



Press release

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TETHYS OIL IN MAJOR BALTIC INVESTMENT - ACQUIRES OIL PRODUCING ASSETS IN LITHUANIA

Tethys Oil AB ("Tethys") has agreed with Odin Energi A/S ("Odin") to acquire interests in Lithuanian oil companies UAB Minijos Nafta ("MN") and UAB LL Investicos ("LLI"). MN holds the Gargzdai license with proven and probable reserves in excess of 6 million barrels and with a daily oil production of more than 700 barrels. LLI holds the Rietavas and Raiseiniai licenses with known oil deposits as well as significant exploration upside. All licenses are onshore and cover some 4,000 square kilometres of the Baltic Sedimentary Basin (see map). The interests will be held through Odin group companies giving Tethys a net indirect interest of 25% in MN and 20% in LLI in consideration for approximately MSEK 140.

Tethys will receive newly issued shares in Odin group companies in exchange for the consideration of approximately MSEK 140 which will be met primarily by converting MEUR 13 (about MSEK 116) from a loan provided to Odin by Tethys, under a strategic investment agreement entered into previously. In addition, Tethys will pay MUSD 3.5 (about MSEK 24) in cash. Together Tethys and Odin will have 50% of the shares in both MN and LLI. The remaining 50% of MN is owned by Lithuanian company Geonafta which is part of the Polish Lotos group. The remaining 50% of LLI is owned by private interests. Under the investment agreement a balance of MEUR 2 will remain, which can be used for other investments or will be repaid to Tethys through share dividends.

The Gargzdai license covers an area of 900 square kilometres in western Lithuania. The daily production amounts to more than 700 barrels of around 42 degree API oil. In total, 15 million barrels of oil have been produced from Cambrian sandstone reservoirs. MN's proven and probable oil reserves are in excess of 6 million barrels according to independent petroleum consultant Miller Lents' estimate from May 2011. Proven, probable and possible reserves amount to more than 12 million barrels. A reservoir study made on the license area suggests that the reserves could be significantly increased with the use of modern alternative oil recovery techniques. The license also holds significant unconventional hydrocarbon potential, including exposure to Silurian/Ordovician shale sections.

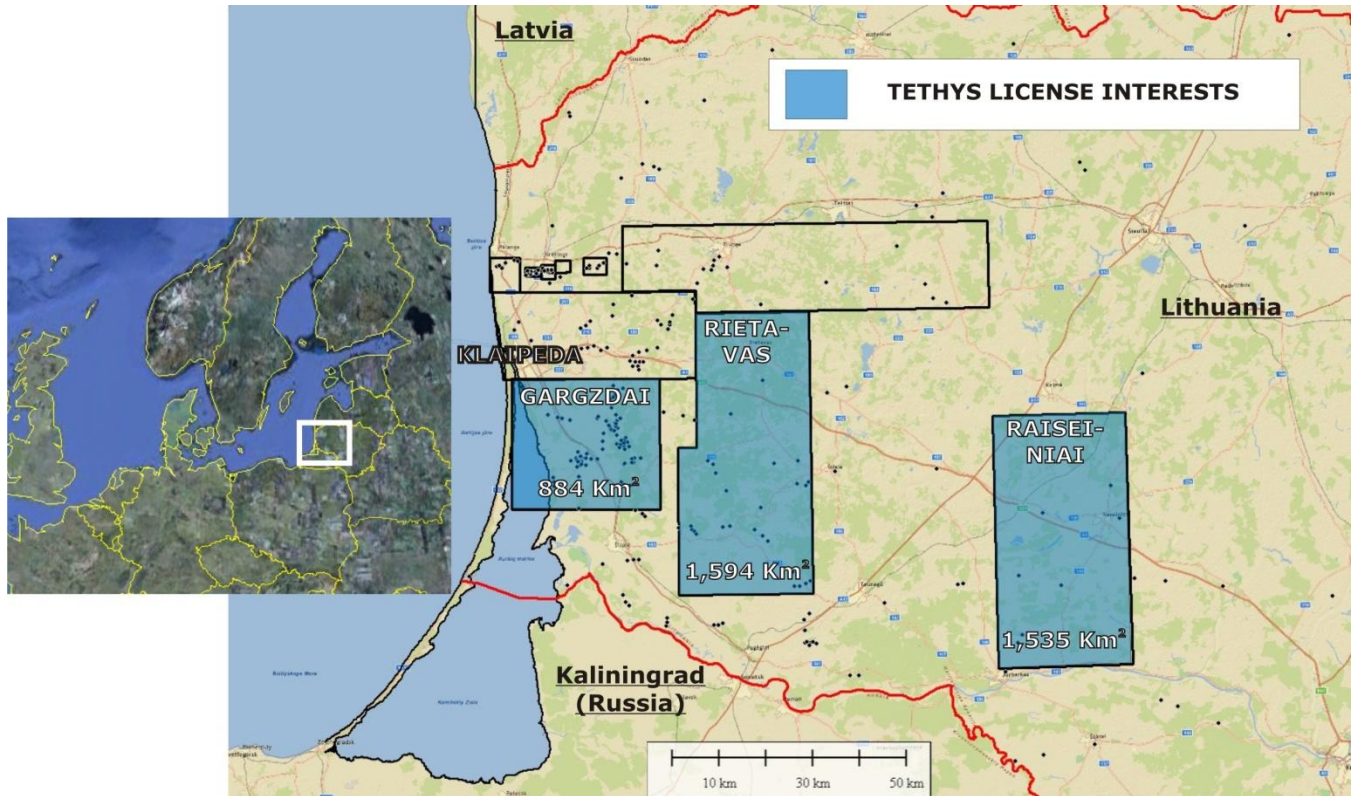
The Rietavas license covering some 1,600 square kilometres is located close to the Gargzdai license, with a known oil discovery in the Cambrian sandstones which is the reservoir layer which is in production in Gargzdai. The Rietavas license is however quite unexplored. The Raiseiniai license, with an areal extension just over 1,500 square kilometres, covers a so far unexplored trend of Silurian reefs similar to, but expected to be of larger size, compared to the Ordovician reefs found on Gotland. The Silurian/Ordovician shale section is present also in the Rietavas and Raiseiniai licenses.

"The Lithuanian licenses strengthen a 'second leg' focused on Europe as a strategic complement to our Omani assets. They give exposure to production, appraisal opportunities and exploration. All three licenses

are within the geologically highly interesting Baltic Basin and are covered by attractive fiscal terms." comments Tethys' Managing Director Magnus Nordin.

For further information, please contact

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Tethys Oil AB (publ)

Tethys Oil is a Swedish energy company focused on identification and development for production of oil and natural gas assets. Tethys' core area is the Sultanate of Oman, where the company is the second largest onshore oil and gas concession-holder with licence interests in three onshore blocks. Tethys also has licences onshore France and Sweden. Tethys' strategy is to invest in projects in areas with known oil and natural gas discoveries that have not been properly appraised using modern technology. In this way, high returns can be achieved with limited risk.

The shares are listed on First North (TETY) in Stockholm. Remium AB is Certified Adviser.

Website: www.tethysoil.com