

Tethys Petroleum Limited

Condensed Consolidated Interim Financial Statements
(Unaudited)
June 30, 2025

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4.3 (3) (a), if an auditor has not performed a review of the financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying condensed consolidated interim financial statements of Tethys Petroleum Limited have been prepared by and are the responsibility of the Group's management and approved by the Board of Directors of the Company. The Group's independent auditor has not performed a review of these condensed consolidated interim financial statements.

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Responsibility Statement of the Directors in Respect of the Condensed Consolidated Interim Financial Statements

We confirm on behalf of the Board that to the best of our knowledge, these condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting.

For and on behalf of the Board

W. Wells

Chairman

August 18, 2025

A. Ogunsemi

Director

August 18, 2025

Tethys Petroleum Limited

Condensed Consolidated Interim Statements of Financial Position (unaudited)

(in thousands of US dollars)

	Note	30 June 2025	31 December 2024
<i>Non-current assets:</i>			
Property and equipment		44,038	45,508
Exploration and evaluation assets		2,229	428
Trade and other receivables		331	328
Restricted cash		646	526
Total non-current assets		47,244	46,790
<i>Current assets:</i>			
Cash and cash equivalents		6,042	5,959
Prepaid income tax		2	1,523
Trade and other receivables		2,505	1,356
Inventories		542	603
Total current assets		9,091	9,441
Total assets		56,335	56,231
<i>Non-current liabilities:</i>			
Deferred tax liabilities		22,518	22,112
Provisions		3,253	3,254
Trade and other payables		1,676	1,751
Total non-current liabilities		27,447	27,117
<i>Current liabilities:</i>			
Current income tax payable		4	586
Contract liabilities - deferred revenue		1,387	865
Trade and other payables		3,713	4,516
Total current liabilities		5,104	5,967
Total liabilities		32,551	33,084
<i>Equity:</i>			
Share capital		11,486	11,486
Share premium		367,589	368,738
Accumulated deficit		(393,074)	(394,642)
Foreign currency translation reserve		(6,479)	(6,695)
Other reserves		44,262	44,260
Total equity		23,784	23,147
Total equity and liabilities		56,335	56,231
Going concern	1		
Subsequent events	5		

The notes on pages 5 to 8 form part of these condensed consolidated interim financial statements. The condensed consolidated interim financial statements were approved by the Board on August 18, 2025 and were signed on its behalf.

W. Wells
Chairman
August 18, 2025

A. Ogunsemi
Director
August 18, 2025

Tethys Petroleum Limited

Condensed Consolidated Interim Statements of Profit and Comprehensive Income (unaudited)

(in thousands of US dollars, except per share information)

	Note	Three months ended June 30		Six months ended June 30	
		2025	2024	2025	2024
Sales revenue	3	6,131	4,786	10,103	6,729
Production expenses		(1,976)	(1,495)	(3,371)	(3,321)
Depreciation, depletion and amortisation		(1,287)	(577)	(1,984)	(1,044)
Administrative expenses		(1,309)	(1,097)	(2,381)	(2,230)
Share-based payments		-	(9)	(2)	(22)
Other gains and losses		-	32	(19)	(44)
Foreign exchange gains and losses		44	(298)	49	(73)
Finance income, net		84	64	185	65
Total expenses		(4,444)	(3,380)	(7,523)	(6,669)
Profit before tax		1,687	1,406	2,580	60
Tax expense		(395)	(379)	(1,012)	(16)
Profit for the year		1,292	1,027	1,568	44
Other comprehensive income					
Exchange differences from translating foreign operations		(1,107)	-	216	-
Total comprehensive income		185	1,027	1,784	44
Earnings per share attributable to shareholders:					
Basic (\$)	4	0.01	0.01	0.02	0.00
Diluted (\$)	4	0.01	0.01	0.02	0.00

On February 20, 2025, a dividend of \$0.01 per share was paid to shareholders of record on February 10, 2025 totalling \$1,149 thousand (2024: \$nil).

The notes on pages 5 to 8 form part of these condensed consolidated interim financial statements.

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Condensed Consolidated Interim Statements of Changes in Equity (unaudited)

(in thousands of US dollars)

	Share capital	Share premium	Accumulated deficit	Foreign currency translation reserve	Other reserves	Treasury shares	Total equity
At January 1, 2024	11,507	368,825	(382,256)	-	44,224	(108)	42,192
Comprehensive income for the period	-	-	44	-	-	-	44
Shares cancelled	(21)	(87)	-	-	-	108	-
Share-based payments	-	-	-	-	22	-	22
At June 30, 2024	11,486	368,738	(382,212)	-	44,246	-	42,258
At January 1, 2025	11,486	368,738	(394,642)	(6,695)	44,260	-	23,147
Comprehensive income for the period	-	-	1,568	216	-	-	1,784
Dividend paid	-	(1,149)	-	-	-	-	(1,149)
Share-based payments	-	-	-	-	2	-	2
At June 30, 2025	11,486	367,589	(393,074)	(6,479)	44,262	-	23,784

Other reserves include reserves arising on the issuance of options and warrants and are denoted together as “other reserves” on the consolidated statement of financial position. These reserves are non-distributable.

The notes on pages 5 to 8 form part of these condensed consolidated interim financial statements.

Tethys Petroleum Limited

Condensed Consolidated Interim Statements of Cash Flows (unaudited)

(in thousands of US dollars)

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Cash flow from operating activities				
Profit before tax	1,687	1,406	2,580	60
Adjustments for:				
Depreciation, depletion and amortisation	1,287	577	1,984	1,044
Share-based payments	-	9	2	22
Other gains and losses	-	(32)	19	44
Finance income, net	(84)	(64)	(185)	(65)
Net change in working capital	1,528	673	1,999	(827)
Corporate income tax paid	(262)	-	(635)	(1,306)
Net cash from/(used in) operating activities	4,156	2,569	5,764	(1,028)
Cash flow from investing activities:				
Interest received	173	64	351	171
Acquisition of exploration and evaluation assets	(1,480)	(4)	(1,829)	(59)
Acquisition of property and equipment	(1,066)	(2,409)	(2,752)	(4,144)
Historical cost payments	(69)	-	(141)	(79)
Movement in restricted cash	(27)	25	(120)	17
Net cash used in investing activities	(2,469)	(2,324)	(4,491)	(4,094)
Cash flow from financing activities:				
Dividend paid	-	-	(1,149)	-
Net cash used in financing activities	-	-	(1,149)	-
Net increase/(decrease) in cash and cash equivalents	1,687	245	124	(5,122)
Effects of exchange rate changes on cash and cash equivalents	(186)	-	(41)	-
Cash and cash equivalents at beginning of the period	4,541	1,849	5,959	7,216
Cash and cash equivalents at end of the period	6,042	2,094	6,042	2,094

The notes on pages 5 to 8 form part of these condensed consolidated interim financial statements.

Tethys Petroleum Limited

Notes to Condensed Consolidated Interim Financial Statements (unaudited) (continued)
(in thousands of US dollars)

1 General information and going concern

Tethys Petroleum Limited (hereinafter “Tethys” or the “Company”, together with its subsidiaries “the Group”) is incorporated in the Cayman Islands and the address of the Company’s registered office is Grand Pavilion Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands. Tethys is an oil and gas company operating within the Republic of Kazakhstan. Tethys’ principal activity is the acquisition of and exploration and development of crude oil and natural gas fields.

The Company has its primary listing on the TSX Venture Exchange (“TSXV”). The Company is also listed on the Kazakhstan Stock Exchange (“KASE”).

Going concern

In assessing its going concern status, the Group has taken account of its principal risks and uncertainties, financial position, sources of cash generation, anticipated future trading performance, its borrowings, and its capital expenditure commitments and plans.

Risks and uncertainties facing the Group include the risk that oil and gas prices may be significantly lower than assumed in the Group’s forecasts.

To assess the resilience of the Group’s going concern assessment management performed the following downside scenario that is considered reasonably possible over the next 12 months from June 30, 2025. As such, this does not represent the Group’s ‘best estimate’ forecast, but was considered in the Group’s assessment of going concern, reflecting the current evolving circumstances and the most significant and reasonably possible risk identified at the date of approving the consolidated financial statements.

Scenario: The Group’s income and profits are materially reduced due to a 15% reduction in expected oil prices.

The Group’s forecast net cashflows under the downside scenario above is considered to be adequate to meet the Group’s financial obligations as they fall due over the next 12 months.

The Board of Directors is therefore satisfied that the Group’s forecasts and projections, including the downside scenario above, show that the Group has adequate resources to continue in operational existence for at least the next 12 months from June 30, 2025 and that it is appropriate to adopt the going concern basis in preparing the condensed consolidated interim financial statements for the period ended June 30, 2025.

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Notes to Condensed Consolidated Interim Financial Statements (unaudited) (continued)
(in thousands of US dollars)

2 Basis of preparation and accounting policies

The condensed consolidated interim financial statements of the Group are prepared on a going concern basis under the historical cost convention except as modified by the revaluation of financial assets and financial liabilities at fair value through profit and loss and are in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and effective or issued and early adopted as at the time of preparing these condensed consolidated interim financial statements.

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as applicable to interim financial reporting and do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual consolidated financial statements reported for the year ended December 31, 2024.

The condensed consolidated interim financial statements are presented in thousands of United States Dollars ("\$"), except where indicated.

New and amended standards adopted by the Group

There were no new and revised IFRS Accounting Standards adopted by the Group during the six months ended June 30, 2025 that had an impact on the condensed consolidated interim financial statements.

New and amended standards and interpretations issued but not yet adopted

There are no significant new or amended standards that have been early adopted by the Group.

3 Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers have been identified as the Board of Directors.

The following is an analysis of the Group's revenue, results and assets by reportable segment for the

	Kazakhstan	Corporate	Total ¹
Oil sales	8,437	-	8,437
Gas sales	1,665	-	1,665
Other revenue	1	-	1
Segment revenue	10,103	-	10,103
Profit/(loss) before taxation	3,133	(553)	2,580
Tax expense	(698)	(314)	(1,012)
Profit/(loss) for the period	2,435	(867)	1,568
Total assets	55,651	96,298	56,335
Total liabilities	121,017	7,148	32,551
Expenditure on exploration & evaluation assets, property and equipment	4,581	-	4,581
Depreciation, depletion & amortization	1,984	-	1,984

for the six months ended June 30, 2025:

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Notes to Condensed Consolidated Interim Financial Statements (unaudited) (continued) (in thousands of US dollars)

Note 1 – Total is after elimination of inter-segment items of \$95,614 thousand.

The following is an analysis of the Group's revenue, results and assets by reportable segment for the

	Kazakhstan	Corporate	Total ¹
Oil sales	4,786	-	4,786
Gas sales	1,942	-	1,942
Other revenue	1	-	1
Segment revenue	6,729	-	6,729
Profit/(loss) before taxation	1,135	(1,075)	60
Tax expense	(16)	-	(16)
Profit/(loss) for the period	1,119	(1,075)	44
Total assets	86,978	93,954	87,035
Total liabilities	135,264	3,410	44,777
Expenditure on exploration & evaluation assets, property and equipment	4,203	-	4,203
Depreciation, depletion & amortization	1,044	-	1,044

three months ended June 30, 2024:

Note 1 – Total is after elimination of inter-segment items of \$93,897 thousand.

4 Earnings per share

Continuing operations	Units	Three months ended June 30		Six months ended June 30	
		2025	2024	2025	2024
Profit for the purpose of basic and diluted earnings per share attributable to ordinary shareholders	\$'000	1,292	1,027	1,784	44
Weighted average shares - basic	000s	114,857	114,857	114,857	114,917
Weighted average shares - diluted	000s	115,374	114,857	115,374	114,917
Earnings per share - basic	\$	0.01	0.01	0.02	0.00
Earnings per share - diluted	\$	0.01	0.01	0.02	0.00

Earnings per share is calculated by dividing the profit attributable to shareholders of the Group by the weighted average number of ordinary shares in issue during the year. Diluted per share information is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

5 Events after the reporting period

- *Operations*
- *Arbitration update*

The Company had previously reported that an arbitration ruling was made on May 13, 2025 ordering DSFK to pay the Company approximately 1.4 billion KZT and for 18 million shares of the Company held by Olisol Petroleum Limited to be cancelled. We submitted an application of the

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Notes to Condensed Consolidated Interim Financial Statements (unaudited) (continued)

(in thousands of US dollars)

interpretation of the award and received a ruling from the arbitrator amending the language to clarify that Tethys has the authority to cancel the 18 million shares. There have also been applications made to set aside the Court's order by DSFK and Olisol.