



February 27, 2023

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

Litigation update:

Grand Cayman, Cayman Islands - Tethys Petroleum Limited (TSXV: TPL) ("**Tethys**" or the "**Company**") is providing an update on the claim made by the Prosecutor's Office of the Aktobe region or the Republic of Kazakhstan ("the Republic").

Tethys wishes to announce that the Astana Specialized Economic Court has ruled today that there are not sufficient grounds for satisfying the claim made by the Prosecutor's Office of the Aktobe Region. As Tethys previously reported, the Prosecutor's office claimed that the 2020 and 2021 extension of the subsoil contract No. 1897 between Kul-Bas LLP and the Ministry of Energy were not valid. The Company's defense effectively demonstrated that the procedures for the extension were carried out in accordance with the current legislation, and that there are no sufficient grounds for satisfying the Prosecutor's claim. The Ministry of Energy also provided a letter confirming that there was an investigation that concluded with no criminal charges being filed against any MOE or Tethys employees on this case. The Court confirmed that the Prosecutor's Office did not provide sufficient grounds to recognize the additional agreements as invalid. At the same time, Kul-Bas was able to prove the proper fulfillment of its obligations. The judge also took into account the following: (i) information regarding the closure of the criminal case against the Ministry's authorities by the Prosecutor's Office and (ii) the social aspect of the issue, specifically the possible negative consequences for employees. Finally, the judge emphasized that the Ministry's actions to agree a new debt repayment schedule align with the Supreme Court's recommendations to find ways to reconcile government agencies with investors.

An appeal or motion by the Prosecutor may be filed within one month of this decision. Given the strength of the arguments of the legal defense in part due to the cooperation of the Ministry of Energy, and the unambiguous ruling from the court, management believes this to be unlikely.

Operations update:

Tethys has recently encountered reduced interest and lower pricing on its oil sales. About the time that the Prosecutor made his claim against the Kul-bas license, an order was proposed in the country that would have eliminated the ability of oil buyers to export certain products outside of the country from the refining of domestic oil (ex. naptha). The proposed order generated significant responses from the mini-refineries, oil buyers and oil producers who were most directly affected. Our understanding is that the order limiting export of these products for a limited period of four months has not yet been implemented and confirmed. Tethys management is unable to know to what extent the concerns of the oil buyers gravitated on the issues created by the prosecutor's claim or the issues created by the possible change in policy. Over the last few days,



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Tethys has entered into contracts with new oil buyers but at reduced prices and volumes. Management hopes the resolution of the prosecutor claim and an eventual resolution with the Order will allow for a better oil market going forward.

About Tethys

Tethys is focused on oil and gas exploration and production activities in Central Asia and the I 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.

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