Tethys Petroleum Limited

Condensed Consolidated Interim Financial Statements
(Unaudited)
June 30, 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	**A. Ogunsemi**
Chairman	Director
August 24, 2026	August 24, 2026

Tethys Petroleum Limited

Condensed Consolidated Interim Statements of Financial Position (unaudited)

(in thousands of US dollars except per share information)

	Note	30 June 2026	31 December 2025
Non-current assets:			
Property and equipment		48,609	47,003
Exploration and evaluation assets		2,970	2,721
Trade and other receivables		858	341
Restricted cash		359	728
Total non-current assets		**52,796**	**50,793**
Current assets:			
Cash and cash equivalents		6,257	8,149
Prepaid income tax		1,330	1,265
Trade and other receivables		8,526	3,280
Inventories		3,087	740
Total current assets		**19,200**	**13,434**
Total assets		**71,996**	**64,227**
Non-current liabilities:			
Deferred tax liabilities		13,353	13,211
Provisions		2,617	2,485
Trade and other payables		1,526	1,496
Total non-current liabilities		**17,496**	**17,192**
Current liabilities:			
Current income tax payable		928	2,601
Contract liabilities - deferred revenue		3,545	2,452
Provisions		507	507
Trade and other payables		15,297	11,217
Total current liabilities		**20,277**	**16,777**
Total liabilities		**37,773**	**33,969**
Equity:			
Share capital		11,486	11,486
Share premium		367,765	367,765
Accumulated deficit		(385,983)	(387,977)
Foreign currency translation reserve		(3,467)	(5,278)
Other reserves		44,422	44,262
Total equity		**34,223**	**30,258**
Total equity and liabilities		**71,996**	**64,227**
Going concern	1		
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The notes on pages 5 to 8 form part of these condensed consolidated interim financial statements. The condensed consolidated interim financial statements were approved by the Board on August 24, 2026 and were signed on its behalf.

W. Wells
Chairman
August 24, 2026

A. Ogunsemi
Director
August 24, 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 June 30		Six months ended June 30	
		2026	2025	2026	2025
Sales and other revenue	3	10,433	6,131	18,534	10,103
Sales expenses		(77)	-	(77)	-
Production expenses		(1,794)	(1,976)	(4,026)	(3,371)
Refining and transportation expenses		(4,500)	-	(4,500)	-
Depreciation, depletion and amortisation		(1,650)	(1,287)	(3,318)	(1,984)
Administrative expenses		(2,159)	(1,309)	(3,825)	(2,381)
Share-based payments		(80)	-	(160)	(2)
Other gains and losses		(20)	-	23	(19)
Foreign exchange gains and losses		7	44	(20)	49
Finance income, net		15	84	184	185
Total expenses		(10,258)	(4,444)	(15,719)	(7,523)
Profit before tax		**175**	**1,687**	**2,815**	**2,580**
Tax expense		(185)	(395)	(821)	(1,012)
(Loss)/profit for the year		**(10)**	**1,292**	**1,994**	**1,568**
Other comprehensive (loss)/income					
Exchange differences from translating foreign operations		(114)	(1,107)	1,811	216
Total comprehensive (loss)/income		**(124)**	**185**	**3,805**	**1,784**
(Loss)/earnings per share:					
Basic ($)	4	(0.00)	0.01	0.02	0.01
Diluted ($)	4	(0.00)	0.01	0.02	0.01

No dividends were paid during the six months ended June 30, 2026. 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.

The notes on pages 5 to 8 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	-	-	1,568	216	-	1,784
Dividend paid	-	(1,149)	-	-	-	(1,149)
Share-based payments	-	-	-	-	2	2
At June 30, 2025	**11,486**	**367,589**	**(393,074)**	**(6,479)**	**44,262**	**23,784**
At January 1, 2026	**11,486**	**367,765**	**(387,977)**	**(5,278)**	**44,262**	**30,258**
Comprehensive income for the period	-	-	1,994	1,811	-	3,805
Share-based payments	-	-	-	-	160	160
At June 30, 2026	**11,486**	**367,765**	**(385,983)**	**(3,467)**	**44,422**	**34,223**

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

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

Tethys Petroleum Limited

Condensed Consolidated Interim Statements of Cash Flows (unaudited)

(in thousands of US dollars)

	Three months ended June 30		Six months ended June 30	
	2026	**2025**	**2026**	**2025**
Cash flow from operating activities				
Profit before tax	175	1,687	2,815	2,580
Adjustments for:				
Depreciation, depletion and amortisation	1,650	1,287	3,318	1,984
Share-based payments	80	-	160	2
Other gains and losses	20	-	(23)	19
Finance income, net	(15)	(84)	(184)	(185)
Net change in working capital	902	1,528	(2,587)	1,999
Corporate income tax paid	(1,089)	(262)	(2,881)	(635)
Net cash from operating activities	**1,723**	**4,156**	**618**	**5,764**
Cash flow from investing activities:				
Interest received	140	173	391	351
Acquisition of exploration and evaluation assets	(73)	(1,480)	(125)	(1,829)
Acquisition of property and equipment	(1,785)	(1,066)	(2,754)	(2,752)
Historical cost payments	(80)	(69)	(160)	(141)
Movement in restricted cash	(2)	(27)	(130)	(120)
Net cash used in investing activities	**(1,800)**	**(2,469)**	**(2,778)**	**(4,491)**
Cash flow from financing activities:				
Dividend paid	-	-	-	(1,149)
Net cash used in financing activities	**-**	**-**	**-**	**(1,149)**
Net (decrease)/increase in cash and cash equivalents	**(77)**	**1,687**	**(2,160)**	**124**
Effects of exchange rate changes on cash and cash equivalents	(66)	(186)	268	(41)
Cash and cash equivalents at beginning of the period	6,400	4,541	8,149	5,959
Cash and cash equivalents at end of the period	**6,257**	**6,042**	**6,257**	**6,042**

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

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 June 30, 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 June 30, 2026 and that it is appropriate to adopt the going concern basis in preparing the condensed consolidated interim financial statements for the period ended June 30, 2026.

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.

Refining operations, revenue and inventories

During the second quarter of 2026, the Group commenced processing its crude oil through third-party refineries and selling refined petroleum products. Revenue from refined petroleum products is recognised when control transfers to the customer in accordance with the applicable delivery terms. Inventories of crude oil in transit or processing and refined petroleum products are measured at the lower of cost and net realisable value. Cost includes crude oil production costs, directly attributable transportation, refining services, excise and other conversion costs and is assigned using the weighted-average cost formula. When refined petroleum products are sold, their carrying amount is recognised within production expenses in the same period as the related revenue.

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

New and amended standards adopted by the Group

There were no new and revised IFRS Accounting Standards adopted by the Group during the six months ended June 30, 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 six months ended June 30, 2026:

	Kazakhstan	**Corporate**	**Total[1]**
Crude oil sales	6,389	-	6,389
Refined product sales	7,575	-	7,575
Gas sales	4,570	-	4,570
Other revenue	-	-	-
Segment revenue	**18,534**	**-**	**18,534**
Profit/(loss) before taxation	3,325	(1,628)	2,815
Tax expense	(961)	-	(821)
Profit/(loss) for the period	**2,364**	**(1,628)**	**1,994**
Total assets	73,479	96,497	71,996
Total liabilities	129,351	6,402	37,773
Expenditure on exploration & evaluation assets, property and equipment	2,879	-	2,879
Depreciation, depletion & amortization	3,318	-	3,318

Note 1 – Total is after elimination of inter-segment items of $97,980 thousand.

The following is an analysis of the Group's revenue, results and assets by reportable segment for the three months ended June 30, 2025:

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

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

4 Earnings per share

Continuing operations	Units	Three months ended June 30 2026	2025	Six months ended June 30 2026	2025
(Loss)/profit for the purpose of basic and diluted earnings per share attributable to ordinary shareholders	$'000	(10)	1,292	1,994	1,568
Weighted average shares - basic	000s	114,857	114,857	114,857	114,857
Weighted average shares - diluted	000s	116,282	115,374	116,282	115,374
(Loss)/earnings per share - basic	$	(0.00)	0.01	0.02	0.01
(Loss)/earnings per share - diluted	$	(0.00)	0.01	0.02	0.01

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

- *Extension of the Akkulka Gas Contract*

  Subsequent to the reporting period, on July 14, 2026, Group company TethysAralGas LLP ("TAG") and the Ministry of Energy of the Republic of Kazakhstan signed and registered Addendum No. 8 to Contract No. 3496 dated December 23, 2009. The addendum extends the production period under the Akkulka Gas Contract by 11 years, until December 23, 2036.

  Under the addendum, TAG is also required to provide additional financing of KZT 50 million for the social and economic development of the Shalkar district of the Aktobe region within one year following the extension of the production period.

- *DSFK enforcement proceedings*

  On March 20, 2026, the court dismissed TAG's claim to terminate the enforcement proceedings and remove the encumbrances over its pledged assets. On May 5, 2026, the appellate court upheld that decision. Accordingly, as at June 30, 2026, the enforcement proceedings and encumbrances remained in place. Subsequent to the reporting period, on July 29, 2026, the Administrative Cassation Court upheld the decisions of the lower courts, and the enforcement proceedings and encumbrances remain in place.

  Separately, on May 28, 2026, the private bailiff issued an order transferring the pledged assets for sale. No sale had occurred as at June 30, 2026. Subsequent to the reporting period, on July 10, 2026, the Specialized Interdistrict Administrative Court of the Aktobe Region set aside the May 28, 2026 order and directed the private bailiff to proceed with an appraisal and allow TAG an opportunity to arrange a voluntary sale of the assets based on the appraisal results. DSFK appealed the decision. At a hearing held on August 21, 2026, the appellate court announced that the first-instance decision had been upheld. The formal written decision had not yet been received as of the date of approval of these financial statements, and no sale of the pledged assets has occurred.

  Separately, the Group continues to enforce the May 13, 2025 award of the International Arbitration Centre, which requires DSFK to repay KZT 1,434,692,762, together with awarded costs.