

Q1 2018

8 May 2018




Q1-18 Highlights

(MUSD)	Q1-18	Q4-17	FY-17
Revenue and other income	34.2	30.1	119.3
EBITDA	21.5	19.7	78.2
Operating result	10.3	9.9	38.4

- 11,664 BOPD produced in Q1-18, in line with Q4-17 (11,726)
- Average selling price per barrel of USD 63.7, up 18% compared with Q4-17
- Operating result affected by increased oil price, higher OPEX and higher DD&A
- Net cash of MUSD 52.4, (MUSD 42.0 in Q4-17)
- Exploration well Tibyan-1, located about 9 km southwest of the Erfan-1 discovery, resulted in a smaller oil discovery
- Far field exploration well Luja-1 in the southern part of Block 4 had oil shows and is undergoing extensive evaluation until the latter part of Q2
- One new producing fault block on Farha South

Tethys Oil's assets

	Country	Licence	Area, km2	Tethys share	Partners*	Reserves and resources, net, 31 Dec 2017 (mmbo) **		Production, net, Q1 2018 (bopd)
						2P	2C	
Producing Assets	Oman	Blocks 3&4	29,130	30%	CC Energy , Mitsui	22.0	17.3	11,574
	Lithuania	Gargzdai	884	25%	Odin Energi, Geonafta	-	-	90
Exploration assets	Oman	Blocks 3&4	29,130	30%	CC Energy , Mitsui			
	Oman	Block 49	15,439	100%	Tethys Oil			
	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			

* Operator in bold

** Reserves in Oman audited by ERC Equipoise Limited ("ERCE")



Distributions to shareholders

SEK/share (Payment year)	2015	2016	2017	2018 (proposed)
Ordinary dividend	1.00	1.00	1.00	2.00
Extraordinary distribution	2.00	3.00	-	4.00
Total	3.00	4.00	1.00	6.00

- The board of directors proposes an ordinary dividend of SEK 2.00 per share (AGM 2017: SEK 1.00), to be paid in two instalments of SEK 1.00 each in May and November
- The board of directors proposes an extraordinary distribution of SEK 4.00 per share by way of a mandatory share redemption programme

Reserves and resources at Dec 31, 2017

Reserves Blocks 3&4 Oman (audited)

<i>mmb</i>	1P	2P	3P
Farha South	9.2	11.8	16.1
Shahd	3.4	5.6	8.9
Saiwan East	0.6	1.3	1.8
New areas	2.3	3.4	5.7
Total	15.6	22.0	32.4

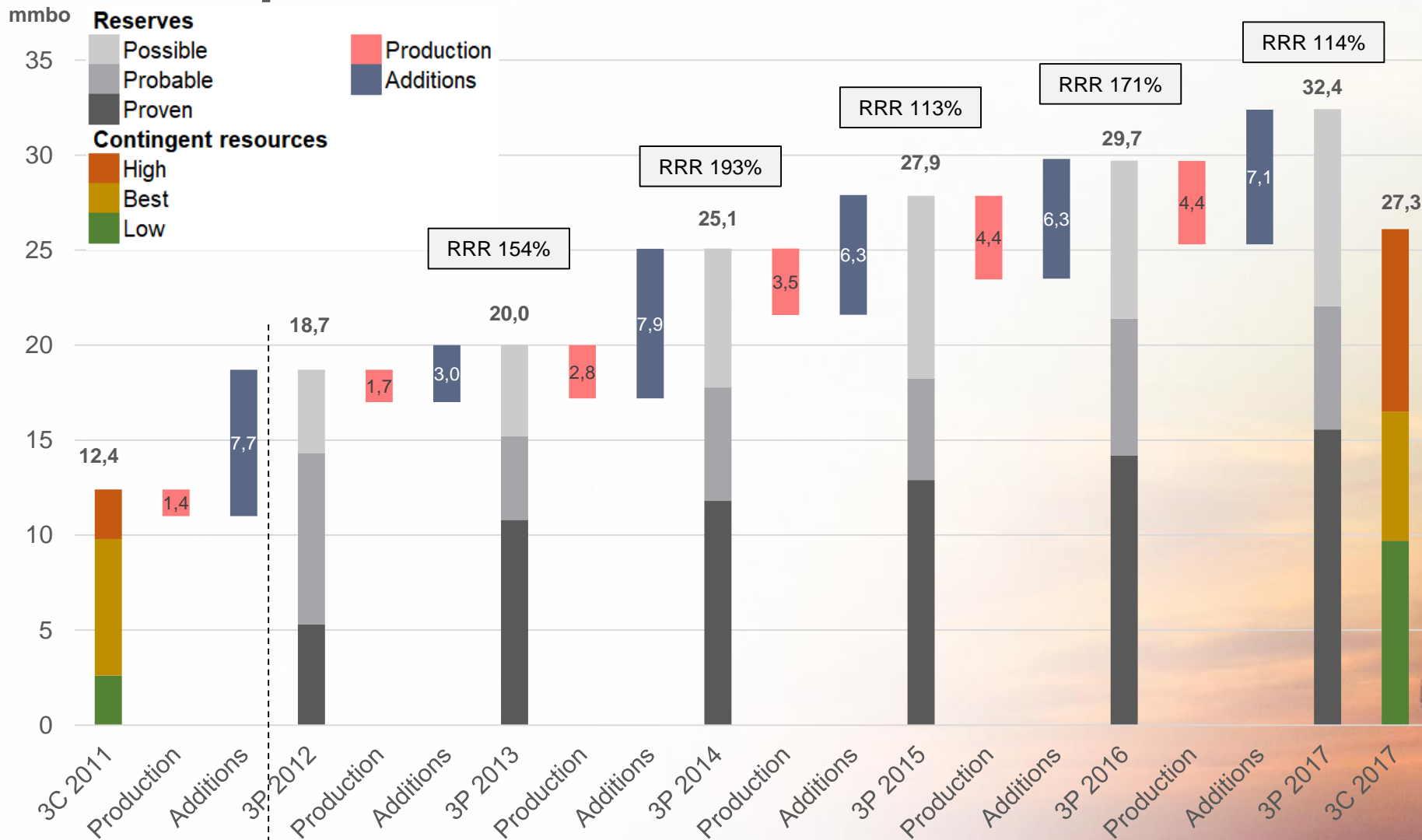
- Internal reserve replacement ratio of 2P is 114%

Contingent Resources Blocks 3&4 Oman (audited)

<i>mmb</i>	1C	2C	3C
Total	10.1	17.3	27.3

- Contingent resources relate to the Erfan, Ulfa and Samah discoveries made in 2017
- The resources are contingent on the on-going appraisal programme and a work programme and budget to develop them

Development of resources, Blocks 3&4



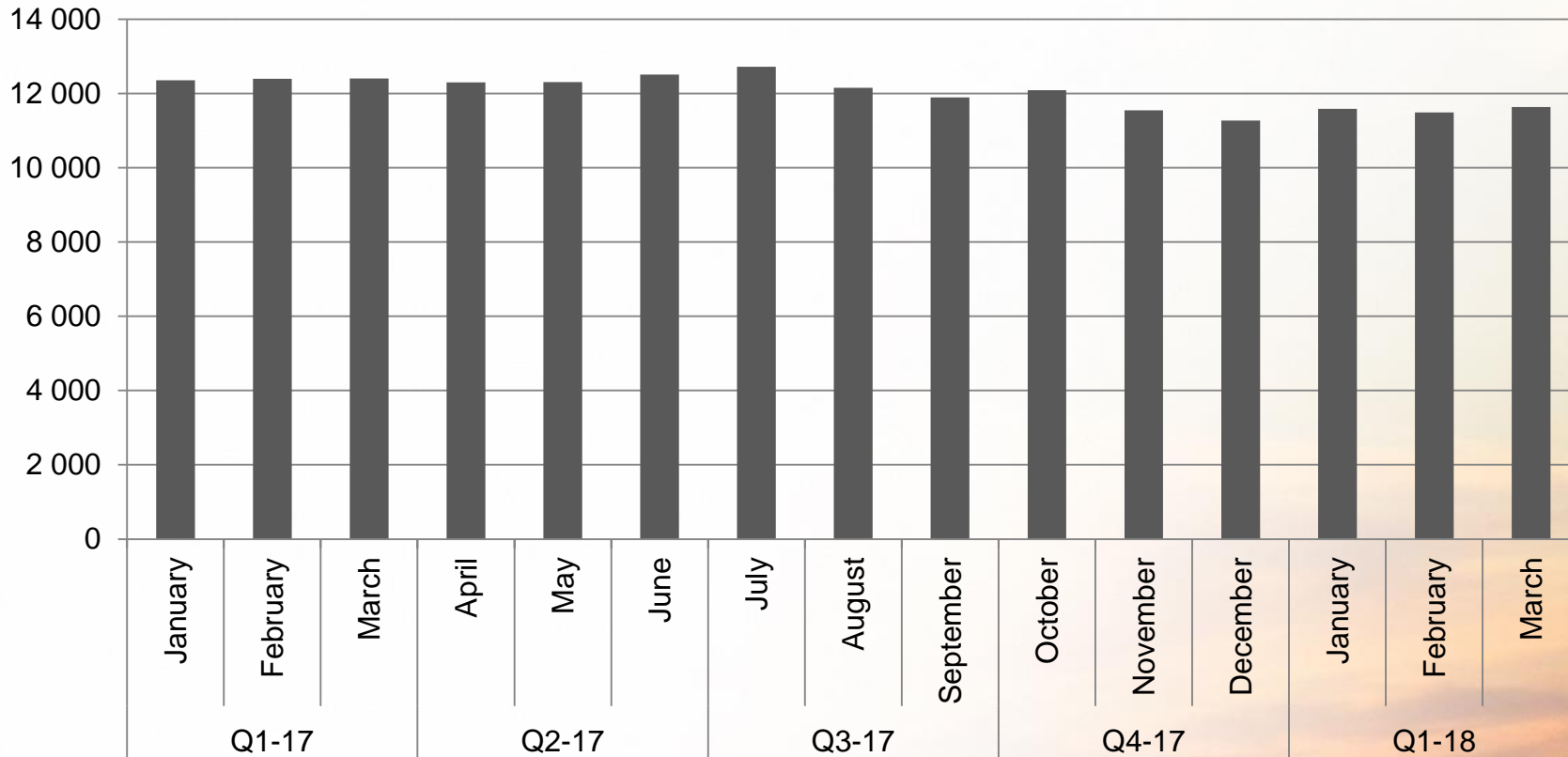
Field Development Plan for Blocks 3 and 4 approved

Reserve Replacement Ratio ("RRR")

Tethys Oil's accumulated net production, from 2010 until 31 Mar 2018, amounts to 19,7 mmbo

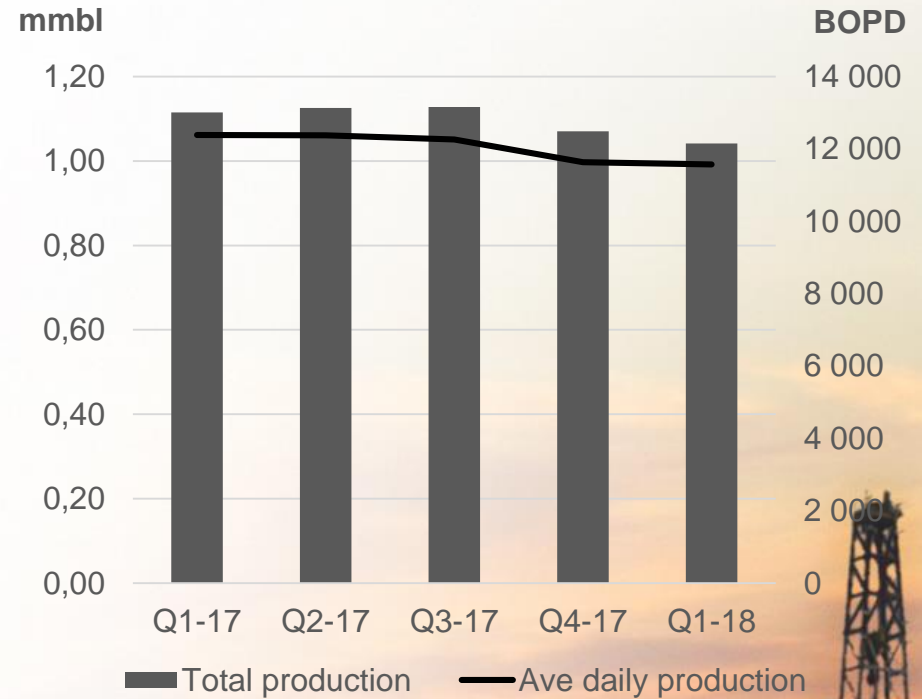
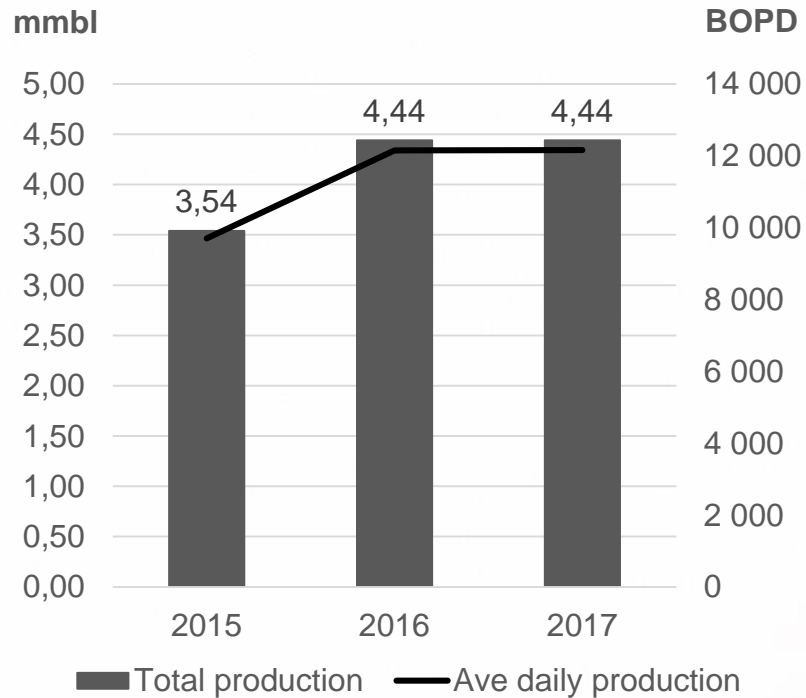
Average daily production, Blocks 3&4

BOPD



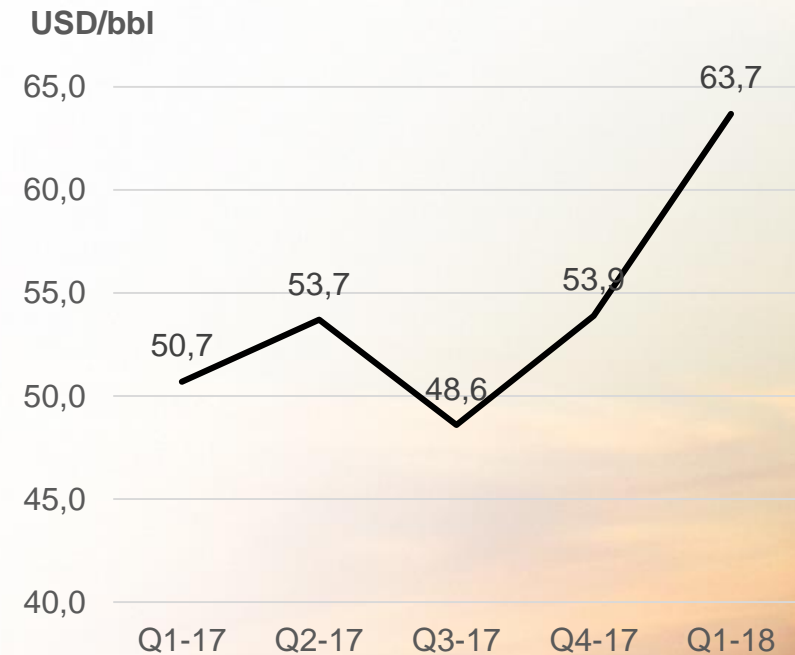
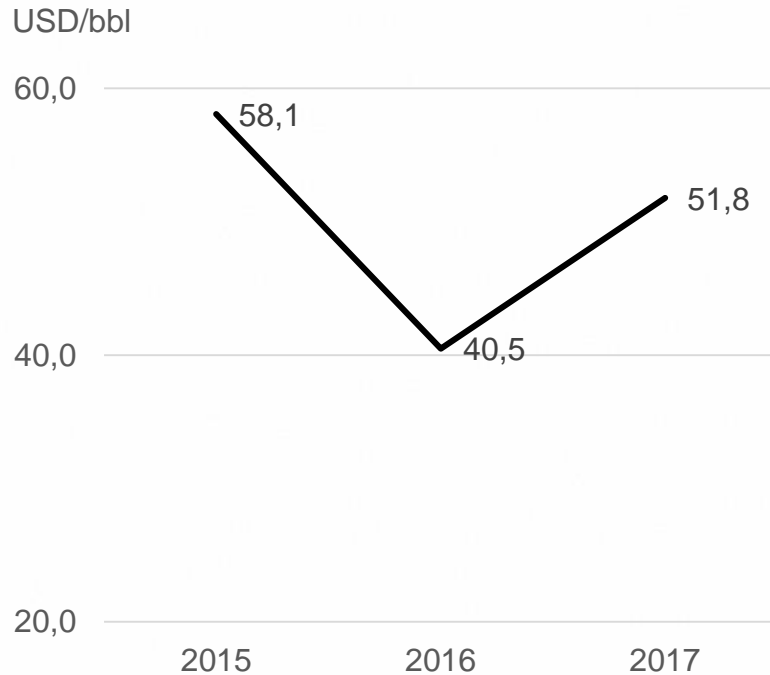
- Production on Blocks 3&4 in Q1-18 amounted to 1.04 mmbo (Q4-17: 1.07 mmbo)
- Production guidance for 2018 is a monthly average production of between 11,000-13,000 bopd

Production, Blocks 3&4



- Average daily production in Q1-18 amounted to 11,574 bopd (Q4-17: 11,637 bopd)

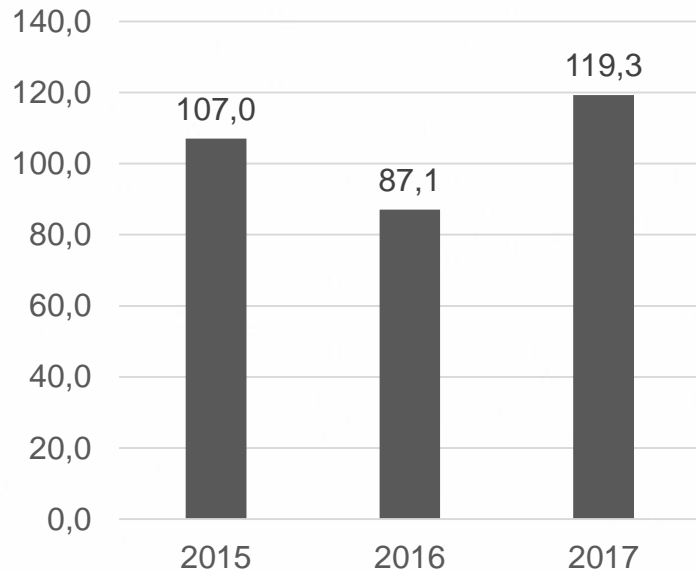
Average achieved selling price per barrel



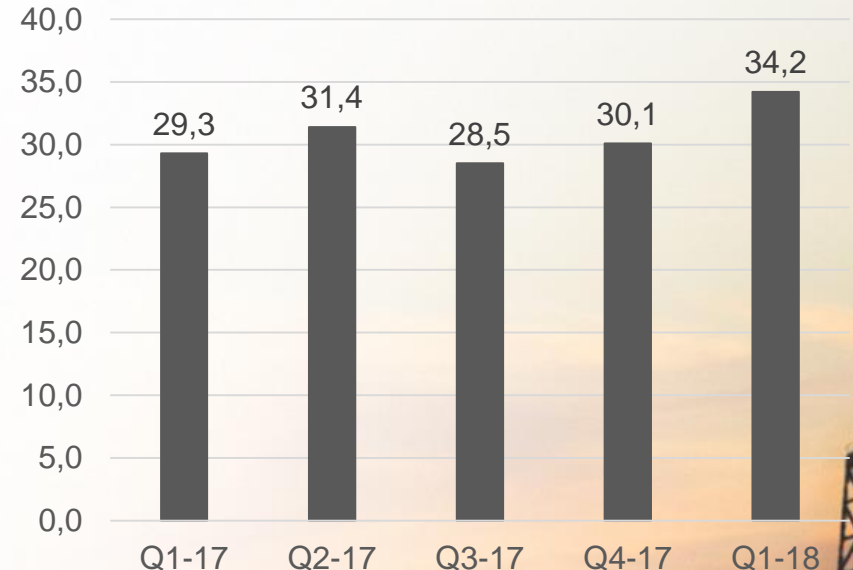
- Average achieved selling price amounted to USD 63.7/bbl, up 18% compared with Q4-17 (USD 53.9/bbl)
- 2 months delay in achieved selling price

Revenue and other income

MUSD

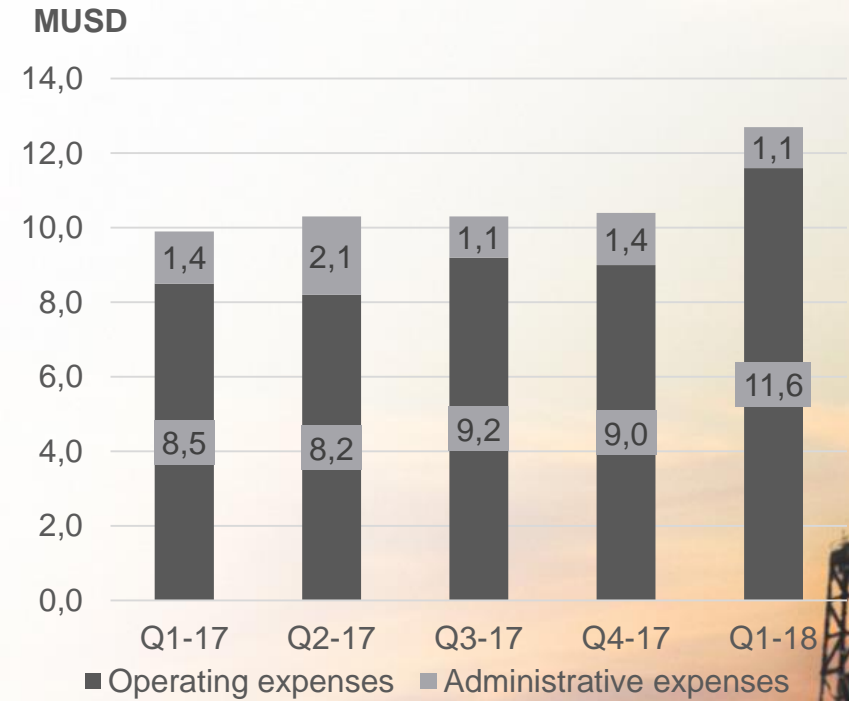
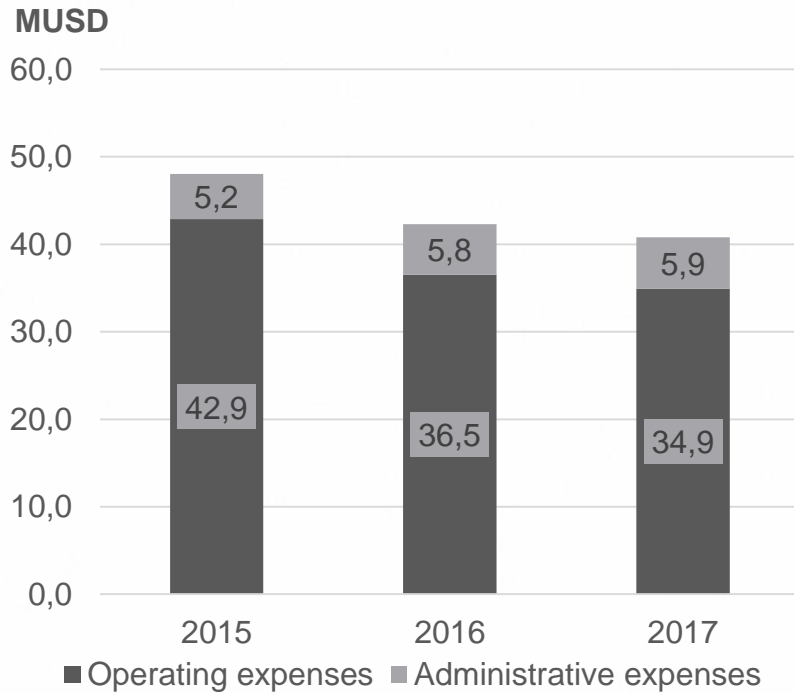


MUSD



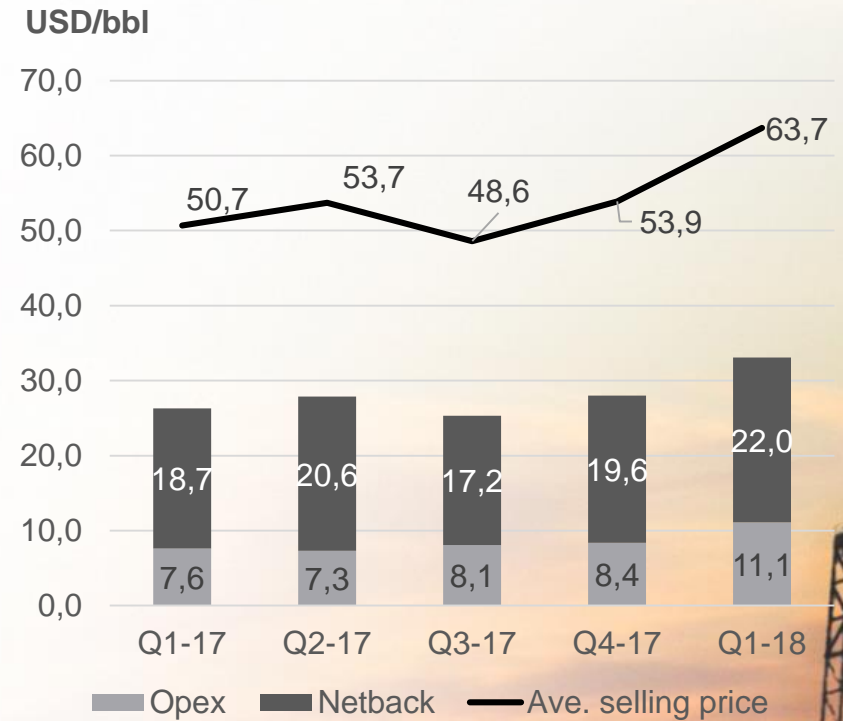
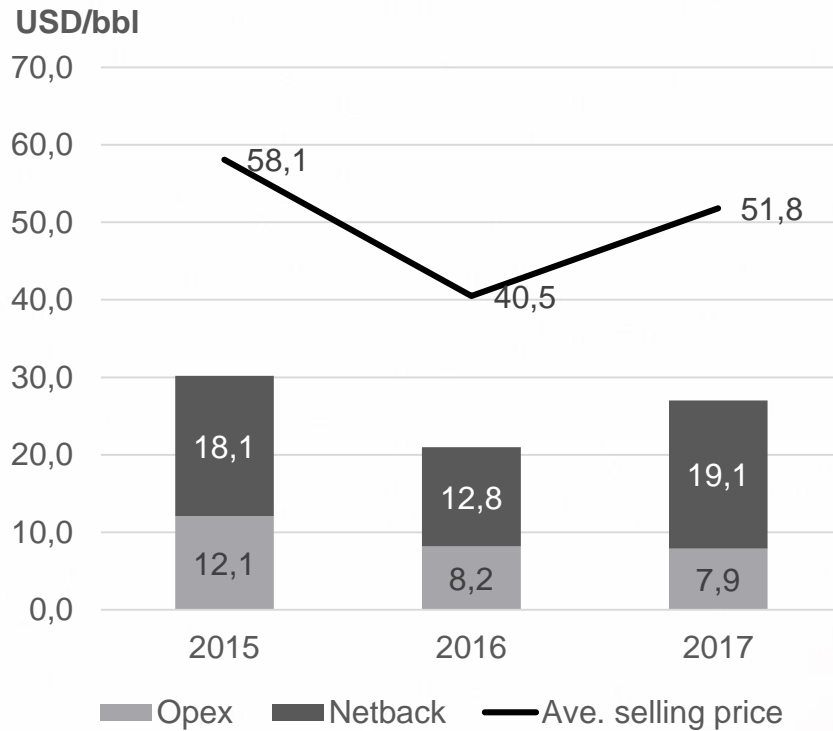
- Q1-18 Revenue and other income is up 14% compared with Q4-17 mainly due to the increase in oil prices despite total barrels produced being slightly lower

Expenses



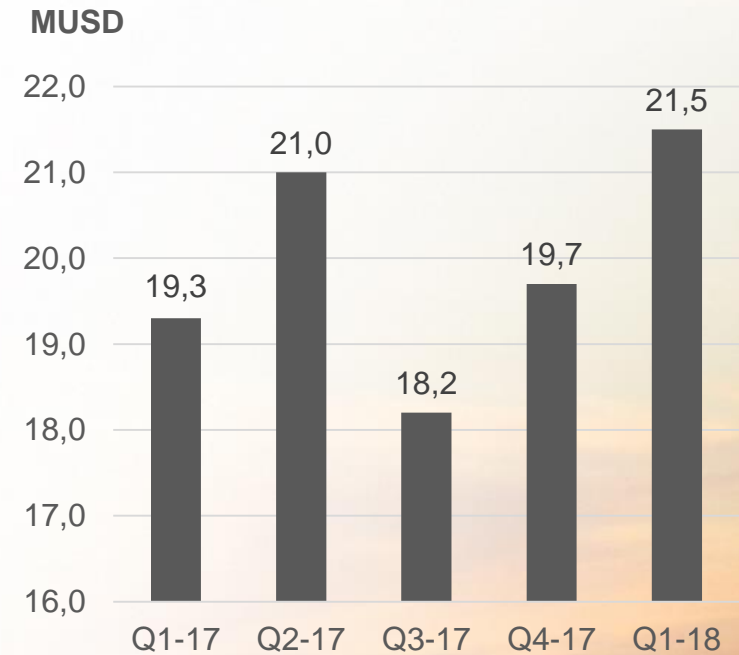
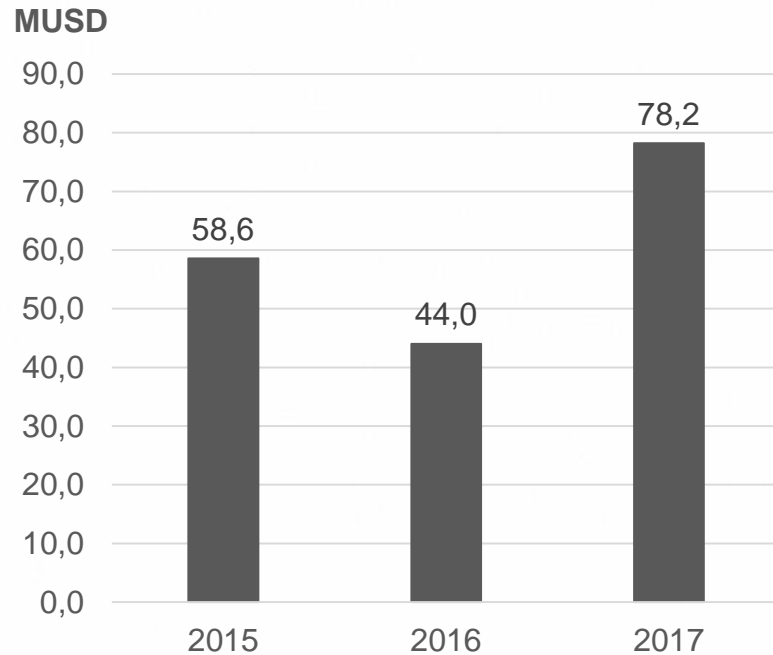
- Total OPEX up 29% compared with Q4-17 mainly due to costs incurred in 2017 impacting the first quarter 2018
- Due to the impact of 2017 costs in the first quarter 2018, the quarter is not representative of 2018 operating expenses.

Opex and Netback* per barrel (USD/bbl)



- Netback up 12% in Q1-18 compared with Q4-17 following higher oil prices
- The rolling 12-month average operating expenses per barrel is USD 8.7

EBITDA



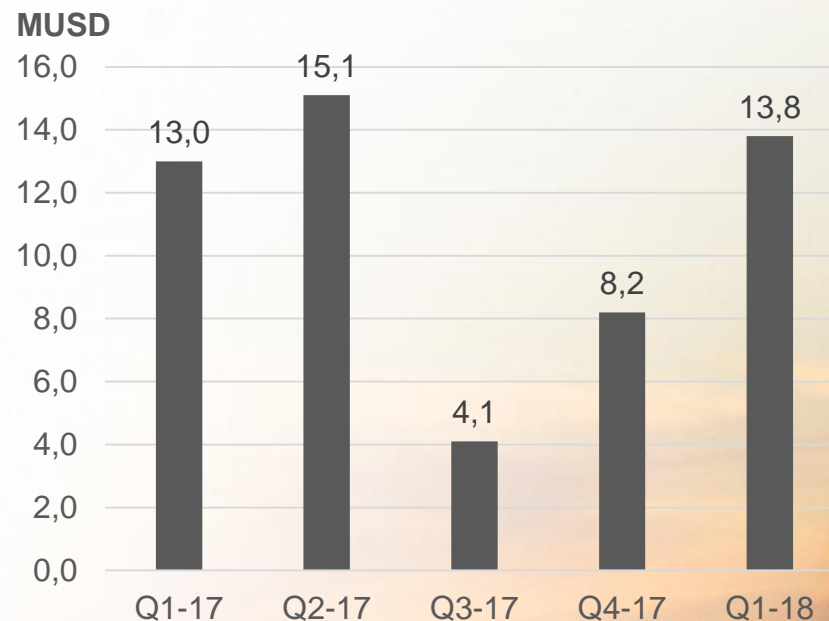
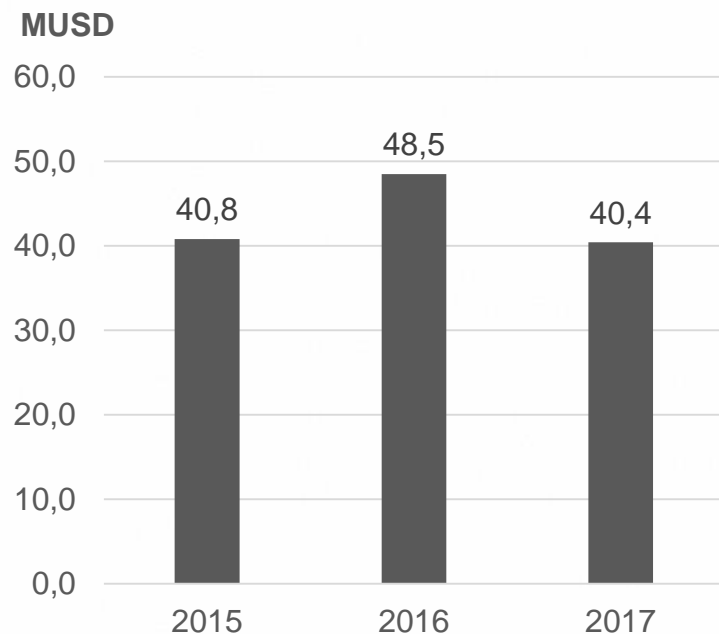
- EBITDA of MUSD 21.5 in Q1-18, up 9% compared with Q4-17
- EBITDA margin amounted to 63% in Q1-18

Balance Sheet

(MUSD)	2018-03-31	2017-12-31	2017-03-31
Net cash	52.4	42.0	40.1
Total assets	257.7	244.7	243.9
Shareholders' equity	238.4	228.5	206.0

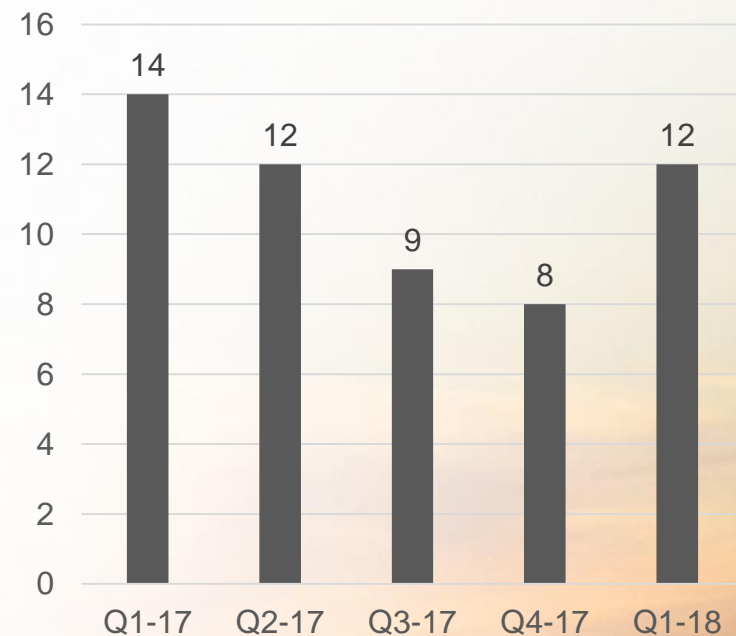
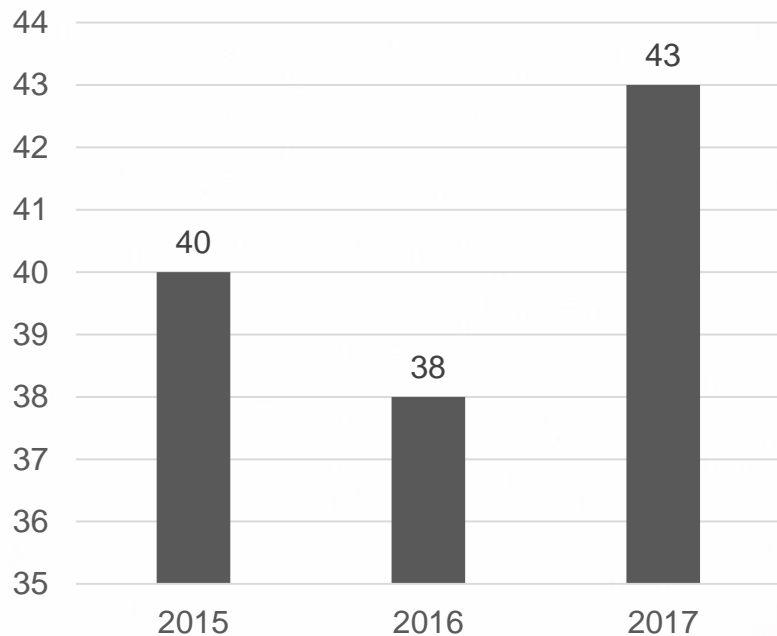
- Net cash position of MUSD 52.4, up from MUSD 42.0 on Dec 31, 2017
- Proposed distribution to shareholders of SEK 6.00 per share
 - dividend of SEK 2.00 per share to be paid in two instalments of SEK 1.00 per share
 - extraordinary distribution of SEK 4.00 by way of a mandatory share redemption programme
 - total distribution amounts to appr. MUSD 23

Oil and gas investments



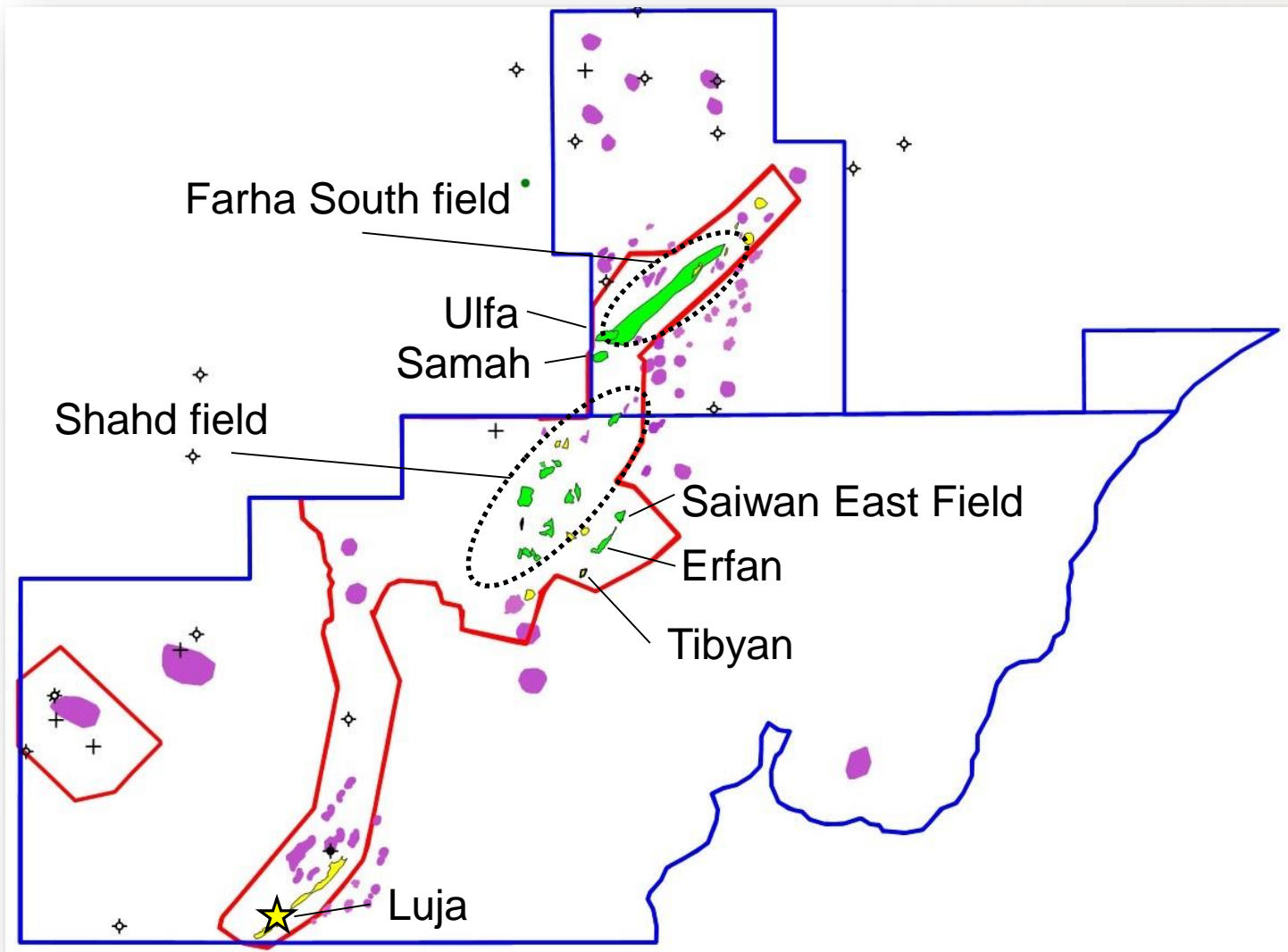
- Tethys Oil's investments amounted to MUSD 13.8 in Q1-18
- Investment guidance 2018: MUSD 53-62, including deferred investments from 2017

Wells on Blocks 3&4

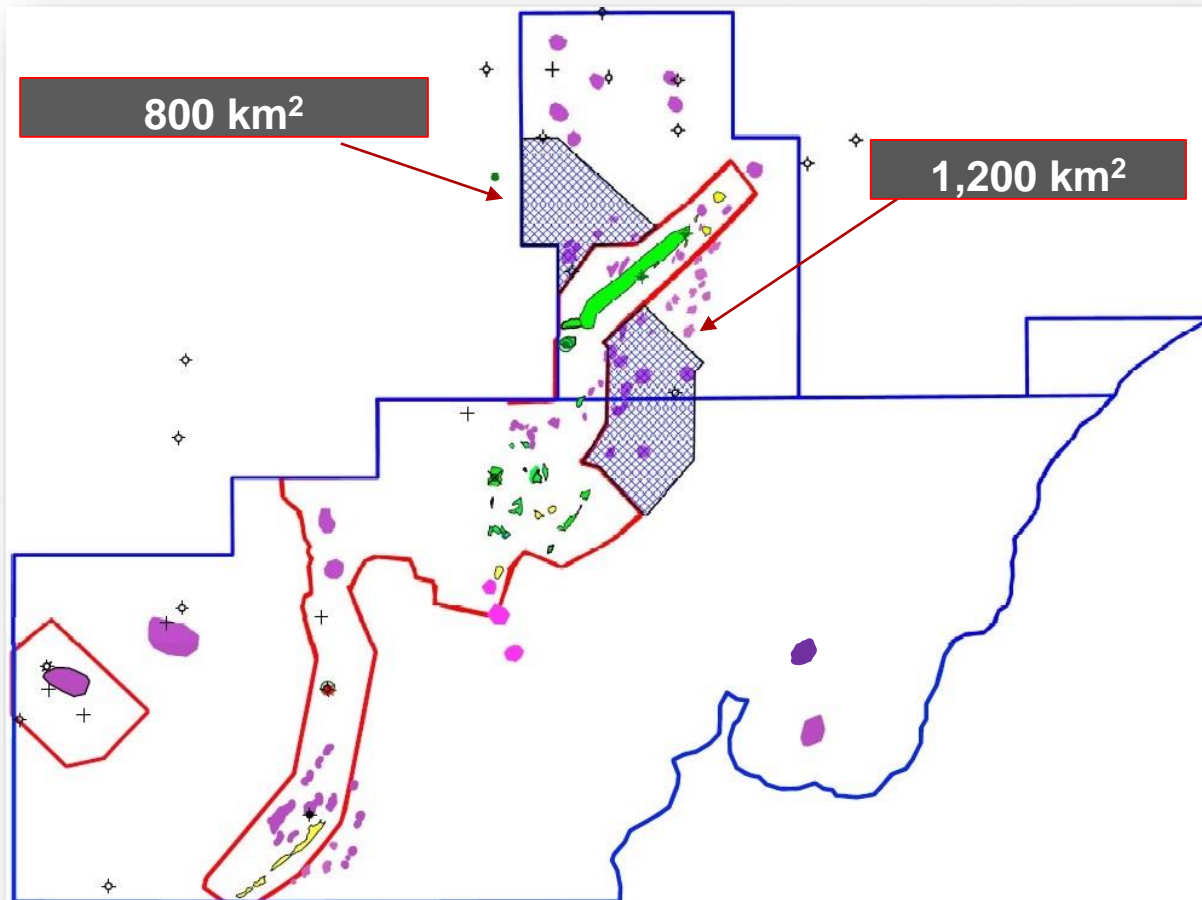


Wells completed Q1-18	Farha South Field	Shahd and Saiwan East Fields	Near and far field	Total
Appraisal/Production	4	-	-	4
Water injection	4	1	-	5
Water source	-	1	-	1
Exploration	-	-	2	2
Total	8	2	2	12

Fields, Discoveries, Leads and Prospects, Blocks 3&4

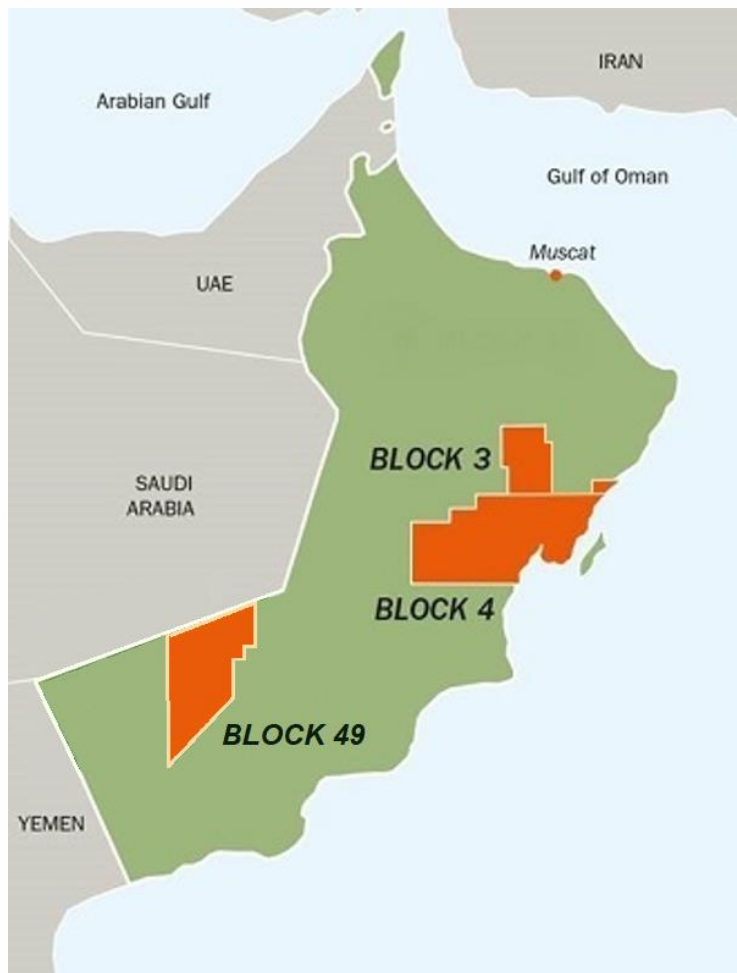


3D Seismic



- 1,200 km² area completed, processing ongoing
- Seismic acquisition on 800 km² area ongoing

Block 49, Oman



Tethys Oil 100% (Operator)

Signed in Q4-17

EPSA covers an initial exploration period of 3 + 3 years

Total area: 15,439 km²

Tethys Oil is the second largest onshore oil concession holder in terms of acreage in Oman

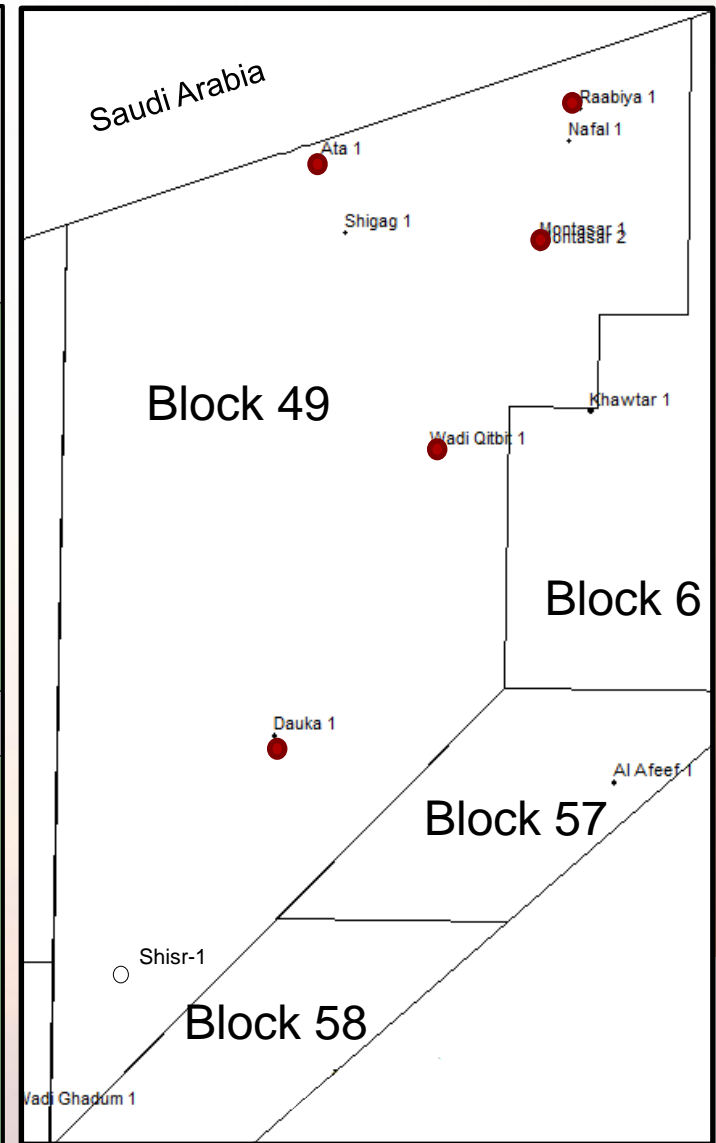
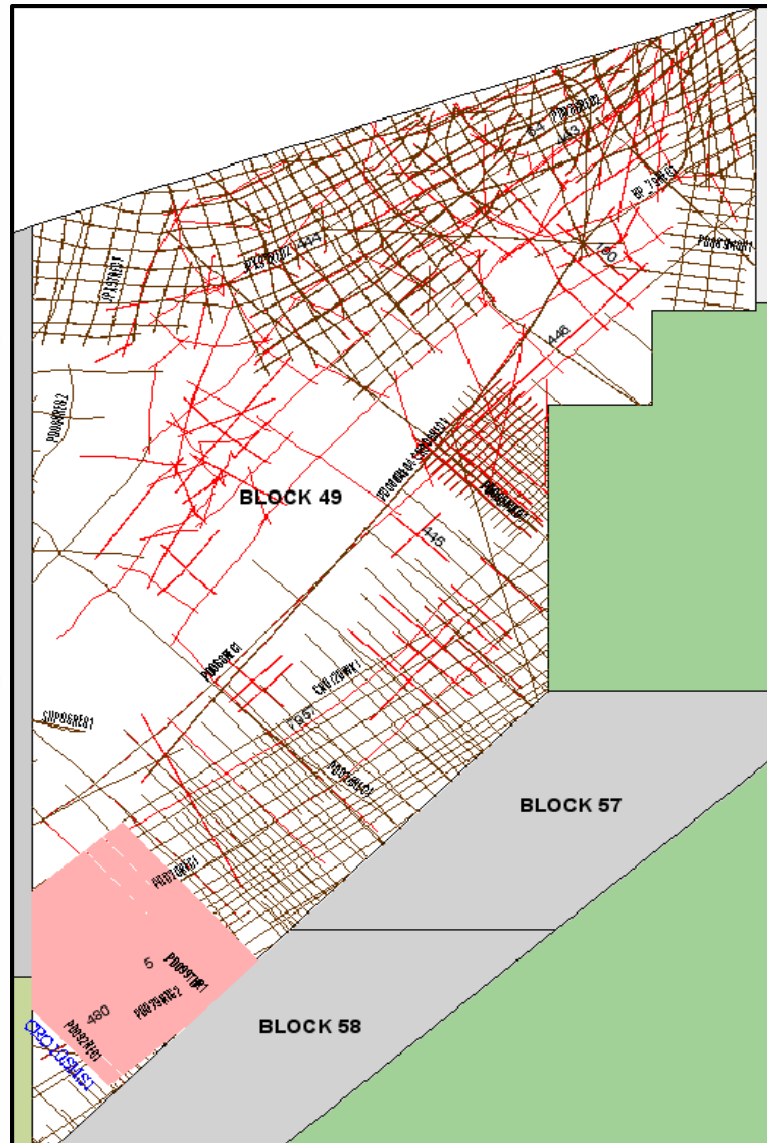
- Over 11,000 km of legacy 2D seismic data
- 9 wells drilled, several with oil shows
- G&G work started incl study of legacy seismic data



Available Data (Block 49)

Extensive legacy seismic coverage, more than 20 separate surveys of different vintages and one 3D from 2010

A tender process for reprocessing of legacy seismic data was conducted in the quarter.



● Reported oil shows

Highlights

- **Maturation of discoveries made in 2017 (2C 17.3 mmbo)**
 - Five appraisal wells planned until October
 - Pipelines and EPF in progress
- **Successful exploration**
 - Near-field exploration well Tibyan-1 resulted in a smaller oil discovery
 - Far-field exploration well Luja-1 is undergoing extensive evaluation
 - One new producing fault block on Farha
- **On-going seismic acquisition to mature multiple near-field leads**
- **Oil price currently on levels not seen since 2014**
 - Production steady and within guidance

Q2 2018

Will be published 14 August 2018!



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