



December 21, 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.

Oil Sale prepayment

The Company has entered into a prepaid oil sale agreement to sell 50,000 tons of oil for a price of \$265 USD per ton. This is a significant improvement on earlier pricing with the most recent sales being closer to \$165/ton. Upon closing and funding, this will provide Tethys with approximately \$13.25 million USD. The primary use of proceeds will be to cover the outstanding payables, taxes, upcoming payments for drilling the wells and other obligations.

Production update

KBD-06 has continued to produce at a rate of approximately 360 tons per day from the Upper Cretaceous zone using an 11 mm choke. The choke on KBD-02 was decreased to 7 mm given the previously mentioned water and salt content, and has been producing at a rate of approximately 150 tons per day. KBD-03 completed testing in the Jurassic zone and is in the process of preparing to start test production from the upper Aptian zone next week. The production from the Jurassic on KBD-03 was at last report approximately 90 tons per day with a 13mm choke. This is approximately 600 tons per day when combined.

Drilling update

The drilling on KBD-07 has reached a depth of over 2,500 meters and is on schedule to be tested over the next week. KBD-07 is part of the pilot program and as part of this 3 well program each well will need to produce from a different zone. Given the oil shows, it is anticipated that KBD-07 will likely be productive in the same 3 zones as the other two pilot wells. A final decision on which zone to produce from each well will be made after the well has been tested.

The drilling on KBD-08 has reached a depth of over 2,500 meters and is on schedule to be completed in December. KBD-08 did not have contact with the Upper Aptian zone but did show encouraging core samples in the Lower Aptian. It appears the zone may be larger and higher than the same zone at KBD-03 but will need to be logged and tested to confirm results. Both wells may be in production by year end.

AKD-13 drilling has reached a depth of over 1,100 meters with a targeted depth of approximately 2500 meters.



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The drilling on AKK-21 has reached a depth of 633 meters and core samples have been pulled. The drilling operations will likely slow down during the next two to three months. Tethys management would like to have the well results reviewed and the seismic studies updated to reflect these results. It is currently anticipated that a new well (KBD-09) will be drilled to the south and east of KBD-08 along the prevailing trend in the field.

About Tethys

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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