Tethys Oil AB (publ)
Third quarter and nine months report
1 January – 30 September 2023

TETHYS OIL

Third quarter 2023 (Second quarter 2023)

- **The extended well test on the Al Jumd discovery on Block 56 was concluded during the quarter and has provided Tethys Oil with vital production data that is being incorporated into the ongoing field development planning.**
- **The extension of the current exploration phase on Block 56 has been approved by the Ministry of Energy and Minerals ("MEM"). The licence will expire at the end of December 2024.**
- **The Menna prospect on Block 56, 20 km southwest of Al Jumd, has been approved for drilling by partners and the MEM and exploration drilling is planned to commence in December.**
- **Production from Blocks 3&4 in the quarter amounted to 8,486 barrels of oil per day (8,994), with a Net entitlement of 52% (52%) and an achieved oil price of USD 76.9 per barrel (81.6).**
- **Revenue and other income was MUSD 31.8 (34.7) and EBITDA MUSD 16.4 (16.9).**
- **Cash flow from operations amounted to MUSD 14.8 (25.7) while the investments in oil and gas properties amounted to MUSD 21.1 (21.4) and the Free cash flow was MUSD -6.1 (4.0).**

Dividend

- **Dividend of SEK 2,00 per share is to be paid in November 2023. The record date for the dividend is 13 November 2023, with the last days of trading in the share including the right to receive dividends is 9 November 2023.**

Revised full year 2023 production and financial guidance

- **Production guidance for the full year 2023 is now expected to be 8,800-9,000 barrels of oil per day, compared to 9,000 (+/- 200) barrels of oil per day previously.**
- **Operating expenditures are expected to be USD 17.5 (+/- 0.5) per barrel of oil, compared to USD 17.0 (+/- 0.5) per barrel of oil previously.**
- **Investments in oil and gas properties are expected to be in the range of MUSD 81-86, compared to MUSD 85-95.**

MUSD, unless specifically stated	Third quarter 2023	Second quarter 2023	Third quarter 2022	First nine months 2023	First nine months 2022	Full year 2022
Net daily production, before government take, barrels per day	8,486	8,994	9,788	8,960	10,108	9,940
Production before government take, bbl	780,676	818,432	900,491	2,446,110	2,759,485	3,628,074
Net entitlement barrels, bbl	405,952	425,585	378,742	1,271,977	1,196,799	1,664,363
Net entitlement as share of production, percent	52%	52%	42%	52%	43%	46%
Achieved Oil Price, USD/bbl	76.9	81.6	107.3	80.2	94.6	94.2
Revenue and other income	31.8	34.7	40.9	101.8	113.3	156.5
EBITDA	16.4	16.9	27.0	52.0	71.3	99.1
Operating result	6.5	6.1	16.9	20.3	39.4	54.2
Net result	6.2	8.1	18.4	22.2	45.3	58.3
Earnings per share, after dilution, USD	0.19	0.25	0.56	0.69	1.38	1.78
Cash flow from operations	14.8	25.7	23.5	60.9	61.9	87.0
Investments in oil and gas properties	21.1	21.4	20.2	62.5	64.4	89.1
Free cash flow	-6.1	4.0	3.4	-1.7	-2.6	-2.3
Cash and cash equivalents	27.7	33.9	42.1	27.7	42.1	41.5

Letter to shareholders

Dear Friends and Investors,

To strike the right note when addressing the third quarter can be a bit of a challenge. The year is three quarters done so a lot of what will happen in the year has happened. But not enough to allow for a complete review and closing and the upcoming year is still too far off to warrant a full outlook. But there are always highlights and on those I will try to focus.

First, Blocks 3&4. Our non-operated 30% interest continues to offer the bulk of revenue and production. During the quarter we have seen Tethys' share of production stabilizing above 8,000 bbl per day and opex per barrel come down compared to the second quarter. It is of course too early to say that the trend of lower production and rising costs have been broken, but it is certainly a step in that direction. The operator is indicating an increased focus on near-field appraisal and exploration opportunities for the upcoming months and the new appraisal program of the Lower Al Bashair reservoir, that once produced in the Farha field, is a promising activity in the fourth quarter. There are more details on the production stabilizing activities in the operations section but let us leave Blocks 3&4 on a slightly positive note.

However, dare I say, more important for the future are the activities in Block 56. The extended well test on the Al Jumd discovery was successfully concluded and close to 40,000 barrels sold during the quarter. Al Jumd has production potential and is a founding steppingstone towards the commercialization of Block 56.

The 3D seismic that we acquired last year has yielded unexpectedly good results in the so-called Eastern Flank area to the southwest of Al Jumd and a string of Al Jumd look-alikes are emerging. One of the largest of these, the Menna prospect, will be tested by the Menna-1 well in December. Shortly thereafter the Sarha-3 well that we drilled last year will be worked over and retested.

These activities will build on the Al Jumd foundation and combined with the overall prospectivity of the Eastern Flank will form the backbone of the field development plan that is in preparation. There is certainly still geological risk in Block 56 but there are so many opportunities that any early setback should be overcome by additional work.

Focus for the fourth quarter and for the field development plan will be on further evaluation and incorporating the Al Jumd production data into the plan, recalculate the Al Jumd resource base, test the Sarha-3 well and drill and test Menna. If these activities prove sufficiently successful, then a field development plan should take firmer shape during the first quarter.

We now have a further year to develop our plans after the license extension was granted and let me take this opportunity to extend our gratitude to the Ministry of Energy and Minerals for their support and encouragement.

Leaving the highlight scene let us not forget the ongoing preparation for retesting Thameen on Block 49 and the ever-growing prospective resource base on Block 58.

So stay with us, we are in for more growth activity than we have been for a long time and in mid-November a dividend of SEK 2.00 per share will be transferred to you, our shareholders

Stockholm, November 2023
Magnus Nordin
Managing Director

Third Quarter Review

Licences and agreements

Tethys Oil's core area is onshore in the Sultanate of Oman ("Oman"), where the Group holds interest in four exploration and production sharing agreements ("EPSA") per 30 September 2023:

Licences & Agreements	Tethys Oil Interest %	Phase	Expiry date[1]	Partners (operator in bold)
Blocks 3&4, Oman	30	Production phase	July 2040	**CCED**, Tethys Oil, Mitsui
Block 49, Oman	100	Initial exploration phase	December 2023	**Tethys Oil**
Block 56, Oman	65	Second exploration phase	December 2024	**Tethys Oil**, Medco, Biyaq, Intaj
Block 58, Oman	100	Initial exploration phase	July 2024	**Tethys Oil**

Producing assets – Blocks 3&4

Production on Blocks 3&4

Tethys Oil's share of production from Blocks 3&4 during the third quarter 2023, before government take, amounted to 780,676 barrels of oil. This corresponds to 8,486 barrels of oil per day (8,994), which is around 500 barrels of oil per day lower than the production in the second quarter of 2023 and below the 2023 production guidance.

Production performance continues to be impacted by a combination of lower performance of certain older key wells as well as lower than expected output from a number of the development wells drilled during the year. The installation of pumps to support production in a number of older key wells began at the end of the third quarter. Drilling during the fourth quarter is heavily focused on bringing new oil to production.

In the third quarter, five development wells were drilled. Three wells were targeting the Khufai formation on the Shahd field and two wells were drilled in the Ulfa field, one in Khufai and one in Buah. One appraisal well was drilled on a new fault block in the Farha South field (Barik). The well was successful and has been connected to the production system.

Production assurance initiatives and asset integrity projects continued during the quarter, including planned workovers. These initiatives aim to reduce unscheduled productions stops and outages with improved production as the expected result. Well workover efforts were focused on the replacement of electrical submersible pumps.

2023 exploration drilling

Analysis of the exploration wells Jari-1, Elaf-1 and Rahbah-1 continued in the quarter and the planning of the upcoming exploration well Raghad-1 is proceeding according to plan.

The results of Jari-1 confirms the play and petroleum system in the area. On the basis of the results, Jari-1 can be deemed a discovery, but considering the estimated recoverable volumes, it is viewed as not being viable to develop commercially on a stand-alone basis. The area remains of interest, and the next step will likely be taken following the receipt of the newly acquired 3D seismic in the latter part of 2024.

Both Elaf-1, drilled during the first quarter of 2023 and Rahbah-1 completed in the second quarter resulted in discoveries with hydrocarbon flows during testing. In both cases the discoveries were of gas and condensates, the development of which is contingent upon the completion of gas handling facilities. Under current circumstances they are slated for inclusion in a later phase of the gas to power programme.

The next planned exploration well and the fourth well of 2023, Raghad-1, will be spudded in November. Raghad-1 is a modestly sized, low-risk prospect offering near term production contribution as well as derisking follow-on exploration potential in the area.

Seismic acquisition

The 2023/24 seismic acquisition programme covering 6,200km² in the southern part of Block 4

[1] The Model EPSA in Oman consists of two exploration phases (initial phase and second phase) which normally have a duration of three years each. Upon discovery and declaration of commerciality the operator can apply to enter the production phase which typically has a duration of 15-30 years. With each exploration phase the operator commits to a minimum work obligation which usually includes the acquisition of seismic and drilling of wells. In recent years, the Ministry of Energy and Minerals (MEM) has from time to time granted extensions to an ongoing exploration phase to allow the operator to complete its work programme and fulfil its commitments and any subsequent analysis.

has continued during the quarter and is expected to conclude in the middle of 2024.

Gas to power emission reduction project

Work on the gas to power project progressed during the quarter and its operations is expected to start by the end of the year. Once operational, a substantial amount of the power needed to operate the facilities on Blocks 3&4 will come from associated gas, reducing diesel consumption and emissions.

Exploration assets

Block 56

Extended well test on Al Jumd concluded

The extended well test ("EWT") on Al Jumd was concluded at the end of September, in line with the agreement with the Ministry of Energy and Minerals ("MEM"). The six-month extended well test, starting in April, was focused on producing from the three horizontal wells Al Jumd-2 ("AJ-2"), Al Jumd-3 ("AJ-3") and Al Jumd-4 ("AJ-4"). All wells have produced oil supported by a PCP pump and tested at various pump speeds to establish pressure gradients and optimise flow rates with the resulting production rates varying between 150 and 700 barrels of oil per day. During the quarter AJ-2 and AJ-3 produced continuously while AJ-4 remained suspended due to suspected completion issues. The EWT has provided the Block 56 partnership with vital production data, increased the understanding of the Al Khlata formation and derisked the play concept in the Eastern Flank area of Block 56. The data is currently being incorporated in the ongoing field development planning.

In the period, the submitted application for an extension of the current exploration period was approved by the MEM. A one-year extension was granted to allow for continued drilling and evaluation of the Block, and the second exploration phase will expire on the 28th of December 2024.

Oil exports and liftings from the EWT

During the third quarter, 29,096 barrels of oil have been exported from Al Jumd. The produced oil was transported by truck to the nearby Simsim offloading facility, where it is transferred to the Omani national pipeline system. The first lifting was recorded in early July, amounting to 43,229 barrels of oil at a price of USD 75.16 per barrel and the second lifting was recorded in late September and amounted to 5,250 barrels of oil at a price of USD 80.76 per barrel, bringing the total proceeds from both liftings to MUSD 3.67 (gross from field, shared with government and partners). The Company has received proceeds from the lifting in July and expects to receive the proceeds from the September lifting in October. Two more final liftings are expected to take place in the fourth quarter of this year. During the EWT, Tethys Oil has handled the oil sales on behalf of the partners and government splitting the proceeds in accordance with a provisional formula.

Seismic interpretation and approval of Menna prospect for drilling

The interpretation of newly acquired 3D seismic identified several promising leads and prospects in the northwestern part of the block along the Eastern Flank trend, including the Al Jumd area. One particular prospect was identified along the trend some 20 km southwest of Al Jumd. The prospect, named Menna, has similar characteristics to Al Jumd albeit larger, and has been approved for drilling by partners and the MEM. With formal approvals received, drilling is scheduled for December with results expected in the first quarter 2024.

Furthermore, interpretation of the 3D seismic over the Central Area of the block is ongoing, with several prospects and drilling targets having been identified. The ongoing interpretation is expected to yield an inventory of leads and prospects for further maturation ahead of exploration drilling in the area in 2024.

The way forward

The successful operation of the EWT and the resultant derisking of the Al Jumd discovery are the first building blocks towards a commercial development of the Eastern Flank trend. The concept taking shape includes the development of a cluster of discoveries applying the learnings from Al Jumd, which forms the basis for the current conceptual development plan being prepared. The focus of the Block 56 work programme for the remainder of 2023 includes testing of the Sarha-3 well (drilled in 2022) and the drilling of an exploration well on the Menna prospect. Tethys Oil's work is focused on the commercialisation of the Eastern Flank discoveries in 2024.

Block 58

Exploration drilling in Fahd area in 2024
In early 2023, Tethys Oil focused on finalising the prospect inventory for the Fahd Area in Block 58's northeastern corner. The area has a total unrisked prospective resource potential of 184 mmbo split between three identified prospects, of which the South Fahd prospect is deemed the most promising. The South Fahd prospect has been selected to be the first target for exploration drilling on Block 58 and pre-drilling preparations is ongoing. During the third quarter, Tethys Oil have held a well-pick meeting with the MEM resulting in the approval of the prospect and drilling location. Subsequently the South Fahd prospect was named Kunooz ("Gift"). In addition, tenders have been received and are currently being evaluated with the drilling of the Kunooz-1 well to be expected in early 2024.

Developing prospect portfolio of South Lahan
Processing and interpretation of the 450 km² 3D seismic data in South Lahan has been completed and has yielded the identification of several drillable prospects. The complete prospect portfolio for South Lahan was finalised and peer reviewed during the quarter.

Farmout potential ongoing
In the interest of balancing portfolio commitments and risks, as well as creating a technically strong partnership to realise the potential of the block, Tethys Oil is still exploring the possibility of farming out a portion of the interest in the EPSA for Block 58. Constructive discussions are currently ongoing with a select group of companies which could result in a farmdown.

Block 49

Thameen-1 re-entry and re-testing
Preparations for the re-entry and re-testing of the Thameen-1 well are continuing. The tendering process that was started during the second quarter for an integrated service contract to provide all services needed for the re-test, including rig, hydro frac services and well testing have continued, and tenders received are currently being evaluated. In the event that a satisfactory outcome for all parties cannot be reached, a retender process will have to be considered which may delay the re-testing of the well further. A more detailed timeline and plan on how to best move forward on the block will be presented once the evaluation of the tender is completed.

The initial exploration phase of the EPSA for Block 49 expires in December 2023 and Tethys Oil is evaluating future alternatives.

Production, operating expenditure, investments and work programme 2023

Full year 2023 production guidance
The average production for the first nine months of 2023 was 8,960 barrels of oil per day. Tethys Oil expects the full year average production from Blocks 3&4 to be between 8,800 - 9,000 barrels of oil per day compared to 9,000 (+/- 200) barrels of oil per day previously.

Operating expenditure
Tethys Oil now expects annual operating expenditure per barrel to be USD 17.5 (+/- 0.5) compared to the previous guidance of USD 17.0 (+/- 0.5). For more information on Tethys Oil's operating expenditures, see page 9.

Investments
Following revisions of the 2023 Work Programmes for Tethys Oil's four EPSAs, the Company now expects total investments (capex) in Oil and Gas assets for 2023 to amount to MUSD 81-86 (previously MUSD 85-95).

Investments on Blocks 3&4 are expected to be MUSD 70-75 (72-75).

Spending on Block 49 is expected to be MUSD 0.6 (0.3).

On Block 56, Tethys Oil's 2023 expected investments, including carry arrangements, remain at MUSD 6.3 (8.0). With expenditures primarily relating to the drilling of an exploration well on the block during the fourth quarter 2023.

On Block 58 Tethys Oil's 2023 investments are expected to amount to MUSD 2.5 (unchanged) as exploration drilling on the South Fahd prospect has been moved to 2024.

For more information on Tethys Oil's capital investments, see page 12.

Group Financial Review and Result [2]

Production entitlement and sales

Tethys Oil's oil sales derive from its 30 percent interest in Blocks 3&4, from which the company's share of the oil production, "Net Entitlement", is calculated. The Net Entitlement consists of two components: Cost Oil and Profit Oil. The Cost Oil is the value of recoverable costs incurred in the period and any outstanding balance of unrecovered historical cost from previous periods, the "Cost Pool". The total amount of Cost Oil received in a given period is capped to a fixed share of total production, after conversion to barrels using the Official Selling Price ("OSP"). What remains after the deduction of Cost Oil is Profit Oil, which is split between the government and contractors according to a fixed percentage.

The Net Entitlement share of production remained at 52 percent in the third quarter. The Average OSP for the quarter was USD 76.7, compared to USD 81.3 in the second quarter.

In the third quarter 2023, Tethys Oil's Net Entitlement was 405,952 barrels of oil, down from 425,585 barrels of oil in the second quarter. The decreased Net Entitlement in the third quarter is a consequence of the lower production leading to a decreased cost allowance and profit oil. The Cost Pool as per 30 September 2023 was MUSD 17.2 compared to MUSD 10.5 on 30 June 2023.

In the quarter, Tethys Oil sold 417,275 barrels of oil from Blocks 3&4 compared to 463,196 barrels of oil in the second quarter 2023.

As oil sales exceeded Net Entitlement, an overlift movement of 11,323 barrels was recorded in the third quarter, resulting in the overlift closing position of the second quarter increasing. At the end of the quarter Tethys Oil's overlift position was 13,083 barrels of oil compared to an overlift position of 1,760 barrels of oil at the end of the second quarter 2023.[3]

During the second and third quarters, Tethys Oil has been performing an extended well test on Block 56. The production terms are not commercial and thus ordinary production sharing terms are not applied resulting in a lower entitlement to contractors.

Tethys Oil´s Net Entitlement for the extended well test on Block 56 from the second and third quarters was 9,879 barrels. Oil was sold on two occasions during the third quarter totalling 7,878 barrels. The underlift closing position in the third quarter for Tethys Oil was 2,001 barrels. The underlift closing position is expected to be balanced during the fourth quarter.

The Achieved Oil Price in the third quarter was USD 76.9 per barrel compared to USD 81.6 per barrel in the previous quarter.

Production entitlement and sales	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Blocks 3&4					
Production, before Government take, bbl	**780,676**	818,432	847,002	868,589	900,491
Average daily production, barrels per day	**8,486**	8,994	9,411	9,441	9,788
Net Entitlement barrels, bbl	**405,952**	425,585	440,441	467,564	378,742
Net Entitlement share of production, percent	**52%**	52%	52%	54%	42%
Oil sales, bbl	**417,275**	463,196	471,550	424,444	420,474
Underlift (+) / overlift (-), movement, bbl	**-11,323**	-37,611	-31,109	43,120	-41,732
Underlift (+) / overlift (-), closing position, bbl	**-13,083**	-1,760	35,851	66,961	23,841

[2] The Group financial review is performed by analysing the current interim reporting period performance versus the previous interim reporting period. Accordingly, the current interim financial review is focused on developments of the third quarter 2023 compared to the second quarter 2023. Management believes that this analysis more precisely demonstrates trends and achievements of the Tethys Oil Group activities. Please note that the financial report statements are presented in accordance with IAS 34, which requires presentation of the current interim period in comparison to the comparable interim period of the immediately preceding financial year. This financial interim report for the third quarter and first nine months of 2023 presents financial results compared to the third quarter and first nine months of 2022.

[3] Tethys Oil sells all of its oil from Blocks 3&4 on a monthly basis to a service provider under a long-term contract. Oil sales volumes are nominated by Tethys Oil two to three months in advance and are not based upon the actual production in a month; as a result, the Group's oil sales volumes can be above or below production entitlement volumes. Where the oil sales volume exceeds the volume of entitlement barrels produced, an overlift position occurs and where it is less, an underlift position occurs. Tethys Oil is contractually obliged to maintain a neutral under-/overlift position over time.

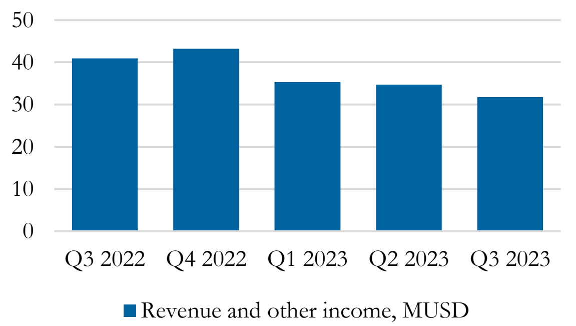
Income Statement

Revenue and other income

Tethys Oil's revenue and other income is comprised of revenue from the oil sold in the period adjusted for the period's movement in under-/overlift position.

Revenue and other income amounted to MUSD 31.8 compared to MUSD 34.7 in the previous quarter, a decrease of 8 percent. The decrease is the result of lower Revenue, MUSD 32.7 in the third quarter compared to MUSD 37.8 in the second quarter, following lower oil sales volumes with a lower Achieved oil price. Revenue from the extended well test on Block 56 was MUSD 0.6 in the third quarter and is included in Revenue and other income.

The smaller overlift movement compared to last quarter resulted in a lower overlift adjustment of MUSD -0.9 in the third quarter compared to MUSD -3.1 in the second quarter.



Operating expenses

Operating expenses for producing assets comprise of Production costs, Workovers and well interventions and Operator G&A and overhead expenses, all relating to Tethys Oil's interest in Blocks 3&4 in Oman.

Operating expenses for the extended well test on Block 56 include primarily the cost of leased production facilities, staff costs, transportation and processing fees and tariffs.

Total operating expenses decreased in the third quarter to MUSD 13.7 from MUSD 14.9. The decrease from the second quarter is notable across all line items which are part of Operating expenses. The operating expenses from the extended well test on Block 56 decreased to MUSD 0.6 from MUSD 0.7 in the previous quarter.

Operating expenses from producing assets in the third quarter of 2023 amounted to MUSD 13.1 compared to MUSD 14.2 for the previous quarter, a decrease of 8 percent.

Production costs include expenses for throughput fees, energy, consumables, equipment rental, field staff and maintenance. The production costs decreased to MUSD 8.9 during the third quarter 2023 from MUSD 9.5 in the previous quarter. The decrease was partly driven by lower staff costs and the lower utilisation of rental equipment.

Workovers and well interventions amounted to MUSD 1.4 in the third quarter 2023, down from MUSD 1.9 the previous quarter. The lower costs were a result of a hoist being temporarily out of service.

Operator G&A and overhead expenses were MUSD 2.8 in the third quarter 2023 compared to MUSD 2.9 in the previous quarter.

The decrease in operating expenses for producing assets led to a lower operating expenses per barrel of USD 16.8 in the third quarter compared to USD 17.4 in the previous quarter.

Operating expenses, MUSD	**Q3 2023**	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Production costs	**8.9**	9.5	9.9	8.7	8.3
Workovers and well interventions	**1.4**	1.9	1.5	1.5	1.4
Operator G&A and overhead expenses	**2.8**	2.9	3.1	2.8	2.6
Operating expenses producing assets (Blocks 3&4)	**13.1**	**14.2**	**14.6**	**13.0**	**12.3**
Operating expenses extended well test Block 56	**0.6**	0.7	-	-	-
Total operating expenses	**13.7**	**14.9**	**14.6**	**13.0**	**12.3**

Operating expenses per barrel Blocks 3&4, USD	**Q3 2023**	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Production costs per barrel	**11.4**	11.6	11.7	10.0	9.2
Workovers and well interventions per barrel	**1.9**	2.3	1.8	1.8	1.6
Operator G&A and overhead expenses per barrel	**3.5**	3.5	3.7	3.2	2.8
Operating expenses producing assets per barrel	**16.8**	**17.4**	**17.2**	**15.0**	**13.6**

Other expenses and result

Administrative expenses for the third quarter 2023 were MUSD 1.7 compared to MUSD 2.8 in the previous quarter. The lower expenses in the third quarter are mainly a result of the second quarter containing expenses related to employee and management incentive programmes.

EBITDA (earnings before interest, tax, depreciation and amortisation) decreased to MUSD 16.4 in the third quarter, compared to MUSD 16.9 in the second quarter. The decrease in EBITDA follows the lower Revenue and other income offsetting the lower Operating and Administrative expenses. DD&A for the third quarter decreased following the lower production to MUSD 10.1 from MUSD 10.7 in the previous quarter.

The operating result in the third quarter increased to MUSD 6.5, compared to MUSD 6.1 in the previous quarter due to a dividend of MUSD 0.2 from an associated company. Financial net result amounted to MUSD 0.2 compared to MUSD 2.0 in the previous quarter and consists primarily of exchange rate differences.

Net result for the third quarter 2023 amounted to MUSD 6.2 down from MUSD 8.1 in the previous quarter. The earnings per share after dilution was USD 0.19, compared to USD 0.25 in the previous quarter.

Financial review and result, MUSD	**Q3 2023**	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Revenue	**32.7**	37.8	38.5	39.6	45.1
Underlift (+) / Overlift (-) adjustment	**-0.9**	-3.1	-3.2	3.6	-4.2
Revenue and other income	**31.8**	**34.7**	**35.3**	**43.2**	**40.9**
Operating expenses	**-13.7**	-14.9	-14.6	-13.0	-12.3
Administrative expenses	**-1.7**	-2.8	-2.1	-2.4	-1.6
EBITDA	**16.4**	**16.9**	**18.7**	**27.8**	**27.0**
DD&A	**-10.1**	-10.7	-11.0	-9.8	-10.1
Exploration cost	**0.0**	-0.1	-	-3.3	-0.2
Share of net result from associates	**0.2**	-	-	-	0.1
Operating result	**6.5**	**6.1**	**7.7**	**14.8**	**16.9**
Financial net result	**0.2**	2.0	0.2	-1.3	1.5
Income tax	**-0.5**	-	-	-0.6	-
Net result	**6.2**	**8.1**	**8.0**	**13.0**	**18.4**
Earnings per share, after dilution, USD	***0.19***	*0.25*	*0.25*	*0.40*	*0.56*

Financials per barrel, USD/bbl	**Q3 2023**	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Achieved Oil Price	**76.9**	81.6	81.7	93.3	107.3
Operating expenses	**16.8**	17.4	17.2	15.0	13.6
EBITDA	**21.0**	20.7	22.1	32.0	30.0
DD&A	**12.9**	13.1	13.0	11.2	11.2

Netback[4]

Netback is the gross profit associated with bringing a barrel of oil to market and is calculated as revenues net of production and transportation costs, as well as any royalties and government take.

Tethys Oil calculates Netback for its production from Blocks 3&4 and presents it both as a total, as USD per barrel and in MUSD. To align the calculations with the effects of the cost recovery mechanism of the EPSA, Netback (net of capex) is also presented.

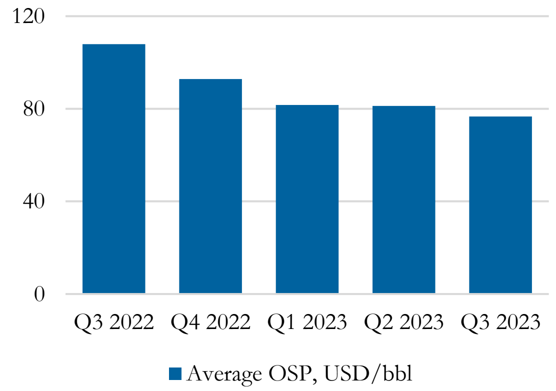
Netback (net of Capex) per barrel decreased as the lower oil price was not offset by the lower Operating expenses and Capex.

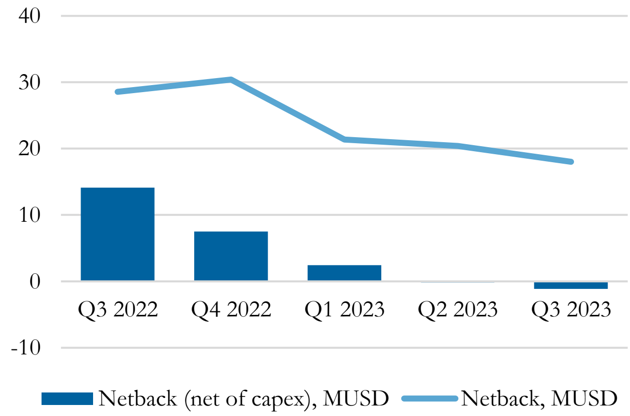
The Netback (net of capex) in MUSD was negatively impacted by both the lower production and oil price.

The Netback (net of capex) is negative as the entitlement value did not cover the Operating Expenses and Capex of the quarter. These costs will be recovered from future production.

Netback Blocks 3&4, USD/bbl	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Value of oil produced (Average OSP)	76.7	81.3	81.6	92.9	107.9
Government take	-36.8	-39.0	-39.2	-42.9	-62.5
Entitlement value (after government take)	**39.9**	**42.3**	**42.4**	**50.0**	**45.4**
Operating expenses	-16.8	-17.4	-17.2	-15.0	-13.6
Netback	**23.1**	**24.9**	**25.2**	**35.0**	**31.8**
Capex	-24.5	-25.1	-22.4	-26.4	-16.0
Netback (net of capex)	**-1.4**	**-0.2**	**2.9**	**8.6**	**15.8**

Netback Blocks 3&4, MUSD	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Value of oil produced (Average OSP)	59.9	66.5	69.1	80.7	97.1
Government take	-28.7	-31.9	-33.2	-37.3	-56.3
Entitlement value (after government take)	**31.1**	**34.6**	**35.9**	**43.4**	**40.8**
Operating expenses	-13.1	-14.2	-14.6	-13.0	-12.3
Netback	**18.0**	**20.4**	**21.4**	**30.4**	**28.5**
Capex	-19.1	-20.6	-18.9	-22.9	-14.4
Netback (net of capex)	**-1.1**	**-0.2**	**2.4**	**7.5**	**14.1**





[4] Starting in the second quarter 2022, Tethys Oil calculates Netback by using Average OSP as its base rather than Achieved Oil Price. All Netback amounts presented in the interim report, such as in the tables above, have been retroactively recalculated for previous periods.

Financial position and cash flow

Assets and equity

As of 30 September 2023, the Group's total assets amounted to MUSD 327.2 compared to MUSD 321.0 at the end of the previous quarter. The majority of the Group's assets are oil and gas properties, making up MUSD 277.0 at the end of the quarter compared to MUSD 266.0 at the end of the previous quarter. As of 30 September 2023, the Shareholders' equity was MUSD 288.4 compared to MUSD 282.2 at the end of the previous quarter.

Liquidity and financing

As of 30 September 2023, cash and cash equivalents amounted to MUSD 27.7 compared to MUSD 33.9 at the end of the previous quarter. Tethys Oil is fully self-funded and has no financial debt. Tethys Oil is exploring the possibility to secure financing to provide flexibility in its funding of potential development spending. The Annual General Meeting on 10 May 2023 resolved on a dividend of SEK 2.00 to be paid in November. The total amount payable of MUSD 5.9 is reported as a current liability.

Cash flow and investments

Cash flow in the period reflects both the decrease in cash flow from operations as well as the lower investments and negative cash flow from financing activities. Total cash flow for the third quarter 2023 amounted to MUSD -6.2 compared to MUSD -6.0 in the previous quarter.

Cash flow from operations before change in working capital amounted to MUSD 16.3 compared to MUSD 18.1 in the previous quarter.

The net change in working capital amounted to MUSD -1.5 compared to MUSD 7.5 in the previous quarter. The negative movement is a result of the increase in receivables with no offsetting increase in liabilities.

Cash flow from operations in the third quarter 2023 amounted to MUSD 14.8 compared to MUSD 25.7 in the previous quarter.

In the third quarter 2023, investment activity decreased to MUSD -21.1 compared to MUSD -21.4 in the previous quarter.

Capital investments on Blocks 3&4 amounted to MUSD 19.1 in the third quarter compared to MUSD 20.6 in the previous quarter. The decrease was across all capex categories, except for workovers, which increased this quarter.

The third quarter capital investments on Block 56 and Block 58 of MUSD 0.2 (0.5) and MUSD 1.7 (0.2) respectively are related to the blocks' ongoing exploration and appraisal activities, including preparations for future drilling.

Tethys Oil's free cash flow for the quarter amounted to MUSD -6.1 compared to MUSD 4.0 in the previous quarter.

The negative cash flow from financing activities decreased to MUSD -0.1 compared to MUSD -10.0 in the previous quarter following the share redemption payments and share repurchasing activity in the previous quarter.

Balance Sheet, MUSD	30 Sep 23	30 Jun 23	31 Mar 23	31 Dec 22	30 Sep 22
Non-current assets					
Oil and gas properties	**277.0**	266.0	255.3	246.1	237.5
Other fixed assets	**0.5**	0.5	0.6	0.8	0.6
Current assets					
Other current assets	**22.1**	20.6	25.3	27.6	19.5
Cash and cash equivalents	**27.7**	33.9	39.9	41.5	42.1
Total assets	**327.2**	**321.0**	**321.2**	**316.0**	**299.7**
Shareholders' equity	**288.4**	282.2	291.3	285.2	271.1
Non-current liabilities	**11.6**	11.5	11.4	11.2	14.1
Current liabilities	**27.2**	27.3	18.6	19.6	14.5
Total equity & liabilities	**327.2**	**321.0**	**321.2**	**316.0**	**299.7**

Cash flow, MUSD	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Cash flow from operations	**14.8**	25.7	20.4	25.2	23.5
Cash flow from investments	**-20.9**	-21.7	-20.0	-24.7	-20.2
Free cash flow	**-6.1**	**4.0**	**0.4**	**0.4**	**3.4**
Cash flow from financing activities	**-0.1**	-10.0	-2.0	-1.3	-0.4
Period cash flow	**-6.2**	**-6.0**	**-1.6**	**-0.8**	**2.9**
Blocks 3&4	**19.1**	20.6	18.9	22.9	14.4
Block 49	**0.0**	0.1	0.3	0.2	0.1
Block 56	**0.2**	0.5	0.7	0.8	5.2
Block 58	**1.7**	0.2	0.1	0.7	0.5
Total investments in oil and gas properties	**21.1**	**21.4**	**20.0**	**24.6**	**20.2**

Parent Company & Share

The parent company's operating result for the third quarter 2023 amounted to MSEK -5.1 compared to MSEK -15.2 in the previous quarter. Administrative expenses during the period were MSEK 13.4 compared to MSEK 18.9 in the previous quarter. The decrease results from the previous quarter containing non-recurring expenditures such as employee and management incentive programmes.

The Net financial result for the third quarter 2023 was MSEK 552.9 compared to MSEK 37.0 in the previous quarter. The Net financial result mainly consists of a dividend received from a group company of MSEK 538.4 (0.0 MSEK), net interest income on intercompany loans of MSEK 12.6 (MSEK 13.8) and currency gains/losses associated with intercompany loans of MSEK -0.3 (MSEK 23.8).

At the end of the third quarter Tethys Oil restructured its holding of certain group companies and transferred the holding of intercompany loans from the parent company to a wholly owned subsidiary that will act as an internal treasury company.

Share data
As of 30 September 2023, the total number of issued shares in Tethys Oil AB was 33,056,608, with a nominal value of SEK 0.18. After the close of the quarter 402,220 shares were issued as a result of warrants being exercised. All shares represent one vote each. The company's shares are listed on Nasdaq Stockholm (TETY).

Share buy-backs
Tethys Oil's Annual General Meeting on 10 May 2023 ("AGM") resolved to grant the Board of Directors the authorisation to repurchase up to 10 percent of the company's shares. During the third quarter 2023 Tethys Oil repurchased 25,000 shares. As of 30 Sep 2023, Tethys Oil held 1,189,901 shares in treasury – the equivalent of 3.6 percent of issued shares.

For the complete repurchase authorisation, please refer to Tethys Oil's website.

Dividend and distribution
The Annual General Meeting approved a dividend of SEK 2.00 per share (AGM 2022: SEK 2.00) to be paid in November 2023. The Annual General Meeting also approved an extraordinary distribution to shareholders of SEK 3.00 per share by way of a mandatory share redemption programme (AGM 2022: SEK 5.00). The share redemption programme was realised in June. Full details regarding the dividend and distribution are available on Tethys Oil's website.

Warrant based incentive programmes
As of 30 September 2023, Tethys Oil has four active warrant-based incentive programmes which, if exercised, can result in the issuance of up to 1,064,100 new shares, corresponding to a potential 3.2 percent increase of total shares issued. During the third quarter 2023, only the 2020 warrant programme was in the money and contributed to a dilution effect. After the close of the quarter, 338,000 warrants from the 2020 Programme were exercised, resulting in the issue of 402,220 new shares. More information regarding these programs is disclosed in Note 8 of the financial report.

Long-Term Incentive Program (LTIP)
As of 30 September 2023, Tethys Oil has two share based Long-Term Incentive Programmes for all employees excluding the Executive management. LTIP 2022 was launched in October 2022 and LTIP 2023 was launched in April 2023. More information regarding these programmes is disclosed in Note 8 of the financial report.

Numbers of shares	**Q3 2023**	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Shares in issue, end of the period	**33,056,608**	33,056,608	33,056,608	33,056,608	33,056,608
Shares issued, during the period	**-**	-	-	-	-
Shares repurchased, during the period	**25,000**	58,795	367,755	186,778	76,900
Treasury shares, end of the period	**1,189,901**	1,164,901	1,106,106	738,351	551,573
Shares outstanding, end of the period	**31,866,707**	31,891,707	31,950,502	32,318,257	32,505,035
Weighted average outstanding before dilution, during the period	**31,867,861**	31,936,260	32,191,324	32,435,616	32,577,137
Weighted average outstanding after dilution, during the period	**31,924,740**	31,957,531	32,261,122	32,531,314	32,670,830

Group financial review of the first nine months 2023 (first nine months 2022)

Revenue and other income amounted to MUSD 101.8 compared to MUSD 113.3 in the comparative period. The decrease follows the lower Oil price offsetting the higher entitlement.

Operating expenses increased to MUSD 43.2 compared to MUSD 37.1 in the comparative period, mainly due to the increased production costs driven by higher fuel prices and consumption for Blocks 3&4.

DD&A increased to MUSD 31.8 from MUSD 30.8 as the depletion factor per unit of production increased following the lower reserves at the end of 2022. Exploration costs were MUSD 0.1 compared to MUSD 1.2 in the comparative period.

Administrative expenses increased to MUSD 6.6 from MUSD 4.9 in the comparative period due to the increase in staff cost and the introduction of new incentive programmes.

The Financial net result was MUSD 2.4 (5.9) and is primarily affected by movements of the SEK/USD exchange rate.

The Net result for the current period was MUSD 22.2 compared to MUSD 45.3 in the comparative period.

The Group's total assets amounted to MUSD 327.2 for the current period compared to MUSD 299.7 in the comparative period. The increase is attributed to the investments in Oil and gas properties on all blocks. Cash and cash equivalents amounted to MUSD 27.7 compared to MUSD 42.1.

The period's cash flow was MUSD -13.8 compared to MUSD -25.8. The increase mainly reflects the changed timing of distribution to shareholders in 2023 compared to 2022.

The Parent company's operating loss increased to MSEK 28.6 from MSEK 19.4 in the comparative period due to higher administrative expenses of MSEK 46.0 compared to MSEK 31.8 in the comparative period. The Financial net result was MSEK 595.6 (88.1) with the current period being impacted by a dividend received from a group company.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

MUSD	Note	Third quarter 2023	Third quarter 2022	First nine months 2023	First nine months 2022	Full year 2022
Revenue and other income	2, 3	31.8	**40.9**	101.8	**113.3**	**156.5**
Operating expenses		-13.7	-12.3	-43.2	-37.1	-50.1
Gross profit		18.1	**28.6**	58.6	**76.2**	**106.4**
Depletion, depreciation and amortisation	2	-10.1	-10.1	-31.8	-30.8	-40.5
Exploration costs		-	-0.2	-0.1	-1.2	-4.5
Administrative expenses		-1.7	-1.6	-6.6	-4.9	-7.3
Share of net result from associates		0.2	0.1	0.2	0.1	0.1
Operating result		6.5	**16.9**	20.3	**39.4**	**54.2**
Financial net result		0.2	**1.5**	2.4	**5.9**	**4.7**
Result before tax		6.7	**18.4**	22.7	**45.3**	**58.9**
Income tax		-0.5	-	-0.5	-	-0.6
Net result		6.2	**18.4**	22.2	**45.3**	**58.3**
Other comprehensive income						
Items that may be subsequently reclassified to profit or loss:						
Exchange differences		0.0	-2.1	-1.0	-7.7	-5.9
Other comprehensive income		0.0	**-2.1**	-1.0	**-7.7**	**-5.9**
Total comprehensive income		6.2	**16.3**	21.2	**37.6**	**52.4**
Total comprehensive income attributable to:						
Shareholders in the parent company		6.2	16.3	21.2	37.6	52.4
Non-controlling interest		-	-	-	-	-
Result per share						
Earnings per share (before dilution), USD		0.19	0.56	0.69	1.39	1.79
Earnings per share (after dilution), USD		0.19	0.56	0.69	1.38	1.78
Weighted average number of shares (before dilution)		31,867,861	32,577,137	31,999,442	32,580,259	32,543,670
Weighted average number of shares (after dilution)		31,924,740	32,670,830	32,049,544	32,709,631	32,664,523

CONSOLIDATED BALANCE SHEET IN SUMMARY

MUSD	Note	30 Sep 2023	31 Dec 2022
ASSETS			
Non-current assets			
Oil and gas properties	4	277.0	246.1
Other fixed assets		0.5	0.8
		277.4	**246.9**
Current assets			
Trade and other receivables	5	21.1	26.9
Prepaid expenses		1.0	0.7
Cash and cash equivalents		27.7	41.5
		49.8	**69.1**
TOTAL ASSETS		**327.2**	**316.0**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		0.8	0.8
Additional paid in capital		76.3	76.3
Reserves		-6.6	-5.6
Retained earnings		217.9	213.7
Total shareholders' equity		**288.4**	**285.2**
Non-current liabilities			
Non-current provisions		11.4	10.8
Other non-current liabilities		0.2	0.4
		11.6	**11.2**
Current liabilities			
Accounts payable and other current liabilities	6	27.2	19.6
		27.2	**19.6**
Total liabilities		**38.8**	**30.8**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**327.2**	**316.0**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN SUMMARY

MUSD	Share capital	Paid in capital	Reserves	Retained earnings	Total equity
Opening balance 1 January 2022	**0.8**	**76.3**	**0.3**	**179.2**	**256.6**
Net result 2022	-	-	-	58.3	**58.3**
Other comprehensive income	-	-	-5.9	-	**-5.9**
Total comprehensive income	**0.0**	**0.0**	**-5.9**	**58.3**	**52.4**
Transactions with owners					
Repurchase of shares	-	-	-	-1.6	**-1.6**
Dividend	-	-	-	-6.6	**-6.6**
Share redemption	-	-	-	-16.2	**-16.2**
Incentive programme	-	-	-	0.6	**0.6**
Total transactions with owners	**0.0**	**0.0**	**0.0**	**-23.8**	**-23.8**
Closing balance 31 December 2022	**0.8**	**76.3**	**-5.6**	**213.7**	**285.2**
Opening balance 1 January 2023	**0.8**	**76.3**	**-5.6**	**213.7**	**285.2**
Net result first nine months	-	-	-	22.2	**22.2**
Other comprehensive income	-	-	-1.0	-	**-1.0**
Total comprehensive income	**0.0**	**0.0**	**-1.0**	**22.2**	**21.2**
Transactions with owners					
Repurchase of shares	-	-	-	-2.3	**-2.3**
Dividend	-	-	-	-6.3	**-6.3**
Share redemption	-	-	-	-9.4	**-9.4**
Incentive programme	-	-	-	-0.0	**-0.0**
Total transactions with owners	**0.0**	**0.0**	**0.0**	**-18.0**	**-18.0**
Closing balance 30 September 2023	**0.8**	**76.3**	**-6.6**	**217.9**	**288.4**

CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY

MUSD	Note	Third quarter 2023	Third quarter 2022	First nine months 2023	First nine months 2022	Full year 2022
Cash flow from operations						
Result before tax		6.7	18.4	22.7	45.3	58.9
Adjustment for:						
Depletion, depreciation		10.1	10.1	31.5	30.8	40.5
Exploration costs		-	0.2	0.1	1.2	4.5
Other non-cash related items		0.2	-1.7	-0.2	-5.9	-4.4
Income tax paid		-0.6	-	-0.8	-	-
Total cash flow from operations before change in working capital		**16.3**	**27.0**	**53.4**	**71.4**	**99.5**
Change in receivables		-1.5	-7.3	5.6	-9.6	-17.7
Change in liabilities		-0.0	3.8	1.9	0.1	5.2
Cash flow from operations		**14.8**	**23.5**	**60.9**	**61.9**	**87.0**
Investment activity						
Investment in oil and gas properties	4	-21.1	-20.2	-62.5	-64.4	-89.1
Investment in other fixed assets		-	-0.1	-0.3	-0.3	-0.3
Dividend from associates		0.2	0.1	0.2	0.1	0.1
Cash flow from investment activity		**-20.9**	**-20.2**	**-62.6**	**-64.5**	**-89.3**
Financing activity						
Repurchase of shares		-0.1	-0.4	-2.4	-0.4	-1.6
Dividend		-	-	-	-6.6	-6.6
Share redemption		-	-	-9.0	-16.2	-16.2
Incentive programme		-	-	-0.7	-	-0.2
Cash flow from financing activity		**-0.1**	**-0.4**	**-12.1**	**-23.2**	**-24.6**
Period cash flow		**-6.2**	**2.9**	**-13.8**	**-25.8**	**-26.9**
Cash and cash equivalents at the beginning of the period		33.9	40.2	41.5	68.6	68.6
Exchange gains/losses on cash and cash equivalents		-0.0	-1.0	-0.0	-0.6	-0.2
Cash and cash equivalents at the end of the period		**27.7**	**42.1**	**27.7**	**42.1**	**41.5**

PARENT COMPANY INCOME STATEMENT IN SUMMARY

MSEK	Note	Third quarter 2023	Third quarter 2022	First nine months 2023	First nine months 2022	Full year 2022
Other income		6.1	4.2	15.2	11.2	14.8
Administrative expenses		-13.4	-11.9	-46.0	-31.8	-49.7
Dividend income from associates		2.2	1.6	2.2	1.6	1.6
Exploration costs		-	-0.4	-	-0.4	-0.4
Operating result		**-5.1**	**-6.5**	**-28.6**	**-19.4**	**-33.7**
Financial net result		552.9	29.0	595.6	88.1	327.9
Result before tax		**547.8**	**22.5**	**567.0**	**68.7**	**294.2**
Income tax		-	-	-	-	-
Net result[1]		**547.8**	**22.5**	**567.0**	**68.7**	**294.2**

1. *As the parent company does not recognise any Other comprehensive income, no such report is presented.*

PARENT COMPANY BALANCE SHEET IN SUMMARY

MSEK	Note	30 Sep 2023	31 Dec 2022
ASSETS			
Total non-current assets		939.8	904.2
Total current assets		42.9	55.9
TOTAL ASSETS		**982.7**	**960.1**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Restricted shareholders' equity		77.1	77.1
Unrestricted shareholders' equity		824.7	442.4
Total current liabilities		80.9	440.6
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**982.7**	**960.1**

NOTES

General information

Tethys Oil AB (publ) (the "Company"), corporate identity number 556615-8266, and its subsidiaries (together the "Group" or "Tethys Oil") are focused on exploration for and production of oil and natural gas. The Group has interests in exploration and production agreements in Oman and an associated equity interest in a producing company in Lithuania. The Company is a limited liability company incorporated and domiciled in Stockholm, Sweden. The Company is listed on Nasdaq Stockholm.

Accounting principles

The interim report for the period ended 30 September 2023 has been prepared in accordance with IAS 34 and the Swedish Annual Reports Act.

The interim consolidated financial statements have been prepared, consistent with the 2022 consolidated financial statements, in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and by the Swedish Annual Accounts Act.

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the recommendations "RFR 2 on Financial Reporting for Legal Entities" issued by the Swedish Financial Reporting Board.

The interim report does not contain the entirety of the information that appears in the annual report and accordingly, the interim report should be read in conjunction with the 2022 annual report.

The accounting principles applied in the period are consistent with those applied for the financial year 2022 and the comparable interim reporting period, as they are described in the 2022 annual report.

The interim financial information for the nine-month period ended 30 September 2023 and 2022 has been reviewed by the company's auditors.

Exchange rates

For the preparation of the financial statements for the reporting period, the exchange rates presented below have been used.

Tax

Tethys Oil's oil and gas operations in Oman are governed by an Exploration and Production Sharing Agreement for each Block ("EPSA"), whereby Tethys Oil receives its share of oil after the government's take. Under the terms of each EPSA, Tethys Oil is subject to Omani income taxes, which are paid in full, on behalf of Tethys Oil, from the government's share of the oil. The effect of these taxes is netted against revenue and other income in the income statement.

Note 1) Risks and uncertainties

Tethys Oil is exposed to a variety of risks associated with oil and gas operations. Risk management is an integral part of the Company's business activities, and the business areas consequently have the main responsibility for managing risks arising from its business activities. A detailed analysis of Tethys Oil's operational, financial, and external risks and mitigation of those risks through risk management is described in Tethys Oil's Annual report 2022 on pages 63-64.

	30 Sep 2023		30 Sep 2022		31 Dec 2022	
Currency	**Average**	**Period end**	Average	Period end	Average	Period end
SEK/USD	**10.59**	**10.84**	9.92	11.12	10.12	10.44

Note 2) Segment reporting

The Group's Operating segments are reported based on a split between Producing assets, Non-producing assets, Other and Eliminations. The operating result for each segment is presented below.

Producing assets include the Company's non-operated interest in Blocks 3&4. Non-producing assets include the operated exploration interests in Block 49, Block 56 and Block 58.

The segment Other includes the head office and other central functions across the Group. Oil & Gas properties detailed analysis is presented in note 4.

Group income statement January-September 2023

MUSD	Producing assets	Non-producing assets	Other	Eliminations	Total
Revenue and other income[1]	101.2	0.6	1.4	-1.4	**101.8**
Operating expenses[1]	-41.9	-1.3	-	-	**-43.2**
Depreciation, depletion and amortisation	-31.6	-	-0.2	-	**-31.8**
Exploration costs	-	-	-0.1	-	**-0.1**
Administrative expenses	-2.9	-0.4	-4.6	1.2	**-6.6**
Share of net result from associate	-	-	0.2	-	**0.2**
Operating result	**24.8**	**-1.1**	**-3.2**	**-0.2**	**20.3**
Revenue by country	**Producing assets**	**Non-producing assets**	**Other**	**Eliminations**	**Total**
Revenue and other income[1]					
Oman	101.2	0.6	-	-	**101.8**
Other	-	-	1.4	-1.4	**0.0**
Oil and gas properties as of 30 September 2023	**Producing assets**	**Non-producing assets**	**Other**	**Eliminations**	**Total**
Oil and gas properties	225.6	51.7	0.0	-0.4	**277.0**

Group income statement January-September 2022

MUSD	Producing assets	Non-producing assets	Other	Eliminations	Total
Revenue and other income	113.3	-	1.0	-1.0	**113.3**
Operating expenses	-37.1	-	-	-	**-37.1**
Depreciation, depletion and amortisation	-30.6	-	-0.2	-	**-30.8**
Exploration costs	-1.0	-	-0.2	-	**-1.2**
Administrative expenses	-2.5	-0.4	-3.1	1.1	**-4.9**
Share of net result from associate	-	-	0.1	-	**0.1**
Operating result	**42.0**	**-0.4**	**-2.3**	**0.1**	**39.4**
Revenue by country	**Producing assets**	**Non-producing assets**	**Other**	**Eliminations**	**Total**
Revenue and other income					
Oman	113.3	-	-	-	**113.3**
Other	-	-	1.0	-1.0	**0.0**
Oil and gas properties as of 30 September 2022	**Producing assets**	**Non-producing assets**	**Other**	**Eliminations**	**Total**
Oil and gas properties	189.8	47.6	0.1	-0.1	**237.5**

1. *Revenue and other income and Operating expenses for Non-producing assets relate to the extended well testing on Block 56.*

Note 3) Revenue and other income

MUSD	Third quarter 2023	Third quarter 2022	First nine months 2023	First nine months 2022	Full year 2022
Revenue	32.7	45.1	109.0	109.8	149.4
Underlift (+) /overlift (-), adjustments	-0.9	-4.2	-7.1	3.5	7.1
Revenue and other income	**31.8**	**40.9**	**101.8**	**113.3**	**156.5**

Note 4) Oil and gas properties

MUSD Licence	Phase	Tethys Oil's share	30 Sep 2023	Investments	DD&A	Exploration cost	Site restoration and other adjustments	31 Dec 2022
Blocks 3&4, Oman	Prod.	30%	**225.6**	58.6	-31.5	-	-	198.5
Block 49, Oman	Expl.	100%	**1.1**	0.4	-	-	-	0.6
Block 56, Oman	Expl.	65%	**40.3**	1.4	-	-	-	38.9
Block 58, Oman	Expl.	100%	**10.0**	2.0	-	-	-	8.0
New ventures			**-**	-	-	-0.1	-	0.1
Total			**277.0**	**62.5**	**-31.5**	**-0.1**	**-**	**246.1**

Note 5) Trade and other receivables

MUSD	30 Sep 2023	31 Dec 2022
Trade receivables oil sales	11.2	12.5
Underlift position	-	6.1
Non-trade receivables	5.0	4.9
Joint operation receivables	-	0.1
Other current receivables	4.8	3.3
Total	**21.1**	**26.9**

Note 6) Accounts payable and other current liabilities

MUSD	30 Sep 2023	31 Dec 2022
Accounts payable	0.5	0.6
Joint operations payable	17.8	16.9
Overlift position	1.1	-
Tax liabilities	0.4	0.6
Dividend payable	5.9	-
Other current liabilities	1.5	1.5
Total	**27.2**	**19.6**

Note 7) Related party transactions

In the Tethys Oil Group, Tethys Oil AB (publ) with organisational number 556615-8266 is the parent company. Material subsidiaries include Tethys Oil Oman Limited, Tethys Oil Block 3&4 Limited, Tethys Oil Montasar Limited, Tethys Oil Oman Onshore Limited, Tethys Oil Qatbeet Limited, Tethys Oil France AB, Tethys Oil Invest AB and Tethys Oil Exploration AB.

Tethys Oil enters into related-party transactions as part of the normal course of business and on an arm's length basis. During the period, there were no transactions with related parties external to the Group.

Note 8) Incentive programmes

Tethys Oil has incentive programmes as part of the remuneration package to employees.

Warrants

Warrants have been issued annually since 2015, following a decision by the respective AGM. Since 2021 warrants are only issued to the Executive Management. In the second quarter 2023 250,000 new warrants were issued. After the closing of the quarter, 338,000 warrants from the 2020 Programme were exercised, resulting in the issue of 402,220 shares.

Warrant incentive programme	Exercise period	Subscription price, SEK	Shares per warrant	1 Jan 2023	Number of warrants			
					Issued 2023	Exercised 2023	Expired 2023	30 Sep 2023
2020 programme	13 Jun - 6 Oct 2023	45.42	1.19	350,000	-	-	-	**350,000**
2021 programme	12 Jun - 4 Oct 2024	66.70	1.14	200,000	-	-	-	**200,000**
2022 programme	18 Aug - 6 Oct 2025	93.70	1.06	160,000	-	-	-	**160,000**
2023 programme	3 Jun - 28 Sep 2026	60.00	1.00	-	250,000	-	-	**250,000**
Total				**710,000**	**250,000**	**-**	**-**	**960,000**

Long-Term Incentive Programme (LTIP)

During 2022 the Board of Directors of Tethys Oil AB approved the launch of a new Long-Term Incentive Programme. The Programme is established to form a part of the incentive and retention programme directed to the employees of the Group, except for Executive Management. The aim is to align the objectives of the Company´s shareholders and the employees for increasing the value of the Company in the long-term, to retain the employees at the Company and to offer them a competitive incentive programme that gives them an opportunity to receive Shares acquired with the reward. The programme is denominated in SEK.

LTIP 2022-2024 ("LTIP 2022") was launched in October 2022.

The Programme comprises one three-year Vesting Period, covering the financial years of 2022-2024. The payment of each instalment is conditional on continued employment, and continued ownership of the Reward Shares purchased within the programme.

The maximum limit for the programme is MSEK 6.0, for 2023 a total amount of MSEK 3.3 was granted to participants and a total of MSEK 2.7 remains outstanding for the remaining instalments.

LTIP 2023-2025 ("LTIP 2023") was launched in April 2023 following the approval of the Board of Directors. The programme is identical to LTIP 2022.

The maximum limit for the programme is MSEK 5.3, for 2023 a total amount of MSEK 1.6 was granted to participants and a total of MSEK 3.7 remains outstanding for the remaining instalments.

Note 9) Tax

Tethys Oil's oil and gas operations in Oman are governed by an Exploration and Production Sharing Agreement for each Block ("EPSA"), whereby Tethys Oil receives its share of oil after the government's take. Under the terms of each EPSA, Tethys Oil is subject to Omani income taxes, which are paid in full, on behalf of Tethys Oil, from the government's share of the oil. The effect of these taxes is netted against revenue and other income in the income statement.

Local income generated in Tethys Oil's Gibraltar subsidiaries are subject to Gibraltar taxes, filed on an annual basis. During the third quarter an income tax liability for the financial year 2022 was paid in full. An Income tax charge MUSD 0.5 was accrued for the first nine months of 2023.

Note 10) Pledged assets

The parent company has no pledged assets as per 30 September 2023 (on 30 September 2022, MSEK 0.5 was pledged which was related to the rental of office space).

Note 11) Contingent liabilities

As part of the farmin transaction with Medco for Block 56 there is further potential contingent consideration upon a declaration of commerciality.

Note 12) Subsequent events

Other than as described in the report, no significant events have occurred after the end of the reporting period.

ALTERNATIVE PERFORMANCE MEASURES: RELEVANT RECONCILIATIONS

Alternative performance measures are used to describe the development of operations and to enhance comparability between periods. These are not defined under IFRS but correspond to the methods applied by executive management and the Board of Directors to measure Tethys Oil's financial performance.

Alternative performance measures should not be viewed as a substitute for financial information presented in accordance with IFRS but rather as a complement. Besides the definitions presented in the section "Alternative performance measures: Glossary and Definitions, definitions of alternative performance measures" additional information can be found in the 2022 Annual Report.

EBITDA and Net cash, MUSD	Third quarter 2023	Third quarter 2022	First nine months 2023	First nine months 2022	Full year 2022
Operating result	6.5	16.9	20.3	39.4	54.2
Add: Depreciation. depletion and amortisation	10.1	10.1	31.8	30.8	40.5
Add: Exploration costs	-0.0	0.2	0.1	1.2	4.5
Less: Share of net result from associates	-0.2	-0.1	-0.2	-0.1	-0.1
EBITDA	**16.4**	**27.0**	**52.0**	**71.3**	**99.1**
Cash and cash equivalents	27.7	42.1	27.7	42.1	41.5
Less: Interest bearing debt	-0.2	-0.5	-0.2	-0.5	-0.5
Net cash	**27.5**	**41.6**	**27.5**	**41.6**	**41.0**

Key data per quarter

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Net daily production before government take, Blocks 3&4, bbl	8,486	8,994	9,411	9,441	9,788
Net entitlement barrels, bbl	405,952	425,585	440,441	467,564	378,742
Net entitlement share of production, percent	52%	52%	52%	54%	42%
Oil sales, bbl	417,275	463,196	471,550	424,444	420,474
Achieved Oil Price, USD/bbl	76.9	81.6	81.7	93.3	107.3
Average OSP, USD/bbl	76.7	81.3	81.6	92.9	107.9
Operating expenses, USD/bbl	16.8	17.4	17.2	15.0	13.6
Revenue and other income, MUSD	31.8	34.7	35.3	43.2	40.9
EBITDA, MUSD	16.4	16.9	18.7	27.8	27.0
Operating result, MUSD	6.5	6.1	7.7	14.8	16.9
Earnings per share after dilution, USD	0.19	0.25	0.25	0.40	0.56
Cash flow from operations, MUSD	14.8	25.7	20.4	25.2	23.5
Investment in oil and gas properties, MUSD	21.1	21.4	20.0	24.6	20.2
Free cash flow, MUSD	-6.1	4.0	0.4	0.4	3.4
Cash and cash equivalents, MUSD	27.7	33.9	39.9	41.5	42.1
Return on shareholders' equity, rolling 12 months	13%	18%	20%	22%	19%
Return on capital employed, rolling 12 months	12%	16%	18%	19%	16%
Share price end of period, SEK	54.9	48.8	54.7	60.5	62.7

ALTERNATIVE PERFORMANCE MEASURES: GLOSSARY AND DEFINITIONS

The Company applies the European Securities and Markets Authority's (ESMA) guidelines on alternative performance measures. The alternative key financial performance indicators are defined as financial measures of historical or future earnings trends, financial position, financial performance, or cash flows that are not defined or specified in the applicable regulations for financial reporting, IFRS, and the Annual Accounts Act. These measures should not be regarded as a substitute for measures defined in accordance with IFRS.

If an alternative performance measure cannot be identified directly from the financial statements, a reconciliation is required.

Definitions of key ratios and abbreviations

EBITDA-margin	EBITDA as a percentage of revenue and other income.
Equity ratio	Shareholders' equity as a percentage of total assets.
Return on shareholder's equity, rolling 12 months	Return on shareholder's equity is calculated by dividing the net result for the past 12 months by the average of the ingoing and outgoing shareholder's equity for the same period.
Return on capital employed, rolling 12 months	Return on capital employed is calculated dividing the operating result for the past 12 months by the average capital employed (equity plus non-current liabilities) for the same period.
Net entitlement	Volumes and share of oil production from Joint operation, which the company is entitled to sell expressed in barrels. Calculated monthly based on EPSA. Consist of 2 components: Cost oil and Profit Oil.
Net entitlement share	The oil production from Joint operation, which the company is entitled to sell expressed as a percentage of the company's total share of the oil produced. Calculated as Cost oil plus Profit Oil divided by Production.
Cost Oil	The Cost Oil is the value of recoverable costs incurred in the period and any outstanding balance of unrecovered historical cost from previous periods ("the Cost Pool") The total amount of Cost Oil for a given period is capped to a fixed share of total production, after conversion to barrels using the Official Selling Price ("OSP").
Profit Oil	Profit Oil remains after the deduction of Cost Oil. The majority of the Profit Oil is the government's take according to a fixed percentage.
Cost pool	Any outstanding balance of unrecovered historical cost from previous periods.
Production before government take	Net share of total production.
Underlift/ Overlift	Calculation of net from Net Entitlement barrels and lifted barrels. Lifting more barrels than entitlement barrels resulted in an overlift and the opposite in an underlift.
Netback	Gross profit per barrel of oil. Average OSP reduced by royalties/government take and operating and transport expenses per barrel.
Achieved Oil Price	Achieved Oil Price is calculated with revenue from oil sales within the period divided by sold barrels of oil.
Average OSP	The Average OSP is calculated as the production weighted average of the monthly Official Selling Price (OSP) for Omani Export Blend in the quarter and does not take into consideration the timing of monthly liftings or any trading and quality adjustments (as is the case with the Achieved oil price).
Oman OSP	Oman's Official Selling Price (OSP) is calculated using the monthly average price of the front month futures contract of Oman blend (with 2 months to delivery) as traded on the Dubai Mercantile Exchange.
Net cash	Cash and equivalents less interest-bearing debt.
Number of employees	Average number of fulltime employees during the period.
Shareholders' equity per share	Shareholders' equity divided by the number of outstanding shares.
Weighted average number of shares (after dilution)	Number of shares at the beginning of the year with newly issued shares time weighted for the period on issue. Dilution effects include potential shares that may be converted to shares under favourable conditions, primarily warrants with subscription prices lower than the share price.
Treasury shares	Own shares held by Tethys Oil following share repurchases.
Earnings per share	Net result for the period divided by the weighted number of shares.
SEK	Swedish krona.
MSEK	Millions of Swedish kronor.
USD	US dollar.
MUSD	Millions of US dollars.
Bbl	One barrel of oil = 159 litres, 0.159 cubic meters.
Bopd	Oil production is often given in numbers of Barrels of Oil per Day.
Mbo	Thousand Barrels.
Mmbo	Million Barrels.
EPSA	Exploration and Production Sharing Agreement.
Prospective resources (2U)	Like reserves and contingent resources, prospective resources volume estimates are defined probabilistically. 1U is the low estimate, 2U is the best estimate and 3U the high.

FINANCIAL CALENDAR:

- Year-end report 2023 (January – December 2023) on 6 February 2024
- Report for the first quarter 2024 (January – March 2024) on 7 May 2024
- Report for the second quarter 2024 (January – June 2024) on 6 August 2024
- Report for the third quarter 2024 (January – September) on 5 November 2024

CONFERENCE CALL

Date: 7 November 2023
Time: 10.00 CET

To participate in the conference call, you may choose one of the following options:

Link to webcast: **https://edge.media-server.com/mmc/p/bypebym3**

To participate via phone, please register here to receive dial-in information.

Stockholm, 7 November 2023

Tethys Oil AB (publ)
Org. No. 556615-8266

Magnus Nordin
Managing Director

This report has been subject to review by the auditors of the company.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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This information is information that Tethys Oil AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 7:30 CET on 7 November 2023.

Auditor's report

Tethys Oil AB (publ) reg. no. 556615-8266

Introduction

We have reviewed the condensed interim financial information (interim report) of Tethys Oil AB (publ) as of 30 September 2023 and the nine-month period then ended. The board of directors and the managing director are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Gothenburg, 7 November 2023

PricewaterhouseCoopers AB

Johan Malmqvist
Authorized Public Accountant
Auditor in charge

Sophie Damborg
Authorized Public Accountant