



September 18, 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 an update on the Company's operations in the Republic of Kazakhstan.

### **Operations update**

Oil production is continuing from wells KBD-02, KBD-06, and KBD-07 with a gradual increase of about 320 tons per day to 345 tons per day over the last month. Gas production has been averaging about 200,000 m<sup>3</sup> per day from 20 wells. Workover jobs have been planned for several of the gas wells and production is expected to increase significantly in October.

Construction of the Central Processing Facility Upgrade work of the Kul-Bas Oil Field is progressing. Moving and installation of the shift camp is underway. The modification work on the gas compressor has been completed and the equipment has been dispatched from China. The compressor is scheduled to be connected October 10<sup>th</sup> if the turbine repair is also completed. These should allow for the oil production to increase to about 500 tons per day.

Seismic fieldwork at the Aral-4 block has been completed. The processing has been completed and interpretation of the data is underway and expected to be completed by the end of October. The Diyar seismic processing is ongoing and interpretation is expected at the end of December.

The Astana Economic Court (1st instance) rejected the Company's claim to the Ministry of Energy for extending the Akkulka Oil contract (license #265) on September 9, 2025. The Company is considering appealing this decision at the 2nd instance court.

The Company had previously reported that an arbitration ruling has been 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. DSFK and owners of Olisol have challenged the final award. The AIFC Court has directed that the hearing on these challenges be conducted virtually and not exceed one day in length. Management expects the case will be heard before year end.

### **Non-Binding Letter of intent to acquire the Company**

On September 15, 2025 Fincraft Group LLP announced that it has submitted a non-binding letter of intent to the Board of Directors of Tethys in respect of a proposed transaction pursuant to which Fincraft would acquire all of the issued and outstanding ordinary shares of Tethys at a price of 1.38 CAD per share. The Tethys Board of Directors has agreed to form a special committee made up of the independent Directors to review the proposal.

The press release includes several disparaging and inaccurate statements. First, "the majority of the current Board do not have any experience of operating in Kazakhstan, do not understand the uniqueness of the market and its particularities, and some have never even visited Kazakhstan or have had any



experience of engaging with Kazakh local communities or stakeholders.” The Tethys Board members have all been to Kazakhstan and have over 33 years combined of experience serving on the Board and participating in the Kazakhstan operations. Don Streu joined the Board in 2022 and has also served as the President, CEO and Director of Condor Energies since 2008 with operations in Kazakhstan. Mattias Sjoborg joined the Board in 2016 and has also served as CEO for Tethys for a period time. Adeola Ogunsemi joined the Board in 2015. William Wells joined the Board in 2015 and has served as executive chairman for the last six years and has been engaged with almost all aspects of the Kazakhstan operations.

The Fincraft press release states “the Board has also failed to make meaningful progress on its targets.” In 2015, Tethys Petroleum produced a net loss of 74.6 million USD and had total borrowings of 32 million USD. In 2025 the Company is projected to produce positive net income with net borrowings having been eliminated. Oil and gas production and future profits at Tethys are now projected to increase significantly as the Company continues to make meaningful progress on its targets. The Company has gone from a company incurring large losses and on the verge of bankruptcy to a profitable company with no net debt and positioned for strong future growth under the current Board.

The press release also states “We believe the actions taken at its recent annual general meeting to exclude certain legally outstanding Tethys Shares from voting were contrary to law, contrary to the reasonable expectations of Fincraft and other shareholders and caused loss and damage to Tethys and its shareholders.” The decision by Tethys to exclude the 18 million shares that were ordered cancelled by the International Arbitration Centre in Kazakhstan was deemed proper by the Board and legal counsel. The Board also believes it would be accretive to all Tethys shareholders for the cancellation to be confirmed. Efforts by Fincraft to cancel the arbitrator’s ruling in order for them to complete their purchase agreements on these shares would be dilutive to Tethys Shareholders if successful. Fincraft notified Tethys that they were ready to close on a deal to acquire shares included in the Arbitration ruling as long as they received confirmation that these shares would not be cancelled. The Board did not agree to provide Fincraft with confirmation that the Arbitration ruling to cancel the 18 million shares would not be enforced.

### **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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