



Operational update Oman

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CONTINUED SUCCESSFUL DRILLING IN OMAN - THREE NEW OIL BEARING FAULT BLOCKS DISCOVERED

On the Farha South field on Block 3 onshore Oman, a total of 10 wells were completed during the second quarter 2012. Of these, three wells were drilled into the Barik reservoir of previously undrilled fault blocks resulting in the discovery of three new oil bearing blocks. As at June 30 2012, a total of 14 fault blocks are in production with more planned to be drilled later this year.

Five production wells were drilled and completed in previously drilled blocks to increase production and two water injections wells were drilled and completed. The drilling programme is continuing with two rigs in operation. During the coming months increased focus will be on exploration, with exploration wells to be drilled also in Block 4.

"The second quarter saw a 100% success rate when drilling new fault blocks. Out of three drilled three were found to be oil bearing. Again 3D seismic proves to be the key to success. We are hopeful that these new discoveries will have a material impact on our resources/reserve base, and we have asked our independent auditors DeGolyer and MacNaughton to make an updated audit as per June 30. We expect to announce this study in August," comments Tethys Managing Director Magnus Nordin.

Tethys has a 30 per cent interest in Blocks 3 and 4. Partners are Mitsui E&P Middle East B.V. with 20 per cent and the operator CC Energy Development S.A.L. (Oman branch) holding the remaining 50 per cent.

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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, Lithuania 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