

Q2 2017

15 August 2017



Q2-17 Highlights

(MUSD)	Q2-17	Q1-17	Q2-16
Revenue	31.4	29.3	20.6
EBITDA	21.0	19.3	8.4
Net result	10.6	6.7	-2.9

- 12,477 BOPD produced in Q2-17, in line with Q1-17
- Average selling price per barrel of USD 53.7, up 6% compared with Q1-17
- Earnings per share (after dilution) USD 0.31 for Q2-17
- Net cash of MUSD 32.3, (MUSD 40.1 in Q1-17)
- 12 new wells drilled on Blocks 3&4 during the second quarter 2017
- Exploration well Ulfa-1 flows oil to surface
- 1 previously undrilled fault block on Farha South drilled and found oil
- Daily production on Blocks 3&4 until end of Q1 2018 expected to be in line with the first half of 2017, following extension of OPEC/Non-OPEC production limitations

Tethys Oil's assets

	Country	Licence	Area, km2	Tethys share	Partners*	2P reserves, net, 31 Dec 2016 (mmbo) **	Production, net, Q2 2017 (bopd)
Producing Assets	Oman	Blocks 3&4	29,130	30%	CC Energy, Mitsui	21.4	12,373
	Lithuania	Gargzdai	884	25%	Odin Energi, Geonafta	-	104
Exploration assets	Oman	Blocks 3&4	29,130	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

Reserves at December 31, 2016

Reserves Blocks 3&4 Oman (31 Dec 2016, mmbo)

<i>mmbo</i>	1P	2P	3P
Farha South	8.7	11.6	14.0
Shahd	4.7	7.8	13.0
Saiwan East	0.8	2.0	2.7
Total	14.2	21.4	29.7

Development of reserves

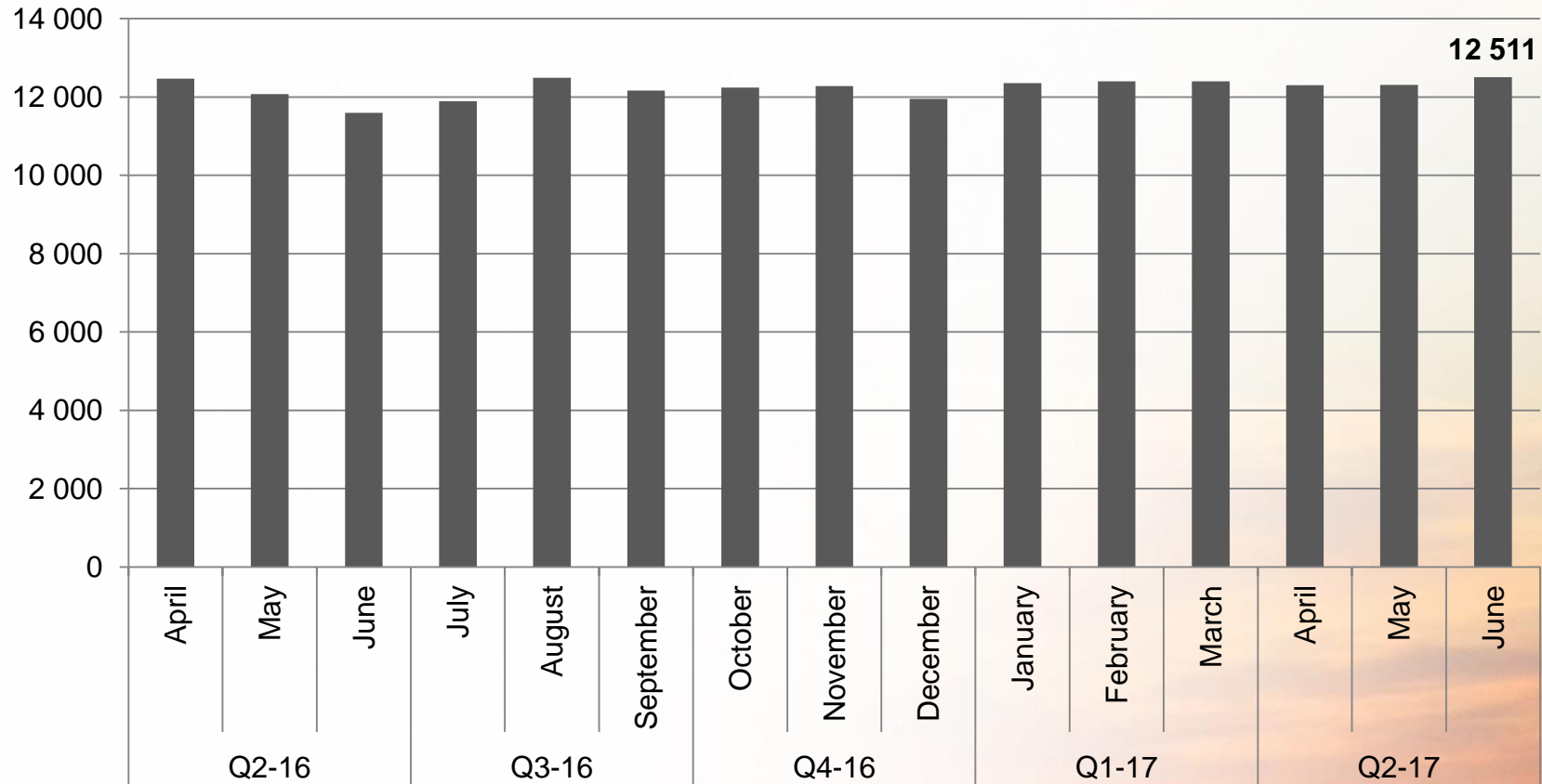
<i>mmbo</i>	1P	2P	3P
Total 31 Dec 2015	12.9	18.2	27.9
Production 2016	-4.4	-4.4	-4.4
Discoveries	0.1	0.2	0.3
Revision	5.6	7.4	6.0
Total 31 Dec 2016	14.2	21.4	29.7

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



Average daily production in Oman

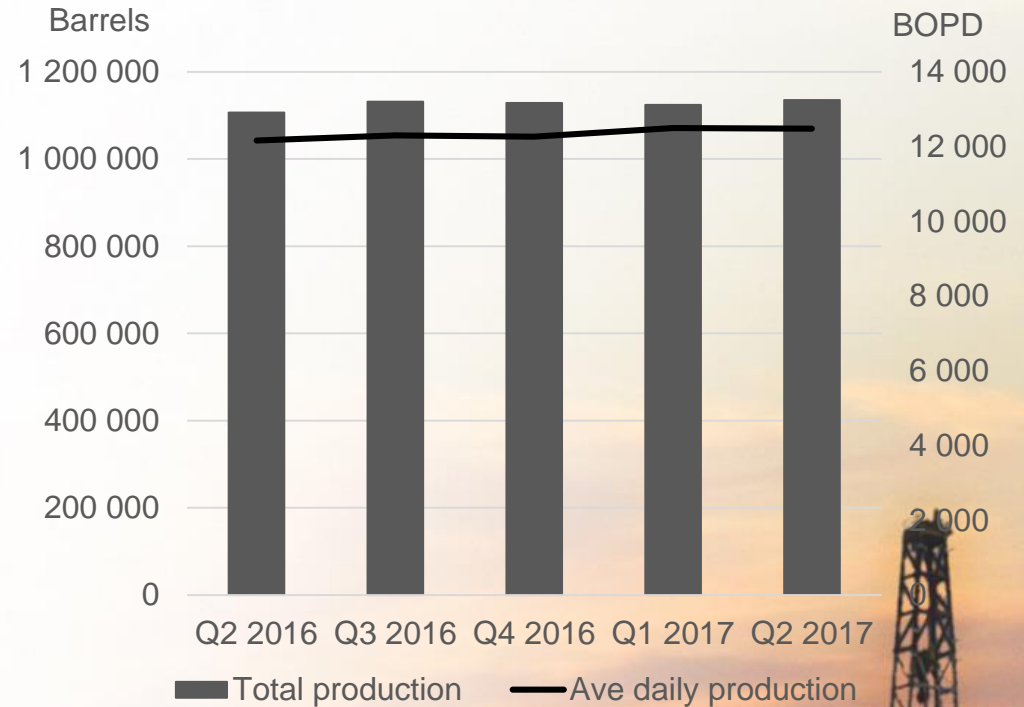
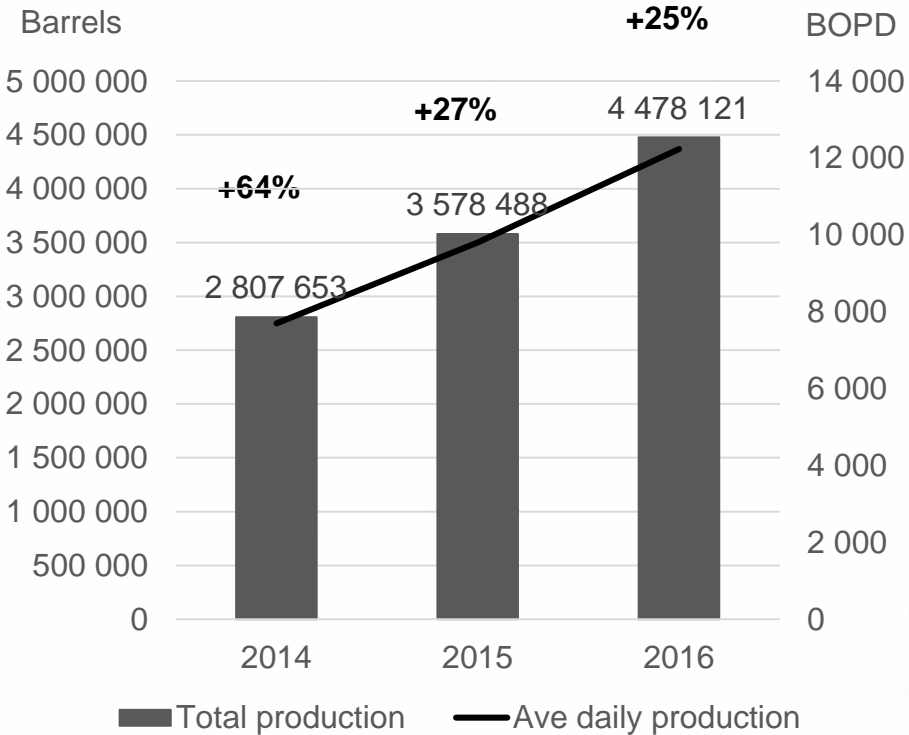
BOPD



- Stable production around 12,300 BOPD all months in Q2-17
- OPEC agreement extended – average daily production expected to be in line with first half 2017 until end of Q1-18

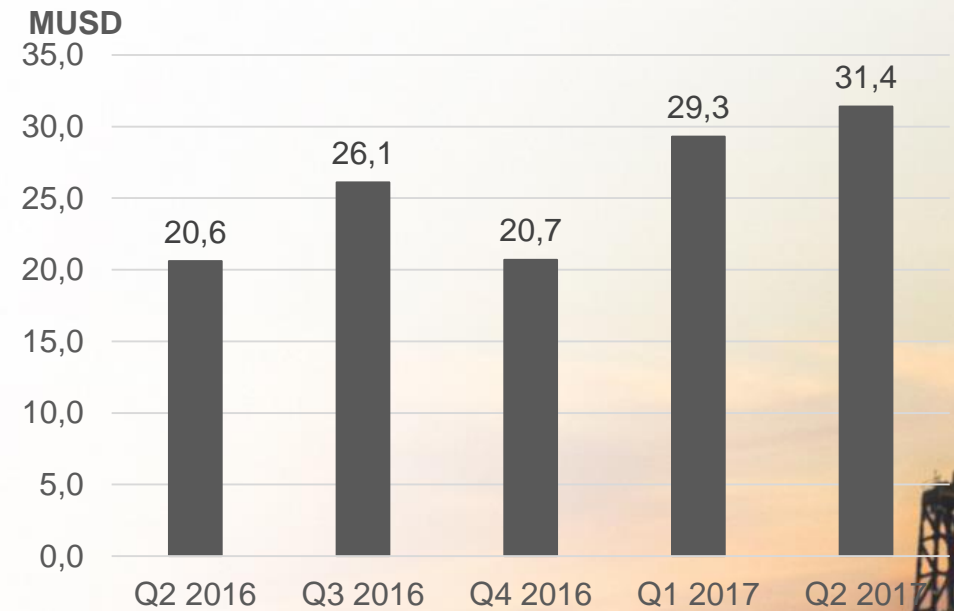
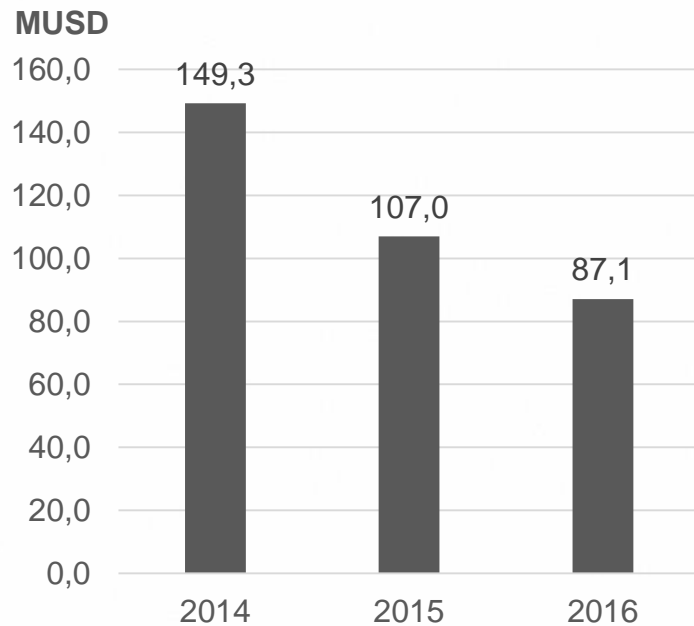


Production



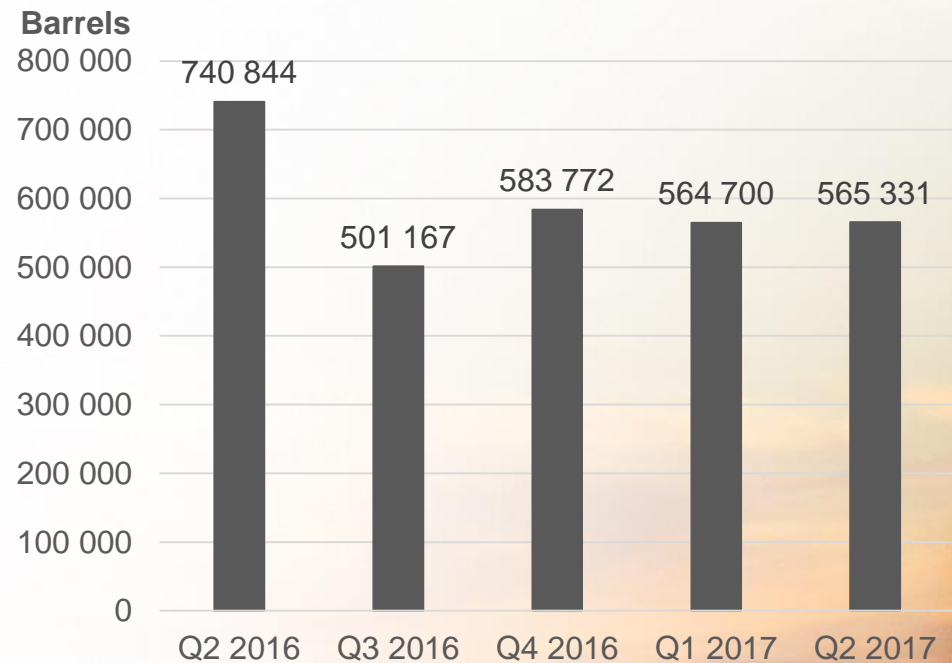
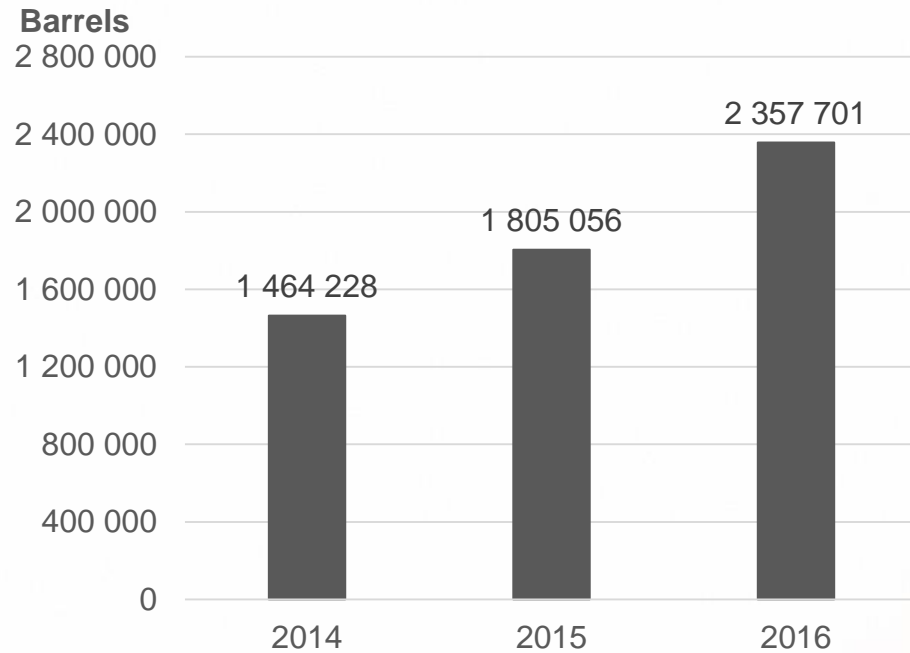
- Average daily production in Q2-17 was in line with Q1-17 and amounted in total to 1,135,370 barrels
- Drilling success increases production capacity

Revenue MUSD



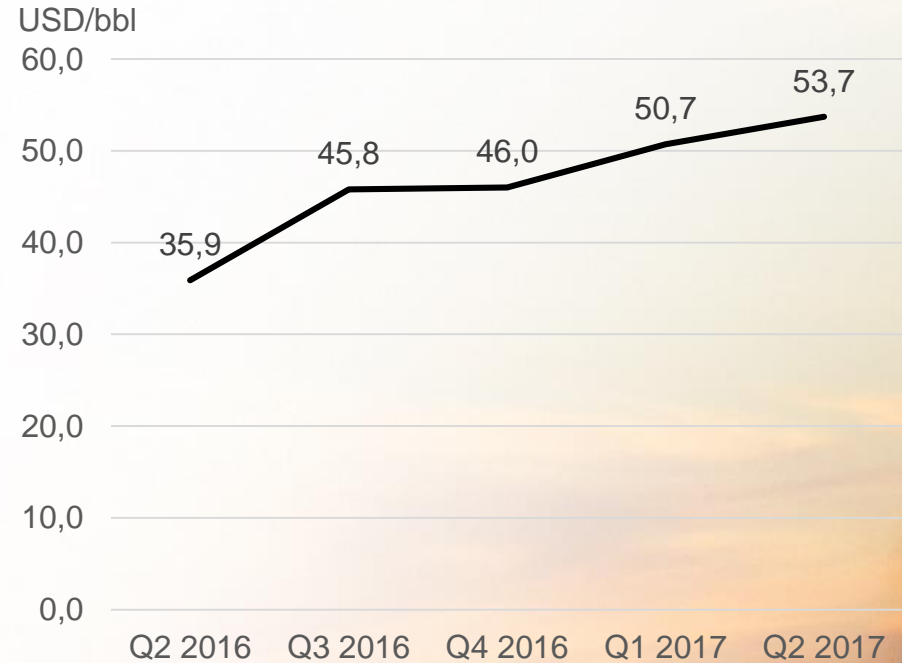
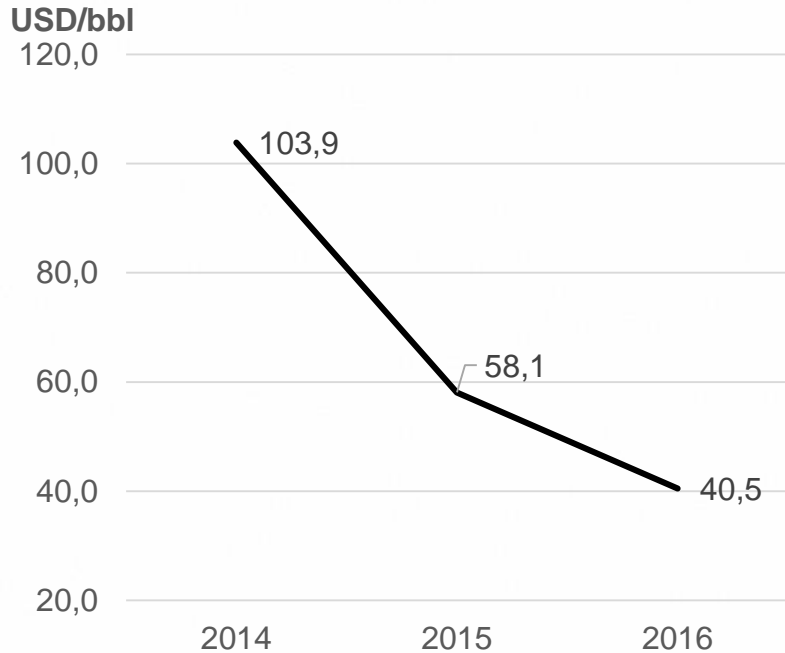
- Q2-17 revenue is up 7% compared with Q1-17

Sold barrels



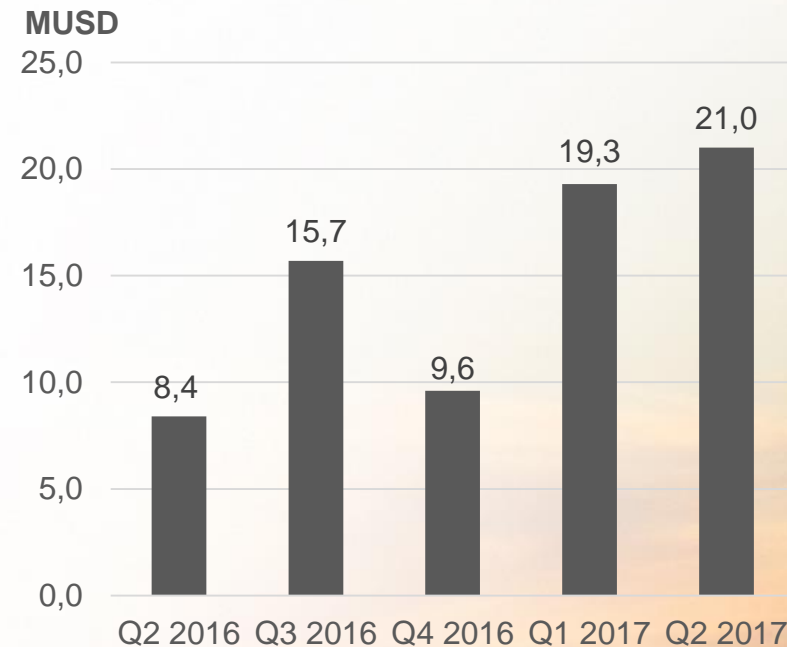
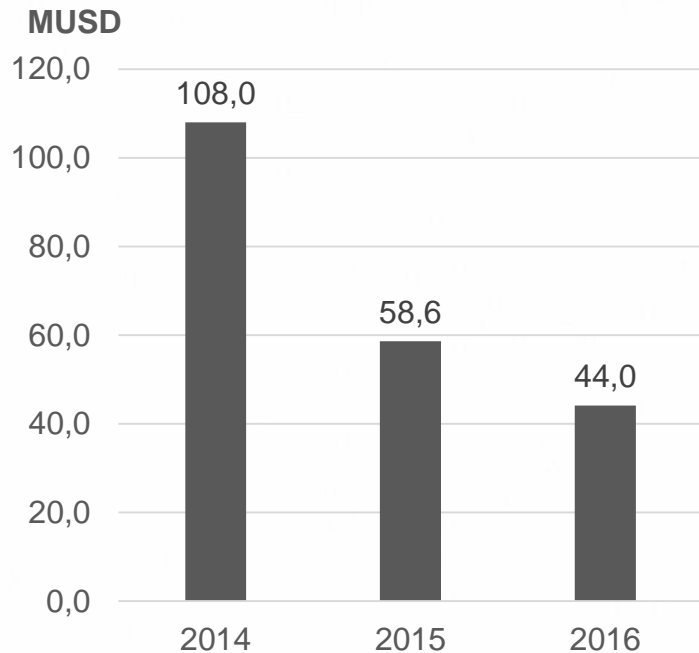
- Overlift position of 13,087 barrels shifted to underlift position of 7,088 barrels at end of Q2-17

Average achieved selling price per barrel



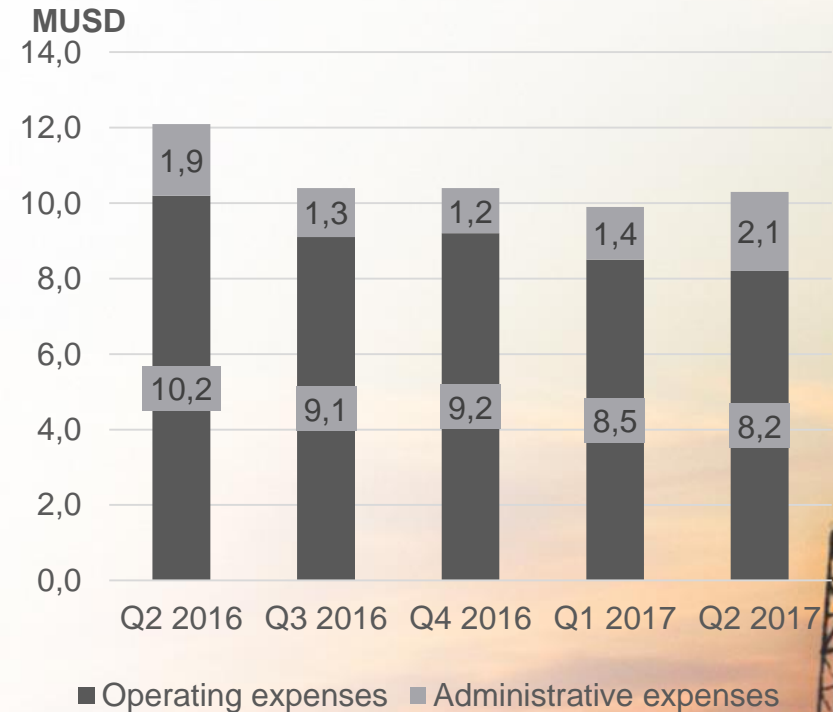
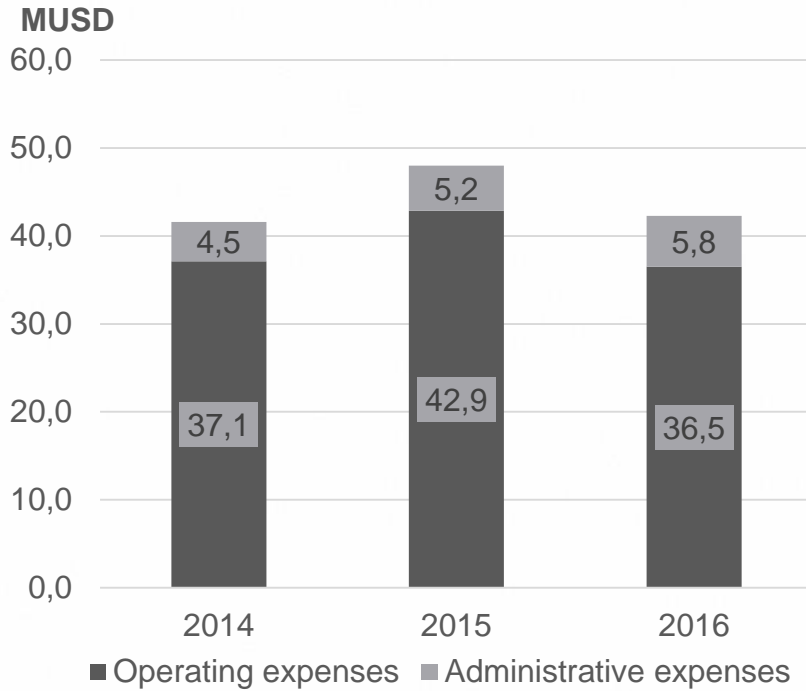
- Average achieved selling price amounted to USD 53.7/bbl, up 6% compared with Q1-17 (USD 50.7/barrel)
- 2 months delay in achieved selling price

EBITDA



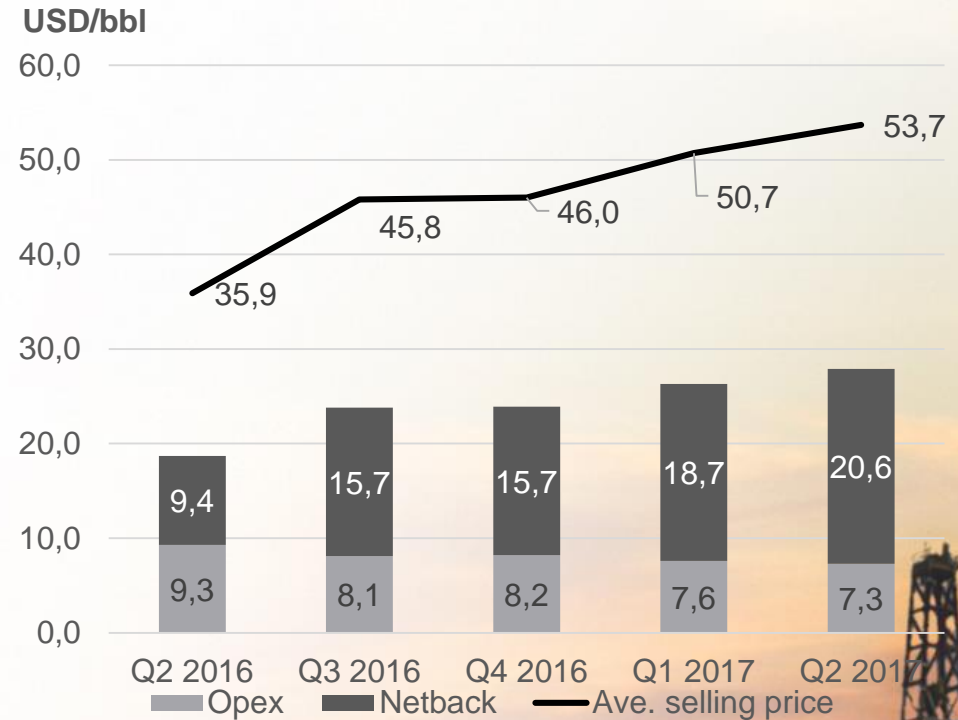
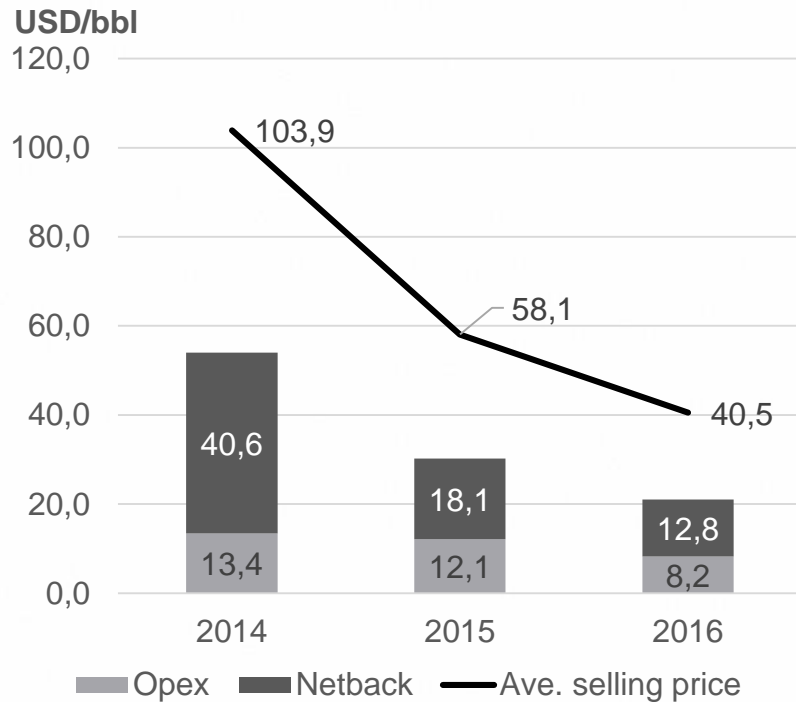
- EBITDA of MUSD 21.0 in Q2-17, up 9% compared with Q1-17
- EBITDA margin amounted to 67% in Q2-17

Expenses



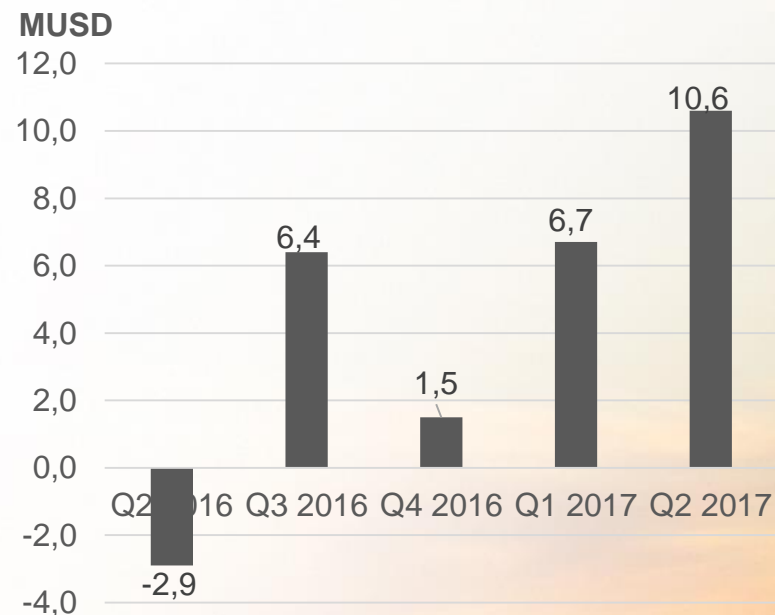
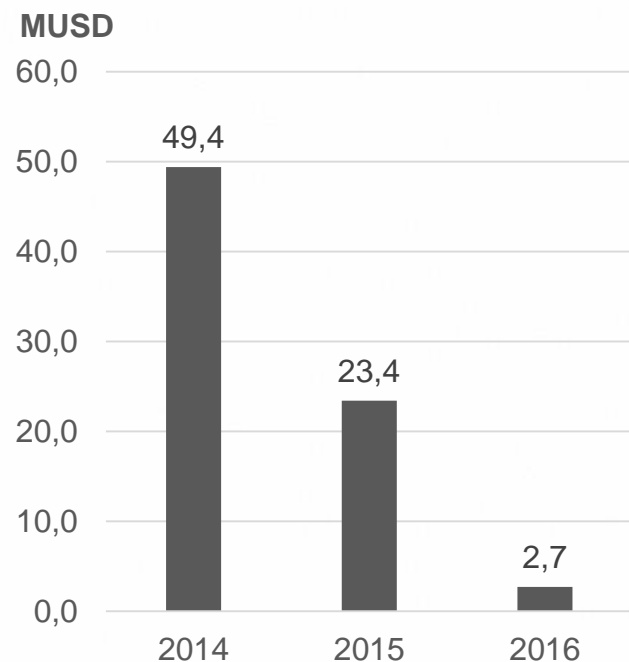
- OPEX down 4% compared with Q1-17
- Admin expenses impacted in Q2-17 by costs related to the employee incentive program amounting to MUSD 0.5

Opex and Netback* per barrel (USD/bbl)



- Netback up 10% following higher oil prices and lower opex
- OPEX per barrel during the last five quarters USD 7.3 to 9.3 per barrel

Net result after tax



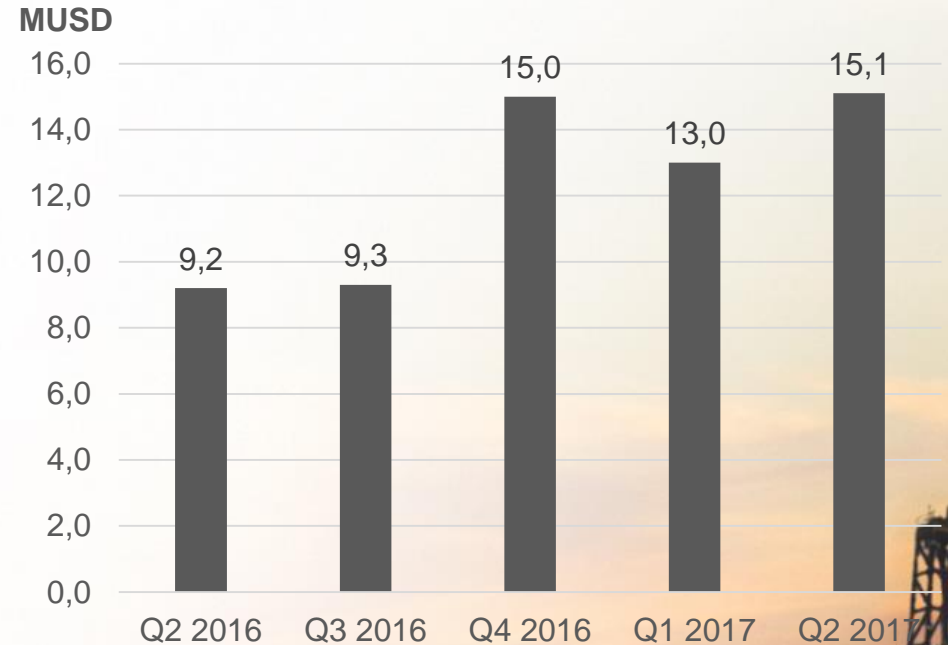
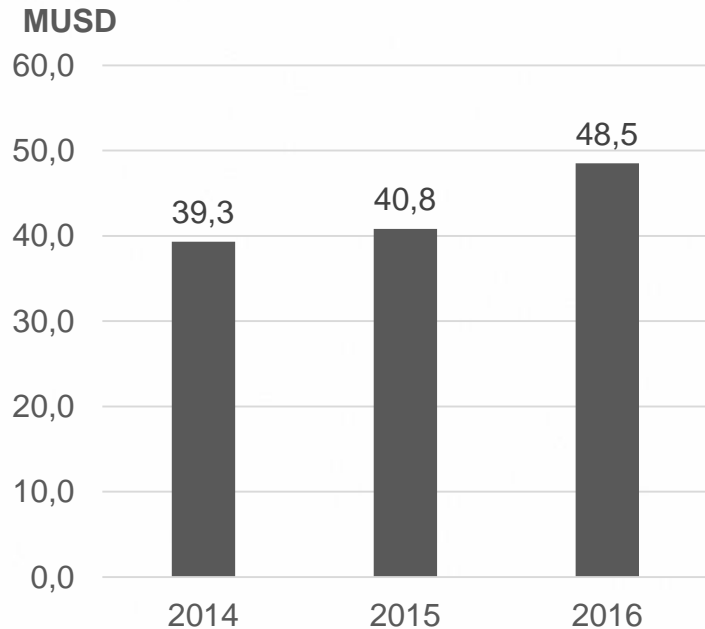
- Net result up 58% to MUSD 10.6 in Q2-17
- Net result per share (after dilution) amounted to USD 0.31

Balance Sheet

(MUSD)	2017-06-30	2017-03-31	2016-12-31
Net cash	32.3	40.1	39.0
Total assets	237.6	243.9	239.0
Shareholders' equity	213.1	206.0	196.9

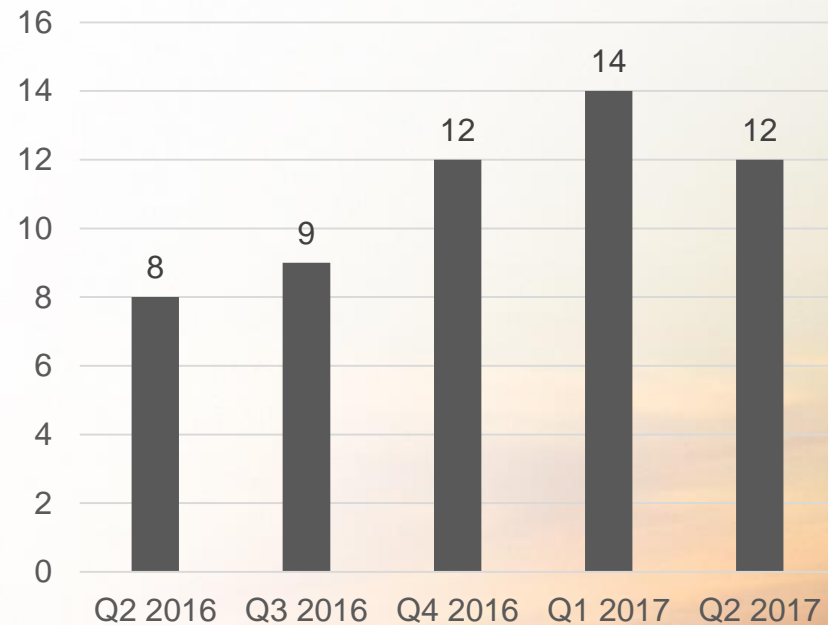
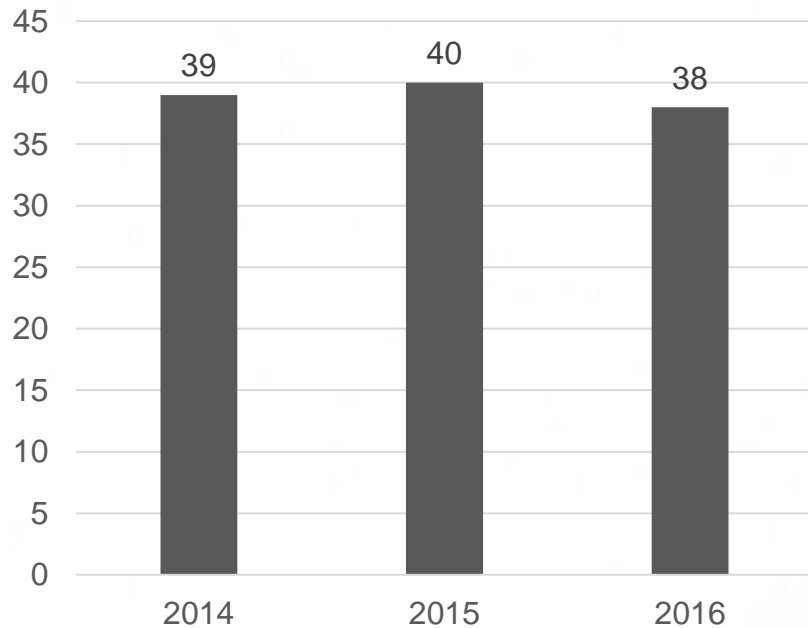
- SEK 1.00 per share dividend paid in Q2-17 (total MUSD 3.8)
- Continued strong net cash position of MUSD 32.3

Oil and gas investments



- Tethys Oil's investments in Blocks 3&4 amounted to MUSD 15.1 in Q2-17
- Operations and investments on Blocks 3&4 expected to continue to be funded from cash flow and available funds

Wells in Oman

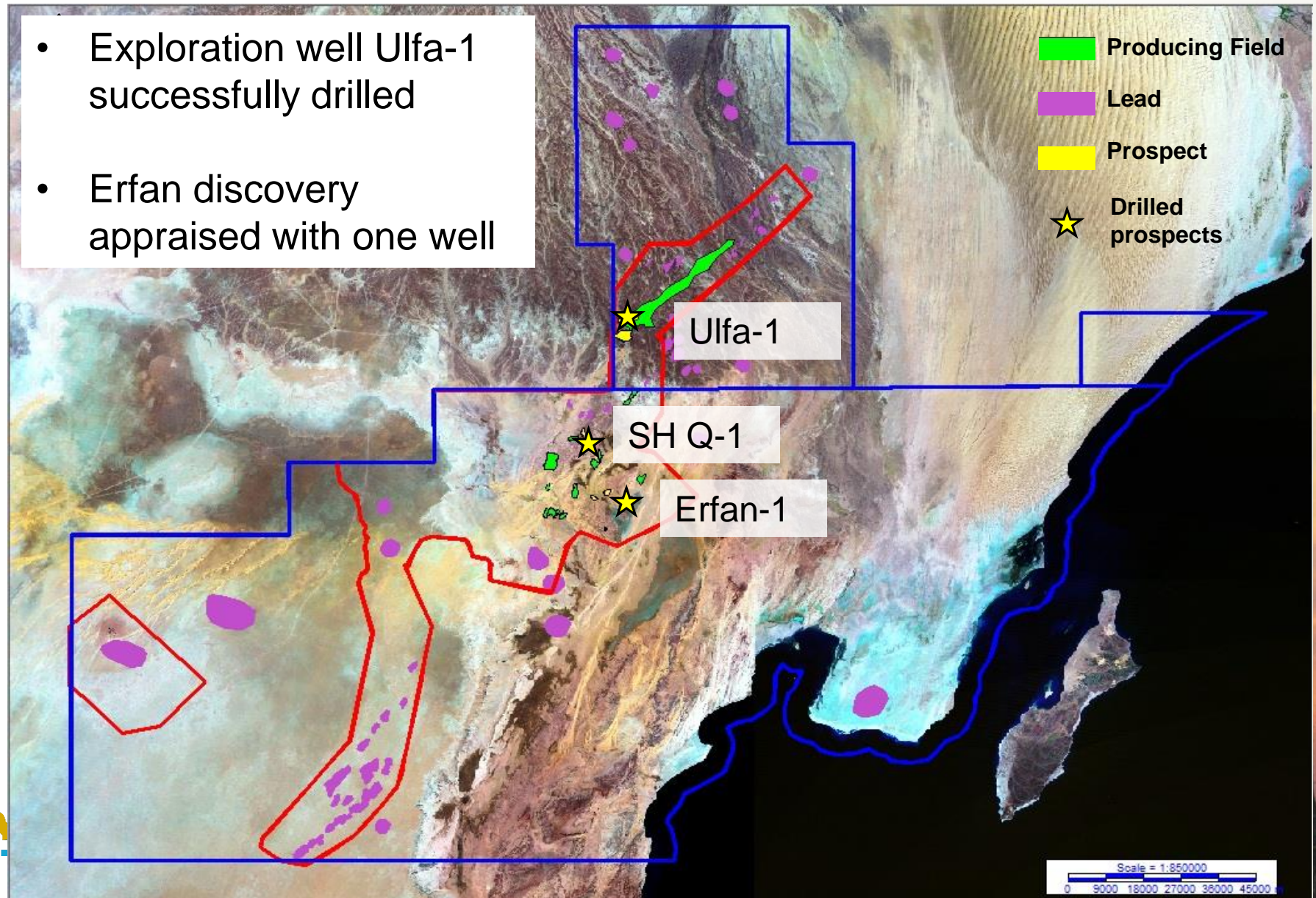


Wells completed Q2 2017	Farha South Field	Shahd and Saiwan East Fields	Near and far field	Total
Appraisal/Production	1	3	1	5
Water injection	4	1	-	5
Water source	1	-	-	1
Exploration	-	-	1	1
	6	4	2	12

Fields, Leads and Prospects in Blocks 3&4

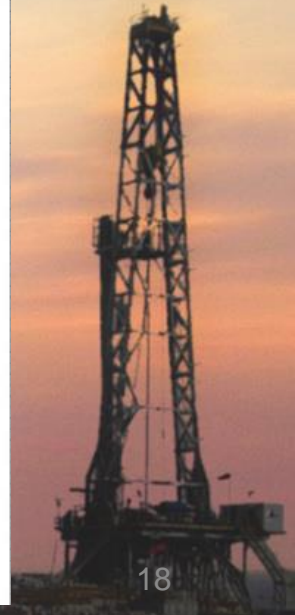
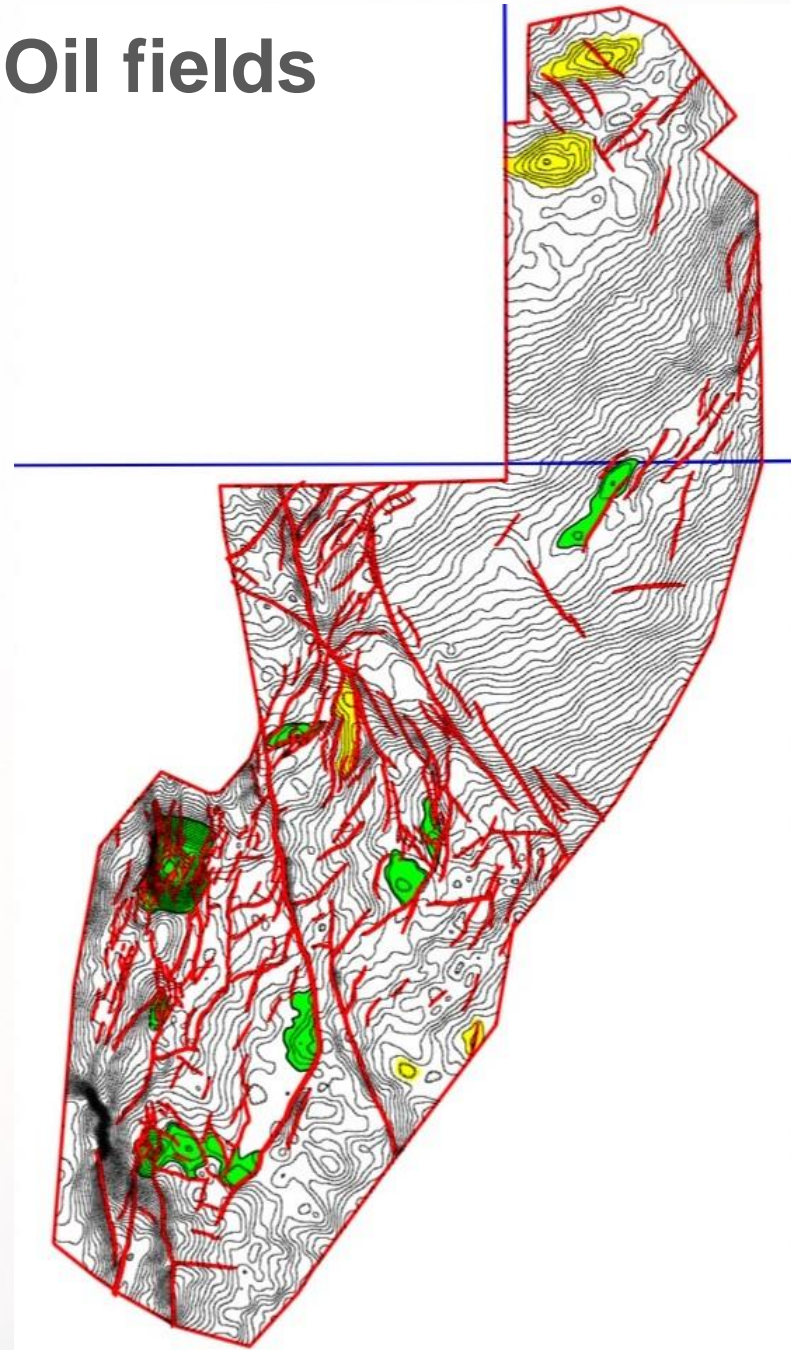
- Exploration well Ulfa-1 successfully drilled
- Erfan discovery appraised with one well

- Producing Field
- Lead
- Prospect
- Drilled prospects



Shahd and Saiwan East Oil fields

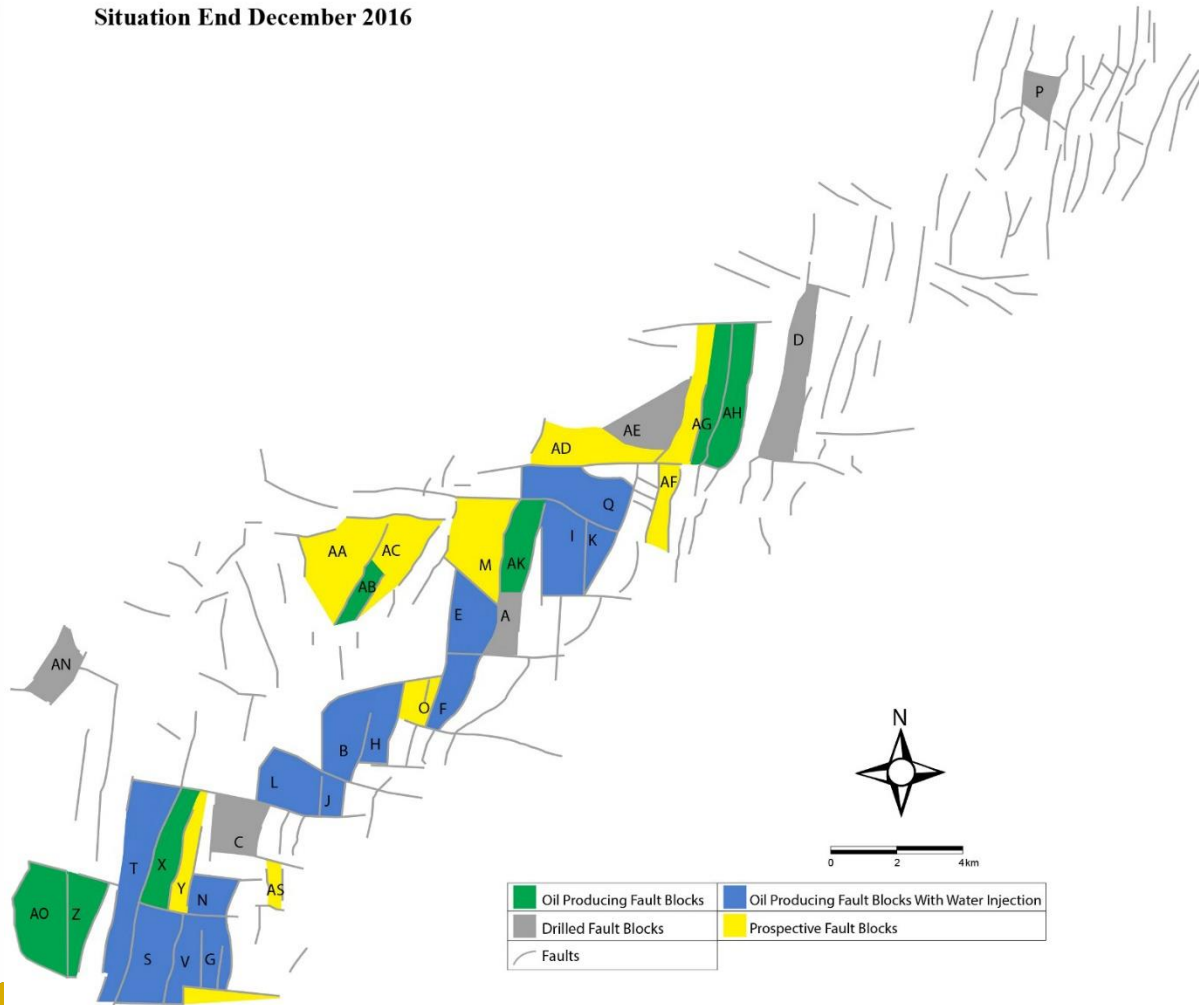
- 3 appraisal/production wells drilled in Q2-17, all encountered oil and are connected to production system and are undergoing testing operations
- One water injection well drilled on the Shahd field



Farha South field, 31 December 2016

FARHA SOUTH FIELD

Situation End December 2016



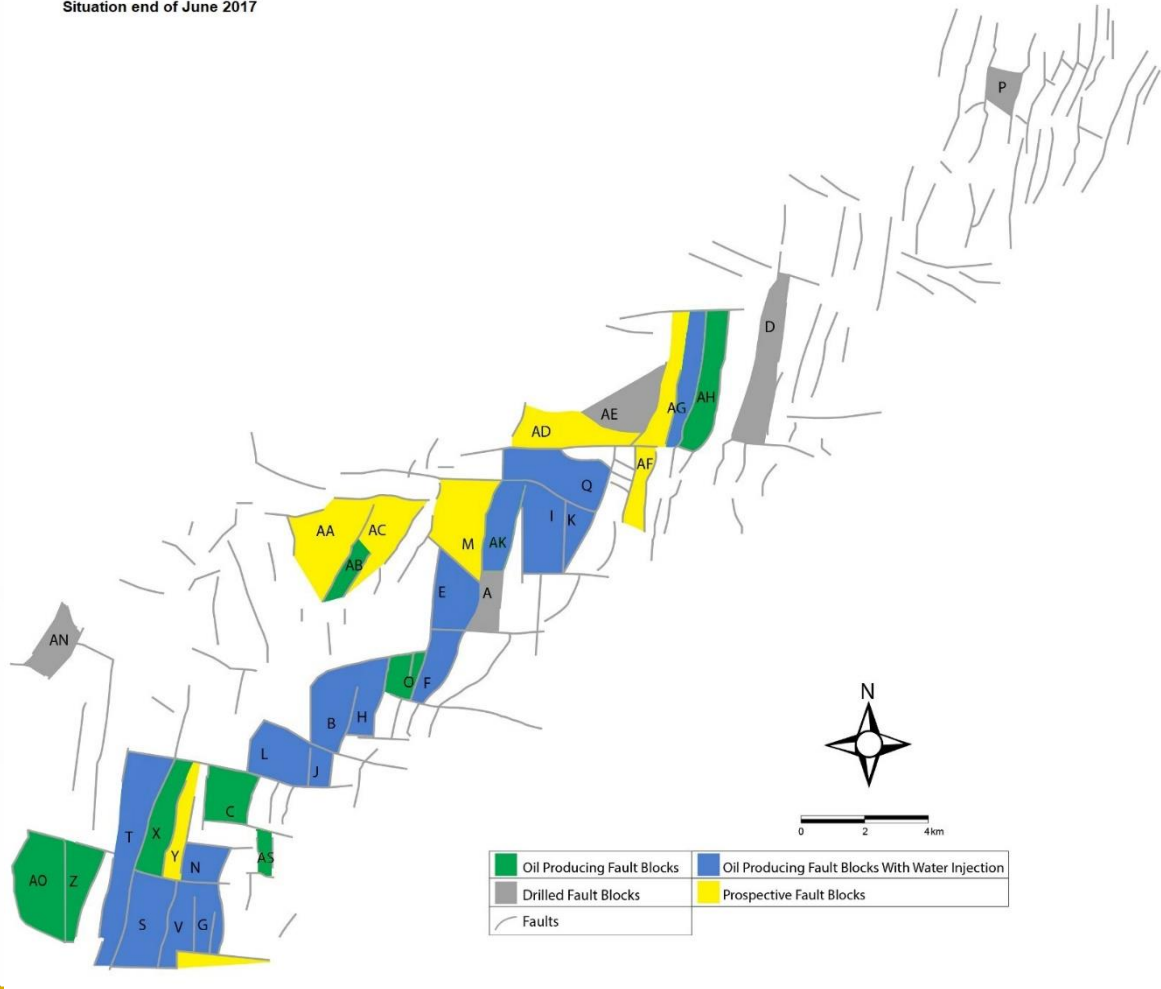
Oil Producing Fault Blocks	Oil Producing Fault Blocks With Water Injection
Drilled Fault Blocks	Prospective Fault Blocks
Faults	



Farha South field, 30 June 2017

FARHA SOUTH FIELD

Situation end of June 2017



One previously undrilled fault block (AS) successfully drilled and put into production.

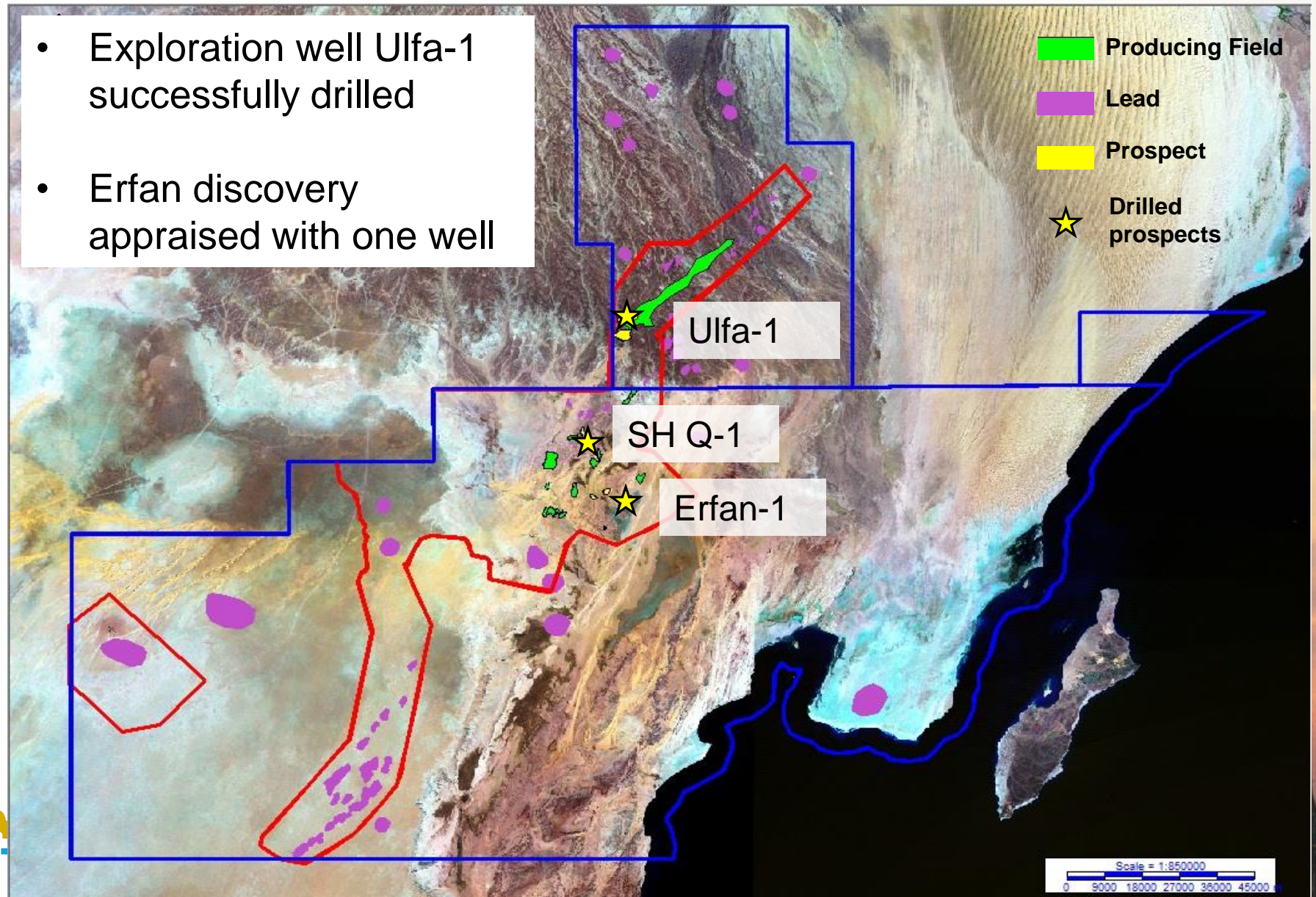
This in addition to the two new fault blocks put in production in Q1.

Four new water injection wells and one water well drilled drilled in Q2-17.

Fields, Leads and Prospects in Blocks 3&4

- Exploration well Ulfa-1 successfully drilled
- Erfan discovery appraised with one well

- Producing Field
- Lead
- Prospect
- Drilled prospects



Conclusion

- **Tethys Oil continues to be profitable**
 - Production first half 2017: 12,486 bopd (FY-16: 12,235 bopd)
 - Revenue first half 2017: MUSD 60,7 (FY-16: MUSD 87.1)
 - EBITDA first half 2017: MUSD 40.3 (FY-16: 44.0)
- **Another dividend to Tethys Oil's shareholders**
- **12 new wells completed on Blocks 3&4 during the second quarter 2017**
 - All exploration, appraisal and producer wells found oil bearing
 - Including exploration well Ulfa-1
 - Including 1 previous undrilled fault block on Farha South
- **New discoveries made in first half 2017, Erfan and Ulfa, have the potential to turn into new oil fields on Blocks 3&4**

Q3 2017

Will be published 7 November 2017!



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