



October 14, 2020

**Tethys Petroleum Press Release**  
**(TSXV: TPL)**

**Corporate Update**

Grand Cayman, Cayman Islands - Tethys Petroleum Limited (TSXV: TPL) ("**Tethys**" or the "**Company**") today provides a corporate update.

**Operations update**

Activities for drilling of AKD-12 (depth -1200m) and AKD-33 gas wells are moving forward with the start of drilling anticipated for middle of October. It is anticipated that the drilling operations will be completed on both wells by the end of November. The AKD-12 is believed to have potential for an oil find in addition to gas. Tethys also has entered into contracts for the acquisition, interpretation and analysis for 3D seismic for the Klymene field and additional acreage in the Kyzloi/Akulka fields. The estimated cost is about \$3.5mm USD with an expectation of this work being completed by the end of June, 2021.

Tethys has started the production testing of the third zone of KBD-02 (Klymene). The well was perforated on Sunday, October 11, 2020. The initial testing used chokes ranging from 5 mm to 15 mm. The rate of production ranged from approximately 630 barrels per day using the 5 mm choke to 4,185 barrels per day using the 15 mm choke. While these test results are encouraging, they should be considered preliminary until the tests are carried out over a longer period and help confirm the ability to sustain these production rates over longer periods.

**Financing Update**

With the receipt of the gas prepayment and the oil sales from KBD-02, Tethys has been able to meet its operating expenses. At present, Tethys holds approximately \$5mm in cash with planned debt repayments and drilling/seismic expenses exceeding \$8mm. It is anticipated that this shortfall will be primarily addressed from additional cash from operations from the KBD-02 Upper Aptian production and/or from new loans.

**AGR Note repayment**

An agreement has been signed allowing Tethys to receive a discount of \$70,000 if it will repay the \$3mm AGR note prior to October 19, 2020. Tethys plans to take advantage of this opportunity and retire the AGR notes from cash on hand.

**Reserve report update**

Tethys engaged Gustavson Associates to provide a reserve report on the Jurassic and Lower Aptian zones for the KBD-02 well. This report has now been completed and was prepared in compliance with NI51-101, Standards of Disclosure for Oil and Gas Activities and the COGE Handbook. The previous reports which classified the anticipated production as Contingent Resources has been upgraded to now classify as Proved, Probable, and Possible Reserves (as the economic analysis is now complete). Given the significance of the new field with the KBD-02 discovery, Tethys has engaged McDaniel & Associates to provide a second opinion on the



estimated reserves on the Klymene field. It is expected that this report will also include the Upper Aptian in addition to the first two zones included in the Gustavson report. The following is a summary from the Gustavson report covering the Jurassic and Lower Aptian zones only:

Category	Gross Oil (thousands of bbls)		Gross Gas (Millions of Standard Cubic Feet)		Thousands of BOEs		Net Present Value at 10%(000's US\$)			
							Before Tax		After Tax	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Total Proved	50,509		27,559		55,102	0	\$647,600		\$266,038	
Total Proved + Probable	224,312		121,368		244,540	0	\$1,647,340		\$675,707	
Total Proved + Probable + Possible	668,655		319,264		721,866	0	\$6,141,456		\$2,613,123	

## About Tethys

Tethys is focused on oil and gas exploration and production activities in Central Asia and the Caspian Region. Tethys believes that significant potential exists in both exploration and in discovered deposits in the area.

## Disclaimer

Some of the statements in this document are forward-looking. No part of this announcement constitutes, or shall be taken to constitute, an invitation or inducement to invest in the Company or any other entity and shareholders of the Company are cautioned not to place undue reliance on the forward-looking statements. Save as required by applicable law, the Company does not undertake to update or change any forward-looking statements to reflect events occurring after the date of this announcement.

**Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.**

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