



SECOND QUARTER 2022

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9 August 2022





Highlights Q2 2022

- **Al Jumld discovery appraisal programme on Block 56 expanded by two additional horizontal wells.**
Ongoing well testing operation in Sarha-3 and Sahab-1.
- **Preparation for a long-term production test of the three wells in the Al Jumld discovery ongoing.**
Starting in September – All three wells to be hooked up to the production system in October.
- **Block 56 central area – seismic interpretation.**
2023 Exploration campaign targeting plays with a gross, unrisked, potential of ≤ 50 mmbo.
- **Extension on initial exploration phase on Block 49 to December 2023.**



Highlights Q2 2022

- Production of 10,068 (10,475)
- Production still impacted by reduced activity and spending during pandemic.
- Full year '22 guidance in line with the 10,271 bopd of the first six months.
- Achieved oil price of USD 100.1 (80.4) drove a strong financial quarter.
 - *Revenue and other income of MUSD 37.8 (34.6).*
 - *EBITDA of MUSD 24.1 (20.2).*
 - *Free cash flow of MUSD 7.1 (-13.1).*
- Total shareholder distribution of MUSD 22.8 (SEK 7,0 per share).

Expanded appraisal activities ahead of production test on Block 56

Al Jumd discovery

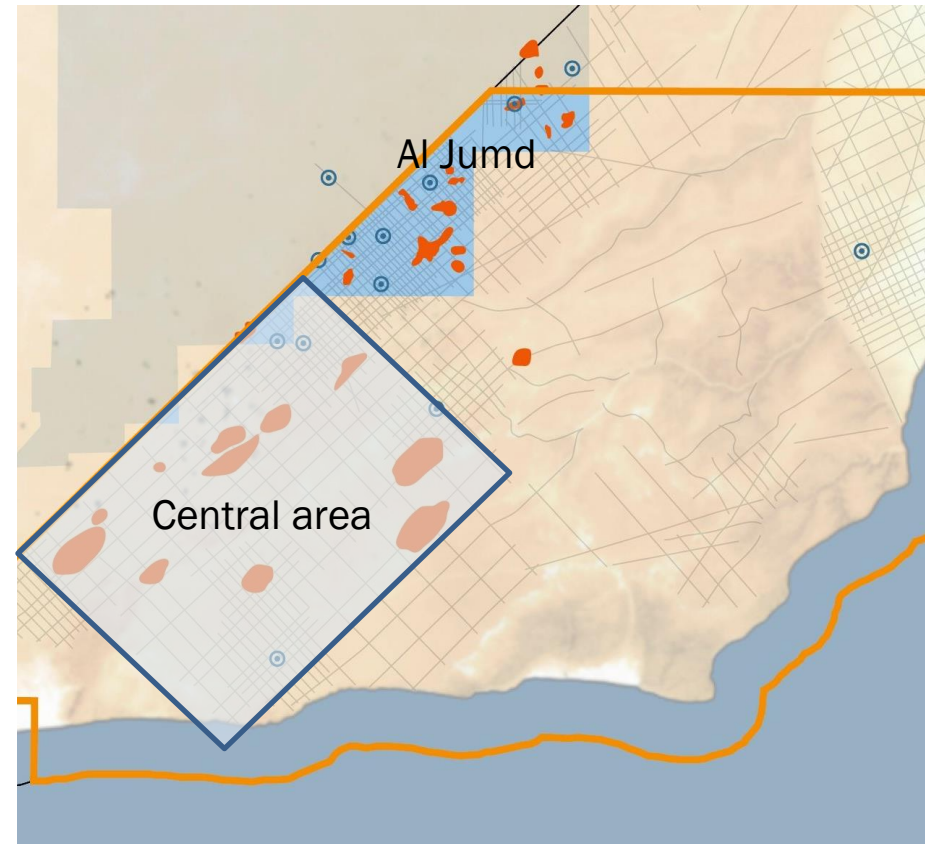
- Appraisal programme expanded by two additional horizontal wells, drilled in Q3.
- Preparations for a up to 6 months production test of Al Jumd-2, -3 & -4.

Sarha-3 & Sahab-1 testing operations

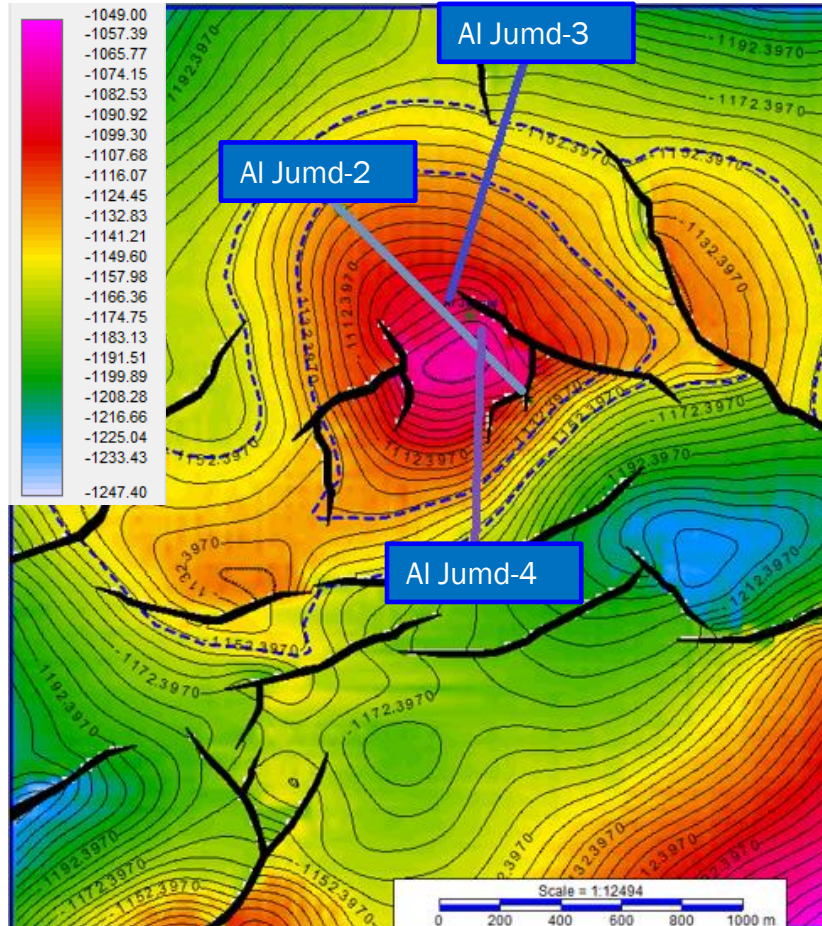
- Ongoing testing operations will be completed in Q4.

Central area

- Processing & interpretation of $\geq 2,000$ km² 3D seismic survey data acquired in Q1 ongoing.
- Planning for exploration drilling in 2023 targeting plays with an unrisks potential of up to 50 mmbo, gross.



Block 56 – Al Jumd discovery campaign



Al Jumd-2

- Drilled in Q1 2022.
- Measured depth: 2,032 metres.
- True vertical depth: 1,838 metres.
- Tested initial rate of 700 bopd of 25 API gravity oil from 430 metre horizontal section in Al Khalata sandstone.

Al Jumd-3 & -4 appraisal wells

- Al Jumd-3 and -4 horizontal wells targeting the Al Khalata sandstone at a depth of 1,300 metres.
- Horizontal sections of 625 and 700 metres drilled, respectively.

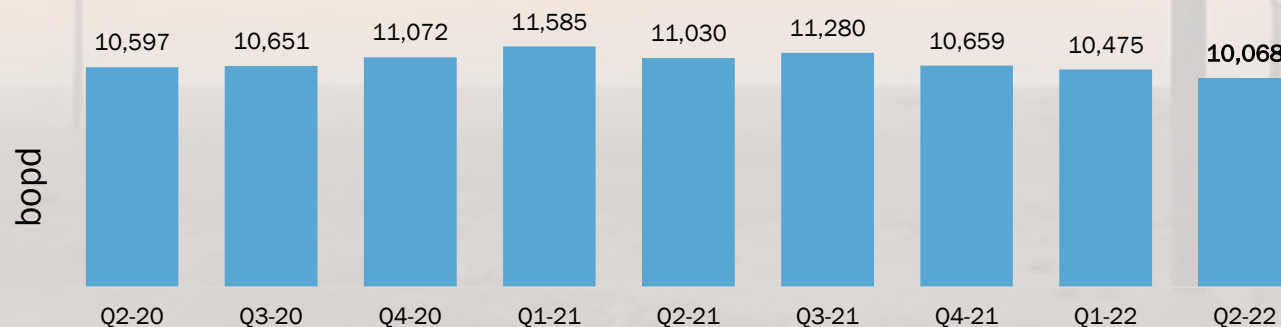
Long-term production test of Al Jumd discovery

- Production test including Al Jumd-2, -3 & -4 to be started by late Q3 2022.
- Test of up to 6 months to establish optimal production level.



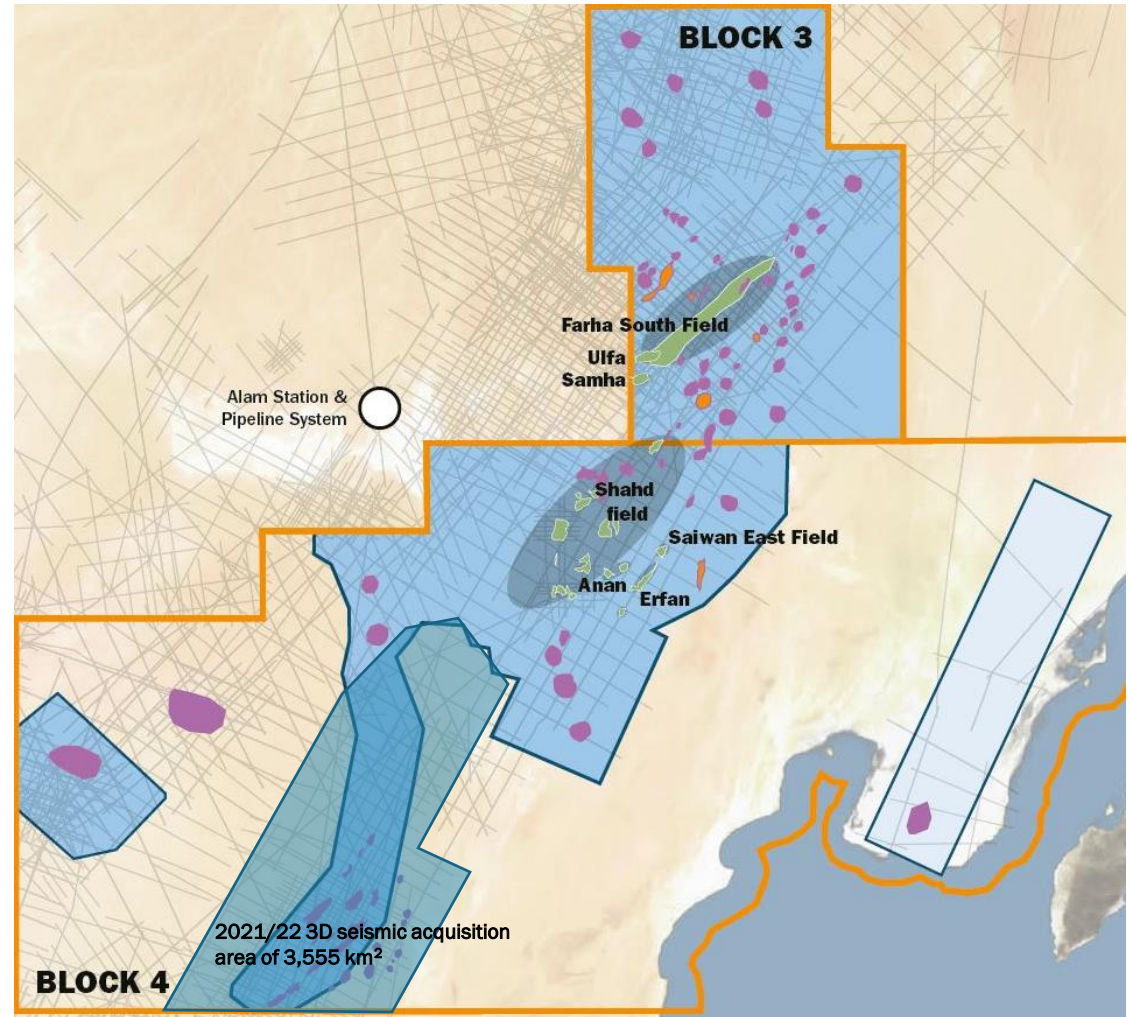
TETHYS OIL Production on Blocks 3&4

- Production of 10,068 bopd, 4% lower than in Q1.
- Increased production in June as production improvement initiatives started to take effect.
- Maintenance and upgrades of the Saiwan processing facility will impact Q3 production, expected to be just below 10,000 bopd.
- Based on operator forecast, revised FY production guidance inline with the 10,271 bopd for the first six months of 2022.



Exploration and appraisal activities on Blocks 3&4

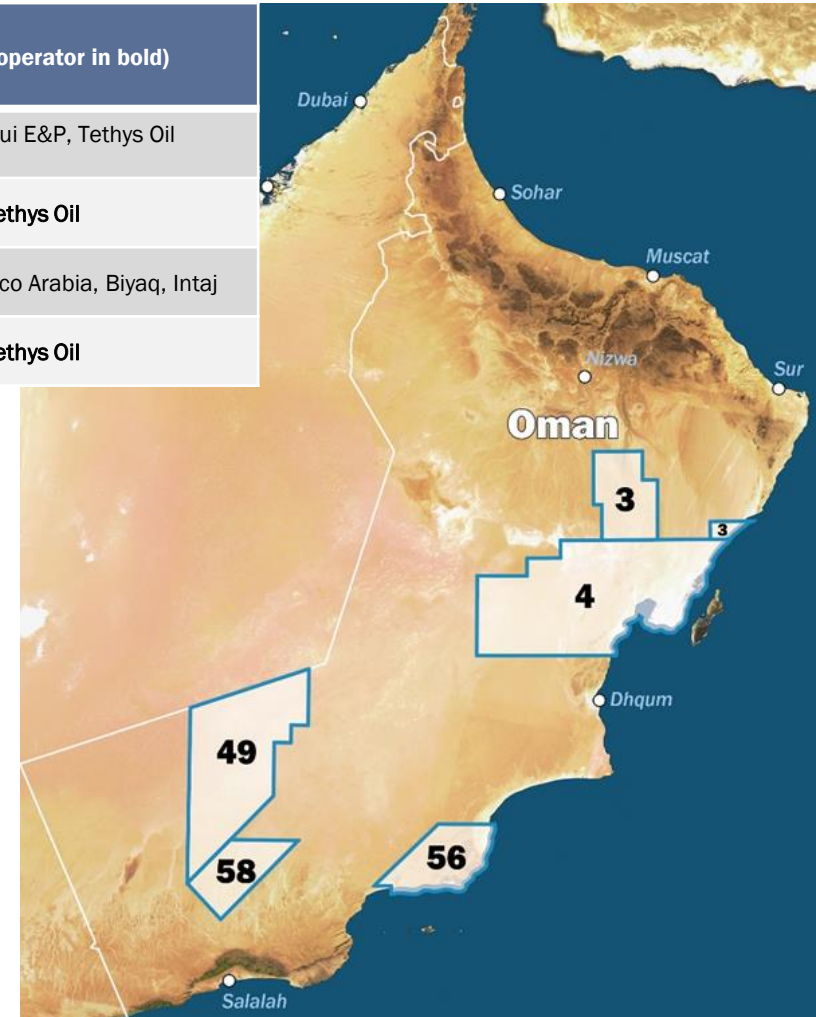
- One new, as of yet untested, appraisal well drilled in Shahd area.
- Second exploration well for the year, Ahad-1, will spud by late August.
- Campaign of ~ 3,500 km² 3D seismic is progressing, to be completed in December.
- “Catch up programme” ongoing with drilling, workovers and production assurance initiatives.
- A fourth drilling rig operational in Q3, enabling continued high pace of production drilling while retaining ability to drill exploration wells.



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 E&P, Tethys Oil
Block 49	100%	2017	1st exploration	2023	Tethys Oil
Block 56	65%	2019	2nd exploration	2023	Tethys Oil , Medco Arabia, Biyaq, Intaj
Block 58	100%	2020	1st exploration	2023	Tethys Oil

- Blocks 3&4: Has produced more than 100 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 late 2022.
- 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.



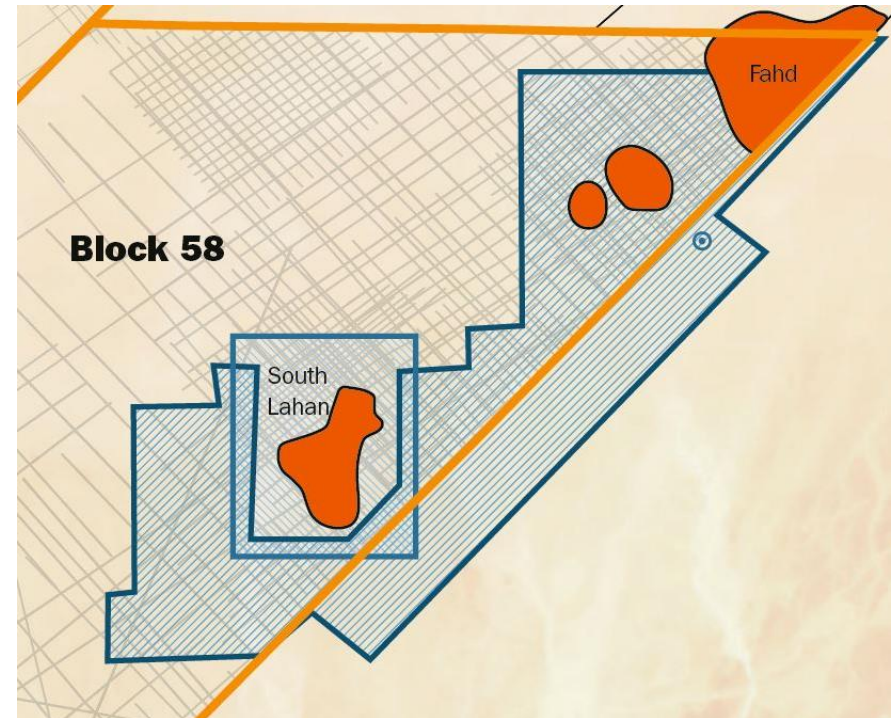
Encouraging progression on Block 58

South Lahan

- Interpretation of 450 km² 3D seismic ongoing with completion in late Q3.
- Encouraging results so far reinforce our view on the prospectivity of the area.
- Several new leads identified from the new seismic in addition to the multiple leads from proven play concepts in production in surrounding areas.

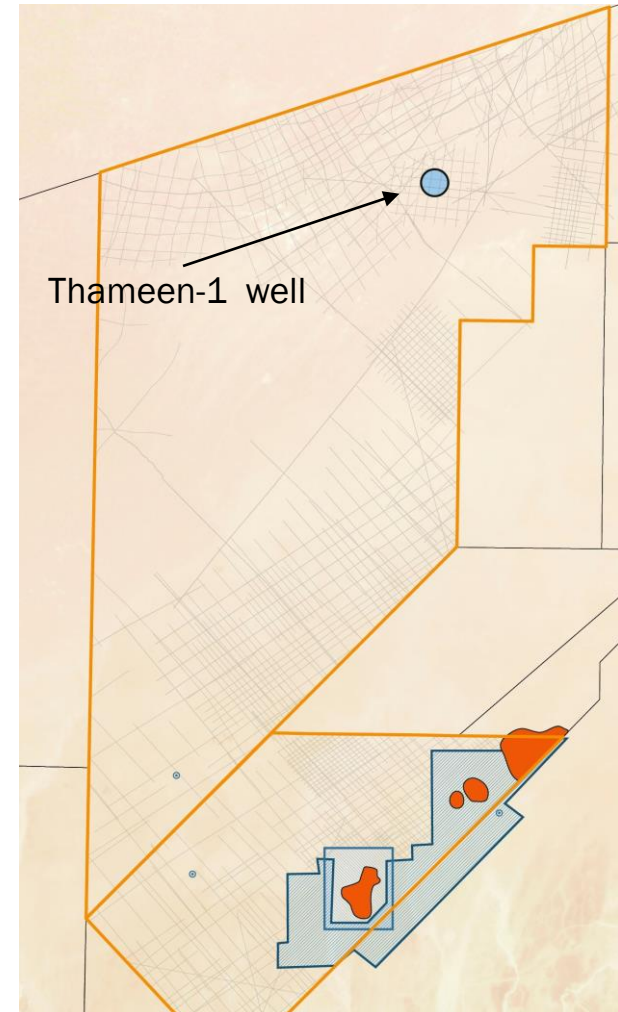
Fahd

- Leads maturing into prospects.
- Well design for a Fahd area prospect completed.
- Work so far confirms prospectivity of Fahad area and increase prospectivity of the Lahan area
- Following the positive early results, the work programme is being revised accordingly.



Exploration activities on Block 49

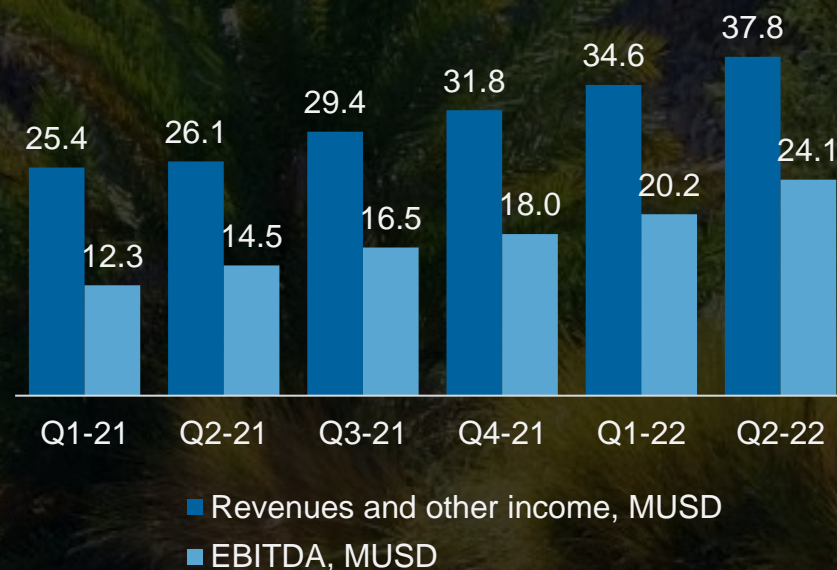
- Extension of the initial exploration phase until December 2023 has been granted.
- Objective of extended work programme is to attempt to establish oil flows from the tight Hasirah formation in the Thameen-1 well.
- Geological model updated with regional information and data.





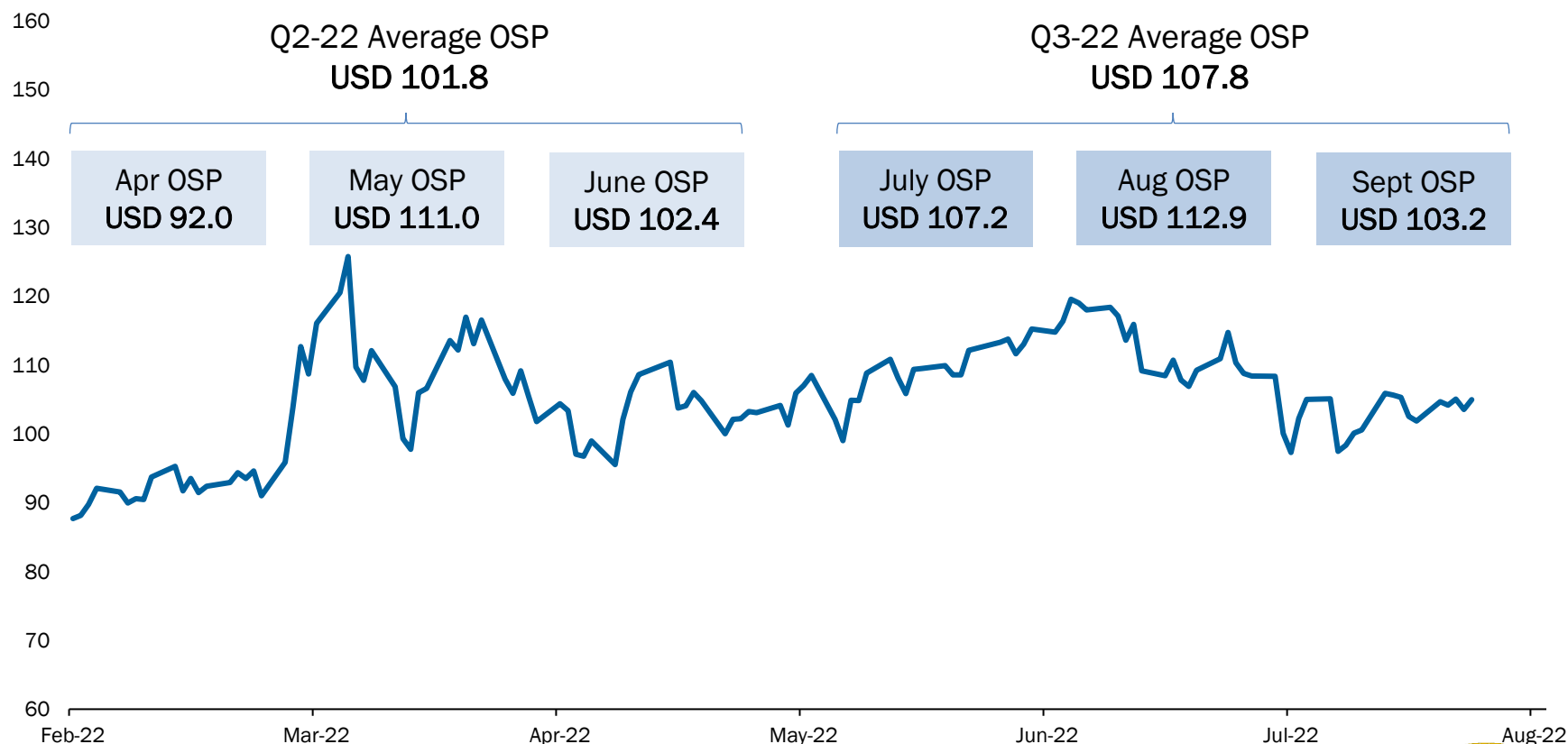
Financial highlights Q2 2022

- Achieved Oil Price USD 100.1 (80.4) per barrel
- Revenue and other income MUSD 37.8 (34.6)
- EBITDA MUSD 24.1 (20.2)
- Net Result MUSD 17.0 (9.9)
- Investments in oil & gas properties MUSD 19.6 (24.6)
- Free Cash Flow MUSD 7.1 (13.1)
- Total shareholder distribution MUSD 22.8
- Net Cash MUSD 40.2 (55.4)



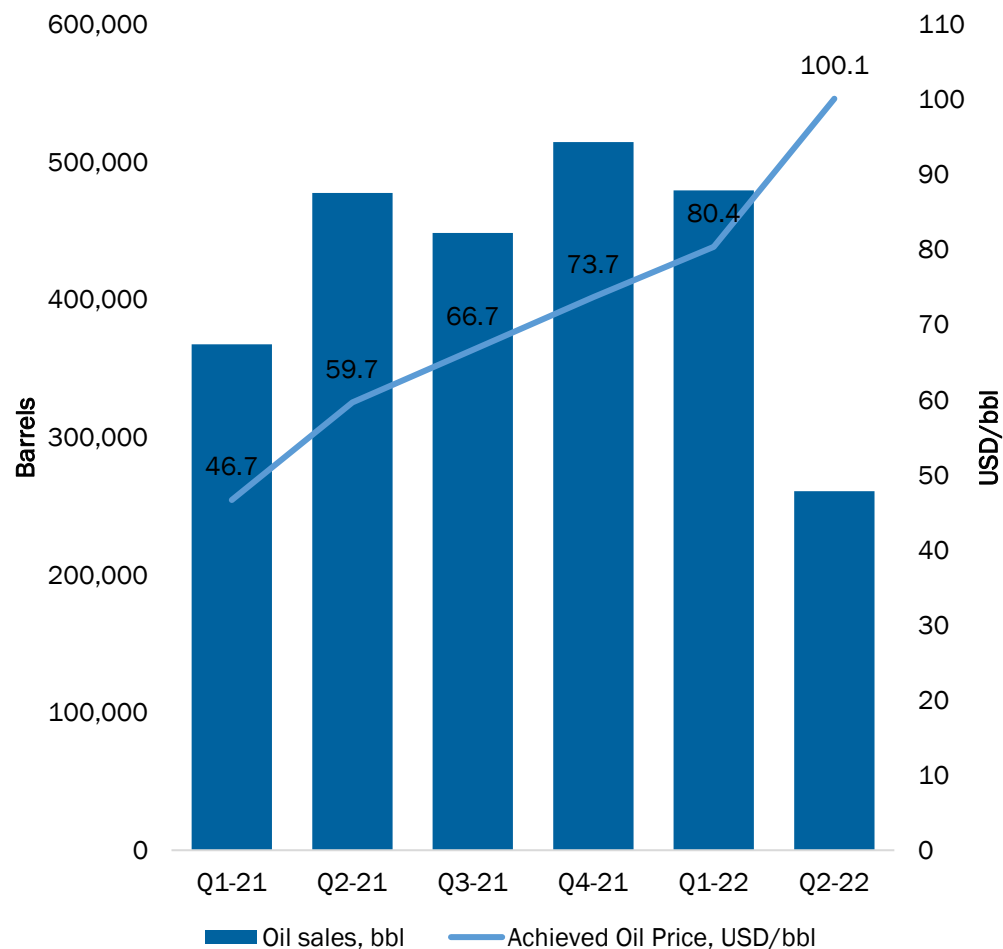
Oil price rally feeding through in Q2 & Q3 OSPs

- Q2 Average OSP reflects the production weighted average of spot price in February-April 2022
- The Q3 unweighted average OSP points to a 6% sequential increase of average oil price
- Q2 Oman Blend-Brent average differential USD 6 per barrel (Q1: USD 3.8/barrel)



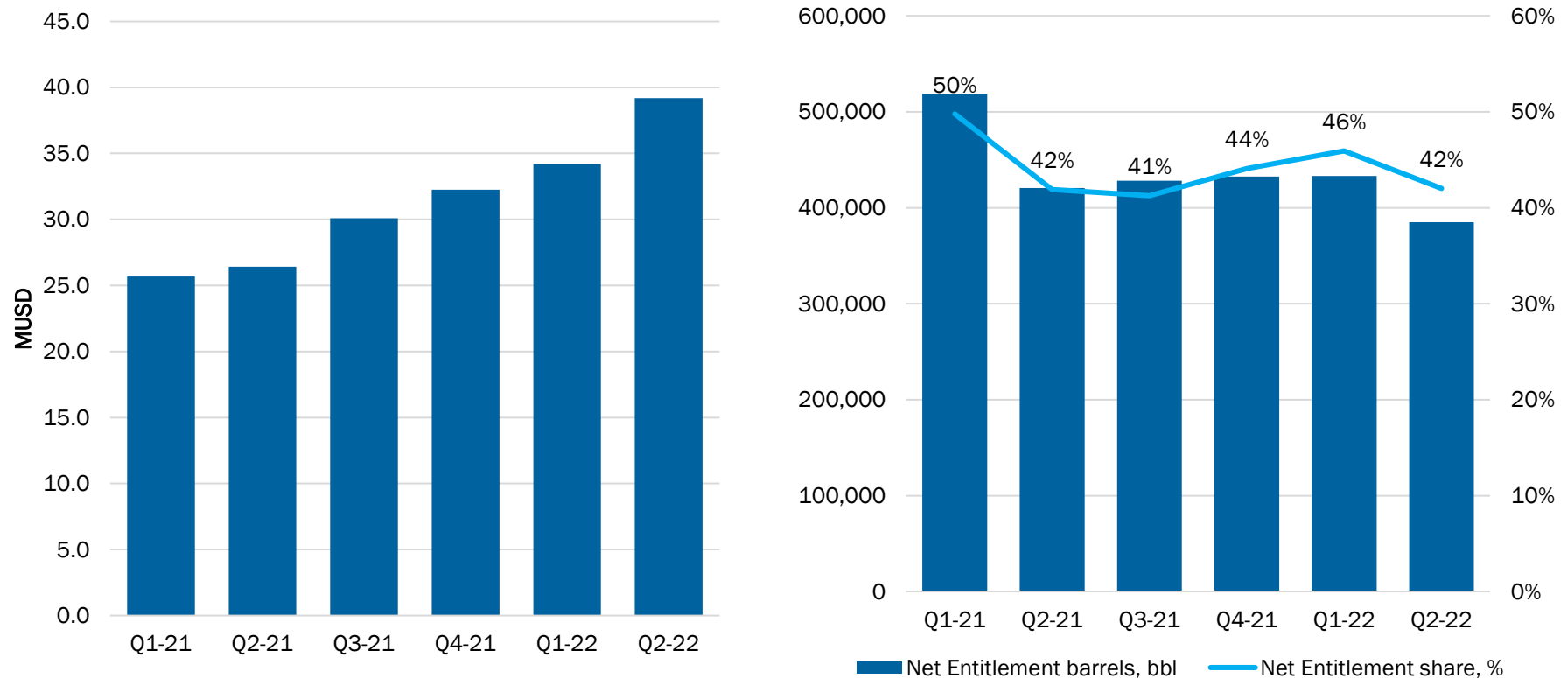
Q2 Oil sales impacted by delayed lifting

- Q2 oil sales of 261,072 barrels does not include June nomination of 94,497 barrels of oil
- June nomination lifted in early July and included in Q3
- Underlift of 65,573 barrels per 30 June (overlift of 58,360 per 31 March)
- Achieved oil price reflects the pricing of April and May
- If June pricing had been included – 100.8 USD/barrel



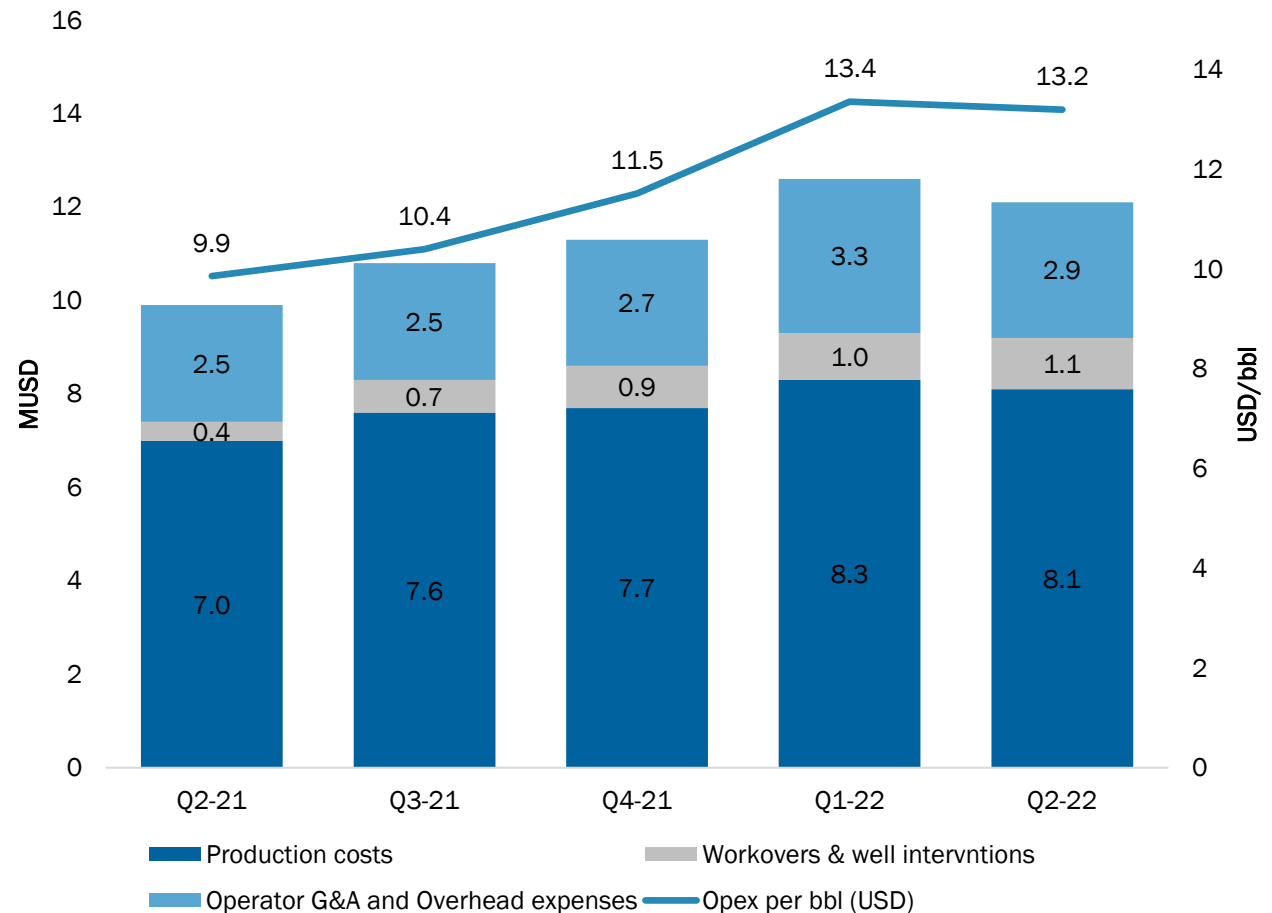
Entitlement value continues to increase

- As oil prices increase fewer barrels are required to recover cost incurred reducing number of “cost oil” entitlement barrels without any effect on cost recovery value
- Value of total entitlement increases even though volume decreases – more barrels available for profit oil



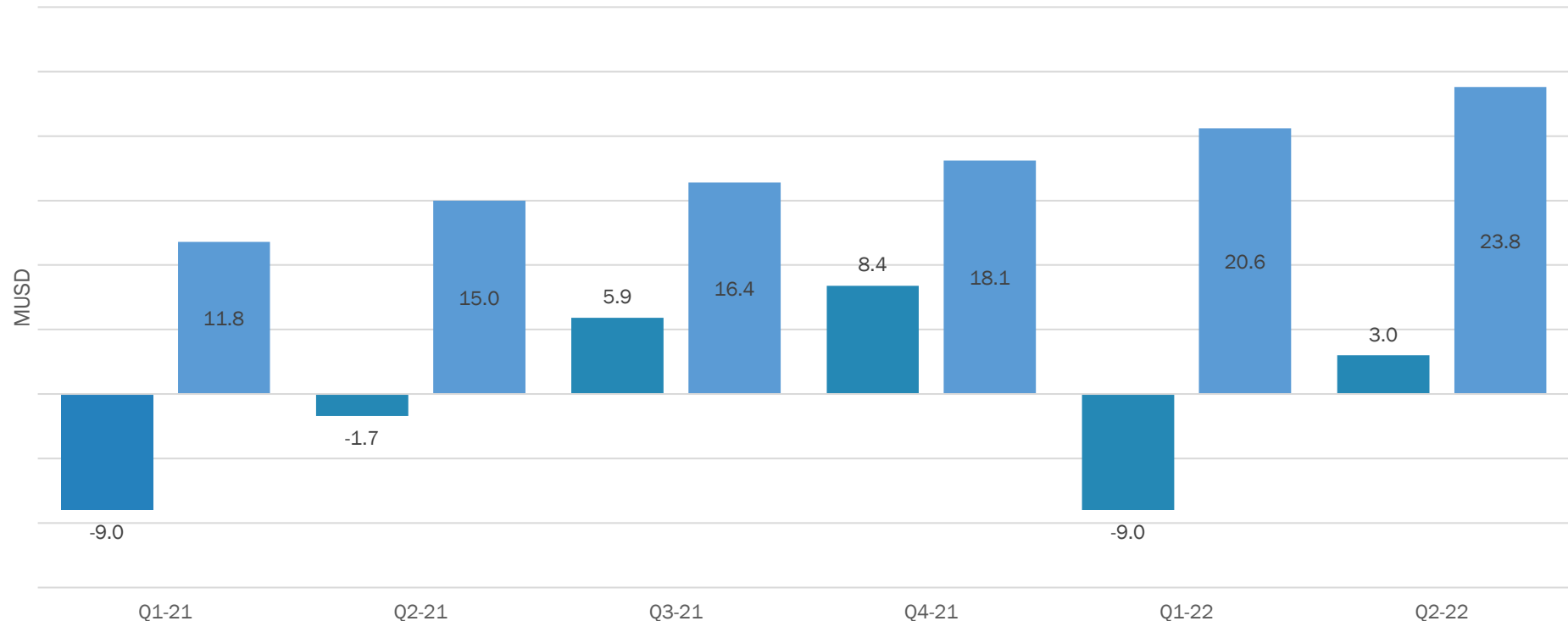
Opex per barrel impacted by production dip

- Opex expenses down from Q1 but remain on higher levels than in 2021 due to post-pandemic normalisation of activity and spending
- Opex per barrel impacted by the lower production in the second quarter
- 2022 Guidance increased to 13 USD/bbl (+/- 0.5) from 12 USD/bbl (+/- 0.5)



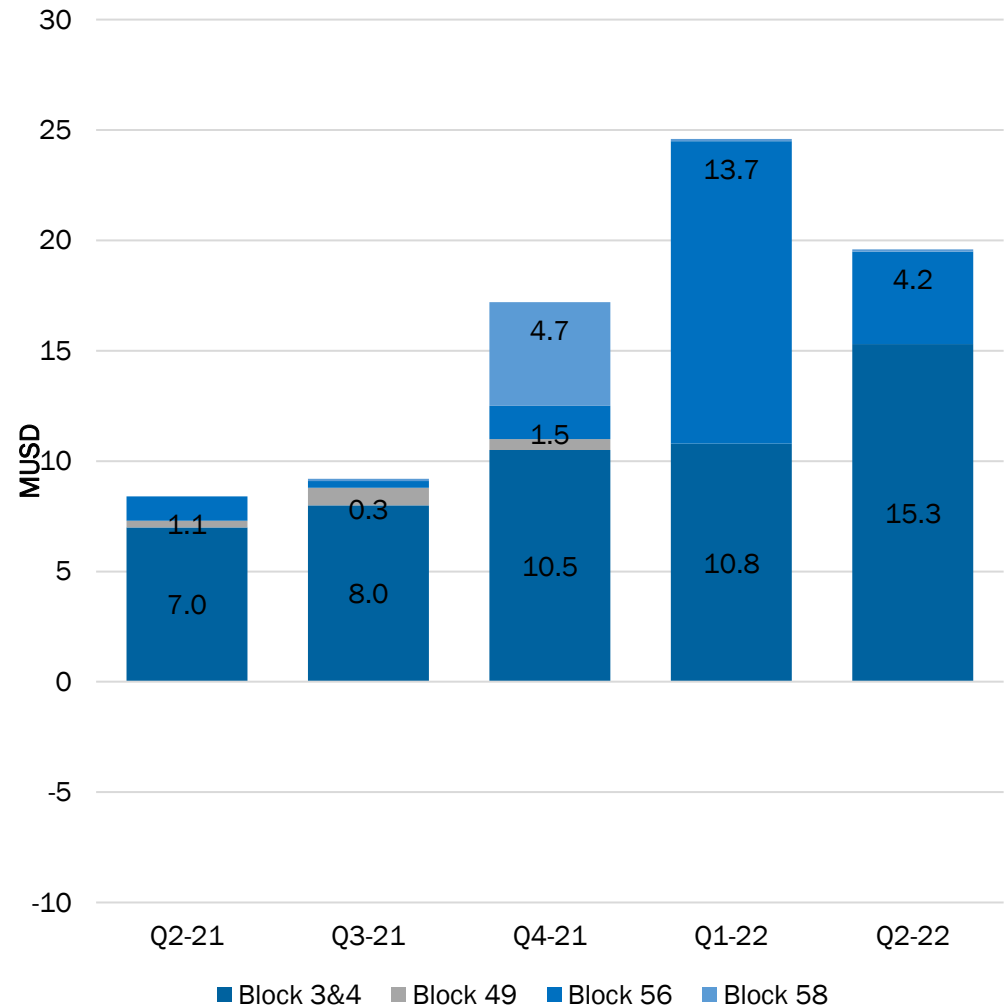
Stable operating cash flows

- Recent quarters have seen increased working capital volatility mainly driven by increased oil prices and liftings slippages
- Rapid changes in oil prices makes forecasting lifting volumes more challenging – more volatility in over-/underlift
- Operating cash flow is however stable, predictable and increasing in recent quarters



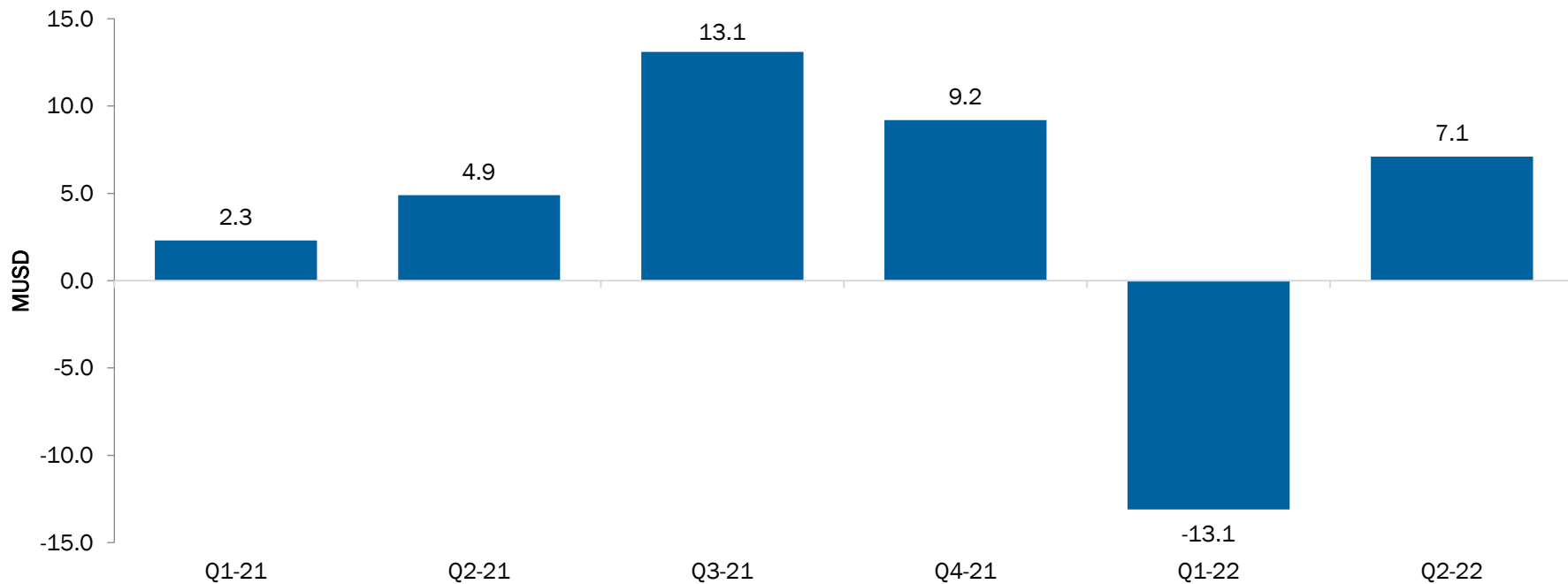
Investments reflect high exploration activity

- Total investments in Oil&Gas properties in Q2 amounted MUSD 19.6 (Q1: MUSD 24.6)
- Blocks 3&4 and Block 56 expected to dominate capex driven mainly by drilling activity
- Full year guidance of MUSD 87 (91) following lower than budgeted spend in the first six months and prolonged lead times pushing some activities to 2023
- Blocks 3&4 capex recovered immediately as cost oil
- Block 49, 56 & 58 capex in “cost pool” to be recovered from potential future production



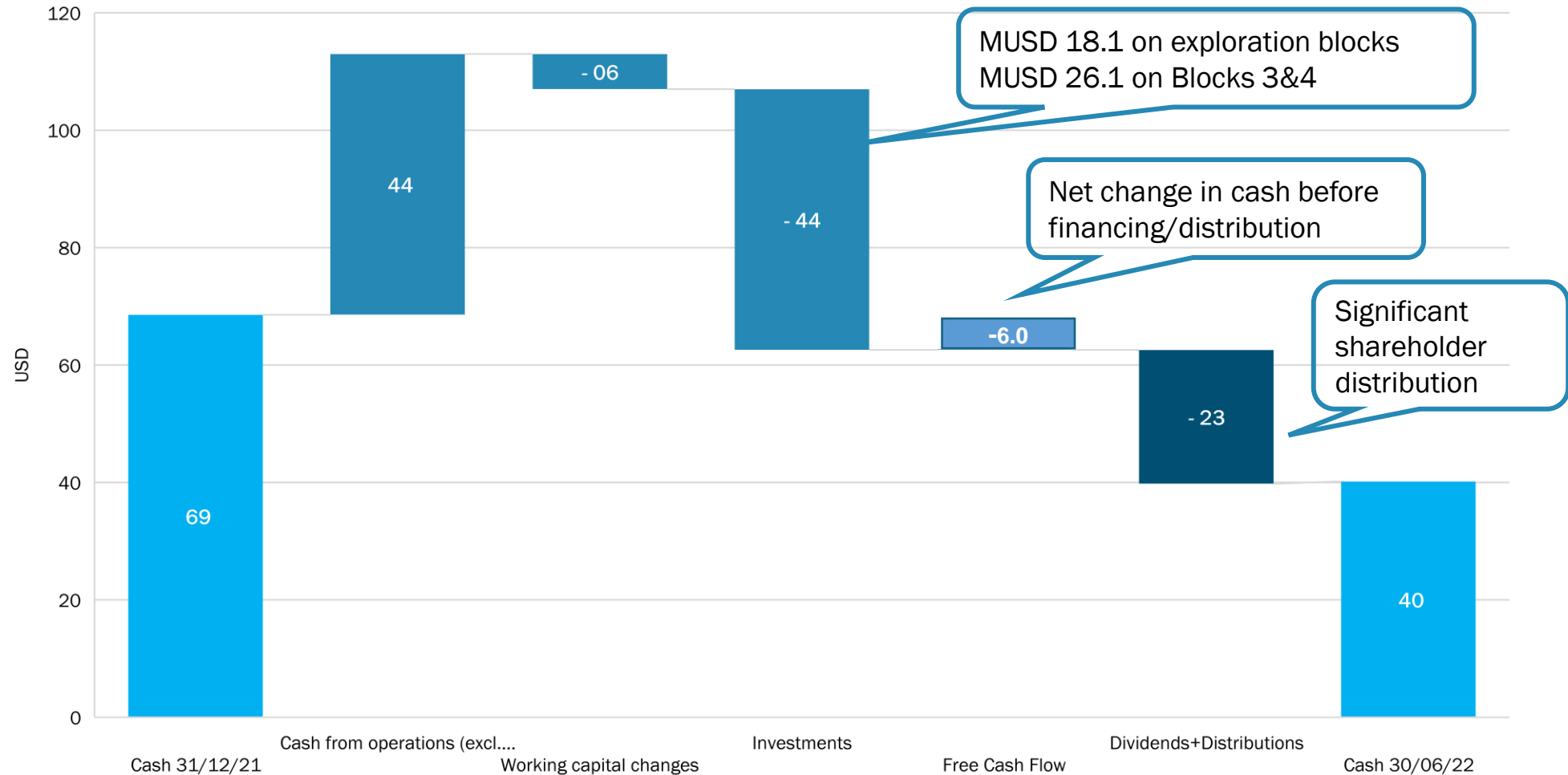
Free cash flow positive in Q2

- Free cash flow in Q2 of MUSD 7.1 (Q1: MUSD -13.1) in Q1, driven by strong operational cash flow and lower levels of investment
- Investments in significant exploration programme
- Free cash flow volatile due to discretionary exploration investment spend and WC volatility



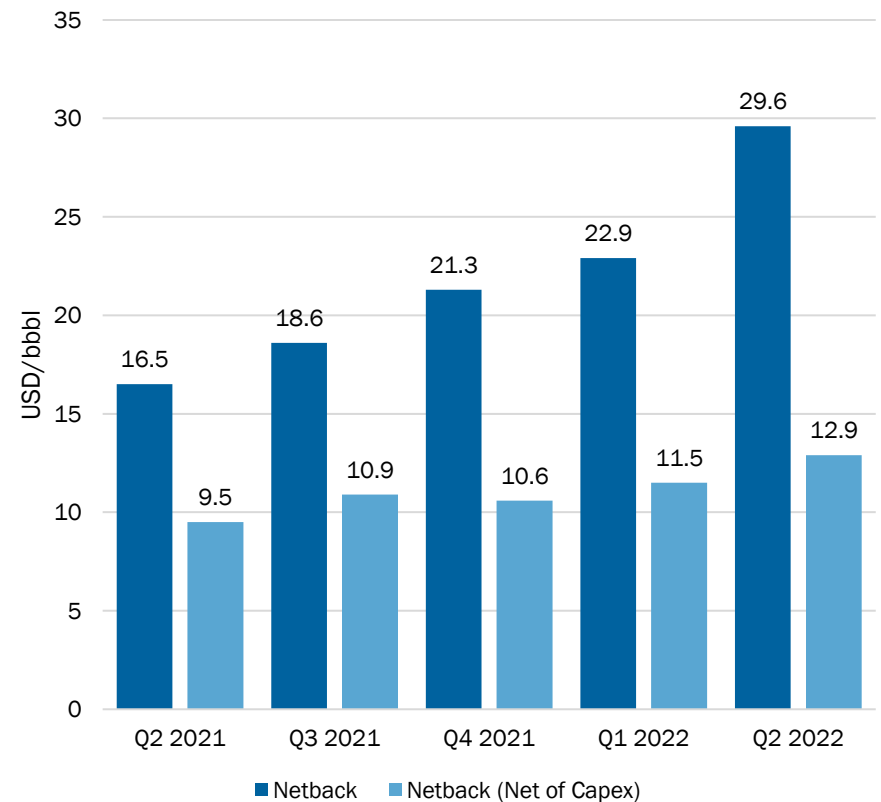
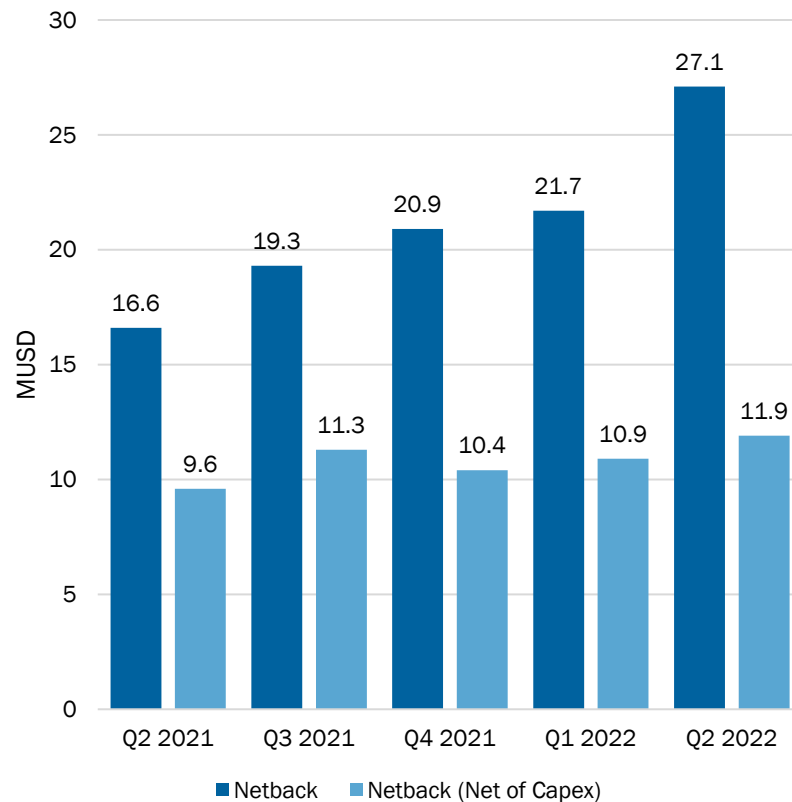
Cash flow year to date

- Strong own cash availability even after increased investment levels and shareholder distribution



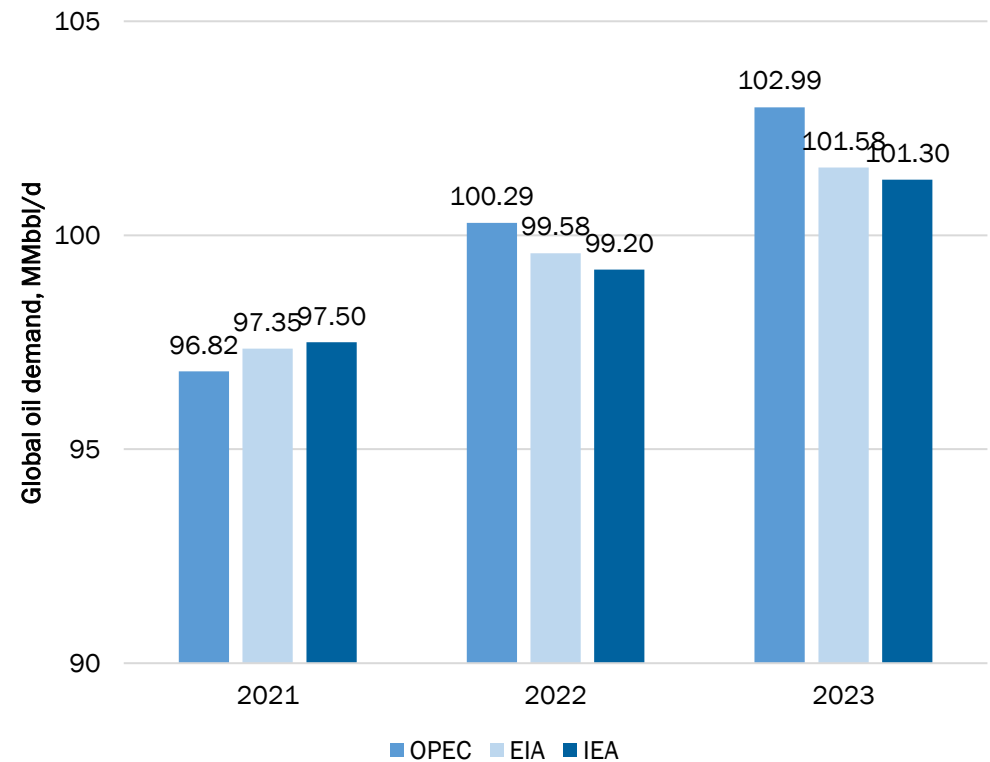
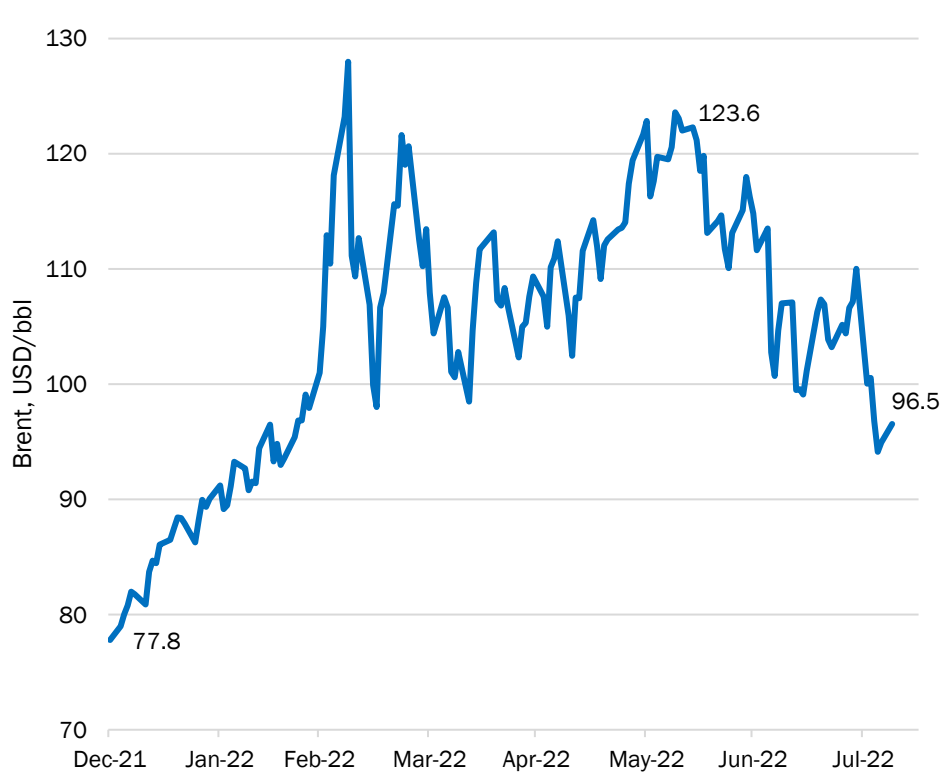
Netback trend shows Blocks 3&4 profitability

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



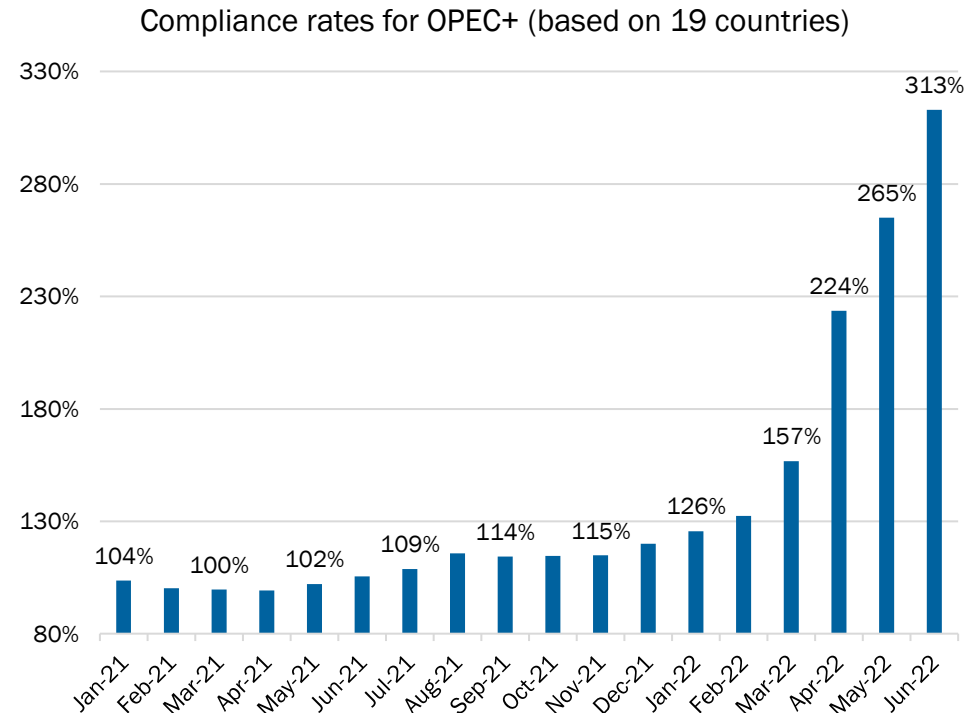
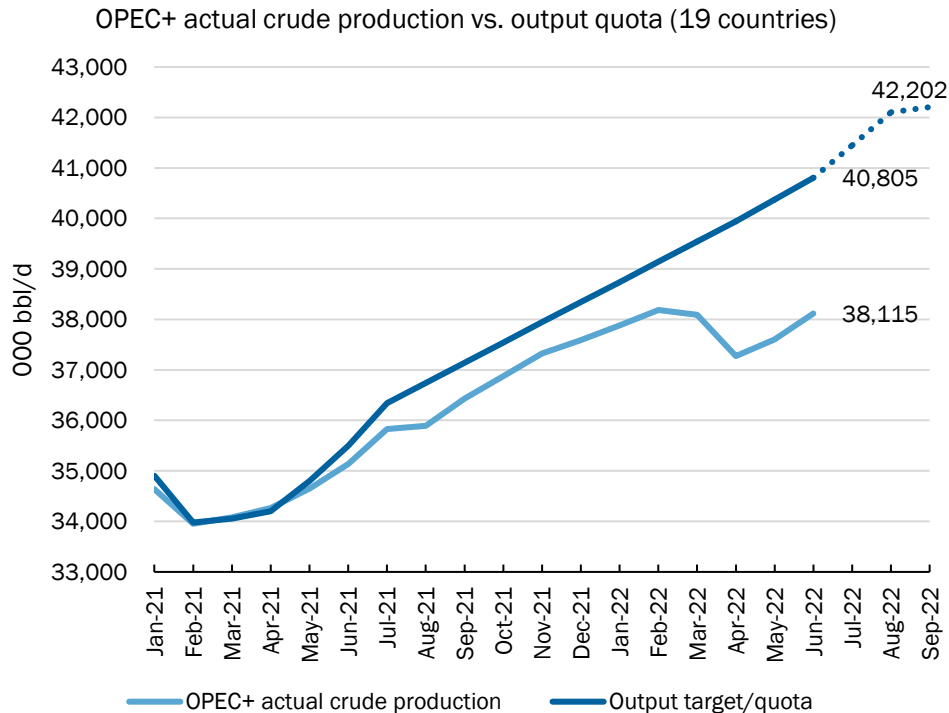
Solid oil demand projected despite recession concerns

- Oil price is still at elevated levels: despite correction since the beginning of June, Brent is up +24% YTD and +40% y/y
- Major institutions (OPEC/EIA/IEA) expect solid growth of global oil demand in 2022&2023, despite the recession fears
 - The growth range of MMbbl/d 2.0-2.7 is expected for 2023, bringing the daily demand to the range of MMbbl/d 101.3 - 103



Supply is tight and getting tighter...

- Supply is lagging so far in 2022, with more uncertainties on 2023 rising...
 - OPEC+ is underproducing ca. MMbbl/d 2.7 as of June
 - The US crude oil production is up by just MMbbl/d 0.3 (or 2.5%) YTD, as of end of July
 - The ban of Russian oil and petroleum products by the EU is supposed to start in Q1-23 (up to MMbbl/d 2.0-3.0* off the market, in the worst case)



Note: * Bloomberg Intelligence

2022 Production Guidance & Work programme

- Production in for the second six months and full year 2022 expected to be in line with average production during first six months of 10,271 barrels per day
 - Previous guidance: 10,500-11,000 bopd for the full year '22
- Operating expenditures expected to be in the USD 13 (+/- 0.5) per barrel range for the full year
 - Previously USD 12 (+/- 0.5)
- The 2022 work programme & budget targeted investments for a total of MUSD 87, compared to the previous target of MUSD 91
 - Increased investments in Blocks 3&4: a fourth drilling rig and increased asset integrity spending
 - Increased investments on Block 56 as the Al Jumd programme was expanded
 - Overall decrease following lower than budgeted spending in the first six 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



TETHYS OIL Outlook and summary

Q2 2022

- Expansion and rapid progression in Al Jumd as long-term production test is about to begin, test production may have a noticeable impact on Tethys full production for the closing months of 2022.
- Block 56 will also see a multi-well exploration programme in the central area starting in 2023, targeting plays of close to 50 mmbo, gross, unrisks potential.
- Encouraging early results on Block 58 as activities on the Block continue.
- Block 49 initial exploration phase extended to December 2023.
- Higher oil prices drive strong financial growth.
- Ongoing production initiatives to increase future production levels on Blocks 3&4, including a fourth drilling rig.



TETHYS OIL Thank you for your time

Financial Calendar 2022-2023

- Report for third quarter 2022 (January–September 2022)
on 8 November 2022
- 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
- Report for the second quarter 2023 (January – June 2023)
on 8 August 2023

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