

**Q1 2017**

2 May 2017



# Q1-17 Highlights

<b>(MUSD)</b>	<b>Q1-17</b>	<b>Q4-16</b>	<b>Q4-16*</b>
<b>Revenue</b>	<b>29.3</b>	<b>20.7</b>	<b>26.6</b>
<b>EBITDA</b>	<b>19.3</b>	<b>9.6</b>	<b>15.5</b>
<b>Net result</b>	<b>6.7</b>	<b>1.5</b>	<b>7.4</b>

- 12,495 BOPD produced in Q1-17, up 2% compared with Q4-16
- Average selling price per barrel of USD 50.7, up 10% compared with Q4-16
- Earnings per share (after dilution) USD 0.19 for Q1-17
- Net cash of MUSD 40.1, (MUSD 39.0 in Q4-16)
- 14 new wells drilled on Blocks 3&4 during the first quarter 2017
- 2 previously undrilled fault blocks on Farha South and 1 previously undrilled structure on Shahd successfully drilled and oil bearing
- Exploration well Erfan-1 flows oil to surface
- Drilling success increases production capacity

\* Q4-16 and FY2016 revenue, EBITDA and net result affected by Export Reporting Error amounting to MUSD 5.9. Numbers excluding the effect of the Export Reporting Error

# Tethys Oil's assets

	Country	Licence	Area, km2	Tethys share	Partners*	2P reserves, net, 31 Dec 2016 (mmbo) **	Production, net, Q1 2017 (bopd)
Producing Assets	Oman	Blocks 3&4	29,130	30%	<b>CC Energy</b> , Mitsui	21.4	12,386
	Lithuania	Gargzdai	884	25%	Odin Energi, Geonafta	-	109
Exploration assets	Oman	Blocks 3&4	29,130	30%	<b>CC Energy</b> , Mitsui		
	Lithuania	Rietavas	1,594	30%	Odin Energi, Private investors		
	Lithuania	Raseiniai	1,535	30%	Odin Energi, Private investors		
	France	Attila	1,986	40%	<b>Galli Coz</b>		
	France	Alès	215	37.5%	Private investors		



\* Operator in bold

\*\* Reserves in Oman audited by DeGolyer and MacNaughton

# Reserves, December 31, 2016

Reserves Blocks 3&4 Oman (31 Dec 2016, mmbo)			
<i>mmbo</i>	<b>1P</b>	<b>2P</b>	<b>3P</b>
Farha South	8.7	11.6	14.0
Shahd	4.7	7.8	13.0
Saiwan East	0.8	2.0	2.7
<b>Total</b>	<b>14.2</b>	<b>21.4</b>	<b>29.7</b>

Development of reserves			
<i>mmbo</i>	<b>1P</b>	<b>2P</b>	<b>3P</b>
Total 31 Dec 2015	12.9	18.2	27.9
Production 2016	-4.4	-4.4	-4.4
Discoveries	0.1	0.2	0.3
Revision	5.6	7.4	6.0
<b>Total 31 Dec 2016</b>	<b>14.2</b>	<b>21.4</b>	<b>29.7</b>

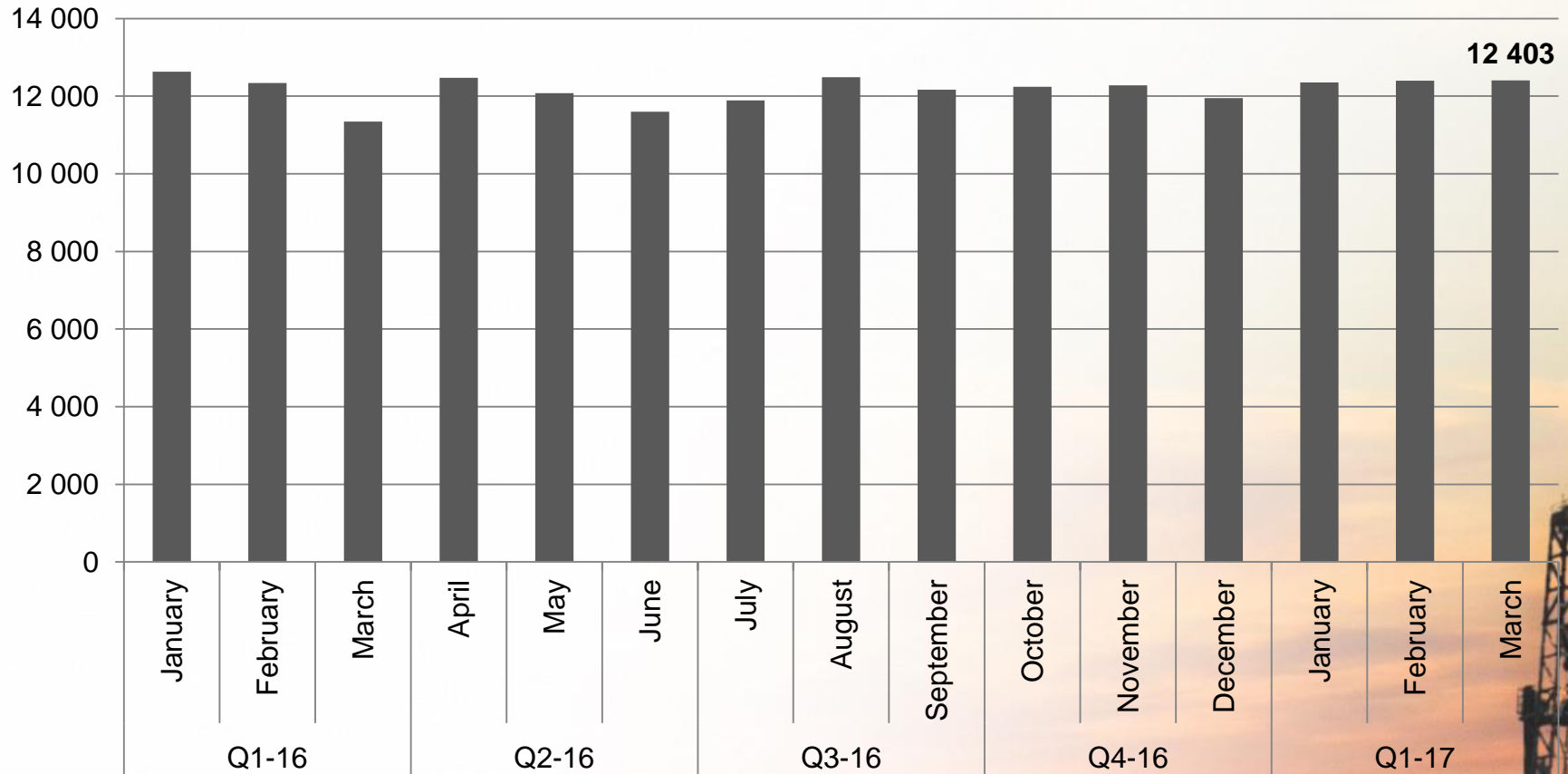
- The increase in 2P reserves represents an internal reserve replacement ratio of 171%



*Independent petroleum consultant DeGolyer and MacNaughton Canada Limited (“DMCL”) reviews Tethys Oil’s reserves in Oman annually.*

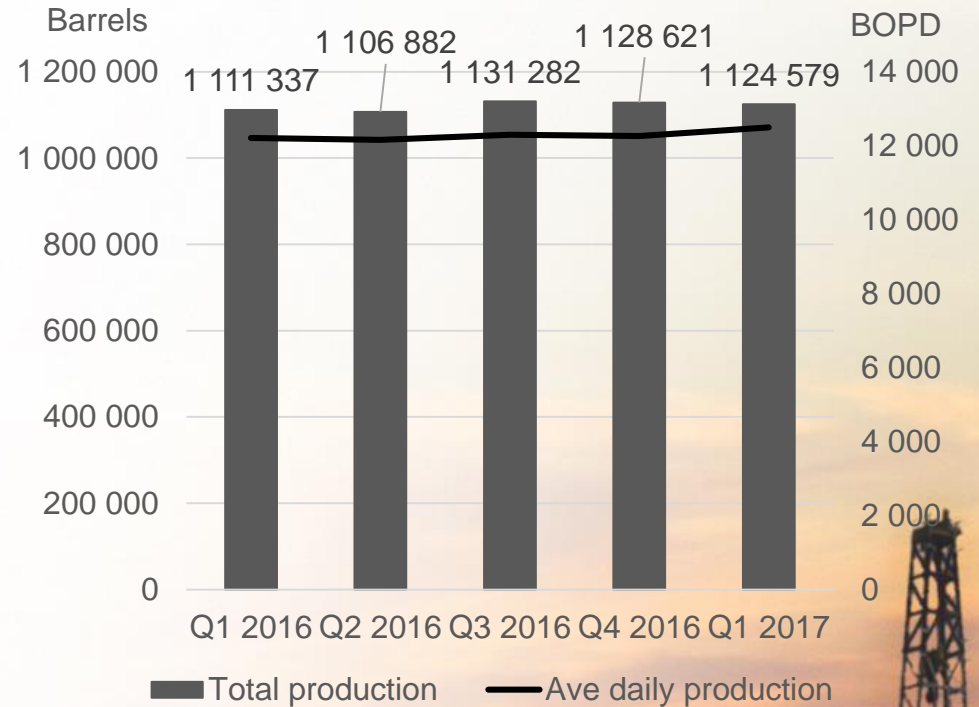
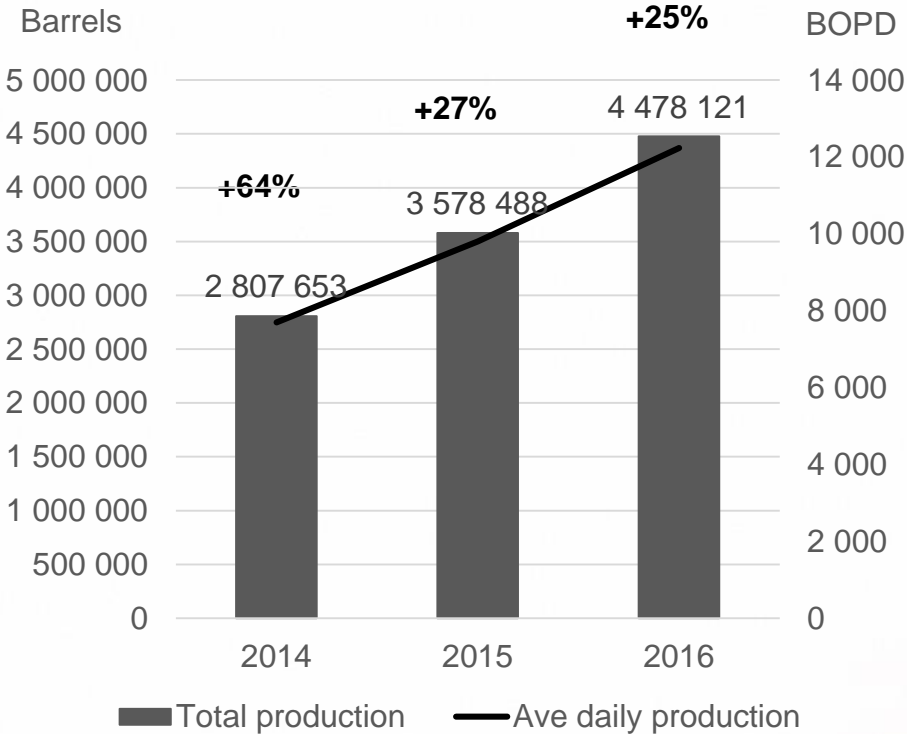
# Average daily production in Oman

BOPD



- Stable production above 12,000 BOPD all months in Q1-17
- Recommended production of 12,300 BOPD in 1H-17 following OPEC agreement

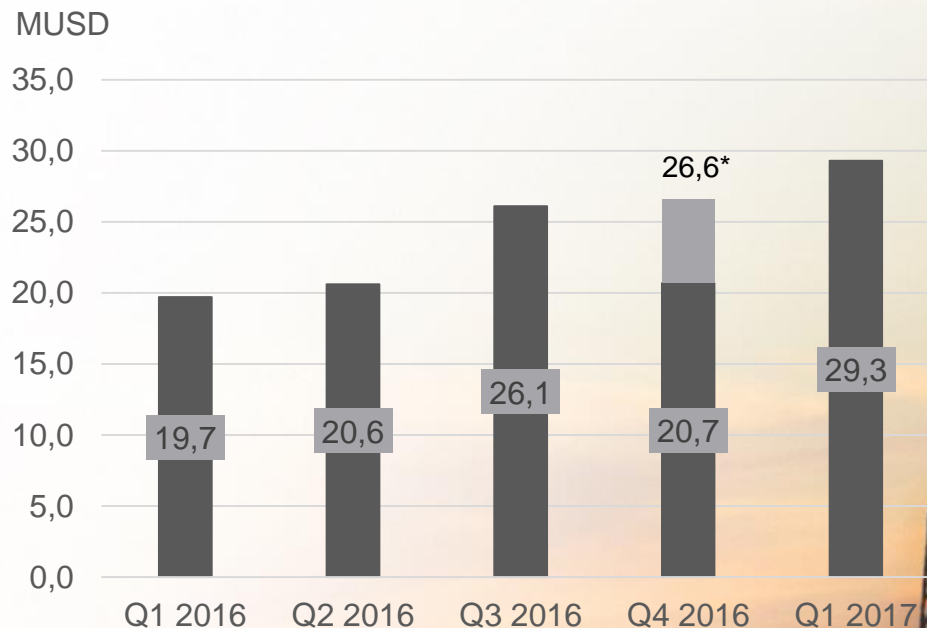
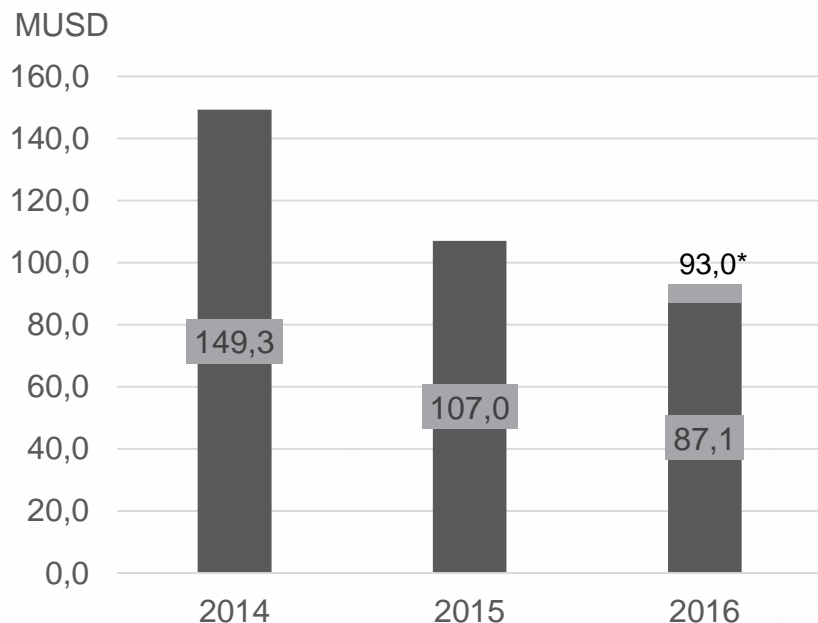
# Production



- Average daily production in Q1-17 was 2% higher than in Q4-16
- Drilling success increases production capacity



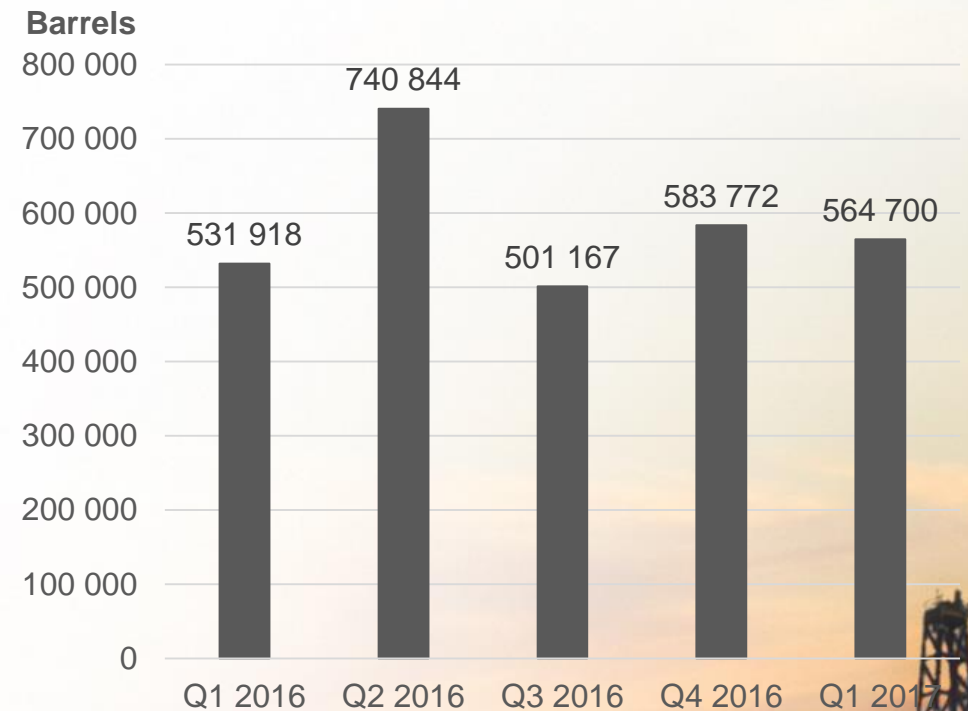
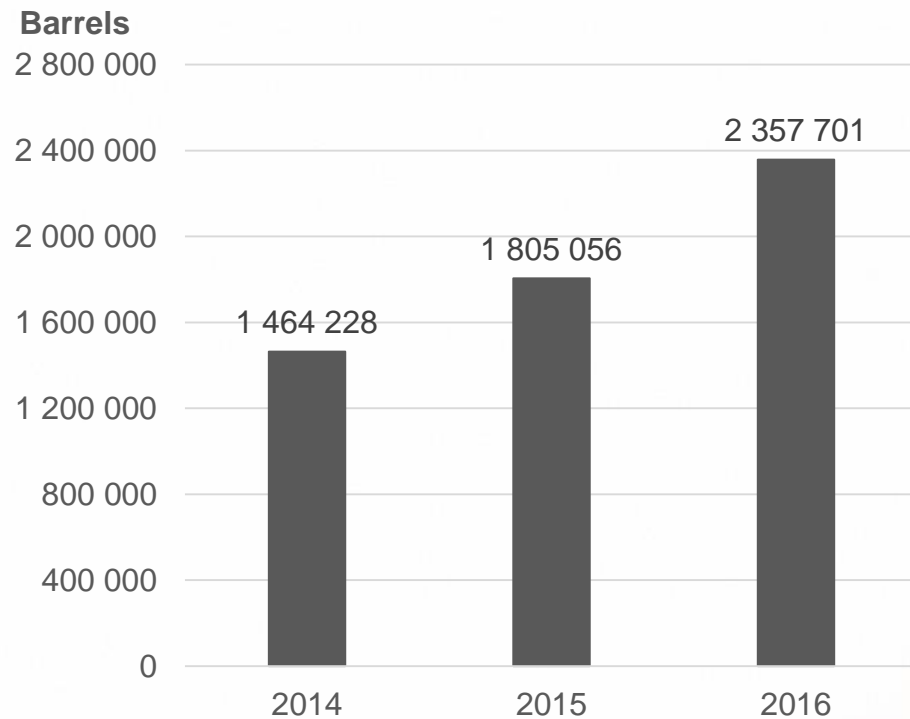
# Revenue MUSD



- Q1 2017 revenue is up 49% compared with Q1 2016
- Excluding Export Reporting Error in Q4, revenue was up 10% compared to Q4 2016

\* Q416 and FY2016 affected by Export Reporting Error amounting to MUSD -5.9

# Sold barrels

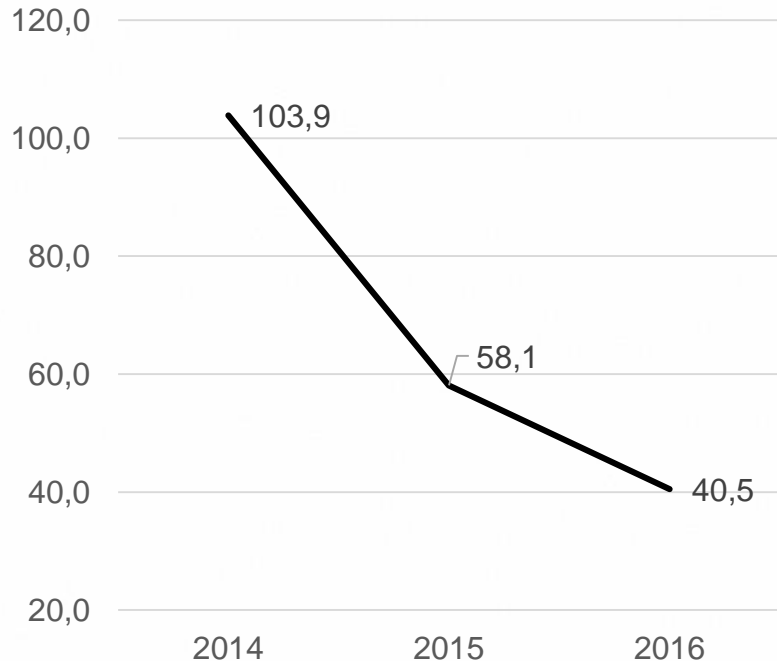


- Overlift position decreased by 14,942 barrels in Q1-17, from an overlift position of 28,029 barrels to 13,087 barrels

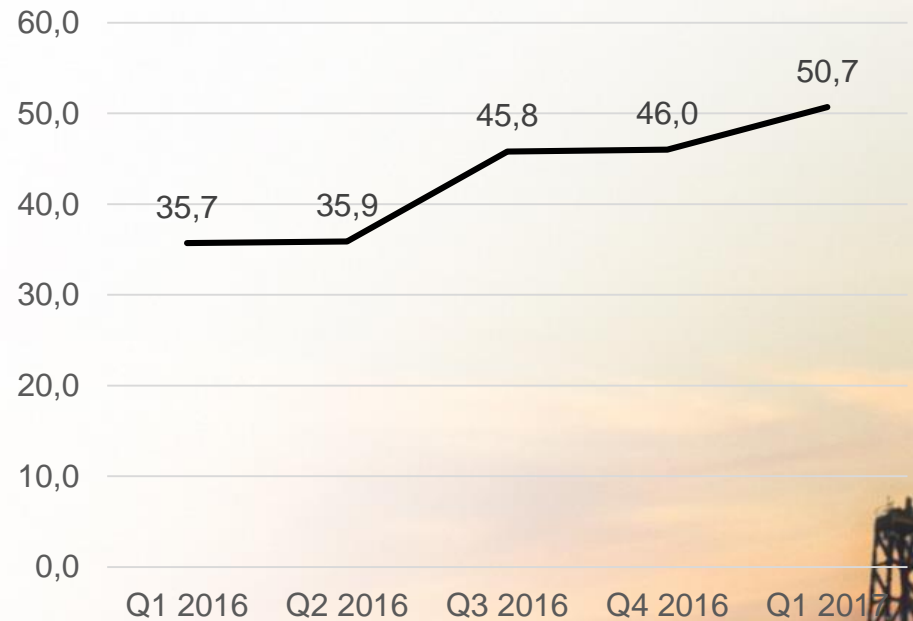


# Average achieved selling price per barrel

USD/bbl

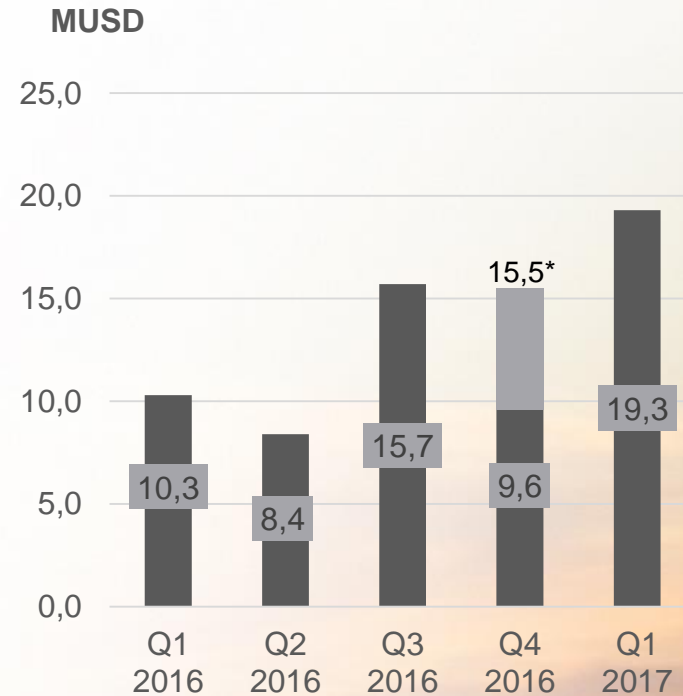
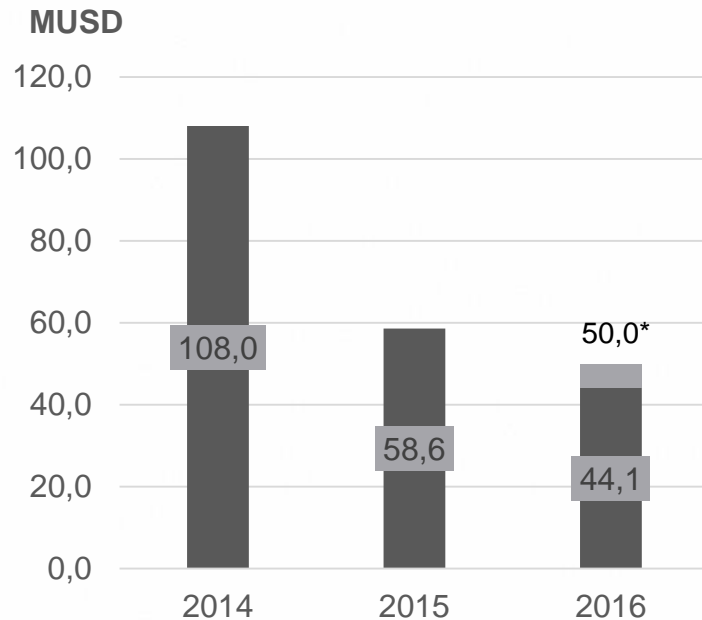


USD/bbl



- Average achieved selling price amounted to USD 50.7/bbl, up 10% compared with Q4-16 (USD 46.0/barrel)
- 2 months delay in achieved selling price

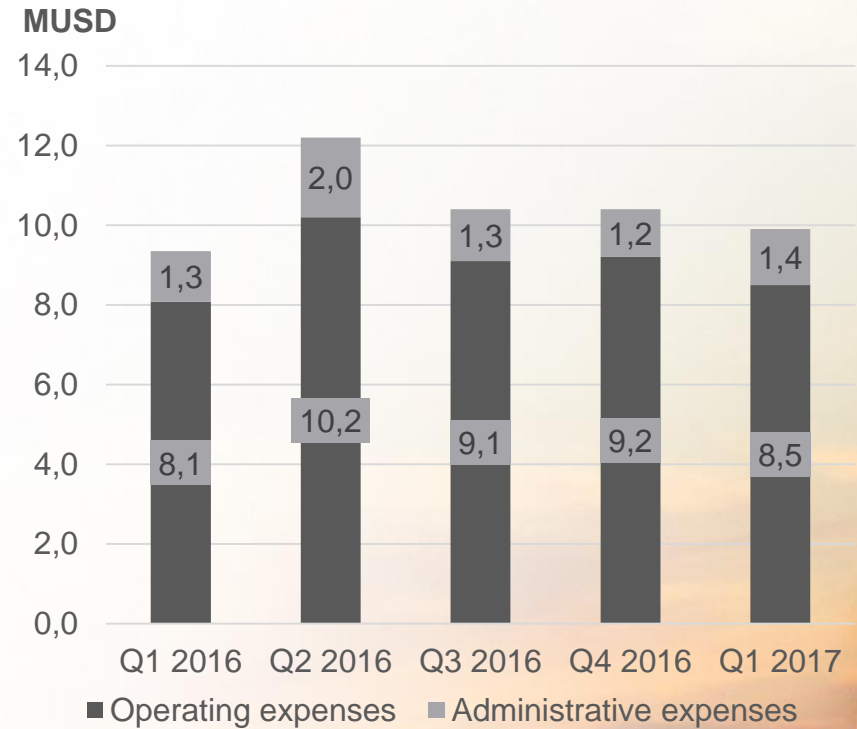
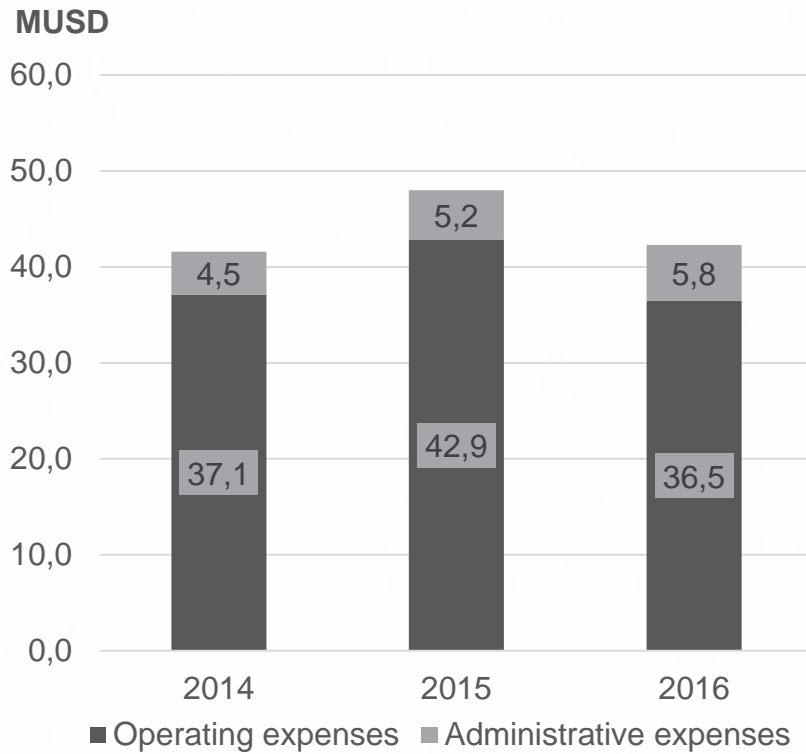
# EBITDA



- EBITDA of MUSD 19.3 in Q1-17, up 87% compared with Q1-16
- Excluding reporting error in Q4-16, EBITDA was up 25%
- EBITDA margin amounted to 66% in Q1-17

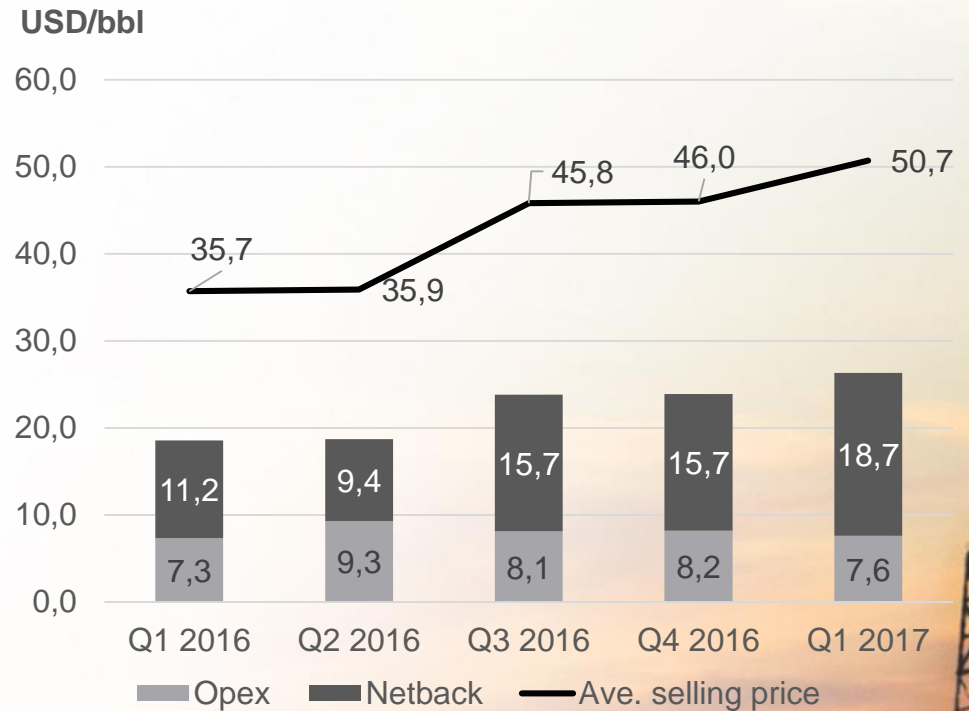
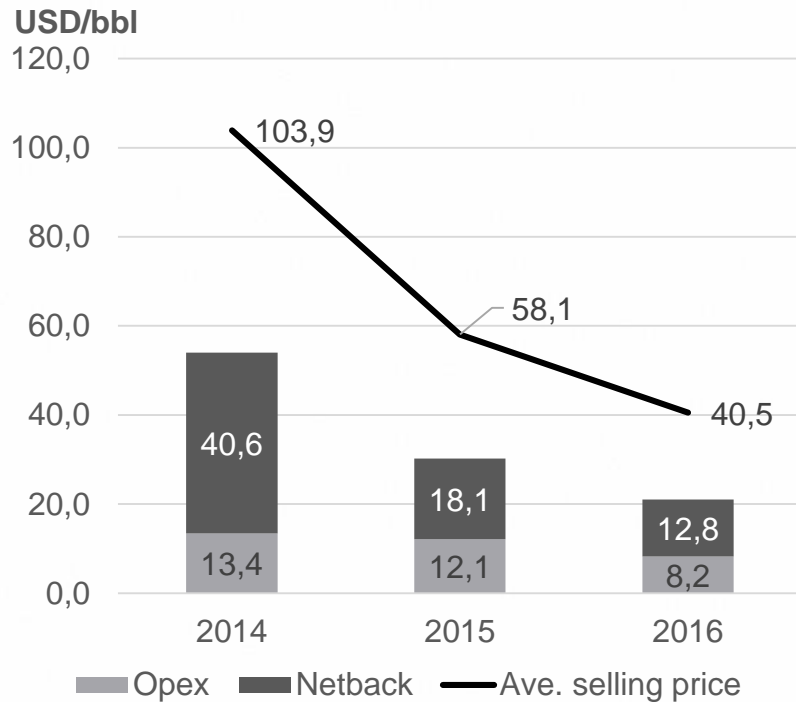
*\* Q416 and FY2016 affected by Export Reporting Error amounting to MUSD -5.9*

# Expenses



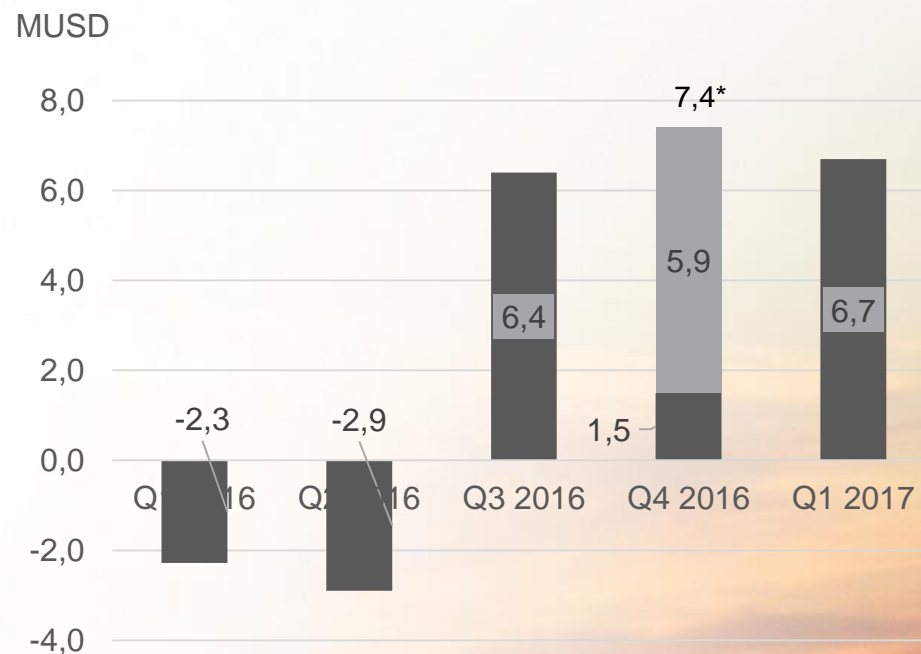
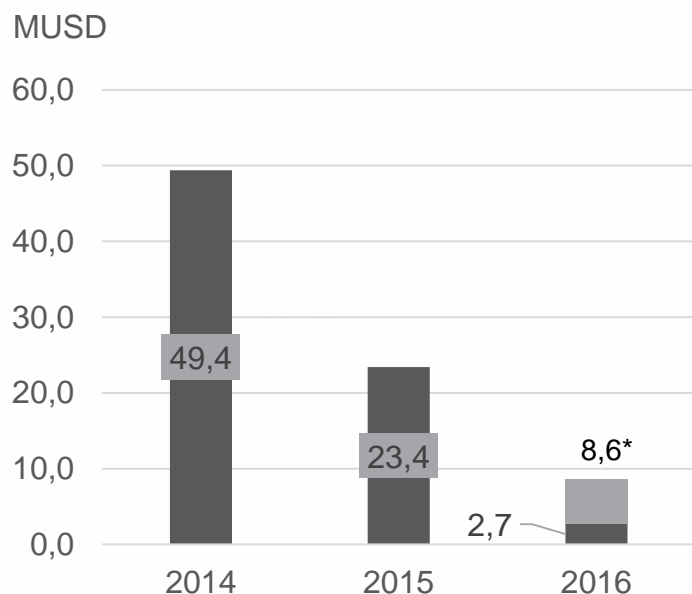
- OPEX down 8% compared with Q4-16

# Opex and Netback\* per barrel (USD/bbl)\*\*



- Netback up 19% following higher oil prices
- OPEX per barrel during the last five quarters USD 7.3 to 9.3 per barrel

# Net result after tax



- Net result in Q4-16 negatively impacted by Export Reporting Error
- Excluding the effect of Export Reporting Error, the net result in Q4 2016 would have amounted to MUSD 7.4
- Net result per share (after dilution) amounted to USD 0.19



**TETHYS OIL**

\* Q416 and FY2016 affected by Export Reporting Error amounting to MUSD -5.9

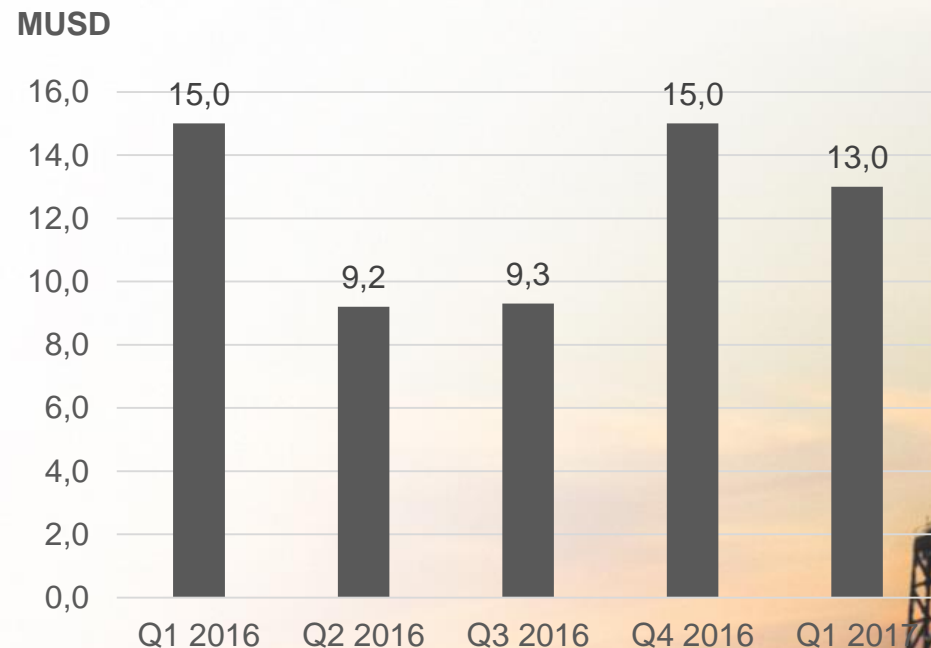
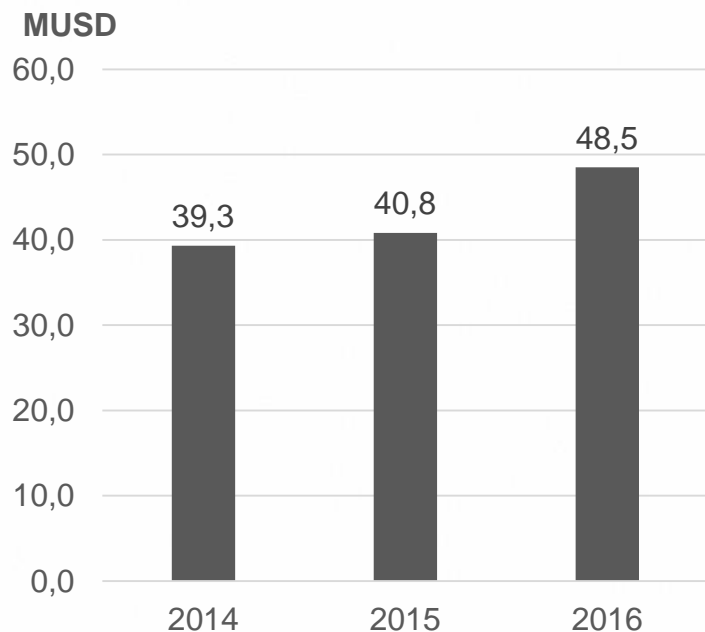
# Balance Sheet

<b>(MUSD)</b>	<b>2017-03-31</b>	<b>2016-12-31</b>	<b>2015-12-31</b>
<b>Net cash</b>	<b>40.1</b>	<b>39.0</b>	<b>51.2</b>
<b>Total assets</b>	<b>243.9</b>	<b>239.0</b>	<b>253.6</b>
<b>Shareholders' equity</b>	<b>206.0</b>	<b>196.9</b>	<b>217.2</b>

- Continued strong net cash position of MUSD 40.1
- SEK 1.00 per share dividend proposed

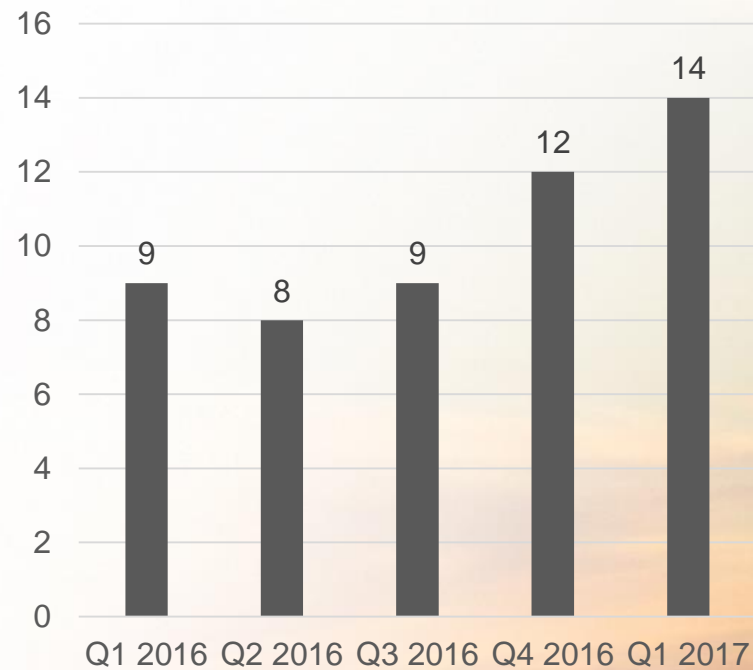
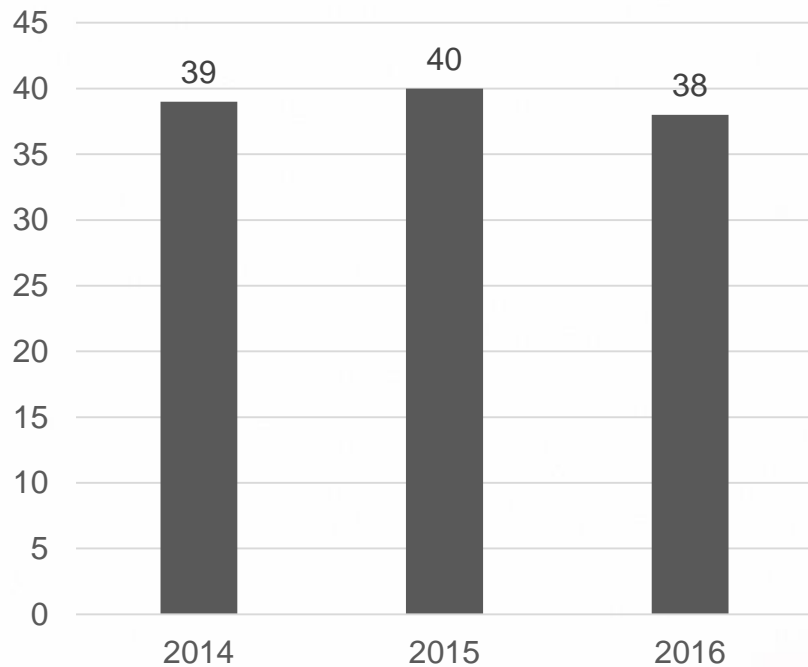


# Oil and gas investments



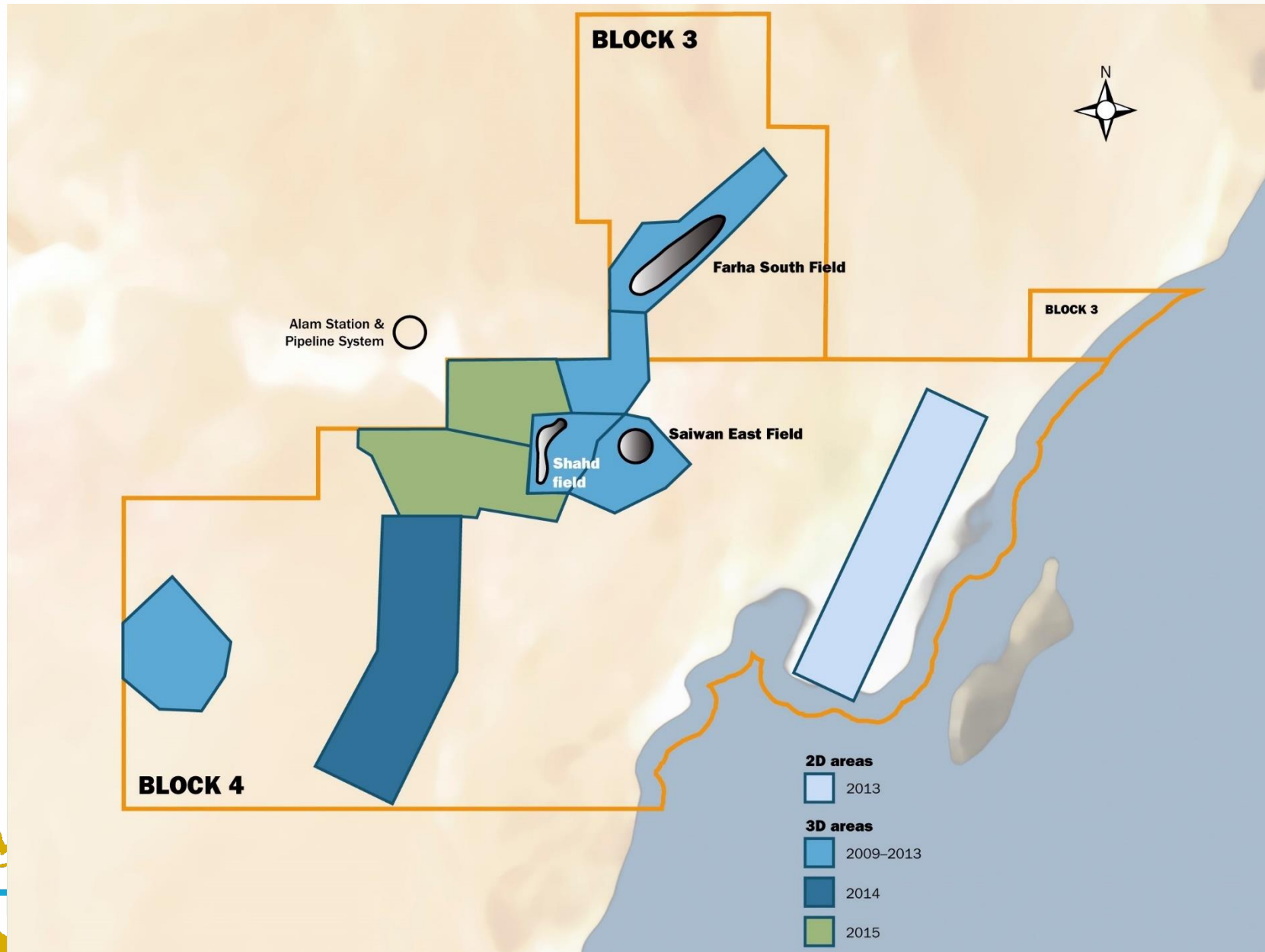
- Tethys Oil's investments in Blocks 3&4 amounted to MUSD 12.9 in Q1-17
- Operations and investments on Blocks 3&4 expected to continue to be funded from cash flow and available funds

# Wells in Oman

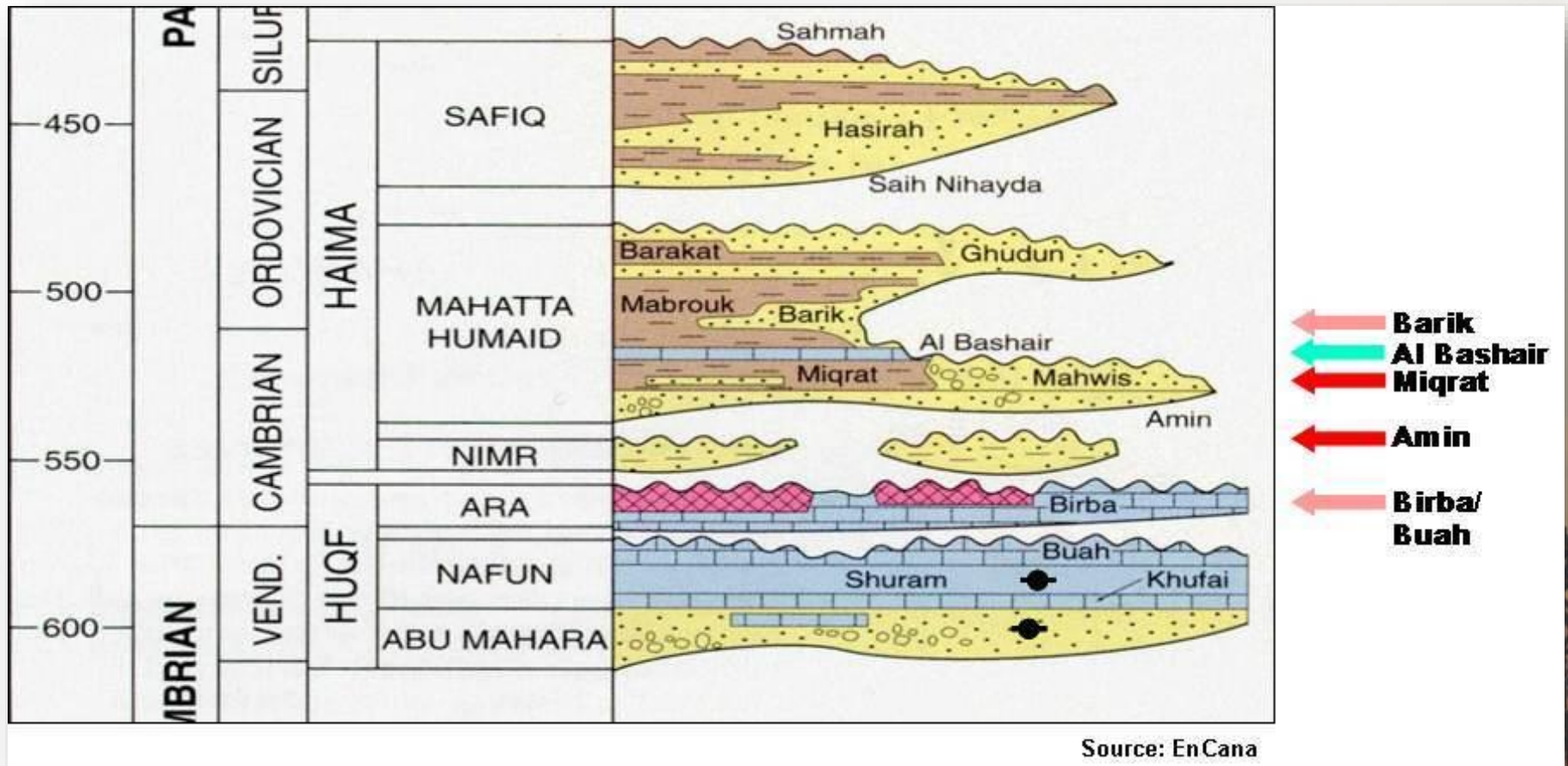


Wells completed Q1 2017	Farha South Field	Shahd and Saiwan East Fields	Near and far field	Total
Appraisal/Production	10	3	-	13
Water injection	-	-	-	-
Water source	-	-	-	-
Exploration	-	-	1	1
	<b>10</b>	<b>3</b>	<b>1</b>	<b>14</b>

# Blocks 3&4 overview



# Blocks 3&4, Oman - Stratigraphy



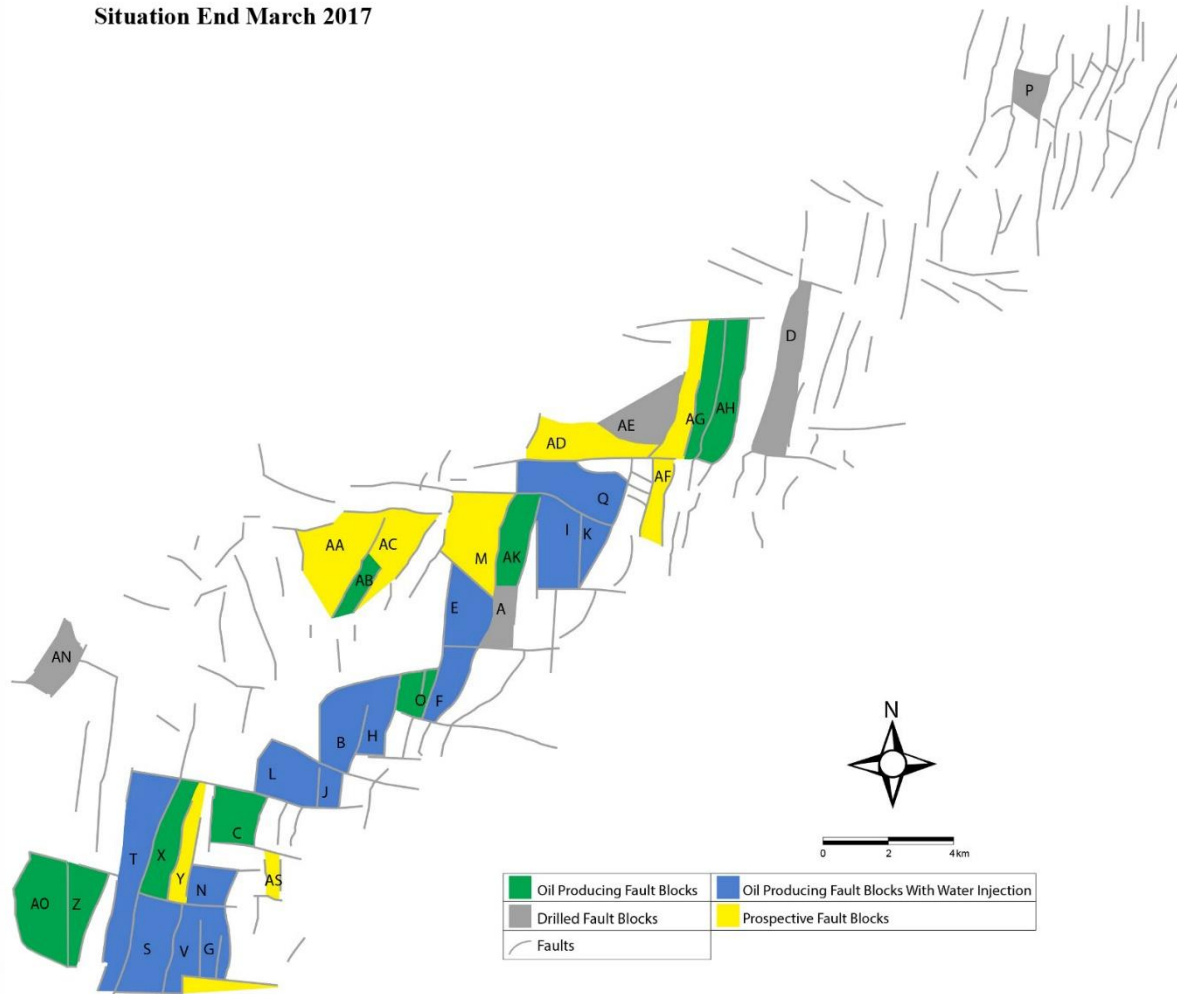
- Barik, Khufai, Buah and Lower Al Bashir currently producing



# Farha South field, 31 March 2017

## FARHA SOUTH FIELD

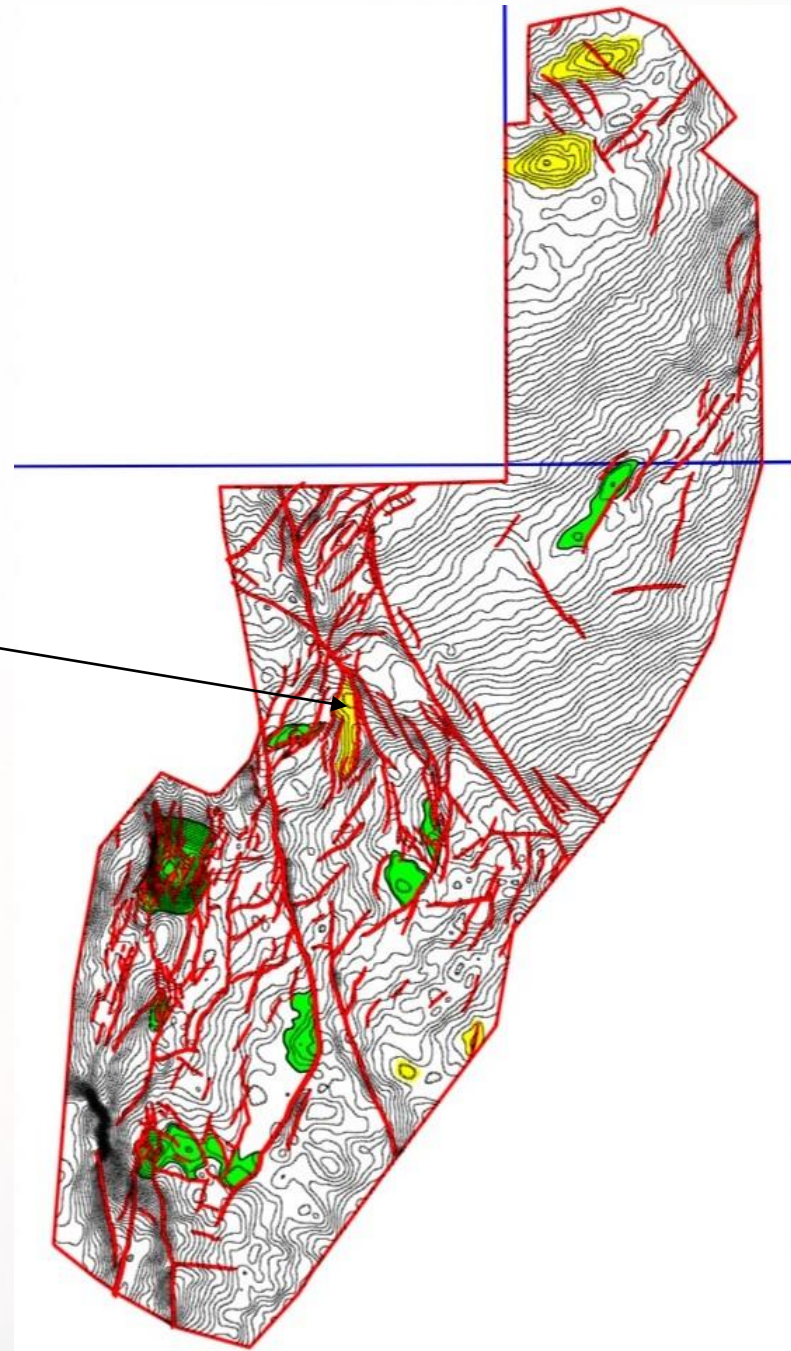
Situation End March 2017



- Eight new production/appraisal wells drilled in Q1-17.
- Two previously undrilled fault blocks (O and C) successfully drilled and put into production

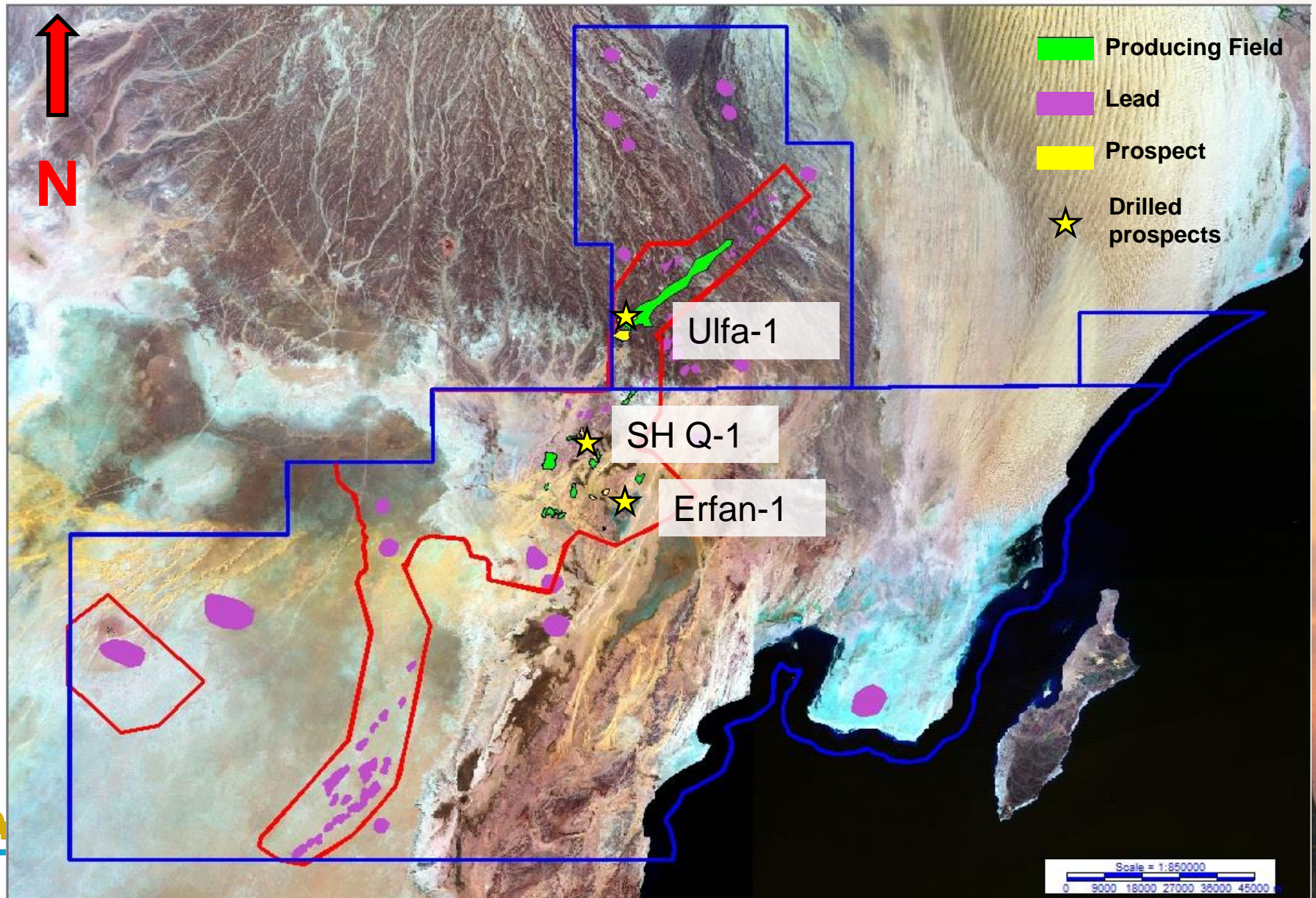
# Shahd Oil field

- 2 production wells drilled in Q1-17, both encountered oil and are connected to production system
- One new structure, Shahd Q, drilled and found to be oil bearing





# Leads and Prospects in Blocks 3&4



# Conclusion

- **All numbers as well as the drill bit going Tethys Oil's way in Q1-17**
- **Monthly production recommendation during first six months 2017 of 12,300 bopd following OPEC initiated production limitations**
- **14 new wells completed on Blocks 3&4 during the first quarter 2017 – all oil bearing**
  - Including 3 previous undrilled structures/fault blocks
  - Including exploration well Erfan-1
- **Drilling success increases production capacity**



**Q2 2017**

Will be published 15 August 2017!





### **Important notice**

This presentation and the information contained herein is being presented by the Company.

This presentation and the information contained herein do not constitute an offer to sell or invitation to purchase or subscribe for any securities, commodities or instruments or related derivatives, nor do they constitute an offer or commitment to lend, syndicate or arrange a financing, underwrite or purchase or act as an agent or advisor or in any other capacity with respect to any transaction, or commit capital, or to participate in any trading strategies, and they do not constitute any legal, regulatory, accounting or tax advice to the recipient.

This presentation does not purport to be all-inclusive or to contain all the information that prospective investors may desire in analysing and deciding whether or not to hold or transact in the Company's shares. This document was prepared solely for informational purposes. Recipients of this presentation must rely on their own examination of the legal, taxation, financial and other consequences of any possible holding or transaction involving the Company's shares or other securities, including the merits and risks involved. Recipients should not treat the contents of this presentation as advice relating to legal, taxation or other matters and are advised to consult their own professional advisors concerning the acquisition, holding or disposal of shares or other securities in the Company.

This document was prepared and the analyses contained in it based, in part, on certain assumptions made by and information obtained from the Company, its directors, officers, employees, agents and/or affiliates. In addition, certain information contained in this presentation has been obtained from third parties and published sources prepared by such third parties that the Company has deemed to be relevant. However, neither the Company nor any of its affiliates, officers, employees or agents accepts or assumes any responsibility, obligation or liability (whether direct or indirect, in contract, tort or otherwise) and makes no representation or warranty, express or implied, for the contents of this presentation or any oral information provided in connection herewith, including its accuracy, completeness or verification for any other statement made or purported to be made by any of them, or on their behalf. Nothing in this presentation is, or shall be relied upon as, a representation or promise made, whether as to the past, present or future.

This presentation contains forward-looking statements that reflect the Company's current views with respect to certain future events and potential financial performance. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will materialise. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors, whether or not outside the control of the Company. To the extent that this presentation contains opinions, estimates, forecasts or other forward looking statements, no guarantees or undertakings that these are correct or complete are given by the Company or any of its members, advisors, officers or employees or any other person. Forecasts and assumptions which are subject to economic and competitive uncertainty are outside such person's control and no guarantee can be given that projected results will be achieved or that outcomes will correspond with forecasts. You should not place undue reliance on the forward-looking statements. Forward-looking statements speak only at the date of this document and the Company does not undertake any obligation to publicly update or revise any information contained herein. Information in this presentation may be changed, added to or corrected without advance notification.

This document may contain terms, phrases and trademarks that are proprietary and the Company recognizes and acknowledges that all trademarks are copyrighted, belonging to their respective owners.

This presentation as well as any other information provided by or on behalf of the Company shall be governed by Swedish law. Any dispute, controversy or claim arising out of or in connection with such information or related matters shall be finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The place of arbitration shall be Stockholm and the language to be used in the arbitration proceedings shall be English.