



October 26, 2022

Tethys Petroleum Press Release (TSXV: TPL)

Interim results

Grand Cayman, Cayman Islands - Tethys Petroleum Limited (TSXV: TPL) ("**Tethys**" or the "**Company**") is pleased to announce that it has filed its Interim Results for the nine months ended September 30, 2022. The full Interim Results together with Management's Discussion and Analysis have been filed with the Canadian securities regulatory authorities. Copies of the filed documents may be obtained via SEDAR at www.sedar.com or on Tethys' website at www.tethys-group.com.

Exploration update and production update

Oil – The KBD-03 and KBD-08 wells have ended the allowed production period and are currently shut in. KBD-08 was producing approximately 500 tons/day from the Barremian at the time of its recent shut in. The KBD-02, KBD-06, and KBD-07 wells are continuing to produce under the pilot production program. These wells are limited by an approved quota for the year. The KBD-04 is an exploratory well and will finish test production from the Jurassic formation around October 31st. The plan is to then begin test production from the Barremian zone.

The Company is not drilling any wells at present but is evaluating options and timing for drilling additional gas and oil wells. A new gas well is planned to be spudded for the Kyzloi gas field in November. The Company has until October, 2023 to drill two additional oil wells (#5 and #9) on the Kulbas license. The initial read from the seismic analysis is that the anticipated sites generated from prior seismic no longer look productive and while subject to further confirmation, the plan to drill these wells has been put on hold for now. The Company anticipates approval to drill two new wells in the Klymene field (#10 and #11) and hopes to have this approval close to year end where it can spud at least one well by the first quarter.

The Company anticipates receiving ecological approval in November to allow continued production and the flaring of gas in the Klymene field from year end until the Kulbas license maturity in October, 2023. Unless the Company is able to get a commercial license or approval to continue production during the preparatory period, the Company anticipates it will be required to shut in all oil production from Klymene. The Company is pursuing alternatives for achieving a commercial license as soon as possible in order to continue and expand production and in the alternative is seeking permission to continue oil production during the preparatory period. As part of the requirements Tethys may need to have facilities in place to eliminate the flaring of the gas. These plans are being developed and at this point the Company does not have a good estimate on the required expenses to satisfy the requirements.

Oil Sale prepayment



The Company has recently concluded an agreement to sell an additional 50,000 tons of oil at a price of \$365 USD per ton. This prepayment will provide Tethys with approximately \$18.25 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, dividends and other disbursements.

Dividend

The Company has approved a dividend of 2 CAD cents per share. The record date shall be November 2, 2022 and the pay date shall be November 10, 2022. The Company will continue to assess the ability to pay dividends on an ongoing basis going forward, but given the range of uncertainty regarding the potential capital expenditure needs and cash flow availability no set regular dividend amount is being established at this time.

Normal Course Issuer Bid update

As of October 25th, the Company has repurchased 956,660 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.

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