

Tethys Oil AB (publ)

Third quarter interim report

1 January – 30 September 2024



Third quarter 2024 (Second quarter 2024)

- Drilling of Kunooz-1 on Block 58 completed – open hole test programme ongoing and expected to conclude in approximately three to four weeks.
- Public offer on Tethys Oil from Roc Oil Company Pty Limited at SEK 58.70 per share.
- The Ministry of Energy and Minerals' approval process for the Field Development Plan for Block 56 continued in the third quarter and is expected to conclude in the fourth quarter.
- Initial exploration phase of the EPSA for Block 58 has been granted a one-year extension until July 2025.
- Entered into a MUSD 60 amortising term loan facility agreement with Abu Dhabi Commercial Bank.
- Production from Blocks 3&4 in the quarter amounted to 7,717 barrels of oil per day (7,688), with a Net entitlement of 52% (52%) and an achieved oil price of USD 83.4 per barrel (84.3).
- Revenue and other income was MUSD 30.8 (30.8) and EBITDA MUSD 15.2 (15.7).
- Cash flow from operations was MUSD 15.4 (19.9) and Free cash flow MUSD -8.8 (3.1).

Full year 2024 production and financial guidance

- Production guidance for the full year 2024 is now expected to be 7,800 till 8,000 barrels of oil per day, compared to 7,800 to 8,200 barrels of oil per day previously.
- Capital expenditure for the full year for Block 58 is expected to be MUSD 10 (previously MUSD 9) following the additional testing of the Kunooz-1 exploration well. Total investments for the full year 2024 are expected to be MUSD 78 (previously MUSD 77).
- Operating expenditure for the full year is expected to be USD 18.0 per barrel (previously 17.5).

MUSD, unless specifically stated	Third quarter 2024	Second quarter 2024	Third quarter 2023	First nine months 2024	First nine months 2023	Full year 2023
Net daily production, before government take, barrels per day	7,717	7,688	8,486	7,812	8,960	8,818
Production before government take, bbl	709,956	699,575	780,676	2,140,403	2,446,110	3,218,625
Net entitlement barrels, bbl	369,177	363,779	405,952	1,113,009	1,271,977	1,673,685
Net entitlement as share of production, percent	52%	52%	52%	52%	52%	52%
Achieved Oil Price, USD/bbl	83.4	84.3	76.9	82.4	80.2	82.4
Revenue and other income	30.8	30.8	31.8	91.7	101.8	138.2
EBITDA	15.2	15.7	16.4	43.9	52.0	73.5
Operating result	4.8	5.3	6.5	12.2	20.3	-11.6
Net result	-0.3	4.5	6.2	11.5	22.2	-16.5
Earnings per share, before and after dilution, USD	-0.01	0.14	0.19	0.36	0.69	-0.51
Cash flow from operations	15.4	19.9	14.8	41.6	60.9	82.7
Investments in oil and gas properties	23.1	16.7	21.1	56.8	62.5	81.7
Free cash flow	-8.8	3.1	-6.1	-16.5	-1.7	0.8
Cash and cash equivalents	16.4	18.1	27.7	16.4	27.7	25.8

Dear Friends and Investors,

It is time to address the events and result for Tethys' third quarter 2024.

Financially the numbers are quite satisfactory as oil prices achieved for the sales during the quarter remained strong, and production from Blocks 3&4 increased as operator CCED was able to mitigate the weather and other effects that impacted production in the second quarter. We remain optimistic that production will continue to stabilise during the fourth quarter and that production for the full year will come in within our guidance.

On Block 56 we have had an intense and constructive dialogue with the Omani Ministry of Energy and Minerals regarding the proposed Field Development Plan ("FDP") for the Block. At the time of writing, we are optimistic that the dialogue is coming to an end and that FDP approval is a few weeks away. We are eager to receive approval as soon as possible to be able to get on with the work of implementing the FDP and bring the block on stream.

On Block 58 the long awaited Kunooz-1 well spudded in mid-August. The well has taken longer than expected as some operational difficulties were encountered in the main target sections. The main reservoir targets were the Precambrian Carbonates of the Birba, Buah and Khufai formations. These were found to be highly fractured. Total losses of drilling fluid were encountered so no returns were received at surface. The entire, more than 500-meter-thick, Carbonate section was drilled blind, using water-based drilling fluid. Subsequent logging suggests low matrix porosity but good connectivity in the fracture zones. This is potentially good as fractures, as we have learned from experience from similar reservoir rocks in Block 4, are quite important for well

productivity. So arguably reservoir risk associated with this high profile well has dropped but we do not know if the fractures are filled with water or hydrocarbons. The only way to find out is to complete the well for open hole production and then open it up for a flow test.

Work to carry out the test is ongoing, and we expect to have some idea of what is in the reservoir within some three to four weeks.

This is all very exciting. And more excitement was added on September 13th when Australian oil company Roc Oil Ltd (Roc) announced their intention to acquire all the outstanding shares of Tethys for cash. Roc is a subsidiary of Shanghai Stock Exchange listed Hainan Mining and part of the Fosun Group of China. Roc filed the formal Offering Memorandum with the Nasdaq Stockholm exchange on Friday the 25th of October. Roc has a portfolio that complements Tethys well and the offer is a direct result of the Strategic Review instigated by the Board of Directors of Tethys on February 7th this year. As previously announced, Tethys' Board has recommended Tethys' shareholders to accept the offer. But the decision rests with our shareholders.

So stay with us. Times are more than ordinarily exciting, even for this industry. Tethys may soon no longer be a public company, but we will remain dedicated to creating value for all our stakeholders including our investor(s).

Stockholm, November 2024
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 2024:

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	Second exploration phase	December 2026	Tethys Oil
Block 56, Oman	65	Second exploration phase	December 2024 ²	Tethys Oil , Medco, Biyaq, Intaj
Block 58, Oman	100	Initial exploration phase	July 2025	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 2024, before government take, amounted to 709,956 barrels of oil (699,575). This corresponds to 7,717 barrels of oil per day (7,688).

The third quarter's production was impacted by the lingering effects of the severe weather conditions with heavy rain and floods throughout the second quarter. As of the end of July, all shut in wells had been reopened and infrastructure assurance efforts continued with stabilising and, towards the end of the quarter, increasing production as a result.

During the quarter the production assurance and asset integrity work increased and included a total of 20 well workovers. The conducted work primarily focused on the replacement of pumps, water handling and stimulation efforts in older wells as well as the replacement and upgrade of flow lines and FCP instruments.

Development and appraisal activities

Development activities targeting the Barik and Khufai formations on the Farha South and Shahd fields respectively continued in the third quarter. In total, seven oil producers and two appraisal wells, as well as four water injectors, were completed in the quarter. As in the second quarter, results were slightly above expectations on Farha South and slightly below on the Shahd fields. The focus on the Farha and Shahd fields will remain throughout 2024, with no additional development wells planned on other fields in the fourth quarters.

In parallel, the appraisal of Lower Al Bashir formation continued with the evaluation of the fracking operations performed earlier in 2024. Conclusions from the testing are expected by the end of 2024.

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.

² The second exploration phase of the EPSA for Block 56 will expire in December 2024. Tethys Oil aims to get the Field Development Plan for the Block's Eastern Flank area approved in time to enter the production phase as the second exploration phase expires. If the FDP is not approved before the year-end, the second phase is expected to be extended as MEM's approval process continues.

2024 exploration drilling

In May, the first exploration well, FNW-1, was drilled in northern-western Farha on Block 3, on a parallel fault block to the main trend, with the Barik formation as its primary target. The well had flows to surface and has now entered a period of additional testing with results expected in the fourth quarter.

In July, the second exploration well on the blocks, Salam-1, was drilled to test the upper Khufai formation in the northern parts of Block 4. The well had oil shows on logs but a significant water cut, and further analysis was ongoing throughout the third quarter.

The drilling operations of the third exploration well on the blocks, Afnan-1, began by the end of the third quarter. The well will test the Khufai formation north of Shahd with initial result expected in the fourth quarter.

A fourth exploration well will explore a potential oil accumulation in the Barik formation of the northeastern part of Farha South field. Results from the well are expected in late 2024 or early 2025.

Additionally, the Shallal-1 data gathering well is planned to be drilled in November with the aim of further exploring the heavy oil potential in the Amin and Miqrat formations on Block 4.

Seismic acquisition

The 2023/24 seismic acquisition programme covering 6,200 km² in the southern part of Block 4 was completed by the end of the third quarter with the acquisition of the final 1,600 km². In parallel, interpretation of the previously acquired seismic continued and, once completed, the conclusions will be used for future exploration drilling in the area.

Gas-to-Power emission reduction project

The first phase of the Gas-to-Power project, commissioned at the end of the 2023, has been completed, with delays on Block 4 due to the impact of adverse weather conditions. The first phase of the project is fully operational and is expected to have a positive effect on GHG-emissions and operating expenditures going forward.

The second phase of the project is ongoing, and during the quarter the focus of the expansion work shifted from setting up power lines on Block 3 to Block 4 wells. The focus on Block 4 will remain throughout the fourth quarter. By the end of the third quarter, a total of 75 wells have been connected to the power plant, a number that is expected to increase to 92 by the end of 2024. The second phase of the project is expected to be completed in the fourth quarter of 2024.

The Gas-to-Power system is reducing routine flaring of associated gas by utilising it for power generation. By so doing, the Blocks 3&4 operations' dependence on diesel powered generators is reduced, and ultimately planned to be phased out. The project is expected to have a significant effect on Tethys Oil's GHG-emissions by reducing the amount of diesel consumed.

Exploration assets

Block 56

Field Development Plan for the Eastern Flank

The Ministry of Energy and Mineral's approval process for the submitted Field Development Plan ("FDP") for Block 56 continued in the third quarter. The parties agree on most of the previously open questions and the Company expects to receive FDP approval in the fourth quarter. Following the approval of the FDP, Block 56 will also be declared commercial and enter the production phase of the EPSA.

Following the approval of the FDP, Tethys Oil would expect to begin drilling activities in the second half of 2025 on the Al Jumud discovery with three new horizontal wells. The focus on the Al Jumud discovery is expected to continue with additional drilling throughout 2026. Alongside Al Jumud, the FDP also includes the development of the Sarha and Menna discoveries with drilling planned to begin in the second half of 2026 or in 2027.

The Eastern Flank area also holds more than a dozen identified leads and prospects, with more expected to be added from the ongoing seismic interpretation of the block's Central Area. The exploration activities on the block's additional leads and prospects will continue in parallel to the field development of current discoveries and may have a significant future contribution to the block's total recoverable resources.

Seismic interpretation

Interpretation of the 3D seismic over the Central Area of the block continued during the quarter. The ongoing interpretation is focused on the area where the Central Area and the Eastern Flank overlap and is expected to yield an inventory of leads and prospects for further geological/-physical studies and maturation in the fourth quarter.

Block 58

Open hole completion of the Kunooz-1 exploration well ongoing

The drilling of the exploration well Kunooz-1 in the Fahd area, north-eastern Block 58, started in mid-August and reached its final depth of 3,923 metres in the second half of October. The well targeted a total of 123 mmbbl of unrisked prospective resources with the Nafun play carbonates Buah and Khufai as its primary targets as well as the Ara/Birba carbonates as a secondary target.

The Ara/Birba formation proved to be significantly thicker than originally anticipated and the reservoir section was drilled with total drilling fluid losses and with no cuttings to surface. The losses indicate high reservoir permeability but as drilling fluid did not reach the surface, there was limited data availability for while-drilling evaluation of hydrocarbon potential.

The following wireline logging operations of the Ara/Birba and Buah formations indicated an approximately 500 metres gross thickness of fractured dolomite limestone and low matrix porosity. However, the logs did not provide conclusive data and to enable further conclusions on the well's Buah and Ara/Birba reservoirs and potential production capabilities, additional data gathering, testing and analysis are required. Due to operational challenges, the Khufai formation could not be wireline logged at the same time and a plan of action for the formation will be established as other test results and analysis are concluded.

The continued exploration and evaluation efforts are currently focused on an open hole well completion and further analysis of gathered data. The well test programme aims at establishing oil flows to surface from the Ara/Birba and Buah formations as well as adding additional data to be analysed regarding all three formations. The open hole test programme is expected to be completed in approximately three weeks per the publishing of this interim report.

Extension of initial exploration phase

Tethys Oil has, following discussions with the Ministry of Energy and Minerals, been granted a one-year extension of the initial exploration phase of the EPSA for Block 58. Following the extension, the initial exploration phase now expires in July 2025.

As a part of the extension, the planned second exploration well on Block 58 in 2024 has been moved to 2025. Following the results from Kunooz-1, Tethys Oil will, together with the MEM, decide on whether the second exploration well on Block 58 will be drilled in Fahd or on a prospect in the South Lahan area.

Block 49

Thameen-1 re-entry and re-testing

Having entered the second exploration phase, the work on Block 49 is focused on the continued evaluation and well integrity of Thameen-1 as well as the extended work on all other exploration potential on the block. Various kinds of reviews have been ongoing, and a hoist is being procured to prepare the well ahead of the planned fracking operations. In

parallel, the tendering and procurement process for an integrated service contract to provide all services needed for the re-test, including rig, hydro frac services and well testing is moving forward.

A more detailed timeline and plan on how to best move forward on the block are expected to be completed in the first half of 2025.

Strategic updates

Public offer from Roc Oil Company Pty Limited

On 13 September 2024, Roc Oil Company Pty Limited (“Roc”), announced a public cash offer to the shareholders of Tethys Oil to tender all their shares in Company to the Roc at a price of SEK 58.70 per share. The independent bid committee of the Board of Directors has, in accordance with Rules II.19 and III.3 of the Takeover Rules, obtained and considered a fairness opinion provided by PwC, according to which the offer is fair from a financial point of view for the shareholders of the Company. The independent bid committee of the Board of Directors has unanimously recommended shareholders to accept Roc’s public offer.

Summary of the offer

Roc offers SEK 58.70 in cash for each share in Tethys Oil. Accordingly, Roc values all shares in the Company at approximately SEK 1.894 billion. The offered price per share represents a premium of approximately:

- 89.05 percent compared to the closing price of SEK 31.05 of Tethys’ shares on Nasdaq Stockholm on 12 September 2024, being the last day of trading before the announcement of the offer;
- 88.95 percent compared to the volume-weighted average trading price of SEK 31.07 of Tethys’ shares on Nasdaq Stockholm during the last 30 trading days before the announcement of the offer;
- 76.73 percent compared to the volume-weighted average trading price of SEK 33.21 of Tethys’ shares on Nasdaq Stockholm during the last 90 trading days prior to the announcement of the offer; and
- 65.94 percent compared to the volume-weighted average trading price of SEK 35.38 of Tethys’ shares on Nasdaq Stockholm during the last 180 trading days before the announcement of the offer.

Lansdowne Partners Austria GmbH, Magnus Nordin (Managing Director and board member of Tethys Oil) and Göran Källebo, holding in total approximately 16.86 percent of the outstanding shares and votes in Company, have undertaken to accept the offer.

Completion of the offer is conditional upon, among other things, the offer being accepted to such extent that Roc becomes the owner of shares

in Tethys Oil representing more than 90 percent of the total number of shares in Tethys Oil, as well as the receipt of all necessary regulatory, governmental or similar clearances, approvals, decisions and other actions. Roc has reserved the right to waive one or several of the conditions for completion of the offer. Tethys Oil will support Roc in connection with the notifications to relevant authorities, including Tethys’ notification to the Oman Ministry of Energy and Minerals.

An offer document regarding the offer was published on 25 October 2024. The acceptance period for the offer commenced on 28 October 2024 and will expire on 2 December 2024.

More information about the offer is available at the website, www.project-strata.com.

Strategic review of Omani oil and gas assets

The strategic review of the Group’s portfolio of Omani Oil and Gas assets continued throughout the third quarter. Significant interest has been shown by several industry players for various parts of the portfolio and the Company. Should the shareholders of Tethys Oil accept the public offer from Roc Oil, this will be considered the conclusion of the strategic review

MUSD 60 loan facility agreement

In early August, Tethys Oil, through the Group company Tethys Oil Block 3&4 Ltd, entered into an agreement for a five-year amortising term loan facility with Abu Dhabi Commercial Bank. In the third quarter, a drawdown of MUSD 7.1 was made and an additional MUSD 52.9 is available for future drawdowns.

The facility ensures that Tethys Oil is adequately funded and positioned to continue investing across its portfolio of assets in various stages of maturity.

For more information on the loan facility, please see note 6 on page 23.

Heads of Agreement with Sonatrach

During the third quarter, Tethys Oil and Sonatrach has continued the discussions aimed at establishing a framework regarding work programmes and financial terms for potential future appraisal and development opportunities in the Algerian El Hadjira II and El Haiad II areas. The discussions regarding the potential partnership have been extended by three months and are expected to be concluded in the first quarter 2025 after which a formal agreement on development and production sharing may be signed, subject to approval by the Board.

Changes in Executive Management

Pär Malmborg, Head of Energy Investments, has joined the Group Executive Management. Pär has worked at Tethys Oil since 2023 and has a two decade long international oil and gas industry career focused on up-stream drilling and field development with experience from leading teams of geologists, geophysicists and economists.

Fredrik Robelius, Chief Technical Officer, has decided to resign his position. As a part of the transition, Tethys Oil has decided to increase the authority and decision-making capabilities of its Omani Asset Management Committee to streamline the Group's increasing operated activities.

Guidance for the full year 2024

The average production for the first nine months of 2024 was 7,837 barrels of oil per day. Tethys Oil expects the full year average production from Blocks 3&4 to be between 7,800 - 8,000 barrels of oil per day compared to 7,800 - 8,200 barrels of oil per day previously. The guidance has been narrowed down to align with the outlook for the final months of 2024.

Capital expenditure of the full year is expected to be MUSD 78 (previously MUSD 77) with the increase being attributable to the additional testing performed on the Kunooz-1 exploration well in the fourth quarter.

Operating expenditure for the full year is expected to be USD 18 per barrel compared to the previous USD 17.5.

Group Financial Review and Result ³

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 2024. The Average OSP for the quarter was USD 83.4, compared to USD 84.8 in the second quarter.

In the third quarter 2024, Tethys Oil's Net Entitlement was 369,177 barrels of oil, compared to 363,779 barrels of oil in the second quarter. The increase follows that the higher production leading to increased cost allowance and profit oil. Tethys Oil's share of the Block 3&4 Cost Pool as per 30 September 2024 was MUSD 40.2 compared to MUSD 32.9 on 30 June 2024.

In the third quarter, Tethys Oil sold 337,827 barrels of oil from Blocks 3&4 compared to 386,951 barrels of oil in the previous quarter.

The Achieved Oil Price in the third quarter was USD 83.4 per barrel compared to USD 84.3 per barrel in the previous quarter.

As oil sales was lower than the Net Entitlement, an underlift movement of 31,350 barrels was recorded in the third quarter, resulting in an underlift position of 28,993 barrels as of 30 September 2024 compared to an overlift position of 2,357 barrels at the close of the previous quarter.

Production entitlement and sales	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Blocks 3&4					
Production, before Government take, bbl	709,956	699,575	730,878	772,515	780,676
Average daily production, barrels per day	7,717	7,688	8,032	8,397	8,486
Net Entitlement barrels, bbl	369,177	363,779	380,053	401,708	405,952
Net Entitlement share of production, percent	52%	52%	52%	52%	52%
Oil sales, bbl	337,827	386,951	364,859	383,004	417,275
Underlift (+) / overlift (-), movement, bbl	31,350	-23,172	15,194	18,704	-11,323
Underlift (+) / overlift (-), closing position, bbl	28,993	-2,357	20,815	5,620	-13,083

³ 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 2024 compared to the second quarter 2024. 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. The financial statements for the third quarter and first nine months of 2024 presents financial results compared to the third quarter and first nine months of 2023.

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 30.8 in the third quarter compared to MUSD 30.8 in the second quarter. The positive revenue impact from the increased production was countered by a lower oil price in the quarter when compared to the second quarter.

The revenue was adjusted by MUSD 2.6 for the shift in under-/overlift position compared to MUSD -1.8 in the second quarter.

Operating expenses

Operating expenses for producing assets comprises production costs, workovers and well interventions and operator G&A and overhead expenses, all relating to Tethys Oil's interest in Blocks 3&4.

The total operating expenses in the third quarter of 2024 amounted to MUSD 12.8 compared to MUSD 12.6 for the previous quarter.

Production costs include expenses for throughput fees, energy, consumables, equipment rental, field staff and maintenance. The production costs decreased to MUSD 9.0 during the third quarter 2024 from MUSD 9.2 in the second quarter. The full cost savings effects of the Gas-to-Power project are not yet visible and should increase as more wells are connected to the power plants.

Workovers and well interventions amounted to MUSD 1.2 in the third quarter 2024 compared to MUSD 0.9 in the second quarter as the number of well workovers on Blocks 3&4 increased in the third quarter.

Operator G&A and overhead expenses increased to MUSD 2.7 in the third quarter from MUSD 2.5 in the second quarter.

Operating expenses per barrel remained at USD 18.0, same as in previous quarter as cost increased in proportion to the increase in production.

Operating expenses, MUSD	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Production costs	9.0	9.2	10.1	9.1	8.9
Workovers and well interventions	1.2	0.9	1.6	1.4	1.4
Operator G&A and overhead expenses	2.7	2.5	3.2	2.7	2.8
Operating expenses producing assets (Blocks 3&4)	12.8	12.6	14.8	13.2	13.1
Operating expenses extended well test Block 56	-	-	0.1	-	0.6
Total operating expenses	12.8	12.6	15.0	13.2	13.7

Operating expenses per barrel Blocks 3&4, USD	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Production costs per barrel	12.6	13.1	13.8	11.8	11.4
Workovers and well interventions per barrel	1.7	1.3	2.1	1.8	1.9
Operator G&A and overhead expenses per barrel	3.7	3.6	4.3	3.5	3.5
Operating expenses producing assets per barrel	18.0	18.0	20.3	17.1	16.8

Other expenses and result

Administrative expenses for the third quarter 2024 was MUS\$ 2.8 compared to MUS\$ 2.5 in the previous quarter. The increase is primarily due to legal costs.

EBITDA decreased to MUS\$ 15.2 in the third quarter, compared to MUS\$ 15.7 in the second quarter. The decrease in EBITDA follows the higher administrative- and operating expenses.

DD&A for the third quarter was MUS\$ 10.5 compared to MUS\$ 10.4 in the second quarter 2024. The increase is a function of the higher production.

The operating result in the third quarter decreased to MUS\$ 4.8 compared to MUS\$ 5.3 in the previous quarter.

Financial net result for the quarter amounted to MUS\$ -5.1 compared to MUS\$ -0.8 in the previous quarter. The Financial net result for the current quarter primarily consists of MUS\$ -4.8 of unrealised exchange losses on intercompany loans, mainly caused by the significant strengthening of SEK versus USD during the quarter. In addition, interest income of MUS\$ 0.3 and other financial expenses of MUS\$ -0.6, including the interest expense of the loan facility, were recorded during the quarter.

Net result for the third quarter 2024 amounted to MUS\$ -0.3, compared to MUS\$ 4.5 in the second quarter. The earnings per share, before and after dilution, were USD -0.01 compared to USD 0.14 in the previous quarter.

Financial review and result, MUS\$	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Revenue	28.2	32.6	29.0	34.8	32.7
Underlift (+) / Overlift (-) adjustment	2.6	-1.8	1.1	1.6	-0.9
Revenue and other income	30.8	30.8	30.1	36.4	31.8
Operating expenses	-12.8	-12.6	-15.0	-13.2	-13.7
Administrative expenses	-2.8	-2.5	-2.2	-1.6	-1.7
EBITDA	15.2	15.7	13.0	21.5	16.4
DD&A	-10.5	-10.4	-10.8	-10.2	-10.1
Impairment	-	-	-	-36.9	-
Exploration costs	-	-	-	-6.3	-
Share of net result from associates	0.1	-	-	-0.0	0.2
Operating result	4.8	5.3	2.1	-31.9	6.5
Financial net result	-5.1	-0.8	5.2	-6.8	0.2
Income tax	-0.0	-0.0	-	-	-0.5
Net result	-0.3	4.5	7.3	-38.7	6.2
<i>Earnings per share, before and after dilution, USD</i>	<i>-0.01</i>	<i>0.14</i>	<i>0.23</i>	<i>-1.20</i>	<i>0.19</i>

Financials per barrel, USD/bbl	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Achieved Oil Price	83.4	84.3	79.5	90.4	76.9
Operating expenses	18.0	18.0	20.3	17.1	16.8
EBITDA	21.5	22.5	17.7	27.8	21.0
DD&A	14.8	14.9	14.8	13.2	12.9

Netback

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.

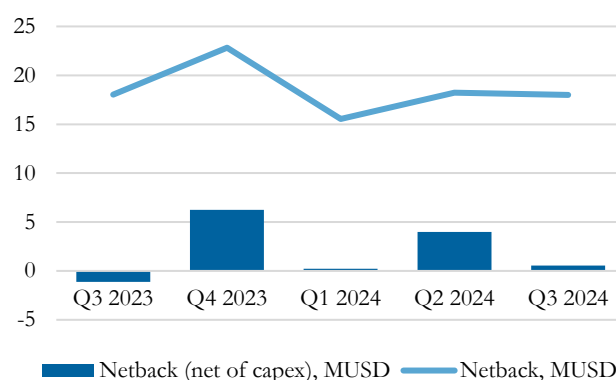
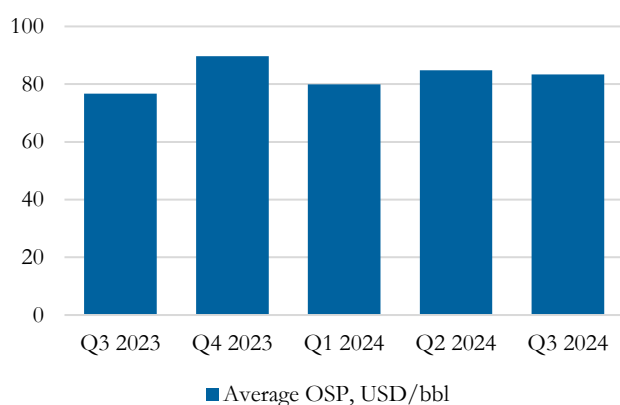
Tethys Oil calculates Netback for its production from Blocks 3&4 and presents it both as a total, as

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 to USD 0.8 per barrel as result of the lower OSP and higher Capex spend.

Netback Blocks 3&4, USD/bbl	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Value of oil produced (Average OSP)	83.4	84.8	79.9	89.7	76.7
Government take	-40.0	-40.7	-38.3	-43.0	-36.8
Entitlement value (after government take)	43.4	44.1	41.5	46.6	39.9
Operating expenses	-18.0	-18.0	-20.3	-17.1	-16.8
Netback	25.3	26.1	21.3	29.5	23.1
Capex	-24.6	-20.4	-21.0	-21.5	-24.5
Netback (net of capex)	0.8	5.7	0.3	8.1	-1.4

Netback Blocks 3&4, MUSD	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Value of oil produced (Average OSP)	59.2	59.3	58.4	69.3	59.9
Government take	-28.4	-28.5	-28.0	-33.3	-28.7
Entitlement value (after government take)	30.8	30.8	30.4	36.0	31.1
Operating expenses	-12.8	-12.6	-14.8	-13.2	-13.1
Netback	18.0	18.2	15.5	22.8	18.0
Capex	-17.5	-14.2	-15.3	-16.6	-19.1
Netback (net of capex)	0.5	4.0	0.2	6.2	-1.1



Financial position and cash flow

Assets and equity

As of 30 September 2024, the Group's total assets amounted to MUSD 311.1 compared to MUSD 294.3 at the end of the previous quarter. The majority of the Group's assets are oil and gas properties, making up MUSD 270.1 at the end of the quarter compared to MUSD 257.4 at the end of the previous quarter. As of 30 September 2024, the Shareholders' equity was MUSD 269.6 compared to MUSD 265.3 at the end of the previous quarter.

Liquidity and financing

As of 30 September 2024, cash and cash equivalents amounted to MUSD 16.4 (18.1)

Drawdown under the new term loan facility agreement amounts to MUSD 7.1 (-), with an additional MUSD 52.9 available for future drawdowns. For more information on the loan facility, please see note 6 on page 23.

Cash flow and investments

The Free Cash flow in the third quarter 2024 was MUSD -8.8. The decrease from MUSD 3.1 in the previous quarter is due to a combination of reduced cash flow from operations and increased investments.

Cash flow from operations in the third quarter 2024 after adjustment for change in working capital

amounted to MUSD 15.4 compared to MUSD 19.9 in the previous quarter.

Cash flow from Investment activities increased to MUSD -24.3 (-16.8). Investments activities primarily include investments in oil and gas properties of MUSD -23.1 (-16.7) and deposit connected to the loan facility of MUSD -1.1 (-).

Capital investments on Blocks 3&4 for the third quarter amounted to MUSD 17.5 (14.2). The higher investments follow increasing activity in the second half of 2024 as some investments planned for the first six months of 2024 were postponed.

The third quarter capital investments on Block 58 of MUSD 5.0 (1.4) relate to the drilling of Kunooz-1.

The capital investments on Block 49 and Block 56 of MUSD 0.1 (0.1) and MUSD 0.5 (0.8) respectively are related to the blocks' preparations for future drilling. The capital investment of MUSD 0.1 (0.1) in new venture relates to the Group's activities in Algeria.

Cash flow from financing activities for the period of MUSD 7.1 corresponds to the drawdown on the loan facility.

Balance Sheet, MUSD	30 Sep 24	30 Jun 24	31 Mar 24	31 Dec 23	30 Sep 23
Non-current assets					
Oil and gas properties	270.1	257.4	251.0	244.8	277.0
Other fixed assets	0.5	0.6	0.3	0.4	0.5
Current assets					
Other current assets	24.1	18.2	21.6	20.1	22.1
Cash and cash equivalents	16.4	18.1	14.9	25.8	27.7
Total assets	311.1	294.3	287.8	291.1	327.2
Shareholders' equity	269.6	265.3	260.3	258.2	288.4
Non-current liabilities	21.2	14.1	13.8	13.6	11.6
Current liabilities	20.4	14.9	13.8	19.2	27.2
Total equity & liabilities	311.1	294.3	287.8	291.1	327.2
Cash flow, MUSD	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Cash flow from operations	15.4	19.9	6.2	21.9	14.8
Cash flow from investments	-24.3	-16.8	-17.1	-19.4	-20.9
Free cash flow	-8.8	3.1	-10.8	2.5	-6.1
Cash flow from financing activities	7.1	-	-	-4.4	-0.1
Period cash flow	-1.7	3.1	-10.8	-2.0	-6.2
Investments in oil and gas properties					
Blocks 3&4	17.5	14.2	15.3	16.6	19.1
Block 49	0.1	0.1	0.3	0.1	0.0
Block 56	0.5	0.8	1.1	2.3	0.2
Block 58	5.0	1.4	0.2	0.2	1.7
New ventures	0.1	0.1	0.0	0.0	-
Total investments in oil and gas properties	23.1	16.7	17.0	19.2	21.1

Parent Company & Share

The parent company's operating result for the third quarter 2024 amounted to MSEK -15.0 compared to MSEK -8.9 in the previous quarter. Administrative expenses during the period were MSEK 19.0 compared to MSEK 13.5 in the previous quarter. The increased administrative expenses are attributed to consultancy and legal advice fees regarding the strategic review.

The Financial net result for the third quarter 2024 was MSEK 60.7 compared to MSEK 33.5 in the previous quarter and is a result of increased dividends received from subsidiaries.

Share data

The Company's shares are listed on Nasdaq Stockholm (TETY). As of 30 September 2024, the total number of issued shares in Tethys Oil AB was 33,458,828, with a nominal value of SEK 0.18. All shares represent one vote each.

At the end of the period, Tethys Oil held 1,189,901 shares in treasury – the equivalent of 3.6 percent of issued shares.

Warrant based incentive programmes

As of 30 September 2024, Tethys Oil has three active warrant-based incentive programmes which, if exercised, can result in the issue of up to 653,700 new shares, corresponding to a potential 2.0 percent increase of total shares issued. None of the programmes were exercised or in the money during the quarter. More information regarding these programs is disclosed in Note 9 of the financial report.

Long-Term Incentive Program (LTIP)

As of 30 September 2024, 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. In June 2024 the Board of Directors decided to terminate the 2023 LTIP program early and cancelled the final instalment planned for 2025 without compensation. During the third quarter, Board of Directors decided to terminate both programmes in advance with compensation to employees due for settlement during the fourth quarter. More information regarding these programmes is disclosed in Note 9 of the financial report.

Numbers of shares	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Shares in issue, end of the period	33,458,828	33,458,828	33,458,828	33,458,828	33,056,608
Shares issued, during the period	-	-	-	402,220	-
Shares repurchased, during the period	-	-	-	-	25,000
Treasury shares, end of the period	1,189,901	1,189,901	1,189,901	1,189,901	1,189,901
Shares outstanding, end of the period	32,268,927	32,268,927	32,268,927	32,268,927	31,866,707
Weighted average outstanding before dilution, during the period	32,268,927	32,268,927	32,268,927	32,243,389	31,867,861
Weighted average outstanding after dilution, during the period	32,268,927	32,268,927	32,268,927	32,247,353	31,924,740

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

MUSD	Note	Third quarter 2024	Third quarter 2023	First nine months 2024	First nine months 2023	Full year 2023
Revenue and other income	2, 3	30.8	31.8	91.7	101.8	138.2
Operating expenses		-12.8	-13.7	-40.4	-43.2	-56.4
Gross profit		18.0	18.1	51.4	58.6	81.7
Depletion, depreciation and amortisation	2	-10.5	-10.1	-31.8	-31.8	-42.0
Impairment		-	-	-	-	-36.9
Exploration costs		-	-	-	-0.1	-6.4
Administrative expenses		-2.8	-1.7	-7.5	-6.6	-8.3
Share of net result from associates		0.1	0.2	0.1	0.2	0.2
Operating result		4.8	6.5	12.2	20.3	-11.6
Financial result – net		-5.1	0.2	-0.7	2.4	-4.4
Result before tax		-0.3	6.7	11.5	22.7	-16.0
Income tax		-0.0	-0.5	-0.0	-0.5	-0.5
Net result		-0.3	6.2	11.5	22.2	-16.5
Other comprehensive income						
Items that may be subsequently reclassified to profit or loss:						
Exchange differences		5.3	0.0	0.4	-1.0	5.9
Other		-0.4	-	-0.4	-	-
Other comprehensive income		4.9	0.0	0.0	-1.0	5.9
Total comprehensive income		4.6	6.2	11.5	21.2	-10.6
<i>Total comprehensive income attributable to:</i>						
Shareholders in the parent company		4.6	6.2	11.5	21.2	-10.6
Non-controlling interest		-	-	-	-	-
Result per share						
Earnings per share (before dilution), USD		-0.01	0.19	0.36	0.69	-0.51
Earnings per share (after dilution), USD		-0.01	0.19	0.36	0.69	-0.51
Weighted average number of shares (before dilution)		32,268,927	31,867,861	32,268,927	31,999,442	32,060,671
Weighted average number of shares (after dilution)		32,268,927	31,924,740	32,268,927	32,049,544	32,099,193

CONSOLIDATED BALANCE SHEET IN SUMMARY

MUSD	Note	30 Sep 2024	31 Dec 2023
ASSETS			
Non-current assets			
Oil and gas properties	4	270.1	244.8
Other fixed assets		0.5	0.4
		270.6	245.2
Current assets			
Trade and other receivables	5	19.5	19.9
Prepaid expenses		3.5	0.2
Deposit	6	1.1	-
Cash and cash equivalents		16.4	25.8
		40.5	45.9
TOTAL ASSETS		311.1	291.1
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		0.8	0.8
Additional paid in capital		78.0	78.0
Reserves		0.7	0.3
Retained earnings		190.1	179.2
Total shareholders' equity		269.6	258.2
Non-current liabilities			
Non-current borrowing	6	6.8	-
Non-current provisions		14.3	13.5
Other non-current liabilities		0.1	0.1
		21.2	13.6
Current liabilities			
Accounts payable and other current liabilities	6, 7	20.4	19.2
		20.4	19.2
Total liabilities		41.5	32.9
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		311.1	291.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN SUMMARY

MUSD	Share capital	Paid in capital	Reserves	Retained earnings	Total equity
Opening balance 1 January 2023	0.8	76.3	-5.6	213.7	285.2
Net result 2023	-	-	-	-16.5	-16.5
Other comprehensive income	-	-	5.9	-	5.9
Total comprehensive income	0.0	0.0	5.9	-16.5	-10.6
Transactions with owners					
Share issue	0.0	1.7	-	-	1.7
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	1.7	0.0	-18.0	-16.4
Closing balance 31 December 2023	0.8	78.0	0.3	179.2	258.2
Opening balance 1 January 2024	0.8	78.0	0.3	179.2	258.2
Result for the nine-month period	-	-	-	11.5	11.5
Other comprehensive income	-	-	0.4	-0.4	0.0
Total comprehensive income	0.0	0.0	0.4	11.1	11.5
Transactions with owners					
Incentive programme	-	-	-	-0.1	-0.1
Total transactions with owners	0.0	0.0	0.0	-0.1	-0.1
Closing balance 30 September 2024	0.8	78.0	0.7	190.1	269.6

CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY

MUSD	Note	Third quarter 2024	Third quarter 2023	First nine months 2024	First nine months 2023	Full year 2023
Cash flow from operations						
Result before tax		-0.3	6.7	11.5	22.7	-16.0
Adjustment for:		-				
Depletion, depreciation		10.5	10.1	31.8	31.5	42.0
Impairment		-	-	-	-	36.9
Exploration costs		-	-	-	0.1	6.4
Other non-cash related items		5.0	0.2	0.6	-0.2	5.2
Interest received		-	-	-	-	1.1
Income tax paid		-0.7	-0.6	-1.0	-0.8	-0.8
Total cash flow from operations before change in working capital		14.5	16.3	42.9	53.4	74.9
Change in receivables		-4.3	-1.5	-2.4	5.6	7.5
Change in liabilities		5.2	-0.0	1.1	1.9	0.3
Cash flow from operations		15.4	14.8	41.6	60.9	82.7
Investment activity						
Investment in oil and gas properties	4	-23.1	-21.1	-56.8	-62.5	-81.7
Investment in other fixed assets		-0.1	-	-0.3	-0.3	-0.5
Deposit	6	-1.1	-	-1.1	-	-
Dividend from associates		0.1	0.2	0.1	0.2	0.2
Cash flow from investment activity		-24.3	-20.9	-58.1	-62.6	-82.0
Financing activity						
Share issue		-	-	-	-	1.7
Repurchase of shares		-	-0.1	-	-2.4	-2.4
Dividend		-	-	-	-	-6.1
Share redemption		-	-	-	-9.0	-9.0
Incentive programme		-	-	-	-0.7	-0.7
Borrowing	6	7.1	-	7.1	-	-
Cash flow from financing activity		7.1	-0.1	7.1	-12.1	-16.5
Period cash flow		-1.7	-6.2	-9.4	-13.8	-15.7
Cash and cash equivalents at the beginning of the period		18.1	33.9	25,8	41.5	41.5
Exchange gains/losses on cash and cash equivalents		-0.0	-0.0	-0.0	-0.0	0.0
Cash and cash equivalents at the end of the period		16.4	27.7	16.4	27.7	25.8

PARENT COMPANY INCOME STATEMENT IN SUMMARY

MSEK	Note	Third quarter 2024	Third quarter 2023	First nine months 2024	First nine months 2023	Full year 2023
Other income		3.2	6.1	12.0	15.2	16.5
Administrative expenses		-19.0	-13.4	-46.9	-46.0	-64.4
Dividend income from associates		0.8	2.2	0.8	2.2	2.2
Operating result		-15.0	-5.1	-34.0	-28.6	-45.7
Net financial result		60.7	552.9	94.9	595.6	638.6
Result before tax		45.7	547.8	60.9	567.0	592.9
Income tax		-	-	-	-	-
Net Result¹		45.7	547.8	60.9	567.0	592.9

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 2024	31 Dec 2023
ASSETS			
Total non-current assets		1,001.9	940.3
Total current assets		13.0	25.0
TOTAL ASSETS		1,014.9	965.2
SHAREHOLDERS' EQUITY AND LIABILITIES			
Restricted shareholders' equity		77.1	77.1
Unrestricted shareholders' equity		928.4	869.0
Total current liabilities		9.4	19.1
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,014.9	965.2

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 2024 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 2023 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 2023 annual report.

The accounting principles applied in the period are consistent with those applied for the financial year 2023 and the comparable interim reporting period, as they are described in the 2023 annual report.

The interim financial information for the period ended 30 September 2024 and 30 September 2023 has been reviewed by the Company’s auditors.

Exchange rates

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

Currency	30 Sep 2024		30 Sep 2023		31 Dec 2023	
	Average	Period end	Average	Period end	Average	Period end
USD/SEK	10.50	10.09	10.59	10.84	10.61	10.04

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 2023 on pages 85-87 and page 117.

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. The detailed analysis of Oil and gas properties is presented in note 4.

Group income statement January-September 2024					
MUSD	Producing assets	Non-producing assets	Other	Eliminations	Total
Revenue and other income	91.7	0.2	1.4	-1.6	91.7
Operating expenses	-40.2	-0.1	-	-	-40.4
Depreciation, depletion and amortisation	-31.6	-	-0.2	-	-31.8
Administrative expenses	-3.8	-1.1	-4.6	2.1	-7.5
Share of net result from associate	-	-	0.1	-	0.1
Operating result	16.1	-0.9	-3.4	0.4	12.2
Revenue by country	Producing assets	Non-producing assets	Other	Eliminations	Total
Revenue and other income ¹					
Oman	91.7	0.2	-	-0.2	91.7
Other	-	-	1.4	-1.4	0.0
Oil and gas properties as of 30 September 2024	Producing assets	Non-producing assets	Other	Eliminations	Total
Oil and gas properties	205.6	65.0	0.2	-0.7	270.1
Group income statement January-September 2023					
MUSD	Producing assets	Non-producing assets	Other	Eliminations	Total
Revenue and other income	101.2	0.6	1.4	-1.4	101.8
Operating expenses	-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					
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

Note 3) Revenue and other income

MUSD	Third quarter 2024	Third quarter 2023	First nine months 2024	First nine months 2023	Full year 2023
Revenue	28.2	32.7	89.8	109.0	143.8
Underlift (+) / overlift (-), adjustments	2.6	-0.9	1.9	-7.1	-5.6
Revenue and other income	30.8	31.8	91.7	101.8	138.2

Note 4) Oil and gas properties

MUSD	Phase	Tethys Oil's share	30 Sep 2024	Investments	DD&A	Impairment	Exploration cost	Site restoration and other adjustments	31 Dec 2023
Blocks 3&4	Prod.	30%	205.6	47.1	-31.5	-	-	-	190.0
Block 49	Expl.	100%	1.7	0.5	-	-	-	-	1.2
Block 56	Expl.	65%	45.9	2.5	-	-	-	-	43.4
Block 58	Expl.	100%	16.7	6.6	-	-	-	-	10.2
New ventures			0.2	0.2	-	-	-	-	0.0
Total			270.1	56.8	-31.5	-	-	-	244.8

Note 5) Trade and other receivables

MUSD	30 Sep 2024	31 Dec 2023
Trade receivables oil sales	9.0	9.8
Underlift position	2.4	0.5
Non-trade receivables	5.0	5.0
Joint operation receivables	0.5	0.1
Other current receivables	2.6	4.4
Total	19.5	19.9

Note 6) Borrowing and deposits

In August 2024, Tethys Oil, through the subsidiary Tethys Oil Block 3&4 Ltd, and Abu Dhabi Commercial Bank (UAE) have signed an agreement for a 5-year MUSD 60 amortising term loan facility. The purpose of the facility is to support capital expenditure for Blocks 3&4 in Oman, with the shares of Tethys Oil Block 3&4 Ltd acting as the collateral for the loan.

The loan will comprise of a credit facility of up to MUSD 60 with a 12-month availability period and a fixed amortisation schedule commencing nine months upon entering the agreement. The primary use of funds is capital expenditure on Blocks 3&4 in Oman. The loans drawn under the facility are under current conditions expected to carry a single-digit interest, payable quarterly. As part of the agreement Tethys Oil also commits to hedging at least 50 percent of its interest rates and an average of 35

percent of its oil sales. The loan is subject to customary covenants for this type of facility.

During the third quarter 2024 Tethys Oil has borrowed MUSD 7.1, whereof MUSD 6.8 is presented in the financial statement as long-term and MUSD 0.3 short-term. Interest of MUSD 0.1 has been accrued at end of the period. No hedging arrangement had been taken place by end of the reporting period. In accordance with the loan agreement, interest rate hedges and oil sale hedges should be in place not later than by the end of November 2024 and February 2025 respectively.

In addition, in accordance with the agreement Tethys Oil has a special deposit account in ADCB which secures Tethys Oil's ability to repay loan principal and interest due within the next 12 months. As at end of the period the Deposit account amounted to MUSD 1.1.

Note 7) Accounts payable and other current liabilities

MUSD	30 Sep 2024	31 Dec 2023
Accounts payable	0.3	0.2
Joint operations payable	18.1	17.2
Tax liabilities	-	0.3
Other current liabilities	1.9	1.5
Total	20.4	19.2

Note 8) 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 9) 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. No warrants were issued or exercised

during the period. In October 2024 the exercise period for the 2021 incentive programme expired without any warrants having been exercised.

Warrant incentive programme	Exercise period	Subscription price, SEK	Shares per warrant	1 Jan 2024	Number of warrants			30 Sep 2024
					Issued 2024	Exercised 2024	Expired 2024	
2021 programme	12 Jun - 4 Oct 2024	66.10	1.15	200,000	-	-	-	200,000
2022 programme	18 Aug - 6 Oct 2025	92.80	1.07	160,000	-	-	-	160,000
2023 programme	3 Jun - 28 Sep 2026	59.40	1.01	250,000	-	-	-	250,000
Total				610,000	-	-	-	610,000

Long-Term Incentive Programme (LTIP)

During 2024 Tethys Oil had two identical share based Long-Term Incentive Programmes for all employees excluding the Executive management, which were approved by the board. LTIP 2022-2024 ("LTIP 2022") was launched in October 2022 and LTIP 2023-2025 ("LTIP 2023") was launched in April 2023.

Each Programme comprises three-year Vesting Period. The payment of each instalment is purchased within the programme. For LTIP 2022 a total amount of MSEK 6.0 was granted to the participants

of the programme to be earned during the vesting period out of which MSEK 2.3 remain outstanding as at reporting date. The maximum limit for LTIP 2023 is MSEK 5.3. In June 2024, the Board of Directors decided to terminate LTIP 2023 programme in advance by cancelling the final instalment due in 2025 without compensation. The net effect of the cancellation amounted at MSEK 0.6. In September 2024, the Board of Directors decided to terminate both LTIP programmes in advance with compensation to employees in amount of MSEK 2.4 equivalent of the outstanding instalments due in 2024.

Note 10) 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 indirectly paid taxes is included in 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.

Note 11) Pledged assets

As described in Note 6, Tethys Oil has as per 30 September 2024 entered into an agreement for a 5-year MUSD 60 amortising term loan facility with ADCB. In accordance with the agreement the shares for Tethys Oil Block 3&4 Ltd acts as the collateral for the loan.

The parent company had no pledged assets as per 30 September 2023.

Note 12) Contingent liabilities

As part of the October 2020 farmin transaction with Medco for Block 56 there is further potential

contingent consideration upon a declaration of commerciality.

Note 13) Subsequent events

An offer document regarding the offer was published on 25 October 2024. The acceptance period for the offer commenced on 28 October 2024 and will expire on 2 December 2024.

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 2023 Annual Report.

EBITDA and Net cash, MUSD	Third quarter 2024	Third quarter 2023	First nine months 2024	First nine months 2023	Full year 2023
Operating result	4.8	6.5	12.2	20.3	-11.6
Add: Depreciation, depletion and amortisation	10.5	10.1	31.8	31.8	42.0
Add: Impairment	-	-	-	-	36.9
Add: Exploration costs	-	-0.0	-	0.1	6.4
Less: Share of net result from associates	-0.1	-0.2	-0.1	-0.2	-0.2
EBITDA	15.2	16.4	43.9	52.0	73.5
Cash and cash equivalents	16.4	27.7	16.4	27.7	25.8
Less: Interest bearing debt	-7.1	-0.2	-0.1	-0.2	-0.1
Net cash	9.3	27.5	16.3	27.5	25.7

Key data per quarter

	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Net daily production before government take, Blocks 3&4, bbl	7,717	7,688	8,032	8,397	8,486
Net entitlement barrels, bbl	369,177	363,779	380,053	401,708	405,952
Net entitlement share of production, percent	52%	52%	52%	52%	52%
Oil sales, bbl	337,827	386,951	364,859	383,004	417,275
Underlift/Overlift, bbl	28,993	-2,357	20,815	5,620	-13,083
Cost Oil, MUSD	23.7	23.7	23.4	27.7	23.9
Profit Oil, MUSD	7.1	7.1	7.0	8.3	7.2
Netback, USD/bbl	25.3	26.1	21.3	29.5	23.1
Achieved Oil Price, USD/bbl	83.4	84.3	79.5	90.4	76.9
Average OSP, USD/bbl	83.4	84.8	79.9	89.7	76.7
Operating expenses, USD/bbl	18.0	18.0	20.3	17.1	16.8
Cost Pool, MUSD	40.1	32.9	28.9	22.2	17.2
Revenue and other income, MUSD	30.8	30.8	30.1	36.4	31.8
EBITDA, MUSD	15.2	15.7	13.0	21.5	16.4
EBITDA-margin, percent	49%	51%	43%	59%	51%
Operating result, MUSD	4.8	5.3	2.1	-31.9	6.5
Weighted average number of shares (after dilution)	32,268,927	32,268,927	32,268,927	32,247,353	32,824,740
Shareholders' equity per share	8.35	8.22	8.07	8.01	8.79
Earnings per share after dilution, USD	-0.01	0.14	0.23	-1.29	0.28
Cash flow from operations, MUSD	15.4	19.9	6.2	21.9	14.8
Investment in oil and gas properties, MUSD	23.1	16.7	17.0	19.2	21.1
Free cash flow, MUSD	-8.8	3.1	-10.8	2.5	-6.1
Cash and cash equivalents, MUSD	16.4	18.1	14.9	25.8	27.7
Net cash	9.2	18.0	14.9	25.7	27.5
Number of employees	34	36	36	32	31
Equity Ratio	87%	90%	90%	89%	88%
Return on shareholders' equity, rolling 12 months	-10%	-8%	-6%	-6%	13%
Return on capital employed, rolling 12 months	-7%	-6%	-6%	-4%	12%
Share price end of period, SEK	54.3	34.1	35.6	43.5	54.9

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	Earnings before interest, tax, depreciation, and amortisation.
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 results in an overlift and the opposite is 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.
Operating expenses, USD/bbl	Expenses incurred as a result of the companies operating activities divided by total production in the period.
Net cash	Cash and equivalents less interest-bearing debt.
Number of employees	Average number of fulltime employees during the period.
Revenue and other income, MUSD	Total value of oil sales adjusted for value of under/overlift
Operating result, MUSD	Earnings before Financial net result
Free cash flow, MUSD	Cash flow from operations less investments in oil and gas properties
Net cash	Cash and equivalents less interest-bearing debt.
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 2024 (January – December) on 4 February 2025
- Report for the first quarter 2025 (January – March 2025) on 6 May 2025

CONFERENCE CALL

Date: 5 November 2024

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/3wpujipe>

To participate via phone, please register [here](#) to receive dial-in information.

Stockholm, 5 November 2024

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 5 November 2024.

Review Report

Independent Auditor's Report on the review of the quarterly report as of September 30, 2024 and the nine-month period then ended.

To the board of Directors of Tethys Oil AB (publ) Corp. Reg. No. 556615-8266.

Introduction

We have reviewed the interim report for Tethys Oil AB (publ) for the period January 1 – September 30, 2024 and the nine-month period then ended. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this quarterly report in accordance with the Annual Accounts Act. Our responsibility is to express a conclusion on this quarterly 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 Financial Information 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 has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that

would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

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

Stockholm, November 5, 2024

Deloitte AB

Signature on the Swedish original

Andreas Frountzos

Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish original the latter shall prevail.