



May 5, 2020

**Tethys Petroleum Press Release
(TSXV: TPL.H)**

Corporate Update

Grand Cayman, Cayman Islands - Tethys Petroleum Limited (TSXV: TPL.H) ("**Tethys**" or the "**Company**") today provides a corporate update.

Further loan restructuring

On January 17, 2020 Tethys announced a loan amendment agreement ("**Amendment Agreement**") with one of its lenders to restructure the loan originally made to the Company by AGR Energy Limited No. 1 (the "**Loan**") which had an outstanding balance of approximately US\$12.1 million, the key terms of which are described below:

- (i) The lender provided a waiver of all past defaults;
- (ii) The maturity date was extended from June 30, 2017 to June 30, 2021;
- (iii) The outstanding loan balance was reduced from US\$12.1 million to US\$9.0 million;
- (iv) The Loan which bore a default interest rate of 18% no longer bears interest; and
- (v) Twelve monthly repayments of US\$750,000 will be due commencing July 31, 2020.

It was also announced that the monetary claims under the Loan were assigned by AGR Energy Limited No. 1 to a private individual in 2016. In conjunction with the Amendment Agreement, further assignments were made.

Tethys is pleased to announce that it has agreed and entered into a further loan amendment agreement ("**Second Amendment Agreement**") with the new holder of the loan ("**Lender**"), the key terms of which are described below:

Tethys shall have the option to either:

- (i) Make a repayment of the outstanding balance in the amount of US\$3,000,000 on December 31, 2020, June 30, 2021 and December 31, 2021; or
- (ii) Make a repayment of US\$7,000,000 by August 25, 2020 upon which Tethys will receive a US\$2,000,000 early payment discount and the outstanding balance will be considered repaid in full.



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Tethys Issuance of Convertible Bond and listing on TSXV

Tethys has received the \$4.8mm USD for the payment of the convertible bond on the previously announced terms. Tethys believes it has fulfilled all of the necessary requirements for the listing on the TSXV and is in the process of trying to receive confirmation.

Chief Financial Officer appointment

Casey McCandless has been appointed as Interim CFO (Chief Financial Officer), following the resignation of Clive Oliver. Casey has worked at Pope Asset Management since 2003. He has an MBA from the Amos Tuck School of Business at Dartmouth College, and is a CFA charterholder.

Disclaimer

Some of the statements in this document are forward-looking, including statements relating to Tethys obligations under the Loan and Second Amendment Agreement, completion of the transactions under the Settlement Agreement. Such statements are not promises or guarantees, and are subject to risks and uncertainties that could cause actual outcomes to differ materially from those suggested by any such statements, including the risk that Tethys will not be able to avail itself of the early payment discount or meets its obligations under the Loan and the Second Amendment Agreement, that the other parties to the Settlement Agreement may not fulfil their obligations and that it will not be possible to build value for the long term with the Kul-bas field. No part of this announcement constitutes, or shall be taken to constitute, an invitation or inducement to invest in the Company or any other entity and shareholders of the Company are cautioned not to place undue reliance on the forward-looking statements. Save as required by applicable law, the Company does not undertake to update or change any forward-looking statements to reflect events occurring after the date of this announcement. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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