

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 McDaniel & Associates Consultants Ltd (“McDaniel”) to independently evaluate the Company’s oil and natural gas reserves in Kazakhstan.

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

Date of statement	April 30, 2021
Effective date of the information	December 31, 2020
Preparation date of the information	March 25, 2021

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. McDaniel was engaged by the Company to provide evaluations of proved, probable and possible crude oil and natural gas reserves.

In preparing the McDaniel 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 McDaniel Reserves Report are based was obtained from public records, other operators and from McDaniel 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 McDaniel as represented.

Estimated future net revenue based on the McDaniel 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, 2020
Forecast Prices and Costs

Reserves Category	Light and Medium Crude Oil		Natural Gas		Total	
	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (MBoe)	Net (MBoe)
KAZAKHSTAN						
Proved:						
Developed Producing	-	-	18,009	17,919	3,002	2,987
Developed Non-Producing	-	-	3,558	3,540	593	590
Undeveloped	33,076	33,076	-	-	33,076	33,076
Total Proved	33,076	33,076	21,567	21,459	36,671	36,653
Probable	40,451	40,451	8,717	8,673	41,904	41,897
Total Proved Plus Probable	73,527	73,527	30,284	30,133	78,575	78,550
Possible	88,846	88,846	5,355	5,328	89,738	89,734
Total Proved Plus Probable Plus Possible	162,373	162,373	35,639	35,461	168,313	168,283

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, 2020
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	27,991	25,018	22,650	20,729	19,144	17,093	15,143	13,611	12,383	11,381	7.58
Developed Non-Producing	9,736	8,553	7,596	6,812	6,162	8,619	7,672	6,893	6,245	5,699	12.87
Undeveloped	427,408	338,650	273,355	224,266	186,640	252,333	193,878	151,808	120,857	97,634	8.26
Total Proved	465,135	372,220	303,602	251,808	211,946	278,046	216,694	172,312	139,485	114,714	8.28
Probable	676,373	465,196	329,116	238,426	176,166	417,203	278,948	191,962	135,284	97,188	7.86
Total Proved Plus Probable	1,141,508	837,415	632,717	490,234	388,112	695,249	495,641	364,274	274,768	211,902	8.06
Possible	1,742,351	1,148,256	790,634	564,685	415,758	952,148	605,703	403,594	279,464	199,679	8.81
Total Proved Plus Probable Plus Possible	2,883,860	1,985,671	1,423,351	1,054,918	803,869	1,647,397	1,101,344	767,868	554,232	411,581	8.46

**Total Future Net Revenue
(Undiscounted)
As of December 31, 2020
Forecast Prices and Costs⁽¹⁾⁽²⁾**

Reserves Category	Revenue	Royalties	Export Rent Tax	Operating Costs	Development Costs	Abandonment and Reclamation Costs	Other Expenses	Future Net Revenue Before Income Taxes	Income Taxes	Future Net Revenue after Income Taxes
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
KAZAKHSTAN										
Total Proved	1,037,808	(70,847)	(86,390)	(255,327)	(148,681)	(9,545)	(1,883)	465,135	(187,089)	278,046
Total Proved Plus Probable	2,440,535	(205,859)	(262,964)	(540,116)	(270,168)	(15,581)	(4,338)	1,141,509	(446,260)	695,249
Total Proved Plus Probable Plus Possible	5,546,854	(553,154)	(457,877)	(1,125,846)	(492,368)	(23,901)	(9,848)	2,883,860	(1,236,463)	1,647,397
TOTAL										
Total Proved	1,037,808	(70,847)	(86,390)	(255,327)	(148,681)	(9,545)	(1,883)	465,135	(187,089)	278,046
Total Proved Plus Probable	2,440,535	(205,859)	(262,964)	(540,116)	(270,168)	(15,581)	(4,338)	1,141,509	(446,260)	695,249
Total Proved Plus Probable Plus Possible	5,546,854	(553,154)	(457,877)	(1,125,846)	(492,368)	(23,901)	(9,848)	2,883,860	(1,236,463)	1,647,397

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, 2020
Forecast Prices and Costs ⁽¹⁾**

Reserves Category	Future Net Revenue Before Income Taxes (discounted at 10%/year) USD'000	Unit Value \$/boe
Light and Medium Crude Oil:		
Total Proved	273,355	8.26
Total Proved + Probable	593,542	8.07
Total Proved + Probable + Possible	1,377,689	8.48
Associated Gas and Non-Associated Gas:		
Total Proved	30,247	8.46
Total Proved + Probable	39,176	7.80
Total Proved + Probable + Possible	45,663	7.73

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, 2020
Forecast Prices and Costs**

	Kazakhstan Oil		Domestic Crude Oil Price (\$/bbl)	Natural Gas		Inflation rate %/year
	Brent Crude Oil Price (\$/bbl)	Export Crude Oil Price (\$/bbl)		Domestic Gas Price (\$/Mcf)		
Forecast						
2021	49.50	30.78	21.04	2.79	2.00%	
2022	53.55	34.19	22.76	2.85	2.00%	
2023	54.62	35.26	23.21	2.90	2.00%	
2024	55.71	35.72	23.68	2.96	2.00%	
2025	56.83	36.84	24.15	3.02	2.00%	
2026	57.96	37.97	24.63	3.08	2.00%	
2027	59.12	39.13	25.13	3.14	2.00%	
2028	60.31	39.68	25.63	3.20	2.00%	
2029	61.51	40.88	26.14	3.27	2.00%	
2030	62.74	42.11	26.67	3.33	2.00%	
2031	64.00	43.37	27.20	3.40	2.00%	
2032	65.28	44.01	27.74	3.47	2.00%	
2033	66.58	45.32	28.30	3.54	2.00%	
2034	67.91	46.65	28.86	3.61	2.00%	
2035	69.27	48.01	29.44	3.68	2.00%	
2036	70.66	48.76	30.03	3.75	2.00%	
2037	72.07	50.17	30.63	3.83	2.00%	
2038	73.51	51.61	31.24	3.91	2.00%	
2039	74.98	53.08	31.87	3.98	2.00%	
2040	76.48	53.95	32.51	4.06	2.00%	

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, 2020, against such reserves as at December 31, 2019, 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 (MMcf)	Gross Probable (MMcf)	Gross Proved Plus Probable (MMcf)
January 1, 2020	2,048	8,177	10,225	9,975	27,645	37,620
Extensions and Improved Recovery	-	-	-	-	-	-
Technical Revisions	(2,048)	(8,177)	(10,225)	16,043	(18,928)	(2,885)
Discoveries	33,076	40,451	73,527	-	-	-
Acquisitions	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-
Economic Factors	-	-	-	-	-	-
Production	-	-	-	(4,451)	-	(4,451)
December 31, 2020	33,076	40,451	73,527	21,567	8,717	30,284

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	Associated and Non-Associated Gas ⁽¹⁾		Light and Medium Crude Oil		
	Proved Undeveloped	First Attributed (MMcf)	Total at Year End (MMcf)	First Attributed (Mbbbl)	Total at Year End (Mbbbl)
Prior		18.5	18.5	4,190	4,190
2016		0.2	18.7	-	4,155
2017		-	6.2	-	4,156
2018		-	5.3	-	3,960
2019		-	0.6	-	2,048
2020		-	-	31,028	33,076

Probable Undeveloped	First Attributed (MMcf)	Total at Year End (MMcf)	First Attributed (Mbbl)	Total at Year End (Mbbl)
Prior	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
2020	-	5.0	32,274	40,451

Note:

(1) Based on the forecast prices and costs evaluations carried out by McDaniel and reflected in the McDaniel 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 2021 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 McDaniel 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 McDaniel Reserves Report and do not necessarily represent the Company's full exploration and development budget.

Year	Total Proved Estimated Using Forecast Prices and Costs	Total Proved Plus Probable Estimated Using Forecast Prices and Costs	Total Proved Plus Probable Plus Possible Estimated Using Forecast Prices and Costs
	\$'000	\$'000	\$'000
KAZAKHSTAN			
2021	15,787	23,915	31,745
2022	38,019	53,949	79,719
2023	40,487	61,186	84,456
2024	25,683	37,411	55,241
2025	15,706	20,706	30,706
Thereafter	13,000	73,000	210,500
Total	148,682	270,167	492,367

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, 2020 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.

Kazakhstan		Producing		Non-Producing ⁽¹⁾	
		Gross	Net	Gross	Net
Natural Gas	Kyzyloi Gas Field	9	9	-	-
Natural Gas	Akkulka Gas Field	14	14	-	-
Light and Medium Crude Oil	Kul-Bas Block (Klymene)	1	1	-	-
Total		24	24	-	-

Notes:

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

Properties with No Attributed Reserves

At December 31, 2019 the Company disclosed undeveloped land holdings consisting of the Kul-Bas Exploration and Production Contract area in Kazakhstan. At December 31, 2020 McDaniel attributed reserves to this area. There are no other properties of the Company with no attributed reserves.

Forward Contracts

Kazakhstan

As of 31 December, 2020, 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 \$35,000 per well. 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 9.7%, of USD2.0 million. This assumes that all wells will be remediated at the end of the current contract periods, i.e. by the 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 in 2021.

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 Kyzylloi 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, 2020 totalled \$9,542,000 (2019: \$4,197,000).

Exploration and Development Activities

During the year ended December 31, 2020 the Company completed testing of KBD-02 well (Klymene prospect), where drilling commenced in July 2019 and was completed in December 2019. In June 2020, the Company announced that the testing of the KBD-02 well had provided indications of commercial amounts of oil. The Company also drilled three gas wells in the Akkulka contract area, AKK-100 and AKK-101 which successfully produced gas a rate of approximately 60,000 cubic meters per day and they have been tied into pipelines and are producing. Drilling of the AKK-33 gas well was completed in November but unfortunately was not successful.

The Company is planning to drill four wells in 2021 in the Kul-Bas field at distances of approximately 500-2000 meters away from KBD-02 (KBD-03, KBD-06, KBD-07, and KBD-08). On the Akkulka gas field Tethys is planning to drill up to four exploration gas wells, AKK-21, AKK-28, AKK-29, and AKK-30. The decision on whether or not to drill the later wells will be dependent upon the success of the earlier wells. On the Kyzylloi field Tethys is planning on drilling one gas development well, KYZ-121. All plans are subject to financing.

Production Estimates

The following discloses the estimated production of Tethys in 2021 by product type associated with the future net revenue estimates reported in the McDaniel Reserves Report.

	Natural Gas (Bcf)	Crude Oil (Mbbbl)
KAZAKHSTAN		
Gross Proved	4.75	913
Gross Proved plus Probable	5.06	913-

The following table sets forth the volume of production estimated in the McDaniel Reserves Report for the Kyzylloi, Akkulka Gas Fields and the Klymene Oil Field 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 (Mbbl)
KAZAKHSTAN		
Kyzyloi		
- Gross Proved	2.87	-
- Gross Proved plus Probable	2.93	-
Akkulka		
- Gross Proved	1.88	-
- Gross Proved plus Probable	2.14	-
Kul-bas (Klymene) Oil		
- Gross Proved	-	913
- Gross Proved plus Probable	-	913

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, 2020.

	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	352	1,053
Quarter ended March 31, 2019	355	-
Quarter ended June 30, 2019	342	331
Quarter ended September 30, 2019	348	2,106
Quarter ended December 31, 2019	362	1,743

	Natural Gas \$/Mcm	Light and Medium \$/bbl
KAZAKHSTAN		
Prices Received ⁽¹⁾	87.63	12.15
Royalties Paid	-	-
Production Costs ⁽¹⁾	18.20	1.57
Resulting Netback ⁽¹⁾	69.43	10.58

Notes:

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

Kyzyloi and Akkulka were the only producing gas fields in Kazakhstan in 2020 although a small amount of gas was flared from the Klymene oil field during testing of the KBD-02 well.

Production Volume by Field

The following table indicates the Company's total sales production for the year ended December 31, 2020 from each important field (before taxes, royalties and State take unless otherwise noted):

2020	Natural Gas (Mcm)	Light and Medium Crude Oil (bbl)	Barrels of Oil Equivalent (boe)	Boepd
KAZAKHSTAN				
Kyzyloi Gas Field	96,061	-	565,358	1,549
Akkulka Gas Field	32,375	-	237,351	522
Klymene Oil Field ⁽¹⁾	-	384,229	384,229	1,053
Total	128,436	384,229	1,186,938	3,124

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 Klymene oil field