



February 3, 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 January 31, 2025, Kul-Bas LLP withdrew its 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. While other reasons also played a part, it was determined upon further analysis that the company would likely achieve higher revenue by continuing to sell through the current distribution channels allowed under the testing production contract rather than the distribution channels required by the production contract. The production contract would have some component allowed for the export market and some for the domestic market. Given the high taxes for sales in the export market, Tethys is currently incentivized to sell the oil for export under the allowance to domestic mini-refineries (as it is currently). The oil which would be sold under the domestic component would need to be sold to the state refineries and wouldn't be allowed to be sold to the mini-refineries. Depending on which state refinery the Ministry of Energy would require, the discount in the oil price would be estimated to be about 5-20% under current market pricing. The current testing production contract is set to expire on July 26, 2026. The production contract would allow Tethys to increase its production but at present Tethys is constrained by the limits of its current oil handling facilities where only 3 wells are tied into the oil gathering. In addition, Tethys is also constrained as the gas utilization capacity will not allow for much more production than the current allowed levels. Management estimates it will be closer to year end before these "Phase 2" infrastructure issues will be installed. As Tethys gets closer to the time when it can enhance its production with the new infrastructure and/or sees a change in market prices where the company will benefit from the production contract, then the Company can resubmit the application.

Operational Update

The Company has entered into an agreement with NatGaz Company LLP to be a buyer of Tethys natural gas. Tethys has received a prepayment on the gas and an official letter that the Buyer is able to start accepting the gas around February 15, 2025. The Company is in the process of preparing the resumption of gas production and anticipates rehiring employees associated with the gas production effective February 7, 2025. At current pricing, it is anticipated resumption of the gas revenue will allow for over \$700,000/month in revenue.



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Tethys will need to make some capital investments but management believes it can increase the level of this gas production with additional investment.

Dividend Update

Tethys hasn't paid a dividend since February of 2023. The approximate 2 year delay in payments from Kazakh Gas on gas sold and the delays in approval for the production contract impacted Tethys's ability to return cash to shareholders. The settlement of the balance due from Kazakh Gas, the initiation of new oil sales and the ability to sell oil under the production contract enhances Tethys ability to fund expenses and pay dividends. While Tethys has significant upcoming capital expenditure requirements to fund for the foreseeable future, returning cash to shareholders also remains a goal for the Company. Tethys will pay a \$.01/share (USD) dividend to shareholders of record on February 10 with an expected pay date of February 20, 2025.

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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