



October 22, 2021

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

Corporate Update

Grand Cayman, Cayman Islands - Tethys Petroleum Limited (TSXV: TPL) ("**Tethys**" or the "**Company**") is pleased to provide a corporate update.

"Kul-Bas" LLP, a subsidiary company of Tethys obtained all the approvals to operate under the pilot license program at the Kul-Bas field. This approval allows for approximately 180,000 tons of oil to be produced prior to the expiration of the pilot license in December, 2022.

The pilot license allows for a maximum of 57,450 tons of oil to be produced under the license in 2021. This pilot license will include three wells during this period (KBD-02, KBD-06 and KBD-07). A previously announced sale of 38,000 tons has been completed with current deliveries being made against that contract.

KBD-02

KBD-02 was productive from three reservoirs during the test period. This well was put back on production within the frames of the pilot license program starting October 15 and this production is coming from the Aptian Stage, Lower Cretaceous reservoir (horizon K1a). The current average production rate of the well is around 1,300 bopd using a 9mm choke.

KBD-06

The production from the KBD-06 well under the Pilot license program commenced on October 15, 2021. We are pleased to report that the oil quality is high, the pressure is very good and at present no water has been found in the collected oil samples. The initial production rate was approximately 400 bopd using a 7mm choke. Current production rate of the well is approximately 1,200 bopd using a 9mm choke. This well is anticipated to produce from the Barremian Stage, Lower Cretaceous reservoir (horizon K1br).

KBD-07

The KBD-07 well is approximately 600 meters to the southeast of KBD-02 and within the pilot production area. It is anticipated that this well will be productive from the Jurassic reservoir. Drilling of this well was commenced on October 8, 2021. The well is estimated to take about 60 days until it is completed and tested. The plan is to have the three wells in the pilot license area produce from different reservoirs.

The Pilot Operation Program involves production from three wells, being within the pilot production area, from the three reservoirs- Jurassic (JIII), Lower Cretaceous (K1br, K1a).

KBD-03

This KBD-03 well is outside the pilot production area and is approximately 1908 meters to the east of KBD-02. The well is currently testing the Jurassic reservoir. The plan is to test three reservoirs- Jurassic (JIII), Lower Cretaceous (Klbr, Kla). Testing will be in progress for up to 90 days per reservoir. On October 6, 2021 Tethys initiated an acid job within the Jurassic reservoir and the rate of production has increased to over 500 bopd from approximately 360 bopd. It is anticipated that an increase in choke size may allow for increased production but this will be subject to additional tests going forward. Management is encouraged by the open hole well logs and core that there is recoverable oil potential from both Lower Cretaceous reservoirs (Klbr, Kla).

KBD-08

This well is approximately 880 meters east of KBD-03. The drilling of this well commenced on October 19, 2021. Similar to KBD-07, it is anticipated that this well will take approximately 60 days to drill and complete. This well is anticipated to be lower in the structure than the other wells. This leads to an increased likelihood that the well will intersect oil-water contacts that will better define the limits of the field.

AKD-13

This well is further east of the KulBas field and is on the west side of the Akkulka license. AKD-13 is planned to be spudded on November 01, 2021. Similar to the other wells, it will test the Lower Cretaceous and down to the Jurassic.

Gas wells

Tethys plans to spud another gas well AKK-21 in the Akkulka field. AKK-21 well is also planned to be spudded around November 1, 2021. The Akkulka wells will be operated by another 100% owned subsidiary of Tethys (TethysAralGaz).

Tethys has completed drilling of AKK-23 and AKK-28 wells. The test rates from both the AKK-12 and AKK-28 wells were about 60,000 cubic meters/day. Tethys plans to drill one or two more Akkulka gas wells and hopes to have these wells permitted and into production by March, 2022.

Tethys is benefitting from increasing gas prices. September revenue from gas increased significantly as a result of rising prices.

About Tethys



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Tethys is focused on oil and gas exploration and production activities in Central Asia and the Caspian Region. Tethys believes that significant potential exists in both exploration and in discovered deposits in the area.

Disclaimer

Some of the statements in this document are forward-looking. 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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