

Tethys Petroleum Limited

Management's Discussion and Analysis
for the period ended September 30, 2025

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Basis of preparation

The following Management's Discussion and Analysis ("MD&A") is dated November 14, 2025 and should be read in conjunction with the Group's unaudited condensed consolidated interim financial statements and related notes for the period ended September 30, 2025 as well as the audited consolidated financial statements and the MD&A for the year ended December 31, 2024. The accompanying unaudited condensed consolidated interim financial statements of the Group have been prepared by management and approved by the Group's Audit Committee and Board of Directors. The 2024 annual audited consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". Additional information relating to the Group can be found on the SEDAR website at www.sedar.com and the Group's website at www.tethys-group.com.

Readers should also read the "Forward-Looking Statements" legal advisory wording contained at the end of this MD&A.

Nature of Business

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

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

Financial highlights

(All references to \$ are United States dollars unless otherwise noted and tabular amounts are in thousands, unless otherwise stated)

	Quarter ended September 30			Nine months ended September 30		
	2025	2024	Change	2025	2024	Change
Oil and gas sales and other revenues	7,101	5,357	33%	17,204	12,086	42%
Profit/(loss) for the period	1,362	(613)	-	2,929	(569)	-
Basic earnings/(loss) (\$) per share	0.01	(0.01)	-	0.03	(0.01)	-
Adjusted EBITDA ¹	3,707	3,164	17%	8,107	4,269	90%
Capital expenditure	565	888	(36%)	5,147	5,091	1%

	As at September 30		
	2025	2024	Change
Total assets	55,469	82,148	(32%)
Cash & cash equivalents	7,114	2,637	170%
Short & long-term borrowings	-	-	-
Total non-current liabilities	27,116	36,542	(26%)
Net (cash)/debt ¹	(6,172)	(1,667)	270%
Number of ordinary shares outstanding	96,857,248 ²	114,857,248	(16%)

Note 1 Adjusted EBITDA and net debt are non-GAAP Measures, refer to page 24 for details.

Note 2 Excluding 18 million shares subject to cancellation following arbitration ruling, refer to page 8 for details.

Third quarter 2025 versus third quarter 2024

- Oil and gas sales revenues for the quarter increased by 33% to \$7.1 million from \$5.4 million. Oil sales for the quarter were \$5.2 million (2024: \$3.5 million). Gas sales for the quarter were \$1.8 million (2024: \$1.9 million). After an extended shutdown gas production resumed in April 2025 following resolution of the contractual dispute with the Company's gas customer, QazaqGaz. Gas is currently being sold to a new buyer, NatGaz Company LLP, with transportation through the QazaqGaz operated main gas pipeline system, including sections operated by its subsidiary Intergas Central Asia and joint ventures Beineu-Bozoy-Shymken LLP and Asian Gas Pipeline LLP;
- The profit for the quarter was \$1.4 million compared with a loss of \$0.6 million in Q3 2024. The improvement primarily reflects higher profitability from oil operations. Gas operations made a smaller contribution in the comparative quarter, which did not include any gas production. The contribution recorded in Q3 2024 arose from a positive price adjustment related to the settlement of the gas sales dispute with QazaqGaz. The prior year quarter also included other losses of \$0.5 million and a high tax charge;
- Adjusted EBITDA was \$3.7 million compared with \$3.2 million in Q3 2024, also due to the higher oil sales revenues, partly offset by higher production and administrative expenses;
- Total assets decreased by 32% from \$82.1 million to \$55.5 million mainly to the effect of foreign currency translation following devaluation of the Kazakhstan tenge;
- The Group had no borrowings at September 30, 2025 or September 30, 2024;
- Total non-current liabilities decreased by 26% from \$36.5 million to \$27.1 million due to a decrease in deferred tax liabilities, also due to the effect of foreign currency translation following devaluation of the Kazakhstan tenge;
- The Group had net cash of \$6.2 million compared with \$1.7 million at Q3 2024, refer to page 23 for further details of cash movements;

Financial highlights - continued

- The number of the Company's ordinary shares outstanding has been reduced by 18 million following the arbitration ruling on May 13, 2025, refer to page 8 for further details.

Period to date

- Oil and gas sales revenues for the nine-month period increased by 42% to \$17.2 million from \$12.1 million. Oil sales were \$13.7 million (2024: \$8.2million). The oil wells were closed at the end of the exploration contract and pilot production project in October 2023 and oil production re-started in April 2024. Gas sales for the period were \$3.5 million compared with \$3.8 million in 2024. Gas revenue in 2024 included a positive price adjustment related to gas delivered to QazaqGaz in prior periods. Gas production stopped at the end of March 2024 due to the contractual dispute with QazaqGaz and re-started in April 2025 following resolution of the dispute. Gas is now being sold to a new buyer NatGaz Company LLP, through the QazaqGaz operated main gas pipeline system;
- The profit for the period was \$2.9 million compared with a loss of \$0.6 million in 2024. The increase in profit was mainly due to the higher contribution from oil operations, partly offset by the lower contribution from gas operations;
- Adjusted EBITDA was \$8.1 million compared with \$4.3 million in 2024 due to the higher oil sales revenues, partly offset by higher production and administrative expenses.

Operational Highlights

	Units	Quarter ended September 30			Nine months ended September 30		
		2025	2024	Change	2025	2024	Change
Kazakhstan							
Oil	bopd	2,587	1,208	114%	2,104	951	121%
Gas	boe/d	1,212	3	40300%	765	478	60%
Total	boe/d	3,799	1,211	214%	2,869	1,429	101%
Oil							
Oil production	bbls	238,036	111,157	114%	574,371	259,513	121%
Oil sold	bbls	238,880	109,772	118%	594,790	258,083	130%
Revenue	\$'000	5,222	3,457	51%	13,659	8,243	66%
Cost of production	\$'000	2,908	2,150	35%	8,235	6,264	31%
Contribution before tax	\$'000	2,314	1,307	77%	5,424	1,979	174%
Revenue	\$/bbl	21.86	31.49	(31%)	22.96	31.94	(28%)
Cost of production	\$/bbl	12.22	19.34	(37%)	14.34	24.14	(41%)
Contribution before tax	\$/bbl	9.64	12.15	(21%)	8.62	7.80	11%
Gas							
Gas production	Mcm	18,946	46	41087%	35,492	22,144	60%
Gas sold	Mcm	18,626	-	-	34,829	21,591	61%
Revenue	\$'000	1,836	1,873	(2%)	3,501	3,815	(8%)
Cost of production	\$'000	1,426	521	174%	3,265	2,473	32%
Contribution before tax	\$'000	410	1,352	(70%)	236	1,342	(82%)
Revenue	\$/Mcm	98.55	-	-	100.51	84.45	19%
Cost of production	\$/Mcm	75.27	-	-	91.99	111.68	(18%)
Contribution before tax	\$/Mcm	23.28	-	-	8.52	(27.23)	-

Oil

- Oil production for the quarter averaged 2,587 bopd (2024: 1,208 bopd) and for the nine-month period averaged 2,104 bopd (2024: 951 bopd). There was no oil production in the first quarter of 2024 as the wells were closed at the end of the exploration contract and pilot production project in October 2023 and did not restart until April 2024;
- Oil revenue for the quarter was \$5.2 million (2024: \$3.5 million) or \$21.86/bbl (2024: \$31.49/bbl) and for the nine-month period was \$13.7 million (2024: \$8.2 million) or \$22.96/bbl (2024: \$31.94/bbl). Further information on the reduction in oil prices is given on page 16;
- Total cost of oil production for the quarter was \$2.9 million (2024: \$2.2 million) or \$12.22/bbl (2024: \$19.34/bbl) and for the nine-month period was \$8.2 million (2024: \$6.3 million) or \$14.34/bbl (2024: \$24.14/bbl), resulting in a contribution before tax for the quarter of \$9.64/bbl (2024: \$12.15/bbl) and for the nine-month period of \$8.62/bbl (2024: \$7.80/bbl). Oil personnel costs and field maintenance costs continued to be incurred for the oil operations in Q1 2024 even though there was no production in the quarter resulting in a higher cost per barrel for the nine months to September 30, 2024.

Operational Highlights - continued

Gas

- Gas production for the quarter averaged 1,212 boe/d and was negligible in Q3 2024. Gas production stopped at the end of March 2024 due to the contractual dispute with QazaqGaz and re-started in April 2025 following resolution of the dispute. For the nine-month period gas production averaged 765 boe/d (2024: 478 boe/d);
- Gas revenue for the quarter was \$1.8 million (2024: \$1.9 million) or \$98.55/Mcm and for the nine-month period was \$3.5 million (2024: \$3.8 million) or \$100.51/Mcm. Gas revenue of Q3 2024 was a positive revenue price adjustment relating to gas delivered to QazaqGaz in prior periods. Excluding the effect of this the actual price for gas sold during the nine-month period was \$84.45/Mcm;
- Costs of the gas operations for the quarter were \$1.4 million (2024: \$0.5 million) or \$75.27/Mcm and for the nine-month period were \$3.3 million (\$2.5 million) or \$91.99/Mcm (2024: \$111.68/Mcm), resulting in a contribution before tax for the quarter of \$0.4 million (2024: \$1.4 million) or \$23.28/Mcm and for the nine-month period of \$0.2 million (2024: \$1.3 million) or \$8.52/Mcm . Excluding the positive revenue price adjustment in 2024 relating to gas delivered to QazaqGaz in prior periods the contribution before tax for gas sold in the nine-month period to September 30, 2024 was negative \$27.23/Mcm.

Operational Review - continued

Outlook

The information provided under this heading is considered as forward looking information; as such please refer to page 27 – “*Forward-Looking Statements*” of this MD&A.

The Group's objective is to become one of the leading oil and gas exploration and production company in Central Asia. The goal is to exercise capital discipline and generate increased cash flow from existing as well as new and existing discoveries within our acreage under license. The Group seeks to provide good employment opportunities and support for the local communities in which it operates. The Group's long-term ambition is to achieve a significant role in the production and delivery of hydrocarbons from the Central Asian region. The specific focus of management in the short term is to continue our development of the Group's oil & gas fields and licenses to increase production levels and revenues. The particular focus is the Kul-bas oil field where we are working towards a full commercial production license. As part of this Tethys seeks to continue to improve the marketing of oil and gas to achieve best prices, continue to improve the logistics where the Group can increase its ability to ship oil volumes at reduced costs; and continue to fund the Group's development plans from operations while exploring potential financing and partnership alternatives. In addition, Tethys will seek to continue to find new oil and gas fields through successful exploration and development.

The decline in oil prices in Kazakhstan over the last year in combination with rising overall price levels (costs) has limited the amount of cash flow and earnings generated by Tethys year to date. Nevertheless, Tethys has been able to sufficiently reinvest into the business to significantly grow production. Tethys oil production year to date is up over 100% from 2024. The increase in oil production has more than made up for the combined negative impact of a decline in oil prices and increased costs (not only inflationary costs but including the extra costs associated with more than twice as much volume produced). Tethys management anticipates being able to continue to grow oil production over the next year or two at a high rate (as it gets the gas treatment facilities and other necessary logistics in place).

Significant events and transactions for the nine months ended September 30, 2025

- *McDaniel & Associates estimates of oil & gas reserves and economic evaluation*

The Group's "Proved" 1P reserves at December 31, 2024 were 46.9 million BOE (2023: 49.5 million BOE) and "Proved + Probable" 2P reserves were 85.6 million BOE (2023: 85.7 million BOE). The net present value after tax of the Group's 2P reserves as at December 31, 2024 was \$560.4 million (2023: \$628.7 million), based on a 10% discount rate. These estimates are unchanged during the nine-month period; refer to the section below headed *Reserves* for further details and basis of preparation.

- *Oil & gas operations*

For details of oil & gas operations during the year, refer to sections below headed *Results of Operations* and *Operational Review*.

- *Kul-Bas production contract*

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 Group to

Operational Review - continued

continue production until July 2048 and granting the right to export hydrocarbons, thereby unlocking the field's full commercial potential.

On January 31, 2025, Kul-Bas LLP withdrew its application. While other reasons also played a part, it was determined upon further analysis that the Group would likely achieve higher revenue by continuing to sell through the current distribution channels allowed under the preparatory period 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 Preparatory Period 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 three wells are tied into the oil gathering facility. 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 requirements 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 Group will benefit from the production contract, then the Group can resubmit the application.

The Group currently plans to resubmit the application in Q4 2025 with the expectation that the Ministry of Energy will approve the contract transitioning the Kul Bas field to the Production Period in Q1 2026, prior to the expiry of the Preparatory period on July 26, 2026.

- *Dividend*

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

- *Resumption of gas production*

On April 10, 2025, the Group resumed production from the Akkulka and Kyzloi gas fields and started gas sales to a new buyer, NatGaz Company LLP.

- *Arbitration update*

In November of 2023, Tethys initiated an arbitration with the International Arbitration Centre regarding a Settlement Deed and Release Agreement that was entered into in December of 2019. The relief sought by Tethys was to declare that the Settlement Deed and Release is no longer binding, and for DSFK Special Finance Company LLP to pay Tethys Petroleum 1,434,692,762 KZT, and for the 18 million shares issued to Olisol Petroleum Limited to be cancelled.

On May 13, 2025 the sole Arbitrator ruled and declared that the Settlement Deed is declared no longer binding. DSFK Special Finance Company LLP is ordered to pay Tethys Petroleum Limited

Operational Review - continued

1,434,692,762 KZT. Olisol Petroleum Limited is ordered to cancel share certificates GS 44 and GS 43 (totalling 18 million shares). DSFK Special Finance Company LLP and Olisol Petroleum Limited are ordered to pay Tethys 50,000 EUR and 50,000,000 KZT towards the reimbursement of the costs of the arbitration and the Company's legal costs.

The Company is in the process of having the arbitration ruling enforced.

On July 25, 2025, Tethys provided a further update. Tethys submitted an application for an 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 been also applications made by DSFK and Olisol to set aside the Court's order.

On September 18, 2025, Tethys announced that 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.

- *Annual General Meeting*

On August 8, 2025, Tethys announced that it had been provided with notices of intention to nominate directors of the Company at the Annual General Meeting of shareholders to be held on August 11, 2025. Fincraft Group LLP had given notice of its intention to nominate Askar Ismailov as a director. Gazexport Limited had given notice of its intention to nominate Paul J. Ostling and Piers Johnson as directors. Management of Tethys had not undertaken any independent review of the credentials of such nominees and consideration of such nominees would be addressed at the shareholders meeting.

On August 11, 2025, Tethys announced the results of the Annual General Meeting held on August 11, 2025. All resolutions put to shareholders at the meeting were passed on a poll at the meeting except for the election of Askar Ismailov, Paul J. Ostling and Piers Johnson as directors of the Company.

At the Meeting, the Chair advised that, on May 13, 2025, Dr. Galina Zukova, the sole arbitrator, appointed by the International Arbitration Centre in Kazakhstan, issued an arbitral award that included an order cancelling 18 million shares of Tethys that were issued to Olisol Petroleum on May 29, 2020. The arbitral award has been recognized by the Court in Kazakhstan and Tethys is in the process of applying to have the arbitral award recognized in Ontario. Olisol Petroleum transferred 17,536,296 shares of Tethys to Gazexport Limited after it became aware of Tethys' intention to commence the arbitration and after the arbitration had been commenced. The arbitral award and the cancellation of these 18 million shares of Tethys results in the cancellation of all, or a substantial proportion of the 17,536,296 shares held by Gazexport Limited. The Gazexport Limited shares represent 74.06% of the total 24,304,446 shares of Olisol Petroleum held prior to Olisol transferring the subject shares to Gazexport Limited. In light of the foregoing, it was ruled at the meeting (with Gazexport Limited and Fincraft Group LLP objecting thereto) that 74.06% or 12,987,381 Tethys shares be excluded from Gazexport Limited's votes.

Operational Review - continued

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

On September 18, 2025, Tethys announced that on September 15, 2025 Fincraft Group LLP announced that it had 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.

Operational Review - continued

Significant events and transactions subsequent to the period end

- *Akkulka Oil contract update*

On October 17, 2025, Tethys provided a corporate update. 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 has filed an appeal on this decision at the 2nd instance court.

- *Corporate presentation*

In an effort to provide more information and visibility into the Company's operations and business outlook the Company has updated its corporate presentation and is providing this information to all shareholders on the Company website under Investor Relations/Company Reports & Notices. <https://tethys-group.com/reports/corporate-presentation-october-2025/>

- *Non-binding letter of intent to acquire the Company update*

On October 17, 2025, Tethys provided an update to the Fincraft Group LLP -binding letter of intent announced by Fincraft on September 15, 2025. The Tethys Board of Directors formed a special committee made up of the independent Directors to review the proposal. The Special Committee has responded to the Fincraft Letter of Intent with a request for additional information including documentation of committed financing, the calculations used to arrive at the bid price, evidence of indications of regulatory approval for the proposed transaction, and additional information on the shareholders and creditors of Fincraft. To date the Special Committee has not received a response to these questions.

Reserves

Following the completion of the annual evaluation of the Group's reserves in Kazakhstan by the independent qualified reserves evaluator, McDaniel & Associates, of Calgary, Canada, in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities of the Canadian Securities Administrators ("NI 51-101"), the Group's Total Gross (i.e. before the application of Kazakh Mineral Extraction Tax) Oil and Gas Reserves consisting of "Proved" 1P reserves were 46.9 million BOE (2023: 49.5 million BOE) and "Proved + Probable" 2P reserves were 85.6 million BOE (2023: 85.7 million BOE). The net present value after tax of the Group's 2P reserves as at December 31, 2024 was \$560.4 million (2023: \$628.7 million) based on a 10% discount rate.

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves. Both oil and gas reserves are based on availability of sufficient funding to allow development of the known accumulations.

Operational Review - continued

Results of Operations and Operational Review - Kazakhstan

Oil production

	2025					2024				
	Gross fluid m ³	barrels	Net barrels	Net production days	bopd	Gross fluid m ³	barrels	Net barrels	Net production days	bopd
Q1	24,586	154,639	154,639	90	1,718	-	-	-	90	-
Q2	28,887	181,696	181,696	91	1,997	24,448	153,773	148,356	91	1,630
Q3	37,845	238,036	238,036	92	2,587	17,673	111,158	111,157	92	1,208
Total	91,318	574,371	574,371	273	2,104	42,121	264,931	259,513	273	951

Oil production for the quarter averaged 2,587 bopd (2024: 1,208 bopd) and for the nine-month period averaged 2,104 bopd (2024: 951 bopd). There was no oil production in the first quarter of 2024 as the wells were closed at the end of the exploration contract and pilot production project in October 2023 and did not re-start until April 2024. Test oil production from the KBD-10 and KBD-11 appraisal wells commenced in April 2024 with KBD-10 testing completed in August and KBD-11 testing completed in November. Following receipt of the necessary permits, the Group successfully commissioned the oil handling and gas utilization facilities it needed to have in place to start commercial production from KBD-02 and KBD-06 in November 2024.

Information on each of the Kul-Bas wells is shown in the table on page 14.

Regulatory approval progress towards commercial production

The Group completed the reserve estimation for Kul-Bas and a mining allotment of 67.72 km² was approved at the end of June 2023. The contract for the preparatory period of three years with the assigned mining allotment for the Kul-Bas exploration and production contract was signed by the Ministry of Energy (MoE) on July 28, 2023 and the Group has prepared a Field Development Project (FDP). In order to meet the ecological requirements, the Group needed to instal gas turbines to convert the gas produced from the wells to electricity. On January 25, 2024, the Group successfully presented the FDP to the Central Committee on Exploration and Development (CCED). The next steps were to get approval for the gas utilization program, secure ecology and gas flaring permits and install the necessary equipment for the gas utilization and oil handling.

On April 5, 2024 the Group announced that it had received the necessary permit from the Ministry of Ecology for test oil production from the KBD-10 and KBD-11 and on October 18, 2024 the Group announced that it had received formal approval of the protocol necessary to advance its oil production activities. With the protocol approval received, the Group filed for a gas flaring permit and pursued the required ecological permit, the final regulatory step before starting the main oil production.

On November 11, 2024 the Group announced that it had received the necessary gas flaring permit, a critical milestone in advancing its oil production operations in Kazakhstan and that with this long-anticipated approval in hand, Tethys moved to the final regulatory step: obtaining the Ecology permit.

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 Group 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.

Operational Review - continued

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 Group to continue production until July 2048 and granting the right to export hydrocarbons, thereby unlocking the field's full commercial potential. On January 31, 2025, Kul-Bas LLP withdrew its application, after determining that it would be more beneficial to continue to operate for the time being under the Preparatory Period and re-submit the application to move to the Production Period at a later date. Further details of the Group's decision in this regard are provided on pages 5-6. The Group currently plans to resubmit the application in Q4 2025 with the expectation that the Ministry of Energy will approve the contract transitioning the Kul Bas field to the Production Period in Q1 2026, prior to the expiry of the Preparatory period on July 26, 2026.

Oil production facilities

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 three 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 KBD8 (if/when the production license allows).

The Company is going to execute Phase 2 construction work in the Central Processing Facility of the Kul-Bas Oil Field to upgrade the oil processing and storage capacity. The Company also plans to increase the current gas utilization capacity of 25,000 m3 per day up to 50,000 m3 per day through a gas turbine power system after installing the 2nd gas compressor. Phase 3 is intended to increase the oil processing and storage capacity for handling up to 2,000 tons per day after the installation of a gas processing plant (GPP). The Company has concluded an inspection of a GPP, and signed a contract for the purchase and construction of the GPP. This GPP will process and treat the associated gas and should increase the gas utilization capacity up to 150,000 m3 per day. The project timeline is estimated to be approximately 12 months.

On August 18, 2025, Tethys announced that it had signed the contract for the Phase 2 Central Processing Facility upgrade, and the contractor had commenced foundation works. The Group also signed a contract for the purchase of a second gas compressor and a contract for the relocation and installation of a new shift camp, with preparatory works underway and installation of an overhead power line from the Central Processing Facility to the existing shift camp completed.

On September 18, 2025, Tethys provided a further corporate update. Construction of the Central Processing Facility Upgrade work of the Kul-Bas Oil Field was progressing and moving and installation of the shift camp was underway. The modification work on the gas compressor was completed and the equipment dispatched from China. The compressor was scheduled to be connected October 10th if the turbine repair was also completed. These should allow for the oil production to increase to about 500 tons per day.

Operational Review - continued

On October 17, 2025, Tethys updated further that the gas turbine repair has experienced a delay and the gas turbine was now scheduled to be put into service in early November which should allow for the oil production to increase to about 500 tons per day in November.

Marketing and logistics

In early 2023, the MoE issued an order restricting the export of certain refined oil products beyond the Eurasian Economic Union's territory. This regulation, in combination with effects from the war in Ukraine, has negatively impacted the price of domestic oil in Kazakhstan. Given the reduction in oil prices, Tethys has scaled back its exploration and operating plans to incorporate lower oil price estimates. The priority has been to address the costs necessary for the Phase 1 oil handling and gas utilization facilities.

The amount of oil that can be produced is currently limited by 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, Kul-Bas is selling oil primarily to mini-refineries given the higher price offered (as compared to the state refineries).

On October 8, 2024, the Republic of Kazakhstan temporarily banned the export of naptha to the Eurasian Economic Union's territory. Although the official validity of this order expired on March 29, 2025, the ban remains effectively in force and has, in practice, become permanent. Considering that the export of certain refined oil products including naptha and marine fuel to non-EAEU countries was already prohibited in 2023, the ability to export naptha to EAEU countries had been an important outlet for mini-refineries operating in Kazakhstan. This situation ultimately affects how much mini-refineries can pay Tethys for its crude oil. Tethys management estimates the impact of this change at \$47.8 per ton, or approximately \$6 per barrel. The estimated reduction in net income for 2025 is significant to Tethys.

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

Operational Review - continued

Pilot production project and appraisal oil well production details

Well name	Drilling start & end dates	Zone	Perforation date (testing days)	Perforation intervals meters	Production during testing bbls	Commission date	2025 Production (Production to date) bbls
KBD-02	19/07/2019 06/10/2019	Jurassic	05/04/2020 (90 days)	38.9	32,268	08/09/2022	68,120 (921,114)
		Barremian	11/07/2020 (84 days)	15.5	204,394	-	
		Aptian	10/10/2020 (87 days)	18.3	160,321	15/10/2021	
KBD-03	01/05/2021 27/07/2021	Jurassic	31/08/2021 (90 days)	38	41,142	Awaiting connection to convert into commercial	Nil (253,184)
		Barremian	15/12/2021 (90 days)	15.5	157,397		
		Aptian	24/03/2022 (69 days)	2.0	54,645		
KBD-04	22/04/2022 08/07/2022	Jurassic	28/07/2022 (87 days)	40.5	47,988	Awaiting connection to convert into commercial	Nil (135,152)
		Hauterivian	11/11/2022 (83 days)	2.0	54,929		
		Upper Barremian	07/03/2023 (83 days)	2.0	32,236		
KBD-06	19/05/2021 25/07/2021	Barremian	14/10/2021	9.4	-	15/10/2021	276,953 (1,656,957)
KBD-07	08/10/2021 20/12/2021	Jurassic	27/12/2021 (204 days)	34.7	-	28/12/2021	229,298 (626,706)
		Aptian	29/07/2022	14.5	-	29/07/2022	
KBD-08	19/10/2021 01/01/2022	Jurassic	26/02/2022 (5 days)	34.5	67	Awaiting connection to convert into commercial	Nil (226,090)
		Upper Barremian	28/05/2022 (47 days)	5.5	56,257		
		Barremian	07/07/2022 (88 days)	10	169,767		
KBD-10	23/01/2023 24/07/2023	Jurassic	17.09.2024 (0 days)	13.4	-	Awaiting FDP ¹ to convert into commercial	Nil (203,055)
		Barremian	08.08.2023 (70 days)	9.1	186,742		
		Upper Barremian	08.04.2024 (20 days)	3.0	16,314		
KBD-11	17/03/2023 14/07/2023	Jurassic	28/04/2023 (0 days)	36.9	-	Awaiting FDP ¹ to convert into commercial	Nil (339,743)
		Lower Barremian	08/04/2023 (85 days)	3.2	55,436		
		Barremian	19.05.2023 (88 days)	7.0	89,997		
		Upper Barremian	18.05.2024 (90 days)	7.0	144,902		
		Aptian	25.08.2024 (7 days)	3	49,428		

Note 1 - Field Development Project (FDP)

Operational Review - continued

Exploration activities

The Group has prepared a seismic campaign on the Aral-4 block that includes 1,000 km of 2D seismic acquisition and interpretation in 2025 at an estimated cost of \$2.2 million and, dependent on the results, the drilling of an exploration well in 2026.

On the Diyar block, 346 km of seismic acquisition and interpretation is planned for this under-explored area at an estimated cost of \$1.3 million and the possible drilling of an exploration well in 2026.

The Company is considering its options for the Nurzhau exploration block.

On August 18, 2025, Tethys announced that it had signed amendments to its exploration contracts for the Diyar, Zhanasu and Nurzhau blocks. These amendments provide until 2027 for the Group to decide whether to drill a deep well or whether to return to the Republic of Kazakhstan the portions of the geological allotments deeper than 5,000 meters in the Pre-Caspian blocks (Diyar, Zhanasu and Nurzhau). Under these amendments, the Company has agreed to make a final decision by July 1, 2027 on whether to drill exploration wells or to return the deeper-than-5,000-meter allotments. The shallower allotments (above 5,000 meters) are not affected by these amendments.

On October 17, 2025 Tethys announced that the interpretation of the seismic data for the Aral-4 block was underway and expected to be completed by the end of October and that the Diyar seismic processing is ongoing.

Gas production – Kyzylai and Akkulka Contracts

	2025				2024			
	Mcm	Mcf	Mcm/d	Boe/d	Mcm	Mcf	Mcm/d	Boe/d
Kyzylai								
Q1	-	-	-	-	15,704	554,511	174	1,027
Q2	12,210	431,126	134	790	-	-	-	-
Q3	14,562	514,205	158	932	-	-	1	-
Total	26,772	945,331	98	577	15,704	554,511	58	339
Akkulka								
Q1	45	1,596	1	3	6,331	223,535	70	414
Q2	4,291	151,528	47	278	63	2,217	1	4
Q3	4,384	154,782	48	280	46	1,637	1	3
Total	8,720	307,906	32	188	6,440	227,389	24	139
Grand total	35,492	1,253,237	130	765	22,144	781,900	82	478

Gas operations update

Gas production for the quarter averaged 206 Mcm/d or 668,987 Mcf/d and for the nine-month period was 130 Mcm/d or 1,253,237 Mcf/d. There was no meaningful production in Q3 2024 and for the nine-month period in 2024.

The gas fields were closed for the whole of 2023 and most of 2024 due to the long-running contractual dispute regarding the price to be paid for prior gas deliveries by the Group's customer QazaqGaz, a Republic of Kazakhstan state-owned enterprise.

On September 30, 2024, the Group announced that, after multiple rounds of negotiations regarding the settlement of the dispute, QazaqGaz improved its offer, resulting in a total receivable for gas deliveries from May 2022 to January 4, 2023, and from January 1, 2024, to March 31, 2024 amounting

Operational Review - continued

to approximately 3.3 billion tenge including VAT of 12%, or approximately \$6.9 million at an exchange rate of 480 tenge to the US dollar. Although the gas sale contract originally stipulated a higher price formula, the Group opted to accept the revised offer to avoid the costly and lengthy process of resolving the dispute through arbitration. Ensuring liquidity is a priority for the Group as it continues to implement its development plans for the Kul-Bas oil field and exploration program at new exploration blocks. Following receipt of the debt from QazaqGaz, the Group worked to sign a new gas sales contract and restart gas production as soon as possible.

On February 3, 2025 the Group announced it had entered into an agreement with NatGaz Company LLP to be a buyer of Tethys' natural gas. Tethys received a prepayment for future gas deliveries and an official letter that the buyer is able to start accepting the gas and the Group commenced the process of preparing the resumption of gas production and rehiring employees associated with the gas production. On April 10, 2025, the Group resumed production from the Akkulka and Kyzloi gas fields and started gas sales to NatGaz Company LLP. At current pricing, the resumption of the gas production will allow for over \$700,000/month in revenue.

On August 18, 2025, Tethys provided a corporate update that gas production from 20 wells had declined from approximately 220,000 m³ per day to 180,000 m³ per day following the breakdown of one of the compressors the previous week and that a service company crew was mobilized for repairs.

On September 18, 2025, Tethys provided a further corporate update that gas production was averaging about 200,000 m³ per day from 20 wells and that workover jobs were planned for several of the gas wells with production expected to increase significantly in October.

Macroeconomic and Financial Outlook

The decline in realized prices for both oil and gas is occurring in parallel with rising costs across Kazakhstan's energy sector. Inflation is estimated at approximately 20% over the past year, while the netback from oil sales has dropped significantly. These dynamics have placed additional strain on the Group's cash flow and its ability to execute capital programs as originally planned.

While the Group was close to breakeven in 2024, modest profitability is projected in 2025. However, current monthly cash flows are not sufficient to support all capital expenditures. As a result, projects are being reprioritized to focus on those expected to deliver the highest near-term cash flow benefits.

In 2021, the Group sold oil at prices above \$50 per barrel. At present, average sales prices are below \$25 per barrel, with netbacks from state-affiliated refineries estimated between \$15 and \$25 per barrel. While Tethys currently sells oil to mini-refineries on a prepayment basis, a shift to supplying the large state-owned and state-affiliated refineries would require operating under post-payment terms — with payment received only after the oil is refined and products are sold. Management remains hopeful that international prices will recover and that the domestic discount to Brent will narrow over time.

Tethys benefits from having little to no fixed debt and continues to operate with financial discipline. Despite the ongoing economic headwinds, the Group has remained solvent—a challenge shared by many producers in Kazakhstan who operate outside Production Sharing Agreements (PSAs).

Operational Review - continued

Looking ahead, increasing oil production will require not only approval of the Commercial License but also the buildout of essential infrastructure — specifically oil handling capacity, gas utilization systems, and reliable logistics. Management is focusing its next efforts on maintaining stable output from current wells, followed by bringing wells KBD-03, KBD-04, and KBD-08 online, while simultaneously expanding gas utilization capacity to meet regulatory restrictions on flaring.

In addition, the Company experienced significant delays in payment for gas deliveries to the national gas company. For nearly two years, Tethys did not receive payment for gas sold, placing added strain on liquidity. In order to resolve the situation and resume cash inflows, the Company agreed to a revised pricing arrangement at approximately half the rate originally expected under the prior contract terms as described in more detail on page 15.

Financial Review

Summary of Quarterly Results

	Q3, 2025	Q2, 2025	Q1, 2025	Q4, 2024	Q3, 2024	Q2, 2024	Q1, 2024	Q4, 2022
Oil & gas sales and other revenues	7,101	6,131	3,972	3,115	5,357	4,786	1,943	6,431
Profit/(loss) for the period	1,362	1,202	276	(11,818)	(613)	1,027	(983)	(1,142)
Earnings/(loss) (\$) per share	0.02	0.01	0.00	(0.10)	(0.01)	0.01	(0.01)	(0.02)
Adjusted EBITDA ¹	3,707	2,890	1,510	156	3,164	1,896	(791)	5,244
Capital expenditure	565	2,546	2,035	2,711	888	2,413	1,790	5,289
Total assets	55,469	56,335	56,640	56,231	82,148	87,035	83,084	85,331
Cash & cash equivalents	7,114	6,042	4,541	5,959	2,637	2,094	1,849	7,216
Short & long-term borrowings	-	-	-	-	-	-	-	-
Total non-current liabilities	27,116	27,447	28,038	27,117	36,542	36,618	36,422	38,264
Net (cash)/debt ¹	(6,172)	(4,655)	(3,210)	(5,094)	(1,667)	(1,223)	(1,110)	(7,202)
Number of common shares outstanding	96,857,248 ²	96,857,248 ²	114,857,248	114,857,248	114,857,248	114,857,248	114,857,248	115,075,013

Note 1 Adjusted EBITDA and net debt are non-GAAP Measures, refer to page 21 for details.

Note 2 Excluding 18 million shares subject to cancellation following arbitration ruling, refer to page 8 for details.

Profit/(loss) for the period

	Quarter ended September 30			Nine months ended September 30		
	2025	2024	Change	2025	2024	Change
Sales and other revenue	7,101	5,357	33%	17,204	12,086	42%
Production expenses	(1,812)	(1,389)	30%	(5,183)	(4,710)	10%
Depreciation, depletion & amortization	(1,547)	(552)	180%	(3,531)	(1,596)	121%
Administrative expenses	(1,377)	(881)	56%	(3,758)	(3,111)	21%
Share-based payments	-	(9)	(100%)	(2)	(31)	(93%)
Other gains and losses	2	(474)	-	(17)	(518)	(97%)
Foreign exchange gains and losses	(205)	77	-	(156)	4	-
Finance income/(costs), net	154	(51)	-	339	14	2318%
	(4,785)	(3,279)	46%	(12,308)	(9,948)	24%
Profit before tax	2,316	2,078	11%	4,896	2,138	129%
Tax expense	(954)	(2,691)	(65%)	(1,968)	(2,707)	(27%)
Profit/(loss) for the period	1,362	(613)	-	2,928	(569)	-

The profit after tax for the quarter was \$1.4 million (2024: loss of \$0.6 million) and for the nine-month period was \$2.9 million (2024: loss of \$0.6 million), the principal variances being:

- Higher profit contribution from oil operations from greater than 100% increase in production volume for the quarter and nine-month period, offset by lower contribution from gas operations;
- Higher depreciation, depletion & amortisation due to higher overall production volumes of both oil & gas;

Financial Review - continued

- Higher administration expenses, mainly relating to Kazakhstan personnel costs and legal fees;
- Higher net finance income in the quarter and nine-month period from interest on positive cash balances;
- Tax charge of \$1.0 million for the quarter (2024: \$2.7 million) and \$2.0 million for the nine-month period (2024: \$2.7 million) based on the estimated effective tax rate for the financial year including Kazakhstan corporate income tax and withholding taxes.

Further variances between the two periods are summarized below together with a discussion of significant variances between the two periods.

Sales & other revenue

	Quarter ended September 30			Nine months ended September 30		
	2025	2024	Change	2025	2024	Change
<i>Summary by product & region</i>						
Kazakhstan - Oil	5,222	3,457	51%	13,659	8,243	66%
Kazakhstan - Gas	1,836	1,873	(2%)	3,501	3,815	(8%)
Kazakhstan - Other	43	27	60%	44	28	58%
Total	7,101	5,357	33%	17,204	12,086	42%

Kazakhstan – Oil revenue

- Oil revenue for the quarter was \$5.2 million (2024: \$3.5 million) or \$21.86/bbl (2024: \$31.49/bbl) and for the nine-month period was \$13.7 million (2024: \$8.2 million) or \$22.96/bbl (2024: \$31.94/bbl). Further information on the reduction in oil prices is given on page 14.

Kazakhstan - Gas revenue

- Gas revenue for the quarter was \$1.8 million (2024: \$1.9 million) or \$98.55/Mcm and for the nine-month period was \$3.5 million (2024: \$3.8 million) or \$100.51/Mcm. Gas revenue of \$3.8 million for the 2024 period included a positive revenue price adjustment relating to gas delivered to QazaqGaz in prior periods. Excluding the effect of this the actual price for gas sold during the period was \$84.45/Mcm.

Oil and gas sales contracts are subject to price risk – refer to page 26 – “Sensitivities”.

Financial Review - continued

Production expenses

	Units	Quarter ended September 30			Nine months ended September 30		
		2025	2024	Change	2025	2024	Change
Kazakhstan direct production expenses							
Oil production costs	\$000's	1,168	1,063	10%	3,641	3,324	10%
Gas production	\$000's	644	326	98%	1,542	1,386	11%
Total	\$000's	1,812	1,389	30%	5,183	4,710	10%
Administrative expenses							
Oil production	\$000's	731	547	33%	2,089	1,823	15%
Gas production	\$000's	244	183	33%	696	608	15%
Corporate	\$000's	403	151	167%	972	680	43%
Total	\$000's	1,377	881	56%	3,758	3,111	21%
Depreciation, depletion, amortisation & impairment							
Oil production	\$000's	1,009	540	87%	2,505	1,117	124%
Gas production	\$000's	538	12	4383%	1,026	479	114%
Total	\$000's	1,547	552	180%	3,531	1,596	121%
Oil							
Total cost of production	\$000's	2,908	2,150	35%	8,235	6,264	31%
Production	bbls	238,036	111,157	114%	574,371	259,513	121%
Cost per unit of production	\$/bbl	12.22	19.34	(37%)	14.34	24.14	(41%)
Gas							
Total cost of production	\$000's	1,426	521	174%	3,265	2,473	32%
Production	boe	97,115	273	35473%	208,886	130,325	60%
Cost per unit of production	\$/boe	14.68	-	-	15.63	18.98	(18%)
Production	Mcm	18,946	46	41087%	35,492	22,144	60%
Cost per unit of production	\$/Mcm	75.27	-	-	91.99	111.68	(18%)
Oil and gas weighted average cost	\$/boe	12.93	23.97	(46%)	14.68	22.41	(34%)

Kazakhstan – oil production

Total oil costs comprising direct costs, administrative expenses and depreciation, depletion and amortisation were \$2.9 million for the quarter or \$12.22/bbl (Q3 2024: \$2.2 million or \$19.34/bbl) and for the nine-month period were \$8.2 million or \$14.34/bbl (2024: \$6.3 million or \$24.14/bbl). Oil personnel costs and field maintenance costs continued to be incurred for the oil operations in Q1 2024 even though there was no production in the quarter resulting in a higher cost per barrel for the nine months to September 30, 2024. The significantly higher volume of production in 2025 also resulted in a lower cost per barrel due to the economies of scale and some costs being fixed.

Kazakhstan – gas production

Gas production costs comprising direct production costs, administrative expenses and depreciation, depletion and amortisation were \$1.4 million for the quarter or \$75.27/Mcm (2024: \$0.5 million) and for the nine-month period was \$3.3 million or \$91.99/Mcm (2024: \$2.5 million or \$111.68/Mcm). A large proportion of the gas costs are fixed and continued to be incurred in the prior period notwithstanding the shut-down of the gas field operations at the end of March 2024 until April 2025.

Financial Review - continued

Administrative expenses

	Quarter ended September 30			Nine months ended September 30		
	2025	2024	Change	2025	2024	Change
Staff and director costs	882	676	30%	2,625	2,239	17%
Professional fees	342	103	232%	682	476	43%
Other administrative expenses	153	102	51%	451	396	14%
Total	1,377	881	56%	3,758	3,111	21%
G&A expenses per boe (\$)	4.94	7.91	(38%)	4.80	7.98	(40%)

Administrative costs were higher in the quarter and nine-month period mainly due to higher Kazakhstan personnel costs and legal fees.

Foreign exchange gains and losses

Foreign exchange gains and losses arise from the revaluation of monetary assets and liabilities denominated in currencies other than the functional currency and the receipt or settlement of foreign currency denominated amounts at a different amount than the originally recorded transaction amount. These arise in Kazakhstan from variations in the KZT:\$ exchange rate. The functional currency of the Kazakhstan subsidiaries is the Kazakhstan tenge and the function currency of other Group companies is the United States dollar.

Finance income, net

Finance income, net comprises interest income on positive cash balances with banks net of interest accretion expense on certain liabilities and provisions. The higher level of finance income in 2025 is due to interest earned on positive cash balances held with banks, mainly in Kazakhstan tenge.

Taxation

The tax charge of \$1.0 million (2024: \$2.7 million) for the quarter and for the nine-month period of \$2.0 million (2024: \$2.7 million) reflects the expected full year effective tax rate for Kazakhstan profit taxes and withholding taxes.

Liquidity and Capital Resources

The Group's processes for managing liquidity risk includes preparing and monitoring capital and operating budgets, co-ordinating and authorising project expenditures and ensuring appropriate authorisation of contractual agreements. The budget and expenditure levels are reviewed on a regular basis and updated when circumstances indicate change is appropriate. The Group seeks additional financing based on the results of these processes.

The Group's capital structure is comprised of shareholders' equity and borrowings, net of cash and cash equivalents.

The Group's objectives when managing capital is to maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term. The capital structure of the Group is managed and adjusted to reflect changes in economic conditions.

The Group has funded its expenditures on commitments from existing cash and cash equivalent balances, primarily received from issuances of shareholders' equity and debt financing. There are no externally imposed capital requirements.

Financial Review - continued

Financing decisions are made by management and the Board of Directors based on forecasts of the expected timing and level of capital and operating expenditure required to meet the Group's commitments and development plans. Factors considered when determining whether to issue new debt or to seek equity financing include the amount of financing required, the availability of financial resources, the terms on which financing is available and consideration of the balance between shareholder value creation and prudent financial risk management.

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 September 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 September 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 September 30, 2025.

Financial Review - continued

Cash Flow

	Quarter ended September 30			Nine months ended September 30		
	2025	2024	Change	2025	2024	Change
Net cash from operating activities	1,622	1,534	6%	7,385	506	1360%
Capital expenditure	(565)	(888)	(36%)	(5,147)	(5,091)	1%
Other movements	170	(103)	-	259	6	4217%
Net cash used in investing activities	(395)	(991)	(60%)	(4,888)	(5,085)	(4%)
Dividends paid	-	-	-	(1,149)	-	-
Net cash used in financing activities	-	-	-	(1,149)	-	-
Effect of exchange rates	(155)	-	-	(193)	-	-
Net increase in cash	1,227	543	126%	1,348	(4,579)	-
Cash & cash equivalents at beginning of period	6,042	2,094	189%	5,959	7,216	(17%)
Cash & cash equivalents at end of period	7,114	2,637	170%	7,114	2,637	170%

Operating activities

Net cash from operating activities for the quarter of \$1.6 million was 6% higher than Q3 2024, partly reflecting the higher level of oil & gas revenues. Net cash from operating activities for the nine-month period was \$7.4 million compared with \$0.5 million in 2024 reflecting the more than doubling of gross profit from oil operations, partly offset by a reduction in gross profit from gas operations.

Investing activities

Capital expenditure payments for the quarter and nine-month period were at a similar level to the prior year and were mainly for construction services and seismic acquisition. In 2024 the main items were payments to the drilling contractor and payments for gas equipment.

Financing activities

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).

Accounting policies, changes to accounting standards and critical estimates

The Group's significant accounting policies and discussion of changes to accounting standards are disclosed in note 2 of the September 30, 2025 condensed consolidated interim financial statements. Refer to note 4 of the 2024 audited consolidated financial statements for information on the Group's significant judgments and assumptions and critical estimates.

Off-Balance Sheet Arrangements

The Group has no off-balance sheet arrangements.

Financial Review - continued

Non-GAAP Measures

Adjusted EBITDA

Adjusted EBITDA is defined as “Profit or loss before Interest, Tax, Depreciation, Amortization, Impairment and Share Based Payments” and is calculated on the results of continuing operations. It provides an indication of the results generated by the Group’s principal business activities prior to how these activities are financed, assets are depreciated and amortized, or how results are taxed in various jurisdictions.

The reconciliation of Adjusted EBITDA to profit for the period is as follows:

	Quarter ended September 30			Nine months ended September 30		
	2025	2024	Change	2025	2024	Change
Profit before taxation	2,316	2,078	11%	4,896	2,138	129%
Depreciation, depletion and amortization	1,547	552	180%	3,531	1,596	121%
Share-based payments	-	9	(100%)	2	31	(93%)
Other gains and losses	(2)	474	-	17	518	(97%)
Finance (income)/costs, net	(154)	51	-	(339)	(14)	2318%
Adjusted EBITDA	3,707	3,164	17%	8,107	4,269	90%

Net debt

Net debt is calculated as total borrowings and deferred revenue less cash and cash equivalents. Total capital is calculated as equity plus net debt. All figures are as stated in the statements of financial position for the respective reporting periods.

	As at September 30		
	2025	2024	Change
Total financial liabilities - borrowings	-	-	-
Deferred revenue	942	970	(3%)
Less: cash and cash equivalents	(7,114)	(2,637)	170%
Net (cash)/debt	(6,172)	(1,667)	270%
Total equity	23,632	38,476	(39%)
Total capital	17,460	36,809	(53%)

Adjusted EBITDA and Net debt shown in this MD&A do not have any standardised meaning as prescribed under IFRS and, therefore, are considered non-GAAP measures. These measures have been described and presented to provide shareholders and potential investors with additional information regarding the Group’s financial results. These measures may not be comparable to similar measures presented by other entities.

Stockholder Equity

As at September 30, 2025 the Company had authorised share capital of 145,000,000 (September 30, 2024: 145,000,000) ordinary shares of which 96,857,248 (September 30, 2024: 114,857,243) were issued and outstanding and 50,000,000 (September 30, 2024: 50,000,000) preference shares of which none had yet been issued. The preference shares have the rights as set out in the Memorandum and Articles of Association of the Company.

On May 13, 2025 the sole Arbitrator of the International Arbitration Centre ruled and declared, amongst other things, that Olisol Petroleum Limited is ordered to cancel share certificates GS 44 and GS 43 (totalling 18 million shares). Tethys subsequently sought and received a ruling from the arbitrator amending the language to clarify that Tethys has the authority to cancel the 18 million

Financial Review - continued

shares. The Olisol Petroleum Limited shares have been excluded from the outstanding share totals above.

The number of options issued under the Company's Long Term Stock Incentive Plan and outstanding as at September 30, 2025 was 1,802,188 (September 30, 2024: 1,802,188).

There were no changes after September 30, 2025 and up to the date of this MD&A.

Dividends

On February 20, 2025, the Company paid a dividend of \$0.01 cents per ordinary share with a record date of February 10, 2025 and payment date of February 9, 2024. The total amount of the dividend was \$1,149 thousand.

Transactions with Related Parties

There were no transactions with related parties requiring disclosure.

Commitments and contingencies

Details of the Group's commitments and contingencies including litigation, claims and assessments, work programme commitments and operating leases are provided in note 19 of the 2024 consolidated financial statements.

A summary of the Group's contractual obligations for each of the next five years and thereafter is shown in the table below:

	Total	Payments due by period			
		Less than 1 year	1 – 3 years	4 – 5 years	After 5 years
Contractual obligations					
Kazakhstan work programme commitments	56,211	30,699	8,107	17,405	-
Trade and other payables	6,239	4,093	636	636	874
Provisions	4,327	681	764	619	2,263
Total contractual obligations	66,777	35,473	9,507	18,660	3,137

Risks, uncertainties and other information

Risk management is carried out by senior management, in particular the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) as well as the Board of Directors. The Group has identified its principal risks for 2025 to include:

- (1) Liquidity and going concern;
- (2) Retention and extension of existing licences;
- (3) Production volumes and pricing – both oil and gas; and
- (4) Political, fiscal, litigation and related risks.

Financial Risk Management

The Group’s activities expose it to a variety of financial risks including: market risk, credit risk, liquidity risk, interest rate, commodity price and foreign exchange risk. Details of the Group’s exposure to these risks and how this is managed is given in note 3 to the audited consolidated financial statements for the year ended December 31, 2024. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance.

The Board of Directors of the Company has overall responsibility for the Group’s management of risk, including the identification and analysis of risks faced by the Group and the consideration of controls that monitor changes in risk and minimise risk wherever possible.

Sensitivities

Any material decline in oil and gas prices could result in a reduction of the Group’s revenues in Kazakhstan. For example, a 20% net price reduction from the 2025 average sales price for the nine-month period, would have resulted in a reduction of \$2.7 million in oil revenues and a \$0.7 million in gas revenues

Critical Accounting Policies and Estimates

The annual and condensed consolidated interim financial statements of the Group are prepared in accordance with IFRS and IFRIC Interpretations issued by the IFRS Interpretations Committee, refer to 2024 audited consolidated financial statements - note 2 *Summary of Significant Accounting Policies* and Note 4 – *Critical Judgements and Accounting Estimates* – for further details.

Derivative Financial Instruments

The Group has not recognised any derivative financial instruments.

Significant equity investees

The Group does not have any significant equity investees.

Forward-looking statements

In the interest of providing Tethys' shareholders and potential investors with information regarding the Group, including management's assessment of the Company's and its subsidiaries' future plans and operations, certain statements contained in this MD&A constitute forward-looking statements or information (collectively referred to herein as "forward-looking statements") within the meaning of the "safe harbour" provisions of applicable securities legislation. Forward-looking statements are typically identified by words such as "anticipate", "believe", "expect", "plan", "intend", "forecast", "target", "project" or similar words suggesting future outcomes or statements regarding an outlook.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur.

By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause the Group's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements.

These risks, uncertainties and assumptions include, among other things: the significant uncertainty over the Group's ability to generate sufficient cash flow from operations to meet its current and future obligations and continue as a going concern; risks of exploration and production licenses, contracts and permits being cancelled due to non-fulfilment of contractual commitments or not being renewed when they expire; the Group will not be successful obtaining governmental approvals for the export of oil at prices significantly higher than price currently realised; volatility of and assumptions regarding oil and gas prices; fluctuations in currency and interest rates; product supply and demand; market competition; ability to realise current market oil and gas prices; risks inherent in the Company's and its subsidiaries' marketing operations, including credit risks; imprecision of reserve estimates and estimates of recoverable quantities of oil and natural gas and other sources not currently classified as proved; the Company's and its subsidiaries' ability to replace and expand oil and gas reserves; unexpected cost increases or technical difficulties in constructing pipeline or other facilities; unexpected delays in its drilling operations; unexpected difficulties in transporting oil or natural gas; risks associated with technology; the timing and the costs of well and pipeline construction; the Company's and its subsidiaries' ability to secure adequate product transportation; changes in royalty, tax, environmental and other laws or regulations or the interpretations of such laws or regulations; political and economic conditions in the countries in which the Group operate; the risk associated with the uncertainties, inconsistencies and contradictions in local laws and their interpretation and application in local jurisdictions in which the Group operates; the risk of international war, hostilities and terrorist threats, civil insurrection and instability affecting countries in which the Group operate; risks associated with existing and potential future lawsuits and regulatory actions made against the Group; and other risks and uncertainties described from time to time in the reports and filings made with securities regulatory authorities by Tethys.

Forward-looking statements - continued

With regard to forward looking information contained in this MD&A, the Group has made assumptions regarding, amongst other things, the continued existence and operation of existing pipelines; future prices for oil and natural gas; future currency and exchange rates; the Group's ability to generate sufficient cash flow from operations and access to capital markets to meet its future obligations and ability to continue as a going concern; the regulatory framework representing mineral extraction taxes, royalties, taxes and environmental matters in the countries in which the Group conducts its business, gas production levels; and the Group's ability to obtain qualified staff and equipment in a timely and cost effective manner to meet the Group's demands. Statements relating to "reserves" or "resources" or "resource potential" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described exist in the quantities predicted or estimated, and can be profitably produced in the future. Although Tethys believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list of important factors is not exhaustive. Furthermore, the forward-looking statements contained in this MD&A are made as of the date of this MD&A and, except as required by law, Tethys does not undertake any obligation to update publicly or to revise any of the included forward looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

Glossary

Bbls	Barrels of oil
boe/d	Barrel of oil equivalent per day
bopd	Barrels of oil per day
EBITDA	Earnings before interest, taxes, depreciation and amortisation
GAAP	Generally accepted accounting principles
IFRS	International Financial Reporting Standards
KASE	Kazakhstan Stock Exchange
KBD	Kul-bas Deep well in the Kul-bas Exploration Contract area
Kul-Bas	The Kul-Bas Exploration Contract area held by Kul-Bas LLP
KZT	Kazakhstani Tenge
m3	Cubic metre
Mcf	Thousand cubic feet
Mcf/d	Thousand cubic feet per day
Mcm	Thousand cubic metres
Mcm/d	Thousand cubic metres per day
MD&A	Management's Discussion & Analysis
MoE	Ministry of Energy
	National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities of the
NI 51-101	Canadian Securities Administrators
NPV	Net present value
Q1	Three-month period commencing January 1 and ending 31 March
Q2	Three-month period commencing April 1 and ending 30 June
Q3	Three-month period commencing July 1 and ending 30 September
Q4	Three-month period commencing October 1 and ending 31 December
Tethys	Tethys Petroleum Limited and subsidiary companies
TSX	Toronto Stock Exchange
TSXV	TSX Venture Exchange
VAT	Value added tax
YTD	Year to date cumulative
\$	United States Dollar
\$/bbl	\$ per barrel
\$/Mcm	\$ per thousand cubic metres