

Tethys Petroleum: Second Loan Restructuring

Grand Cayman, Cayman Islands--(Newsfile Corp. - January 17, 2020) - Tethys Petroleum Limited (TSXV: TPL.H) ("**Tethys**" or the "**Company**") is pleased to announce completion of a second loan restructuring.

The Company has signed a loan amendment agreement ("**Amendment Agreement**") with one of its lenders to restructure the loan originally made to the Company by AGR Energy Limited No. 1 (the "**Loan**") with current outstanding balance of approximately US\$12.1 million, the key terms of which are described below:

- (i) The lender has provided a waiver of all past defaults;
- (ii) The maturity date has been extended from June 30, 2017 to June 30, 2021;
- (iii) The outstanding loan balance has been reduced from US\$12.1 million to US\$9.0 million;
- (iv) The Loan which bore a default rate interest rate of 18% will no longer bear interest; and
- (v) Twelve monthly repayments of US\$750,000 will be due commencing July 31, 2020.

The monetary claims under the Loan were assigned by AGR Energy Limited No. 1 to a private individual in 2016. In conjunction with the Amendment Agreement, further assignments have been made. The Amendment Agreement can be terminated if any of these assignments is declared by a court of competent jurisdiction as invalid, void or is otherwise terminated, in which case the Amendment Agreement would have no effect and the original loan agreement signed with AGR Energy Limited No. 1, as assigned to this individual, would continue in force and effect as if never amended by the Amendment Agreement.

The Company believes this second loan restructuring is an important step in the process of improving the Company's overall financial position and is hopeful of reaching amicable resolutions with each of its other lenders. Further announcements will be made in due course if terms have been agreed.

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 loan repayment obligations and the restructuring of other corporate borrowings. 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 Tethys will not be able to fulfil the new loan terms and will not be able to agree loan restructuring terms with other lenders. 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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