



May 29, 2025

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

Interim Results and Corporate Update

Grand Cayman, Cayman Islands - Tethys Petroleum Limited (TSXV: TPL) ("**Tethys**" or the "**Company**") today announced that it has filed its interim results for the three months ended March 31, 2025 with the Canadian securities regulatory authorities comprising its Audited Financial Statements together with Management's Discussion and Analysis and other required forms. Copies of the filed documents may be obtained via SEDAR at www.sedar.com or on Tethys' website at www.tethys-group.com.

Financial highlights

Oil and gas sales increased by 104% to \$4.0 million in the first quarter of 2025 from \$1.9 million in 2024 due primarily to increased oil production. The net profit for the period was \$.3 million compared with a loss of \$1 million in 2024.

Revenues for Q1 were improved from Q1 2024 but were disappointing relative to management expectations. Tethys received a production license in November 2024 after a period of being shut down. There are a number of factors which can influence the level of oil production. In addition to the limitation of the logistics and what is allowed under the production license (currently 485 tons/day), Tethys is required to have gas treatment for the associated gas. Tethys's model has been to sell the oil for delivery in the oil field and is therefore dependent on the oil buyers in terms of the logistics. The elimination of the export of naptha has damaged the overall profitability of the mini-refineries who have been the traditional purchasers of Tethys oil. This appears to have not only impacted the price that Tethys can expect to receive but may have also impacted the ability of the mini-refineries to prepay for the oil and their ability to manage the necessary logistics. Given the remote location of the Kulbas field, an oil buyer needs to coordinate the trucking, the rail cars and coordinate with any rail terminal involved in the transshipment. The condition of the roads in March was a factor as the area went through a spring thaw as temperatures got above freezing. Given above average precipitation, it appeared the roads remained inoperable for a longer period than usual.

While management believes the logistics issues have been largely resolved, a new problem has appeared. The ratio of gas per oil produced (the GOR) has increased. While long term getting gas from the oil production will be a positive, short term it is a negative as Tethys doesn't have the necessary facilities in place to treat the full amount of gas being produced. As a result, production rates have been reduced of late to about 250 tons/day so that Tethys won't have to flare the excess gas. While it is hoped that the high GOR level may drop back to previous levels or that certain wells and zones with lower GOR ratios may be enhanced to increase the oil production without increasing the GOR, there is no certainty in this regard. Tethys is working on plans to increase the gas utilization capacity of the Kulbas field so that production can be increased to the allowed levels. The delay in getting paid for its gas, getting a new gas contract and getting the oil production license have had residuary effects on the level of cash and the Tethys's ability to fund required capital expenses.



Email: info@tethys-group.com
Website: www.tethys-group.com

Tethys through its DMS subsidiary is acquiring seismic on two of its exploration blocks. The acquisition for the seismic on Aral 4 has been recently completed and the seismic crew contracted for the work has moved to acquire the seismic on the Diyar block. The seismic will then be more fully processed and interpreted to identify potential sites to consider for exploration. DMS will then need to go through a permitting process to get regulatory approval before it can drill any well. If a favorable prospect and well site is developed, the goal is to drill the well(s) by the end of 2026.

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.

Contact Information:

Tethys Petroleum
Casey McCandless
Chief Financial Officer
901-763-4001

info@tethys-group.com
www.tethys-group.com