



August 22, 2022

**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.

Exploration update and production update

Seismic -The Company is moving forward with the additional seismic acquisition and expects to be able to interpret and evaluate the results in the first quarter of 2023. This should allow time to identify new prospect(s) to drill prior to the lease expiration in October. The primary area of interest is the southeast area of the Kul-bas license.

Oil – The KBD-04 well has successfully perforated the Jurassic zone with initial production ranging from 60-85 tons per day using chokes ranging from 6 to 9 mm. The KBD-02, KBD-06, and KBD-07 wells are continuing to produce under the pilot production program at a combined rate up to 400 tons per day. The KBD-8 well had been producing from the Barremian formation at a rate of approximately 284 tons per day using an 11 mm choke. Recently, the wells have had to be restricted as the buyer of the oil has experienced logistics issue which have limited the amount of oil they have been able to transport. While the combined productive capacity is believed to be higher, the production of late has been averaging closer to 450 tons/day. The primary oil buyer has indicated that the recent logistical constraints should be resolved soon. In addition, the Company has added a small second buyer (1500 tons at \$365/ton) and is considering adding additional buyers.

The Company is not drilling any wells at present but is evaluating options and timing for drilling additional wells.

The Ministry of Energy has approved an extension on the pilot production period for the three wells until October 2023.

Gas - The Company is continuing to evaluate its options following the letter from the National gas company lowering the proposed gas price to a range of \$40-60 USD per thousand cubic meters. Tethys has not accepted this price and is reviewing alternatives.

Oil Sale prepayment

The Company has recently concluded an agreement to sell an additional 50,000 tons of oil at a price of \$384.50 USD per ton. This prepayment has been received and provides Tethys with approximately \$19.225 million USD. The primary use of proceeds will be to go toward a combination of the outstanding payables, share repurchase, tax obligations, upcoming payments for infrastructure spending, possible dividends and other disbursements.

Subsoil rights acquisition



Email: info@tethys-group.com
Website: www.tethys-group.com

The Company participated in a subsoil use rights auction for a license that lies adjacent on the east side of the Company's existing Kul-Bas license. The Company has successfully obtained the rights to this Aralsky 4 block that consists of approximately 3,350 square kilometers. The area has had very little exploration work done to date and has no current production or proven reserves. The plan is to shoot seismic when the approval is received and have the work interpreted to identify prospects to potentially drill in 2023.

Normal Course Issuer Bid update

As of August 19th, the Company has repurchased 810,100 shares of the of the 5,377,000 common shares that it is approved to acquire until February 7, 2023.

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.

Contact Information:

Tethys Petroleum
Casey McCandless
Chief Financial Officer
901-763-4001

info@tethys-group.com
www.tethys-group.com