



November 28, 2019

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

Corporate Update

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

DSFK and Gas Production

As previously announced, the Company's subsidiary, Tethys Aral Gas LLP ("**TAG**"), received notification from its gas customer in August of this year that it intended to reduce its gas purchases from TAG. This was in response to a letter received from Special Financial Company DSFK LLP ("**DSFK**") that it intended to dismantle and dispose of TAG's gas transportation assets which are pledged to DSFK.

Tethys explained to its gas customer that there was no legal basis for the DSFK demand and that it should continue to purchase the gas that TAG is able to produce and deliver in accordance with the parties' gas sales contract. Nevertheless, following receipt of a second letter from DSFK, TAG's gas customer reduced its acceptance of TAG's gas in late September.

Following an appeal court ruling on July 1, 2019, which upheld DSFK's right to commence compulsory enforcement proceedings against the loan borrower Eurasia Gas Group LLP, loan guarantors Alexander Abramov, Fedor Ossinin and Alexander Skripka and asset pledgors TAG and Aral Oil Terminal LLP, DSFK proposed a workout solution that was not acceptable to the Tethys board. Tethys made alternative proposals to DSFK but Tethys proposals were rejected by DSFK.

Due to the impasse and the ongoing negative effect on Tethys revenues from the reduced gas sales, Tethys took legal steps to try to protect the company. The current situation is one where Tethys still hopes to reach a resolution with DSFK or hopes to be able to work out a solution (or asset re-purchase) through the courts.

Klymene Exploration Well

The Company previously announced its plans to drill the KBD-02 ("**Klymene**") prospect commencing mid-July 2019 to a target depth of between 2,500 – 3,000 metres and that drilling was expected to take around four months.

Drilling operations were delayed at one point due to delayed payments but have now resumed. A detailed announcement will be made when the drilling and testing of the Klymene well have been completed.

Kul-bas Exploration Contract

The Klymene well is located in the Kul-bas Exploration Contract area. This contract has been granted a number of extensions previously and Tethys is seeking a further extension to the last two year contract period which ended on November 11, 2019.



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About Tethys

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

Disclaimer

Some of the statements in this document are forward-looking, including statements relating to the ability of Tethys to reach a resolution with DSFK or work out a solution (or asset re-purchase) through the courts, resumption of TAG's gas production and sales, drilling and testing of the Klymene exploration well and extension of the Kul-bas Exploration Contract. Such statements are not promises or guarantees, and are subject to risks and uncertainties that could cause actual outcomes to differ materially from those suggested by any such statements, including the risk that the Company will not be able to reach a resolution with DSFK or work out a solution through the courts (or re-purchase the pledged assets), that TAG will not be able to return gas production and gas sales to previous levels, that the drilling and testing of the Klymene exploration well will not be completed or be successful and that an extension of the Kul-bas Exploration Contract will not be granted. No part of this announcement constitutes, or shall be taken to constitute, an invitation or inducement to invest in the Company or any other entity and shareholders of the Company are cautioned not to place undue reliance on the forward-looking statements. Save as required by applicable law, the Company does not undertake to update or change any forward-looking statements to reflect events occurring after the date of this announcement.

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