



January 22, 2025

## **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 the following updates regarding its regulatory progress and operational milestones at the Kul Bas oil field.

### **Regulatory Update**

On November 18, 2024, Tethys received all ecological and environmental approvals for 2024, followed by the 2025 ecological permit on December 9, 2024. These approvals allow the Company to produce up to 490 tons/day under the Preparatory Period of Contract No. 1897 for the Kul Bas field, which expires on July 26, 2026. As stipulated under the Subsoil Use Code, all hydrocarbons produced during the Preparatory Period must be sold domestically.

On January 8, 2025, Kul-Bas LLP submitted an application to the Ministry of Energy of the Republic of Kazakhstan to transition Contract No. 1897 for the Kul Bas field to the Production Period. This extension is essential for securing the long-term development of the field, enabling the Company to continue production until July 2048 and granting the right to export hydrocarbons, thereby unlocking the field's full commercial potential. According to the Subsoil Use Code, the Ministry is required to issue a decision within 20 business days (by February 5, 2025). The Company remains hopeful for a timely resolution and continues to actively engage with the Ministry to expedite this critical process.

### **Operations Update**

In addition to the limitations from the regulatory approval, oil production is also constrained by a limitation on the amount of associated gas from the oil production that can be flared. Tethys is working to convert gas to electricity in order to limit gas emissions. As part of this process, the commissioning of the Central Processing Facility (CPF) at Kul Bas was successfully completed on November 19, 2024. Additionally, the Gas Utilization Facilities (GUF) were commissioned on January 17, 2025. These developments help ensure compliance with environmental requirements and support increased levels of oil production at the field. The successful commissioning of the facilities on January 17 brings the end of the planned Phase 1 work to a conclusion. Phase 1 was to primarily handle the associated gas from the first 3 wells in production (KBD-2, KBD-6 and KBD-7). The current plan is to allow these oil handling and gas utilization facilities to operate for a brief period and then for management to prepare a proposal for a Phase 2 program. These new oil handling and gas utilization facilities would allow for increased levels of oil production and for bringing on wells KBD-3, KBD-4 and KBD-8 (if/when the production license allows).



Email: [info@tethys-group.com](mailto:info@tethys-group.com)  
Website: [www.tethys-group.com](http://www.tethys-group.com)

Another limitation on the amount of oil that can be produced can be the logistics. The logistics is handled by the oil buyers as Tethys sells the oil at the field. The buyers ability to handle the logistics can be influenced by the amount of trucking, rail cars, transshipment capacity (moving oil from trucks to rail cars) in the market and by the weather/road conditions. At present, Kulbas is selling oil primarily to mini-refineries given the higher price offered (as compared to the state refineries). The Republic of Kazakhstan has renewed a prohibition that doesn't allow for companies to export naphtha (one of the byproducts of the oil refining). The loss of this export market hurts the mini-refineries and ultimately further reduces the price paid for oil as compared to export prices. While the other factors are largely temporary in their impact on the logistics, the elimination of the ability to export naphtha appears to be negatively impacting the prices Tethys is offered for oil on a sustained basis.

The Company remains committed to its strategy of responsible growth and is focused on optimizing its operations while meeting all regulatory requirements.

#### **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.

**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](mailto:info@tethys-group.com)  
[www.tethys-group.com](http://www.tethys-group.com)