



Tethys Oil
Q1 2021
11 May 2021



Q1-21 Highlights

**11,585
bopd**
Production

Block 49
Thameen-1
well
successfully
drilled

Thameen-1
Logs indicate
40m gross
hydrocarbon
column

Block 56
Farmin
completed,
drilling
preparations
ongoing

Block 49
Farmout
transaction to
EOG
completed

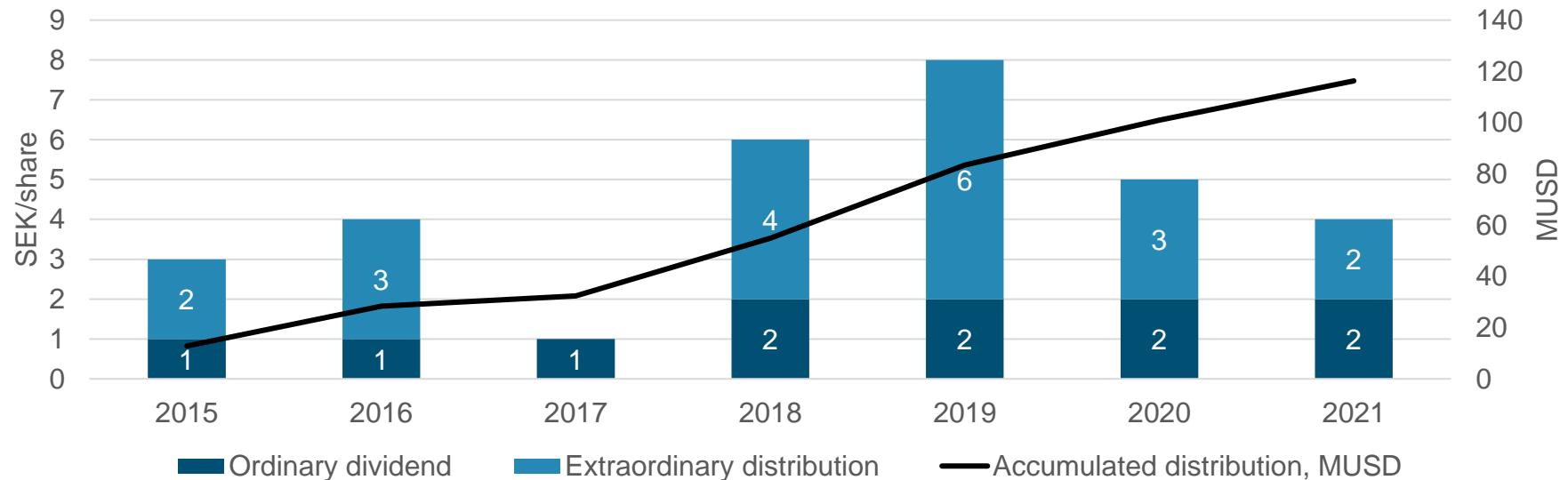
**SEK 2+2
per share**
Distribution to
shareholders

Q1-21 Financial highlights

	Q1-21	Q4-20	Q1-20	FY-20
Revenue and other income, MUSD	25.4	22.3	37.3	101.1
EBITDA, MUSD	12.3	10.2	21.9	50.4
Operating result, MUSD	1.7	-0.7	9.2	5.8
Free cash flow, MUSD	2.3	9.0	9.2	6.7
Achieved selling price, USD/bbl	46.7	42.3	63.1	47.7
Opex, USD/bbl	11.4	9.8	9.5	10.5
Ave. daily production, bbl	11,585	11,072	13,032	11,336

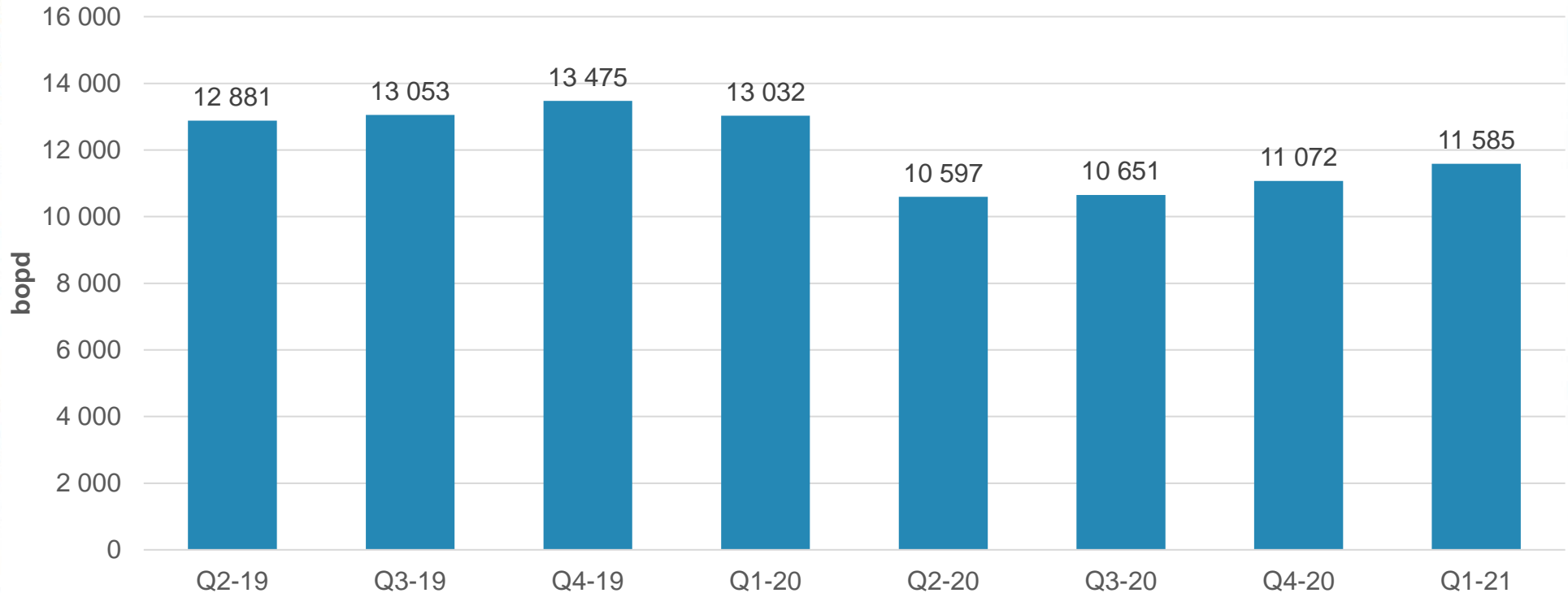
- Production of 11,585 bopd, up 5% from Q4-20
- Revenue and other income of MUSD 25.4, up 14% from Q4-20
- EBITDA at MUSD 12.3, up 21% from Q4-20

Distributions to shareholders continues



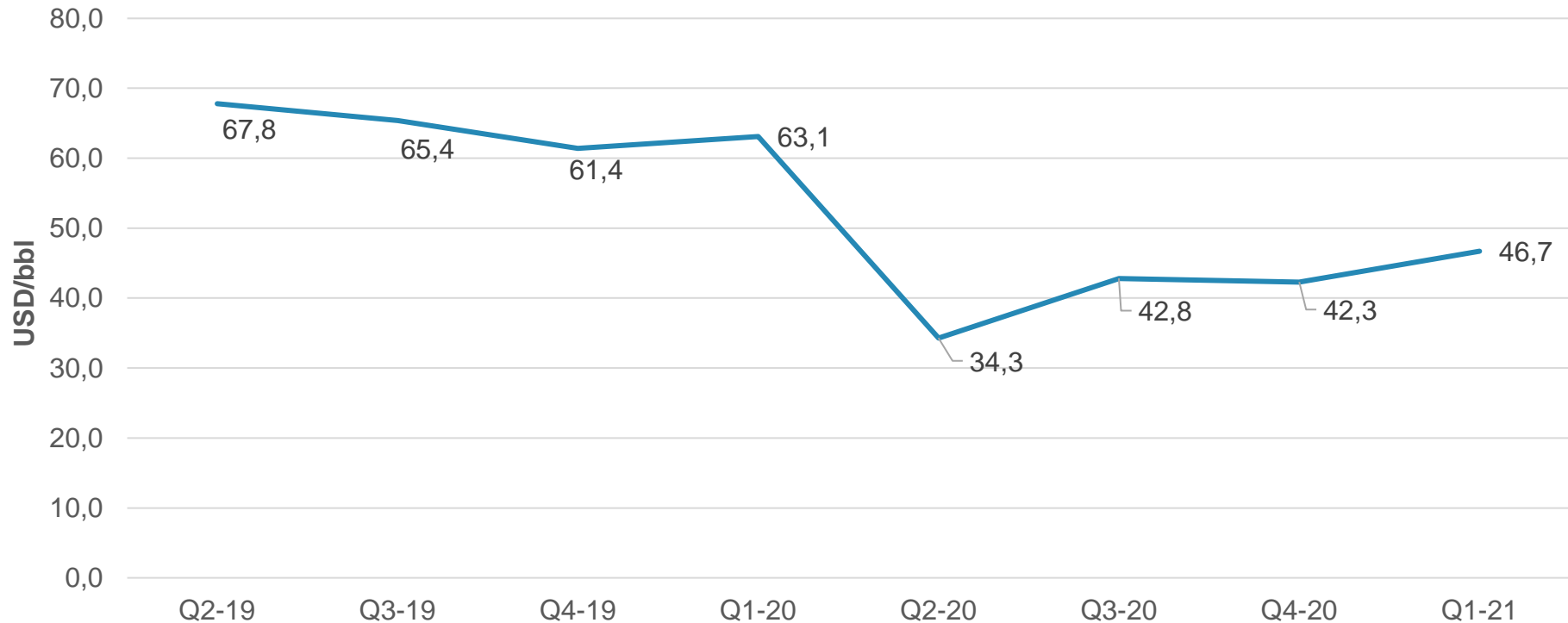
- The board of directors proposes an ordinary dividend of SEK 2.00 per share (2020: SEK 2.00), to be paid after AGM 2021
- The board of directors proposes an extraordinary distribution of SEK 2.00 by way of a mandatory share redemption programme following 2021 AGM (2020: SEK 3.00)
- Tethys Oil has distributed more than MUSD 100 to the shareholders 2015-2020
- Tethys Oil has since 2014 repurchased shares for more than MUSD 20

Production, Blocks 3&4



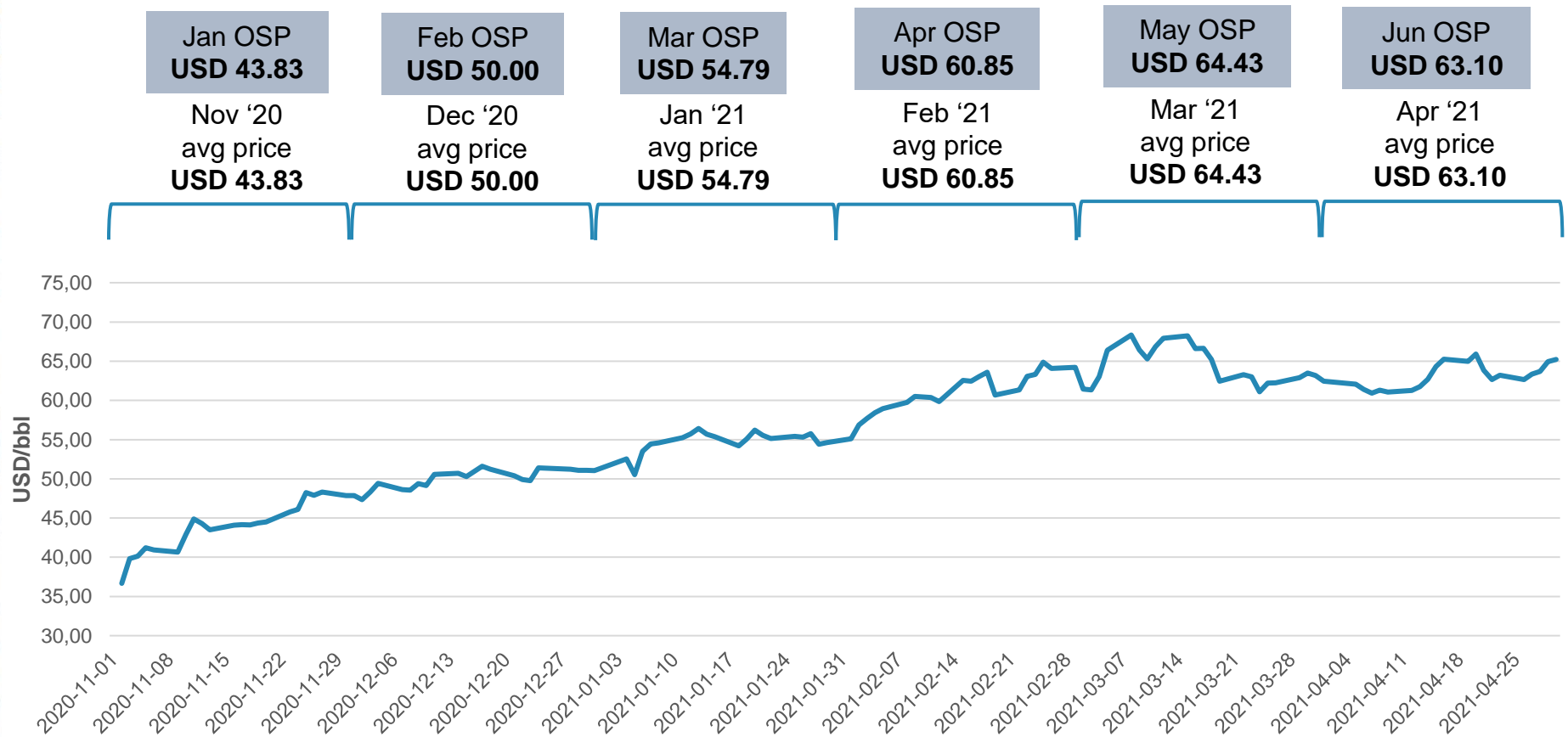
- Oman oil production subject to production limitations under OPEC+. Blocks 3&4 subject to limitations since May
- Average daily production of 11,585 bopd, up 5% from 11,072 bopd in Q4-20

Achieved price per barrel



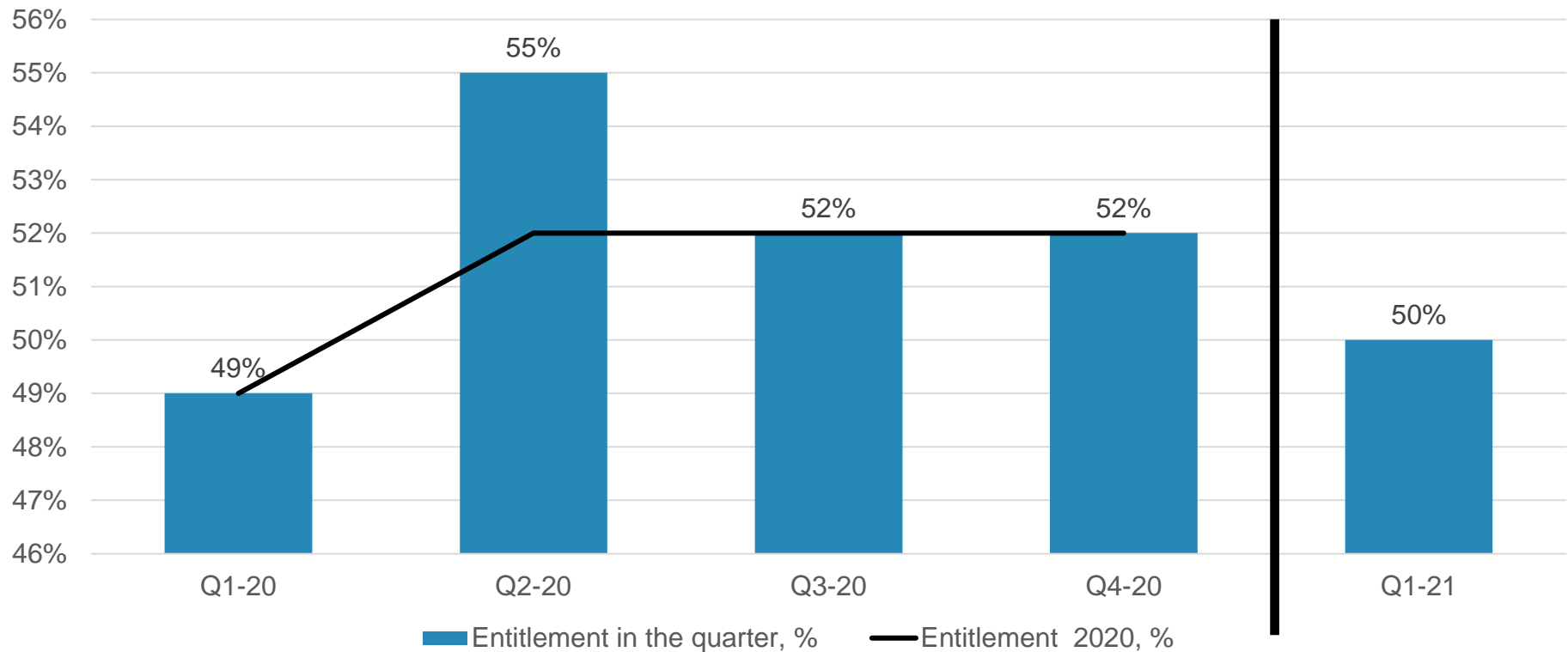
- Achieved price up 10% to USD 46.7/bbl, (Q4-20:USD 42.3/bbl)
- Achieved price is calculated based on revenue (before over/underlift adjustment) and reflects January & February pricing, is USD 2.7/bbl lower than if the March lifting had been included
- 2-month lag in the calculation of the OSP - USD 60+ price level to impact starting Q2

Official Selling Price (OSP)



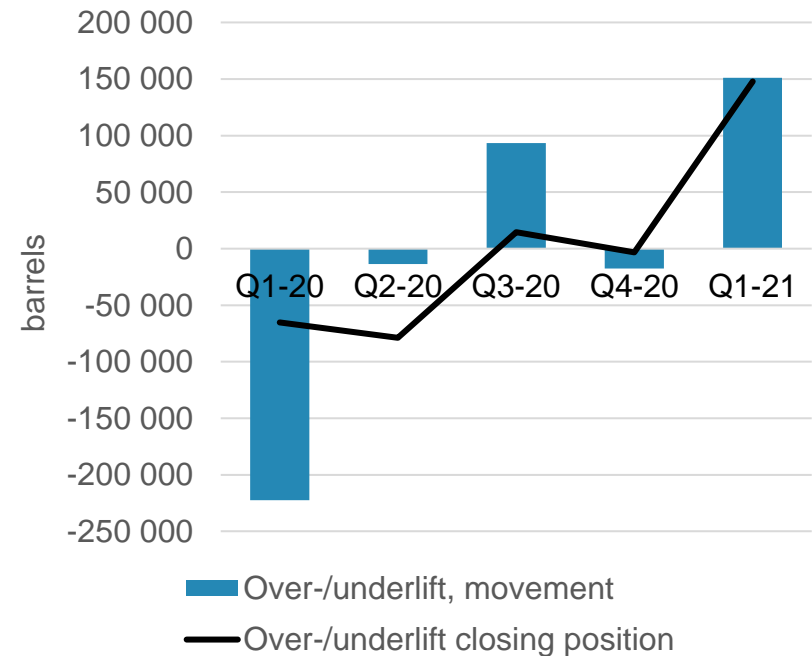
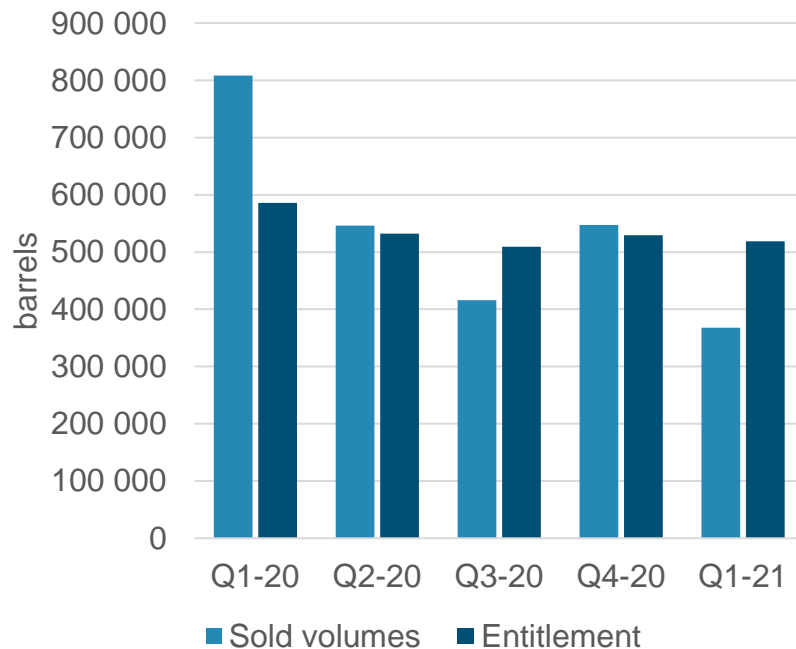
- The OSP is calculated from the average price of the front month contract for Oman export blend as traded on the Dubai Mercantile Exchange
- Q2-21 unweighted average OSP at USD 63/bbl

Net entitlement



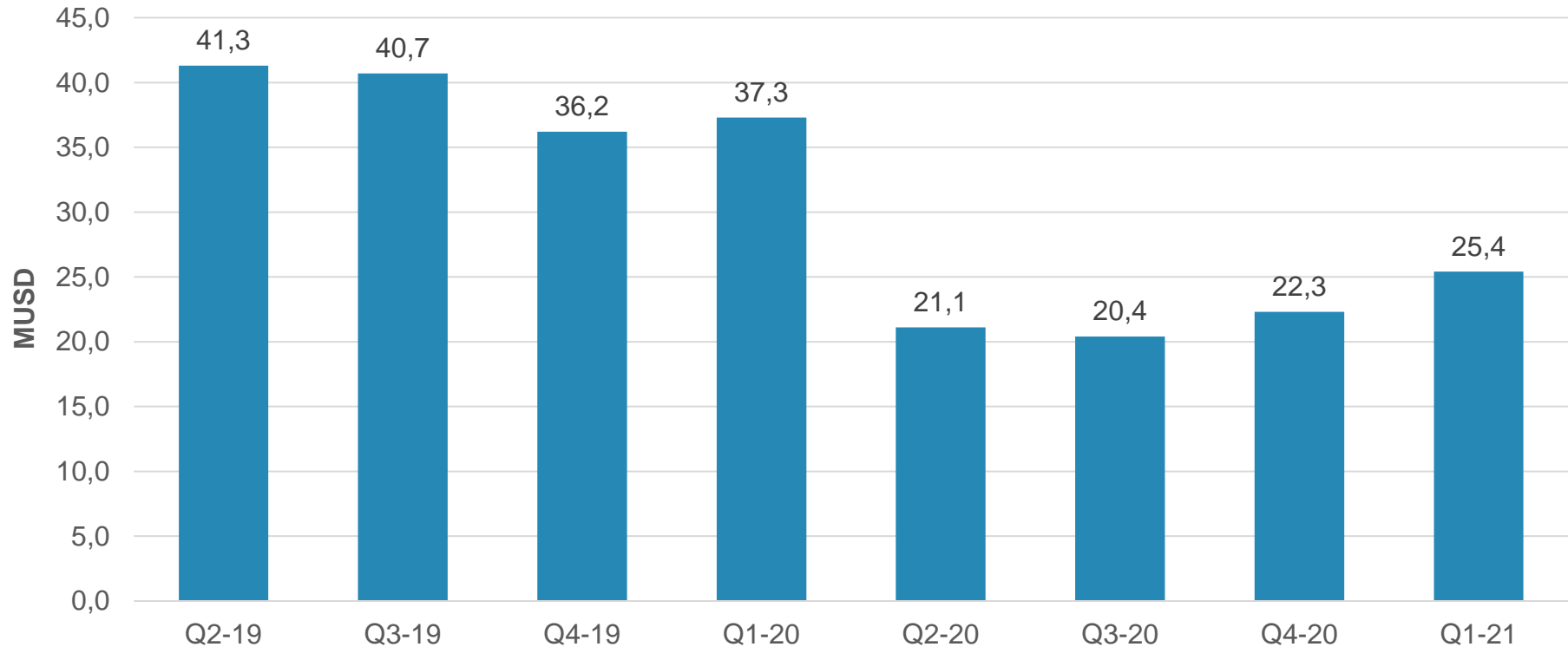
- Un-utilised entitlement (yearly cost oil allowance) can be carried forward later in the year – but not between years.
- Cost pool carried forward until fully depleted
- Full year entitlement can never exceed 52%

Over/underlift



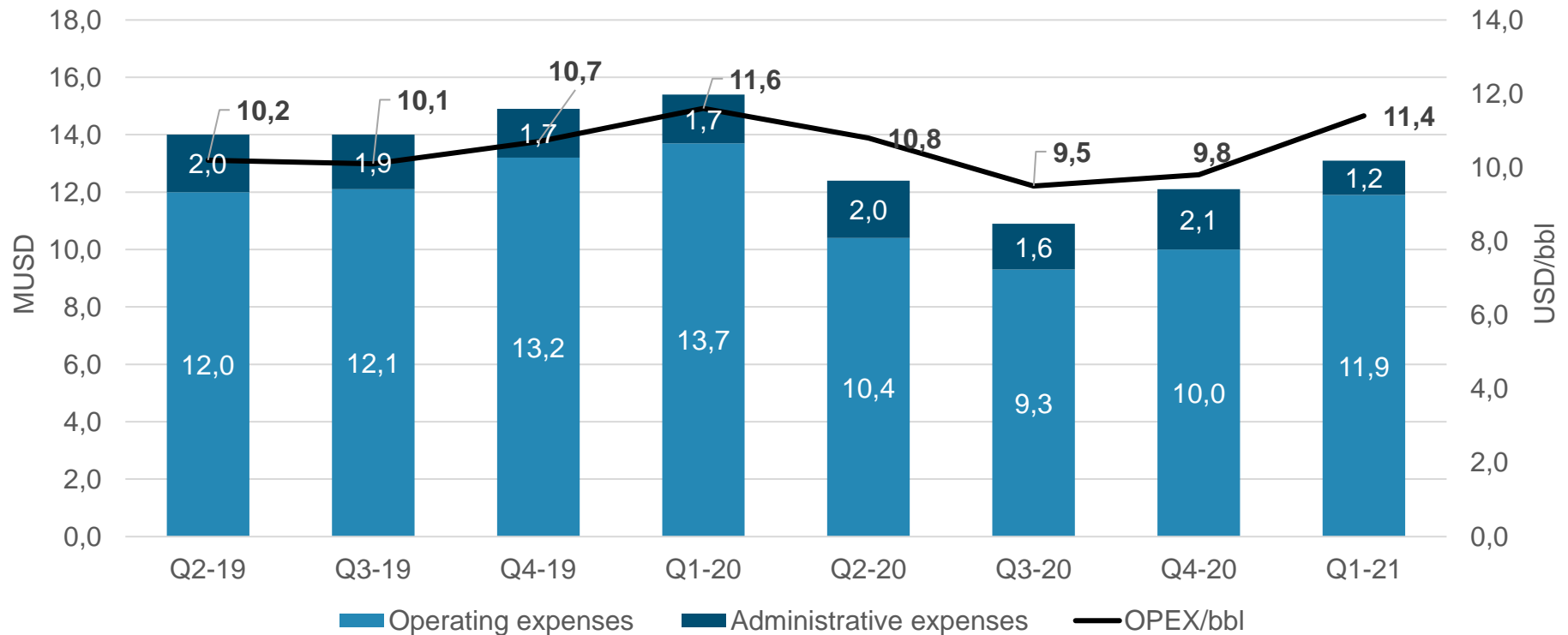
- Liftings nominated 2-3 months ahead of time resulting in potential over/underlift
- Tethys Oil is contractually obliged to hold a neutral over/underlift position over time
- March-21 oil nomination of 189,871 barrels was lifted in April due to logistical reasons
- Underlift position of 148,000 barrels at the end of Q1-21

Revenue and other income



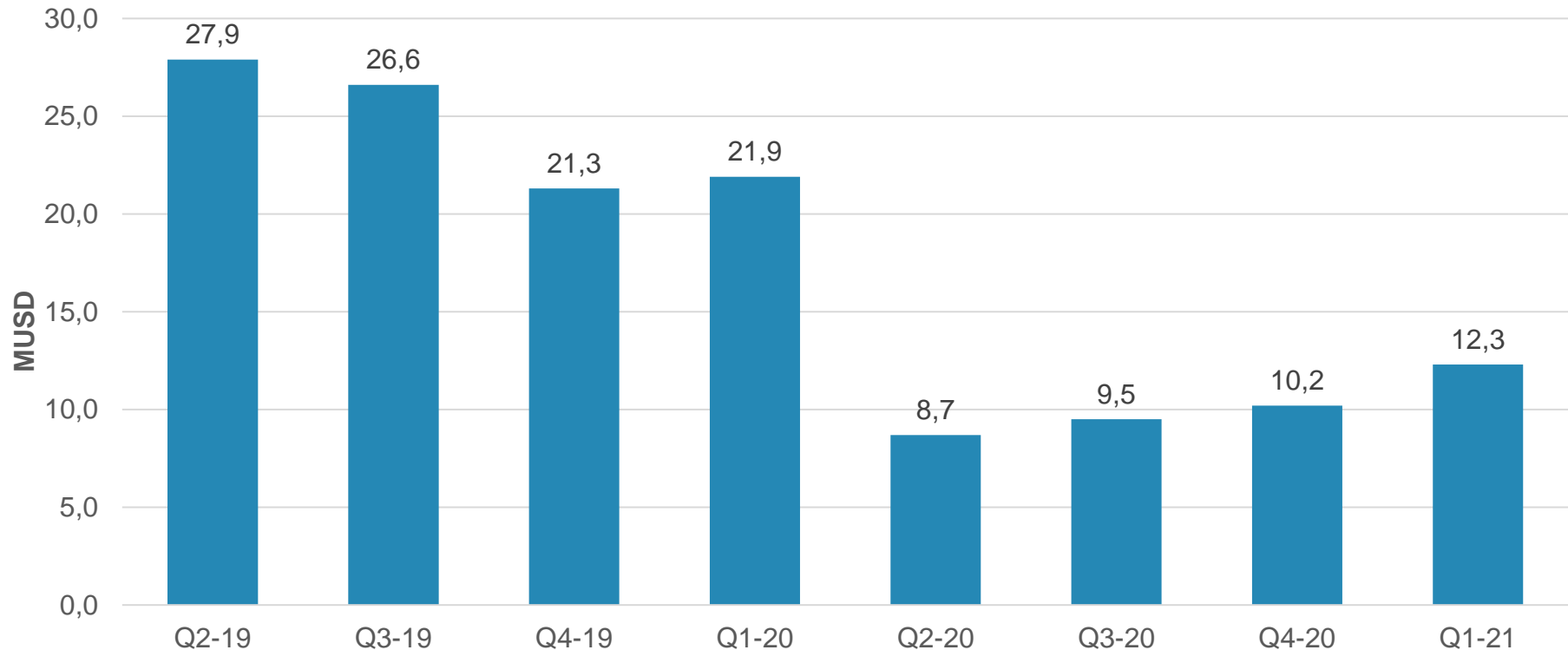
- Q1-21 Revenue and other income amounted to MUSD 25.4, up 14% compared with Q4-20 is a result of the higher achieved oil price offsetting a lower net entitlement

Expenses



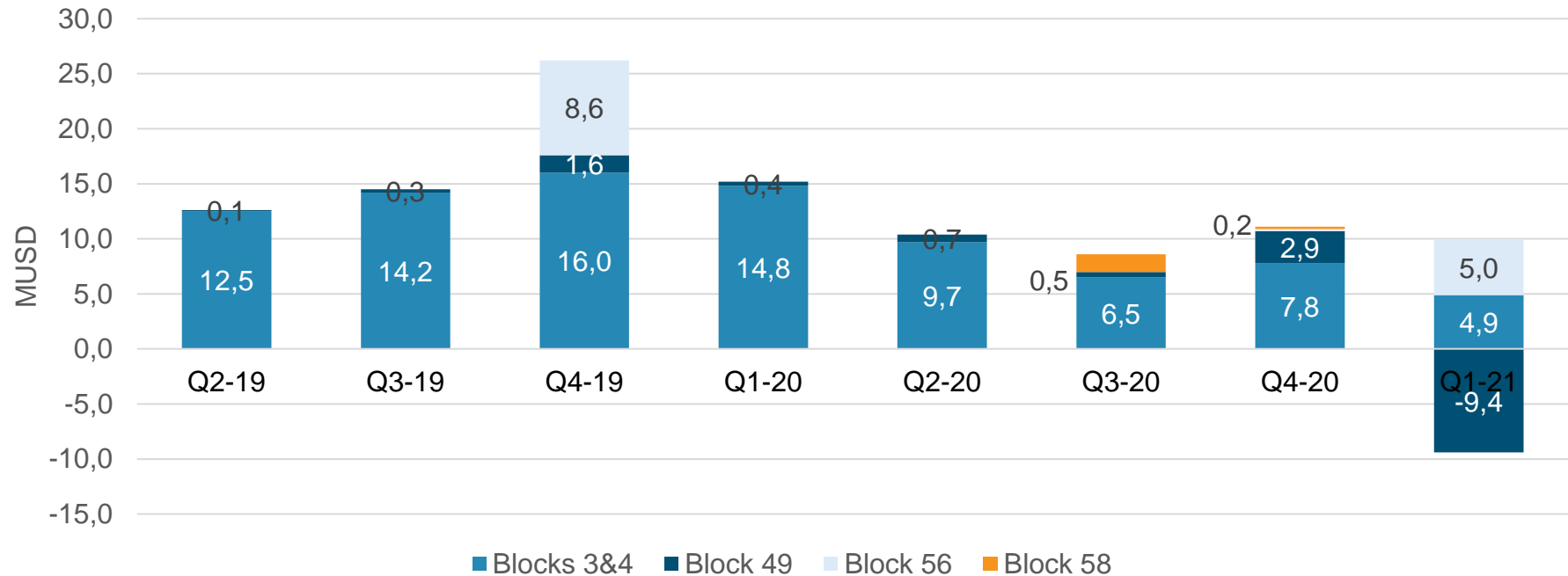
- Opex in Q1-21 amounted to MUSD 11.9 up 19% compared to MUSD 10.0 in Q4-20. Higher opex as a result of increased production as higher cost wells that were shut in for a period in 2020 were brought back online
- Admin costs in Q1 were lower compared to Q4-20 mainly due reversal of accruals for the annual variable compensation

EBITDA



- EBITDA of MUSD 12.3 in Q1-21, up 21% compared with Q4-20
- EBITDA margin of 48% in Q1-21, compared with 46% in Q4-20
- The increased Revenue and other income more than offset the increased operating expenses

Investments in Oil and Gas assets

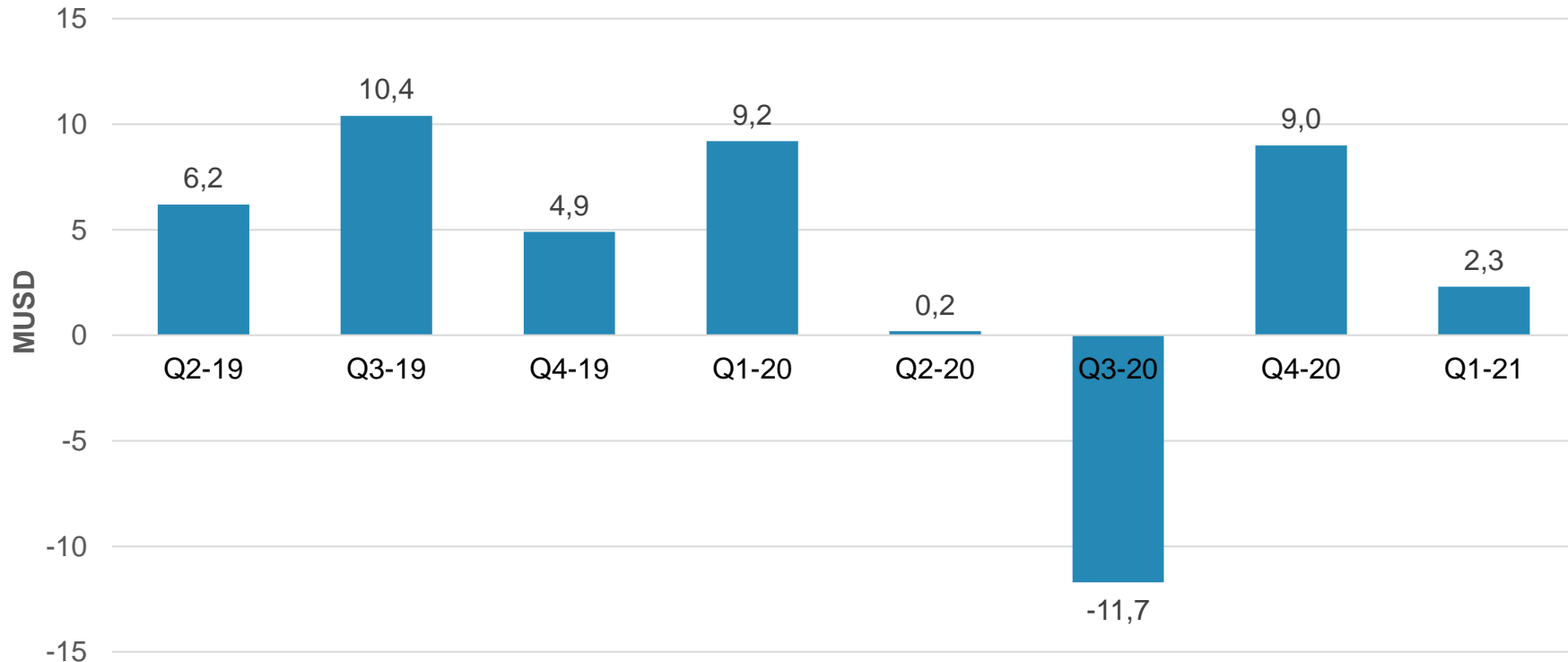


Investments in Oil and Gas assets Q1-21:

- Blocks 3&4 – MUSD 4.9 (MUSD 7.8 in Q4-20)
- Block 49 - MUSD -9.4 (MUSD 2.9 in Q4-20)
- Block 56 – MUSD 5.0 (MUSD 0.0 in Q4-20)
- Block 58 – MUSD 0.0 (MUSD 0.2 in Q4-20)

Block 49 investments positively impacted by EOG farmout transaction

Free cash flow



- Continued free cash flow in Q1-21 of MUSD 2,3, but down from MUSD 9.0 in Q4-20
- Free cash flow impacted by negative working capital movement of MUSD -9

Q1-21 Cash reconciliation

MUSD



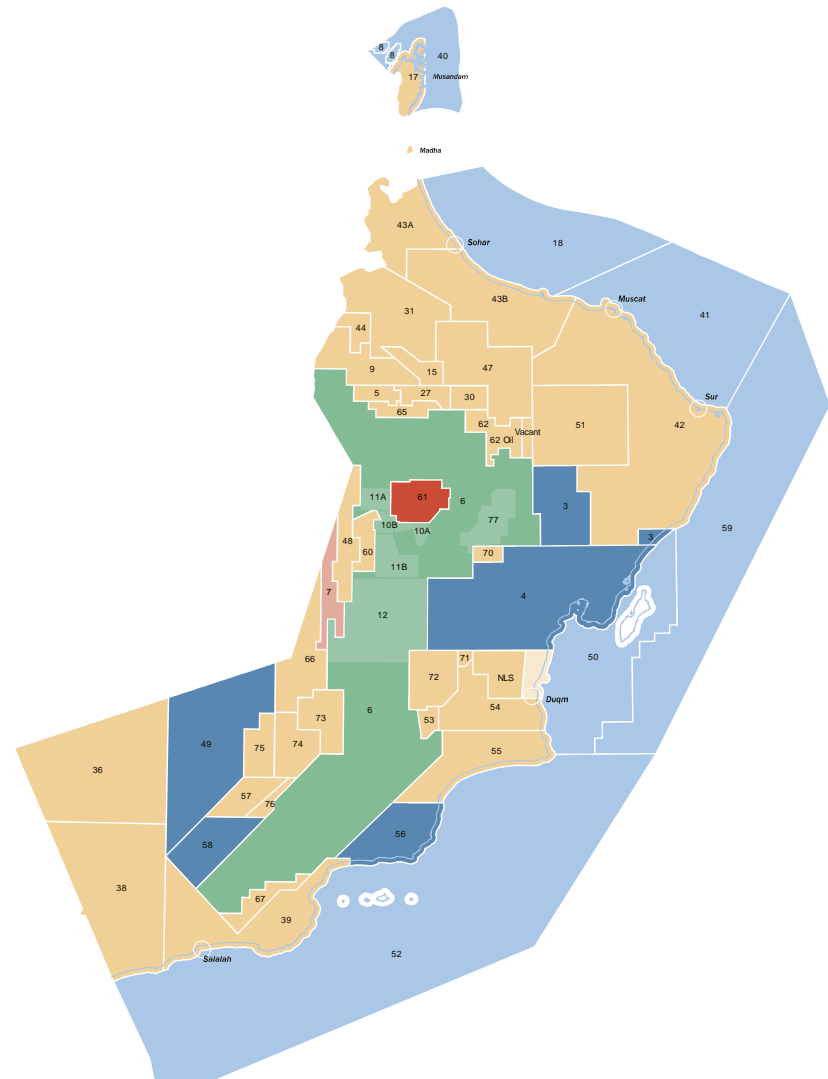
Balance Sheet

<i>(MUSD)</i>	2021-03-31	2020-12-31	2020-03-31
<i>Assets</i>			
Oil and gas properties	205.3	215.3	214.7
Other assets	17.3	9.6	15.1
Cash and cash equivalents	57.0	55.4	78.2
Total assets	279.6	280.3	308.0
<i>Liabilities</i>			
Shareholders' equity	258.3	257.7	279.8
Total liabilities	21.3	22.6	28.2
Total shareholders' equity and liabilities	279.6	280.3	308.0

- Solid debt free balance sheet
- Carrying value of oil and gas properties reduced by EOG transaction and higher D,D&A than capex on Blocks 3&4

Operations

- Tethys has a strong presence in Oman
- Capitalising on over 10 years of exploration and production experience in the Sultanate of Oman
- Now holding interest in four licences (five blocks), of which three are operated
- Combined licence area amounts to 54,934 km², corresponding to 18% of Oman's total areal extent



Licences in Oman

Blocks 3&4

- Tethys Oil 30%, CCED 50% (operator), Mitsui 20%
- Acquired 2007
- License valid until 2040
- Total area: 29,130 km²

Block 49

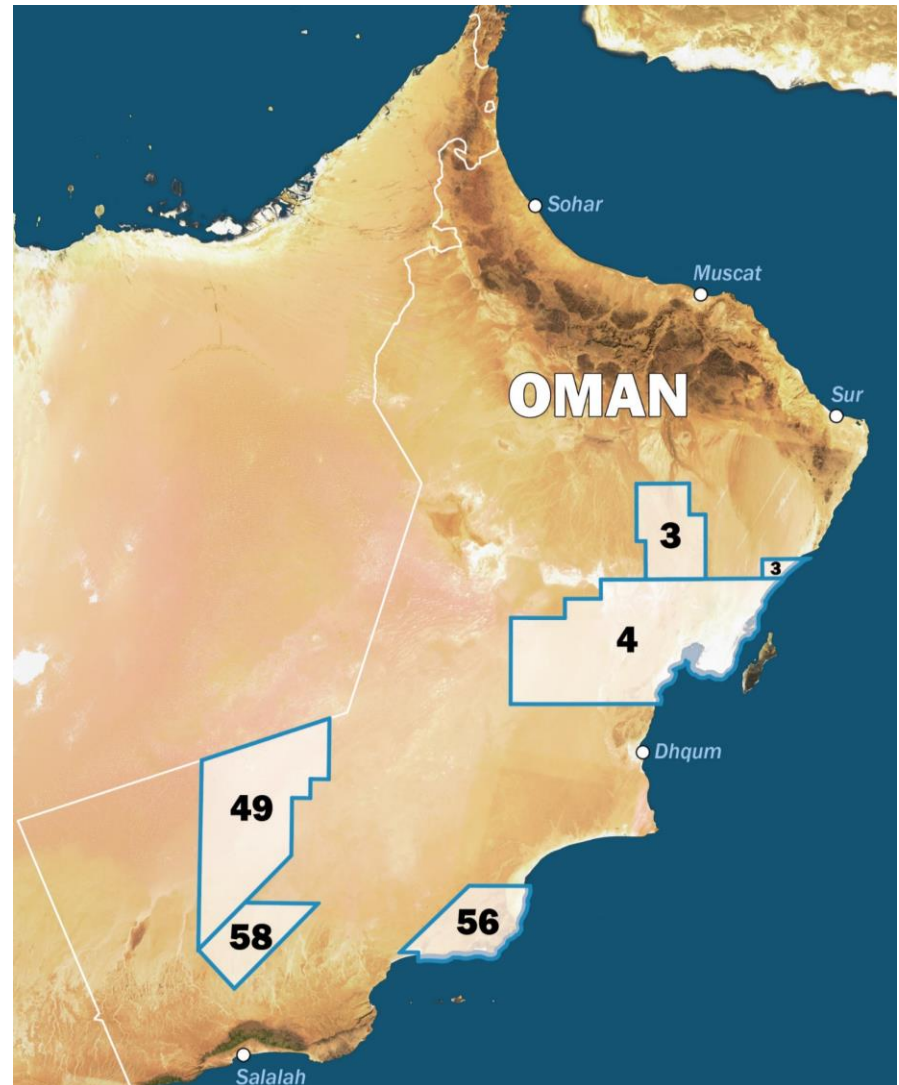
- Tethys Oil 50% (Operator)
- Signed in Q4-17
- EPSA: initial exploration period of 3 + 3 years
- Total area: 15,439 km²

Block 56

- Tethys Oil 65% (Operator), Medco 5%, Biyaq 25% and Intaj 5%
- Signed in Q4-19
- EPSA: renewed until Dec 2023
- Total area: 5,808 km²

Block 58

- Tethys Oil 100% (Operator)
- Signed in Q3-20
- EPSA: initial exploration period of 3 + 3 years
- Total area: 4,557 km²

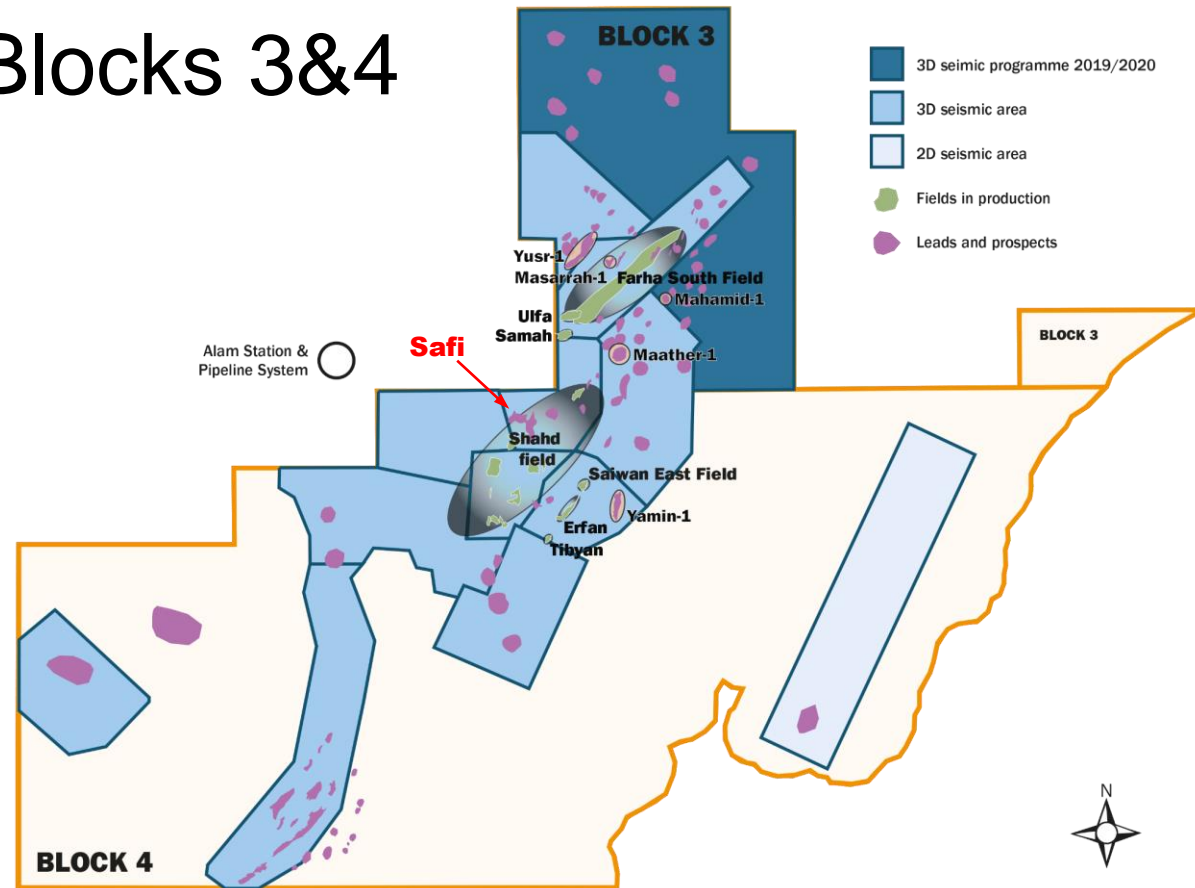


Blocks 3&4

- 2 production wells drilled in Q1-21
- Production and oil exports continued uninterrupted
- 1 drilling rig and 1 workover rig operational in Q1-21 after 2 were put on standby in mid-2020
 - 1 drilling rig reactivated since early April
 - 1 drilling rig will be reactivated in Q2/Q3
- **Work programme 2021:**
Continued development drilling, upgrading infrastructure with focus on asset integrity and debottlenecking, continue gas utilization project and the drilling of exploration wells.



Exploration Blocks 3&4

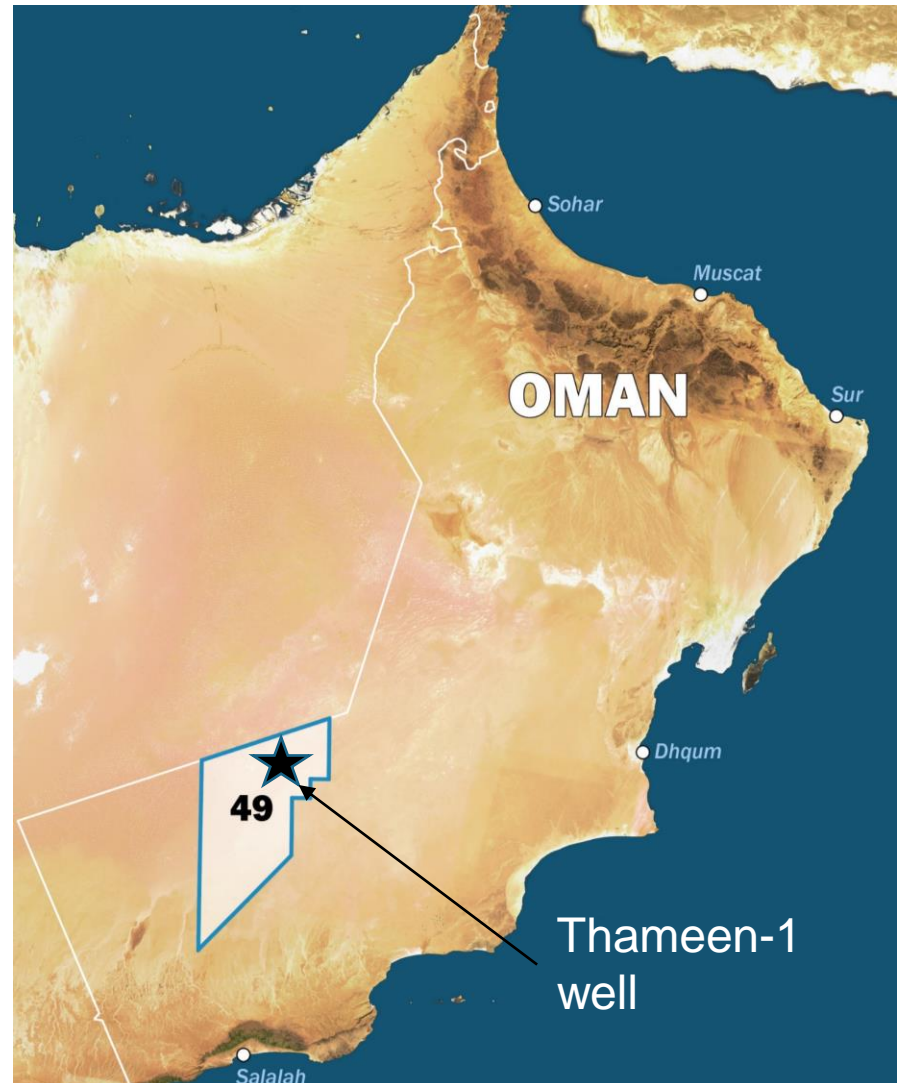


- Process of maturing leads into prospects north of the Farha South field continues
- Exploration well Anan-1, drilled in Q4-20, continued to produce good flows – second appraisal well planned later in 2021
- Exploration well Safi-1 is drilling

Block 49

Thameen-1

- Thameen-1 well spudded on 31 Dec 2020
- Reached its final total depth end of February
- Well testing programme was launched in March
- Logs indicated a gross hydrocarbon column of 40m in primary target Hasirah Sandstone
- No flows were recorded at surface
- Sidewall cores, fluid samples and pressure data is being further analysed together with an extensive log analysis
- Comprehensive data analysis ongoing
- Well suspended to allow re-entry

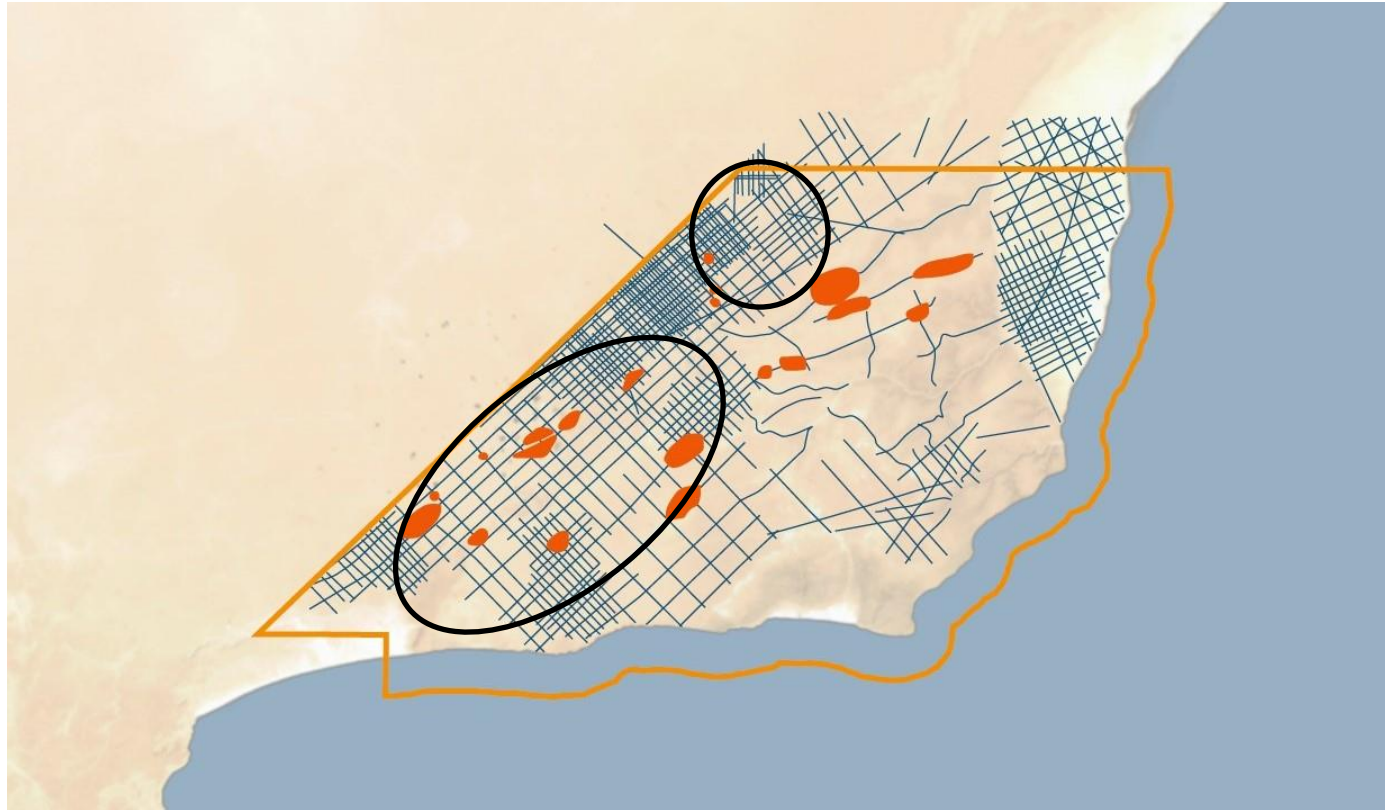


Block 56

- Farmin agreement with Medco closed in Q1-21 – Tethys increased to 65% interest and assumed operatorship
- Planning of a drilling campaign of up to 3 wells to evaluate Al Jumd area ongoing
 - Work on maturing leads to prospects
 - First well planned to be spudded Q4-21
- Planning and tendering of a 3D seismic survey in the central area of the Block
- **Work programme 2021:** evaluating Al Jumd area with up to 3 wells, planning 3D seismic acquisition in central area of the block



Block 56 – Multiple leads on 2D seismic



- Drilling campaign of up to three wells to further evaluate the Al Jumd area later this year
- Planning and tendering of a 3D seismic survey in the central area of the Block

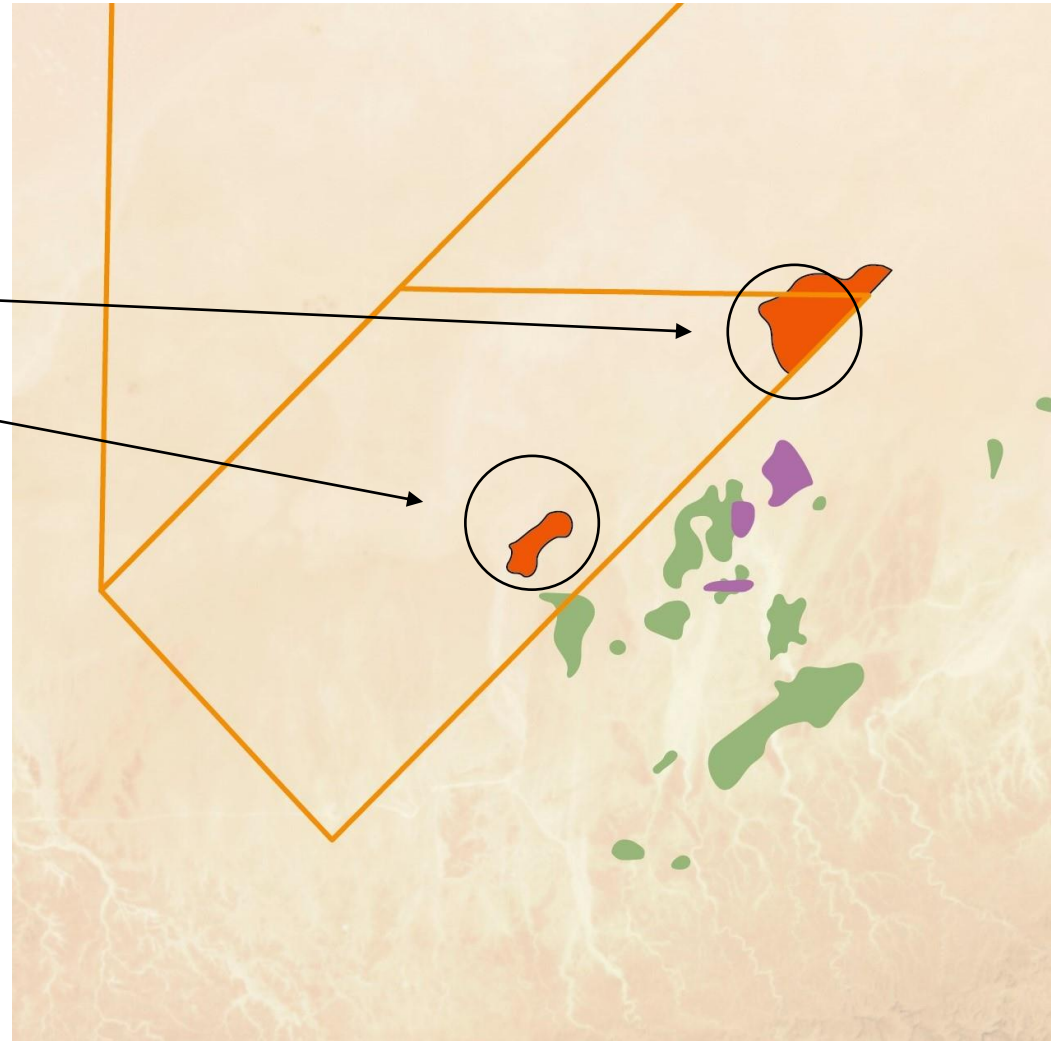
Block 58

- Tethys operator with 100% license interest
- Review of legacy 3D seismic data continued in Q1-21
- Reprocessing of legacy 3D seismic data being prepared



Block 58 identified leads

- Based on current work, Tethys Oil has identified multiple leads in the block
- Two leads stand out
 - Tethys Lead 1 – targeting Buah, Birba and Khufai
 - Tethys Lead 2 – targeting Ara stringers
- Planning of new seismic acquisition, to be launch later 2021
- **Work programme 2021:** reprocessing of legacy 3D seismic data and conducting a new 3D seismic acquisition



Summary and Outlook

- **Strong Q1-21 production**
- **Oil price recovery – Q2-21 to achieve oil price above 60 USD/bbl**
- **Thameen-1 well drilled on Block 49**
 - Logs indicate 40m gross hydrocarbon column
 - No flows to surface
 - Well suspended - data analysis ongoing
- **Farmout to EOG on Block 49 concluded in Q1-21**
 - Tethys decrease interest to 50%
 - Well drilled at minimal expense to Tethys Oil
- **Farmin on Block 56 concluded in Q1-21**
 - Tethys increased to 65% and assumed operatorship
- **Appraisal programme of Al Jumld discovery area planned for Q4-21**

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