



THIRD QUARTER 2022

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8 November 2022





Highlights Q3 2022

- Al Jumd-3 and Al Jumd-4 appraisal wells drilled on Block 56
- Extended well test of Al Jumd expected to start within 4 to 6 weeks
- Block 58 seismic interpretation has upgraded Tethys Oil's view on the potential of the Block
- Production of 9,788 bopd (10,068 in Q2)
- Full year 2022 production guidance of approximately 10,000 bopd (previously 10,200 bopd)
- Key debottlenecking actions taken during Q3 and the fourth drilling rig on Blocks 3&4 is active since September
- High oil prices and cost discipline continues to bolster earnings
 - Revenue and other income of **MUSD 40.9** (37.8)
 - EBITDA of **MUSD 27.0** (24.1)

Significant appraisal activities on Block 56

Al Jumd discovery

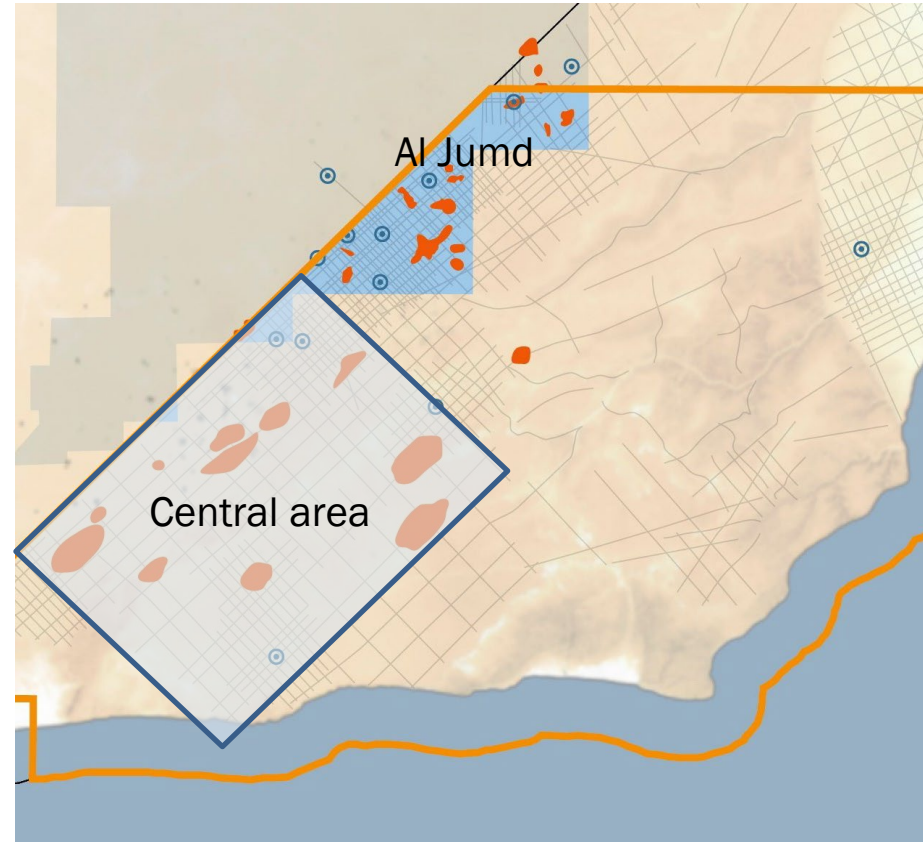
- Appraisal programme expanded in Q3 with the drilling of the Al Jumd-3 & Al Jumd-4 horizontal wells
- Preparations for a up to 6 months extended well test of Al Jumd-2, -3 & -4

Central area

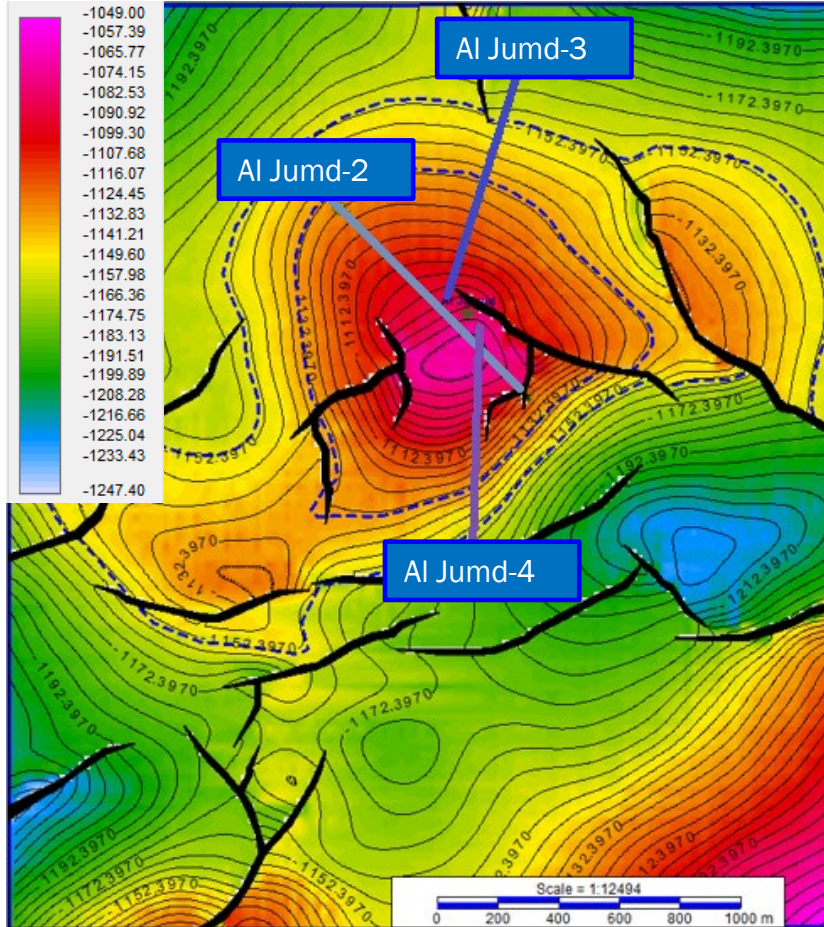
- Processing & interpretation of $\geq 2,000 \text{ km}^2$ 3D seismic data acquired in Q1 ongoing with completion expected in early 2023
- Planning for exploration drilling in 2023 targeting plays with an unrisked potential of up to 50 mmbo, gross

Sarha-3 & Sahab-1 testing operations

- Further testing currently on hold following reprioritisation



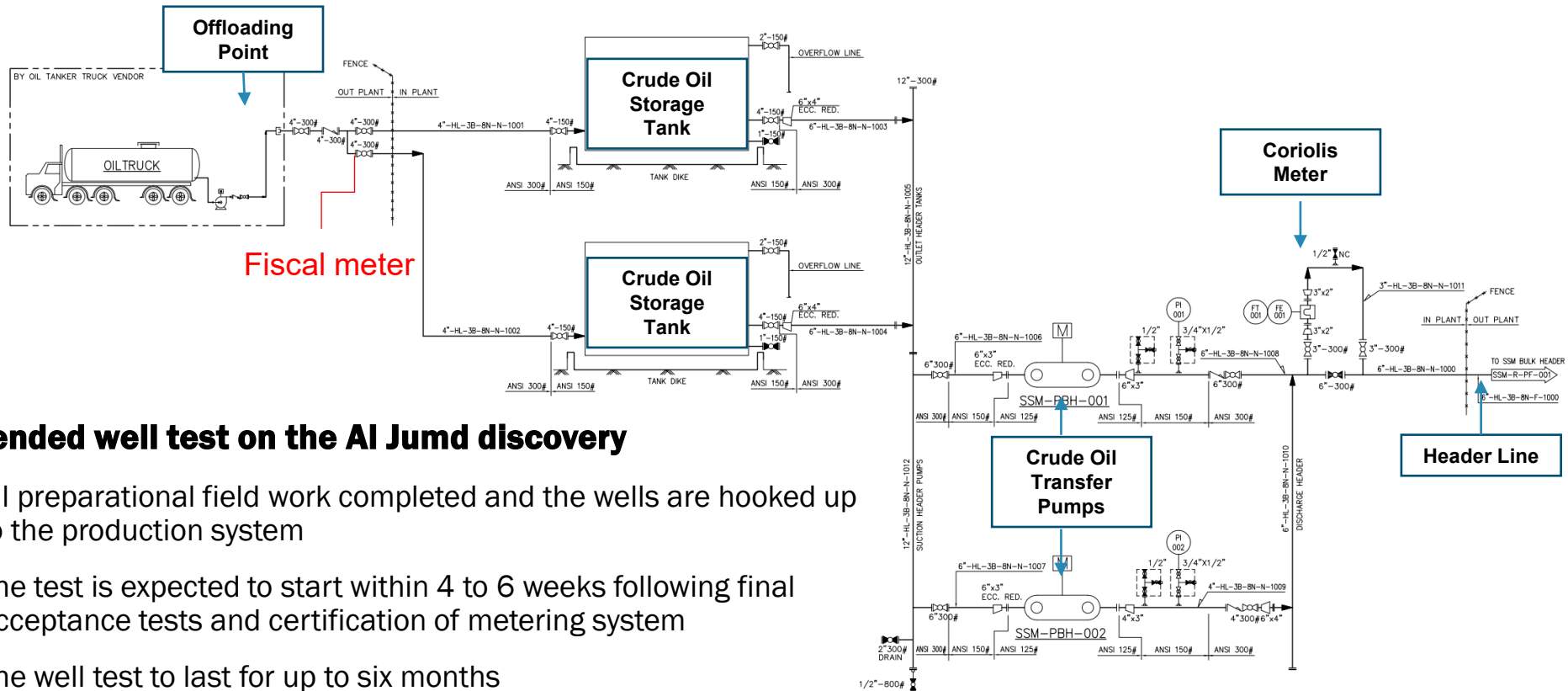
Block 56 – appraisal of Al Jumd discovery



Al Jumd-2, -3 & -4 appraisal wells

- Drilled in Q1 and Q3 2022
- Horizontal sections of between 430 to 700 metres targeting the Al Khalata sandstone
- Al Jumd-2 initial test rates of 700 bopd
- All wells completed and hooked up to production system

Block 56 – Extended well test of Al Jumd discovery



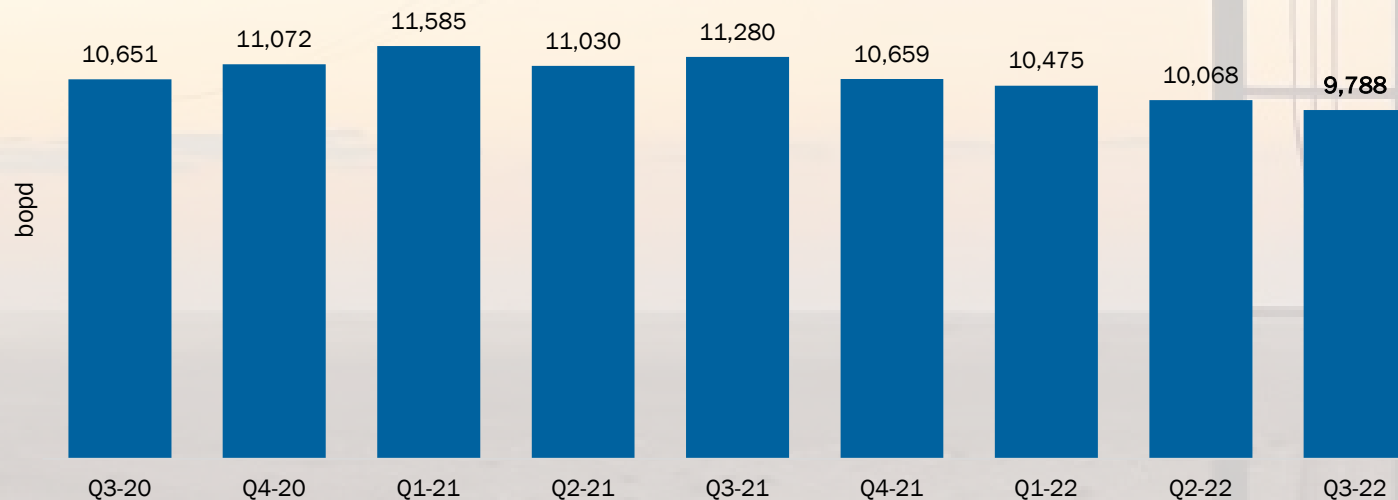
Extended well test on the Al Jumd discovery

- All preparational field work completed and the wells are hooked up to the production system
- The test is expected to start within 4 to 6 weeks following final acceptance tests and certification of metering system
- The well test to last for up to six months
- Primary objective is to establish the resource base, production capabilities and commerciality of the discovery
- Initial production rate from the three wells is approximated at 800 bopd and will be trucked to nearby third-party infrastructure connected to Omani national pipeline system



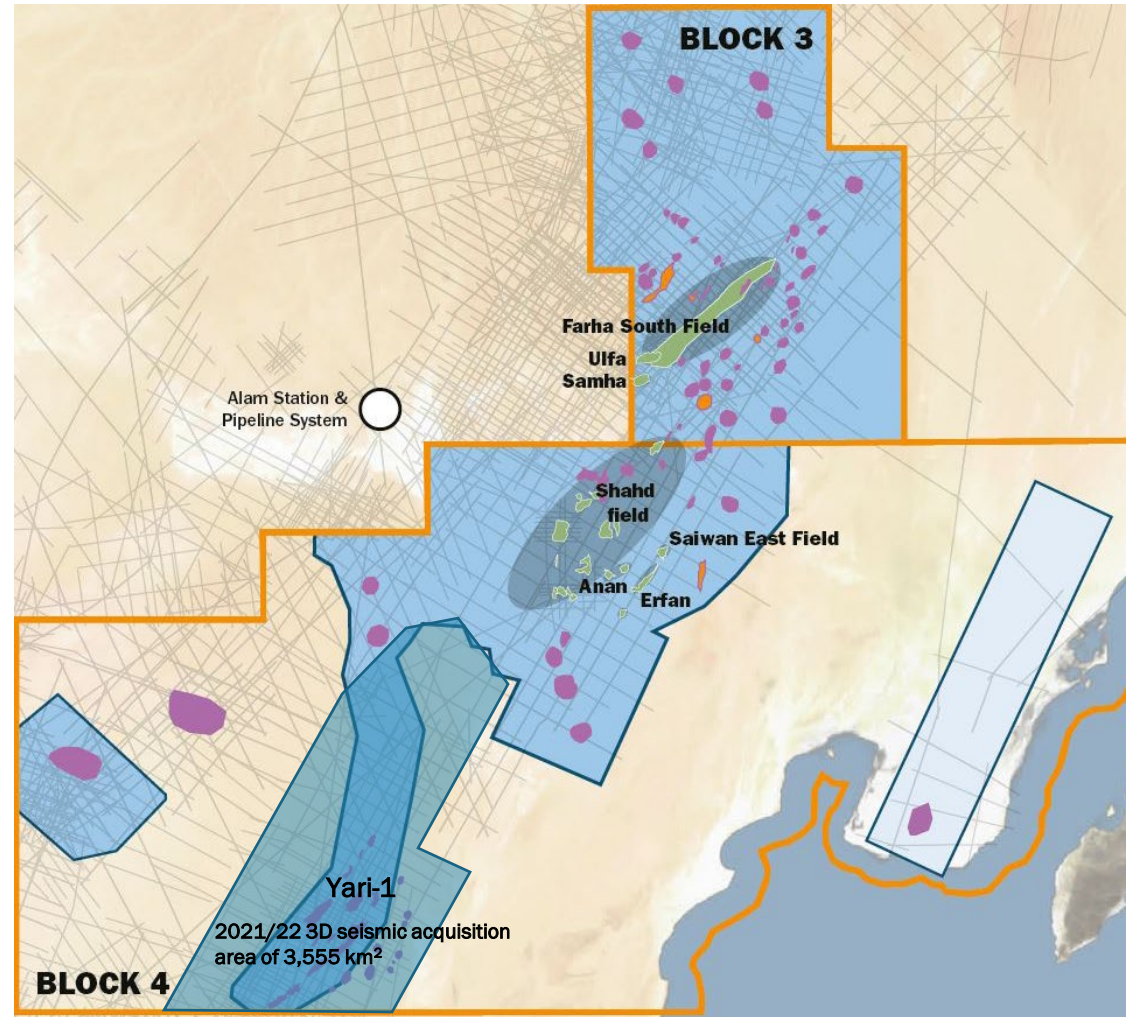
TETHYS OIL Production on Blocks 3&4

- Production of 9,788 bopd, 2.8% lower than in Q2
- Weak production development due to surface constraints and lack of workover rig capacity
- Key maintenance and upgrades of the Saiwan processing facility impacted Q3 production, primarily in July. July was also affected by severe weather conditions
- Debottlenecking initiatives ongoing and a fourth drilling rig active since September with 11 wells to be drilled in Q4
- Full year production is expected to be approximately 10,000 bopd
- Analysis of Anan water breakthrough points to potential minor negative effect on reserves



Exploration and appraisal activities on Blocks 3&4

- The appraisal well drilled in the Shahd area during Q2 was tested with limited flow. A workover is currently planned
- Second exploration well for the year, Ahad-1, will spud in November
- Yari-1 exploration well to be drilled in early 2023 in southern area of Block 4, close to where Luja-1 was drilled
- Campaign of ~ 3,500 km² 3D seismic is progressing, to be completed in early 2023
- “Catch up programme” ongoing with drilling, workovers and production assurance initiatives
- A fourth drilling rig operational in Q3, enabling continued high pace of production drilling while retaining ability to drill exploration wells



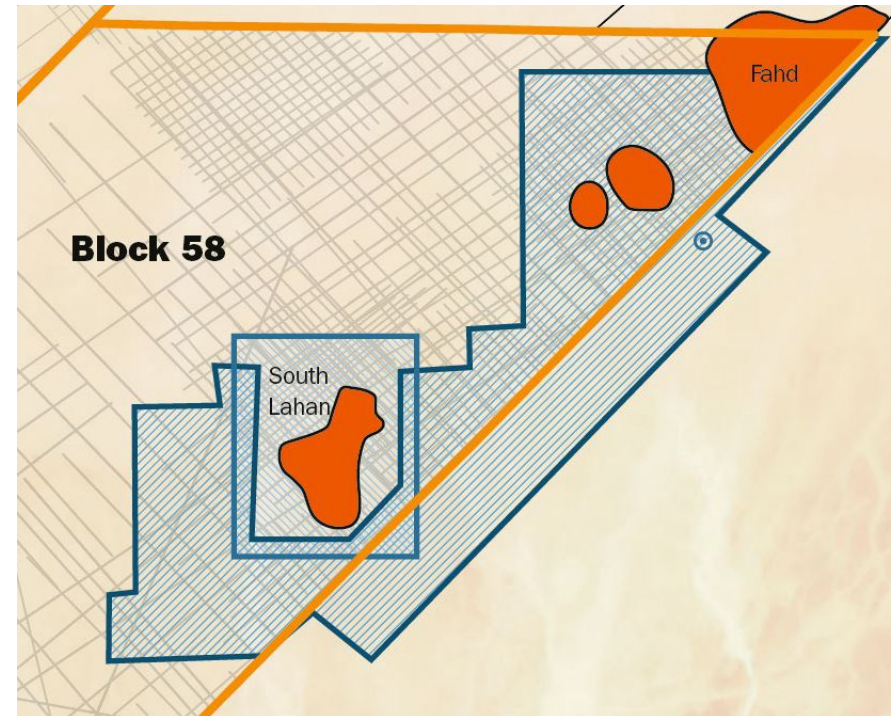
Block 58 prospect maturation

South Lahan

- Processing of the 450 km² 3D seismic in part completed with interpretation ongoing
- Upgraded view on the areas potential with several new leads identified
- The area also contains multiple leads from proven play concepts in production in surrounding areas
- Prospect maturation will start as the interpretation process continues

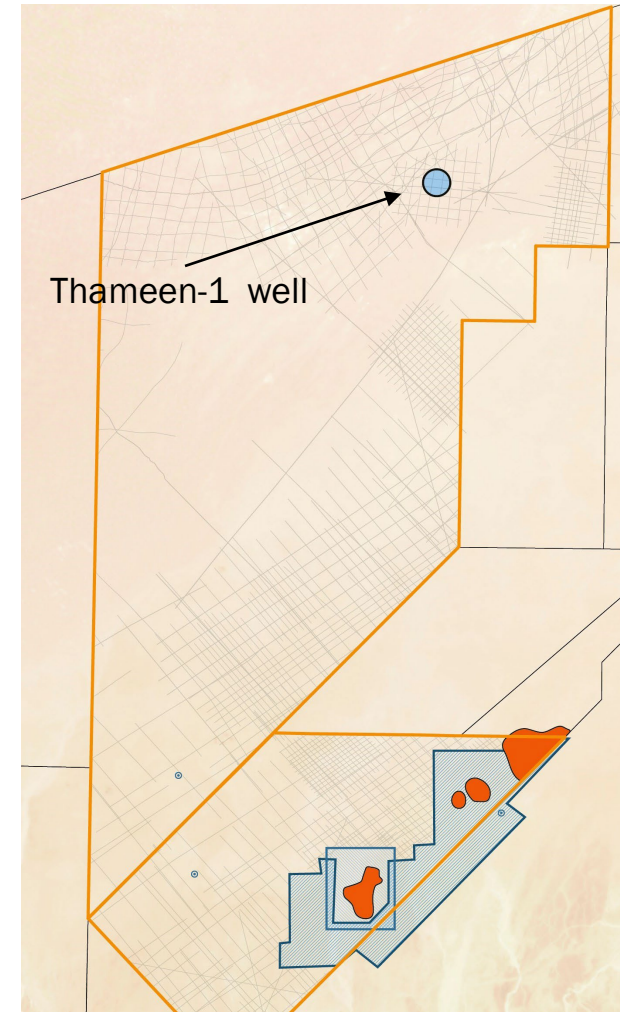
Fahd

- Upgraded understanding of Fahd play elements
- Prospect maturation ongoing
- Well design for a Fahd area prospect completed and other pre-drilling operations for a 2023 exploration well are progressing



Exploration activities on Block 49

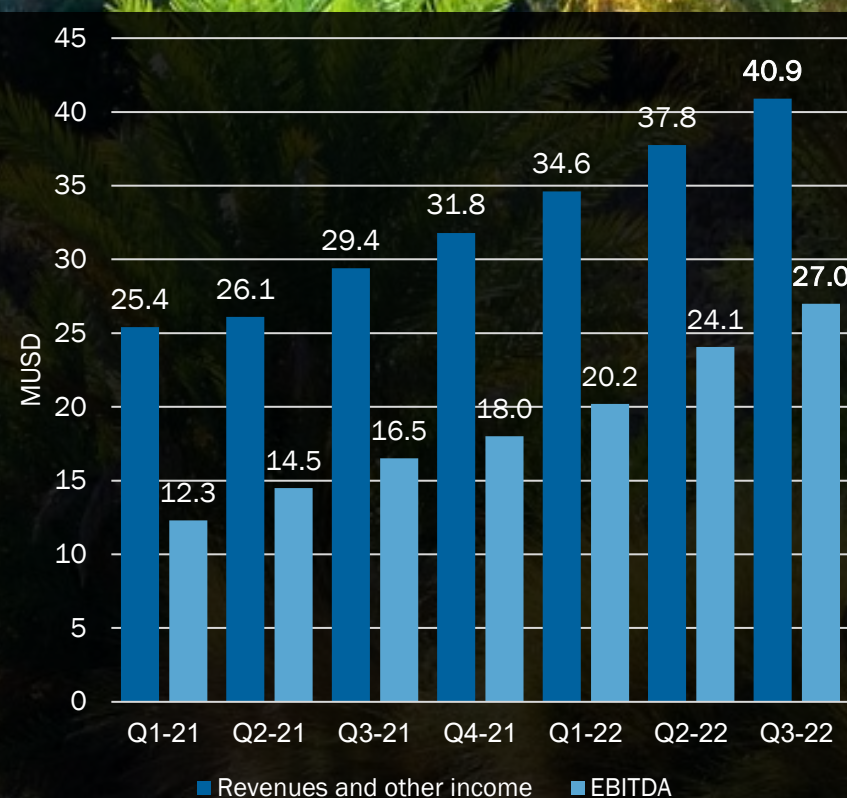
- Extension of the initial exploration phase until December 2023 has been granted
- Objective of extended work programme is to attempt to establish oil flows from the vertical hole from the tight Hasirah formation in the Thameen-1 well
 - To be achieved by a hydraulic fracking operation in 2023





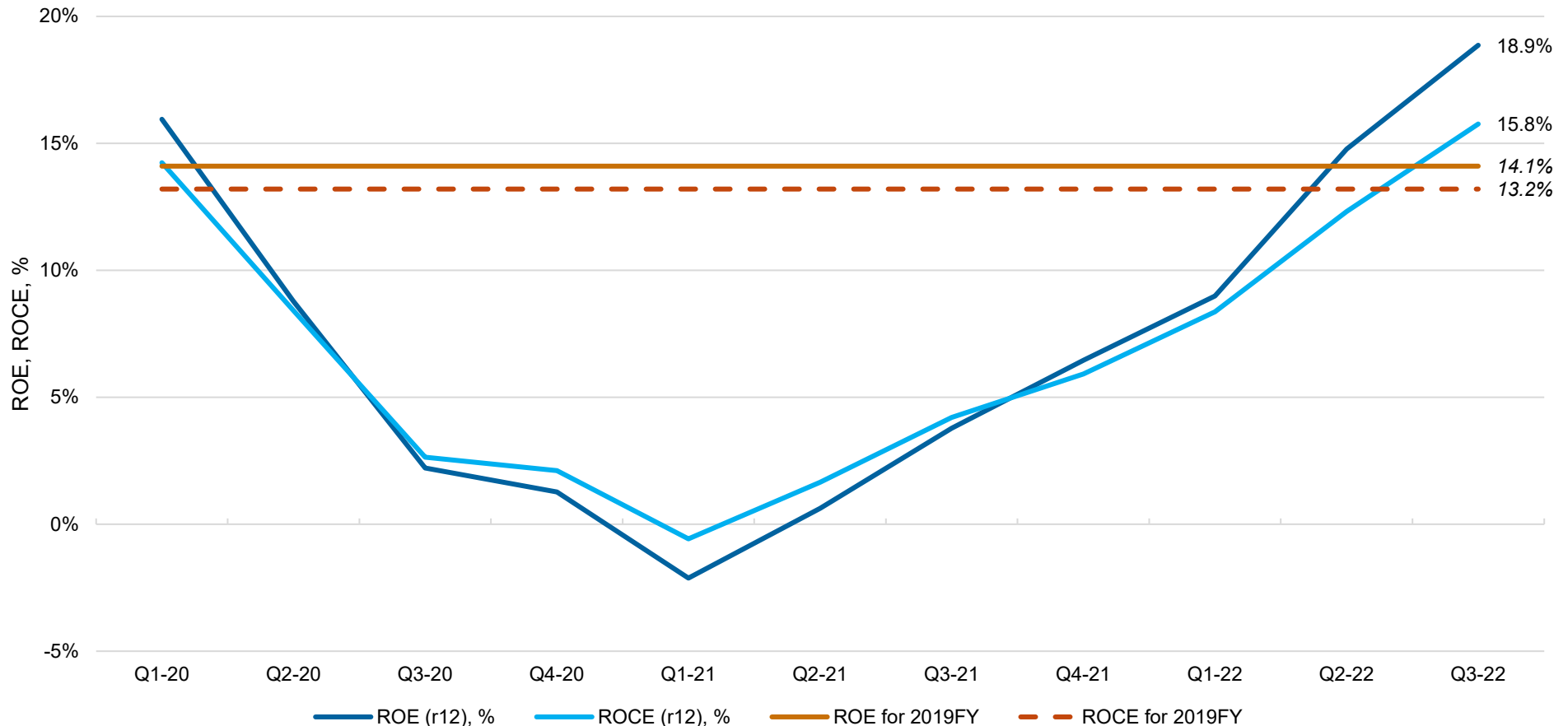
Financial highlights Q3 2022

- Achieved Oil Price USD 107.3 (100.1) per barrel
- Revenue and other income: MUSD 40.9 (37.8)
- EBITDA: MUSD 27.0 (24.1)
- Investments in oil & gas properties: MUSD 20.2 (19.7)
- Free Cash Flow MUSD 3.4 (7.1)
- Total shareholder distribution for 9M: MUSD 23.2
- Share buy-back AGM-to-date: 89,410 shares
- Net Cash MUSD 42.1 (40.2)



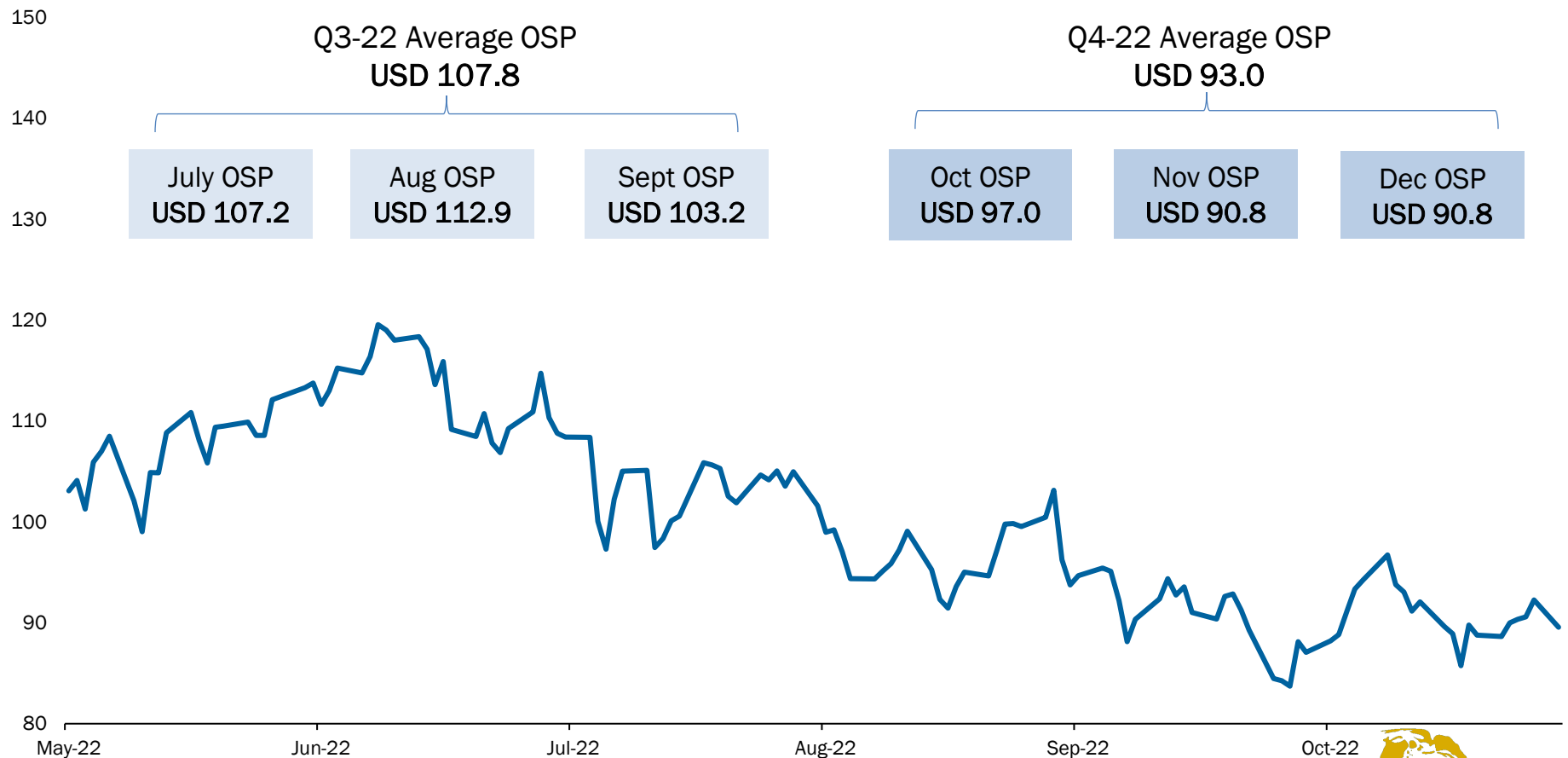
ROE and ROCE back at pre pandemic levels

- Rolling 12 months ROE and ROCE are at the highest level since 2019



Strong oil price environment in H2-2022

- Q3 Average OSP reflects the average of spot price in May-July 2022
- The Q4 average OSP points to 14% decline q/q, but still lands at USD 93.0, vs. USD 74.5 for Q4-2021
- Q3 Oman Blend-Brent average differential USD 0.9 per barrel (Q2: USD 4.0/barrel)

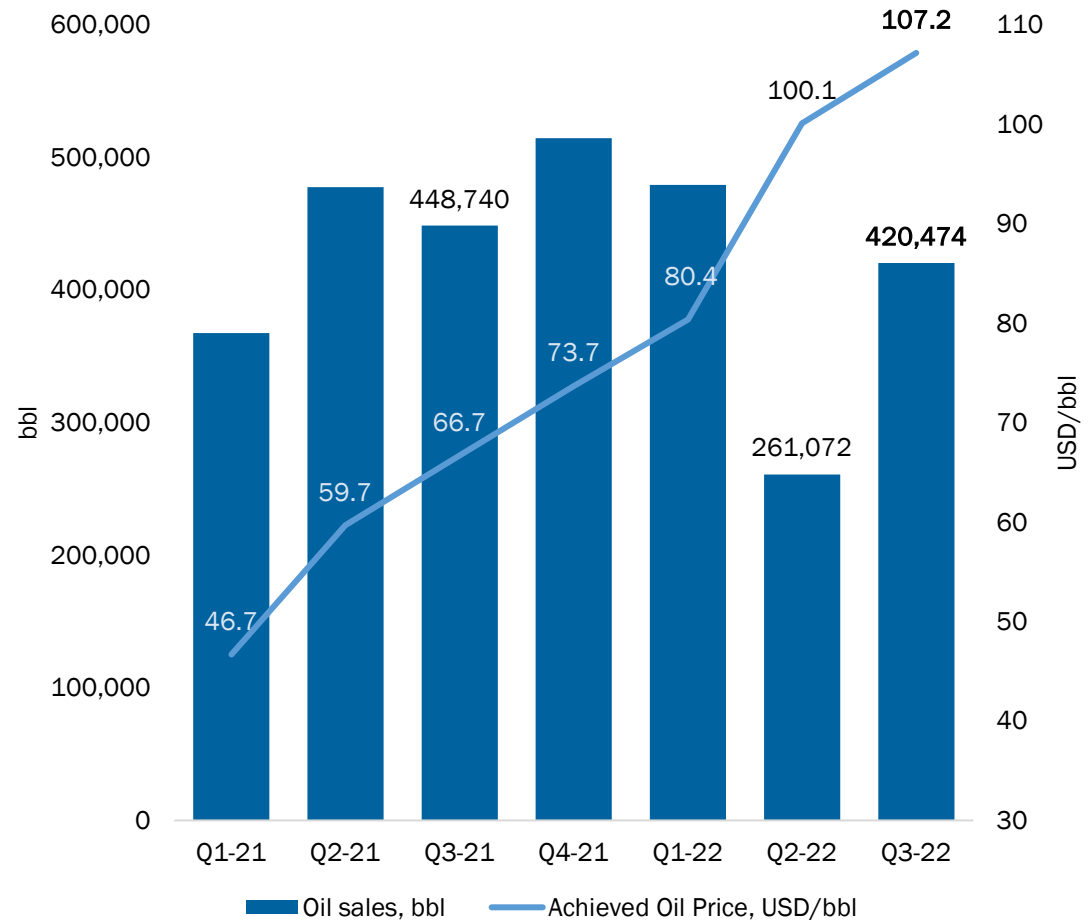


Third quarter 2022 – 8 November 2022



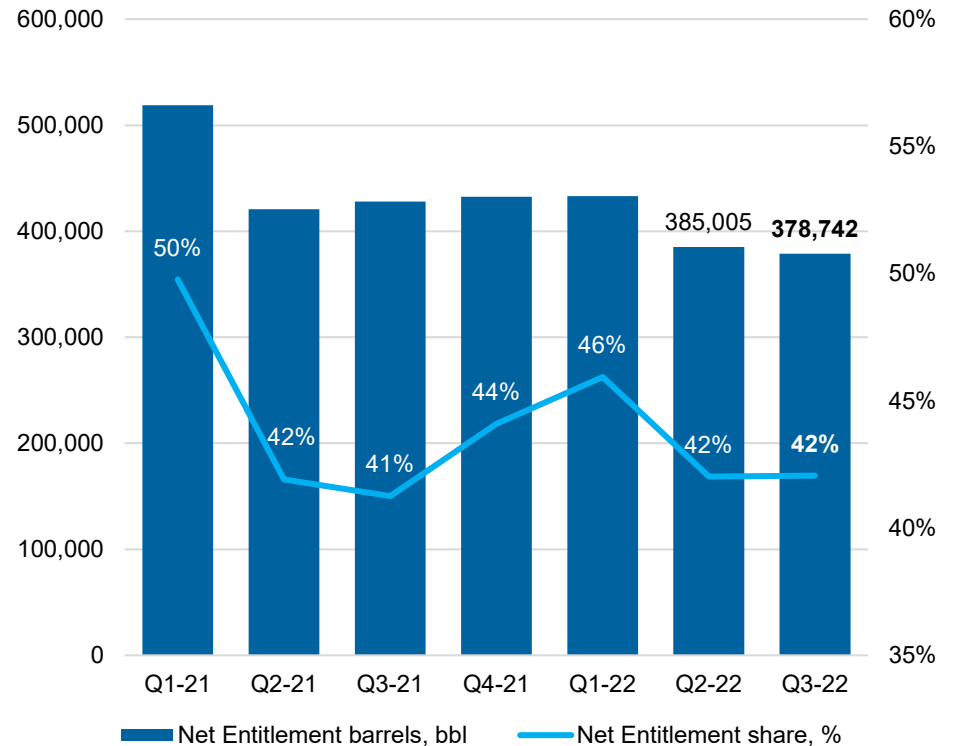
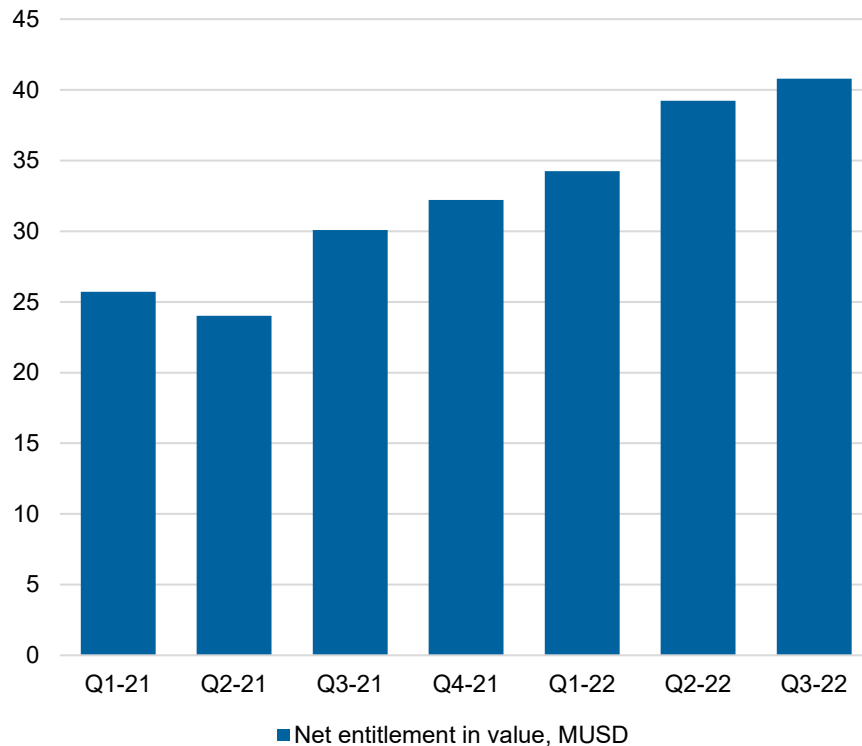
Strong oil sales with increased oil price

- Q3 oil sales of **420,474 barrels**, including June nomination of 94,497 barrels of oil
- **Overlift movement of 41,732 barrels** in Q3, resulting in reduced underlift position:
 - 23,841 barrels per end of September vs.
 - 65,573 barrels per end of June 2022
- Achieved oil price in Q3: **USD 107.2/bbl**



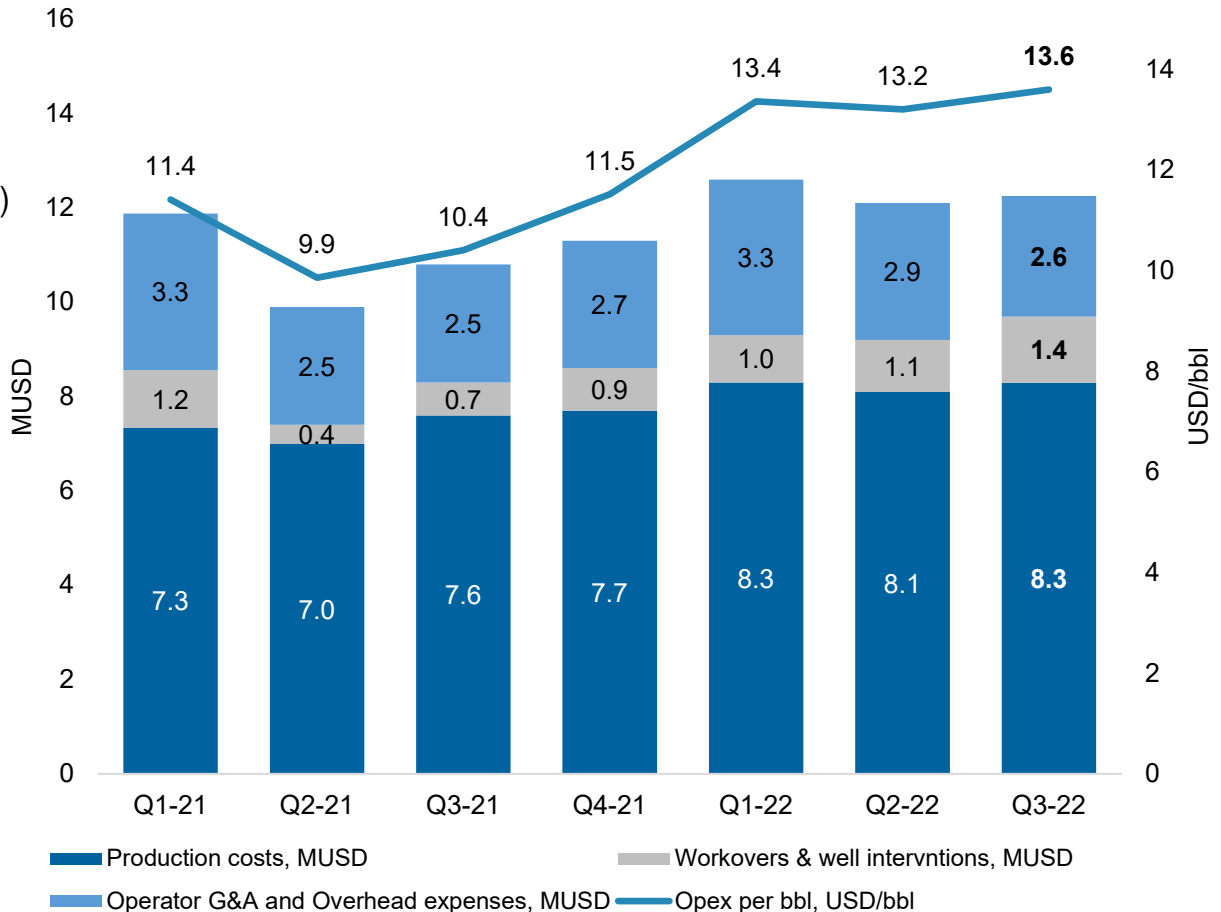
Entitlement value continues to increase

- Net Entitlement share of production stable at 42%, with higher recoverable costs offsetting effects of higher oil price
- Value of total entitlement increasing steadily driven by increase in Profit Oil



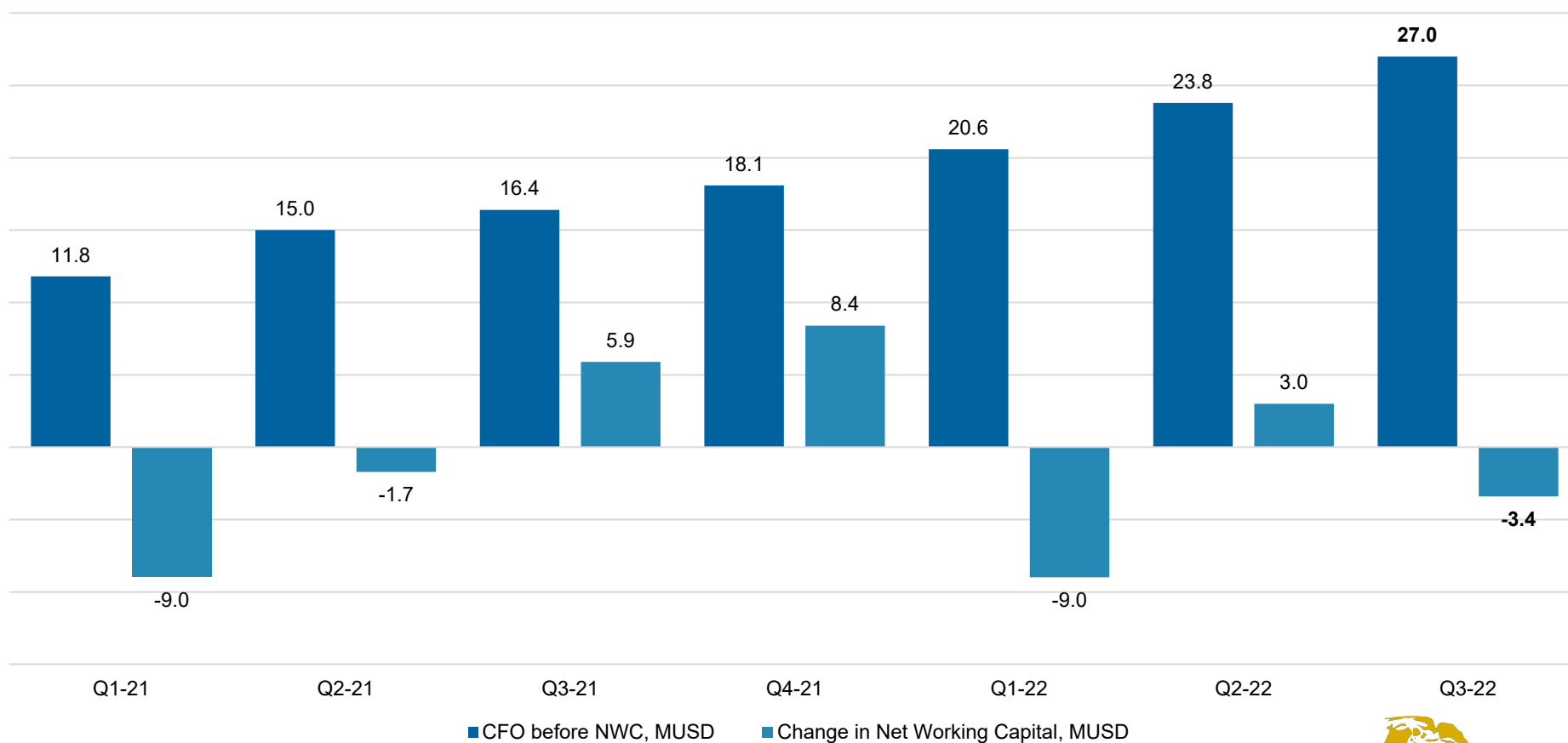
Opex per barrel impacted by lower production

- Opex stable: MUSD 12.3 vs. 12.1 in Q2
- Opex per barrel: USD 13.6/bbl,
- 2022 Guidance at 13.5 USD/bbl (+/- 0.5)
- Cost savings offset by higher energy costs



Strong momentum in cash flow from operations

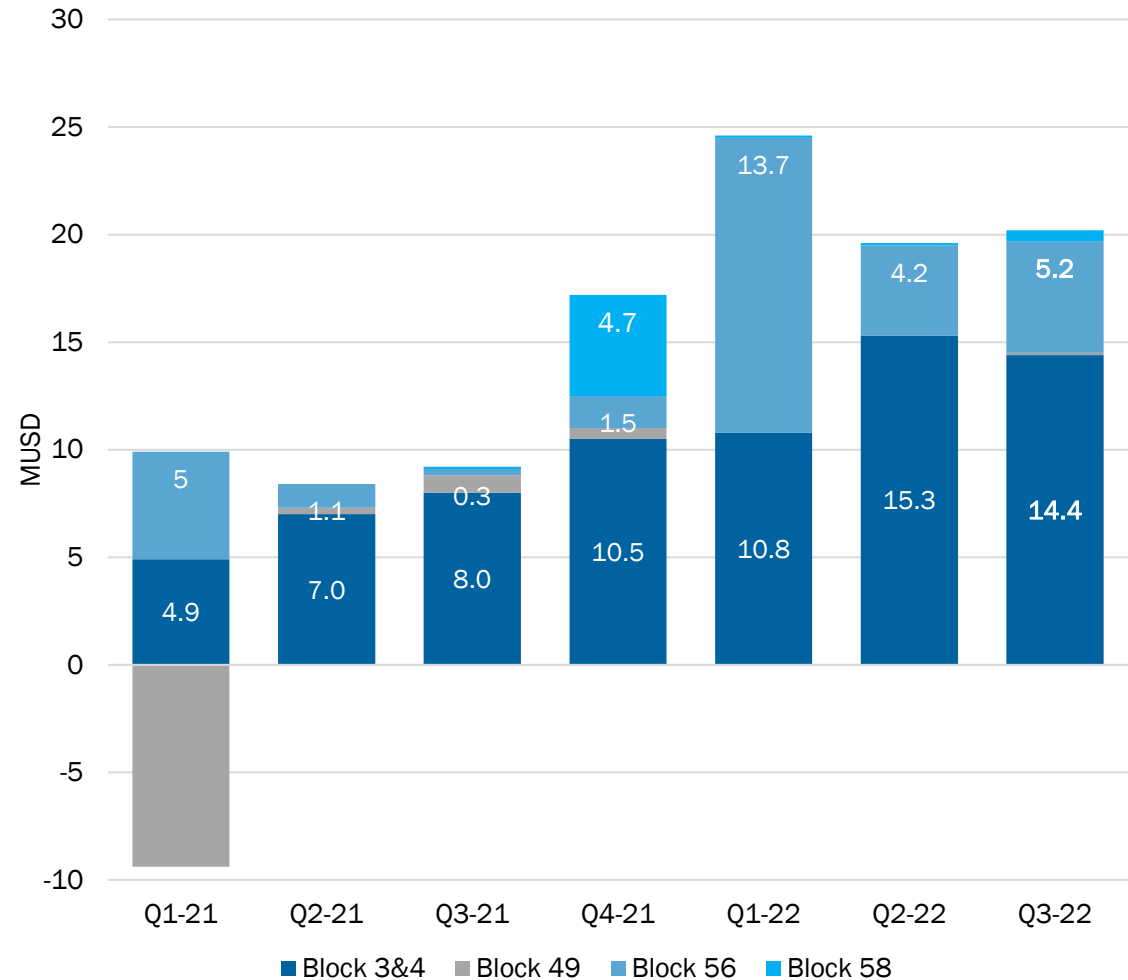
- Operating cash flow before changes in working capital steadily increasing,
- Negative change in working capital in Q3 is attributed mostly to the **increased trade receivables** coming from September lifting



Third quarter 2022 – 8 November 2022

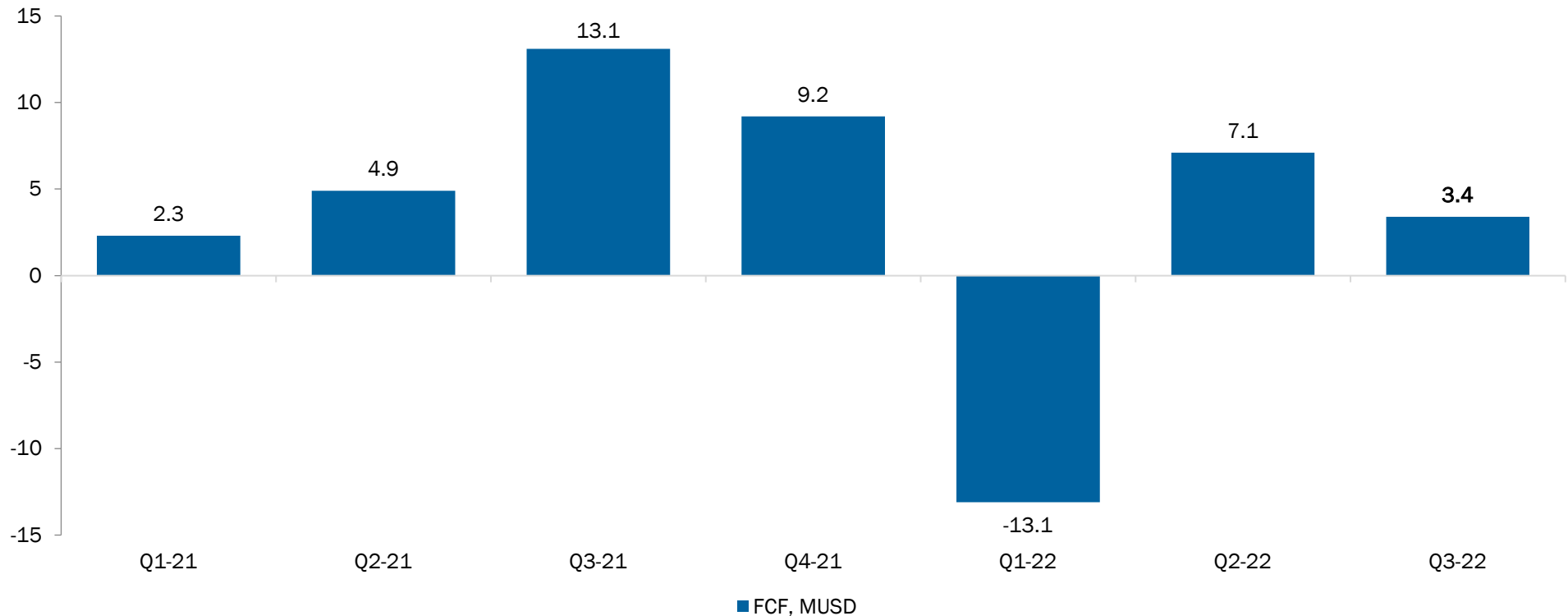
Investments reflect high exploration & drilling activity

- **Total investments** in Oil & Gas properties in Q3 amounted **MUSD 20.2** (Q2: MUSD 19.7)
 - Blocks 3&4 and Block 56 make up majority of capex
- Block 3&4 capex driven by increased seismic and drilling spend

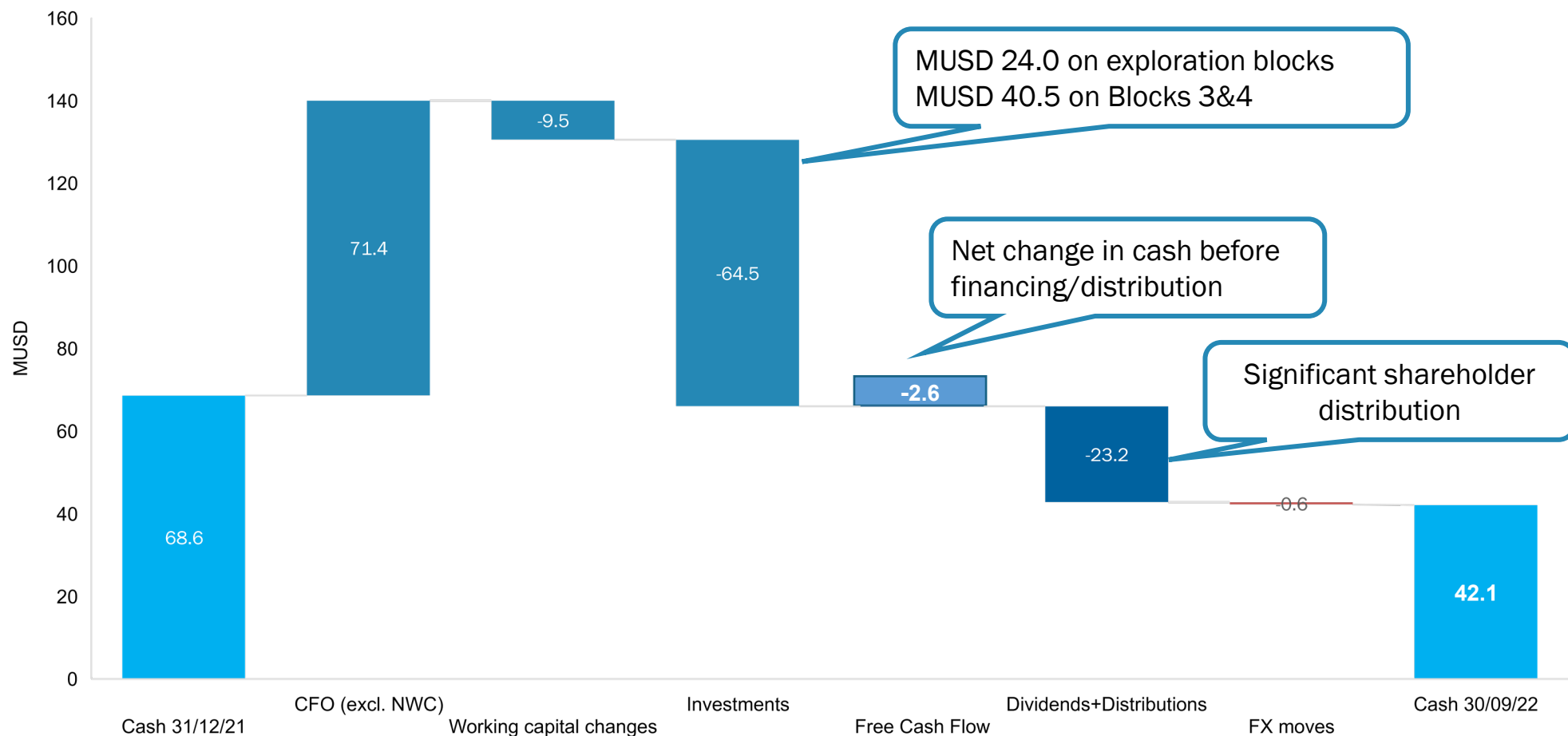


Free cash flow positive in Q3

- Free cash flow in Q3 of MUSD 3.4 (Q2: MUSD 7.1), driven by strong operational cash flow more than covering significant investments
- CAPEX program for 2022 is the largest since 2012
- Quarterly free cash flows fluctuate due to discretionary exploration investment spend and working capital volatility

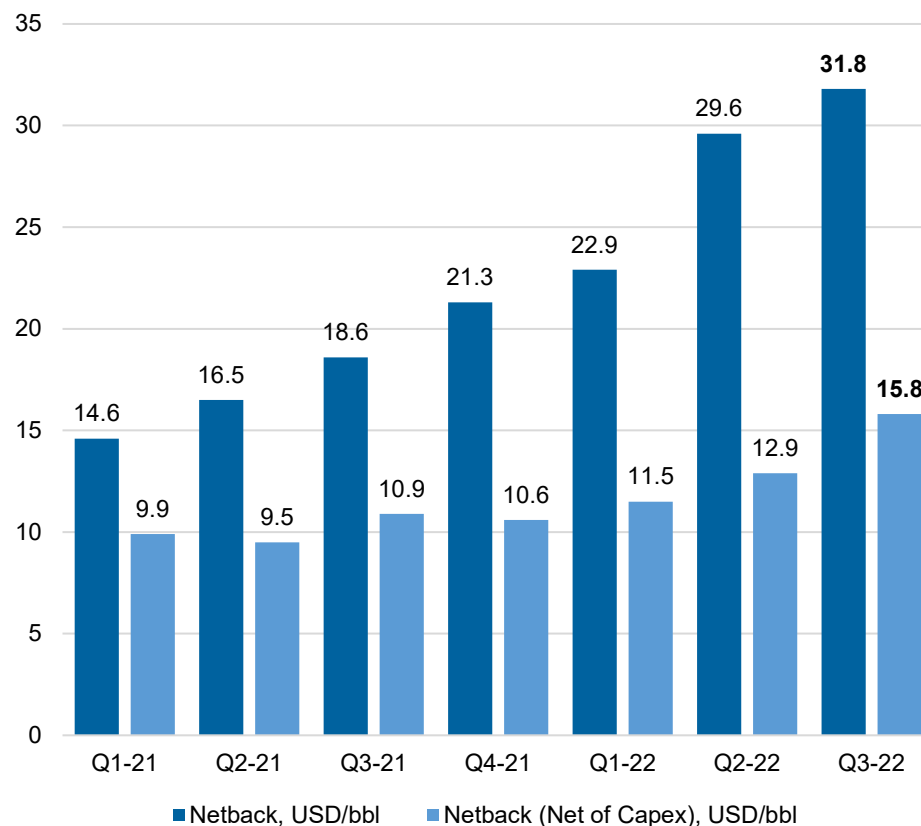
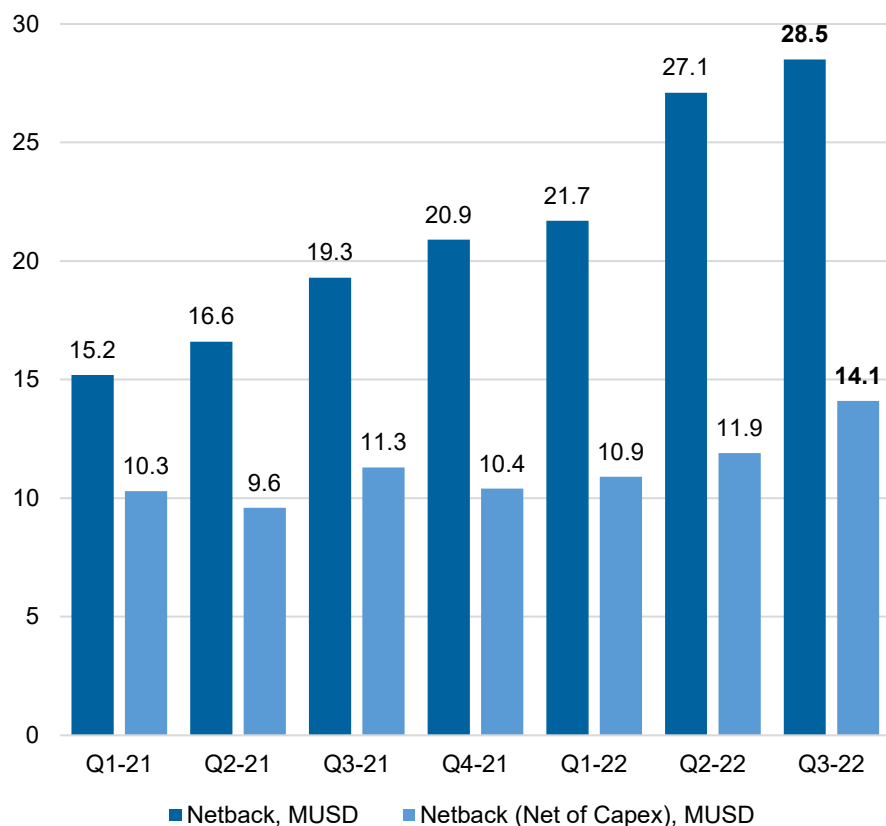


Cash flow year to date



Netback trend shows Blocks 3&4 profitability

- Strong trend in Netback
- Netback (net of capex) proxy for profit oil/free cash flow from Blocks 3&4

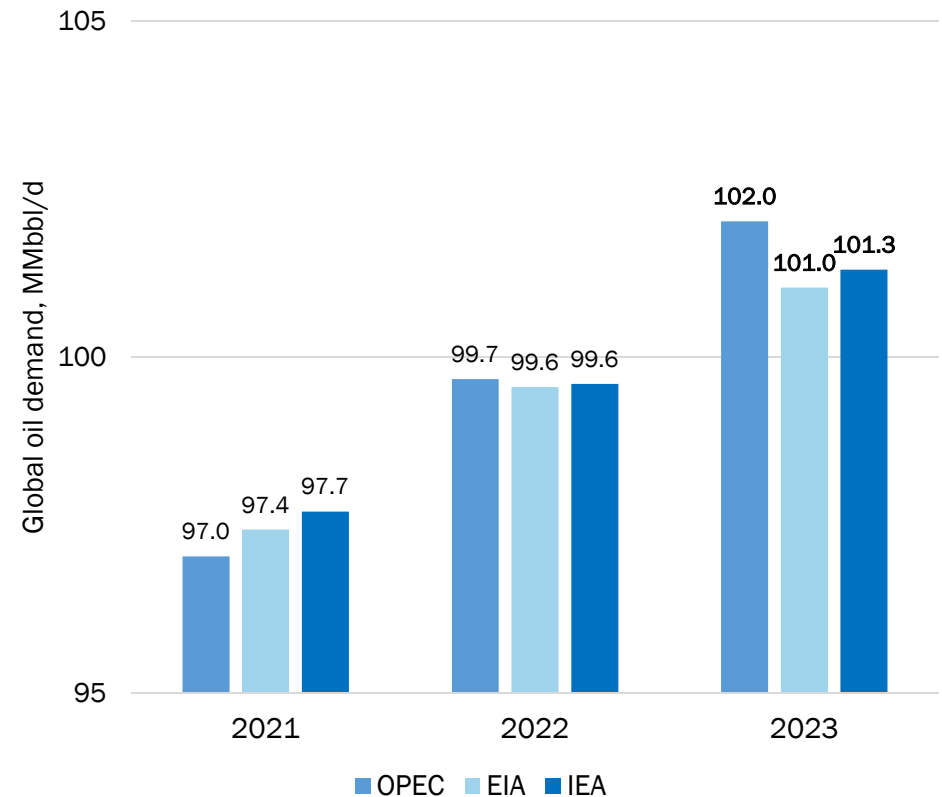
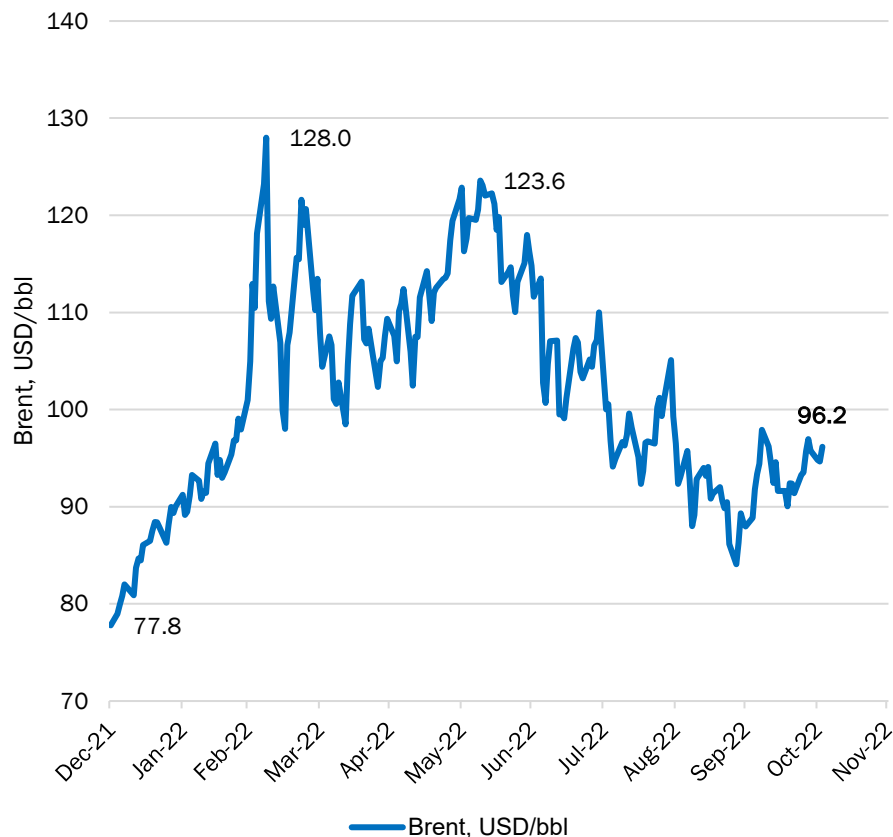


2022 Production guidance & work programme

- **Production for the full year 2022 expected to be 10,000 barrels of oil per day**
 - Previous guidance: 10,271 bopd for the full year 2022
- **Operating expenditures expected to be in the USD 13.5 (+/- 0.5) per barrel range for the full year**
 - Previously USD 13.0 (+/- 0.5)
- **The 2022 work programme & budget targeted investments for a total of MUSD 84, compared to the previous target of MUSD 87**
 - Overall decrease following lower than budgeted spending in the first nine months and prolonged lead times pushing some activities to 2023
 - Investments will be financed by the company's cash flow from operations and available cash

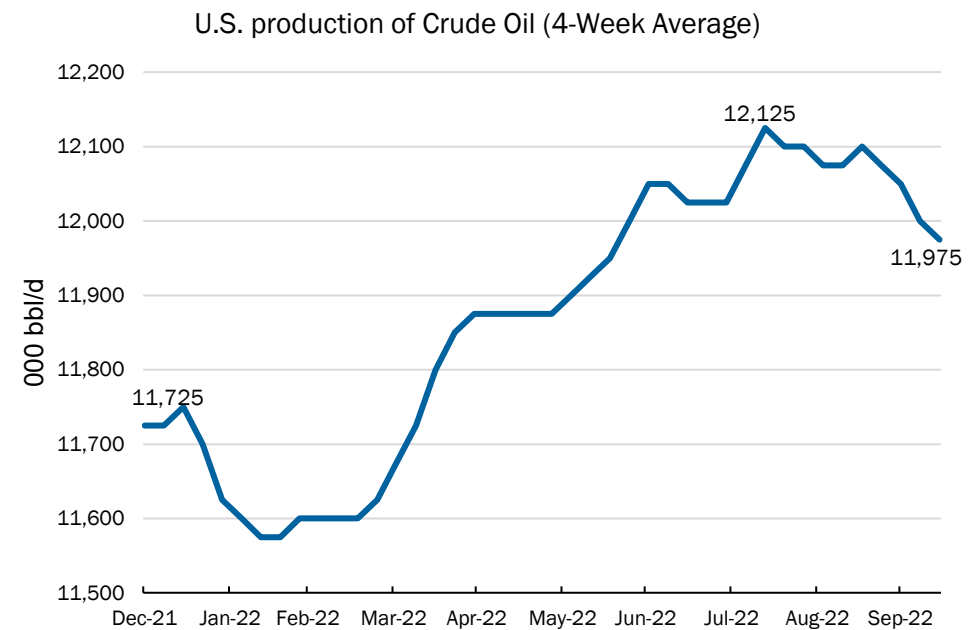
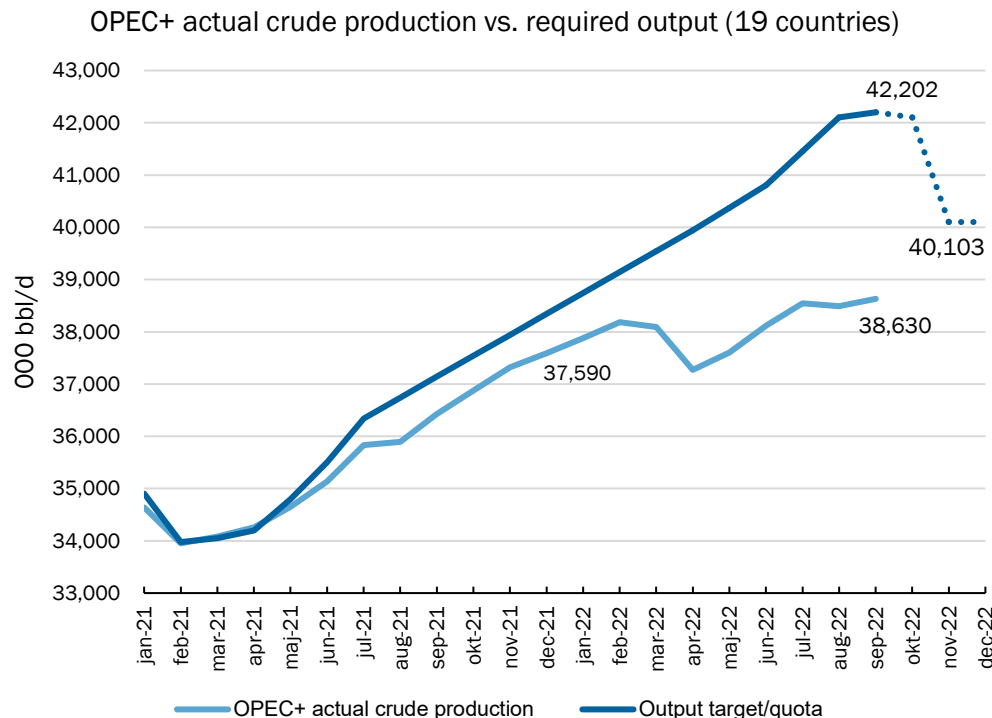
Solid oil demand projected despite recession concerns

- Oil price is still at elevated levels: despite correction since the beginning of June, Brent is up +24% YTD
- Major institutions (OPEC/EIA/IEA) expect **solid growth of global oil demand** in 2023, despite the recession fears
 - The growth range of MM bopd 1.5-2.3 is expected for 2023, bringing the daily demand to the range of MM bopd 101 - 102



Supply: limited response to higher oil prices

- Supply growth has been limited so far in 2022
 - OPEC+ delivered “only” MM bopd 1.0 of supply increase YTD, while production of crude oil in the US advanced by only MM bopd 0.25 YTD
- 2023 looks tight as well...
 - OPEC+ agreed on the pre-emptive cut of required production by MM bopd 2.0 until December 2023, to MM bopd 40.1





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Outlook and summary

Q3 2022

- The extended well test on the Al Jumud discovery on Block 56 will look to establish resource volumes, production capacity and commerciality
- 2022 has seen “peak” exploration spend - big ticket exploration investments such as 3D seismic on Block 56 & 58 completed
- Stage is set for high impact drilling on both Block 56 and 58 during 2023
- Fourth drilling rig operational on Blocks 3&4 and 11 new wells expected to be drilled in Q4 – targeting a production turnaround in 2023
- High equity interests in exploration blocks - opportunity to capture material value
- Solid financials and cash flow generation gives flexibility for future plans



TETHYS OIL Thank you for your time

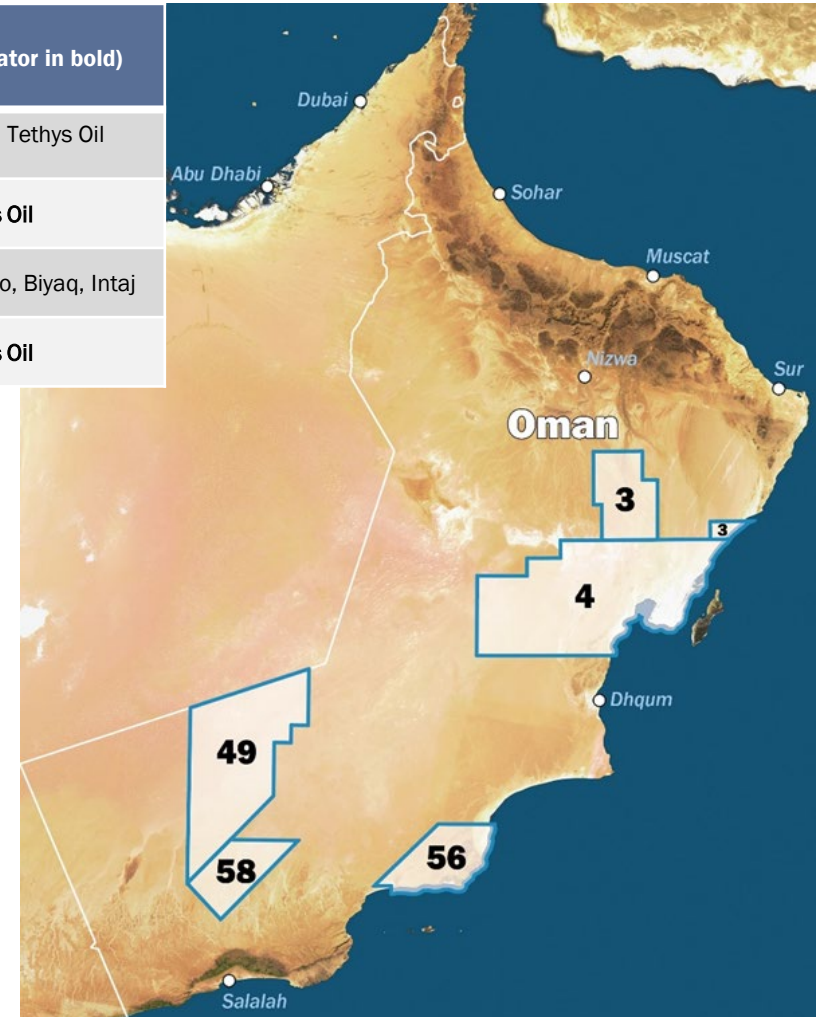
Financial Calendar 2022-2023

- Report for fourth quarter 2022 (January–December 2022)
on 7 February 2023
- Report for the first quarter 2023 (January – March 2023)
on 9 May 2023
- The Annual General Meeting is to be held in Stockholm
on 10 May 2023
- Report for the second quarter 2023 (January – June 2023)
on 8 August 2023
- Report for the third quarter 2023 (January – September 2023)
on 7 November 2023

Project overview

EPSA/Licences (operated Blocks in bold)	Working Interest %	Award/ Acquisition	Phase	Expiry	Partners (operator in bold)
Blocks 3&4	30%	2007	Production	2040	CCED , Mitsui, Tethys Oil
Block 49	100%	2017	1st exploration	2023	Tethys Oil
Block 56	65%	2019	2nd exploration	2023	Tethys Oil , Medco, Biyaq, Intaj
Block 58	100%	2020	1st exploration	2023	Tethys Oil

- Blocks 3&4: Has produced more than 120 million barrels (gross) since 2010 with substantial continued potential
- Block 56: A promising blend of exploration and appraisal opportunities in both the Al Jumd and Central areas, the focus for Tethys Oil's main exploration activities in 2022
- Block 58: A high-potential exploration Block with two main areas of interest; Fahd and South Lahan. First exploration drilling is planned for 2023
- Block 49: Tethys Oil drilled the Thameen-1 exploration well on the Block in 2021 and is currently attempting to establish oil flows from the Hasirah formation



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