



September 30, 2024

## **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 an update on the Company's operations in the Republic of Kazakhstan.

### **Operations update**

An acid job in KBD-10 was recently done to help test the Jurassic zone. The initial results have been discouraging but plans are to continue the test. The oil handling and gas utilization facilities are almost complete and the Company expects to have them in place and operational when the commercial license is received.

### **Gas Contract Resolution**

After multiple rounds of negotiations regarding the settlement of the gas price dispute, QazaqGaz has improved its offer, resulting in a total receivable for gas deliveries from May 2022 to January 4, 2023, and from January 1, 2023, to March 31, 2024, including VAT (12%), amounting to 3,315,563,439 tenge, or approximately \$6.9 million at the current exchange rate of 480 tenge to USD. Although the gas sale contract originally stipulated a higher price formula, the Company has opted to accept the revised offer to avoid the costly and lengthy process of resolving the dispute through arbitration. Ensuring liquidity is a priority for the Company as it continues to implement its development plans for the Kul Bas oil field and exploration program at new exploration blocks. The Company is hopeful that, pending receipt of the debt from QazaqGaz and the signing of a new sales contract, gas production can restart by the second half of October or November 2024.

### **Regulatory update**

The Company is continuing to pursue the commercial license for the production and sale of oil. On February 20, 2024, the Company applied to the Ministry of Energy of the Republic of Kazakhstan for a Production Contract for the Kul Bas field. The stipulated review period of 20 working days, as required by the Subsoil Use Code, expired on March 19, 2024. On March 28, 2024, the Company submitted a request for assistance in accelerating the review of the application, but no definitive answer has been received to date.

The Ministry of Energy has also not yet issued the official minutes of the Working Group for the associated gas utilization program that was held in March, 2024. Without this document, the Company is unable to obtain the necessary gas flaring and ecological permits to restart its main production operations at KBD-02, KBD-06, and KBD-07 wells.



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On April 12, 2024, the Company submitted a formal request to the Ministry of Energy for the issuance of the official minutes. Following several follow-up inquiries, on July 19, 2024, the Ministry informed the Company that additional comments from the Working Group had been addressed and that the minutes would be provided in due course.

The Company does not agree with the extension of the review period or the response indicating that the minutes would be provided without a specified timeframe. A formal complaint regarding the Ministry's response has been submitted, with a resolution expected by October 11, 2024. In light of these delays and the ongoing impact on the Company's operations, we have filed a claim with the Specialized Administrative Court of the City of Astana to obligate the Ministry to immediately issue the official minutes of the Working Group meeting for the associated gas utilization program held in March 2024. Additionally, we are also considering further legal actions to protect the Company's rights and interests.

The Company will continue to actively engage with the Ministry of Energy to expedite both the receipt of the minutes and the signing of the Production Contract for the Kul Bas oil field, in order to ensure full compliance and enable the resumption of its operations.

#### **About Tethys**

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

#### **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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