

FORM 51-101F1

**STATEMENT OF RESERVES DATA
AND OTHER OIL AND GAS INFORMATION**

This Statement of reserves data and other oil and gas information has been prepared in accordance with the requirements of NI 51-101.

The Company engaged Gustavson Associates (“Gustavson”) to independently evaluate the Company’s oil and natural gas reserves in Kazakhstan. There are no reserves associated with the Company’s acreage in Georgia.

Gustavson prepared an independent evaluation report (“Gustavson Reserves Report”) of the Company’s oil and natural gas reserves in respect of Kazakhstan. Relevant dates of the Gustavson Reserves Report are as follows:

Date of statement	April 24, 2020
Effective date of the information	December 31, 2019
Preparation date of the information	April 24, 2020

Disclosure of Reserves Data

Kazakhstan

The reserves data summarise the crude oil and natural gas reserves of the Company and the net present values of future net revenue for these reserves using forecast prices and costs. The reserves data set forth complies with the requirements of NI 51-101. The Company has included additional information not required by NI 51-101 which the Company believes to be pertinent to investors and to provide continuity with earlier disclosure. Gustavson was engaged by the Company to provide evaluations of proved, probable and possible crude oil and natural gas reserves.

In preparing the Gustavson Reserves Report, basic information was obtained from Tethys, which included land data, well information, geological information, production data, estimates of on-stream dates, contract information, current hydrocarbon product prices, operating cost data, capital budget forecasts, financial data and future operating plans. Other engineering, geological or economic data required to conduct the evaluations and upon which the Gustavson Reserves Report are based was obtained from public records, other operators and from Gustavson non-confidential files. The extent and character of ownership and the accuracy of all factual data supplied for the independent evaluation, from all sources, was accepted by Gustavson as represented.

Estimated future net revenue based on the Gustavson Reserves Report is presented in USD (note: oil and gas sales and qualifying expenditure are subject to VAT at 12% in Kazakhstan; however, these are outside the scope of the NI 51-101 evaluation). All evaluations and reviews of future net cash flow are stated prior to any provision for interest costs or general and administrative costs (other than Kazakhstan-related general and administrative costs) and after the deduction of estimated future capital expenditures for wells to which reserves have been assigned. It should not be assumed that the estimated future net cash flow shown below is representative of the fair market value of the Company’s properties. There is no assurance that such price and cost assumptions will be attained and variances could be material. The recovery and reserve estimates of crude oil and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves

will be recovered. Actual crude oil and natural gas reserves may be greater than or less than the estimates provided herein.

Throughout the following summary tables differences may arise due to rounding.

Summary of Oil and Natural Gas Reserves⁽¹⁾
As of December 31, 2019
Forecast Prices and Costs

Reserves Category	Light and Medium Crude Oil		Natural Gas		Total	
	Gross (Mbbbl)	Net (Mbbbl)	Gross (Bcf)	Net (Bcf)	Gross (MBoe)	Net (MBoe)
KAZAKHSTAN						
Proved						
Developed Producing	-	-	9,275	8,214	1,546	1,369
Developed Non-Producing	-	-	700	619	117	103
Undeveloped	2,048	1,997	647	605	2,156	2,098
Total Proved	2,048	1,997	10,622	9,438	3,819	3,570
Probable	8,177	7,927	33,505	29,764	13,761	12,887
Total Proved Plus Probable	10,225	9,924	44,127	39,202	17,580	16,457
Possible	8,041	7,735	23,090	20,560	11,890	11,161
Total Proved Plus Probable Plus Possible	18,267	17,658	67,217	59,762	29,469	27,619

Notes:

(1) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

**Summary of
Net Present Values of Future Net Revenue
As of December 31, 2019
Forecast Prices and Costs**

Reserves Category	Before Income Taxes Discounted at (%/year)					After Income Taxes Discounted at (%/year)					Unit Value Before Income Taxes Discounted at 10%/year (\$/boe)
	0	5	10	15	20	0	5	10	15	20	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
KAZAKHSTAN											
Proved											
Developed Producing	10,655	9,681	8,854	8,143	7,529	9,405	8,577	7,872	7,266	6,739	6.47
Developed Non-Producing	230	218	207	198	189	230	218	207	198	189	2.01
Undeveloped	35,067	24,871	17,797	12,809	9,242	34,595	24,541	17,563	12,640	9,118	8.48
Total Proved	45,952	34,770	26,858	21,150	16,959	44,230	33,337	25,642	20,103	16,046	7.52
Probable	268,712	195,295	145,547	110,864	86,078	124,804	89,107	65,701	49,815	38,698	11.29
Total Proved Plus Probable	314,663	230,066	172,405	132,014	103,037	169,034	122,444	91,344	69,918	54,744	10.48
Possible	298,623	211,091	153,560	114,473	87,158	119,290	82,983	59,860	44,511	33,960	13.76
Total Proved Plus Probable Plus Possible	613,287	441,156	325,965	246,488	190,195	288,324	205,427	151,204	114,429	88,704	11.80

**Total Future Net Revenue
(Undiscounted)
As of December 31, 2019
Forecast Prices and Costs⁽¹⁾⁽²⁾**

Reserves Category	Revenue \$'000	Royalties \$'000	Export Rent Tax \$'000	Operating Costs \$'000	Development Costs \$'000	Abandonment and Reclamation Costs \$'000	Other Expenses \$'000	Future Net Revenue Before Income Taxes \$'000	Income Taxes \$'000	Future Net Revenue after Income Taxes \$'000
KAZAKHSTAN										
Total Proved	117,312	(6,886)	-	(29,171)	(30,318)	(339)	1	50,599	(4,855)	45,744
Total Proved Plus Probable	472,813	(16,202)	-	(58,041)	(73,640)	(717)	(1)	324,212	(151,546)	172,666
Total Proved Plus Probable Plus Possible	811,360	(23,172)	-	(79,053)	(82,615)	(959)	-	625,561	(333,446)	292,115
TOTAL										
Total Proved	117,312	(6,886)	-	(29,171)	(30,318)	(339)	1	50,599	(4,855)	45,744
Total Proved Plus Probable	472,813	(16,202)	-	(58,041)	(73,640)	(717)	(1)	324,212	(151,546)	172,666
Total Proved Plus Probable Plus Possible	811,360	(23,172)	-	(79,053)	(82,615)	(959)	-	625,561	(333,446)	292,115

Notes:

- (1) "Other expenses" refers to the repayment of historical costs.
(2) "Royalties" include the Mineral Extraction Tax.

**Future Net Revenue
By Production Group
As of December 31, 2019
Forecast Prices and Costs ⁽¹⁾**

Reserves Category	Future Net Revenue Before Income Taxes (discounted at 10%/year) \$'000	Unit Value \$/boe
KAZAKHSTAN		
Light and Medium Crude Oil:		
Total Proved	17,797	8.48
Total Proved + Probable	145,718	14.10
Total Proved + Probable + Possible	280,579	15.25
Associated Gas and Non-Associated Gas:		
Total Proved		
Total Proved + Probable	9,061	6.15
Total Proved + Probable + Possible	26,686	4.36

Notes:

(1) See table below "Summary of Pricing and Inflation Rate Assumptions" for pricing assumptions.

**Summary of Pricing and Inflation Rate Assumptions
As of December 31, 2019
Forecast Prices and Costs**

	Brent Crude Oil Price (\$/bbl)	Akkulka Domestic Crude Oil Price (\$/bbl)	Kyzylai Domestic Gas Price (\$/Mcf)	Akkulka Domestic Gas Price (\$/Mcf)	Inflation rate %/year
KAZAKHSTAN					
Historical					
2019 (average)	64.18	33.93	3.04	3.04	N/A
Forecast					
2020	64.57	32.41	2.99	2.99	2.00%
2021	63.85	32.04	2.96	2.96	2.00%
2022	63.77	31.93	2.95	2.95	2.00%
2023	64.11	32.05	2.96	2.96	2.00%
2024	64.98	32.46	3.00	3.00	2.00%
2025	66.02	32.96	3.04	3.04	2.00%
Thereafter (plus inflation)	1.50%	1.50%	1.50%	1.50%	1.50%

Reserves Reconciliation

Kazakhstan

The following table sets forth a reconciliation of Tethys' total gross proved, probable and proved plus probable reserves as at December 31, 2019, against such reserves as at December 31, 2018, based on forecast prices and cost assumptions.

Factors	Light and Medium Crude Oil			Associated and Non-Associated Natural Gas		
	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved Plus Probable (Mbbbl)	Gross Proved (Bcf)	Gross Probable (Bcf)	Gross Proved Plus Probable (Bcf)
KAZAKHSTAN						
January 1, 2019	4,482	5,793	10,275	21.8	19.0	40.8
Extensions and Improved Recovery	-	-	-	-	-	-
Technical Revisions	(2,476)	2,382	(94)	(8.1)	10.5	2.5
Discoveries	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-
Economic Factors	56	1	57	1.2	4.0	5.2
Production	(13)	-	(13)	(4.3)	-	(4.3)
December 31, 2019	2,048	8,177	10,225	10.6	33.5	44.1

Additional Information Relating to Reserves Data

Undeveloped Reserves

The following tables disclose the volumes of Proved and Probable Undeveloped Reserves as at the dates noted therein. The references to "First Attributed" refer to "Proved or Probable Undeveloped Reserves" as at the earliest date in the relevant year when such Undeveloped Reserves were first attributed to the Company. Undeveloped Reserves are those Reserves that are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production.

KAZAKHSTAN					
Proved Undeveloped	Associated and Non-Associated Gas ⁽¹⁾		Light and Medium Crude Oil		
	First Attributed (Bcf)	Total at Year End (Bcf)	First Attributed (Mbbbl)	Total at Year End (Mbbbl)	
Prior	19.4	19.4	4,075	4,075	
2015	-	18.5	115	4,190	
2016	0.2	18.7	-	4,155	
2017	-	6.2	-	4,156	
2018	-	5.3	-	3,960	
2019	-	0.6	-	2,048	
Probable Undeveloped	First Attributed (Bcf)	Total at Year End (Bcf)	First Attributed (Mbbbl)	Total at Year End (Mbbbl)	
Prior	19.1	19.1	4,710	4,710	
2015	2.7	21.8	-	4,643	
2016	-	19.7	-	4,456	
2017	-	12.8	419	5,062	
2018	-	2.6	418	5,480	
2019	17.1	19.7	2,697	8,177	

Note:

- (1) Based on the forecast prices and costs evaluations carried out by Gustavson and reflected in the Gustavson Reserves Report.

With respect to the Company's Undeveloped Reserves in Kazakhstan, the Company is currently developing its plans with regard to developing its Proved Undeveloped and Probable Undeveloped

Reserves. For the shallow gas and the oil reserves, the Company plans further development from 2020 onwards.

Significant Factors or Uncertainties

Kazakhstan

There are numerous uncertainties inherent in estimating quantities of proved reserves, including many factors beyond the control of the Company. The reserve data included herein represent estimates only. In general, estimates of economically recoverable gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as test rate production from the properties, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary considerably from actual results. The actual production, revenues, taxes and development and operating expenditures of the Company with respect to these reserves will vary from such estimates, and such variances could be material.

Estimates with respect to reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history will result in variations, which may be substantial, in the estimated reserves.

Consistent with the securities disclosure legislation and policies of Canada, the Company has used forecast prices and costs in calculating reserve quantities included herein. Actual future net cash flows will also be affected by other factors such as actual production levels, supply and demand for gas, curtailments or increases in consumption by gas purchasers, changes in governmental regulation or taxation, currency exchange rates and the impact of inflation on costs.

Future Development Costs

The following table sets forth the estimated future development capital expenditure costs based upon the Gustavson Reserves Report. Future development costs are expected to be funded by internally generated cash flow from production and/or through equity financing or debt issuance. Future development costs are associated with reserves as disclosed in the Gustavson Reserves Report and do not necessarily represent the Company's full exploration and development budget.

Year	Total Proved Estimated Using Forecast Prices and Costs \$'000	Total Proved Plus Probable Estimated Using Forecast Prices and Costs \$'000	Total Proved Plus Probable Plus Possible Estimated Using Forecast Prices and Costs \$'000
KAZAKHSTAN			
2020	1,221	3,434	3,434
2021	3,548	3,621	3,631
2022	8,603	28,122	28,144
2023	12,703	27,208	32,300
2024	484	967	1,047
Thereafter	4,376	10,288	14,059
Total for all years undiscounted⁽¹⁾	30,935	73,640	82,615

Other Oil and Gas Information

Oil and Gas Properties

Kazakhstan

There are certain relinquishment requirements under the Kul-Bas Exploration and Production Contract.

Oil and Gas Wells

The number of producing and non-producing wells in which the Company had an interest as of December 31, 2019 is presented in the table below. The number of net wells corresponds to the number of gross wells as the Company has a 100% working interest in each well, subject to revenue sharing and royalties under the relevant contracts.

		Producing		Non-Producing ⁽¹⁾	
		Gross	Net	Gross	Net
KAZAKHSTAN					
Natural Gas	Kyzyloi Gas Field	10	10	-	-
Natural Gas	Akkulka Gas Field	12	12	-	-
Light and Medium Crude Oil	Akkulka Block (Doris / Dione)	-	-	-	-
Total		22	22	-	-

Notes:

(1) "Non-Producing" wells means wells which are not producing but which are considered capable of production.

Properties with No Attributed Reserves

Undeveloped land holdings of the Company consist of the Kul-Bas Exploration and Production Contract area in Kazakhstan. The following table sets forth the Company's undeveloped land position in Kazakhstan as at December 31, 2019 on a gross and net basis, after giving effect to third parties' ownership interests. The main technical risk factors at present are associated with discovering commercially viable quantities of hydrocarbons and require significant exploration investment, primarily in seismic and/or drilling. There are gas pipelines either built or planned to be built as well as oil delivery points. The size of what is deemed commercially viable is dependent on a number of variables between countries including government/investor split, proximity to infrastructure, depth and nature of the horizon and flow rates.

Area	Gross Acres	Net Acres
Kazakhstan - Kul-Bas Exploration and Production Contract	1,885,867	1,885,867

Forward Contracts

Kazakhstan

As of 31 December, 2019, there were no forward contracts.

Abandonment and Reclamation Costs

The Company estimates well abandonment and reclamation costs area by area by taking into consideration the costs associated with remediation, decommissioning, abandonment and reclamation, as well as salvage values of existing equipment. These costs are adjusted to reflect working interests held and are time discounted in accordance with NI 51-101.

Kazakhstan

The Company is responsible at the present time for costs associated with abandoning and reclaiming wells, processing facilities and pipelines which it may use for production of hydrocarbons. Abandonment and reclamation of such facilities and the costs associated therewith is often referred

to as “decommissioning”. The Company pays 1% of its total annual investments into an abandonment fund and the costs of decommissioning are expected to be paid from these proceeds. Abandonment and reclamation costs were estimated for all legal obligations associated with the retirement of long lived tangible assets such as wells, facilities and plants based on market prices or on the best information available where no market price was available. The asset retirement obligation is recorded at fair value and accretion expense, recognised over the life of the property, increases the liability to its expected settlement value. If the fair value of the estimated asset retirement obligation changes, an adjustment is recorded for both the asset retirement obligation and the asset retirement cost. The Company’s asset retirement obligations consist of costs related to the plugging of wells, the removal of facilities and equipment and site restoration on oil and gas properties. The Company has estimated these costs to be an average of USD32,500 per well for both shallow gas and deeper wells. An accretion cost is added each year in respect of asset retirement obligations. Accretion expense is calculated by multiplying the balance of the recorded liability by the Company’s credit-adjusted discount rate each year, and is simply the amortization of the present value discount associated with the asset retirement obligation’s initial recording.

The Company has recorded a provision for abandonment and reclamation costs, net of estimated salvage value, for surface leases, wells, facilities and pipelines, discounted at 7.4%, of USD1.7 million which undiscounted is USD2.4 million. It is anticipated that all wells will be remediated at the end of the current contract periods, by end of 2029.

Tax Horizon

Kazakhstan

The tax system applied to the Company’s operations in subsoil activity in Kazakhstan is mainly based on a combination of corporate income tax, excess profit tax, Mineral Extraction Tax (“MET”) and property tax.

Capital equipment and wells are depreciated at various rates, and corporate income tax is applied at the rate of 20% on the taxable income. The Company expects to make corporate income tax payments commencing in 2020.

Excess profit tax is applicable to income after corporate income tax, calculated using tax rates on a sliding scale ranging from 0% to 60% on income exceeding a tax allowable base.

No excess profit tax has been incurred to date.

MET ranges from 0.5% to 1.5% of the value of produced volumes of natural gas being sold to domestic market and at a rate of 10% of the value of produced gas volumes being sold for export. Currently, both Kyzylai and Akkulka gas is sold on the domestic market and so is subject to the domestic sales rate of 0.5%.

MET for crude oil is differentiated not only by production volumes but also by whether sales are on the domestic or export markets. For domestic sales MET is calculated on operating costs, including depreciation, plus 20% at rates ranging from 2.5% for annual volumes of less than 250,000 tons up to 9% for annual volumes above 10,000 tone. For export sales MET is calculated on sales at double the rates for domestic sales.

Property tax is levied on certain immovable assets at a rate of 1.5%.

Costs Incurred

Capital expenditures related to the Company's oil & gas properties for the year ended December 31, 2019 totalled \$4,197,000 (2018: 2,908,000).

Exploration and Development Activities

During the year ended December 31, 2019 the Company drilled two new wells KYZ-122 and 123, however, there was no gas flow and the drilling of further wells has been suspended until new targets are identified from seismic data acquisition and interpretation. The Company plans to drill 8-9 new gas wells in 2020.

Production Estimates

The following discloses the estimated production of Tethys in 2020 by product type associated with the future net revenue estimates reported in the Gustavson Reserves Report.

	Natural Gas (Bcf)	Crude Oil (Mbbbl)
KAZAKHSTAN		
Gross Proved	3.63	-
Gross Proved plus Probable	4.54	-

The following table sets forth the volume of production estimated in the Gustavson Reserves Report for the Kyzylloi, Akkulka Gas Fields and the Akkulka Deep Oil Fields in Kazakhstan being fields that account for 100% of the estimated production disclosed under the above table, for the year ending December 31, 2020:

Reserves Category	Natural Gas (Bcf)	Light and Medium Crude Oil (Mbbbl)
KAZAKHSTAN		
Kyzylloi		
- Gross Proved	2.85	-
- Gross Proved plus Probable	3.16	-
Akkulka		
- Gross Proved	0.78	-
- Gross Proved plus Probable	1.37	-
Akkulka Deep Oil		
- Gross Proved	-	-
- Gross Proved plus Probable	-	-

Production History

The following tables show the Company's average daily production volume (based on 365 day year), before deduction of royalties, by major producing region for each of the last four fiscal quarters and the year ended December 31, 2019.

	Natural Gas (Mcmpd)	Light and Medium Crude Oil (bopd)
KAZAKHSTAN		
Daily Production Volume (Gross Mcmpd for natural gas and gross bopd for oil)		
Year Ended December 31, 2019	316	37
Quarter ended March 31, 2019	384	150
Quarter ended June 30, 2019	378	-
Quarter ended September 30, 2019	363	-
Quarter ended December 31, 2019	140	-

	Natural Gas \$/Mcm	Light and Medium \$/bbl
KAZAKHSTAN		
Prices Received ⁽¹⁾	107.13	33.94
Royalties Paid	-	-
Production Costs ⁽¹⁾	12.91	96.47
Resulting Netback ⁽¹⁾	94.22	(62.53)

Notes:

(1) With respect to gas, net of VAT and marketing commission.

Kyzyloi and Akkulka were the only producing gas fields in Kazakhstan in 2019 although a small amount of gas was flared from the Doris oil field under the Pilot Production Scheme.

Production Volume by Field

The following table indicates the Company's total sales production for the year ended December 31, 2019 from each important field (before taxes, royalties and State take unless otherwise noted):

2019	Natural Gas (Mcm)	Light and Medium Crude Oil (bbl)	Barrels of Oil Equivalent (boe)	Boepd
KAZAKHSTAN				
Kyzyloi Gas Field	74,932	-	441,000	1,208
Akkulka Gas Field	40,329	-	237,351	650
Doris Oil Field ⁽¹⁾	-	13,496	13,496	37
Total	115,261	13,496	691,847	1,895

Notes:

(1) Boepd is calculated on total days in year including non-production days, and also discounts the smaller volumes of gas used for power generation and a small volume of flared gas from the Doris oil field