

Tethys Petroleum Limited

Condensed Consolidated Interim Financial Statements
(Unaudited)
March 31, 2026

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
May 28, 2026

A. Ogunsemi
Director
May 28, 2026

Tethys Petroleum Limited

Condensed Consolidated Interim Statements of Financial Position (unaudited)

(in thousands of US dollars)

	Note	31 March 2026	31 December 2025
<i>Non-current assets:</i>			
Property and equipment		48,555	47,003
Exploration and evaluation assets		2,910	2,721
Trade and other receivables		360	341
Restricted cash		856	728
Total non-current assets		52,681	50,793
<i>Current assets:</i>			
Cash and cash equivalents		6,400	8,149
Prepaid income tax		1,337	1,265
Trade and other receivables		7,479	3,280
Inventories		861	740
Total current assets		16,077	13,434
Total assets		68,758	64,227
<i>Non-current liabilities:</i>			
Deferred tax liabilities		13,807	13,211
Provisions		2,579	2,485
Trade and other payables		1,626	1,496
Total non-current liabilities		18,012	17,192
<i>Current liabilities:</i>			
Current income tax payable		1,432	2,601
Contract liabilities - deferred revenue		2,382	2,452
Provisions		507	507
Trade and other payables		12,158	11,217
Total current liabilities		16,479	16,777
Total liabilities		34,491	33,969
<i>Equity:</i>			
Share capital		11,486	11,486
Share premium		367,765	367,765
Accumulated deficit		(385,973)	(387,977)
Foreign currency translation reserve		(3,353)	(5,278)
Other reserves		44,342	44,262
Total equity		34,267	30,258
Total equity and liabilities		68,758	64,227
Going concern	1		
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The notes on pages 5 to 7 form part of these condensed consolidated interim financial statements. The condensed consolidated interim financial statements were approved by the Board on May 28, 2026 and were signed on its behalf.

W. Wells
Chairman
May 28, 2026

A. Ogunsemi
Director
May 28, 2026

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 March 31	
		2026	2025
Sales revenues	3	8,101	3,972
Production expenses		(2,232)	(1,395)
Depreciation, depletion and amortisation		(1,668)	(697)
Administrative expenses		(1,666)	(1,072)
Share-based payments		(80)	(2)
Other gains/(losses)		43	(19)
Foreign exchange (loss)/gain		(27)	5
Finance income, net		169	101
Total expenses		(5,461)	(3,079)
Profit before tax		2,640	893
Corporate income tax expense		(636)	(617)
Profit for the period		2,004	276
Other comprehensive income			
Exchange differences from translating foreign operations		1,925	1,323
Total comprehensive income		3,929	1,599
Earnings per share attributable to shareholders:			
Basic (\$)	4	0.02	0.00
Diluted (\$)	4	0.02	0.00

No dividends were paid during the period (2025: \$973 thousand).

The notes on pages 5 to 7 form part of these condensed consolidated interim financial statements.

Tethys Petroleum Limited

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	Total equity
At January 1, 2025	11,486	368,738	(394,642)	(6,695)	44,260	23,147
Comprehensive income for the period	-	-	276	1,323	-	1,599
Dividend paid	-	(1,149)	-	-	-	(1,149)
Share-based payments	-	-	-	-	2	2
At March 31, 2025	11,486	367,589	(394,366)	(5,372)	44,262	23,599
At January 1, 2026	11,486	367,765	(387,977)	(5,278)	44,262	30,258
Comprehensive income for the period	-	-	2,004	1,925	-	3,929
Share-based payments	-	-	-	-	80	80
At March 31, 2026	11,486	367,765	(385,973)	(3,353)	44,342	34,267

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 7 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	
	March 31	
	2026	2025
Cash flow used in operating activities		
Profit before tax	2,640	893
Adjustments for:		
Share-based payments	80	2
Finance income, net	(169)	(101)
Depreciation, depletion and amortisation	1,668	697
Other losses	(43)	19
Net change in working capital	(3,489)	471
Corporate income tax paid	(1,792)	(373)
Net cash (used in)/from operating activities	(1,105)	1,608
Cash flow from investing activities:		
Interest received	251	178
Acquisition of exploration and evaluation assets	(52)	(349)
Acquisition of property and equipment	(969)	(1,686)
Historical costs payments	(80)	(72)
Movement in restricted cash	(128)	(93)
Net cash used in investing activities	(978)	(2,022)
Cash flow from financing activities:		
Dividend paid	-	(1,149)
Net cash used in financing activities	-	(1,149)
Net decrease in cash and cash equivalents	(2,083)	(1,563)
Effects of exchange rate changes on cash and cash equivalents	334	145
Cash and cash equivalents at beginning of the period	8,149	5,959
Cash and cash equivalents at end of the period	6,400	4,541

The notes on pages 5 to 7 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 is listed on the TSX Venture Exchange (“TSXV”).

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 revenues may be significantly lower than assumed in the Group’s forecasts due to lower prices or production volumes, or a combination thereof.

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 March 31, 2026. 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 20% reduction in expected oil revenues.

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 March 31, 2026 and that it is appropriate to adopt the going concern basis in preparing the condensed consolidated interim financial statements for the period ended March 31, 2026.

Tethys Petroleum Limited

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, 2025.

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 three months ended March 31, 2026 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 three months ended March 31, 2026:

	Kazakhstan	Corporate	Total ¹
Oil sales		-	8,101
Gas sales	-	-	-
Other revenue	-	-	-
Segment revenue		-	8,101
Profit/(loss) before taxation	3,261	(621)	2,640
Corporate income tax expense	(636)	-	(636)
Profit/(loss) for the period	2,625	(621)	2,004
Total assets	68,663	95,116	68,758
Total liabilities	124,822	4,690	34,491
Expenditure on exploration & evaluation assets, property and equipment	1,021	-	1,021
Depreciation, depletion & amortization	1,668	-	1,668

Note 1 – Total is after elimination of inter-segment items of \$95,021 thousand.

Tethys Petroleum Limited

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

(in thousands of US dollars)

The following is an analysis of the Group's revenue, results and assets by reportable segment for the three months ended March 31, 2025:

	Kazakhstan	Corporate	Total ¹
Oil sales	3,972	-	3,972
Gas sales	-	-	-
Other revenue	-	-	-
Segment revenue	3,972	-	3,972
Profit/(loss) before taxation	1,196	(303)	893
Corporate income tax expense	(617)	-	(617)
Profit/(loss) for the period	579	(303)	276
Total assets	55,585	95,788	56,640
Total liabilities	120,826	6,948	33,041
Expenditure on exploration & evaluation assets, property and equipment	2,035	-	2,035
Depreciation, depletion & amortization	697	-	697

Note 1 – Total is after elimination of inter-segment items of \$94,733 thousand.

4 Earnings per share

	Units	Three months ended March 31	
		2026	2025
Profit/(loss) for the purpose of basic and diluted earnings/(loss) attributable to ordinary shareholders	\$'000	2,004	276
Weighted average shares - basic	000s	114,857	115,075
Weighted average shares - diluted	000s	116,282	115,075
Per share amount - basic	\$	0.02	0.00
Per share amount - diluted	\$	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

There were no subsequent events that would be required to be reported under IFRS Accounting Standards.