Tethys Oil Sustainability Report 2022

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SUSTAINABLE DEVELOPMENT GOALS

Environment Society of Oman

THE GLOBAL COMPACT
WE SUPPORT

NASDAQ ESG TRANSPARENCY PARTNER

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

GRI

This Sustainability Report is produced in accordance with the Annual Accounts Act (ÅRL chapter 6, §10-14) and encompasses Tethys Oil AB (publ) and its subsidiaries. The Board of Directors is responsible for the preparation of the report. The Sustainability Report should be read in conjunction with the Annual Report 2022.

About this report

Access to affordable and reliable energy is essential for every business. Improving the quality of life is one of the most considerable challenges our world faces today. Oil and gas account for approximately half of the global fuel consumption. The rapid growth around the world has increased energy demand by 100 percent during the past four decades. This trend is continuing as the world's energy demand is predicted to grow by another 50 percent by 2050.

Tethys Oil will be an essential piece of the energy providing puzzle for as long as demand for hydrocarbons plays a part in the world's energy consumption. However, the Group acknowledges the climate related challenges ahead. According to the Paris 2030 Agreement, emissions need to be reduced by 50 percent by 2030 to meet the agreed upon goals. Tethys Oil is committed to conducting its operations in an environmentally responsible way and continuously developing its operations to further meet the high and increasing expectations of its stakeholders. In this report, Tethys Oil aims to be transparent regarding its operations sustainability impacts and risks. To be transparent regarding the progress of the Company's sustainability performance, the ambition is to also continuously improve the sustainability reporting.

This report aims to explain the organisation's approach to managing the material topics and their impacts. Based on the materiality analysis, the sustainability report summarises activities and reflects the issues most relevant to the business. The report outlines why sustainability is pertinent to the organisation, the Group's priorities and responsibilities, how Tethys Oil measures progress and its approach to managing each material topic.

The scope of Tethys Oil's 2022 Sustainability Report

Tethys Oil's 2022 Sustainability Report covers the operations as consolidated in the 2022 Annual Report. In Blocks 3&4 where Tethys Oil is not assigned the role of operator, the Group is an active partner. The Sustainability Report reflects impacts in both operated and non operated EPSA:s. However, the reporting of the measures taken to reduce sustainability impacts is focused on the blocks where the Company is the operator and has control over the decision making of the day-to-day operations.

Due to its limited exposure, the report does not include Tethys Oil's associated interest in the Lithuanian company Minijos Nafta.

All Environmental, Social and Governance (ESG) issues are consistent through all activities, however the materiality of the impacts varies depending on the nature of the activity, and if the activity takes place in a production or exploration phase. Water is a vital aspect of the business and critical to the communities where the Company operates. Despite the importance of water for Tethys Oil, and in the region, water usage is not material due to the small volumes needed during exploration phases. The report will cover water usage on a Group basis for operated blocks, non-operated blocks and offices but will not report the issue as a material topic.

Reporting frameworks and principles

This data accounts for Greenhouse Gas (GHG) emissions according to GHG Protocol Corporate Accounting and Reporting Standard. The approaches are the equity share method and the operational control method in the performance data, while the reporting on general material issues is based on operational control approach if not stated otherwise.

Tethys Oil accounts for 100 percent of the GHG emissions on the blocks where it has Operational control. Blocks in which the Company has a non-operator equity share will be accounted as Scope III (Category 15: Investments) emissions. The GHG Protocol standards have been adopted for the Sustainability Report and GHG reporting frameworks and disclosure schemes.

During the year, Tethys Oil has adopted and used the Task force on Climate-related Financial Disclosures (TCFD) guidance to analyse and understand the Group's key climate-related risks and the reporting is aligned with the recommendations. Tethys Oil's TCFD index is provided on page 38. Where it is relevant, the report also highlights the Company's priorities regarding the UN Sustainable Development Goals (SDG). This report describes Tethys Oil's progress and the actions taken to impact the SDG's positively. Nine goals have been identified to illustrate where the Company has material contributions. This report complies with the Non-Financial reporting requirements implemented in Swedish law, The Annual Accounts Act 1995:1554 (Årsredovisningslagen), implemented through the EU directive 2014/95/EU.

Reporting boundaries

Joint Operating Agreements (JOA) are particularly common in the oil and gas industry. Within each JOA, one company is assigned the operator status, and each partner has a percentage of owned equity. This distinction is important as the operatorship role manages the operations and has the day-to-day control of the asset, while non-operator partners have a see-to-duty. Data for non-operated blocks will be presented in both equity interest and operational control basis. For all the Group's material topics and metrics, the metrics are oriented on an operated basis.

2022 in brief

In parallel to the increased exploration activities on Tethys Oil's operated blocks, another important focus in 2022 was on the implementation of the Company's ESG strategy adopted in 2021. The broader key point of the year was to further expand the scope of stakeholder engagement activities in order to form a consensus on material issues and what actions to take to reach the strategy's goals and targets. Tethys Oil is proud to maintain an incident free record of personnel and contractors, and as such some of the most important initiatives of the year were those of operational Health and safety. Another highly important area concerns the operations' environmental impact and its effect on the business as a whole. To progress further on this topic in 2022, Tethys Oil has conducted climate risk scenario analyses and a first step towards the implementation of TCFD was taken. Tethys Oil believes that an active approach towards the various ESG-topics is paramount for the Company's long-term development, growth and shareholder value creation. As such, Tethys Oil work actively to be a responsible and sustainable company. To facilitate the alignment of tangible actions with this viewpoint, a complete corporate policy and procedures evaluation project was initiated in 2022.

Operational ESG highlights

- After a comprehensive assessment of the Group's ESG impact and strategy, new long and short-term targets were set with relevant KPI:s for each material issue.
- One of the key initiatives of 2022 was the Group's TCFD assessment for testing resilience in regard to low-carbon scenarios. The Group implemented stress-testing techniques and internal carbon tax pricing to ensure project resilience in different energy transition scenarios.
- During the year a Policy Group was formed to assess and re-evaluate existing policies. A new Supplier Code of Conduct and Biodiversity Policy was adopted, and several existing policies were updated.
- Biodiversity is one of Tethys Oil's key material issues and in 2022 the Group has contributed to the mapping of reptiles in Oman and joined the Environmental Society of Oman as corporate member.
- Tethys Oil endorses the World Bank initiative "Zero Routine Flaring by 2030" to end the routine flaring of associated gas during oil production. Tethys Oil's endorsement of the initiative is a clear commitment to responsible resource management and sustainable business practices linking environmental and economic objectives.
- In 2022 Tethys Oil continued to strengthen its HSE capabilities and preparedness by executing risk assessments and mitigation plans for the ongoing activities on Blocks 49, 56 and 58. Tethys Oil has had four consecutive years of zero severe injuries.
- A continued key focus is the engagement with the communities in the areas where Tethys Oil conducts its operations. As such, the Company has initiated continuous dialogues with all key stakeholders on Blocks 49, 56 and 58 on a national, regional and local level.

Revenue and other income

156.5 MUSD

(112.7 MUSD)

7

New policies adopted

1

New initiative adopted: TCFD

Emissions: flaring intensity

727 scf/bbl

(588 scf/bbl)

Total recordable injuries on operated blocks

Zero

(Zero)

Total GHG emissions Scope 1, 2, 3 (tonnes CO_2e)

529,405

(538,870 tonnes CO_2e)

Cases reported to whistleblower channel

Zero

(Zero)

Community engagement projects

14

7 Global/national, 3 Regional, 4 Local

Carbon Emissions/Revenue (kg CO_2e/USD)

1.7

(2.1 kg CO_2e/USD)

Tier 1 hydrocarbon releases

Zero

(Zero)

(Numbers for 2021 in parenthesis)

Letter from the Managing Director

Dear Friends and Investors,
It is with pride that we present Tethys Oil's Sustainability Report for the work that has been done in 2022.

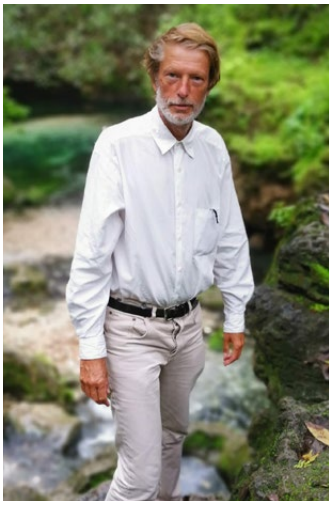
This report is the most comprehensive to date and we are delighted to have the opportunity to present and explain what we have always done, but in the past sometimes only in the active course of business within CSR and overall commitment to our values as presented in our Code of Conduct. Past reporting was sometimes limited to immediate stakeholders and not necessarily shared with all.

As the scope of reportability increases we are provided a structured opportunity to present what we do and further focus our efforts to include measures we may not have prioritised before.

As you read the report you will find several focus trends making progress during the year, not least as we as a company mature and assume increasingly more operational responsibility. In non-operated ventures our influence is limited but as you will see in this report, our current cooperation on ESG matters is improving and communication within the partner groups is generally very good.

Reduce emissions and strengthen our commitment on biodiversity

- One of the primary areas of concern for any company active in the resource extraction business is emissions. As a hopeful operator of future developments, Tethys Oil will from the outset be able to focus on the use of optimal technology to minimise environmental impact. In developed oil fields we see with satisfaction the initiatives taken by our operating partner in Blocks 3&4 to implement the "Gas to Power" project to reduce overall emissions, and also lower costs.



"We are in the fortunate position of being able to design a development plan from scratch."

- As a tangible action for the Group, we have decided to endorse the World Bank initiative "Zero routine flaring by 2030" to end the routine flaring of associated gas during oil production.
- As a first step into a comprehensive risk assessment work, we have decided to adopt the TCFD Framework, and a set of scenario analysis and climate related risks.
- Biodiversity is one of the particular important issues for the year. We have developed a new policy to support our processes and objectives, and we are broadening our consultations with biodiversity experts and local NGOs in environmental preservation.

Social and safety in focus

- As a member of a key industry in Oman, we adopt a stringent strategy to create in country value to the society in whole. Initiatives from local communities to national causes are being supported with focus to address key concerns in the areas of education, health and creating local job opportunities through scholarships.
- Nothing is a more important priority than safety for Tethys Oil. We are pleased to share that we finished this year without any incidents, which is an indication that our robust Health and safety programme is achieving an incident free track record year after year.

Accelerate ESG Performance

- To further address topics concerning ESG, we have created a task force assembled from Legal, HR, Investor relations and Sustainability to review our policies and evolve them to contribute to our future sustainability goals.
- We have jointly with the Board set goals and performance targets for all material issues to follow and monitor the progress.

These are just some of the areas that we focus on. Limiting emissions from current and future production remains a priority of course as does our general commitment to CSR and biodiversity. I am both proud, inspired and looking forward to the years to come. So stay with us, we are a small Company in a big industry. Our clout is limited but the ambition is there.

Thank you!

Magnus Nordin
Managing Director

Tethys Oil – an introduction

Tethys Oil is an oil exploration and production company with focus on onshore areas with known oil discoveries. The Company's core area is the Sultanate of Oman, where it has been present since 2006 and currently holds interests in the Exploration and Production Sharing Agreements (EPSA) for Blocks 3&4, Block 49, Block 56 and Block 58. The Blocks cover an area of 54,934 km², corresponding to 18 percent of Oman's total area and making Tethys Oil one of the largest acreage holders in Oman. Tethys Oil has 2P reserves of 23.9 mmbo and 2C Contingent Resources of 14.6 mmbo and had an average oil production of 9,940 barrels of oil per day from Blocks 3&4 during 2022. The Company's shares are listed on Nasdaq Stockholm (TETY) and has over 10,000 shareholders.

Licences & agreements	Area, km²	Tethys Oil interest	Phase	Expiry date	Partners (operator in bold)
Blocks 3&4, Oman	29,130	30%	Production phase	July 2040	**CCED**, Tethys Oil, Mitsui
Block 49, Oman	15,439	100%[1]	Initial exploration phase	December 2023	**Tethys Oil**
Block 56, Oman	5,808	65%	Second exploration phase	December 2023	**Tethys Oil**, Medco, Biyaq, Intaj
Block 58, Oman	4,557	100%	Initial exploration phase	July 2024	**Tethys Oil**

1 Contingent final formal government approval.

Mission

Tethys Oil is an oil and gas exploration and production company with a primary objective of creating shareholder value working across the whole upstream industry lifecycle of exploration, appraisal, development, and production. A central belief in the business model is to explore for and produce oil and gas in an economically, socially and environmentally responsible way. The Group applies the same standards to its activities worldwide to satisfy both its commercial and ethical requirements in accordance with the Company's Code of Conduct. Tethys Oil seeks to be a sustainable and profitable business long-term. Sustainability means running a business that is not only profitable, but is aligned with the requirements and expectations of stakeholders both within and outside the Group.

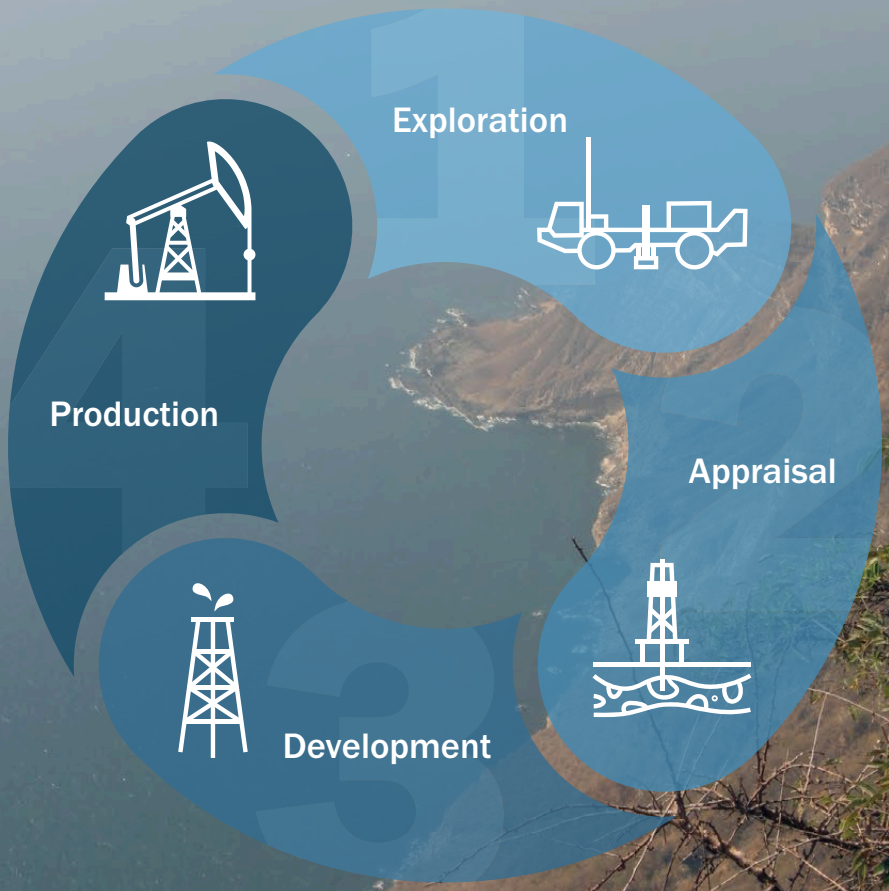
Vision

Tethys Oil's vision is that growth continues through its exploration success. It seeks to build, maintain and expand a well-balanced and self-financed portfolio of oil assets, offering a measured exposure to onshore production, development, appraisal and exploration potential. The focus of today and tomorrow is on geographies with proven petroleum systems, existing infrastructure, established institutional frameworks and low political risk. In all its activities, Tethys Oil seeks a balanced approach to risk.

Values

Tethys Oil's corporate culture emanates from the Group's Scandinavian roots. It is the responsibility of Tethys Oil's management to foster a corporate culture that promotes the values and principles outlined in the Group's Code of Conduct. Tethys Oil aims to act in all respects in a responsible, fair, accountable and ethical manner towards all aspects of the environment and to all individuals and entities that the Group encounters in its course of doing business. Tethys Oil aims to apply the same standards to all its activities wherever they are carried out.

It is of vital importance to Tethys Oil that the Group maintains and further builds on its reputation as a responsible and forward-looking corporate citizen in all countries where Tethys Oil has a presence and in relation to all stakeholders, may they be shareholders, employees, contractors, partners or someone else.



Business model and sustainability impact

Upstream
Tethys Oil

Exploration, seismic studies, drilling, development, production and sales.

Midstream

Storage, transportation and distribution. Tethys Oil uses existing infrastructure in Oman.

Downstream

Refining of crude oil and processing and purifying of gas.

The upstream business cycle includes onshore oil exploration, seismic acquisition and interpretation, drilling, development, production, and crude oil sales. The potential sustainability impact connected to the business area of the oil industry that the Company operates in includes environmental, social and financial effects. The focus on onshore exploration and production is a strategic decision. Due to lower drilling and development costs, financial exposure is lower than offshore explorations. Onshore oil exploration also involves lower environmental and safety risks. In all its activities, Tethys Oil seeks a balanced approach to risk.

The environmental surroundings on land, especially in the desert settings of Oman, have a lower risk of impacting the surface environment and the natural habitats of animals. Due to the strategic approach to focus on geographies with proven hydrocarbons, the Company is minimising the subsurface risk by exploring areas with previously overlooked discoveries, using modern techniques with proven, conventional technology.

Keeping the operations on land also increases the possibility of emergency preparedness which helps manage safety risks. On the other hand, the onshore operations might have various impacts on local communities. Aligned with the Company's values, Tethys Oil's ambition is to reduce the impact on local communities and contribute in a positive way.

Throughout the oil and gas industry, joint operating agreements are common practice. In Oman, licenses to geographical areas are assigned through Exploration and Production Sharing Agreements (EPSA) and one company is appointed as the operator. Each partner holds ownership of the equity and shares costs, benefits and liabilities of the asset or project. The operator serves as the overall manager and decision maker of the Block. Tethys Oil has operational control and the opportunity to affect and establish sustainable operations in three out of the five Blocks, for which the Company has interest shares. The Tethys Oil operated Blocks are currently in exploration phases.

ESG considerations and possible impacts exist at all operational stages. Implications during exploration phases are considered less extensive since activities are sparse, targeted and sporadic. Tethys Oil's ambition is to ensure sustainable environmental, social, and governance routines and practices that will allow sustainable greenfield projects for new developments of oil and gas fields.

Sustainability strategy

Tethys Oil's sustainability strategy springs from increasing expectations in a changing world to be able to contribute to the future energy needs of the world in a more sustainable way.

Tethys Oil's mission is to create long-term value for its shareholders in a sustainable and profitable way. The world's sustainability agenda is rapidly evolving, not least following the Paris Agreement initiated in 2015, resulting in higher expectations from shareholders and society at large. On the one hand, the energy demand is still increasing. On the other hand, emissions need to be cut in half to comply with the Paris Agreement. Tethys Oil is committed to continuously develop the sustainability strategy to keep up with the evolving demands and increased responsibilities stemming from the Group's expanding operations and license portfolio.

For the strategy to be effective, it must stem from the Group's unique circumstances – there is no universal solution for upstream oil and gas companies. Therefore, the efforts are focused on understanding external stakeholders demands and expectations on Tethys Oil as well as mapping and understanding the Group's role in regard to those expectations.

Tethys Oil seeks to provide oil and gas and at the same time operate responsibly. Operating a sustainable and responsible business means reducing environmental impacts, such as emissions and interference with local biodiversity, and contributing positively to local communities. It also means fostering a corporate culture permeated by integrity, respect, and ethical values.

Environment

Tethys Oil uses natural resources responsibly

To conduct operational activities in ways that create minimal disturbance to the environment and people

Social and safety

Tethys Oil invests in local communities

To contribute positively to quality of life in communities where it operates by reducing impacts and creating benefits

Governance

Tethys Oil lives by high ethical standards

To have management procedures in place that promote honesty, integrity, transparency and accountability

Stakeholder engagement

Given the nature of the business Tethys Oil has a broad base of external and internal stakeholders. Being responsive to the expectations of stakeholders and learning from them is vital to the Group's sustainability work. Openness and mutual trust are the foundations on which the Group builds its relations with stakeholders. The Stakeholder Relations Policy outlines the engagement and relationships with the stakeholders. Tethys Oil has a continuous approach to stakeholder engagement. As set up in the Stakeholder Relation Policy, the Group aims to promote stakeholder relationships through two-way communication, engagement, collaboration, transparency, active listening, and equal treatment.

Among Tethys Oil's most important stakeholders are those groups that are most affected by, and/or have the greatest influence over the Group's operations. The Group's Environment Impact Assessment (EIA) process and grievance mechanism are further explained at pages 11 and 33.

Materiality analysis

The purpose of Tethys Oil's materiality assessment is to ensure that the right priorities are set for sustainability efforts. The materiality assessment is validated annually through new analyses and stakeholder dialogues. In 2022, the materiality analysis was reviewed due to the updates of GRI Standards 2021 with the conclusion that no changes in the Group's material topics were necessary.

The current and potential, direct and indirect impact of the Group's own operations is evaluated as well as the effect of outside factors and the Group's ability to exert an influence and the financial impact of the various aspects based on risk and probability. The understanding of Tethys Oil's impact on its surroundings is based on a dialogue with key stakeholders as well as current research into the social, environmental, and economic challenges and conclusions generally associated with the oil and gas industry, which are weighed against the Group's knowledge of its own operations and where in the value chain that impact occurs. Taking into consideration both the actual impact of the operations and the potential to make a difference helps Tethys Oil set priorities in both the short and long term.

The material topics are reviewed and prioritised by internal experts and Group Management. Material topics to be reported are identified by assessing issues that have the most significance to the Group's social, environmental and economic impact with underlying factors such as severeness of the potential impact. For each topic, activities during the year that have been implemented to avoid and mitigate actual or/and potential impacts are further explained. Tethys Oil material topics are divided into three categories (ESG) linked to the Company's sustainability strategy.

Environmental topics are becoming increasingly important to all the Group's stakeholders and climate change is a major challenge for the global society. As a part of an industry that is likely to continue to have a global role in supplying reliable energy, Tethys Oil is highly determined, and has a responsibility, to support the transition to a lower carbon future.

Social and safety is a fundamental and highly prioritised area and springs from the core values and corporate culture. As an oil and gas company, Tethys Oil operate in an industry exposed to certain safety risks, where accidents can potentially occur anywhere and at any given time. It is thus the Group's responsibility to identify and mitigate potential risks, and to provide its workforce with a safe and healthy working environment. Prevention of accidents and ill health is therefore critical to the efficient operation of its business.

Besides contributing to climate change, the activities of the oil and gas sector can lead to impact on local communities which include those individuals living or working in areas that are affected or that could be affected by an organisation's activities. Therefore, it is a high priority for Tethys Oil to conduct community engagement to understand the vulnerabilities of local communities and how they may be affected by the Group's operations.

Governance refers to factors of decision-making. Corporate Governance is an integral part of the Company's foundation that guides Tethys Oil's corporate culture, business objectives, and helps accommodate stakeholder interests. The Group's approach to materiality assessment sets a base to better understand the stakeholder's perceptions and the potential risks and opportunities of the business. Hence, the material topics are closely linked to the Risk Framework and the Group's contribution to SDGs. The alignment between risk mitigation and material topics is further explained on pages 36–41 in this report.

Safe and sustainable operations

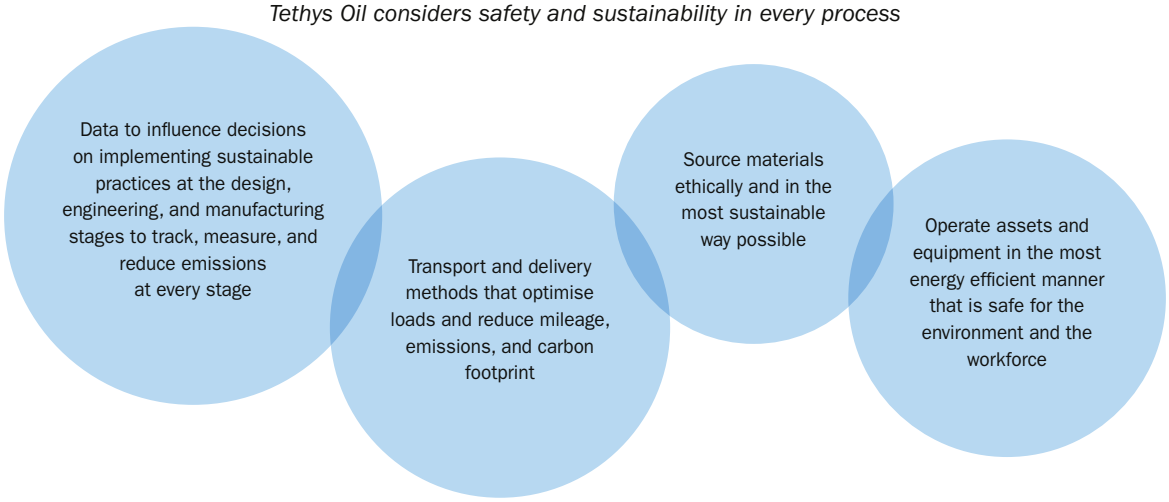
Environmental, social and governance issues occur in all stages of Tethys Oil's activities. Impacts related to those issues, whether presented as an opportunity or as a risk, will vary substantially depending on the stage of the business cycle. The likelihood of impact is considered small during exploration and appraisal as activity levels are low. Nevertheless, all potential impacts are prioritised and managed by the Group. Impacts on economy, environment, and people are reported on a quarterly basis to the highest governance body of the organisation's management. For any meaningful change to occur, the fundamental structure must first be in place. With each new exploration, seismic or development project, Tethys Oil conducts a feasibility scoping report together with an environmental services agency. If the report's conclusion is positive and other parameters are satisfied, a comprehensive Environmental Impact Assessment (EIA) is conducted. The purpose of an EIA is to ensure the protection and conservation of the environment and natural resources including, human and health aspects, against uncontrolled development. It enables the Company to define existing biodiversity, environmental and other conditions near the activity sites, using various analytical techniques ranging from sampling to photography.

Based on EIA recommendations, the Group strives to move toward more proactive sustainable practices by continuously improving operational efficiency and environmental performance of its operations. To date, all mitigation and management measures recommended by the EIA have been adopted by Tethys Oil. Tethys Oil's view is that sustainable practices are the best way to ensure its business resilience long-term.

Emergency Preparedness

The Crisis Management Plan (CMP) is a part of the Group's commitment to achieve continuous improvement toward no harm to people, no accidents, and no spills. The Crisis Management Team (CMT) is responsible for the assembling and coordination of information, to coordinate non-emergency related contacts with external stakeholders and to provide accurate and timely information reviewed from a legal point of view to all concerned stakeholders and media. Exercises are held regularly to ensure the plan will work both ahead of significant new operations and during operations.

Tethys Oil considers safety and sustainability in every process



Preliminary environmental studies are conducted before the start of any project. As a result, all recommended prevention measures are implemented beforehand to limit the impact and risks related to Tethys Oil's business activities throughout the project life cycle. Comprehensive procedures have been established to mitigate impacts at worksites. In 2023, the Group will start to screen suppliers using environmental critera.

Exploration & Appraisal

Source of environmental impact

During Tethys Oil's exploration activities as identified by the EIA, potential impact to air quality and GHG emissions may occur due to:

Site Preparation and Construction	Drilling Operations	Testing/Well Abandonment
· Land preparation and earthworks activities · Transportation of staff, materials and waste · Energy use and power supply	· Rig mobilisation to site · Drilling and casing activities · Transportation of staff, materials and waste · Energy use and power supply	· Flaring · Well testing

Site preparation and construction activities include building the well site, grading the logistics base, constructing and upgrading access roads.

Air pollutants and GHG emissions during site preparation activities such as combustion products will be released from vehicles transporting personnel, equipment and construction machinery. The impact on air quality during construction and site preparation is considered to be short-term.

The activities take place over a short period of time (approximately 3-4 months), and air quality will return to existing condition after the site preparation and construction activities are finalised. Overall, both GHG and non-GHG air pollutants from the use of vehicles and construction

equipment during the site preparation and construction phase are unlikely to cause a significant impact to ambient air quality or GHG levels due to the relatively small amounts of these gases to be released over a large, distributed area and relatively short duration.

Principles for responsible exploration	Adopt responsible governance and management
	Apply ethical business practices
	Respect human rights
	Commit to project due diligence and risk assessment
	Engage host communities and other affected and interested parties
	Contribute to community development and social well-being
	Protect the environment
	Safeguard the health and safety of staff and the local population

Tethys Oil's Operated Blocks

Block 49

The Block 49 license is in the Dhofar Governorate in the south of Oman. The Block covers an area of 15,439 km². The Block's environment is sparsely populated, with most of the territory surrounded by gravel desert. The desert is largely consisting of dunes and the biodiversity is typically poor within Block 49 given its proximity to the Rub Al-Khali, one of the world's largest continuous sand bodies, also known as the Empty Quarter. The eco-region holds sparse biodiversity and the extent of the ecology of Block 49 is determined by the availability of near-surface groundwater flows and by ground-fogs. Block 49 does not fall within any formally protected area and these areas are sparsely vegetated, although flushes of vegetation are present in shallow depressions and drainage lines that bisect the plains.

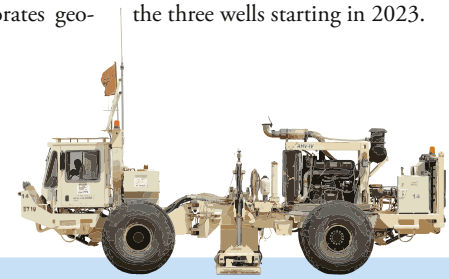
Operations and field studies have been conducted since entering the license of Block 49. The Thameen well was drilled in the first quarter of 2021 with logs indicating a more than 30-metre thick hydrocarbon bearing zone in the Hashira sandstone formation. When tested, however, no flows of hydrocarbon to surface were achieved. Subsequent analysis of, among others, samples of the reservoir rock obtained from side wall cores suggest that the Hashira reservoir rock is tight and virtually impermeable despite having good porosity. Further studies suggest that hydrocarbons could flow if the reservoir rock is artificially fractured. Plans are for the well to be re-entered and re-tested late in the second quarter of 2023 and at this time a hydraulic fracture operation will be carried out. Ongoing preparations focus on the hydraulic fracture design, procurement and site preparation.

Block 56

Block 56 covers an area of 5,808 km² in the south-eastern part of Oman, 200 km south of the Blocks 3&4. The Block lies at the intersection of different spread over Al Wusta and Dhofar Governorates geological provinces including the prolific South Oman Salt Basin. The high acidity in the area's water is considered a valuable resource, as the groundwater resources are highly saline and are the primary water source. The environment and biodiversity is poor, but the particular plant and animal species are regionally endemic. It is estimated that only about 200 floral species, approximately 20 percent of the total species in Oman, occur within the central region.

Tethys Oil entered the licence at the end of 2019 as a non-operator with a 20 percent interest. In 2021, Tethys Oil concluded an agreement with Medco Arabia Ltd, that increased Tethys Oil's interest share by an additional 45 percent and also made the Company the operator of Block 56.

On the Al Jumd discovery three horizontal appraisal wells were drilled in 2022, covering a significant part of the discovery. Following positive results, the discovery's appraisal programme was expanded and will now include an extended well test of the three wells starting in 2023.



Seismic is performed using vibrator trucks driving offroad – this can disrupt the surface environment and habitats. **Exploration drilling** presents risks to both surface and subsurface environment with the risk of spills, water pollution, noise pollution and disruption to the surface environment and animal's natural habitats. From the human perspective the increase in traffic and the use of potential grazing and agricultural land can present a risk to the local community's livelihood.

The extended well test has a planned duration of up to six months with the primary purpose of acquiring data to establish the resource volume and production capability of the Al Jumd discovery. As the data is collected, Tethys Oil will assess the discovery's long-term technical and commercial viability.

In addition to the three wells on the Al Jumd discovery, two exploration wells were drilled on Block 56 in other parts of the Al Jumd area in 2022.

Potential project emissions could arise from the following sources:	Diesel fuel consumption by the generators at the drilling and camp sites for power generation and by mobile sources (e.g. construction equipment, trucks delivering equipment/materials to the site, trucks collecting wastes/sewage waste water from the site);
	Down-hole gas from the drilled formations coming to the surface with returning drilling mud;
	Fugitive emissions from mud materials breakdown and evaporation, which may lead to odours;
	Other fugitive emissions from cooling systems, handling and storage of chemicals (e.g. paints, solvents), fuel loading and storage systems (tanks, pipes); and
	Flaring – (if unavoidable) Project controls are implemented to avoid, reduce and restore potential negative impacts and to ensure that positive impact materials are maximised and inherent to the impact assessment.

Block 58

Block 58 covers an area of 4,557 km² and is adjacent to Tethys Oil's operated exploration licence in Block 49 located in the Dhofar Governorate in the southern part of Oman. The South Oman Salt Basin and the Western Deformation Front area is characterised as gravel and rocky plain desert landscape, rural setting, with minor, small industrial activity and agricultural activities scattered across the area. Situated on the Nejd plateau the Project area is characterised by gravel plains, low hills, and wadis. A relatively diverse plant and animal community is associated mainly with the wadi areas, while the gravel plains are less varied.

In 2020, Tethys Oil was awarded the licence as the operator with a 100 percent interest share in the Block.

In 2022, processing of 450 km² 3D seismic acquired over the South Lahan area is near completion and the interpretation work is well underway. The interpretation is expected to yield drillable prospects in the first half of of 2023.

In the Fahd area, in the Block's north-eastern corner, prospect maturation was completed in the fourth quarter 2022 and volumetrics have been finalised. Based on further analysis of the finalised prospect inventory, the location for the first exploration well on the Block will be selected, with drilling planned for the second half of 2023.

Non-operated interests

Production Blocks 3&4

The vegetation of the central desert is sparse with low species richness. Indeed, despite covering nearly three quarters of Oman's land mass it is estimated that only about 200 floral species, approximately 20 percent of the total species in Oman, occur within the central desert. The operations' area does not lie within either a candidate or designated conservation area.

In areas of ongoing production activities, more detailed and broader-spectrum analyses are customarily required. Tethys Oil holds a 30 percent non-operated interest in Blocks 3&4 and has maintained an interest in the blocks since 2007. The blocks' production is produced from several fields; Farha South, Saiwan East, Shahd, Ulfa, Samha, Erfan and Anan.

Complete production facilities have been constructed on Farha South field and on Saiwan East field. At these facilities, reservoir fluids are processed in separators and heater treaters to remove water, gas and impurities to make the oil ready for export. The facilities also include large storage tanks, pumps and other necessary infrastructure including field camps for the oil field staff. In 2022, the operational focus on Blocks 3&4 has been on mitigating the declining production over the course of the year that followed the decreased activities during the pandemic years.

Blocks 3&4 have an active Health, Safety and Environment (HSE) programme managed by the operator focused on health and safety issues, emission reduction and spill prevention plans. One of the primary environmental challenges for Blocks 3&4 is the reduction of emissions resulting from the flaring of associated gas and the consumption of diesel for power generation. The commercial evaluation is to be completed in the first quarter of 2023 and the first phase of power production is expected to start by the end of the year.

Tethys Oil's activities strive to create shared prosperity between stakeholders. It seeks to respect and gain the respect of the people and governments of the countries in which it operates. In 2022 Tethys Oil and the partners for Blocks 3&4 sponsored several community activities.

For more information about Tethys Oil's operations on its operated and non-operated blocks, please see the Annual Report 2022.

Environment

Biodiversity and land management

Manage land use through mitigation and restoration, and avoidance of disturbance.

Emissions management

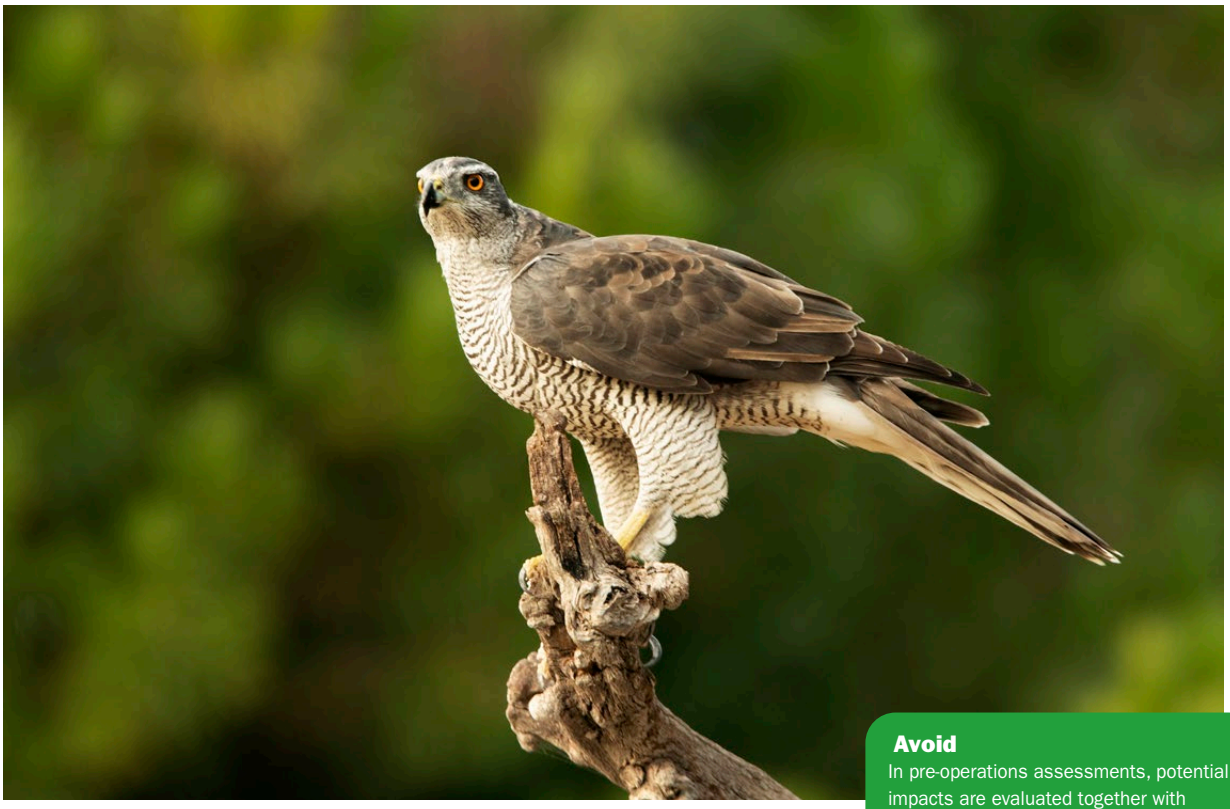
Comply with regulations, and work to lower our emissions of pollutants.

Environmental criteria “E” within the concept of ESG is based on the premise that business activities have the potential to create environmental risks for ecosystems, water, air, and human health. Emissions from the oil and gas industry contributes to local or regional impacts that can affect human health, flora and fauna. On a global level, emissions are the main contributing factor to global warming and climate change. Protection and preservation of the environment and robust environmental management are of primary importance to the Group.

The Group has therefore identified Biodiversity and land management and Emissions management as material topics.

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Biodiversity and land management



Goals:

- **Goal:** No Net Loss (NNL) of biodiversity and prevention of operations in critical habitats
- **Target:** Zero Tier 1 hydrocarbon releases

Performance:

- **KPI:** Hydrocarbon spill intensity (Produced Liquids Spilled (bbl)/Total Produced Liquids (Mbbl)) 0.0023

Why is this important?

Biodiversity does not only have intrinsic value, but is also vital to human health, food security, economic prosperity, and mitigation of climate change and adaptation to its impacts. During the exploration phase when activity levels are sporadic, the Group's operations that may have the most significant impact are the potential disruption of biodiversity and interference of land use. Impacts on biodiversity can result in limitations in the availability, accessibility, or quality of natural resources, which in turn may impact the well-being and livelihoods of local communities and their human rights. Impacts can further be exacerbated if activities occur in protected areas or areas of high biodiversity value and may extend well beyond the closure and rehabilitation of operational sites or geographic boundaries of activities. As most of Tethys Oil's operations constitute exploration, biodiversity and land use are highly prioritised topics.

Tethys Oil's approach

Tethys Oil operates in the Sultanate of Oman, arid areas where land use opportunities are limited, and biodiversity is generally poor. Hence, the strategic geographical focus mitigates impacts to some extent. Nevertheless, protecting species and habitats in the areas where the Company operate is an important priority at Tethys Oil.

The Group's work is guided by precautionary principles and it is committed to avoidance or, if avoidance is not possible, to minimise and restore any potential impact on natural habitats in the surroundings above and below the surface, in line with the mitigation hierarchy.

Avoid
In pre-operations assessments, potential impacts are evaluated together with plans for mitigative actions.

Minimise
When impacts cannot be avoided, activities are planned to minimise the effects.

Restore
Diligently work to remediate an area so that it is restored to its original condition as reasonably as practical.

Tethys Oil is required to obtain a permit from the Environment Authority after submitting an (EIA) Study Report to assess the pollution aspect of the proposed project (air, dust, waste, noise pollution, sewage discharge, etc). This report study will also determine the method of the proposed control measures as well as the potential impact on existing critical areas, mitigation measures to reduce the negative impact during operations, and the participation of Tethys Oil contractors in adhering to the Environment Management Plan through this study.

In Blocks 49, 56 and 58 gazelles and lizards are the most probable red list species that may be present within Tethys Oil's areas of interest. It is also likely that birds will be attending and migrating through the project area. To identify and mitigate for the presence of these, feasibility scoping reports are performed before each new exploration, seismic or development project. The report is conducted in conjunction with environmental services agencies, which gives an external assurance of the environmental assessments. Risks are assessed and mitigated prior to any planned activity. Tethys Oil is committed not to operate in protected areas designated under World Conservation Union and UNESCO Natural World Heritage Sites. Currently no project is located in protected areas.

Activities and results 2022

During the year, the Group implemented a Biodiversity Policy to further strengthen its commitment. These commitments apply to existing and future operations and to operations beyond areas of high biodiversity value. The policy is based on the knowledge from previous activities as well as industry standards to ensure that the protection of biodiversity is included in the planning and execution of all the Group's projects. Tethys Oil adopts the recommendations made from the scoping reports. The Company holds meetings with local stakeholders to listen to their opinions and knowledge. The subcontractors are also educated on these issues and have representatives at the meetings and participate in the investigations.

Tethys Oil's policies are further explained on pages 32–33 in this report. More detailed information can be found in the documents published on the Company's website.

Spill prevention

The number of Tier 1 hydrocarbon releases (more than 7 barrels of oil spilled per hour) were 0 recorded incidents. Some limited releases have been identified concerning the facility plants in terms of leaks. All oil spills are recorded, and regular site surveys are conducted by third party environmental service agency that provides recommendations on how these issues might be mitigated.

The Group's HSE Policy ensures procedures where spills are quickly detected, and timely action can be taken to mitigate the impacts of the spill. In the event of a spill, the fluids are removed by suction technique and the soil or sand is removed and replaced if necessary.

Blocks 3&4 Liquid hydrocarbon spills	2022	2021
Number of Tier 1 Spills	0	2
Spill Intensity* (Produced Liquids Spilled (bbl)/Total Produced Liquids (Mbbl))	0.0023	0.021

* Calculation: Produced Liquid Spilled (bbls) / Total Produced Liquid (1,000 bbls)
Produced Liquid Spilled (bbls): All Crude Oil, condensate and/or produced water spills which are not confined to impermeable secondary containment
Total Produced Liquid (1,000 bbls): crude oil, condensate and produced water generated from exploration and production activities (does not include gas).

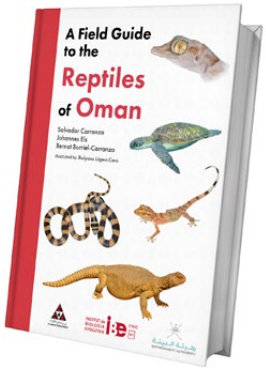
The Environment Society of Oman (ESO)

The Group have a long history of collaborating with communities, industry groups, regulators and conservation groups to identify and protect biodiversity where it operates. In 2022, Tethys Oil became a corporate member of ESO, a non-governmental, not-for-profit organisation which aims to help conserve Oman's natural heritage and raise awareness about environmental issues. ESO is a member of the International Union for the Conservation of Nature (IUCN) and represents environmental organisations of west Asia at the United Nations Environment Programme (UNEP).

IUCN Red List species with habitats in operating areas, 2022	Blocks 3&4	Block 49	Block 56	Block 58
Critically endangered	0	1	0	2
Endangered	0	4	0	4
Vulnerable	1	5	4	5
Near threatened	1	7	1	7

A Field Guide to the Reptiles of Oman

In order to raise awareness of the biodiversity of the Omani environment, Tethys Oil and partners in Blocks 3&4 provided support to Environment Authority of Oman for the publication of *A Field Guide to the Reptiles of Oman*, which will help raise knowledge about the reptiles in Oman.



Blocks 3&4 Leak Reduction Programme

Managing spill risk is a critical element in reducing Tethys Oil's environmental impact. Significant reduction in Tier 1 leaks compared to previous years shows the leak reduction strategy is being implemented effectively. The following actions have been taken by the operator of Blocks 3&4 to eliminate hydrocarbon leaks:

Leak Reduction Programme
Enhanced corrosion mitigation strategy
Sustained asset integrity performance improvement
Corrosion mechanism review complete
Accelerated flowline and trunkline replacement.
Enhanced pigging operation for Ulfa 8", Farha 10" and Saiwan 16"
NDT Survey of main trunklines
Composite wrapping campaign
Cathodic protection campaign
Chemical management
Flowline PE-lining

Take urgent action to combat climate change and its impacts

Emissions management

Goals:

- **Goal:** To integrate climate risk into the Company business decisions and organisational strategy
- **Target:** Zero routine flaring 2030
- **Target for non-operated blocks**: Endorse and support operator emissions and energy reduction initiatives

Performance:

- **KPI:** Flaring intensity (727 scf/bbl)

Why is this important?

As a major contributor to global emissions, the oil and gas industry must strengthen collaboration and act immediately to ensure that future energy has less emissions. The industry's activities and the use of oil and gas products are responsible for a large portion of two major GHGs: carbon dioxide (CO_2) and methane (CH_4). Globally, it is estimated that the sector is responsible for a quarter of all anthropogenic emissions of CH_4, which has a notably higher global warming potential than CO_2.[1]

Climate change is a global responsibility and is of increasing importance to all the Group's stakeholders. To meet future global energy demands, the world will need various energy sources combined with energy efficiency. Resilience in the industry will be determined by energy efficiency and emission reduction.

Tethys Oil's approach

Tethys Oil has a stated ambition to explore for and produce oil and gas with minimal environmental impact. The current and potential, direct and indirect impact of the Group's own operations is evaluated as well as the effect of outside factors and if the impact is long or short term. This ambition is intermeshed with the Company's operations on exploration licenses Blocks 49, 56 and 58. With respect to its non-operated licence for Blocks 3&4, Tethys Oil has supported the operators' efforts in improving its environmental focus in operations and proactive work to reduce the potential indirect environmental impact, not least the risks for spills and damage.

In 2022, in total most of the Group's actual, indirect, material atmospheric emissions were generated by its interest in the production activities on Blocks 3&4. The blocks primary sources of emissions arise from the flaring of associated gas produced in conjunction with the recovery of oil and the use of diesel-run power generators used to power production facilities, camps, downhole pumps, and drilling rigs. In addition to flaring the associated gas, gas has been, on a smaller scale, used for power generation within the facility camps replacing some diesel generated power.

Tethys Oil proactively engages with the operator of its production assets in Blocks 3&4 to reduce emissions. Although the Group is not the operator of Blocks 3&4, monitoring of emissions is performed with quarterly reporting from the operator CCED and followed up by management regularly. The data is recorded by GEO Resources consultancy which is a third party Environmental Monitoring & Auditing Agency for Environmental Performance. Site visits are conducted monthly, including participation of an environmental specialist, and all non-compliant or environmental issues are reported.

According to the Code of Conduct, Tethys Oil shall actively apply its HSE standards which are both based on compliance, in all business operations including JOA.

1 GRI 11: Oil and Gas Sector 2021

EPSA and Scope 1, 2 and 3

Throughout the Omani oil and gas industry, licenses to geographical areas are held through the Exploration and Production Agreements (EPSA). For each EPSA there is one operator who has direct control of the operations. The level of control affects the Scope classification of Tethys Oil's different emissions. For clarification purpose, the Greenhouse Gas (GHG) emissions are classified as either Scope 1, 2 or 3.

Tethys Oil is the operator in three out of the five EPSA the Group holds interest in; Blocks 49, 56 and 58. As the operator of the EPSAs on these blocks, the majority of Tethys Oil's Scope 1 and 2 emissions originate in these blocks.

While Blocks 3&4 currently are Tethys Oil's primary source of revenues and the Group has a 30 percent interest in the EPSA, the blocks are operated by CC Energy Development (CCED). Emissions from Blocks 3&4 are accounted for as Scope 3.

This report's data primarily focuses on emission sources of Scope 1 and 2 as these are the emissions that are under Tethys Oil's operational control. At the same time, to provide more transparency on carbon acccounting, Tethys Oil decided to additionally disclose GHG emissions also calculated with the equity interest method.

Scope 1:
Direct GHG emissions occur from sources that are owned and controlled by the Company

Scope 2:
Indirect GHG emissions from the generation of purchased electricity, steam, heating and cooling consumed by the Company

Scope 3:
All other indirect emissions not covered in Scope 1 and 2. Including extraction and production of purchased materials; transportation of purchased fuels; and use of sold products and services

The policy commitments stipulate respecting of human rights as well as conducting due diligence. In practice, this means to conduct active dialogue, maintain transparency, and influence business partners to strive for the same goals. By doing so, Tethys Oil aims to guide its partners to have active dialogues with their affected stakeholders in a specific geographic area. In order to identify who is, or could be, negatively affected by their operations but also ensure respect for their human rights.

Activities and results 2022

To provide more transparency on carbon accounting, Tethys Oil has decided to disclose GHG emissions calculated with equity interest method, as well as with the operational control methods.

In 2022, total GHG emissions (according to operational control method) declined by 1.8 percent year on year driven by lower Scope 3 emissions (higher emissions from flaring and power generation were offset by lower emissions from venting, gas utilisation and lower emissions associated with products sold).

Scope 1 + Scope 2 emissions increased by 9.7 percent year on year in 2022, driven by substantially accelerated operational activities, predominantly on Block 56 (five wells were drilled and preparations for an extended wells testing were conducted).

By looking at the GHG emissions calculated with equity interest method, one can observe, that the three largest contributors to the Group's total emission (Scope 1+2+3) being "Flaring", "Stationary and Mobile combustion", and "Use of sold products", accounting for 42 percent, 8 percent and 40 percent respectively. While emissions from the "Use of sold products" are harder to avoid, with the realisation of the Gas-to-Power Project on Blocks 3&4 Tethys Oil will be able to address almost 50 percent of its total GHG emissions, substantially improving its carbon footprint profile.

During the year, the Gas-to-Power Project and implementation of TCFD recommendations have been two central parts of The Group's work to mitigate GHG emissions and understand its climate related risks.

Developement process for the Gas to Power project

The challenge

The biggest technical challenge would be the treatment of the gas. The flare held condensates and was too hot to be fed directly into a gas engine, so a bespoke engineered solution was required.

The solution

Diesel decentralised power that was replaced with centralised power with bespoke gas treatment and custom designed central control system.

The impact

Significant cost savings, reduced environmental impact.

Tethys Oil's share of Global Warming Potential (GWP) emissions, based on the operational control method

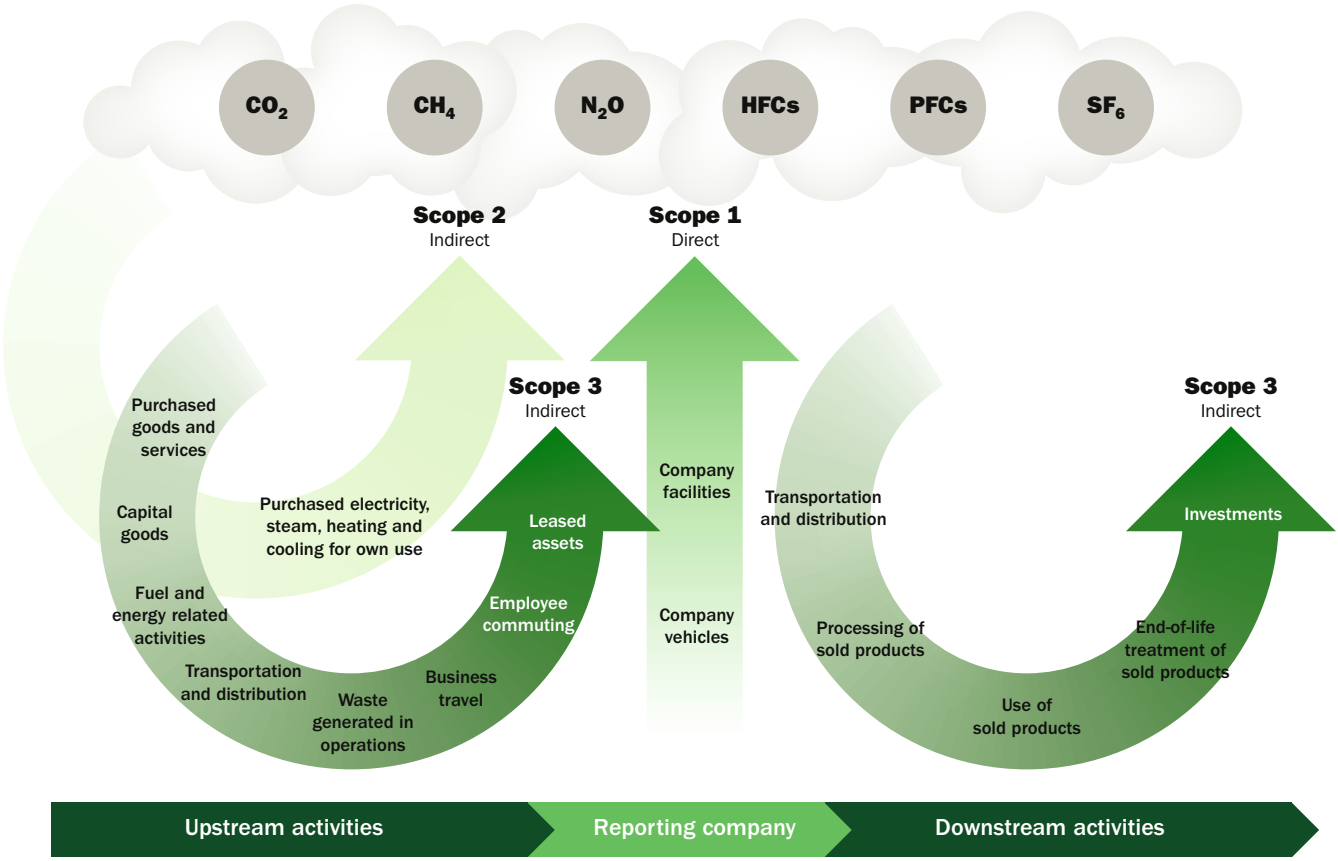
Scope, GWP (t CO_2e)	2022	2021	2020	2019
Scope 1	1,977	1,813	32	13
Scope 2	67	49	40	50
Scope 3	527,362	537,008	465,148	545,957
TOTAL Emissions	**529,405**	**538,870**	**465,220**	**546,020**

Scope 3 breakdown	GHG GWP (t CO_2e)	% of total
Process Emissions	227,848	43.2 %
Use of sold products	211,363	40.1 %
Power generation	39,223	7.4 %
Waste generated in operations	13,538	2.6 %
Processing of sold products	13,499	2.6 %
Purchased fuels and energy	8,662	1.6 %
Capital Goods	6,786	1.3 %
Downstream transport and distribution	5,630	1.1 %
Purchased Goods and services	699	0.1 %
Business travel	63	0.0 %
Upstream transport and distribution	32	0.0 %
Employee commuting	19	0.0 %

Tethys Oil's Scope 2 indirect emission arises from purchased electricity and heating for the office in Stockholm and purchased electricity and cooling for the office in Muscat. As part of Tethys Oil's commitment to reduce emissions from its operations, actions have been taken in projects to reduce the GHG emissions and the operational footprint for health and safety and to increase the transparency of reporting.

Most of the emissions originate from the 30 percent interest share in Blocks 3&4, which are reported as Tethys Oil's indirect Scope 3 emissions, classified according to the operational control method. To further explain the emission distribution, the table shows about half of the emissions generated by end users fuel combustion. The proportion of the upstream process emissions orginates from flaring and cold ventilation of gas. Other major contributors are emissions from power generation from stationary electricity production in the

Scopes of emissions



facilities and waste generated in upstream activities.

Flaring refers to disposal of associated gas produced during extraction through burning. Venting refers to intentional gas releases, including the amount of gas unburned in flaring. Given that CH_4 has a higher global warming potential than CO_2, routing associated gases to an efficient flare system instead of venting is considered best practice and there is wide agreement that routine venting should be eliminated.[2 3] Reducing flaring is therefore a focus area when it comes to reducing emissions. In line with Oman's transition to a low-carbon economy, as set out in the Oman Vision 2040. CC Energy Development, the operator of Blocks 3&4 implemented several mitigation actions in accordance with the GHG Reduction Development Roadmap.

Gas-to-Power Project

During 2022 substantial progress has been made on the flagship emission reduction project for Blocks 3&4, the Gas to Power project (Project). FEED has been completed and, conditional to final regulatory approvals, the Project is expected to be commissioned by the end of 2023.

The Project is expected to benefit the Company from both environmental and economic perspectives. The aim of the Project is to comply with Oman's regulation to prevent any routine flaring by 2030, as well as to reduce some other process related and power generation related emissions, to decrease the carbon intensity of oil production on the Blocks 3&4. According to the Project's plan, GHG emission should decrease significantly driven by elimination of emission from routing flaring and drastic reduction of diesel consumption for stationary combustion. Positive impact from the Project is expected to take effect relatively early, as the Project gets commissioned by the end of 2023. Apart from positive environmental impact, the Project is expected to deliver positive economic effect to the Group, driven by sizable cost reduction of diesel consumption (primarily for stationary combustion). The post tender evaluation of the Gas to Power Project confirms a robust economic case across a range of oil price environments.

Tethys Oil joins World Bank initiative "Zero Routine Flaring by 2030"

Tethys Oil endorses the World Bank initiative "Zero routine flaring by 2030" to end the routine flaring of associated gas during oil production. Tethys Oil's endorsement of the initiative is a clear commitment to responsible resource management and sustainable business practices linking environmental and economic objectives. The initiative pertains to routine flaring and not to flaring for safety reasons or non-routine flaring, which nevertheless should be minimised.

GHG sinks

The operator is using 5,000 m² of reedbeds at Farha for the treatment of sewage. Additionally, an area of 13,650 m² of reedbeds is proposed at Shahad for the same purpose. The operator of Blocks 3&4, successfully completed numerous initiatives in 2022, including diesel consumption reduction, leak reduction, corrosion mitigation and a corrosion mechanism review for vulnerable systems together with a refocused mitigation strategy.

Renewable Energy

The operator of Blocks 3&4 started utilising solar systems at some remote production wells to reduce fuel consumption and associated GHG emissions, which helped in reducing GHG emissions by 9,814 tonnes. Currently there are 15 solar panels in the field with an average overall saving of 700 liters/day of diesel. Over the next five years there are plans to install around 200 additional solar panels for wellhead remote monitoring. Other possibilities being considered include:

- Constructing a solar farm for power generation.
- Using solar panels to power chemical injection.
- Electric powered heater treaters.

The environmental strategy for the producing blocks of 3&4 is focused on:

The strategy's major components include a substantial investment in associated gas utilisation project to achieve the goals.

2 International Energy Agency (IEA), *The Oil and Gas Industry in Energy Transitions: World Energy Outlook special report*, 2020.
3 United Nations Environment Programme (UNEP) and Climate and Clean Air Coalition (CCAC) *Oil and Gas Methane Partnership (OGMP) 2.0 Framework*, 2020.

Photo: Hans Birger Nilsen

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

Social and safety

Community engagement

Contribute positively to the quality of life in communities where we operate by reducing impacts and creating benefits.

Occupational health and safety

Promote a safety culture through processes and continued learning to avoid employee and contractor injuries and illnesses.

Diversification, inclusion and human rights

Attract, develop and retain top talent and ensure on inclusive and respectful workplace.

The "S" in ESG refers to Social aspects and looks at the Company's relationships with internal and external stakeholders.

Tethys Oil's activities are subject to the health and safety risks inherent in the oil industry. Prevention of accidents and ill health is critical to the efficient operation of its business. Further Tethys Oil's activities shall strive to create shared prosperity between stakeholders. The Group engages in an active relationship with local communities to understand the concerns surrounding the Group's operations and to set mutually beneficial goals. Tethys Oil has therefore identified Community engagement, Occupational health and safety and Diversification, inclusion and human rights as material topics.

Ensure healthy lives and promote well-being for all at all ages

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Community engagement

Goals:

- **Goal:** Make a positive impact in the communities where the Group operates
- **Target:** Ongoing long term community engagement projects at local, regional and national/international level

Performance:

- **KPI:** Community engagement projects:
  - Global and National: 7
  - Regional: 3
  - Local: 4

Why is this important?

Access to reliable and affordable energy can improve quality of life, create economic wealth and lift people out of poverty. However, extracting oil and gas can stress and impact communities and interfere with their resources. This may result from, for example, land use requirements for the industry activities, an influx of people seeking employment and economic opportunities. The support of communities in the host country is crucial for operating a resilient business, therefore good relations with host countries and local communities are prerequisites to Tethys Oil's business.

Tethys Oil's approach

All Tethys Oil's activities shall strive to create shared prosperity between stakeholders[4] to avoid and mitigate any potential negative impact. Wherever operations are conducted, the sovereignty of the state is respected, and the rule of law is to be observed and promoted. Further, the Group always respects traditional livelihoods.

To understand the concerns surrounding the Group's operations and to set mutually beneficial goals, Tethys Oil engages in an active relationship with stakeholders. This is to ensure local stakeholders' needs and priorities are considered and to avoid that the Group's operations disrupt the livelihood of the local population, their traditions and negatively affecting their quality of life.

Tethys Oil recognises its impact on the communities in which it operates and is committed to engaging with stakeholders in those communities to ensure that the Group is listening to, learning from and considering their views as the Group's conduct business.

Where appropriate, Tethys Oil is committed to engage in dialogue with stakeholders on human rights issues related to the business. The Company believes that local issues are most appropriately addressed at the local level. Tethys Oil is committed to creating economic opportunity and fostering goodwill in the communities in which it operates through locally relevant initiatives.

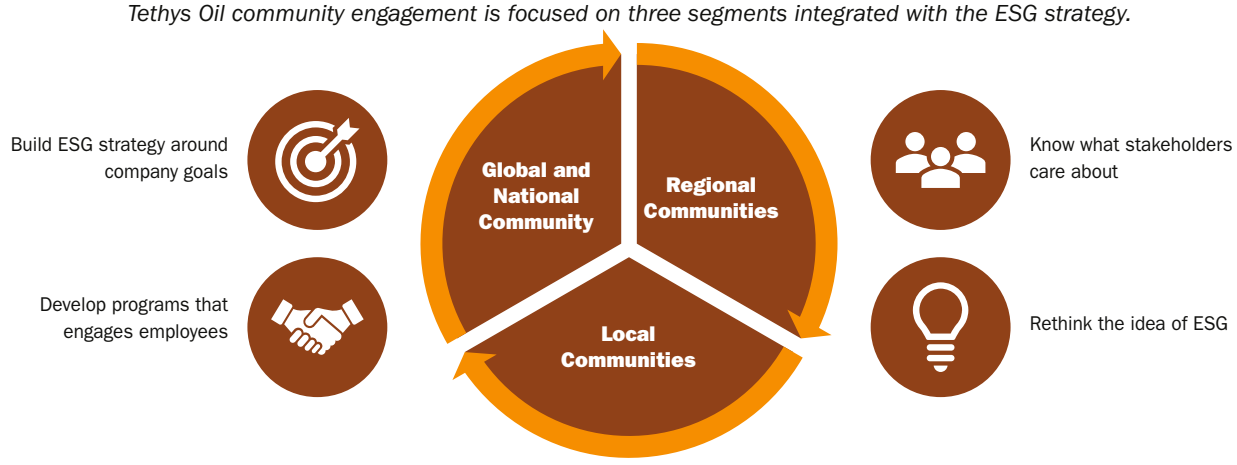
The Group strives to encourage local employment and, where appropriate, work with local communities to improve their health, skills and welfare. Tethys Oil endeavours, where applicable, to engage in capacity building through the transfer of skills and technologies. The Group shall refrain from any involvement in tribal, internal, or other armed conflicts or acts of violence. The Group's Corporate Social Responsibility (CSR) activities are focused and conducted to value creation in Oman and are headed by the Director of Corporate Affairs and followed up on continuously. In addition to non-profit partnerships, Tethys Oil has dedicated local team members focused on listening and responding to community concerns in the operating areas.

Tethys Oil recognises that community engagement also include land and resource rights.[5] See more details on pages 16-17. The Group is committed to act responsibly and minimising any potential impact by addressing extensive and meaningful engagement between Tethys Oil, local communities and affected vulnerable groups.

Activities and results 2022

In 2022, Tethys Oil provided support in the communities associated with the Groups operations. The Company has been

Tethys Oil community engagement is focused on three segments integrated with the ESG strategy.



4 Using GRI 11: Oil and Gas Sector 2021 definition of stakeholders: The Company defines stakeholders as individuals, communities, and organisations that are and may be affected by Tethys Oil's operations; or whose actions can reasonably be expected to affect the ability of the Company to successfully implement its strategies and achieve its objective.

5 Using GRI 11: Oil and Gas Sector 2021 definition of land use It means encompass the rights to use, manage and control land, forests, and other natural resources.

Tethys Oil seek opportunities to support local communities when negotiating and entering production-sharing contracts, for example through

- Prioritisation of local suppliers
- Investment opportunities for local content
- Prioritise hiring locally, which allows to contribute to the communities in which the Group operates in
- Commitments to social investment programs, to address the development needs of the community and/ or contribute to education improvement and work-skill development of host country populations.

During 2022 Tethys Oil offered scholarships for one PhD student, and two MSc students at Sultan Qaboos University. All three are studying Geoscience at the Earth Science Department. The PhD student was also employed during the year as a new addition to the Tethys Oil team in Oman. Aiming to train local young talents and provide excellent educational opportunities for those wishing to engage in the oil and gas industry.

Part of Tethys Oil's strategy plan is contribution to human capability development and developing the skills of the national workforce. The Group have over the years recruited and employed four young Omanis that were part of the Tethys scholarship program, they are now key members of the Geoscience team in the Company.

included in a continuous dialogue with all key stakeholders relating to Blocks 49, 56, 58 on a national, regional and local level.

During the year the following initiatives have taken place:

Global and National Community contributions

- Co-sponsor of Global forum Water and Humanity. The main focus is to gather experts from all over the world in Muscat to explore the challenges of energy transition and to examine their ideas and visions on solutions for a more efficient sustainable world.

Regional contributions

- Support to establishing knowledge libraries in 10 schools by providing them with information, publications and projects executed to enrich students' information and find sources of knowledge that help their scientific research and develop their awareness of water and its importance for the continuation of life.
- Visits for 90 students to underground recharge dams and monitoring stations for the purpose of providing them with specific knowledge about their usage and performance and the need to be aware of their preservation.
- Providing awareness sessions to children with special needs to make them feel that they are part of the community in obtaining knowledge and importance of preserving water resources.

Local contributions

- Supported families under Social Security in Wilate Thumriate with "Iftar Saeem"-initiative during the holy month of Ramadan (481 families supported).
- Sponsored establishing prepatory class in Wilate Al Jazir. The objective of the contribution is for children who enrol in school the upcoming year to have great confidence in themselves and get them used to engaging in the school environment.
- Supported Al Wafa Center in Al Mudhaibi for students with disabilities. The Group supplying essential tools and equipment for the center which help them in giving direct care to the students and patients within the center. The equipment include medical chairs, educational games and extra care equipment.

The the following are detailsof some of the additional community engagement projects collectively undertaken with or by the partners in Blocks 3&4:

Cause	Aligned with SDG Goal	Community Segment
Dialysis Unit in Adam	Health & Well-Being	Regional
Atta Ramadhan 2022	Community Development	Local
Omani Charitable Organisation	Community Development	National
Qaderoon II Forum and Exhibition (Sustainable Projects)	Decent work & Economic growth	National
"We are with you" campaign to support diabetics to purchase their necessary equipment	Health & Well-Being	National
SQU Activities of SPE	Quality Education	National
Nizwa Hospital (Radiofrequency Ablation Machine)	Health & Well-Being	Regional
MEM Joint Project- Association of Early Intervention	Health & Well Being	National
MEM Joint Project- SQU Green Houses Implementation and Research	Quality Education	National

Ensure healthy lives
and promote well-being
for all at all ages

Occupational health and safety

Goals:

- **Goal:** Tethys Oil's aim is ZERO HARM
- **Target:** Better occupational health and safety records than industry standards

Performance:

- **KPI:** Lost time injury frequency rate (LTIFR):
  0.0 (operated) 0.57 (non-operated)

Why is this important?

Occupational health and safety involves the prevention of physical and mental harm to workers and promotion of workers health. Healthy and safe work conditions are further recognised as a human right, and a high priority for the Group's operations. As an oil and gas company, Tethys Oil operate in an industry exposed to certain safety risks and impacts, where accidents can potentially occur anywhere and at any given time. It is thus the Company's responsibility to identify and mitigate potential risks, and to provide the workforce with a safe and healthy working environment.

Tethys Oil's activities are subject to the Health, Safety and Environmental (HSE) risks inherent in the oil industry. Prevention of accidents and ill health is critical to the efficient operation of its business. Prevention of illness and promoting of healthy lifestyles provide lasting benefits for the workforce, their families, and the public. Loss of control of safety issues at facilities can potentially result in serious harm to people as well as the environment.

Tethys Oil's approach

The Group has established an HSE Policy with accompanying corporate procedures. The ultimate responsibility for HSE lies with the Managing Director. However, it is the responsibility of all Tethys Oil staff to ensure compliance with the Group's standards for safe operations. Tethys Oil has responsibility for all activities that are a consequence of its operations. At a minimum, Tethys Oil must comply with all relevant laws and governmental regulations and directions concerning HSE. The genuine care for HSE is a core value for the Group and is transparent throughout all of Tethys Oil's plans and actions. The Group's objective is to provide a healthy and safe working environment for employees, contract personnel and members of the general public who might be affected by its activities. The Group is implementing a systematic approach to HSE management to achieve continuous improvement toward no harm to people, no accidents, no spills and to strive for minimum impact on the environment, thereby contributing to sustainable development.

International Association of Oil & Gas Producers (IOGP')s Operating management system framework for controlling risk and delivering high performance in the oil and gas industry, applies to every type of upstream project.

The Framework is an integrated approach for Tethys Oil operational management to address some or all of a wide range of risks, impacts or threats related to occupational health and safety; environmental and social responsibility; process safety, quality and security.

Activities and results 2022

In 2022 Tethys Oil continued to strengthen its HSE capabilities and preparedness by executing risk assessments and mitigation plans for the ongoing activities in Blocks 49, 56 and 58.

As the impact of the pandemic diminished and restrictions were removed, Tethys Oil has increased its training program focus for all operational personnel to gain necessary refresher training. During the year, Tethys Oil focused on the following activities to achieve zero harm in operations.

H_2S Training:

The training is to ensure the required knowledge and understanding of the hazards and properties of Hydrogen sulfide (H_2S), and appropriate emergency response actions to take should an H_2S related incident arise. The H_2S training programme is for personnel that are or could be, working in an environment that could become contaminated by H_2S gas.

Defensive Driving:

All oil and gas sector personnel required to drive vehicles in the performance of their work are obliged to holding Defensive Driving Permit. Tethys Oil aims to endorse continuous training to enhance drivers knowledge and skills for driving safely.

A Journey Management Plan training:

The training is typically a set process that the personnel follow for planning and undertaking road transport journeys in compliance with HSE requirements, with the goal of arriving safely. As a rule, it is recommended to put in place a Journey Management Plan for trips of more than 4.5 hours.

Leadership for supervisors training:

The training highlights the success factors of the industry and provide managers and supervisors with tools and techniques to effectively deal with the risk and uncertainties and make decisions confidently.

First aid and adult CPR in the community:

All personnel of Tethys Oil also received a First aid training which is based on international guidelines from the European CPR Council.

Contractor Engagement

Because contractors consistently make up most of the Group's operational work, Tethys Oil focus on contractor engagement at two levels:

Executive Level

Tethys Oil management meets with key contractors to set clear expectations of the Groups commitment to safety in the workplace.

Working Group

Engagement sessions are held in the office and field locations to provide the same message, while also creating an opportunity to receive feedback and input on how Tethys Oil can collaborate and improve its safety performance.

Tethys Oil continue to build strong partnerships with its contractors to ensure an overall, unified HSE culture for everyone working with the company's operations.

Hospitals and clinics are a key focus area for support and projects include the supply of kidney laser stone machinery to SQU Hospital, the supply of distal radius plates and 3-D printing to Khoula Hospital, the supply of a dialysis unit to a health clinic in Adam, the installation of an emergency room at a health centre in Mahout and the construction of a walkway to help patients rehabilitate and walk safely outdoors.

Other national HSE-related contributions:

- Ministry of Health – Engage in building a Dialysis Unit in Adam
- Nizwa Hospital (Radiofrequency Ablation Machine)
- MEM Joint Project – Association of Early Intervention
- "We are with you" campaign to support diabetics to purchase their necessary equipment

Safety records

Operated (Blocks 49, 56, 58)		2022	2021
Fatalities		0	0
Lost Time Incidents		0	0
Lost Time Incident Frequency	(#/mm Hrs)	0	0
Total Recordable Cases		0	0
Total Recordable Cases Frequency	(#/mm Hrs)	0	0
Total Traffic Accidents		0	0
Total Traffic Accidents Frequency	(#/mm km)	0	0
Man hours		120,292	168,185
Total km		276,829	213,772

Zero

lost-time injuries at the operated blocks

Non-operated (Blocks 3 & 4)		2022*	2021	2020	2019	2018
Fatalities		0	0	0	0	0
Lost Time Incidents		2	2	3	2	2
Lost Time Incident Frequency	(#/mm Hrs)	0.23	0.35	0.47	0.24	0.28
Total Recordable Cases		6	2	4	4	10
Total Recordable Cases Frequency	(#/mm Hrs)	0.57	0.35	0.63	0.49	1.42
Total Traffic Accidents		3	1	1	3	4
Total Traffic Accidents Frequency	(#/mm km)	0.17	0.08	0.07	0.15	0.25

#/mm Hrs – number of cases/incidents per million worked hours
#/mm Km – number of accidents per million kilometres driven
Lost time incidents – The sum of fatalities and injuries where the impacted person is unable to return to work the day (or days) after the injury.
Total Recordable Cases – The Total number of incidents reported including Lost Time Incidents and more minor incidents which include restricted work capacity and medical treatment.
* 8.76 millions of worked hours and 17.94 million of kilometres driven.

Reduce inequality within and among countries

Diversification, culture of inclusion and human rights

Diversity – A wide range of experiences and voices which fully represent the communities in which we operate.

Inclusion – Policies and actions that provide a community where everyone belongs and has a voice.

Goals:

- **Goal:** Fostering a diverse and inclusive workplace
- **Target:** Zero cases of discrimination

Performance:

- **KPI:**
  Reported cases of discrimination: 0

Why is this important?

No matter origin or ethnicity every human is entitled to the same rights and freedoms as anyone else. Freedom from discrimination is a human right and a fundamental right at work. Further, discrimination can impose unequal burdens on individuals or deny fair opportunities on the basis of individual merit. Respecting diversity and building inclusion is an expectation for everyone in Tethys Oil, deeply rooted in the Company's Scandinavian values.

A successful business is dependent upon its employees as individuals. A fair, respectful, and safe working environment based on equal opportunities and treatment is vital to support a company's strategy on all levels.

Tethys Oil's approach

Tethys Oil's employees are the primary asset. From this perspective, it comes naturally to aim to achieve high employee satisfaction and high-performance standards. Further it shall offer rewarding working conditions and realise each employee's individual potential through training and job promotion. The Group prohibits the use of all forms of child and forced labour, both directly and indirectly and it should never occur.

Tethys Oil's position on diversity and discrimination

- Tethys Oil seeks to recruit and retain the best possible candidates for all positions based on merit regardless of gender, sexual orientation, age, disability, nationality, race or religion.
- The cultural diversity of the Group's employees is an asset and shall be respected. Furthermore, Tethys Oil will not accept any form of harassment or discrimination of its employees for any reason.
- Tethys Oil's staff shall always act with the utmost integrity and respect when dealing with colleagues, partners and society.
- Tethys Oil's employees, partners and contractors should feel free to voice concerns or report instances of discrimination without fear of recrimination or harassment.
- Tethys Oil's employees shall always act with the utmost integrity and respect when dealing with colleagues, partners and society.

Tethys Oil's position on human rights[6]

Tethys Oil's work is guided by international human rights principles encompassed in the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work (ILO) and the United Nations Global Compact. Further it's based on the United Nations Guiding Principles on Business and Human Rights, endorsed by the UN Human Rights Council in 2011.

The Group has committed to supporting internationally recognised human rights wherever it operates. Tethys Oil is committed to investigating, addressing, responding and to take appropriate corrective action in response to any violation of human rights. It means that the Group shall provide effective remedies to victims, including reparation if a violation occur.

Tethys Oil recognises the importance of respecting the rights of local communities, and thus before any new investment or operational activity, it analyses potential impacts on human rights. While the Group respects all human rights, it focuses primarily on those human rights that potentially may be most impacted by its operations. Typically, those most impacted are the populations and communities in the countries where Tethys Oil is active or within its license areas where it operates. The Group furthermore expects all its affiliated partners to respect human rights and observe the highest professional integrity standards.

The nature of Tethys Oil's operations as a highly skilled upstream oil and gas operator in Oman means that the risk for child labour or bonded and forced labour is limited. There are potential risks in the use of subcontractors in some cases but Tethys Oil's stringent policies and the transparent process for procurement avoids and further mitigate any such risks.

Local hiring

Tethys Oil prioritises hiring locally and developing local talent, which allows the Company to contribute to the communities in which it operates. Local hiring allows the Group to make meaningful economic contributions to these communities, especially in areas where professional jobs may otherwise be scarce.

Worklife balance

Tethys Oil promotes worklife balance, aiming to create an environment where its employees can work and demonstrate their potential in a way that benefits their lifestyles.

The Group offers competitive remuneration and benefit packages, occupational medical and healthcare services, flexible working conditions, bonuses, part time paid parental leave, additional vacation days, and wellness grant. Tethys Oil encourages employee development and offer job training and further educational activities for all its employees.

Activities and results 2022

To further strenghten its commitment on human rights an updated Human Rights Policy has been implemented during the year. The policy is guided by international human rights principles and it focuses on fostering open and inclusive workplaces based on human rights. Tethys Oil recognises that its employees are its principal asset and sees the provision of equal opportunities as essential to ensuring the best possible performance. The Group therefore aims to recruit and retain the best possible candidates on the basis of merit regardless of gender, sexual orientation, age, disability, nationality, race or religion. Furthermore, Tethys Oil will not accept any form of harassment or discrimination of its employees for any reason. To ensure the achievement of the above goals, Tethys Oil has updated the policy of diversity and non-discrimination.

- No human rights-related grievances were filed against the Company in 2022.
- There were no recorded incidents of discrimination at Tethys Oil's operations during the reporting period.

Tethys Oil's policies are further explained on pages 32–33 in this report. More detailed information can be found in the documents published on the Company's website.

Photo: wallsor

6 Human Rights are to be understood as those referred to in the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights and in the International Labour Organisation's (ILO) Conventions, and relations to business activities, in the Global Compact, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles.

Employees

Board of Directors

Women **1**

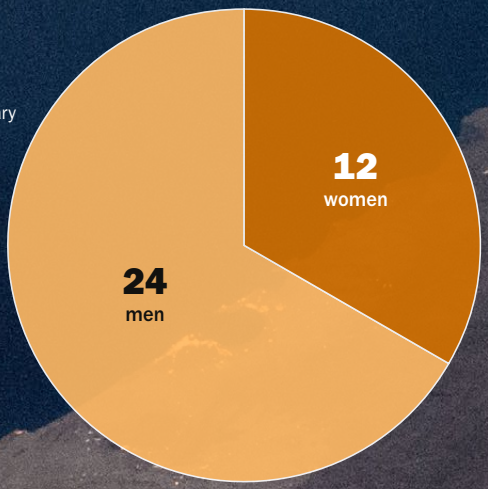
Men **4**

Executive management

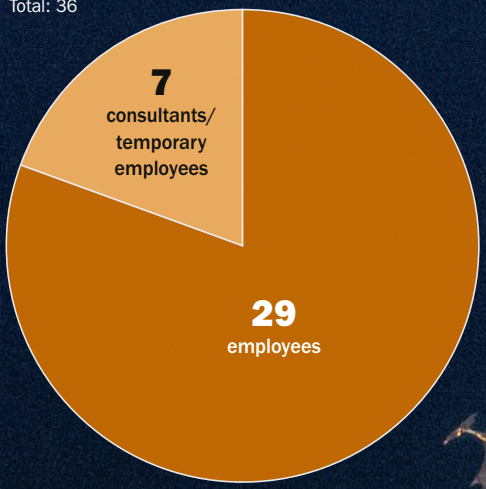
Women **1**

Men **3**

Women and men
(Includes all employees and consultants/temporary employees)
Total: 36



Employees and consultants/ temporary employees
Total: 36



Age groups
(Includes only employees)

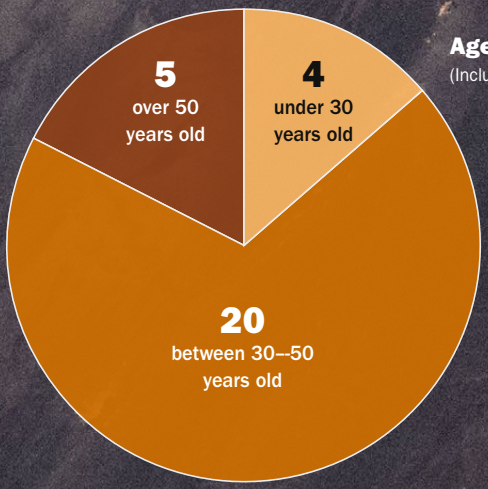


Photo: Tim Kopra / NASA

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

Governance

Ethical governance

Obey the law, report accurately to investors and stakeholders, and act ethically in accordance with the principles of good governance,

Business resilience and value creation

Maintain strong financial discipline, with a focus on generating free cash flow and returns today while investing in low-cost growth opportunities.

"G" in ESG refers to the governance factors of decision-making. Corporate Governance is an integral part of the Company's foundation that guides Tethys Oil's corporate culture, business objectives, and helps accommodate stakeholder interests.

Tethys Oil is committed to conducting business honestly, safely, ethically, and with integrity in full compliance with laws, rules, and regulations applicable to the business in the countries in which it operates. The Group has therefore identified Ethical governance and Business resilience and value creation as material topics.

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Ethical governance

Goals:

- **Goals:** The Group's zero-tolerance policy on bribery and other forms of corruption continues to strengthen and uphold a high standard of integrity and ethical business conduct
- **Target:** 100 percent employees trained on Code of Conduct and relevant policies and procedures

Performance:

- **KPI:** Employees who completed the Code of Conduct course: 100 percent

Why is this important?

Failure to conduct a business in an ethical and transparent way can threaten the Company's resilience or license to operate. Legal violations, operational negligence or corruption can have severe consequences for a company's reputation or financial stability. The consequences are material and affect and have direct impact on Tethys Oil and employees, shareholders, communities, families, suppliers and customers.

Tethys Oil's approach

Tethys Oil has zero tolerance for corruption. Potential impacts of corruption or risk of corruption are managed in the Group's supply chain since it is strictly prohibited for Tethys Oil staff, or contractors to give, authorise, offer, promise, request, agree or receive gifts, hospitality and entertainment to improperly influence or reward acts or decisions or as an actual or intended compensation for any improper benefit. More information about payments to authorities can be found in the Annual Report for 2022.

To prevent the abuse of public office or company position or power for private gain, or the misuse of private power in relation to business, the Group has adopted an Anti-Corruption Policy and transparent procedures for employees to report suspected corruption cases. Transparency International's Business Principles have drawn up the policy and procedures for countering Bribery.

Tethys Oil recognises that accepting or offering gifts or hospitality of moderate value is customary and in accordance with local business practice in the region that it operates. As a result of this, the Group has implemented a policy requiring all staff or contractors who receive or offer gifts on behalf of Tethys Oil to seek approval from their supervising manager and keep a record of the donor, recipient as well as value.

Tethys Oil has strict anti-fraud policies aimed to safeguarding the Group and its staff from fraud and dishonest behaviour. For the policy Tethys Oil has defined fraud as: "*The theft or misuse of Tethys Oil's funds or other resources, by an employee or a third party which may or may not involve the misstatement of financial records to conceal theft or misuse.*"

The implementation of the policy is aimed at improving all Tethys Oil staff's knowledge and understanding of what constitutes fraud, how to prevent, detect and report suspected fraud and where the responsibility for investigation lies. The policy also aims to assist in creating an atmosphere of openness and trust where staff feels comfortable and able to raise concerns and without the risk of repercussions.

Employees are encouraged to report suspected or known cases they believe may be illegal or a violation of the Group's Code of Conduct or any Group policies and as a result, Tethys Oil has implemented a Whistleblowing Policy. The function aims to provide an avenue for staff and third parties to anonymously report concerns about improper, unethical or illegal conduct and to obtain reassurance that they will be protected from reprisals or victimisation for whistleblowing in good faith. Follow up action will be taken by the Group in adherence to the report.

Activities and results 2022

Tethys Oil is responsible to do regulatory review of the Company's policies. The policy Group consists of managers from Legal, Investor relations, and Sustainability. The manager for each business area is responsible to revise the policy when essential changes take place in the business that affect content in the policy. The manager prepares the policy updates in cooperation with concerned areas and functions within the organisation, and given the comments received a final version is prepared. The Board of Directors or the Managing Director approves and adopt the Group's Policies. The Managing Director or another member of the Group Executive Management is ultimately responsible for the implementation of the Group's Policies.

During the year the Human Rights, Group Anti-Fraud, Group Anti-Corruption, Group AML-CFT and KYC, Group Diversity and Non-Discrimination and the Group and the Group's Whistleblowing Policy were updated. Further, a new Supplier Code of Conduct and a Biodiversity Policy was adopted.

Tethys Oil's sustainability governance structure

Sustainability Working Group
The Sustainability Working Group is a cross-functional team of subject matter experts that manages and coordinates the publication of the Group's annual Sustainability Report as well as other ESG matters and efforts, as directed by the Executive Management.

The Board of Directors
The Board regularly reviews management reports and welcomes external perspectives on a range of sustainability issues and strategy development, including climate, environmental performance, diversity and inclusion of our workforce, and community engagement. The Board members routinely pursue opportunities to remain well informed on recent developments.

Audit Committee: Supervises the Company's financial reporting including the sustainability reports and is providing support to the Board in the decision making process regarding such matters.

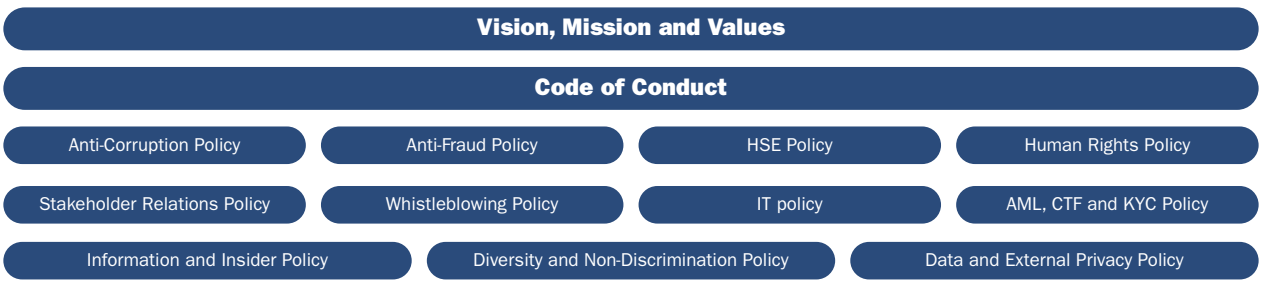
Remuneration Committee: Supports the Board on decisions regarding remuneration to the Managing Director including proposals and follow-up on the KPI's for variable salary which includes ESG parameters.

Technical Committee: Follows-up on technical evaluations and operational work and reviews the operations management system including HSE matters.

Tethys Oil's Code of Conduct Framework

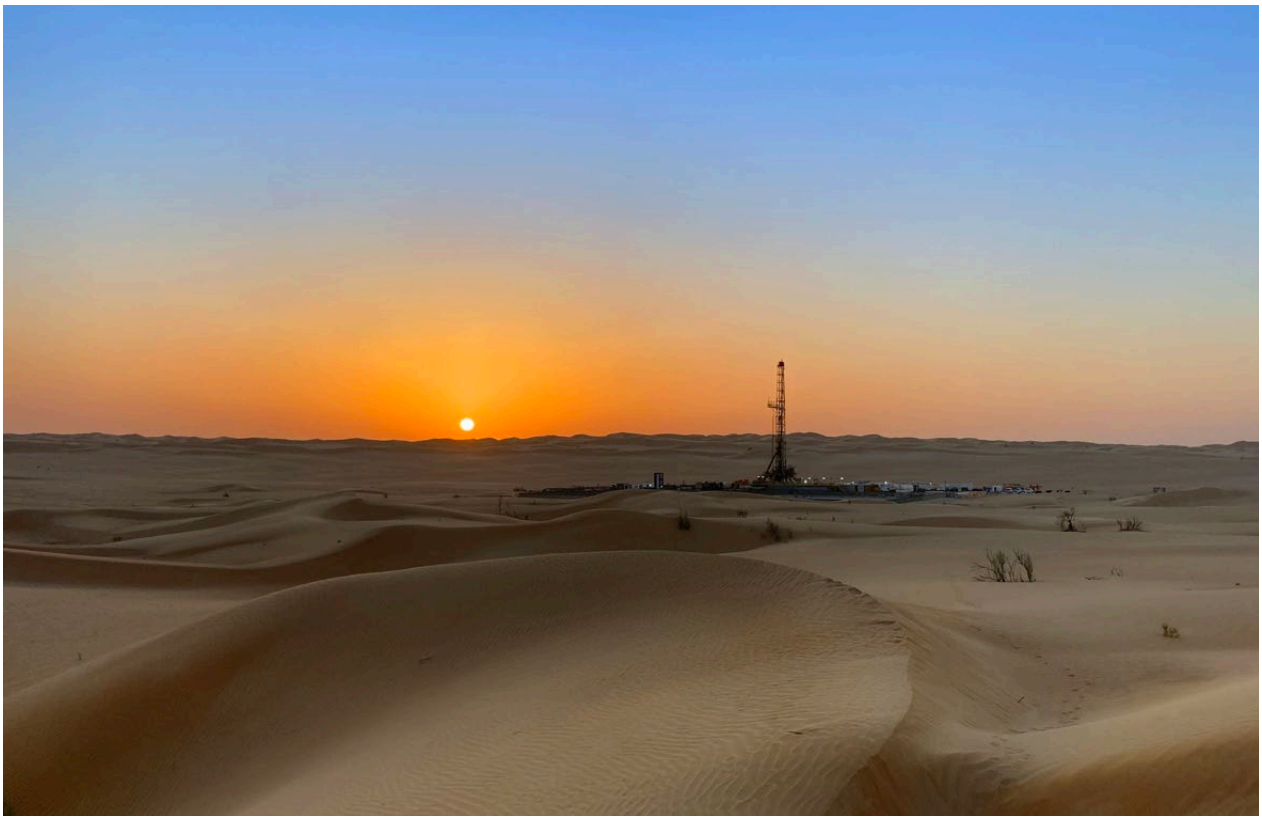
Tethys Oil holds itself to a high standard of ethical, moral, and legal business conduct and expects its staff to act honestly, with integrity and in accordance with the Group's Code of Conduct. The Code of Conduct covers standards, laws and regulations that govern the business, summarised in one common document below, that is based on the following policies. These are the foundations for the Company's work with ethics, anti-corruption, and human rights. The Code constitutes the commitment of the Group and its Board of Directors and its employees to aspire to high standards of conduct. Any violation of the Code by anyone within the Group will be subject to an inquiry and appropriate remedial measures. Critical concerns include concerns about the organisation's potential and actual negative impacts on stakeholders raised through grievance mechanisms stated in Tethys Oil's Whistleblowing Policy. The Group's grievance mechanism is a routinised process through which grievances can be raised and remedy can be sought. More detailed information can be found in the documents published on the Company's website.

Overview of Tethys Oil Group Code of conduct



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Business resilience and value creation



Goals:

- **Goal:** Resilience to a low-carbon future
- **Target:** Implement stress-testing techniques and internal carbon tax pricing to ensure projects resilience in different energy transition scenarios

Performance:

- **KPI:** Carbon Emissions[7]/Revenue (kg CO_2e/USD): 1.7

Why is this important?

There are long-term challenges ahead. Energy demands are shifting, resulting in a long-term change of the energy supply landscape. The need for renewable energy is growing fast. Hydrocarbons are expected to still be the dominant energy source in the upcoming years but is expected to decline in the near future. Survival in the industry will most likely depend on the ability to operate in an energy-efficient way and create value in the area operated.

Tethys Oil's approach

The Company's definition of business resilience is the ability and capacity to absorb stress and maintain continuous operations, protect people and assets, and enabling them to thrive in increasingly unfavourable conditions. In the long term, organisational resilience will strengthen the ability to respond and adapt across three key organisational pillars:

- Technology and operational resilience: Sustain core business functions and the availability of key technology.
- Workforce resilience: Maintain a productive workforce that's able to execute functions and maintain the availability of key technology.
- Financial resilience: Retain liquidity and assets. Investments in upstream projects is still needed even in rapid transitions, but the type of resources that are developed, and how they are produced, changes substantially.

One key metric that has been introduced measures the ratio of the carbon emissions in facilities as a percentage of overall business revenue that is generated. This metric allows the Group to compare type of resources that are developed asset by asset and gives an indication on emission intensity across sectors.

Not all oil is equal

Oil assets similarly have significant variation in emissions intensity, while oil sands and heavy oil are the most emissions intensive resource themes overall. Excluding final combustion emissions, there is a wide range of emissions intensities across different sources of production. Even assets of the same theme can have significantly different emissions intensities based on well-maturity, location and other unique factors.

7 Scope 1 and 2 emissions based on equity interest approach

Activities and results 2022

A key exercise during 2022, has been the Group's TCFD assessment for testing resilience against low-carbon scenarios, which is described in detail on page 38.There are, cost-effective opportunities to bring down the emission intensity of delivered oil and gas by minimising flaring of associated gas and venting of CO_2 and tackling methane emissions. This process has started, and the operator of Blocks 3&4 is committed to reduce emissions. Projects are in progress with the most significant project being the Gas to Power facility.

The Group implements stress-testing techniques and internal carbon tax pricing to ensure projects resilience in different energy transition scenarios will deliver value to shareholders. The Group continues to stress test its projects to different risks to ensure that it can continue to deliver value to shareholders even in a transitional environment.

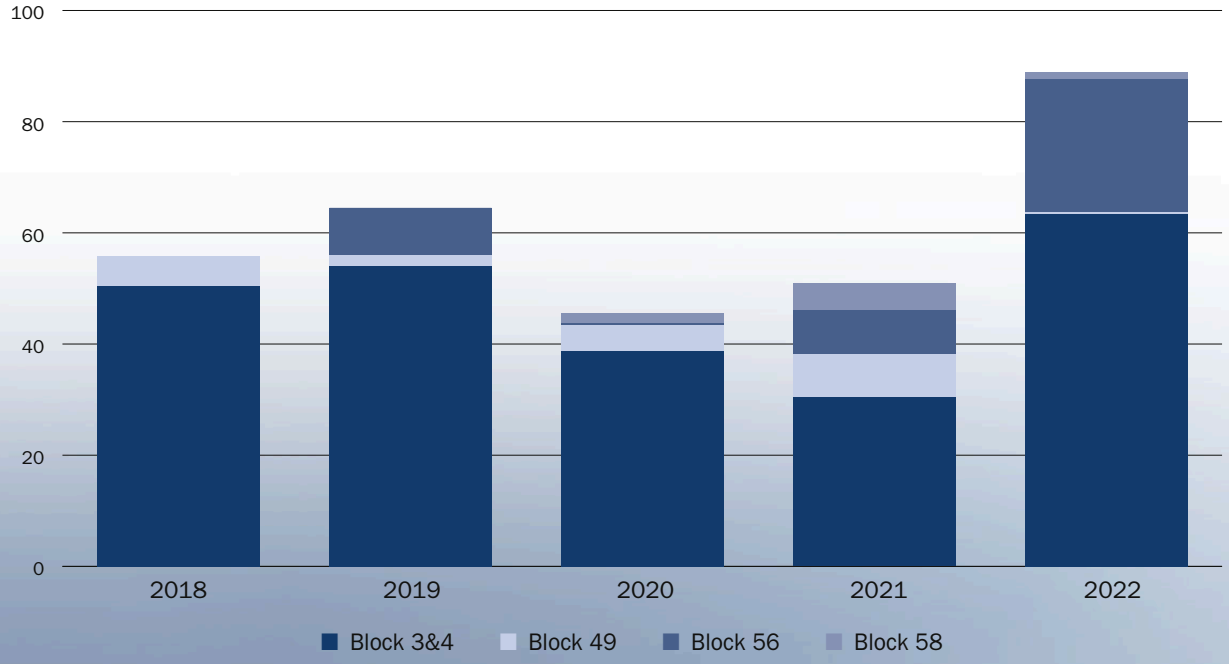
The strategic challenge of balancing short-term returns with its long-term licence to operate

Tethys Oil strives to go beyond what is stipulated contractually to contribute to the development of its host countries by supporting local recruitment, building regional business relations, procuring local materials and transferring expertise.

Tethys Investments in Oman 2018–2022

- Tethys Oil has invested **MUSD 305.6** in its Omani Oil and Gas assets over the last five years
- These investments serve as the foundation for future growth and shareholder value while supporting the growing Omani economy

Tethys Oil's Investments in Oman 2018–2022, MUSD



Key sustainability risks

Tethys Oil focuses on the future to prepare for the changing business landscape and mitigate potential risks.

Understanding and managing the non-financial risks and opportunities associated with the business is an integral part of managing the business. Several group functions are involved in identifying and managing non-financial risks in their area of responsibility. Risks are considered at the corporate, asset and project levels, ensuring that risks are identified and assessed from the bottom-up. These risks are regularly conveyed to Group Management and fed into the materiality process.

Emissions management

Risk

❖ With increasing awareness and concern regarding climate change and the role played by the use of fossil fuels in driving these changes there is an enhanced risk of increased regulation, decreased demand for oil and gas as well as divestment of the sector from major financial investors.

Response

◆ By reporting its environmental impact in a transparent way and joining industry initiatives to reduce its emissions, the Group looks to mitigate the risks as much as possible. Tethys Oil use methods from GHG protocol and TCFD.

Biodiversity and land management

Risk

❖ Environmental impact through disruption of the natural environment through drilling, environmental damage by leaks and spill.

❖ The release of atmospheric emissions through the use of diesel or the flaring of associated gas.

Response

◆ Tethys Oil and its partners commit significant resources to ensure a minimal environmental impact from its operations, be it on the environment around the area of operations, from spills and releases as well as emissions from the oil production, thereby contributing to safe and sustainable operations.

◆ The Company uses a third-party specialist company to monitor and measure the environmental impact of the operations.

◆ In 2022, the Group implemented a Biodiversity Policy to further strengthen its commitment.

◆ Use of Environmental Impact Assessment (EIA) to define existing biodiversity, environmental and other conditions near the Company activities and providing data for assessing the potential impacts on habitats and helping to develop mitigation plans.

◆ Work is progressing on developing a broad and long-term solution for handling the associated gas that is produced together with the oil. A concept has been selected that includes utilising some of the gas for power generation in the field and thus replacing the diesel-powered generators.

Health and safety

Risk

❖ Serious injury, fatality or health deterioration.

❖ Accidents resulting in damage to facilities, the environment and personal injury.

Response

◆ Tethys Oil has implemented a strict Health, Safety and Environment (HSE) policy framework to be adhered to by all employees, partners and contractors. By creating a culture of risk awareness including high level training and information the Company seeks to minimise the frequency and impact of accidents.

◆ The Group has implemented a systematic approach to Health and Safety management. It aims to achieve continuous improvement towards the goal of no harm to people and no accidents in respect of facilities which are operated by Tethys Oil or by one of the Company's partners. Tethys Oil aims to be actively involved in reviewing and contributing to HSE policies, initiatives and actions taken within areas in which the Company has an interest. The genuine care for HSE is a core value for the whole Group and shall be transparent through all of Tethys Oil's plans and actions. It is the Group's objective to provide a healthy and safe working environment for employees, contract personnel and members of the general public who might be affected by the activities of its operations.

Photo: Alex Berger

Community engagement

Risk

- ❖ Local community tensions and grievances.
- ❖ Impact of operations on local community's quality of life.
- ❖ Negative external perception of the industry by investors and stakeholders, and increased activism.
- ❖ Damage to Archaeology and Cultural Heritage sites.

Response

- ◆ The Group has a commitment to have a beneficial impact on the community through engaging in a dialogue with the Group's stakeholders, whether these are local communities or relevant interest groups, such as local governments and civil society.
- ◆ Tethys Oil engages in an active relationship with local stakeholders in order to understand the concerns surrounding the Group's operations and to set mutually beneficial goals. This is to ensure that local stakeholders needs and priorities are considered and avoid that the Group's operations disrupt the livelihood of the local population and has a detrimental effect on their quality of life.
- ◆ Tethys Oil endeavours to promote a framework of stakeholders relations, building relationships of trust on an ongoing basis.
- ◆ Through an EIA, field survey is carried out to understand the project's cultural heritage and archaeological context. Information is used to inform sample locations for field investigation. Cultural heritage / archaeology management – identification, classification and protection of cultural / archaeological sites in accordance with the country's laws/international standards and conventions.

Diversification, inclusion and human rights

Risk

- ❖ Risk for child labour or bonded and forced labour in the use of subcontractors.
- ❖ Increasing stakeholder focus on diversity and gender equality.

Response

- ◆ Tethys Oil has committed firmly to the United Nations Global Compact and adheres to the United Nations Guiding Principles on Business and Human Rights.
- ◆ In 2022, Tethys Oil evolved its Human Rights Policy and Suppliers Code of Conduct that applies to all companies in the Tethys Oil Group and any ventures that are controlled or operated by Tethys Oil. This policy should be followed by all employees, the Board, consultants and subcontractors employed or retained by the Group.
- ◆ Tethys Oil has implemented a Diversity and Non-Discrimination Policy to ensure that the diversity of its staff is respected and that all forms of discrimination are prevented.

Ethical governance

Risk

- ❖ Ethical misconduct in operations or supply chain, impacting license to operate.
- ❖ Non-compliance with Code of Conduct and Policies.
- ❖ Non-compliance with current or emerging HSE related regulation.

Response

- ◆ Tethys Oil has adopted a "zero tolerance" Anti-Corruption Policy in accordance with Transparency International's Business Principles for Countering Bribery and clear procedure for employees to report suspected cases of corruption. Tethys Oil is publishing an annual report of all the Group's payments to authorities. The reported amounts refer to direct payments in excess of the threshold amount of SEK 800,000 and production sharing.
- ◆ Tethys Oil has implemented a Whistleblowing Policy. The aim of the function is to provide an avenue for staff and third parties to raise concerns about improper, unethical or illegal conduct and to obtain reassurance that they will be protected from reprisals or victimisation for whistleblowing in good faith.
- ◆ Tethys Oil has responsibility for all activities resulting from the Group's operations. At a minimum, it is Tethys Oil's duty to ensure compliance with all relevant laws and governmental instructions concerning HSE. As well as continued roll out of sustainability policies and procedures across the business with ongoing monitoring of regulatory landscape.

Task force for Climate-related Financial Disclosures

Tethys Oil aims to produce oil and natural gas in the most effective and sustainable way to provide affordable and accessible energy to the growing global population, and to improve the quality-of-life standards for people around the globe. The Group shares global concerns about multiple sustainability challenges that the world is facing, including risks caused by climate change.

In response to the emerging climate related risks, Tethys Oil decided to start utilising the recommendations of the Task force on Climate-related Financial Disclosures (TCFD).

TCFD Framework

The Task force for Climate-related Financial Disclosures was established in 2015 by the Financial Stability Board (FSB), and was asked to develop voluntary, consistent climate related financial disclosures that would be useful to investors, lenders, and insurance underwriters in understanding material risks. Under the TCFD Framework, companies are asked to demonstrate how resilient their business would be, related to the transition to a lower-carbon economy.

As a reference to this type of transition, scenarios of "below 2 degrees" are recommended to be used.

TCFD Framework is based on 4 pillars, presented below:

Governance
Disclose the Company's governance around climate-related risks and opportunities.

Strategy
Disclose the actual and potential impacts of climate-related risks and opportunities on the Company's businesses, strategy, and financial planning where such information is material.

Risk Management
Disclose how the Company identifies, assesses, and manages climate-related risks.

Metrics and Targets
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Strategy and Risk Management

1. Climate-related Risks and Opportunities

Following TCFD Framework, Tethys Oil has identified several potential climate related risks, emerging on physical risk and transition risk dimensions. The risks are mostly long-term in nature (i.e. with some probability of arising in the time horizon of not more than 10 years ahead) with some risks (specifically regulations related) being medium-term nature (i.e. with some probability of arising in the time horizon of not more within next 10 years).The following risks have been identified, by the Group's management, related to the transition to a lower-carbon economy.

- Oil prices persistent decline due to lower demand in the long-term.
- Carbon prices persistent increase, as the incentivisation measure for emissions' cut (long-term).
- Stricter regulation for new licenses permits granting, with more conditionality added and longer process of applications considerations and approvals (mid-term).
- Reputational concerns for the Oil & Gas industry with the impact for social license to operate, talents attraction and retention, and valuation of existing assets.

The following physical risks have been identified with their respective likelihood and magnitude:

Type of climate related physical risks	Frequency / degree of vulnerability[8]	Climate change Impacts due to identified vulnerability[9]	Risk magnitude[10]	Comments
Cyclone	1	1	1	The location of the Blocks and nature of the surrounding landscape would mean the project is not subject to cyclones.
High Waves	1	1	1	The Blocks are located far away from the coast, and as a result, are not subject to high waves.
Landslides	1	1	1	The location of the project excludes the impacts of landslides, as they are highly unlikely in the area.
Dust Storms	3	1	3	The location of the site and nature of the surrounding landscape would mean the project could be subject to high dust levels and dust storms which can reduce visibility for vehicles and workers in the area.
High Temperatures	2	1	2	High temperatures are typical in the area particularly in the summer months when temperatures peak. Care should be taken to ensure shelter and sufficient water is provided to hydrate workers on site; and where possible, to provide breaks at time periods when temperatures peak in the summer months.
Sea Level Rise	1	1	1	The projects are located far away from the coast, and as a result, are not subject to high sea level rise.
Heavy Rains	2	1	2	In the event of heavy rains, potential flooding is possible due to flat lying land and lack of drainage in the area. This potentially can cause ground contamination.
Flash Flooding	2	1	2	In the event of heavy rains, potential of flash flooding is possible due to flat lying land and lack of drainage in the area.

8 1, 2 or 3 assigned for low, medium or high frequency of vulnerabilities
9 1, 2 or 3 assigned for low, medium or high impacts due to identified vulnerabilities
10 Risk magnitude should be calculated by multiplying frequency and climate impact

2. Scenario Analysis and Climate Resilience

To stress-test the resilience of Tethys Oil's business model, the Group decided to conduct a scenario analysis exercise, trying to understand the impact of different oil price scenarios and carbon pricing scenarios on the valuation of the Group's assets and the recoverability of the Group's reserves and resources, assuming different transition paths to low-carbon economy, that the world would undertake.

Three different scenarios from the IEA were considered.

Please see the description and key parameters of considered scenarios below.

	Net Zero Emissions by 2050	Announced Policies Scenario	Sustainable Development Scenario
Definitions	A scenario which sets out a narrow but achievable pathway for the global energy sector to achieve net zero CO_2 emissions by 2050. It doesn't rely on emissions reductions from outside the energy sector to achieve its goals.	A scenario which assumes that all climate commitments made by governments around the world, including Nationally Determined Contributions (NDCs) and longer-term net zero targets, will be met in full and on time.	An integrated scenario specifying a pathway aiming at: ensuring universal access to affordable, reliable, sustainable and modern energy services by 2030 (SDG 7); substantially reducing air pollution (SDG 3.9); and taking effective action to combat climate change (SDG 13).
Objectives	To show what is needed across the main sectors by various actors, and by when, for the world to achieve net zero energy related and industrial process CO_2 emissions by 2050 while meeting other energy-related sustainable development goals.	To show how close do current pledges get the world towards the target of limiting global warming to 1.5 °C, it highlights the "ambition gap" that needs to be closed to achieve the goals agreed at Paris in 2015.	To demonstrate a plausible path to concurrently achieve universal energy access, set a path towards meeting the objectives of the Paris Agreement on climate change and significantly reduce air pollution.

Source: https://www.iea.org/reports/global-energy-and-climate-model/understanding-gec-model-scenarios

			Net Zero by 2050		Sustainable Development		Announced Pledges		Stated Policies	
Real terms (USD 2020)	2010	2020	2030	2050	2030	2050	2030	2050	2030	2050
IEA crude oil (USD/barrel)	92	42	36	24	56	50	67	64	77	88

USD (2020) per tonne of CO_2	2030	2040	2050
Announced pledges			
Advanced economies with net zero pledges	120	170	200
China	30	95	160
Emerging markets and developing economies with net zero pledges	40	110	160
Sustainable development			
Other advanced economies	100	140	160
Other selected emerging markets and developing economies	–	35	95
Net Zero Emissions by 2050			
Advanced economies	130	205	250
Major emerging economies	90	160	200
Other emerging markets and developing economies	15	35	55

Given the inputs from each scenario, Tethys Oil evaluated the impact of:

a) Oil price scenarios
b) Oil price and carbon pricing scenarios together on Tethys Oil's year end 2022 2P+2C reserves and resources from the valuation perspective as well as reserves and resources recoverability perspective.

In terms of carbon pricing, the most severe option was used within each scenario: i.e. carbon pricing assumed for advanced economies.

GHG emission withing scopes 1 and 2 was considered for Tethys Oil, with 2 different GHG accounting approaches implemented (operational control and equity share). Average GHG emission for 2021 and 2022 is assumed in 2023–2040.

As can be seen in the tables below, even the most severe assumptions and scenarios considered would allow the Group to recover ca 70 percent of its reserves and resources, with less than 25 percent of value affected. Notably, those scenarios do not take into account emissions reduction initiatives to be implemented in 2023–2024. (For example, Gas-to-Power Project).

Operational control approach for GHG accounting

NPV at 10%	Net Zero Emission by 2050	Sustainable Development	Announced Pledges
Oil price impact	less than 15%	less than 10%	less than 5%
How much of 2P+2C reserves will be recovered?	100%	100%	100%
Oil price and Carbon pricing impact (S1+S2)	less than 20%	less than 10%	less than 5%
How much of 2P+2C reserves will be recovered?	100%	100%	100%

Equity share approach for GHG accounting

NPV at 10%	Net Zero Emission by 2050	Sustainable Development	Announced Pledges
Oil price impact	less than 15%	less than 10%	less than 5%
How much of 2P+2C reserves will be recovered?	100%	100%	100%
Oil price and Carbon pricing impact (S1+S2)	less than 25%	less than 25%	less than 25%
How much of 2P+2C reserves will be recovered?	ca 65%	ca 65%	ca 70%

3. Risk Management

The following mitigation measures are implemented for physical risks:

- Dust suppression is typically used throughout the site in events of high winds and dust generation. This measure is important to increase visibility of passer-by vehicles and reduce particulate matter to compliant levels. Dust is typically monitored on a quarterly basis to ensure compliance with EA standards.
- Drainage installed in the area to minimise impacts of potential floods in the events of heavy rains or cyclone events, in each building, oil tanks and vessel boundaries.
- Measures implemented in the events of storms and lightning to avoid potential lightning strikes to passer-by vehicles and workers on site.
- In events of high temperatures, care is taken to ensure shelter and sufficient water is provided to hydrate workers on site; and when possible, to provide breaks at time periods when temperatures peak in the summer months.

The following mitigation measures are implemented to transition risks:

- Reduction of GHG emissions from operations through the implementation of gas to power plant project, aiming to stop routine flaring and eliminate diesel consumption for stationary combustion on Blocks 3&4.
- KPI of carbon intensity introduced (Management based KPI).
- Incorporation of carbon pricing assumptions in internal valuation for all existing and potential future projects.

Tethys Oil continuously monitors existing and emerging regulatory requirements related to climate. Climate change regulation at international, national and regional levels has the potential to significantly affect the regulatory environment of the oil and natural gas industry.

As countries around the world aim to fulfill their commitments under the Paris Agreement, corresponding regulatory changes could have a material impact on oil and gas operations.

Photo: Robert Haandrikman

Performance data

Introduction

Over the past couple of years, Tethys Oil's operated activities have increased noticeably as the Company has assumed the operatorship for Block 56 and Block 58 and drilling operations commenced on Block 49. In line with the increased activities, a corresponding jump in the nominal figures for certain key metrics can also been seen for 2022 and 2021 when compared to previous years. Most noticeable for the operated blocks are the Scope 1 emissions and the increased energy consumption that followed the seismic acquisition campaigns on Blocks 56 and 58 as well as the wells drilled on Blocks 49 and 56. While these activities are of key importance for the Company's future growth they also highlight the importance of a proactive approach in all aspects of Tethys Oil's sustainability work – from finding ways to keep emissions on a competitive level, to safeguard the habitability of the native species and supporting the local communities.

On the non-operated Blocks 3&4 the most noticeable increase is the Scope 3 figures affected by flared gas. This increase is in large part due to the new Flared Gas Emissions Estimation Methodology, which is based on The American Petroleum Institute (API) Compendium of Greenhouse Gas Emissions Methodologies for Oil and Natural Gas Industry. Tethys Oil is, together with its partner group on Blocks 3&4, currently engaging in a Gas-to-Power project aimed at reducing flaring and instead using the associated gas to replace diesel as the energy source of stationary combustion. The peak of flaring should occur in 2023, to then start decreasing as the project's facilities commence operations. The project is a first step towards Tethys Oil's long-term target of achieving zero routine flaring by 2030. Another positive development on Blocks 3&4 has been the successful implementation of the leak reduction programme. In 2022, the number of leaks and spills on the blocks has been reduced by 90 percent. On the following pages Tethys Oil presents its non-financial performance data and indices in reference to GRI and TCFD.

- Performance data for Tethys Oil operated activities
- Performance data for non-operated Blocks 3&4
- Total Performance data for entire Group

Environment

Energy

Energy used within organisation: HQs and Operating Blocks (49, 56, 58)	Unit	2019	2020	2021	2022	GRI indicator
Energy consumption*	MJ	575,756	770,988	25,898,173	28,235,377	
Fuel consumption within the organization – non-renewable sources	MJ	63,422	326,610	25,395,818	27,612,206	302-1
Electricity consumption**	MWh	142	123	140	173	
Energy Intensity	MWh/km driven		0.001	0.03	0.03	
Energy Intensity (on exploration blocks)	MWh/man-hour worked		0.002	0.04	0.07	302-3
Man-hours worked (Blocks 49, 56, 58)	man-hour worked	108	139,608	168,185	120,292	
Total km driven (Blocks 49, 56, 58)	km	11,943	426,34	220,456	276,829	

Energy used outside the organization (Blocks 3&4)	Unit	2019	2020	2021	2022	GRI indicator
Energy consumption*	MJ	404,280,741	392,541,455	437,043,761	548,450,569	
Fuel consumption outside of the organization – non-renewable sources	MJ	404,280,741	392,541,455	437,043,761	548,450,569	302-2
Energy Intensity	MJ/bbl	86	95	108	151	302-3

* Refers to the total energy used for operations
** Electricity consumption includes electricity used for cooling and heating

Emissions

Emissions (Operational control method)	Units	2019	2020	2021	2022	GRI indicator
GHG (direct, scope 1)	**t CO_2e**	**13**	**32**	**1,813**	**1,977**	
of which Stationary combustion	t CO_2e	9	28	1,804	1,967	305-1
of which Mobile combustion	t CO_2e	4	4	10	9	
GHG (indirect, scope 2)	**t CO_2e**	**50**	**40**	**49**	**67**	305-2
of which Purchased Energy	t CO_2e	50	40	49	67	
GHG (indirect, scope 3)	**t CO_2e**	**545,957**	**465,148**	**537,008**	**527,362**	
of which Purchased goods and services	t CO_2e	2	3	4	4	
of which Fuel- and energy related emissions (not included in Scope 1 and 2)	t CO_2e	16	13	148	354	
of which Waste generated in operations	t CO_2e	0	0	43	24.8	
of which Business travel	t CO_2e	73	23	45	63.1	
of which Employee commuting	t CO_2e	18	18	18	19	305-3
of which Investments (Blocks 3&4, Minijos)	t CO_2e	545,848	465,091	536,750	526,897	
of which Flaring	t CO_2e	148,290	123,220	201,522	220,496	
of which Cold Venting	t CO_2e	4,045	3,662	4,280	3,871	
of which Gas Utilized	t CO_2e	0	0	3,914	3,481	
of which Power Generation	t CO_2e	28,917	28,105	31,150	39,223	
GHG (indirect, scope 3) excluding CO2	**t CO_2e**	**259**	**3,893**	**16,748**	**19,931**	
N_2O	t CO_2e	153	143	76	84	
CH_4	t CO_2e	106	3,750	16,673	19,848	305-1
N_2O	t	0.51	0.48	0.25	0.28	
CH_4	t	4	150	667	794	
Total GHG emission (scope 1, 2, 3)	**t CO_2e**	**546,020**	**465,220**	**538,870**	**529,405**	
Direct CO_2 emission	**t CO_2e**	**13**	**32**	**1,813**	**1,977**	

Emissions (Equity share method)	Units	2019	2020	2021	2022	GRI indicator
GHG (direct, scope 1)	**t CO_2e**	**181,265**	**155,019**	**242,621**	**268,360**	
of which Stationary and Mobile combustion	t CO_2e	28,930	28,137	32,905	40,512	
of which Flaring	t CO_2e	148,290	123,220	201,522	220,496	305-1
of which Cold Venting	t CO_2e	4,045	3,662	4,280	3,871	
of which Gas Utilized	t CO_2e	0	0	3,914	3,481	
GHG (indirect, scope 2)	**t CO_2e**	**50**	**40**	**49**	**67**	305-2
of which Purchased Energy	t CO_2e	50	40	49	67	
GHG (indirect, scope 3)	**t CO_2e**	**364,705**	**310,161**	**296,142**	**260,291**	
of which Use of sold products	t CO_2e	302,654	274,087	228,325	211,363	
of which Processing of sold products	t CO_2e	20,367	18,600	14,635	13,499	
of which Transport and Distribution (downstream)	t CO_2e	8,401	7,401	6,038	5,630	
of which Purchased Goods and services	t CO_2e	394	365	355	699	
of which Capital Goods	t CO_2e	6,132	2,755	2,958	6,786	
of which Fuel- and energy related emissions (not included in Scope 1 and 2)	t CO_2e	6,080	5,901	6,704	8,581	305-3
of which Transport and Distribution (upstream)	t CO_2e	35	32	32	32	
of which Waste generated in operations	t CO_2e	20,471	898	36,952	13,538	
of which Investments	t CO_2e	81	81	81	81	
of which Business travel	t CO_2e	74	23	45	63	
of which Employee commuting	t CO_2e	18	18	18	19	
GHG (direct, scope 1) excluding CO2	**t CO_2e**	**259**	**3,893**	**16,748**	**19,931**	
N_2O	t CO_2e	153	143	76	84	
CH_4	t CO_2e	106	3,750	16,673	19,848	305-1
N_2O	t	1	0.48	0.25	0.28	
CH_4	t	4	150	667	794	
Total GHG emission (scope 1, 2, 3)	**t CO_2e**	**546,020**	**465,220**	**538,812**	**528,718**	
Direct CO_2 emission	**t CO_2e**	**181,315**	**155,059**	**242,670**	**268,427**	

GHG Intensity

GHG Intensity, Operational control	Unit	2019	2020	2021	2022	GRI indicator
GHG Intensity for the Operating blocks (S1+S2)*	t CO_2e / km driven	0.0053	0.0002	0.0084	0.0074	
GHG Intensity for the Group (S1 + S2 + S3 (Cathegories 9, 10, 11 are excluded))**	t CO_2e / 000'bbl	45.8	39.8	71.3	82.4	305-4

GHG Intensity, Equity share	Unit	2019	2020	2021	2022	GRI indicator
GHG Intensity for the Operating blocks (S1+S2)*	t CO_2e / km driven	15.2	0.4	1.1	1.0	
GHG Intensity for the Group (S1 + S2 + S3 (Categories 9, 10, 11 are excluded))**	t CO_2e / 000'bbl	45.8	39.8	71.3	82.2	305-4

* GHG Intensity for Operating blocks is based on Scope 1&2

** Gases included in the calculation: CO_2, CH_4, N_2O.

Flaring

Flaring and Venting on Blocks 3&4	Unit	2019	2020	2021	2022	GRI indicator
Natural gas flared	t CO_2e	148,290	123,220	201,522	220,496	305-1
Natural gas vented	t CO_2e	4,045	3,662	4,280	3,871	
Natural gas flared	MMscf	2,721	2,261	2,392	2,639	
Natural gas vented	MMscf	50	45	72	67.8	
Flaring intensity	scf / bbl	581	545	588	727	

Water used and discharged

Water withdrawal	Unit	Totally for the Group 2019	2020	2021	2022	In the areas with water stress (B3&4, B49, B56, B58) 2019	2020	2021	2022	GRI indicator
Water withdrawn, totally	megaliters	1,230	1,589	1,603	1,681	1,230	1,589	1,603	1,681	303-3, 303-5
thereof produced water	megaliters	807	666	913	1,091	807	666	913	1,091	
thereof freshwater (≤1.000 mg/l total dissolved solids)	megaliters	0	0	0	0	0	0	0	0	
thereof other water (>1.000 mg/l total dissolved solids)	megaliters	807	666	913	1,091	807	666	913	1,091	
thereof third-party water	megaliters	1.3	2.3	42.0	36.4	1.2	2.2	42.0	36.3	
thereof freshwater (≤1.000 mg/l total dissolved solids)	megaliters	1.3	2.3	42.0	36.4	1.2	2.2	42.0	36.3	
thereof groundwater	megaliters	1.2	2.2	42.0	36.3	1.2	2.2	42.0	36.3	
thereof surface water	megaliters	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	
thereof groundwater	megaliters	421	921.2	648.2	553.4	421	921.2	648.2	553.4	
thereof freshwater (≤1.000 mg/l total dissolved solids)	megaliters	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
thereof other water (>1.000 mg/l total dissolved solids)	megaliters	421.5	921.2	648.2	553.4	421.5	921.2	648.2	553.4	
Water consumed	megaliters	1,127	1,485	1,459	1,404	1,127	1,485	1,459	1,404	
Water recycled and reused	megaliters	697	559	769	813	697	559	769	813	
Re-injected produced water vs. produced water	%	86.4%	84.0%	84.2%	74.5%	86.4%	84.0%	84.2%	74.5%	
Re-injected produced water vs. total water withdrawn	%	56.7%	35.2%	47.9%	48.4%	56.7%	35.2%	48.0%	48.4%	

Water discharged	Unit	Totally for the Group 2019	2020	2021	2022	In the areas with water stress (B3&4, B49, B56, B58) 2019	2020	2021	2022	GRI indicator
Water discharged by destination	megaliters	103	104	144	277	103	104	144	277	303-4
thereof evaporated	megaliters	103	104	144	277	103	104	144	277	
thereof freshwater (≤1.000 mg/l total dissolved solids)	megaliters	0	0	0	0	0	0	0	0	
thereof other water (>1.000 mg/l total dissolved solids)	megaliters	103	104	144	277	103	104	144	277	

utility water: buying from third-party provider
utility water: fresh water
No water withdrawal estimated for B49/56/58

Waste

Waste from Operating Blocks (49, 56, 58)	Unit	2021	2022	GRI indicator
Total waste	t	33.7	19.6	306-3, 306-5
thereof non-hazardous waste	t	33.7	19.6	
thereof non-hazardous waste at landfill	t	33.7	19.6	
thereof non-hazardous waste disposed to a designated locations by the municipalities in Oman; offsite; general waste		33.7	19.6	
Waste directed to disposal	t	33.7	19.6	

Waste from Non-Operating Blocks (3&4)	Unit	2021	2022	GRI indicator
Total waste	t	215.8	676.9	306-3, 306-5
thereof non-hazardous waste	t	215.8	676.9	
thereof non-hazardous waste at landfill	t	215.8	676.9	
thereof non-hazardous waste disposed to a designated locations by the municipalities in Oman; offsite; general waste		215.8	676.9	
Hazardous waste, liquids	t	12,687.2	24,132.5	
thereof hazardous waste to landfill, onsite	t	6,364.0	7,659.7	
thereof hazardous waste disposed to a designated locations by the municipalities in Oman; landfill; offsite	t	6,323.2	16,472.8	
Waste directed to disposal	t	215.8	676.9	

Spills

Spills: Blocks 49/56/58	Unit	2021	2022	GRI indicator
Number of spills and leaks	number	0	0	306-3
of which minor (less than 0.7bbls/h)	number	0	0	
of which medium (0.7bbls/h < spills < 7.0 bbl/h)	number	0	0	
of which major (more than 7bbls/h)	number	0	0	
Amount of spills and leaks	litre	0	0	
Number of oil spills and leaks	number	0	0	
of which minor (less than 0.7bbls/h)	number	0	0	
of which medium (0.7bbls/h < spills < 7.0 bbl/h)	number	0	0	
of which major (more than 7bbls/h)	number	0	0	
Amount of oil spills and leaks	litre	0	0	

Spills: Blocks 3&4	Unit	2021	2022	GRI indicator
Number of spills and leaks	number	302	129	306-3
of which minor (less than 0.7bbls/h)	number	300	129	
of which medium (0.7bbls/h < spills < 7.0 bbl/h)	number	0	0	
of which major (more than 7bbls/h)	number	2	0	
Amount of spills and leaks	litre	110,275	12,649	
Number of oil spills and leaks	number	282	93	
of which minor (less than 0.7bbls/h)	number	281	93	
of which medium (0.7bbls/h < spills < 7.0 bbl/h)	number	0	0	
of which major (more than 7bbls/h)	number	1	0	
Amount of oil spills and leaks	litre	81,895	8,449	

Biodiversity

IUCN Red List species with habitats in operating areas (B49, B56, B58)	Unit	2021	2022	GRI indicator
Critically endangered	number	2	2	304-4
Endangered	number	4	4	
Vulnerable	number	5	5	
Near threatened	number	7	7	

Social and safety

Social investments in local communities

Social investments in local communities, Block 3&4, gross	Unit	2021	2022
cash	MUSD	1.0	1.0
in kind	MUSD	0.0	0.0
volunteering hours	hours	0.0	0.0

Social investments in local communities, Blocks 49, 56, 58, gross	Unit	2021	2022
cash	MUSD	0.012	0.032
in kind	MUSD	0.0	0.001
volunteering hours	hours	0.0	8 hrs distribution coupons for Iftar Saym for Ramadan

Discrimination

Incidents of discrimination and corrective actions taken	Units	2021	2022	GRI indicator
Total number of incidents of discrimination during the reporting period	number	0	0	406-1
Status of the incidents and actions taken		No incidents took place	No incidents took place	

Workforce Data

Total number of employees	Unit	2021	2022	GRI indicator
Total number of employees	number	28	31	102-7
out of which women	number	10	12	102-8
With employment contract, undetermined period, full time	number	26	29	
out of which women	number	9	11	
With employment contract, undetermined period, part time	number	2	2	
out of which women	number	1	1	
External consultants / contractors	number	4	6	
out of which women	number	1	1	
Sweden				
Total number of employees	number	7	10	102-8
out of which women	number	2	5	
External consultants / contractors	number	3	4	
out of which women	number	1	1	
Oman				
Total number of employees	number	20	20	102-8
out of which women	number	7	6	
External consultants / contractors	number	1	2	
out of which women	number	0	0	
UAE				
Total number of employees	number	1	1	102-8
out of which women	number	1	1	

Hirings

New employee hired by age group and gender	Unit	Number of employees		From which, women		GRI indicator
		2021	2022	2021	2022	
Total Group level						
<30 years old	number	2	0	2	0	401-1
	rate	100%	0%	100%	0%	
30-50 years old	number	3	4	0	2	
	rate	17%	17%	0%	22%	
>50 years old	number	0	1	0	1	
	rate	0%	20%	0%	50%	
Sweden						
<30 years old	number	0	0	0	0	401-1
	rate	0%	0%	0%	0%	
30-50 years old	number	1	2	0	2	
	rate	14%	22%	0%	50%	
>50 years old	number	0	1	0	1	
	rate	0%	50%	0%	100%	
Oman						
<30 years old	number	2	0	2	0	401-1
	rate	100%	0%	100%	0%	
30-50 years old	number	2	1	0	0	
	rate	17%	7%	0%	0%	
>50 years old	number	0	0	0	0	
	rate	0%	0%	0%	0%	
UAE						
<30 years old	number	0	0	0	0	401-1
	rate	0%	0%	0%	0%	
30-50 years old	number	0	0	0	0	
	rate	0%	0%	0%	0%	
>50 years old	number	0	0	0	0	
	rate	0%	0%	0%	0%	

Employee turnover by age group and gender	Unit	Number of employees		From which, women		GRI indicator
		2021	2022	2021	2022	
Total Group level						
<30 years old	number	0	0	0	0	401-1
	rate	0%	0%	0%	0%	
30-50 years old	number	0	1	0	1	
	rate	0%	5%	0%	11%	
>50 years old	number	0	1	0	1	
	rate	0%	20%	0%	50%	
Sweden						
<30 years old	number	0	0	0	0	401-1
	rate	0%	0%	0%	0%	
30-50 years old	number	0	1	0	1	
	rate	0%	11%	0%	25%	
>50 years old	number	0	1	0	1	
	rate	0%	50%	0%	100%	

Employee turnover by age group and gender	Unit	Number of employees 2021	Number of employees 2022	From which, women 2021	From which, women 2022	GRI indicator
Oman						
<30 years old	number	0	0	0	0	401-1
	rate	0%	0%	0%	0%	
30-50 years old	number	0	0	0	0	
	rate	0%	0%	0%	0%	
>50 years old	number	0	0	0	0	
	rate	0%	0%	0%	0%	
UAE						
<30 years old	number	0	0	0	0	401-1
	rate	0%	0%	0%	0%	
30-50 years old	number	0	0	0	0	
	rate	0%	0%	0%	0%	
>50 years old	number	0	0	0	0	
	rate	0%	0%	0%	0%	

Number of employee departing the company ÷ Average number of employees = Employee turnover

Management

The percentage of individuals within the Executives Management team	Unit	2021	2022	GRI indicator
Percentage of men	%	100	75	405-1
Percentage of women	%	0	25	
Percentage of individuals under 30 years old	%	0	0	
Percentage of individuals between 30 -50 years old	%	67	75	
Percentage of individuals over 50 years old	%	33	25	

Board of Directors

The percentage of individuals within the Board of Directors	Unit	2021	2022	GRI indicator
Percentage of men	%	80	80	405-1
Percentage of women	%	20	20	
Percentage of individuals under 30 years old	%	0	0	
Percentage of individuals between 30-50 years old	%	0	0	
Percentage of individuals over 50 years old	%	100	100	

The percentage of women and men employees per employee category

The percentage of women and men employees per employee category (internal employees)	Unit	Top Management 2021	Top Management 2022	Middle Management 2021	Middle Management 2022	Operative Staff 2021	Operative Staff 2022	GRI indicator
Percentage of women in the organisation	%	0	8	10	8	90	83	405-1
Percentage of men in the organisation	%	17	16	17	16	67	68	
Employees <30 years old	%	0	0	0	0	100	100	
Employees between 30-50 years old	%	10	10	5	5	85	86	
Employees >50 years old	%	25	20	75	60	0	20	

The percentage is calculated by reference to the total number of women / men and not to the total number of employees

Standard benefits for full-time employees

Table 1. Benefits	2021	2022	Beneficiaries	Motivation	GRI indicator
Sweden					
Health insurance care	yes	yes	All employees	Health protection	401-2
Parental leave	yes	yes	All employees	Gender equality	401-2
Subsidies for holiday and treatment	yes	yes	All employees	Attraction	401-2
Subsidies for lunches	yes	yes	All employees	Attraction	401-2
Disability and invalidity coverage	yes	yes	All employees	Attraction	401-3
Retirement provision	yes	yes	All employees	Attraction	401-4
Stock ownership	yes	yes	All employees	Attraction	401-5
Oman					
Health insurance care	yes	yes	All employees	Health protection	401-2
Parental leave	yes	yes	Female employees	Attraction	401-2
Subsidies for holiday and treatment	yes	yes	All employees	Attraction	401-2
Disability and invalidity coverage	yes	yes	All employees	Attraction	401-3
Retirement provision	yes	yes	All employees	Attraction	401-4
Stock ownership	yes	yes	All employees	Attraction	401-5
UAE					
Health insurance care	yes	yes	All employees	Health protection	401-2
Subsidies for holiday and treatment	yes	yes	All employees	Attraction	401-2
Stock ownership	yes	yes	All employees	Attraction	401-5

Performance review

The percentage of total employees, by gender and by employee category, who received a regular performance and career development review	Unit	2021	2022	GRI indicator
% of members of the organization who received performance review	%	100	100	404-3
% of women who received performance review	%	100	100	
% of employees with ILC, undetermined period, full time, who received performance review	%	100	100	
% of women, with ILC, undetermined period, full time, who received performance review	%	100	100	
% of employees with ILC, undetermined period, part time, who received performance review	%	100	100	
% of women, with ILC, undetermined period, part time, who received performance review	%	100	100	

Parental leave

		2021		2022		GRI
Parental leave: Group	Unit	Women	Men	Women	Men	indicator
Total number of employees that were entitled to parental leave as per end of year	number	1	2	3	2	401-3
Total number of employees that took parental leave during the year	number	1	2	2	2	
Number of employees who returned to work after parental leave ended	number	1	2	1	2	
Number of employees who returned to work after parental leave ended, who were still employed twelve months after their return to work	number	1	2	1	2	
Return to work rate	%	100	100	50	100	
Retention rate	%	100	100	100	100	

Average hours of training per year per employee

Average hours of training per year per employee: Group	Unit	2021	2022	Employee Category	GRI indicator
Total training hours for all employees	hours	188	673	Economics, Finance & Legal	404-1
thereof male	hours	106	540	Economics, Finance & Legal	
thereof female	hours	82	133	Economics, Finance & Legal	
Average hours of training per employee	hours	6.7	21.7	Economics, Finance & Legal	
thereof male	hours	5.9	30.0	Economics, Finance & Legal	
thereof female	hours	8.2	11.1	Economics, Finance & Legal	
Total training expenditures for all employees	MUSD	0.03	0.03	Economics, Finance & Legal	
Average training expenditures for all employees	USD	919	1129	Economics, Finance & Legal	

Safety

Safety Performance, Occupational safety, employees & contractors, Blocks 3&4	Unit	2021	2022	GRI indicator
Fatalities	number	0	0	403-9
Fatalities rate	per 100 mn hours worked	0	0	
Number of hours worked	hours (thousand)	5,690	8,760	
Lost-Time Injury rate (LTIR)	per 1 mn hours worked	0.35	0.23	
High-consequence work-related injuries	number	0	0	
High-consequence work-related injuries	per 1 mn hours worked	0	0	
Lost workday injuries	number	0	0	
Lost work days (calendar days)	number	0	0	
Total recordable injuries	number	2	5	
Total Recordable Injury Rate (TRIR)	per 1 mn hours worked	0.35	0.57	
The main types of work-related injury for employees		Different work-related	Different work-related	

Safety Performance, Occupational safety, employees & contractors, Blocks 49.56.58	Unit	2020	2021	2022	GRI indicator
Fatalities	number	0	0	0	403-9
Fatalities rate	per 100 mn hours worked	0	0	0	
Number of hours worked	hours (thousand)	140	169	120	
Lost-Time Injury rate (LTIR)	per 1 mn hours worked	0	0	0	
High-consequence work-related injuries	number	0	0	0	
High-consequence work-related injuries	per 1 mn hours worked	0	0	0	
Lost workday injuries	number	0	0	0	
Lost work days (calendar days)	number	0	0	0	
Total recordable injuries	number	0	0	0	
Total Recordable Injury Rate (TRIR)	per 1 mn hours worked	0	0	0	
The main types of work-related injury for employees		Non accured in the considered period	Non accured in the considered period	Non accured in the considered period	

Governance

Payments to authorities 2021

	Production sharing		Income taxes	Licence costs	Total	GRI indicator
Oman	Barrels ('000)	USD ('000)	USD ('000)	USD ('000)	USD ('000)	
Per project						
Blocks 3&4	2,265	102,202	45,039		147,241	207-4
Blocks 49				250	250	
Blocks 56				100	100	
Blocks 58				350	350	
Total Oman	2,265	102,202	45,039	700	147,941	
Total Tethys Oil	**2,265**	**102,202**	**45,039**	**700**	**147,941**	
Per Authority						
Sultanate of Oman – Ministry of Energy and Minerals	2,265	102,202		300	102,502	207-4
Sultanate of Oman – Ministry of Finance			45,039	400	45,439	
Total Oman	2,265	102,202	45,039	700	147,941	
Total Tethys Oil	**2,265**	**102,202**	**45,039**	**700**	**147,941**	

Payments to authorities in 2022

	Production sharing		Income taxes	Licence costs	Total	GRI indicator
Oman	Barrels ('000)	USD ('000)	USD ('000)	USD ('000)	USD ('000)	
Per project						
Blocks 3&4	1,964	129,059	59,487		188,546	207-4
Blocks 49				250	250	
Blocks 56				350	350	
Blocks 58				350	350	
Total Oman	1,964	129,059	59,487	950	189,496	
Total Tethys Oil	**1,964**	**129,059**	**59,487**	**950**	**189,496**	
Per Authority						
Sultanate of Oman – Ministry of Energy and Minerals	1,964	129,059		300	129,359	207-4
Sultanate of Oman – Ministry of Finance			59,487	650	60,137	
Total Oman	1,964	129,059	59,487	950	189,496	
Total Tethys Oil	**1,964**	**129,059**	**59,487**	**950**	**189,496**	

Social fines

Non-compliance with laws and regulations in the social and economic area	Units	2021	2022	GRI indicator
Total number of significant fines	number	0	0	419-1
Total monetary value of significant fines	MUSD	0	0	
Total number of non-monetary sanctions	number	0	0	
Cases brought through dispute resolution mechanisms	number	0	0	

Corruption

Confirmed incidents of corruption and actions taken	Units	2021	2022	GRI indicator
Total number and nature of confirmed incidents of corruption	number	0	0	205-3
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	number	0	0	
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.	number	0	0	
Public legal cases regarding corruption brought against the organization or its employees during the reporting period	number	0	0	
Confirmed breaches to the Code of Conduct	number	0	0	

Communication about anti-corruption policies and procedures	Units	2021	2022	GRI indicator
Communication of Anti-Corruption Policy to the Board of Directors	number of members	5	5	205-2
	%	100	100	
Communication of Anti-Corruption Policy to the employees				
Group level				
Executive Management	number of employees	3	4	205-2
	%	100	100	
Operative staff	number of employees	25	27	
	%	0	100	

GRI index

Statement of use

Tethys Oil AB (publ) has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards. Applicable GRI Sector Standard – GRI 11: Oil and Gas 2021.

AR: Tethys Oil Annual Report 2022, SR: Tethys Oil Sustainability Report 2022.

	Disclosure	Comments
Foundation Disclosures 2021		
GRI 1: Foundation 2021	**Requirement 1:** Application of the reporting principles	Action Completed
	Requirement 2: Report the disclosures in GRI 2: General Disclosures 2021	Action Completed
	Requirement 3: Determine material topics	Action Completed
	Requirement 4: Report the disclosures in GRI 3: Material Topics 2021	Action Completed
	Requirement 5: Report disclosures from the GRI Topic Standards for each material topic	Not required for reporting with reference to the standards
	Requirement 6: Provide reasons for omission for disclosures and requirements that the organization cannot comply with	Not required for reporting with reference to the standards
	Requirement 7: Publish a GRI content index	Action Completed
	Requirement 8: Provide a statement of use	Action Completed
	Requirement 9: Notify GRI	Action Completed

GRI standard	Disclosure	Location	Comments	Sector standard ref. no.
General disclosures				
GRI 2: General Disclosures 2021	2-1 Organizational details	SR Backcover	A-d) Applicable	
	2-2 Entities included in the organization's sustainability reporting	SR 5	A-d) Applicable	
	2-3 Reporting period, frequency and contact point	SR 5	A-d) Applicable	
	2-4 Restatements of information	SR 3	A) Applicable i. Applicable, ii, Applicable, iii Applicable	
	2-5 External assurance	SR 59	A) Applicable b) i. Applicable, ii, Applicable, iii Applicable	
	2-6 Activities, value chain and other business relationships	SR 8	A) Applicable b) i. Applicable, ii, Applicable, iii Applicable c) Applicable d) Applicable	
	2-7 Employees	SR 30, 46-51	A) Applicable b) i. Applicable, ii, Applicable, iii Not applicable iv. Applicable v. Applicable c) i Applicable ii Applicable d) Applicable e) Applicable	
	2-8 Workers who are not employees	SR 30, 46-51	Applicable	
	2-9 Governance structure and composition	AR 29-33	Applicable	
	2-10 Nomination and selection of the highest governance body	AR 29-33	Applicable	
	2-11 Chair of the highest governance body	AR 29-33	Applicable	
	2-12 Role of the highest governance body in overseeing the management of impacts	AR 29-33	Applicable 2a ,2b i, ii, 2c	
	2-13 Delegation of responsibility for managing impacts	AR 29-33, SR 33, 51-53	A-b) Applicable	
	2-14 Role of the highest governance body in sustainability reporting	SR 33, 51-33	A.b) Applicable	
	2-15 Conflicts of interest	AR 29-33	A-b) Applicable	
	2-16 Communication of critical concerns	AR 29-33, SR 33, 51-52	A-b) Applicable	
	2-17 Collective knowledge of the highest governance body	AR 29-33	A-c) Applicable	
	2-18 Evaluation of the performance of the highest governance body	AR 29-33	A-c) Applicable	
	2-19 Remuneration policies	AR 29-33	A) i. Applicable ii. Applicable partially iii. Applicable iv. Applicable partially v. Applicable b) Applicable	
	2-20 Process to determine remuneration	AR 29-33	A) i. Applicable ii. Applicable partially, iii. Applicable b) Applicable partially	
	2-21 Annual total compensation ratio	AR 29-33	A-c) Applicable	
	2-22 Statement on sustainable development strategy	SR 4,9	A-f) Applicable + corporate policies	
	2-23 Policy commitments	SR 32-33	A-f) Applicable	
	2-24 Embedding policy commitments	SR 33-33	A) Applicable	
	2-25 Processes to remediate negative impacts	SR 36-41	A-d) Applicable	
	2-26 Mechanisms for seeking advice and raising concerns	SR 32-33	A) Applicable	
	2-27 Compliance with laws and regulations	AR 37, 57	A-e Applicable	
	2-28 Membership associations	SR 2	A) Applicable	
	2-29 Approach to stakeholder engagement	SR 10	A) Applicable	
	2-30 Collective bargaining agreements	SR 28, 46-51	A) Applicable	

GRI standard	Disclosure	Location	Comments	Sector standard ref. no.
Material topics				
	3-2 List of material topics	SR 15-35	A-b) Applicable	
	3-3 Management of material topics	SR 15-35	A-f) Applicable	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	AR 4-5, SR 35	A-b) Applicable	11.14.2
	201-2 Financial implications and other risks and opportunities due to climate change	SR 34-41	A) Applicable	11.2.2
	202-2 Proportion of senior management hired from the local community	SR 46-49	A-d) Applicable	11.14.3
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	SR 34, 46	A-b) Applicable	11.14.5
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	SR 53	A-b) Applicable	11.20.2
	205-2 Communication and training about anti-corruption policies and procedures	SR 53	B) Applicable e) Applicable	11.20.3
	205-3 Confirmed incidents of corruption and actions taken	SR 32, 53	A-e) Applicable	11.20.2
GRI 207: Tax 2019	207-1 Approach to tax	AR 37, SR 52	A) Applicable	11.21.4
	207-2 Tax governance, control, and risk management	AR 37	A-c) Applicable	11.21.5
	207-3 Stakeholder engagement and management of concerns related to tax	AR 37	A) Applicable	11.21.6
	207-4 Country-by-country reporting	AR 64	A-c Applicable	11.21.7
GRI 302: Energy 2016	302-1 Energy consumption within the organization	SR 42	A-g) Applicable	11.1.2
	302-2 Energy consumption outside of the organization	SR 42	A-c) Applicable	11.1.3
	302-3 Energy intensity	SR 43	A-c) Applicable	11.1.4
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	SR 44	A) Applicable	11.6.2
	303-3 Water withdrawal	SR 44	A-d) Applicable	11.6.4
	303-4 Water discharge	SR 44	A-e) Applicable	11.6.5
	303-5 Water consumption	SR 44	A) Applicable	11.6.6
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SR 16-17, 45	A) Applicable i. Applicable, ii, Applicable, iii Applicable v. Applicable iv. Applicable	11.4.2
	304-2 Significant impacts of activities, products and services on biodiversity	SR 16-17	A) Applicable	11.4.3
	304-3 Habitats protected or restored	SR 16-17	A-g Applicable	11.4.4
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	SR 16-17, 45	A) Applicable i. Applicable, ii, Applicable, iii Applicable v. Applicable iv. Applicable	11.4.5
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	SR 20, 42-43	A-f) Applicable	11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	SR 20, 42-43	A) Applicable	11.1.6
	305-3 Other indirect (Scope 3) GHG emissions	SR 20, 42-43	A) Applicable	11.1.7
	305-4 GHG emissions intensity	SR 42-43	A) Applicable c) Applicable, d) Applicable	11.1.8
	305-5 Reduction of GHG emissions	SR 21	A-e) Applicable	11.2.3
GRI 306: Waste 2020	306-3 Waste generated	SR 44-45	A-b) Applicable	11.5.4
	306-4 Waste diverted from disposal	SR 45	A) Applicable, b-c) Applicable partially	11.5.5
	306-5 Waste directed to disposal	SR 44-45	A-e) Applicable	11.5.6
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	SR 12	A) Applicable	/
	308-2 Negative environmental impacts in the supply chain and actions taken	SR 18-21	A-c Applicable	/

GRI standard	Disclosure	Location	Comments	Sector standard ref. no.
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	SR 46-51	A-b) Applicable	11.10.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR 29, 46-51	A-b Applicable	11.10.3
	401-3 Parental leave	SR 46-51	A-d) Applicable	11.10.4
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	SR 25-27, 51	A-b) Applicable	11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation	SR 25-27, 35-37, 51	A-c) Applicable, (HSE Policy)	11.9.3
	403-3 Occupational health services	SR 25-27, 51	A) Applicable, (HSE Policy)	11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	SR 25-27, 51	A-b) Applicable	11.9.5
	403-5 Worker training on occupational health and safety	SR 25-27, 51	A) Applicable, (HSE Policy)	11.9.6
	403-6 Promotion of worker health	SR 25-27, 51	A-b) Applicable, (HSE Policy)	11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR 25-27, 51	A) Applicable	11.9.8
	403-9 Work-related injuries	SR 27, 51	A) Applicable e) Applicable	11.9.10
	403-10 Work-related ill health	SR 27, 51	A-e) Applicable	11.9.11
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	SR 50-51	A) Applicable	11.10.6
	404-3 Percentage of employees receiving regular performance and career development reviews	SR 49	A) Applicable	/
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	SR 30, 46	A) i Applicabw, ii Applicable, b) i Applicable, ii. Applicable	11.11.5
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	SR 28-29, 46	A-b) Applicable, (Supplier Code of Conduct)	11.11.7
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	SR 28-29	A-b) Applicable	/
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	SR 28-29	A-b) Applicable	11.18.2
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	SR 23-24, 46	A) Applicable	11.15.2

TCFD index

Recommended TCFD Disclosure	Comment	Location of Disclosure
Governance		
a) Board's oversight of climate related risks		
Process and frequency of information		Ethical governance, p. 33
Influence on business planning and goals		Ethical governance, p. 33
How the Board assesses progress against goals		Ethical governance, p. 33
b) Management's role in assessing and managing climate-related risks		
Responsibilities for climate-related risks		Ethical governance, p. 33
Description of organization structure		Ethical governance, p. 33
Process of communication		Ethical governance, p. 33
Process for monitoring		Ethical governance, p. 33
Strategy		
a) Near, medium, and long-term climate-related risks		
Description of time horizons	Long-term (mostly) and mid-term (selectively) have been identified	Strategy and Risk Management, p. 39
Specific risks that could be material for each time horizon		Strategy and Risk Management, p. 39
Process to determine material risks		Strategy and Risk Management, p. 39
b) Impact on business, strategy and planning		
Impact on business and strategy		Strategy and Risk Management, p. 39
Impact on financial planning, timing and prioritization		Risk Management, p. 41
How risks are integrated into current decision-making and strategy formulation		Risk Management, p. 41
Describe climate-related strategies	3 external scenarios considered	Scenario Analysis and Climate Resilience, p. 40
c) Resilience of strategy using 2-degree or lower scenarios	Impact on valuation of reserves and resources under different transition scenarios (oil price and carbon pricing)	Scenario Analysis and Climate Resilience, p. 41
Risk Management		
a) Process to assess climate-related risks		
Risk management process		Risk Management, p. 41
Existing and emerging regulatory requirements		Emissions management, p. 21
Process for assessing size and scope of risk		Strategy and Risk Management, Scenario Analysis and Climate Resilience, p. 39–41
b) Process to manage climate-related risks		Risk Management, p. 41
c) Integration of risk process into overall risk management		Business resilience, p 39–41
Metrics and Targets		
a) Metrics used to assess climate-related risks	GHG emissions, GHG intensity, Energy consumption & intensity Water use & discharge	Performance data, p. 42–44
b) Scope 1 and Scope 2 emissions	Scope 1, 2 and 3 calculated with Equity share and Operational control methods	Performance data, p. 42–43
c) Describe targets used	No routine flaring by 2030	Emissions management, p. 18

Auditor's report

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Tethys Oil Ab (publ), corporate identity number 556615-8266.

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability report for the year 2022 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Gothenburg, 17 April 2023

PricewaterhouseCoopers AB

Johan Malmqvist
Authorised Public Accountant
Lead Partner

Sophie Damborg
Authorised Public Accountant

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