



# SECOND QUARTER 2024

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6 August 2024





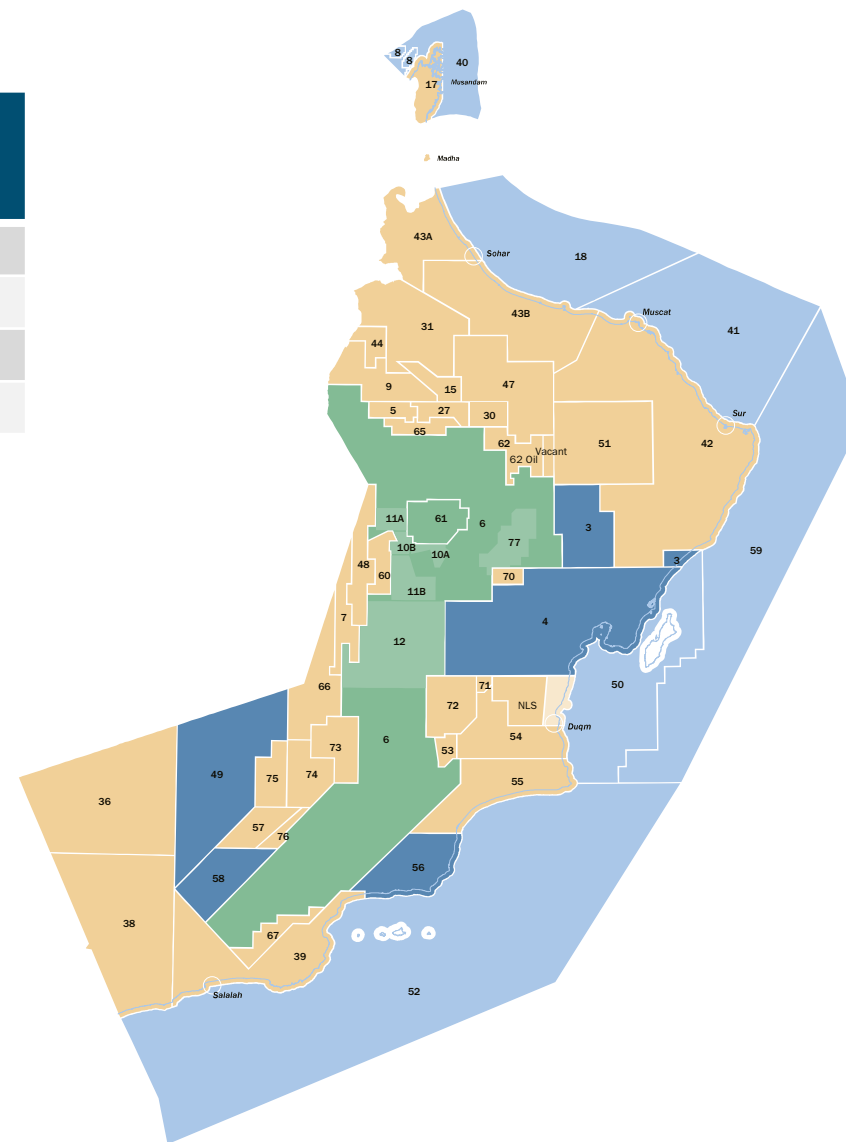
## Q2 2024 Highlights

- Strategic review ongoing with significant interest
- Block 56 FDP submitted to the MEM in early June
- Block 58 Kunooz-1 final rig inspections ongoing – spud expected within a week
- Blocks 3&4 Gas-to-Power-project successfully brought online
- Q2-24 production from Blocks 3&4 in the quarter amounted to 7,688 barrels of oil per day (8,032)
- Q2-24 Revenue and other income: **MUSD 30.8** (30.1) and EBITDA: **MUSD 15.7** (13.0)
- Q2-24 CF operations: **MUSD 19.9** (6.2) and Cash & Cash equivalents: **MUSD 18.1** (14.9)
- MUSD 60 amortising term loan facility agreement signed with Abu Dhabi Commercial Bank in early Q3

# Strategic Portfolio Review

EPSA/Licences (operated Blocks in bold)	Working Interest %	Award/ Acquisition	Phase	Expiry	Partners (operator in bold)
Blocks 3&4	30%	2007	Production	2040	<b>CCED</b> , Tethys Oil, Mitsui
<b>Block 49</b>	100%	2017	2nd exploration	2026	<b>Tethys Oil</b>
<b>Block 56</b>	65%	2019	2nd exploration	2024	<b>Tethys Oil</b> , Medco, Biyaq, Intaj
<b>Block 58</b>	100%	2020	1st exploration	2025	<b>Tethys Oil</b>

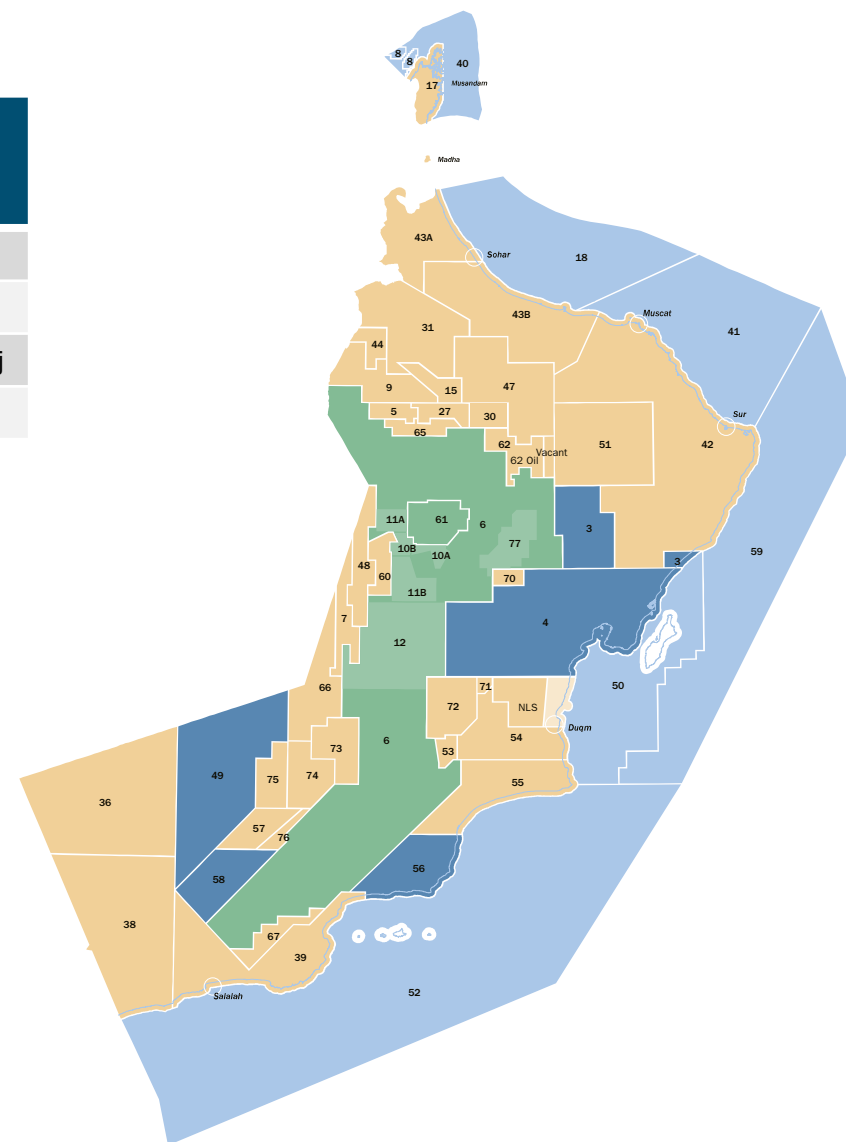
- Process ongoing with Jefferies Financial Group Inc. as advisors
- Identify optimised capital allocation strategy
- Prioritise growth, profitability and shareholder value
- Explore portfolio rebalancing opportunities
- Significant interest from several parties across the portfolio



# MUSD 60 Term Loan Facility agreement with ADCB

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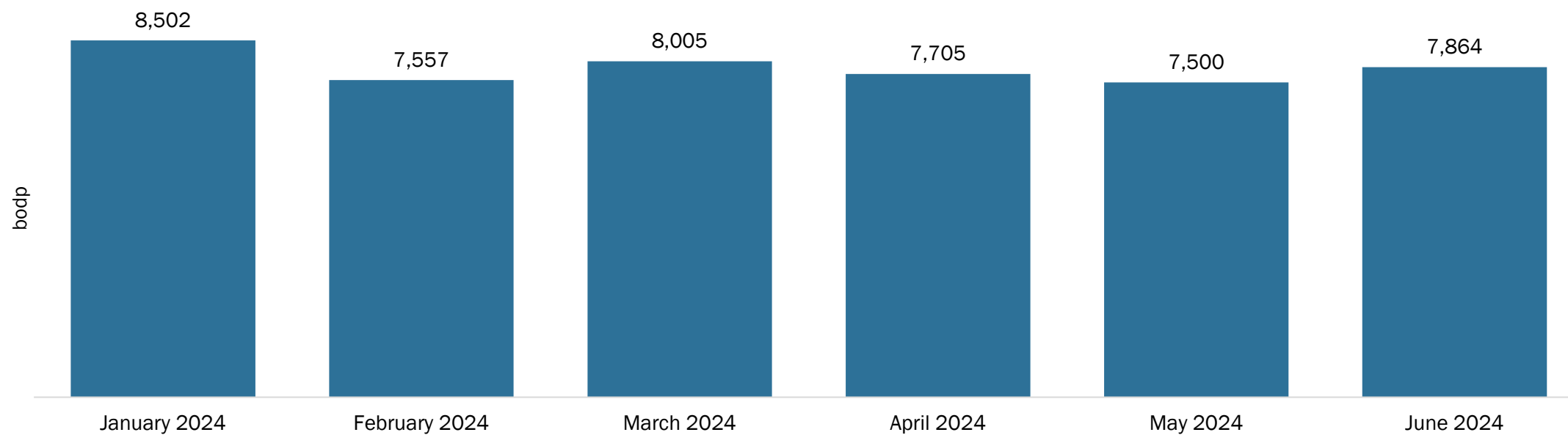
- 5-year, MUSD 60 facility with Abu Dhabi Commercial Bank
- Supports continued investment in asset portfolio
- A sign of “bankability” of Omani oil& gas assets
- Strengthen financing mix and lowering cost of capital





# Production on Blocks 3&4

- Q2-24 production of **7,688** bopd, a 4% decrease compared to Q1-24
- Production negatively impacted by extreme weather conditions
- Increasing production in the latter half of the quarter
- Final closed wells reopened in July



# Blocks 3&4 – production, appraisal and exploration

## 8 development wells in Q2

- 6 oil producers
- 16 workovers – continued focus on replacement of pumps

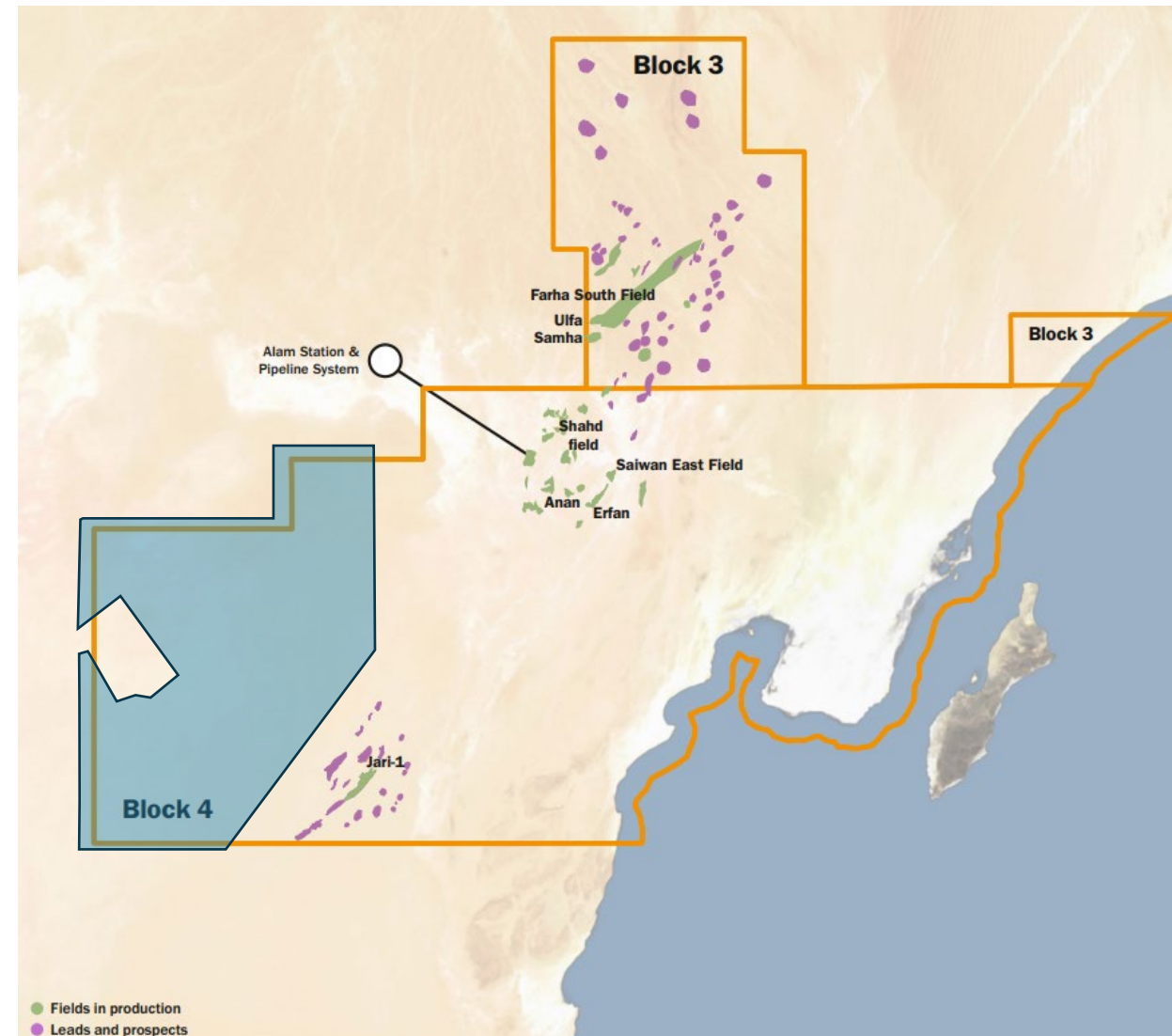
## 6 appraisal wells in Q2

## FNW-1 exploration well drilled in May with successful test

- Targeted a Barik formation on a parallel fault block to the main trend on the Farha South Field
- Two Shahd exploration wells to target the Khufai formation in the Q3 and Q4 respectively
- Block 4 Amin/Miqrat data gathering well planned for early Q4

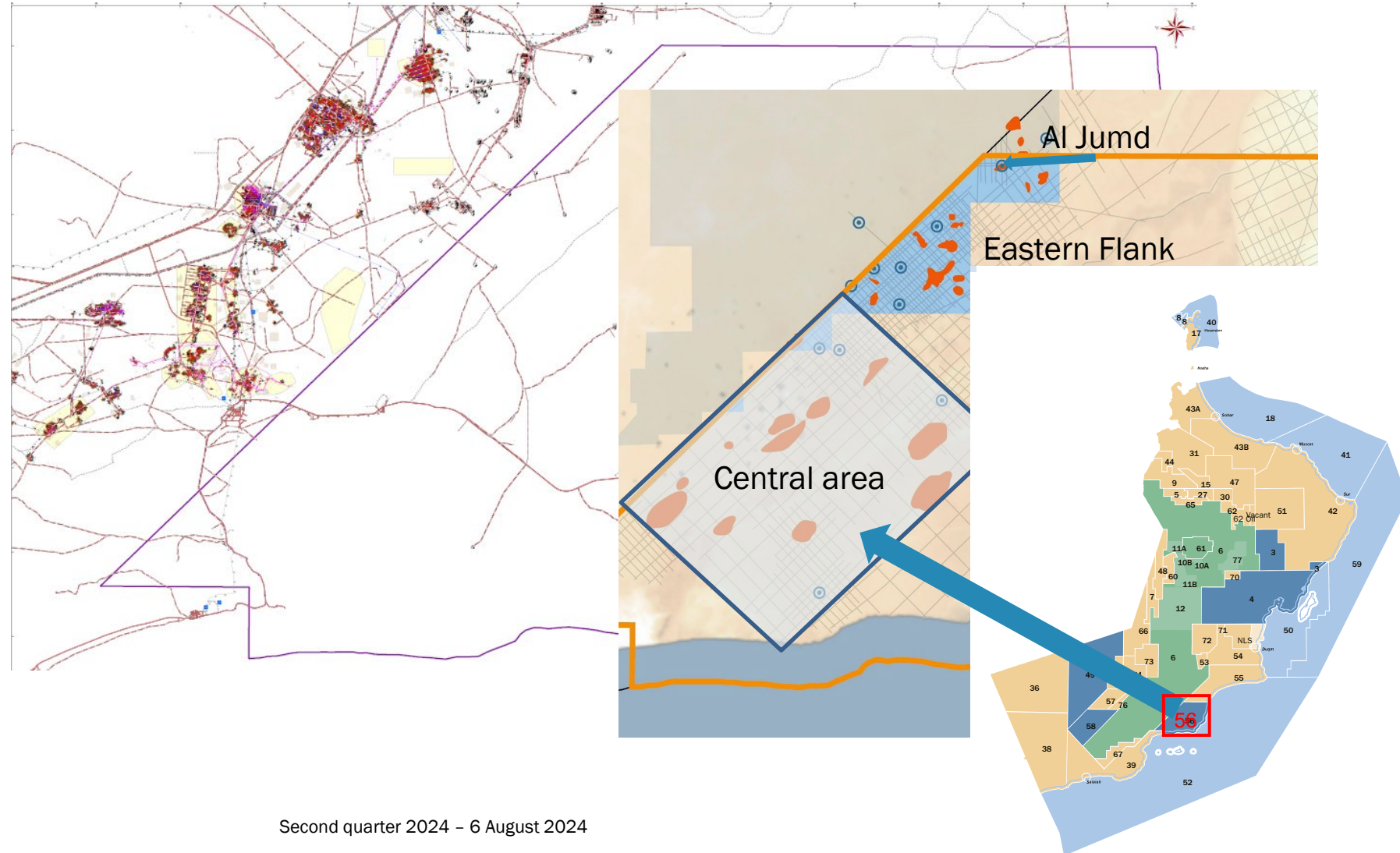
## Block 4 seismic acquisition programme covering 6,200 km<sup>2</sup>

- Final 1,600 km<sup>2</sup> to be completed in Q3/Q4
- Interpretation of previous acquired seismic ongoing



# Block 56 – Eastern Flank & Central Area

- The 2,000km<sup>2</sup> 3D seismic acquired in 2022
  - Southern extent of the Eastern Flank and the Central Area of Block 56
  - Several leads and prospects identified along the western block border



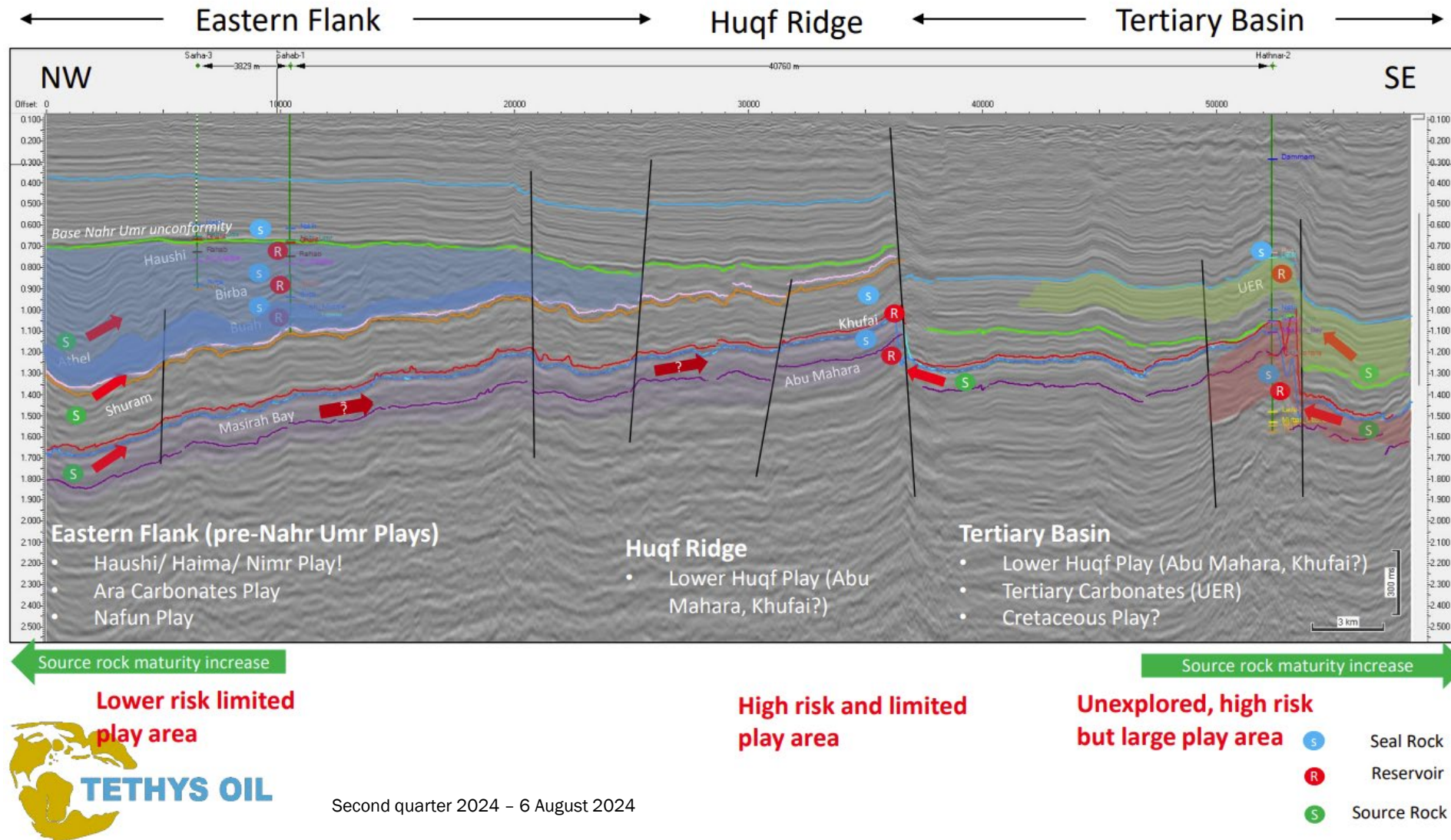


# Block 56 – Petroleum systems and plays

Multiple reservoir targets

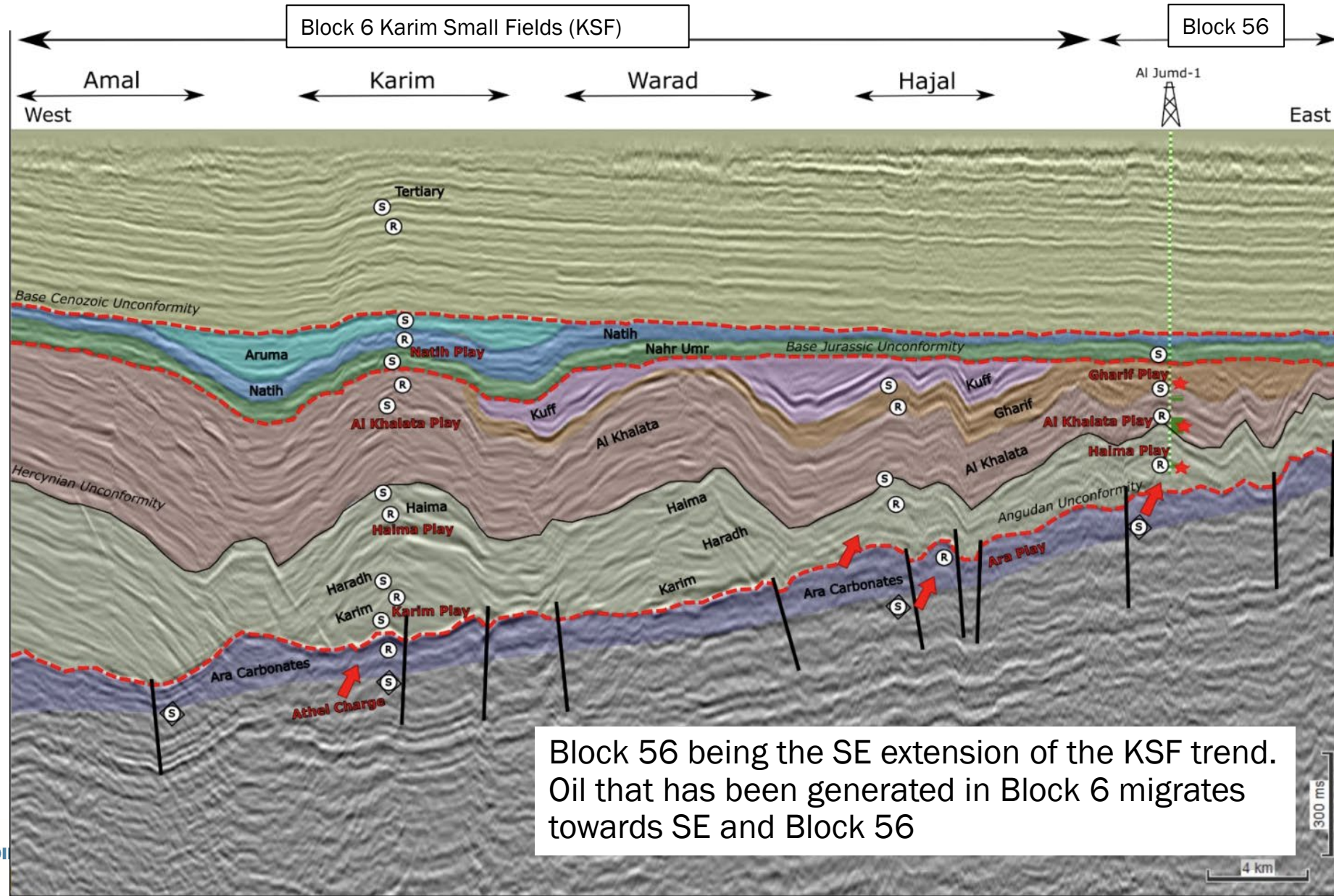
Proven Source Rock

Trend with producing fields



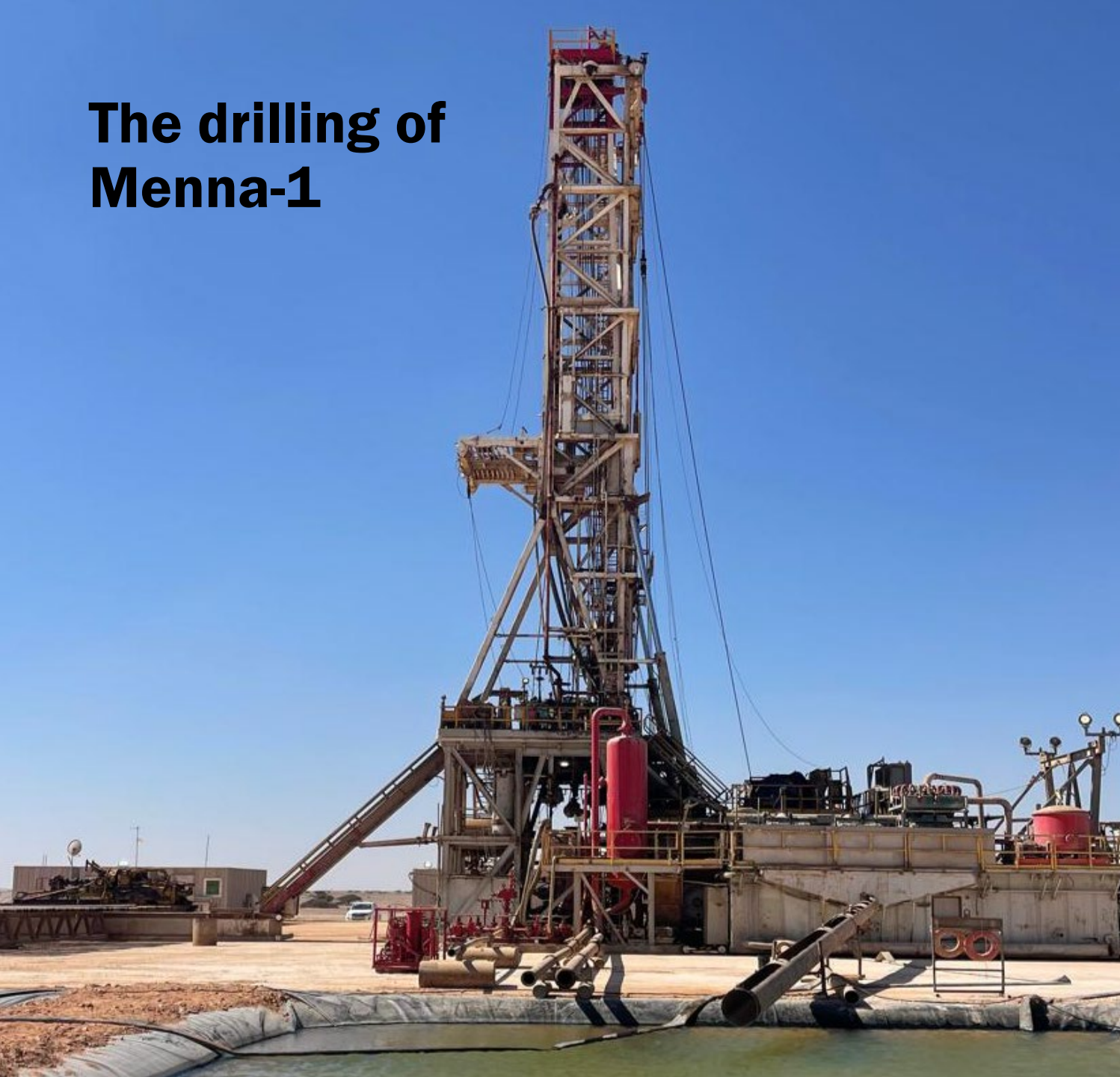


# Block 56 – Zoom in on Eastern Flank





**The drilling of  
Menna-1**



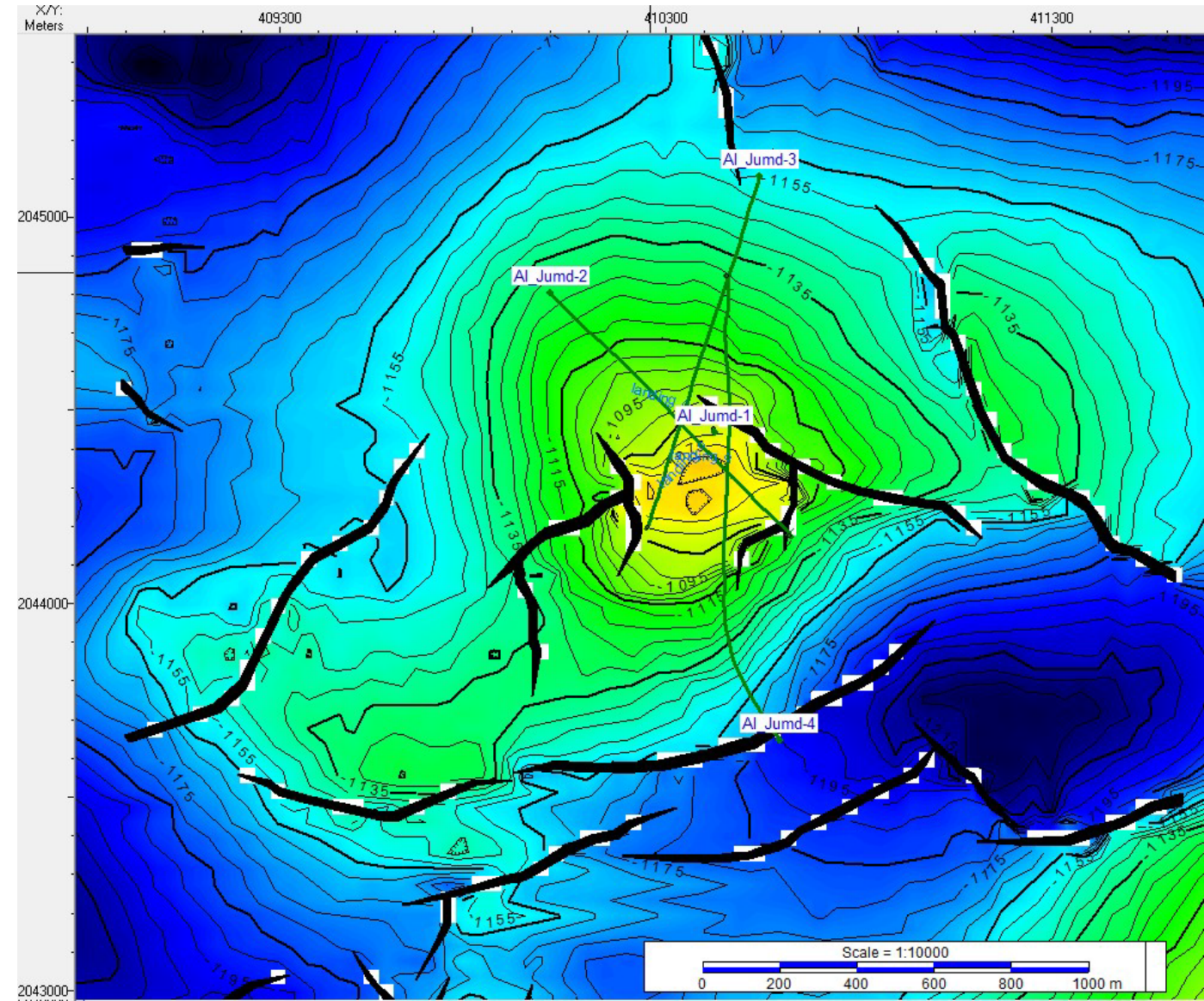
**Al Jumd-2**





# Block 56 – Al Jumd

- Al Jumd discovery Extended Well Test 2023
  - Testing of three wells
  - Test ongoing from April through September
  - Production of 60,369 barrels of oil
  - Crude oil quality of 20-25 degrees API and medium viscosity

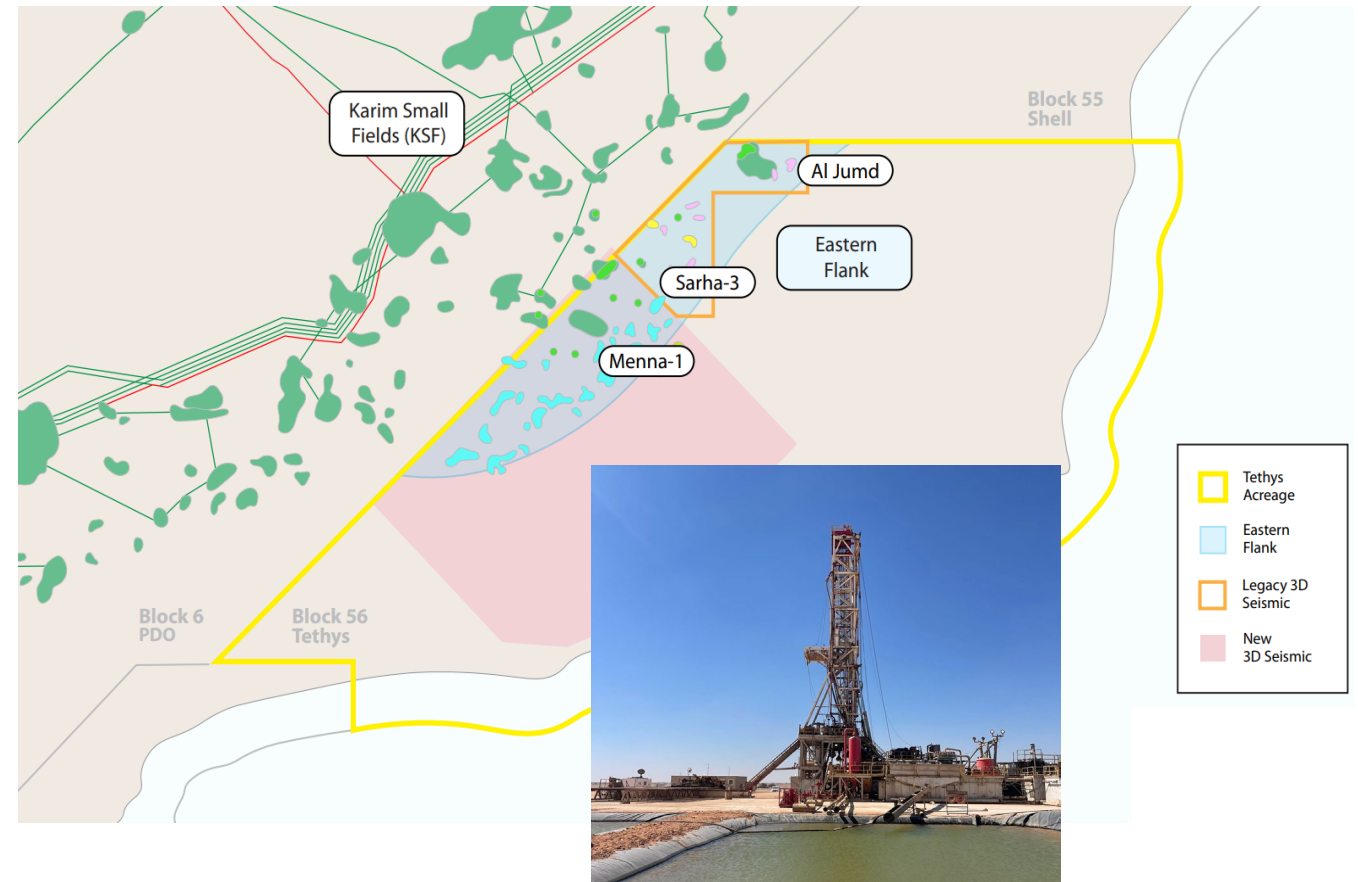




# Block 56 – Field Development Plan

## The road to commercialisation and production

- FDP submitted to MEM in June
- Includes:
  - Al Jumld,
  - Sarha,
  - Menna, and
  - Strong exploration prospect portfolio with substantial prospective resources
- Review and dialogue in progress
- Goal to declare the block commercial in 2024





# Block 56 production site & nearby KSF production area





# Block 58 – High-potential exploration drilling

Initial exploration phase extended to July 2025

>400 mmbo unrisked recoverable prospective resources

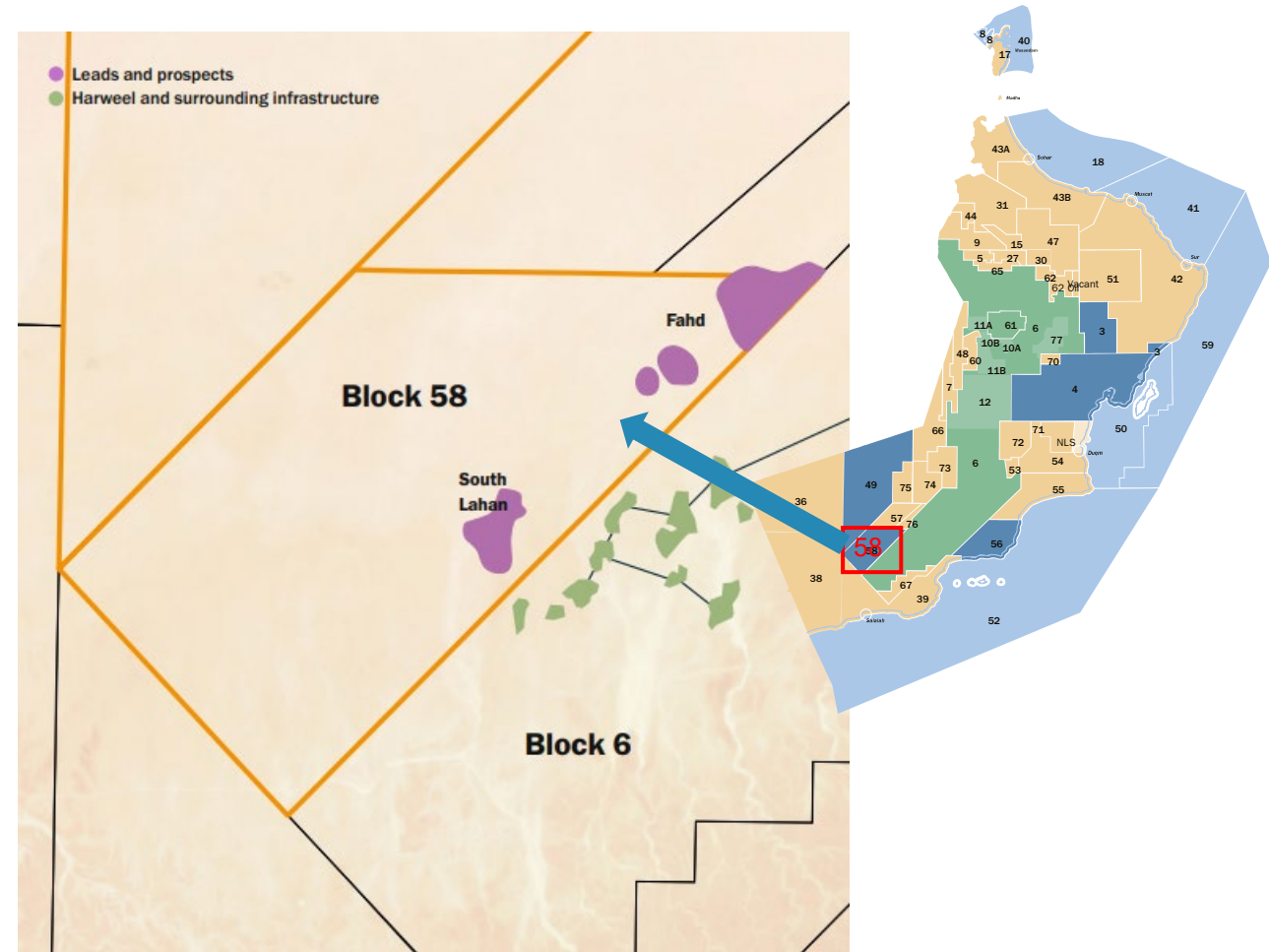
- Active PDO-infrastructure available nearby
- Oil producing fields are located 4-10km away

Fahd area – first target

- Kunooz-1 exploration well to spud ~10<sup>th</sup> August
  - Targets >120 mmbo of unrisked prospective resources

South Lahan

- Six identified prospects
  - 251.5 mmbo of unrisked recoverable prospective resources

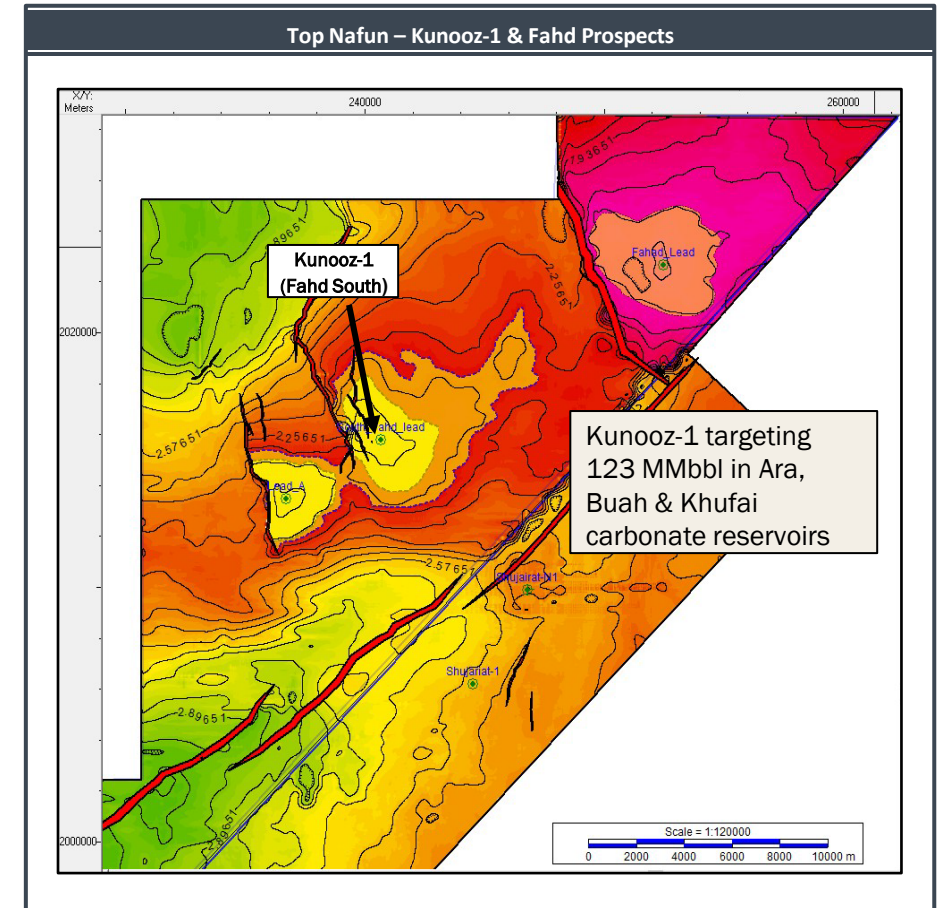
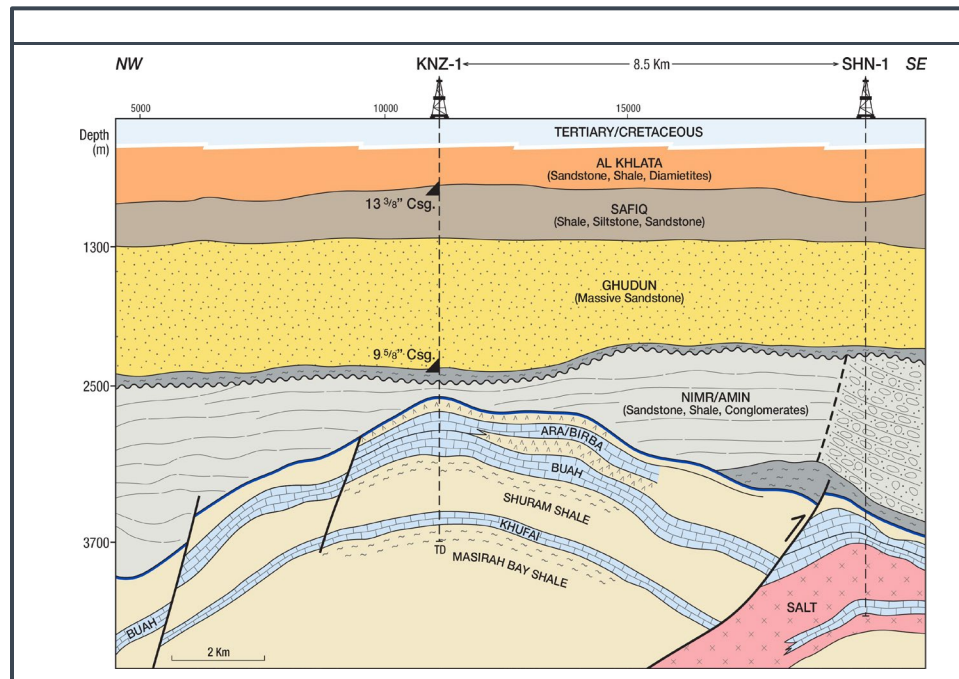




# Block 58 – Kunooz-1

## Fahd South Prospect – targeting 123 MMbbls resources

- Tethys has matured 3 prospects in Nafun play (Buah and Khufai):
- Building on experience from Blocks 3&4 where the Nafun Play is proven and producing
- Fahd South prospect has been selected as best candidate to test the play
- Kunooz-1 drilling starting August 2024

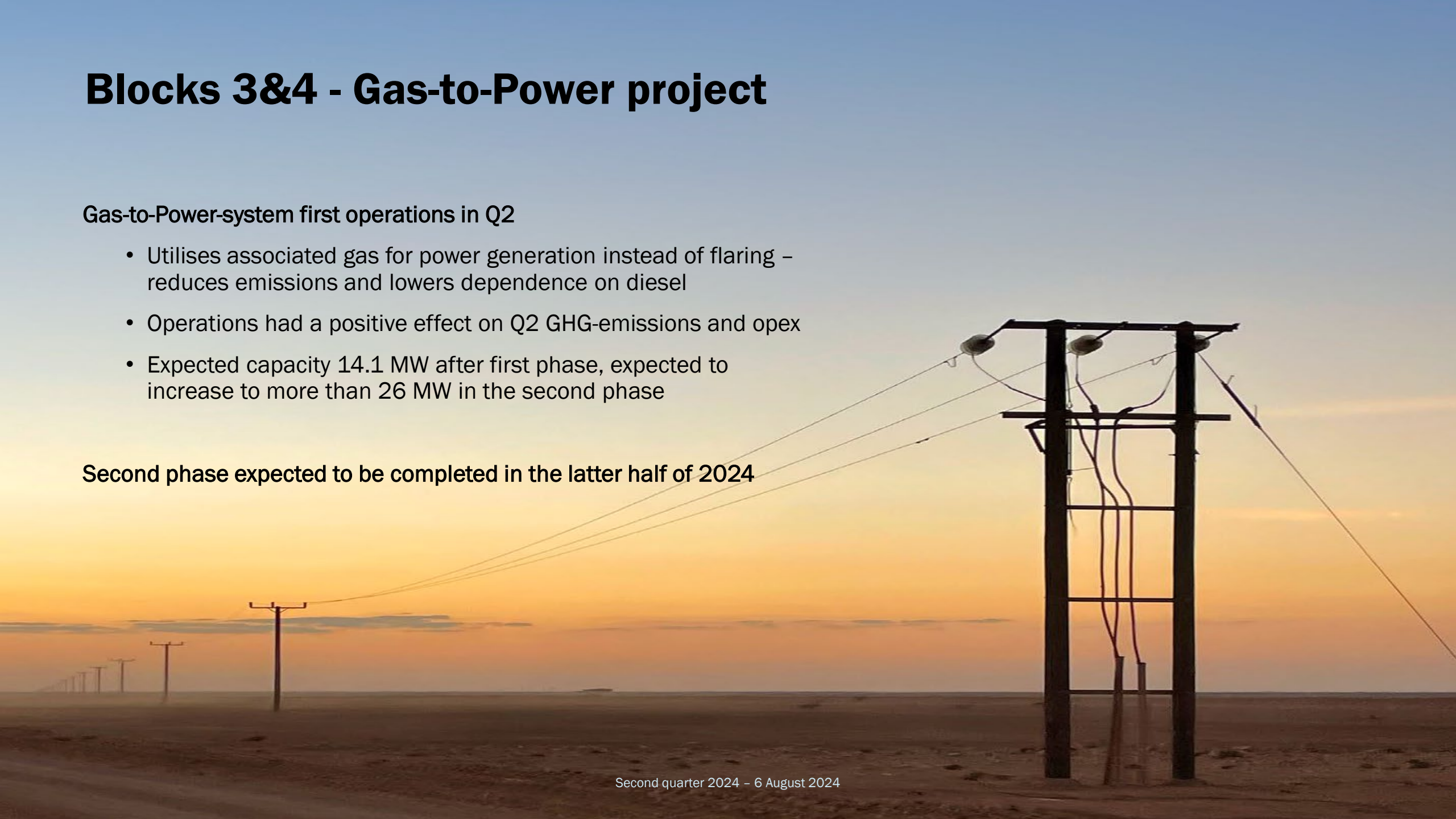


# Blocks 3&4 - Gas-to-Power project

## Gas-to-Power-system first operations in Q2

- Utilises associated gas for power generation instead of flaring – reduces emissions and lowers dependence on diesel
- Operations had a positive effect on Q2 GHG-emissions and opex
- Expected capacity 14.1 MW after first phase, expected to increase to more than 26 MW in the second phase

Second phase expected to be completed in the latter half of 2024

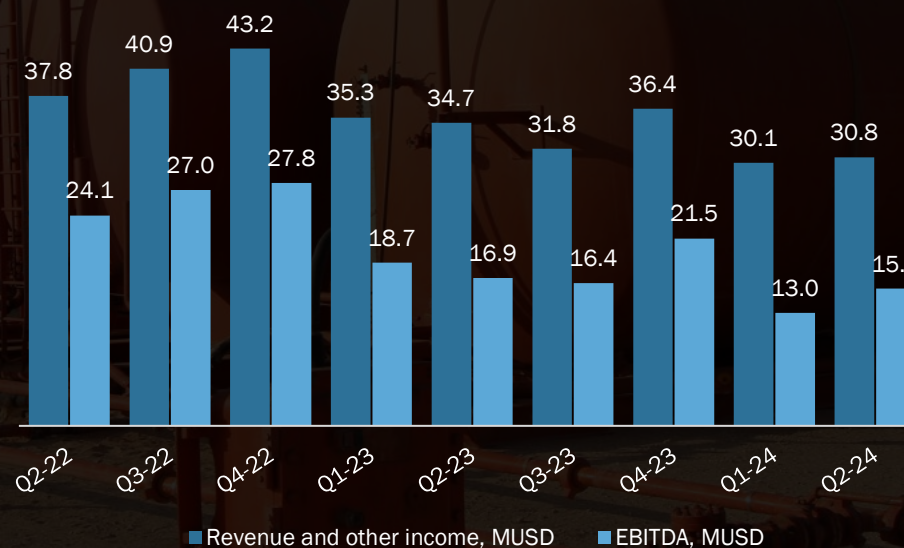






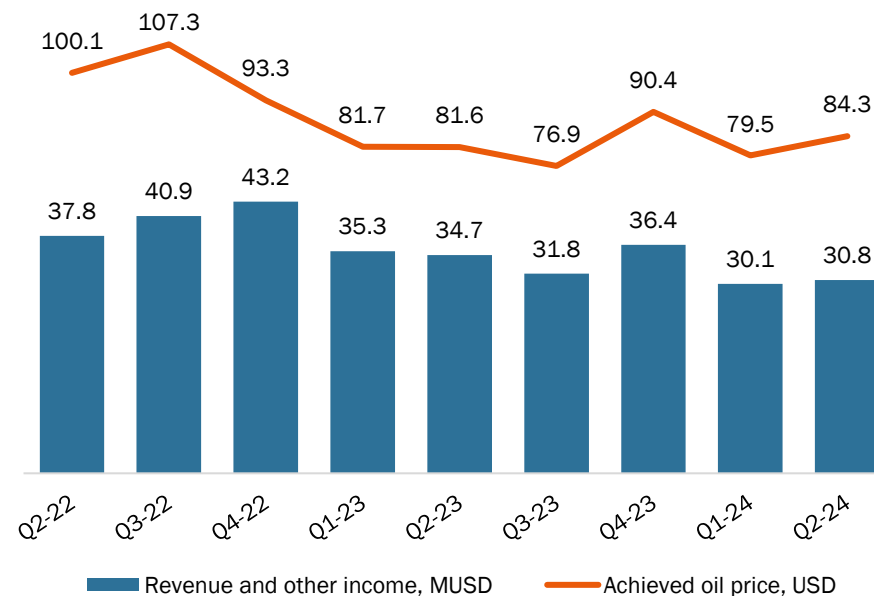
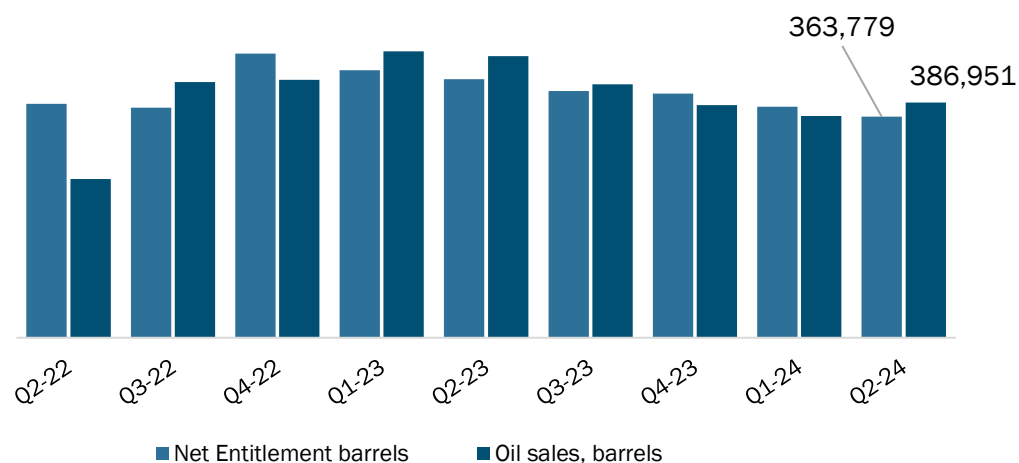
# Financial highlights for Q2 2024

- Achieved Oil Price USD 84.3 (79.5) per barrel
- Revenue and other income: MUSD 30.8 (30.1)
- EBITDA: MUSD 15.7 (13.0)
- Investments in oil & gas properties: 16.7 (17.0)
- Free Cash Flow MUSD: 3.1 (-10.8)
- Net Cash: MUSD 18.1 (14.9)





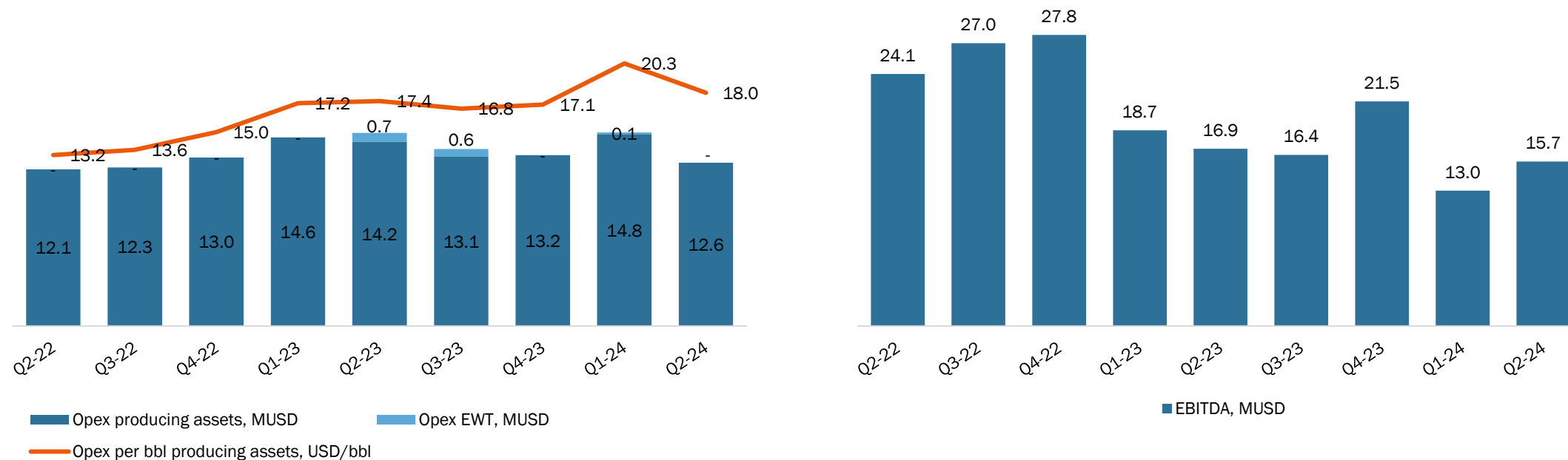
# Revenue Entitlement & Oil Sales



- Oil sales up by 6% from Q1-24
- Revenue and other income MUSD 30.8, up by 2% as a result of higher Achieved oil price
- Achieved oil price in Q2-24 was USD 84.3 per barrel vs USD 79.5 in Q1-24
- Overlift of 23,172 barrels compared to entitlement in Q2-24 creating an overlift position of 2,357 barrels (underlift position of 20,815)
- Net Entitlement unchanged at 52%

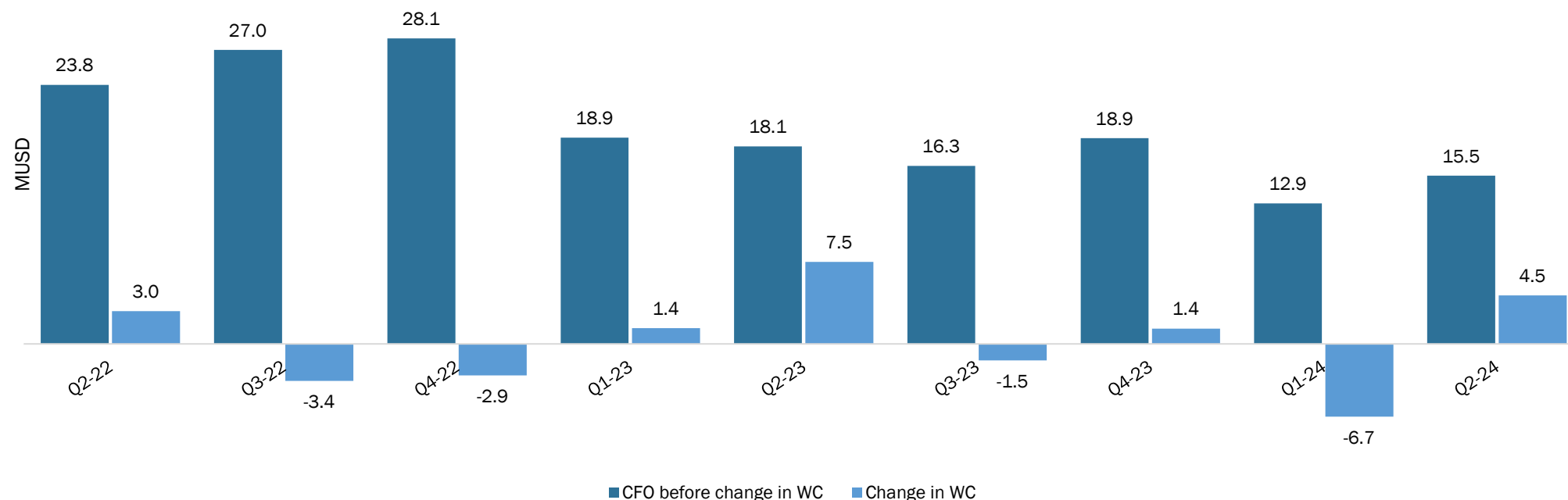
# Q2-24 Operating expenses and EBITDA

- Q2-24 EBITDA increased to MUSD 15.7 (13.0), due to lower Opex
- Q2-24 total operating expenditure decreased to MUSD 12.6 (14.8).
- Q1-24 included the majority of the customary annual bonus and benefit payments in Oman. Q1-24 also included extra costs relating to Gas-to-Power project and maintenance shut-downs.
- Q2-24 Opex per barrel USD 18.0 (20.3)



# Cash flow from operations

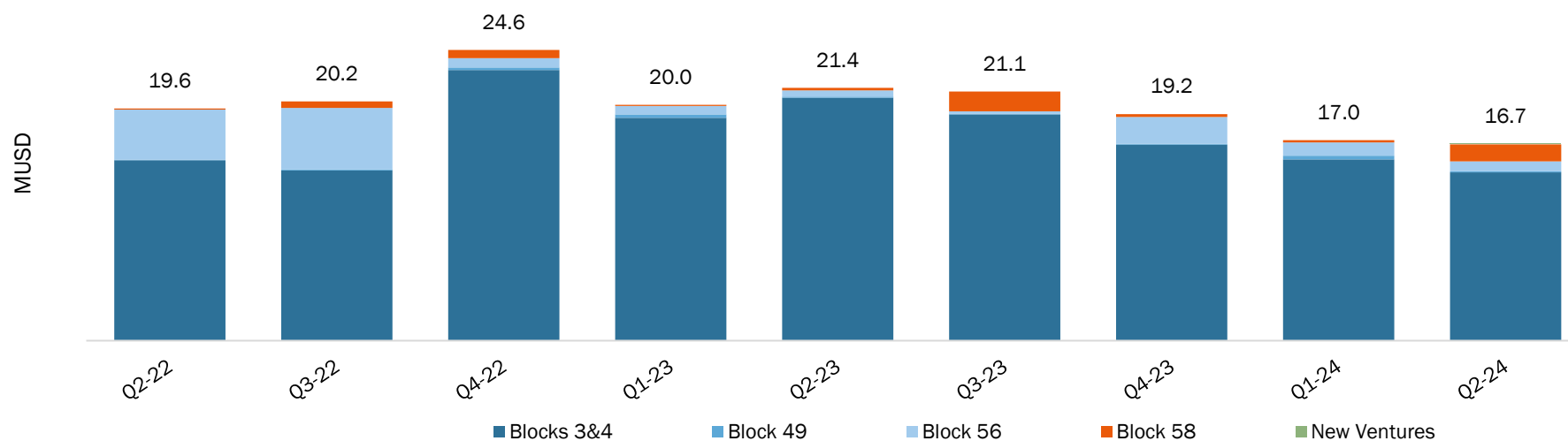
- Cash flow from operations at MUSD 15.5 in Q2-24
  - Increase from Q1-24 is a result of increased oil sales, higher oil price and lower opex.
- Positive contribution from working capital MUSD 4.5 (MUSD -6.7)
  - Primarily due to overlift.





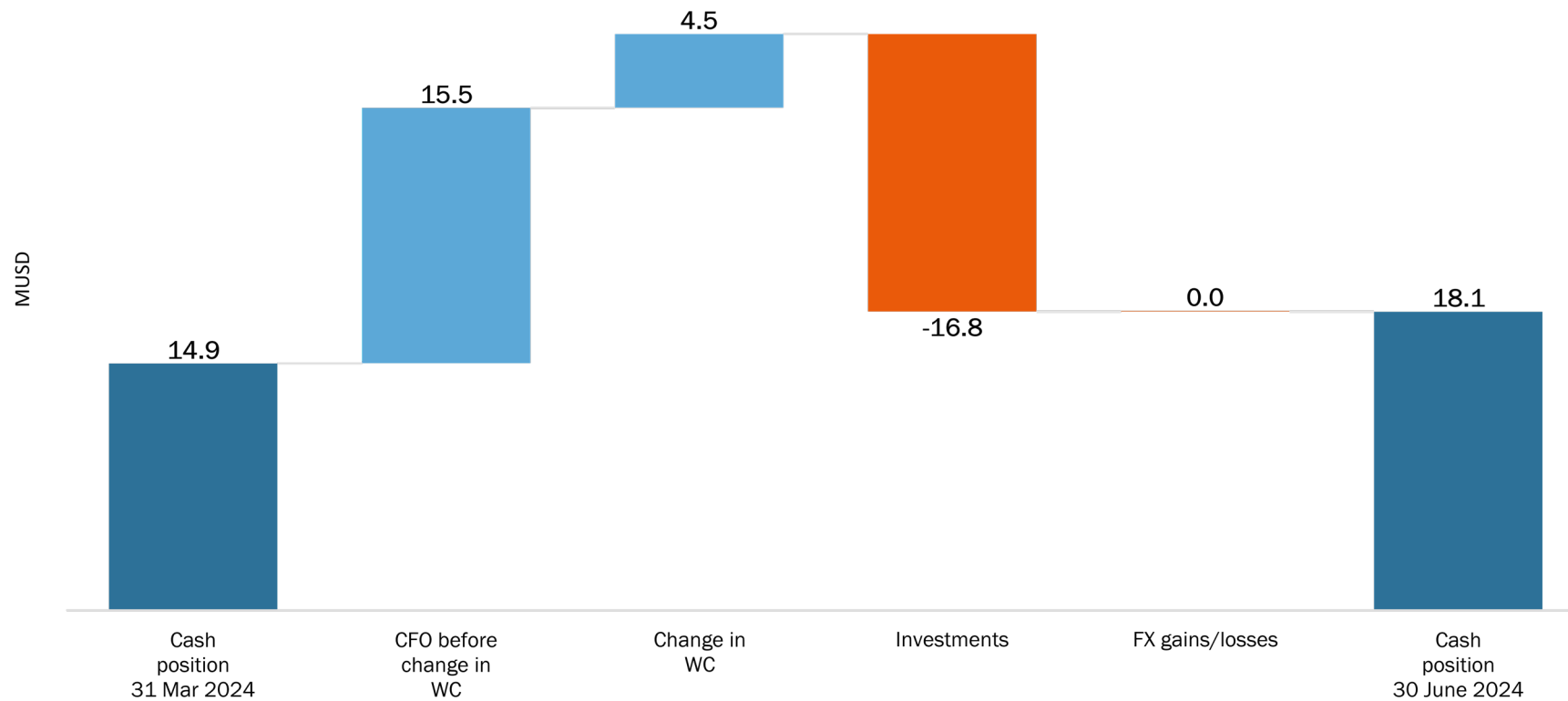
# Investments in Oil and Gas properties

- Q2-24 investments amounted to MUSD 16.6 (17.0)
- Consistently lower capex on Blocks 3&4 since mid-2023
- Increased investments in Block 58 in preparation for Q3 drilling.



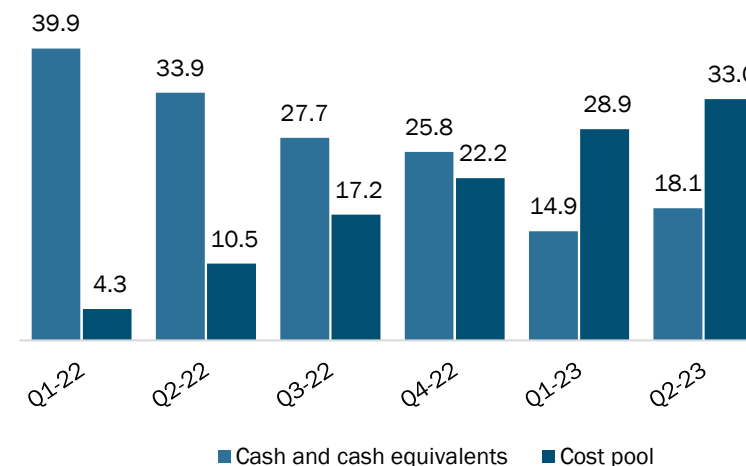
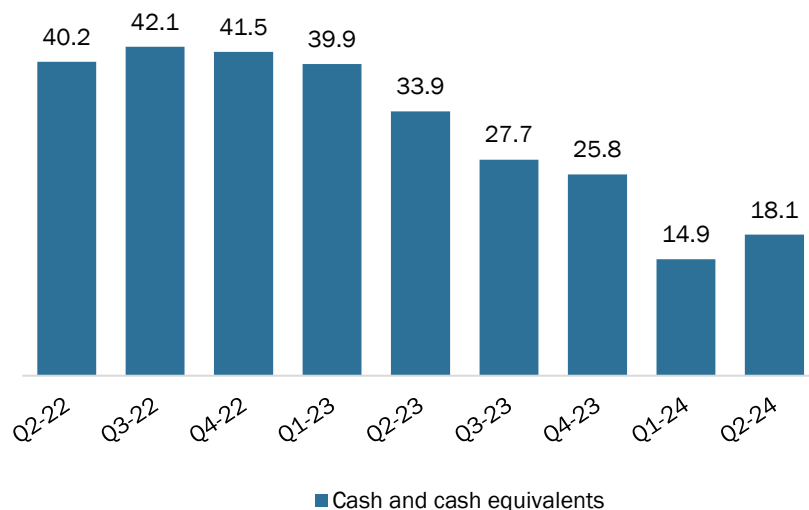
# Free cash flow

- First net cash flow positive quarter since Q3 -22



# Liquidity and Financing

- Net Cash at end of Q2-24 was MUSD 18.1 (MUSD 14.9)
- Blocks 3&4 cost pool at the end of Q2-24 was MUSD 33.0 (28.9). Cost recovery will start once Block 3&4 expenditure are below the cost oil allowance.
- 5-year, MUSD 60 amortising term loan finalised in Q3-24
  - 12 month availability period
  - Amortising after 9 months
  - Customary covenants
- Single-digit interest rate (before hedging)
- Hedging requirements: 35% of oil sales and 50% interest rates





# FY 2024 - Production & Financial guidance

- Production expected to be 8,000 ± 200 barrels of oil per day for FY-24
  - Q2 production severely affected by the extraordinary weather in April
- Operating expenditures expected to be USD 17.5 per barrel
  - 2024 opex expected to be frontloaded due to the start-up phase of the Gas-to-Power project
- Investments in oil & gas assets to be in the range of MUSD 77
- Investments will be financed by cash flow, cash on hand, and external debt

	Investments, MUSD	Previous guidance, MUSD	Comments
Block 3&4	64	63-67	Minor work programme changes
Block 49	1	1	No changes
Block 56	3	8	Exploration well deferred to 2025
Block 58	9	18.5	Kunooz-1 exploration well, second exploration well moved to 2025
<b>Total</b>	<b>77</b>	<b>90-94</b>	

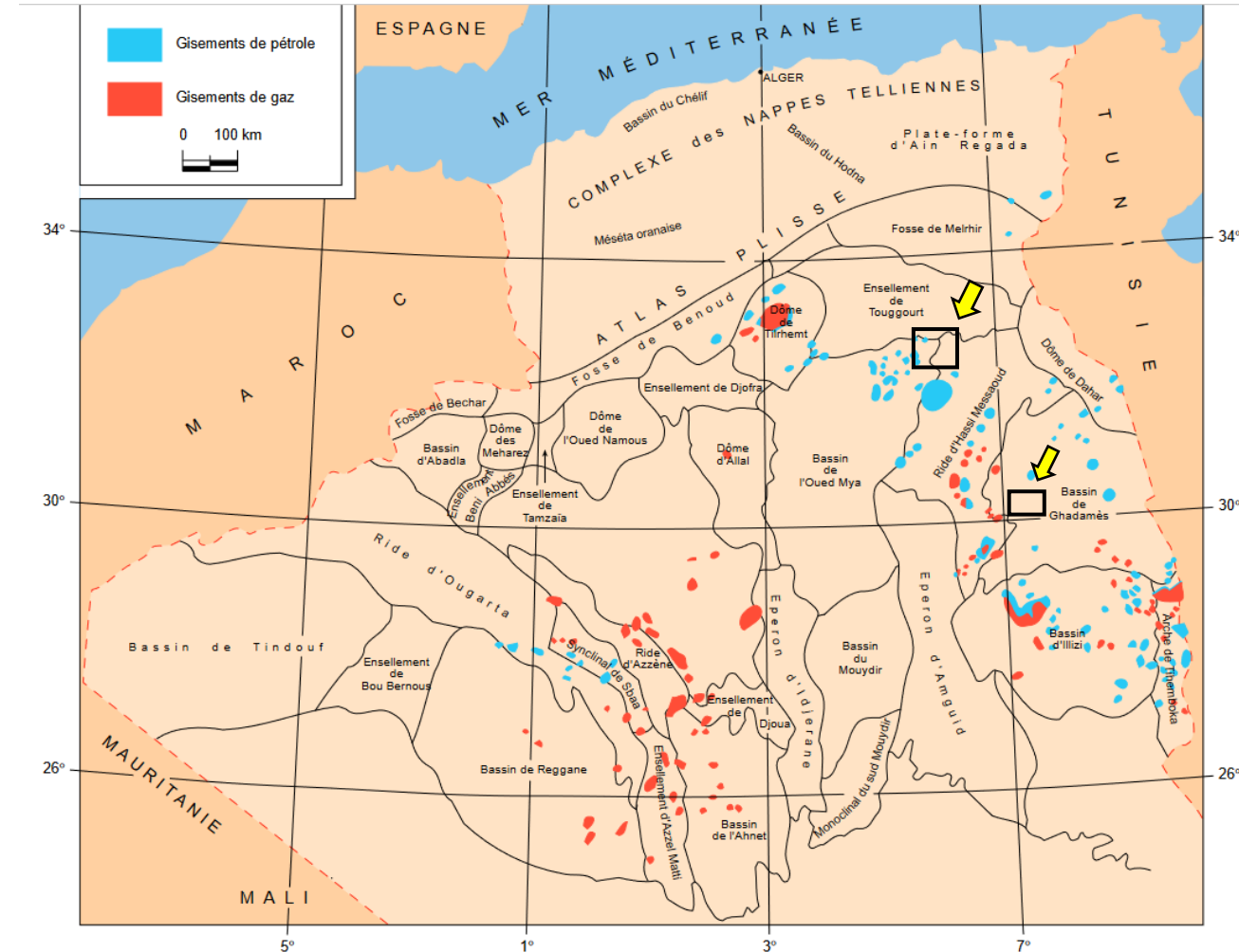
## New Ventures Heads of Agreement with Sonatrach

**Algeria: third largest country in Africa in terms of reserves and production**

- HoA a key step to exclusively negotiate potential production sharing agreements

## Two areas NE Algeria

- El Hadjira II & El Haiad II
- Greater area with known discoveries, production and infrastructure





# Outlook – key events

- Block 56 – Field Development Plan and Declaration of Commerciality
- Block 58 – Spud of Kunooz-1
- Strategic review ongoing with significant interest from several parties





# Thank you for staying with us!

## Financial Calendar

- Report for the third quarter 2024 (January – September) on 5 November 2024
- Year-end report 2024 (January – December) on 4 February 2025
- Report for the first quarter 2025 (January – March 2025) on 6 May 2025

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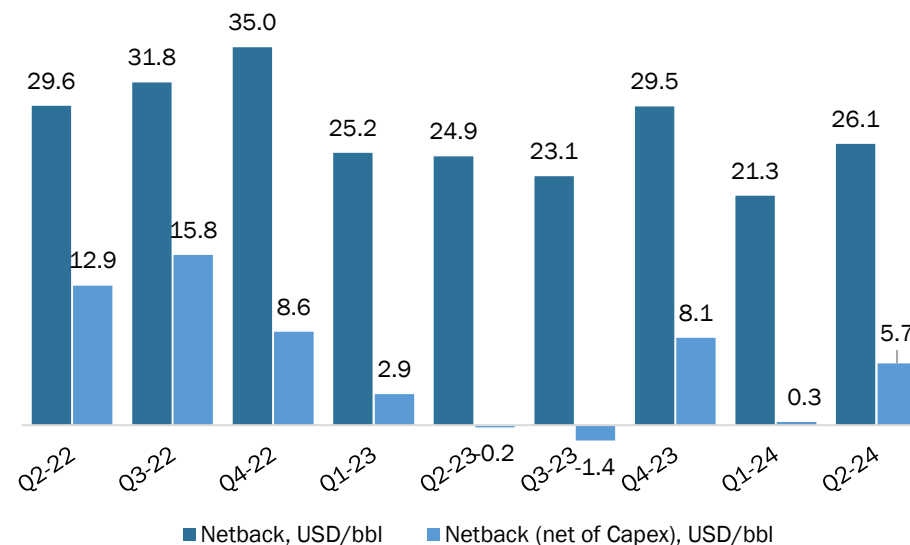
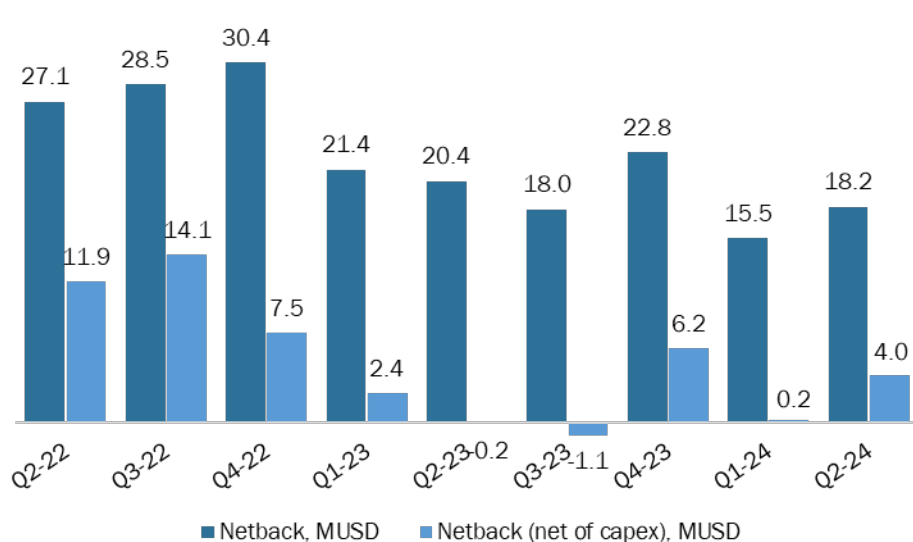


# Supporting slides



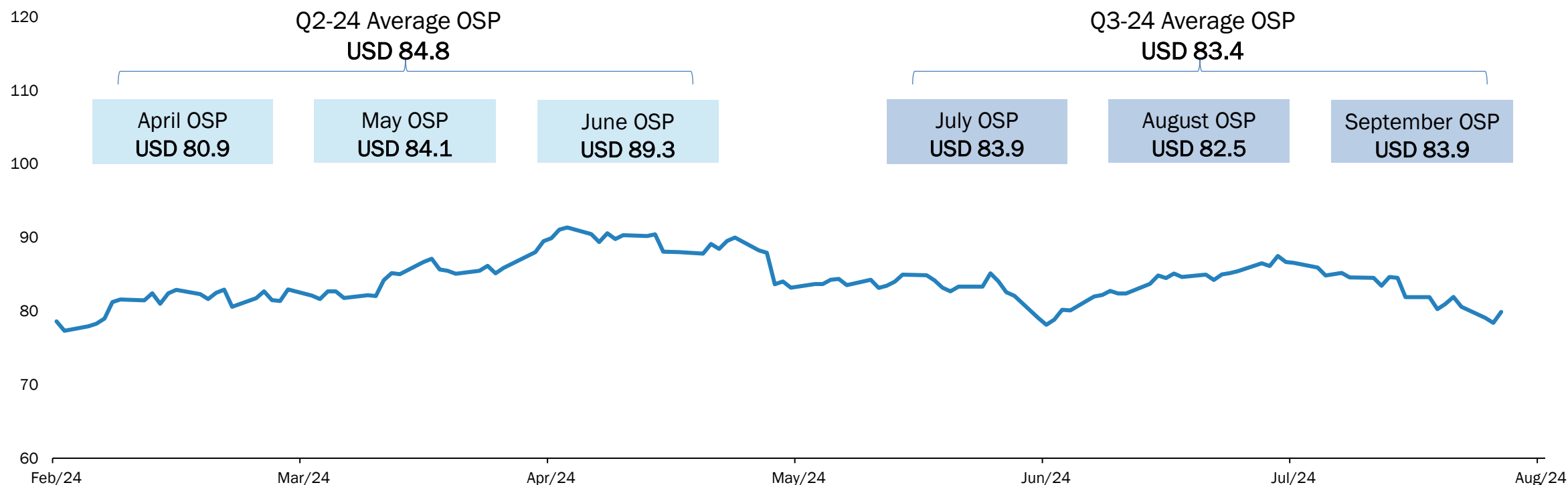
# Netback

- Netback (net of Capex) in MUSD as well as in USD/bbl increased in the quarter as a result of increase in oil price and decrease in operating expenses.



# OSPs in Q2-24 and Q3-24

- Average OSP in Q2-24 (USD 84.8) increased vs Q1-24 (USD/bbl 79.7) as supply balanced by OPEC+
- Solid OSP for Q3-24 (USD 83.4) as well despite recent correction in July



Second quarter 2024 – 6 August 2024