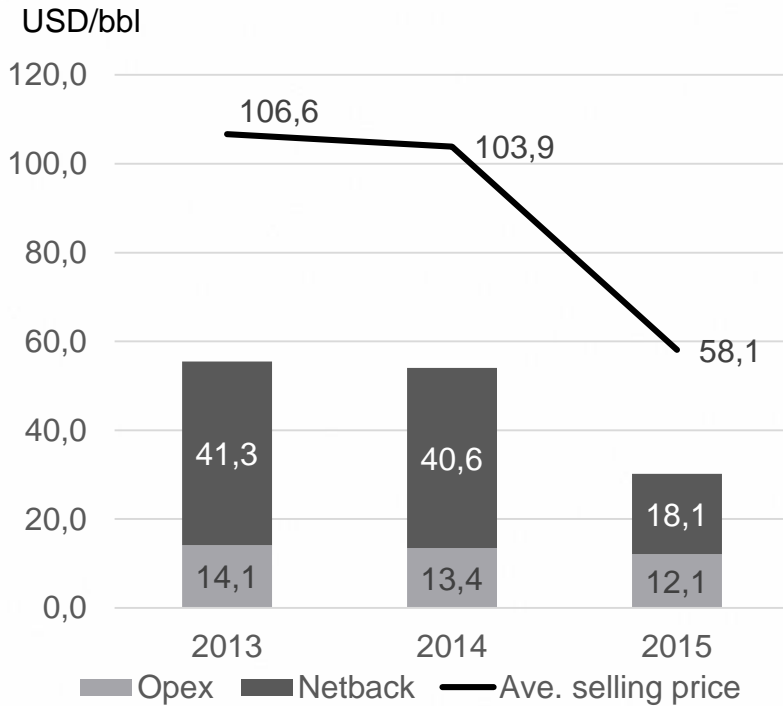


MUSD



- OPEX down compared with Q2-16
- Operating expenses per barrel expected, on average over the year, to be lower in comparison to 2015

Opex and Net back* per barrel (USD/bbl)



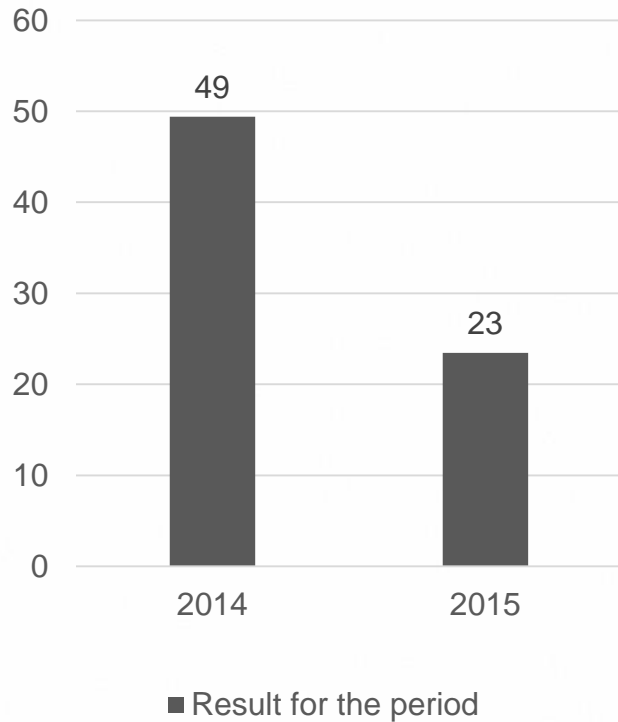
- OPEX per barrel last 3 quarters was in the range USD 7.3-9.3 per barrel
- OPEX per barrel in 2016 is expected to be lower than 2015, but fluctuate for individual quarters



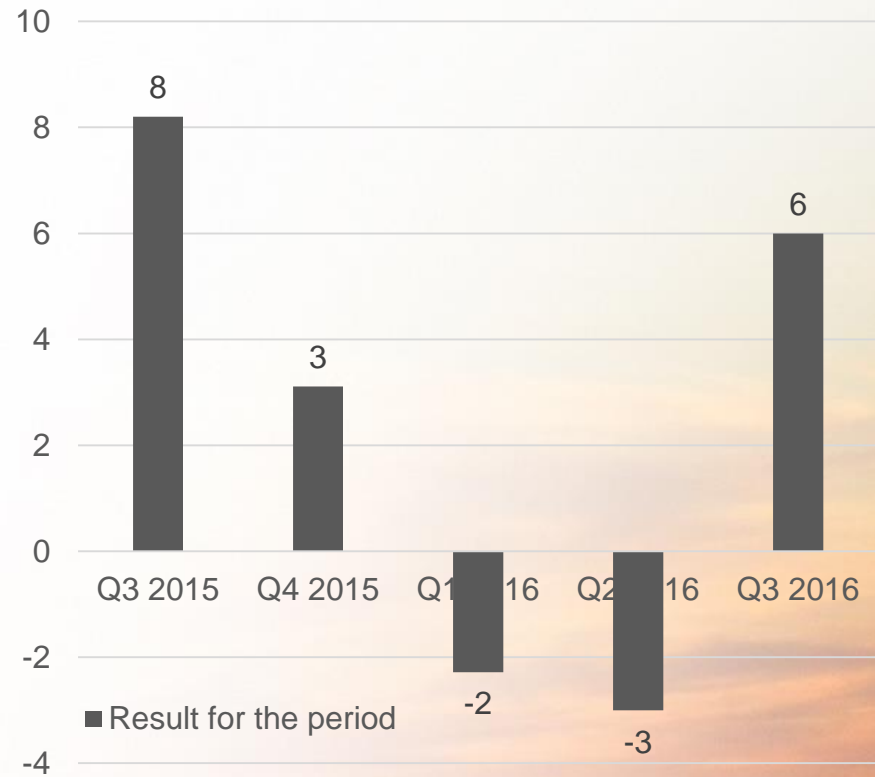
* After government take

Net result after tax

MUSD



MUSD



- Net result up following higher oil price and lower costs than in Q2-16

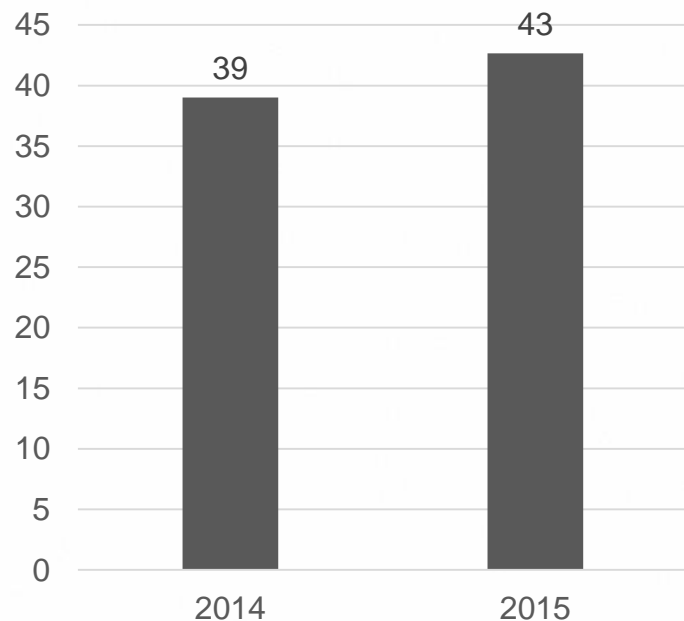
Balance Sheet

(MUSD)	2016-09-30	2016-06-30	2015-12-31
Net cash	48	41	51
Total assets	244	242	253
Shareholders' equity	211	207	217

- The strong net cash position increased further to MUSD 48
- Dividend of SEK 1.00 per share, in total MUSD 4, distributed to shareholders in Q2
- An EGM on 25 October resolved to distribute SEK 3.00 per share in a redemption procedure

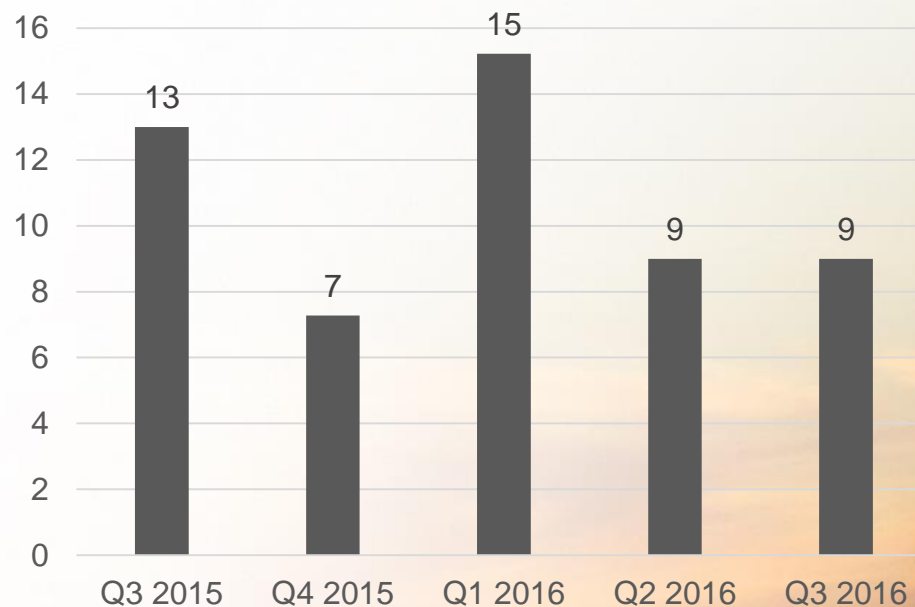
Oil and gas investments

MUSD



■ Investment in oil and gas properties

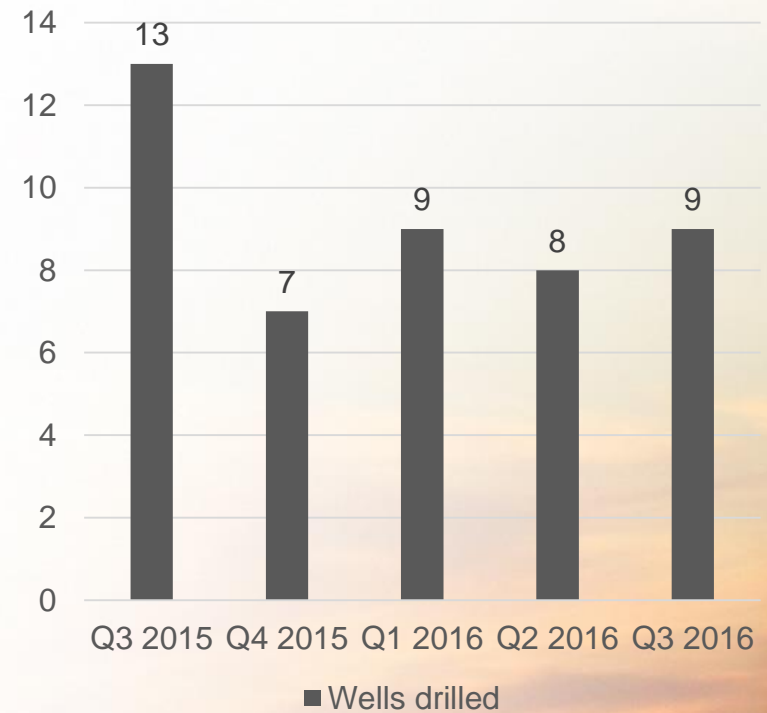
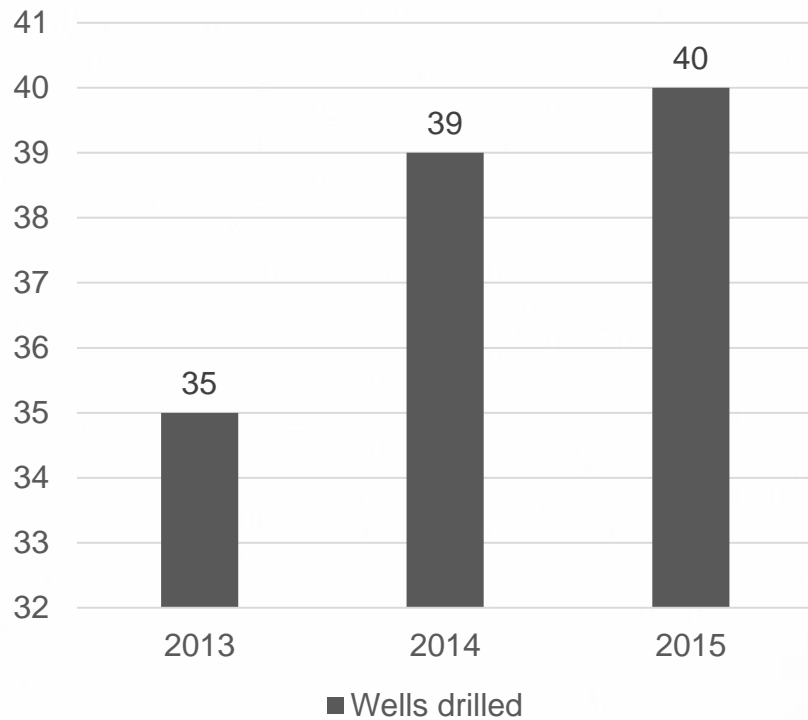
MUSD



■ Investment in oil and gas properties

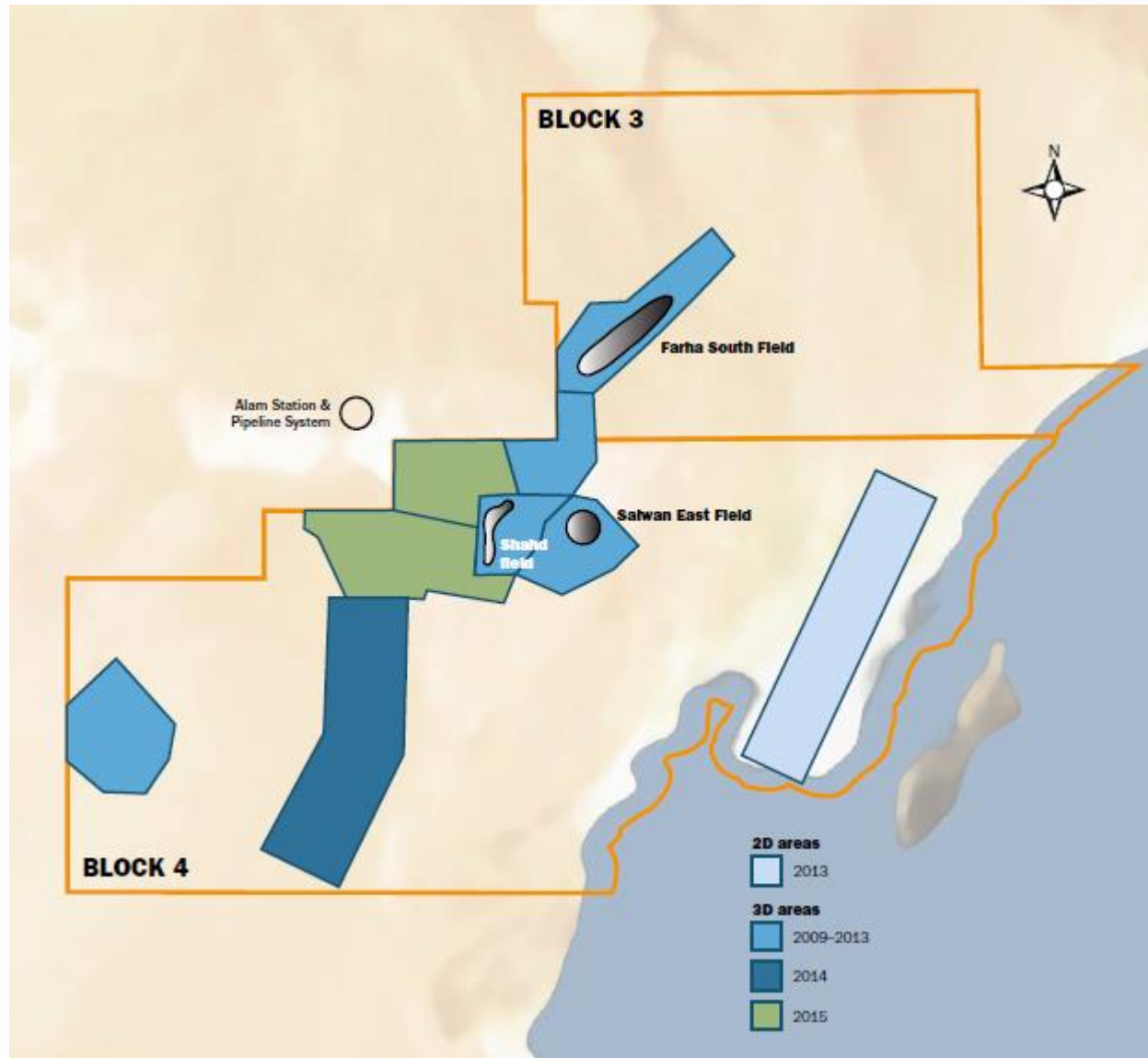
- Tethys Oil's investments in Blocks 3 and 4 amounted to MUSD 9 in Q3-16

Wells in Oman

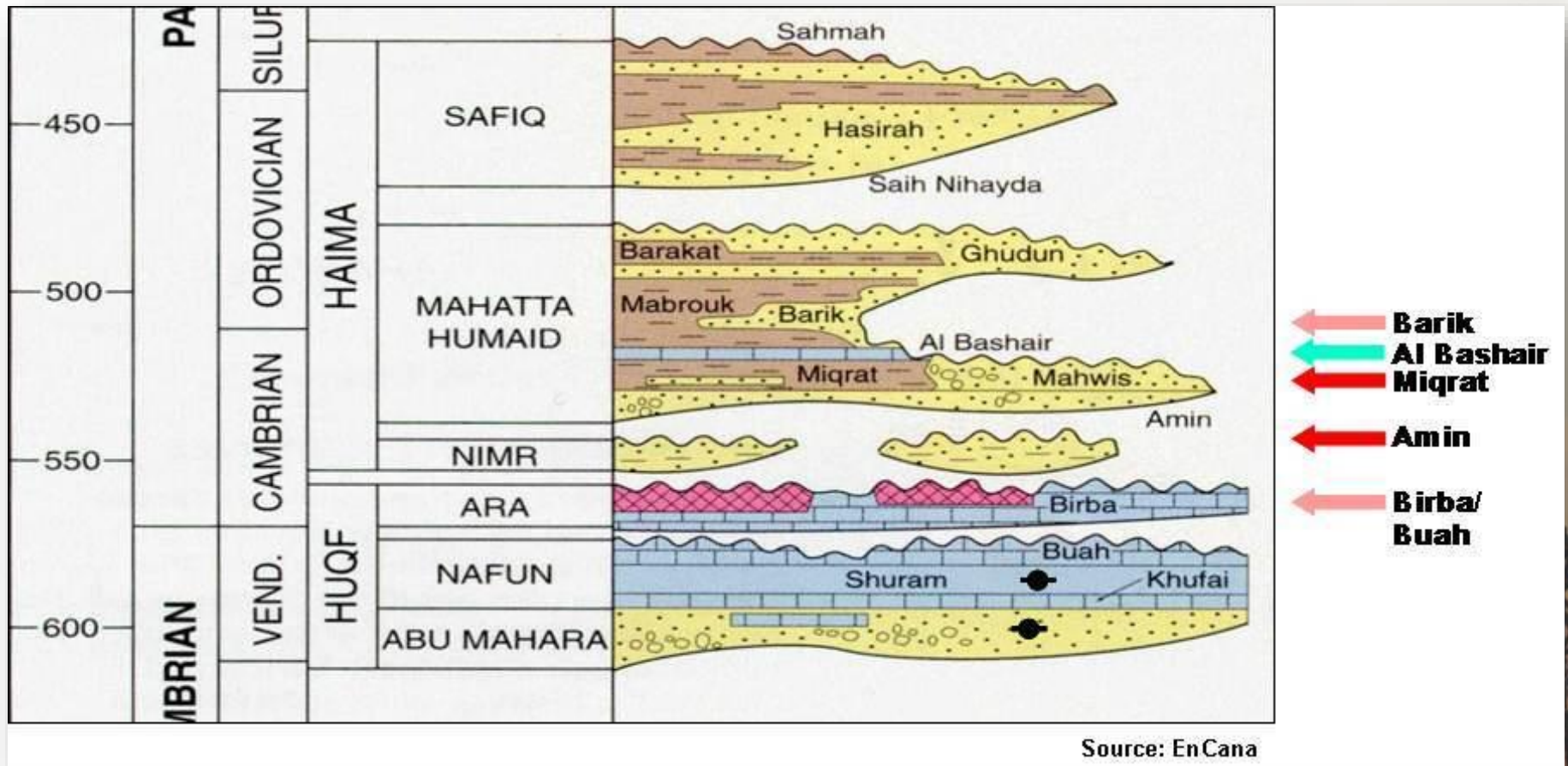


- 9 wells drilled in Q3 2016, 6 producers in the Shahd area, 1 in Farha South, 1 water injection well and 1 water well.
- Five rigs in operation, including one work over rig

Blocks 3 and 4 overview



Blocks 3 and 4, Oman - Stratigraphy

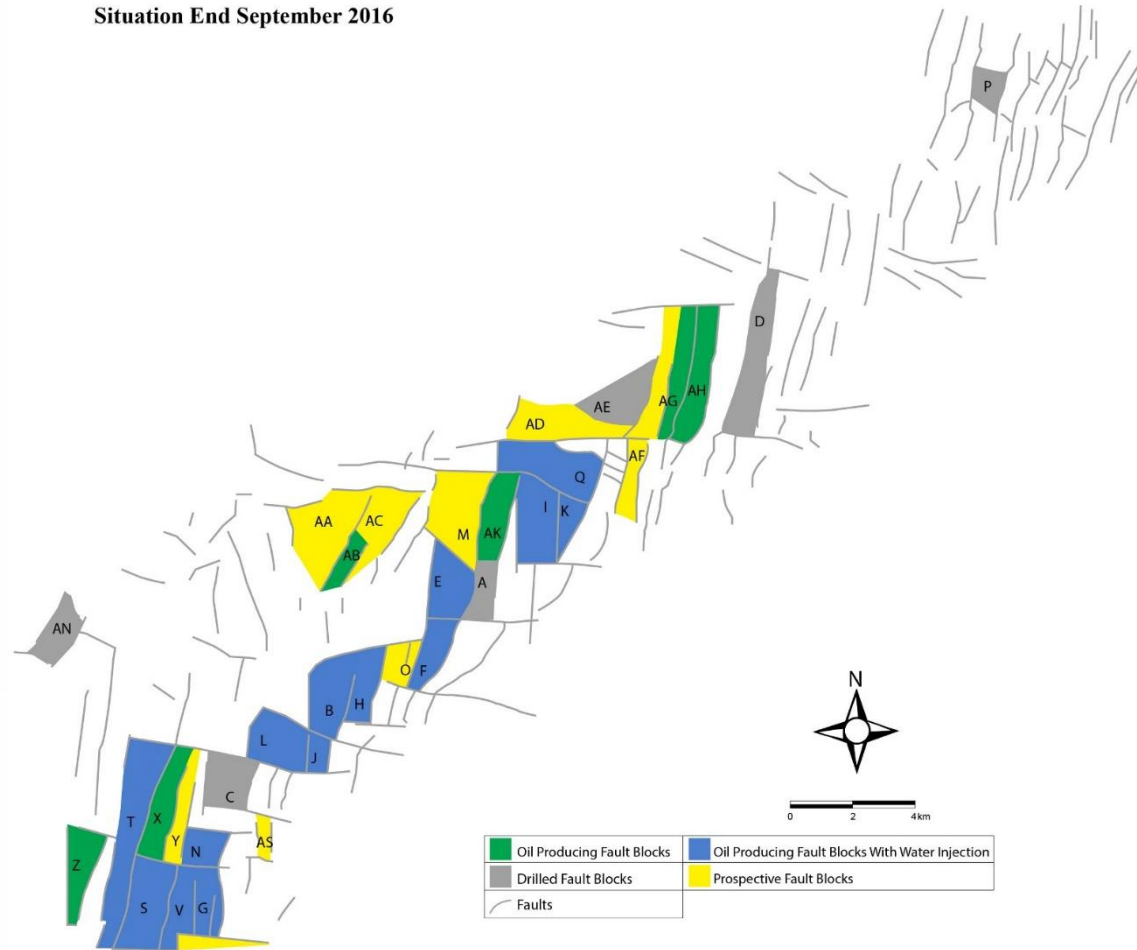


- Barik, Khufai, Buah and Lower Al Bashir currently producing

Farha South field, 30 September 2016

FARHA SOUTH FIELD

Situation End September 2016



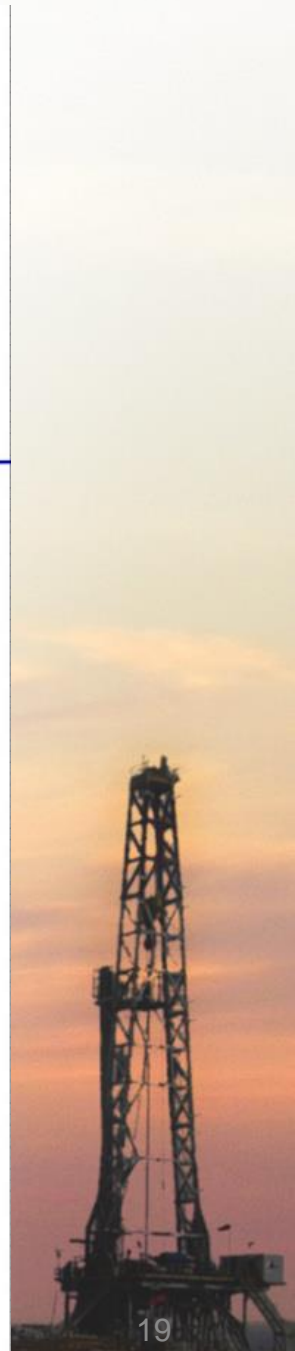
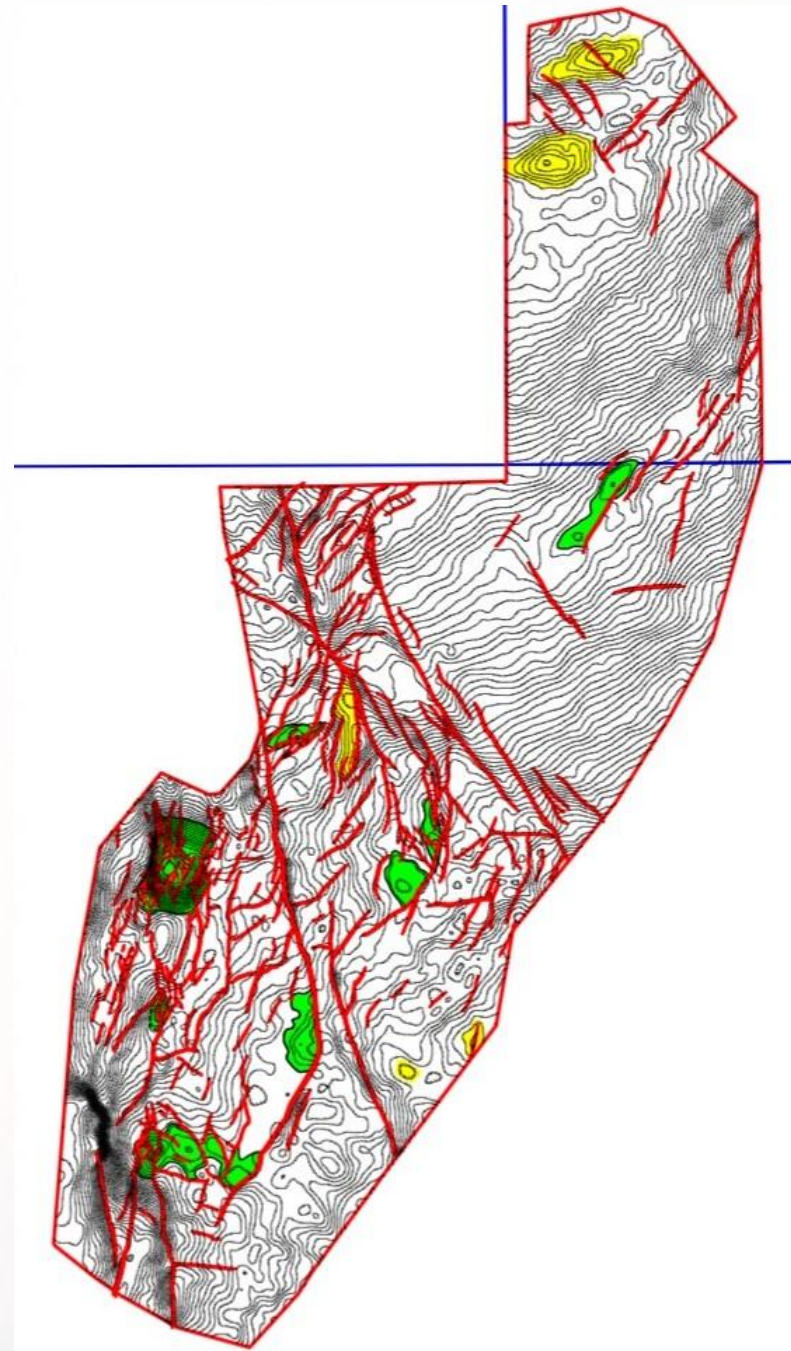
One new production well drilled in Q3-16.

Shahd Oil field

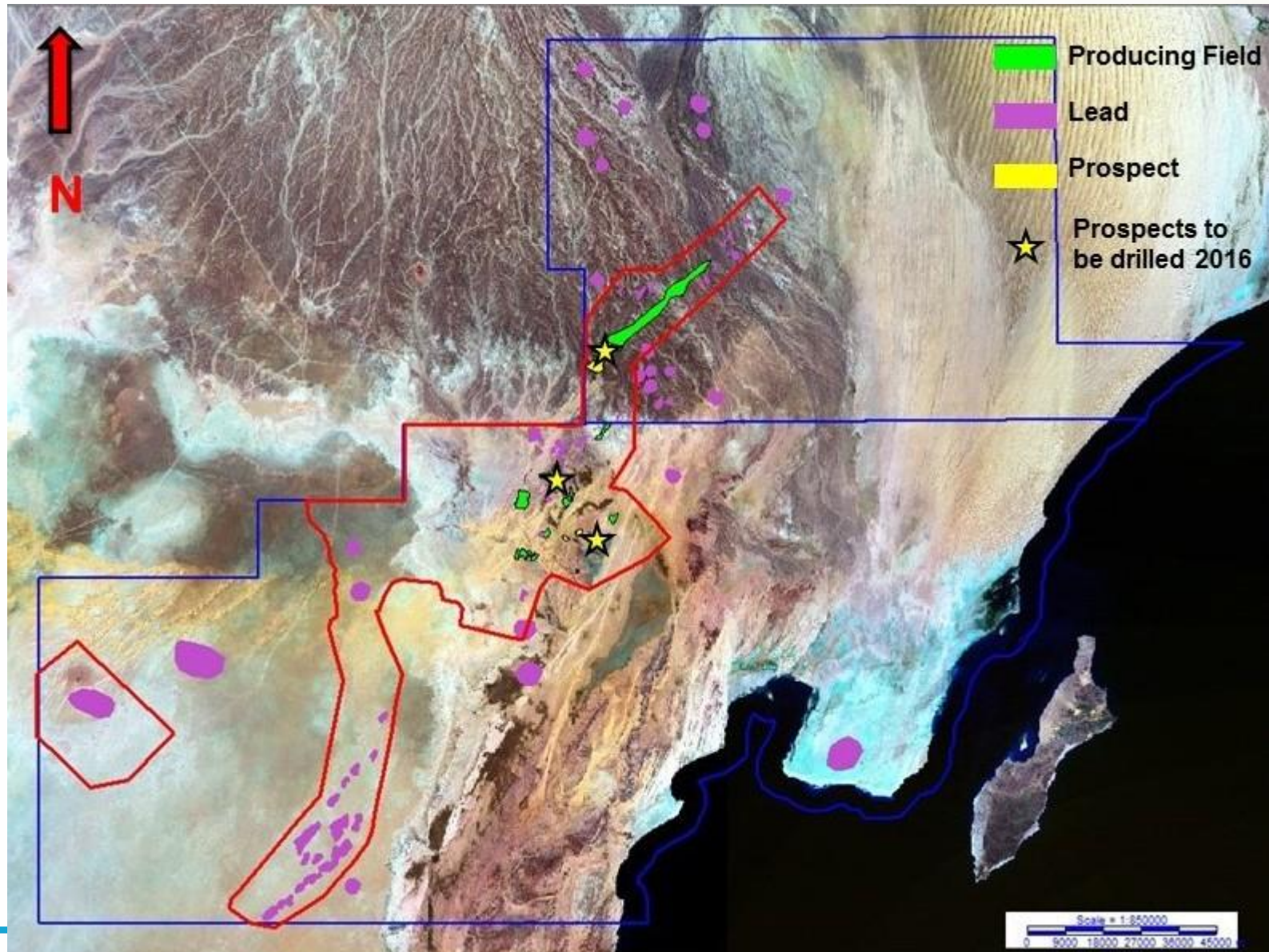
Six production wells drilled in Q3-16, three of which completed with horizontal section in Khufai and one with horizontal section in Lower Buah.

The water injection programme continues with one new water injection well and one water source drilled in Q3 2016.

Several leads and prospects mapped



Leads and Prospects in Blocks 3 & 4



Conclusion

- **Solid financial results:**
 - Revenue MUSD 26
 - EBITDA MUSD 16
 - Net result MUSD 6
- **Average selling price per barrel of USD 45.8, up 28% compared to Q2-16**
- **An EGM on 25 October resolved to distribute SEK 3.00 per share in a redemption procedure (in addition to SEK 1.00 per share dividend distributed to shareholders in Q2-16)**
- **The drilling program for the fourth quarter is expected to increase production**
- **3 exploration wells planned to be drilled 2016 within and between the Shahd and Farha South oil fields**

Q4 2016

Will be published 14 February 2017!



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