

Tethys Petroleum Limited

Consolidated Financial Statements
For the years ended December 31, 2025 and 2024

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Responsibility Statement of the Directors in Respect of the Annual Report and Accounts

The accompanying consolidated financial statements of Tethys Petroleum Limited (hereinafter “the Company”) and its subsidiaries (hereinafter together with subsidiaries “the Group”) and all the information in the Annual Report and Accounts are the responsibility of the Board of Directors. The consolidated financial statements have been prepared by management, acting on behalf of the Board of Directors, in accordance with the accounting policies described in the notes to the consolidated financial statements. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with IFRS Accounting Standards (“IFRS Accounting Standards”), appropriate in the circumstances, as issued by the International Accounting Standards Board. The consolidated financial information contained elsewhere in the Annual Report and Accounts has been reviewed to ensure consistency with that in the consolidated financial statements.

Management has developed and maintains systems of internal accounting controls, policies and procedures in order to provide reasonable assurance as to the reliability of the financial records and the safeguarding of assets.

External auditors have examined the consolidated financial statements and have expressed an opinion on the consolidated financial statements. Their report is included with the consolidated financial statements.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board of Directors of the Company has established an Audit Committee, consisting of independent non-management directors, to review the consolidated financial statements with management and the auditors. The Board of Directors has approved the consolidated financial statements on the recommendation of the Audit Committee.

We confirm that to the best of our knowledge:

- the consolidated financial statements, prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”), give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
- the Management Discussion & Analysis includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board

William Wells
Executive Chairman
April 30, 2026

Adeola Ogunsemi
Director
April 30, 2026

Grant Thornton LLP

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INDEPENDENT AUDITOR'S REPORT

To the shareholders and management of Tethys Petroleum Limited

Opinion

We have audited the consolidated financial statements of Tethys Petroleum Limited and its subsidiaries (hereinafter – “the Group”), which comprise the consolidated statement of financial position as at 31 December 2025 and 2024, and the consolidated statement of profit / (loss) and other comprehensive income / (loss), consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards (hereinafter – “IFRS Accounting Standards”) as issued by the International Accounting Standards Board (hereinafter – “IASB”).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (hereinafter – “ISAs”). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (hereinafter – “IESBA Code”), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the Republic of Kazakhstan. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matters

We draw attention to the section of Note 18 entitled “Exploration and Production Contract Commitments” in the consolidated financial statements, which describes that the work programs for exploration and production contracts include a required level of “Investments” (financial obligations) as defined in the contracts. Failure by the Group to meet the required level of financial obligations in any given year results in a financial penalty for that year up to 10% of the amount by which actual performance falls short of the required level. Repeated non-compliances by a license holder could result in a license being terminated, unless the non-compliances have been remedied by the license holder or waived by the licensing authority.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of oil and gas properties

Tethys Petroleum Limited has oil and gas assets in the production stage. There is the risk that long term cash flows will not be sufficient to realise the value attributed to capitalised expenditure on these assets. \$47 million has been capitalised in property and equipment for those assets in the production stage as at 31 December 2025 (31 December 2024: \$45.5 million).

Significant management judgement is involved to determine whether there is an impairment of the assets. Impairment of the assets may result in the use of the going concern basis of preparation to be inappropriate. We therefore identified the recoverability of the oil and gas property as a significant risk, which was one of the most significant assessed risks of material misstatement.

The Group's accounting policy on recoverability of the oil and gas property is disclosed in Note 2 to the consolidated financial statements and related disclosures are included in Note 11.

In responding to the key audit matter, we performed the following audit procedures:

- Obtaining management's assessment of indicators of impairment for oil and gas property, examining licenses and reserve reports produced by geological experts;
- Testing the mathematical accuracy of management's impairment calculation;
- Determining the competence, capabilities and objectivity of third-party experts used to estimate oil and gas reserves;
- Reviewing the appropriateness of management's key assumptions including the oil and gas sales price, which was benchmarked against forecast oil and gas prices from an independent source;
- Confirming that the amount of oil and gas reserves included within the calculation was not in excess of the proved and probable amount estimated by a third-party.

Revenue recognition and contract accounting

In 2025, a total of \$26.4 million of revenue was recognised for the sale of crude oil and natural gas, including \$20.8 million and \$5.6 million for oil sales and gas sales, respectively (2024: \$15.2 million including \$11.4 million and \$3.8 million for oil sales and gas sales, respectively). Revenue is recognised in the consolidated financial statements at a point in time when the control over the oil and gas passes to the customer and physical delivery occurs. There is judgement involved in the classification of revenues from sold oil and in the timing of the reduction of unearned revenues. We therefore identified revenue recognition and contract accounting as a significant risk, which was one of the most significant assessed risks of material misstatement.

The Group's accounting policy on revenue recognition is disclosed in Note 2 to the consolidated financial statements and related disclosures are included in Note 6.

In responding to the key audit matter, we performed the following audit procedures:

- Performing substantive analytical procedures over both oil and gas revenue streams by comparing the quarterly volumes and amounts of revenue with customers;
- Obtaining crude oil and natural gas sales contracts that were in place during the financial year and for key components of the contracts, assessing whether revenue was recognised in accordance with IFRS 15 "Revenue from contracts with customers";
- Agreeing revenue to documentation of oil and gas extraction volume to confirm consistency of revenue recognised;
- Testing the accuracy of accounting for unearned revenues as at the reporting date and during the year with respect to the contracts entered into with customers;
- Agreeing a sample of crude oil and natural gas sales transactions to relevant supporting documentation to confirm that revenue has been recognised in accordance with the Group's accounting policy;

Key Audit Matters (continued)

Revenue recognition and contract accounting (continued)

- Receiving the confirmation letters, acts of reconciliation and correspondence from major customers as at the year end.

Deferred tax

The Group is subject to income taxes in a number of jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for tax assessments based on estimates of whether additional taxes will be due.

The Group's accounting policy on deferred tax is disclosed in Note 2 to the consolidated financial statements and related disclosure is included in Note 9.

In responding to the key audit matter, we performed the following audit procedures:

- Identifying the key assumptions and inputs used within management's calculation of the deferred tax and assessing the key assumptions against IFRS Accounting Standards and local tax code in order to determine whether the assumptions used are reasonable and can be sufficiently supported;
- Recalculation of deferred tax checking the mathematical accuracy and agreeing the tax balances used in calculation with tax declarations.

Other Information

Management is responsible for other information. The other information comprises the information included in the Management's Discussion and Analysis, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of Tethys Petroleum Limited regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

From the matters communicated with those charged with governance of Tethys Petroleum Limited, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Grant Thornton LLP


Arman Chingilbayev
Engagement Partner
Grant Thornton LLP

Certified Auditor of the Republic of Kazakhstan
Certificate #MF-0000487 on October 12, 1999
The Republic of Kazakhstan


Yerzhan Dosymbekov
General Director
Grant Thornton LLP

State license 18015053 on 3 August 2018 (date of initial issue – 27 July 2011) for providing audit services on the territory of the Republic of Kazakhstan, issued by the internal state audit Committee of the Ministry of Finance of the Republic of Kazakhstan.

30 April 2026
Almaty, the Republic of Kazakhstan

Tethys Petroleum Limited

Consolidated Statements of Financial Position

As at December 31

(in thousands of US dollars)

	Notes	2025	2024
<i>Non-current assets:</i>			
Property and equipment	11	47,003	45,508
Exploration and evaluation assets		2,721	428
Trade and other receivables	12	341	328
Restricted cash		728	526
Total non-current assets		50,793	46,790
<i>Current assets:</i>			
Cash and cash equivalents	17	8,149	5,959
Prepaid income tax		1,265	1,523
Trade and other receivables	12	3,280	1,356
Inventories		740	603
Total current assets		13,434	9,441
Total assets		64,227	56,231
<i>Non-current liabilities:</i>			
Deferred tax liabilities	9	13,211	22,112
Provisions	14	2,485	3,254
Trade and other payables	13	1,496	1,751
Total non-current liabilities		17,192	27,117
<i>Current liabilities:</i>			
Current income tax payable		2,601	586
Contract liabilities - deferred revenue	6	2,452	865
Provisions	14	507	-
Trade and other payables	13	11,217	4,516
Total current liabilities		16,777	5,967
Total liabilities		33,969	33,084
<i>Equity:</i>			
Share capital	15	11,486	11,486
Share premium	15	367,765	368,738
Accumulated deficit		(387,977)	(394,642)
Foreign currency translation reserve		(5,278)	(6,695)
Other reserves		44,262	44,260
Total equity		30,258	23,147
Total equity and liabilities		64,227	56,231
Commitments and contingencies	18		
Events after reporting period	19		

The notes on pages 5 to 40 form part of these consolidated financial statements.

The consolidated financial statements were approved by the Board on April 30, 2026 and were signed on its behalf.

W. Wells
Chairman

A. Ogunsemi
Director

Tethys Petroleum Limited

Consolidated Statements of Profit/(Loss) and Comprehensive Income/(Loss)

For the year ended December 31

(in thousands of US dollars, except per share amounts)

	Notes	2025	2024
Sales revenues	6	26,416	15,201
Production expenses	6	(7,640)	(6,162)
Depreciation, depletion and amortisation	11	(4,560)	(2,315)
Impairment charges	11	-	(20,518)
Administrative expenses	7	(5,742)	(4,042)
Share-based payments		(2)	(36)
Other gains and losses, net	8	(5,503)	(564)
Foreign currency exchange loss		(231)	(585)
Finance income/(costs), net	8	493	(124)
Total expenses		(23,185)	(34,346)
Profit/(loss) before tax		3,231	(19,145)
Corporate income tax benefit	9	3,434	6,759
Profit/(loss) for the year		6,665	(12,386)
Other comprehensive income/(loss)			
Exchange differences from translating foreign operations		1,417	(6,695)
Total comprehensive income/(loss)		8,082	(19,081)
Earnings per share attributable to shareholders:			
Basic (\$)	10	0.06	(0.11)
Diluted (\$)	10	0.06	(0.11)

On February 20, 2025, a dividend of \$0.01 per share was paid to shareholders of record on February 10, 2025 totaling \$973 thousand (2024: \$nil), refer to Note 15.

The notes on pages 5 to 40 form part of these consolidated financial statements.

Tethys Petroleum Limited

Consolidated Statements of Changes in Equity

For the year ended December 31

(in thousands of US dollars)

	Notes	Share capital	Share premium	Accumulated deficit	Foreign currency translation reserve	Other reserves	Treasury shares	Total equity
At January 31, 2024	15	11,507	368,825	(382,256)	-	44,224	(108)	42,192
Loss and comprehensive loss for the year		-	-	(12,386)	(6,695)	-	-	(19,081)
Share-based payments		-	-	-		36	-	36
Transactions with shareholders								
Shares cancelled	15	(21)	(87)	-	-	-	108	-
Total transactions with shareholders		(21)	(87)	-	-	-	108	-
At December 31, 2024	15	11,486	368,738	(394,642)	(6,695)	44,260	-	23,147
Profit and comprehensive income for the year		-	-	6,665	1,417	-	-	8,082
Share-based payments		-	-	-		2	-	2
Transactions with shareholders								
Dividend paid		-	(973)	-	-	-	-	(973)
Total transactions with shareholders		-	(973)	-	-	-	-	(973)
At December 31, 2025	15	11,486	367,765	(387,977)	(5,278)	44,262	-	30,258

Other reserves include reserves arising on the issuance of options, warrants and compound instruments 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 40 form part of these consolidated financial statements.

Tethys Petroleum Limited

Consolidated Statements of Cash Flows

For the year ended December 31

(in thousands of US dollars)

	Notes	2025	2024
Cash flow from operating activities			
Profit/(loss) before tax		3,231	(19,145)
Adjustments for:			
Share-based payments		2	36
Finance (income)/costs, net		(493)	124
Depreciation, depletion and amortisation	11	4,560	2,315
Impairment charges	11	-	20,518
Other gains and losses, net		5,503	564
Net change in working capital		1,808	4,164
Corporate income tax paid		(3,843)	(1,663)
Net cash from operating activities		10,768	6,913
Cash flow from investing activities			
Interest received		901	387
Acquisition of exploration and evaluation assets		(2,237)	(86)
Acquisition of property and equipment		(5,950)	(7,716)
Historical costs payments		(310)	(308)
Movement in restricted cash		(202)	74
Net cash used in investing activities		(7,798)	(7,649)
Cash flow from financing activities			
Dividends paid	15	(973)	-
Net cash used in financing activities		(973)	-
Net increase/(decrease) in cash and cash equivalents		1,997	(736)
Change in allowance for expected credit losses	17	(9)	(14)
Effects of exchange rate changes on cash and cash equivalents		202	(507)
Cash and cash equivalents at beginning of the year		5,959	7,216
Cash and cash equivalents at end of the year	17	8,149	5,959

The notes on pages 5 to 40 form part of these consolidated financial statements.

Tethys Petroleum Limited

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

(tabular amounts in thousands of US dollars, except where otherwise noted)

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’s shares are listed on the TSX Venture Exchange (“TSXV”).

The total number of full-time employees of the Group at December 31, 2025 was 254 (2024: 202).

Impact of conflicts in Ukraine and the Middle-East

The war in Ukraine may have negatively impacted the price of domestic oil in Kazakhstan and hence the prices received by Tethys for its oil sales. Subsequent to the end of the reporting period the war in the Middle-East has resulted in a significant increase in the Brent oil price although, to date, the differential between Brent and domestic Kazakhstan oil prices has remained large and has widened.

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 and gas prices may be significantly lower than assumed in the Group’s forecasts.

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 December 31, 2025. 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 prices.

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 December 31, 2025 and that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements for the year ended December 31, 2025.

Tethys Petroleum Limited

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

(tabular amounts in thousands of US dollars, except where otherwise noted)

2 Summary of material accounting policies

Basis of preparation

The consolidated financial statements are presented in United States dollars (“\$”). Foreign operations are included in accordance with the policies set out in this note.

Statement of compliance

These consolidated financial statements have been prepared on a going concern basis under the historical cost convention and are in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the consolidated financial statements are disclosed in Note 4.

New and amended standards and interpretations adopted by the Group

The Group adopted the following new and revised standards, along with any consequential amendments. These changes were made in accordance with applicable transitional provisions and did not have a material impact on the consolidated financial statements.

- Lack of Exchangeability (Amendments to IAS 21), contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are applicable to annual reporting periods beginning on or after January 1, 2025.
- Amendments to the SASB standards to enhance their international applicability, the amendments remove and replace jurisdiction-specific references and definitions in the SASB standards, without substantially altering industries, topics or metrics. The amendments are applicable to annual reporting periods beginning on or after January 1, 2025.
- Disclosures about Uncertainties in the Financial Statements (Illustrative Examples), A set of examples that illustrate the reporting of the effects of uncertainties in financial statements through climate-related fact patterns. Illustrative examples are not an integral part of standards and, therefore, do not have an effective date.
- Editorial Corrections (various), the IASB periodically issues Editorial Corrections and changes to IFRSs and other pronouncements. Since the beginning of calendar 2021, such corrections have been made in June 2021, October 2021, December 2021, January 2022, July 2022, October 2022, August 2023, September 2023, September 2024, March 2025 and April 2025. As minor editorial corrections, these changes are effectively immediately applicable under IFRS.

Tethys Petroleum Limited

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

(tabular amounts in thousands of US dollars, except where otherwise noted)

New and amended standards and interpretations issued but not yet adopted

The Group will continue to assess the impact of the following amendments to the standards and interpretations applicable for future periods but at this stage does not expect them to have a material impact on the Group's consolidated financial statements at the adoption date:

- IFRS 18 – Presentation and Disclosure in Financial Statements ("IFRS 18"), has been issued to achieve comparability of the financial performance of similar entities. The standard, which replaces IAS 1, impacts the presentation of primary financial statements and notes, mainly the income statement where companies will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. IFRS 18 will require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements. The standard is effective for financial statements beginning on January 1, 2027, including interim financial statements and requires retrospective application.
- IFRS 19 Subsidiaries without Public Accountability, specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. IFRS 19 is applicable to annual reporting periods beginning on or after January 1, 2027.
- Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments, disclosures, address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments. The amendments are applicable to annual reporting periods beginning on or after January 1, 2026.
- Annual Improvements to IFRS Accounting Standards — Volume 11, the pronouncement comprises the following amendments:
 - IFRS 1: Hedge accounting by a first-time adopter
 - IFRS 7: Gain or loss on derecognition
 - IFRS 7: Disclosure of deferred difference between fair value and transaction price
 - IFRS 7: Introduction and credit risk disclosures
 - IFRS 9: Lessee derecognition of lease liabilities
 - IFRS 9: Transaction price
 - IFRS 10: Determination of a 'de facto agent'
 - IAS 7: Cost method

The improvements are applicable to annual reporting periods beginning on or after January 1, 2026.

- Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements, the amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity. The amendments are applicable to annual reporting periods beginning on or after January 1, 2026.
- Third edition of the IFRS for SMEs, the third edition of the standard includes the following major amendments:
 - amended section 2 *Concepts and Pervasive Principles*
 - amended section 9 *Consolidated and Separate Financial Statements*

Tethys Petroleum Limited

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

(tabular amounts in thousands of US dollars, except where otherwise noted)

- o amended section 11 *Basic Financial Instruments* and section 12 *Other Financial Instrument Issues* (combined into one section)
- o new Section 12 *Fair Value Measurement*
- o amended section 19 *Business Combinations and Goodwill*
- o amended section 23 *Revenue*

The amendments are applicable to annual reporting periods beginning on or after January 1, 2027.

- Amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures*, The amendments cover new or amended IFRS Accounting Standards issued between 28 February 2021 and 1 May 2024 that were not considered when IFRS 19 was first issued. The amendments are applicable to annual reporting periods beginning on or after January 1, 2027.
- Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21), the amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one. The amendments are applicable to annual reporting periods beginning on or after January 1, 2027.
- Amendments to Greenhouse Gas Emissions Disclosures (Amendments to IFRS S2), The amendments to IFRS S2 aim at supporting entities applying IFRS S2 by reducing the complexity, risk of potential duplication of reporting and related costs of applying specific requirements in IFRS S2. The amendments are applicable to annual reporting periods beginning on or after January 1, 2027.

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. All subsidiaries, as listed in Note 16, have been consolidated into the Company's consolidated financial statements.

Inter-company transactions, balances and unrealized gains or losses between subsidiaries are eliminated. The financial statements of the subsidiaries are prepared using consistent accounting policies and reporting date as the Company.

The income statements of the Group's subsidiaries are reported in their functional currency which, for the Group's principal subsidiaries in Kazakhstan, is the tenge. For the purposes of inclusion in these consolidated financial statements the results of the subsidiaries are translated into United States dollars using the monthly average rates of exchange and the assets and liabilities are translated at the closing exchange rate on the reporting date. Currency translation differences are shown as Other Comprehensive Income/(Loss) and as a movement in the foreign currency translation reserve.

Tethys Petroleum Limited

Notes to Consolidated Financial Statements

For the year ended December 31, 2025

(tabular amounts in thousands of US dollars, except where otherwise noted)

Joint arrangements

The Group classifies its interests in joint arrangements as either joint operations (if the company has rights to the assets, and obligations for the liabilities, relating to an arrangement) or joint ventures (if the Group has rights only to the net assets of an arrangement). When making this assessment, the Group considers the structure of the arrangement, the legal form of any separate vehicles, the contractual terms of the arrangement and other facts and circumstances.

Where the Group has an interest in a joint operation, it recognises its own assets, liabilities and transactions, including its share of those incurred jointly.

The Group's interests in joint ventures are accounted for using the equity method of accounting. Under the equity method, the Group's investment is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture, less distributions received and less any impairment in value of the investment. The Group's Consolidated Statements of Profit/(Loss) and Comprehensive Income/(Loss) reflects the Group's share of the profit or loss after tax and other comprehensive profit or loss of the joint venture, until the date on which significant influence or joint control ceases.

When the Group's share of losses in the joint venture equals or exceeds its interest in the entity, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. Financial statements of joint ventures are prepared for the same reporting year as the Company.

Accounting policies of the joint venture are consistent with accounting policies adopted by the Company.

Segment 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.

Foreign currency translation

These consolidated financial statements are presented in \$, which is the Company's functional currency and the Group's presentation currency. Items included in the financial statements of all of the Company's subsidiaries have historically been measured in United States dollars (\$) which was considered the currency of the primary economic environment in which they operate ("the functional currency"). During the prior year, the Group reassessed the relevant factors and determined that it was appropriate to change the functional currency of its Kazakhstan subsidiaries from United States dollars to Kazakhstan tenge. In accordance with IFRS Accounting Standards, this change was made prospectively from the date of change of functional currency on April 30, 2024.

All monetary assets and liabilities denominated in foreign currencies are translated into \$ at the rate of exchange in effect at the reporting date. Non-monetary assets are translated at historical exchange rates.

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Revenue and expense items (excluding depreciation and amortisation which are translated at the same rates as the related assets) are translated at the average rate of exchange.

Exchange gains and losses arising on translation are taken to the Consolidated Statements of Profit/(Loss) and Comprehensive Income/(Loss).

Revenue from contracts with customers

The Group is in the business of producing and selling crude oil and natural gas. Revenue from contracts with customers is recognised when control of the crude oil or natural gas is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the crude oil and natural gas. The Group has concluded that it is the principal in its revenue arrangements because it controls the crude oil and natural gas before transferring them to the customer. Contracts with customers have one performance obligation to deliver crude oil or natural gas at prices stated at the contracts, with no variable considerations.

Revenue from sale of natural gas is recognised at the point in time when control of the asset is transferred to the customer, when it is delivered via the Group's gas pipeline at the meter point with the State-owned gas trunk-line. The normal credit term is 30 days after the end of the calendar month of supply.

Revenue from sale of crude oil is recognised at the point in time when control of the asset is transferred to the customer, when it is delivered at the well-site. Credit terms can vary from payment in advance of delivery to 30 days after the date of delivery.

Advance payments received from customers are shown in the Group's consolidated statement of financial position as deferred revenue until such time as the conditions for revenue recognition have been met at which time they are shown as sales revenue in the Consolidated Statements of Profit/(Loss) and Comprehensive Income/(Loss).

Test production and the appraisal and development phase

Test production is production that is generated in the appraisal and development phase before commercial discovery of oil or gas is officially recognised. Revenue and costs generated from a field classified as operating in the production phase is recorded through the Consolidated Statements of Profit/(Loss) and Comprehensive Income/(Loss).

Oil and gas properties in the production phase

Oil and gas properties within Property and equipment are stated at cost, less accumulated depletion and accumulated impairment losses.

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalised within oil and gas properties, as long as the facts and circumstances indicate that the field has commercially viable reserves.

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The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the asset retirement obligation, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Once commercial production in an area of interest has commenced, oil and gas properties are depleted on a unit-of-production basis over the proved and probable reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, in which case the straight-line method is applied. Rights and concessions are depleted on the unit-of-production basis over the total proved and probable reserves of the relevant area. The unit-of-production rate for the depletion of field development costs takes into account expenditures incurred to date, together with future development expenditure to develop the proved and probable reserves. Changes in factors such as estimates of proved and probable reserves that affect unit-of-production calculations do not give rise to prior year financial period adjustments and are dealt with on a prospective basis.

Other property and equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is charged so as to write off the cost of these assets less residual value over their estimated useful economic lives, for the following classes of assets:

Vehicles	Straight line	4 years
Computer equipment	Straight line	3 years
Office equipment	Straight line	5 years

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within the Consolidated Statements of Profit/(Loss) and Comprehensive Income/(Loss).

Impairment of non-financial assets

Exploration and evaluation costs are tested for impairment when reclassified to oil and gas properties or whenever facts and circumstances indicate potential impairment. An impairment loss is recognised for the amount by which the exploration and evaluation expenditure's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the exploration and evaluation expenditure's fair value less costs to sell and their value in use.

Values of oil and gas properties and other property and equipment are reviewed for impairment when indicators of such impairment exist. If any indication of impairment exists an estimate of the asset's recoverable amount is calculated. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. An asset group's recoverable amount is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

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If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the Consolidated Statements of Profit/(Loss) and Comprehensive Income/(Loss) so as to reduce the carrying amount to its recoverable amount (i.e. the higher of fair value less costs to sell and value in use).

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Asset retirement obligation ("ARO")

Provision is made for the present value of the future cost of abandonment of oil and gas wells and related facilities. This provision is recognised when a legal or constructive obligation arises.

The estimated costs, based on engineering cost levels prevailing at the reporting date, are computed on the basis of the latest assumptions as to the scope and method of abandonment. Provisions are measured at the fair value of the expenditures expected to be required to settle the obligation using a pre-tax risk free rate, updated at each reporting date that reflects current market assessments of the time value of money and the risks specific to the obligation. The corresponding amount is capitalised as part of exploration and evaluation expenditure or oil and gas properties and is amortised on a unit-of-production basis as part of the depreciation, depletion and amortisation charge. Any adjustment arising from the reassessment of estimated cost of ARO is capitalised, whilst the charge arising from the accretion of the discount applied to the ARO is treated as a component of finance costs.

Inventories

Inventories consist of spare parts and consumable materials and are shown at the lower of cost and net realisable value. Cost is determined on a first-in-first-out method for spare parts and consumable materials inventories.

Taxation including deferred taxation

The tax expense represents current tax and deferred tax.

Current tax is based on the taxable profits for the year. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date in the countries where the Company and its subsidiaries operate and generate taxable income.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither the accounting nor the taxable profit or loss. Deferred income tax assets are recognised to the extent that it is

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probable that the future taxable profit will be available against which the temporary differences can be utilised and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability settled.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Consolidated Statements of Profit/(Loss) and Comprehensive Income/(Loss), net of any reimbursement. The increase in the provision due to passage of time is recognised as interest expense.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying capital asset or project under construction are capitalised and added to the asset or project cost during construction until such time as the asset or project is substantially ready for its intended use. Where funds are specifically borrowed to finance an asset or project, the amount capitalised represents the actual amount of borrowing cost incurred. Where funds used to finance an asset or project form part of general borrowings, the amount capitalised is calculated by using a weighted average of rates applicable to relevant general borrowings of the Group during the period. All other borrowing costs are recognised in the Consolidated Statements of Profit/(Loss) and Comprehensive Income/(Loss) in the period in which they are incurred.

Restricted cash

Restricted cash comprises credit card deposits and interest-bearing deposits held in Kazakhstan to comply with subsoil use agreements terms for "asset retirement obligations".

Financial instruments

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit or loss ("FVPL"), directly attributable transaction costs. Financial instruments are recognised when the Group becomes a party to the contracts that give rise to them and are classified as amortised cost, fair value through profit or loss or fair value through other comprehensive income, as appropriate. The Group considers whether a contract contains an embedded derivative when the entity first becomes a party to it. The embedded derivatives are separated from the host contract if the host contract is not measured at fair value through profit or loss and when the economic characteristics and risks are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

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Financial assets at FVPL

Financial assets at FVPL include financial assets held for trading and financial assets not designated upon initial recognition as amortised cost or fair value through other comprehensive income ("FVOCI"). A financial asset is classified in this category principally for the purpose of selling in the short term or if so designated by management. Transaction costs are expensed as incurred. On initial recognition, a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI may be irrevocably designated as FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets measured at FVPL are measured at fair value with changes in fair value recognised in the consolidated statements of operations.

Financial assets at FVOCI

On initial recognition of an equity investment that is not held for trading, an irrevocable election is available to measure the investment at fair value upon initial recognition plus directly attributable transaction costs and at each period end, changes in fair value are recognised in other comprehensive income ("OCI") with no reclassification to the consolidated statements of earnings. The election is available on an investment-by-investment basis. Investments in equity securities, where the Group cannot exert significant influence, are designated as financial assets at FVOCI.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and is not designated as FVPL. Financial assets classified as amortised cost are measured subsequent to initial recognition at amortised cost using the effective interest method. Cash and cash equivalents, restricted cash, trade and other receivables are classified as and measured at amortised cost.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net earnings when the liabilities are derecognised as well as through the amortisation process. Borrowing liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date. Trade and other payables and borrowings are classified as and measured at amortised cost.

Derivative instruments

Derivative instruments, including embedded derivatives, are measured at fair value on initial recognition and at each subsequent reporting period. Any gains or losses arising from changes in fair value on derivatives are recorded in net earnings.

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Fair values

The fair value of quoted investments is determined by reference to market prices at the close of business on the statement of financial position date. Where there is no active market, fair value is determined using valuation techniques. These include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cashflow analysis; and, pricing models.

Financial instruments that are measured at fair value subsequent to initial recognition are grouped into a hierarchy based on the degree to which the fair value is observable as follows:

Level 1 fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Impairment of financial assets

A loss allowance for expected credit losses is recognised in the Consolidated Statements of Profit/(Loss) and Comprehensive Income/(Loss) for financial assets measured at amortised cost. At each reporting date, on a forward-looking basis, the Group assesses the expected credit losses associated with its financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The impairment model does not apply to investments in equity instruments. The expected credit losses are required to be measured through a loss allowance at an amount equal to the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition.

Derecognition of financial assets and liabilities

A financial asset is derecognised when either the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party. If neither the rights to receive cash flows from the asset have expired nor the Group has transferred its rights to receive cash flows from the asset, the Group will assess whether it has relinquished control of the asset or not. If the Group does not control the asset then derecognition is appropriate. A financial liability is derecognised when the associated obligation is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially

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modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in net earnings.

Treasury shares

The Group's holdings in its own equity instruments are shown as deductions from shareholders' equity. Treasury shares represent Tethys shares repurchased under the share buy-back programme and pending cancellation. No gain or loss is recognized in the income statement on the purchase, sale, issue or cancellation of equity shares.

3 Financial Risk Management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk, commodity price risk, interest rate risk and foreign currency exchange risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Board of Directors has overall responsibility for the Group's management of risk, including the identification and analysis of risks faced by the Group and the consideration of controls that monitor changes in risk and minimise risk wherever possible.

a) Financial risk factors

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligations. Credit risk arises from the Group's loans receivable from jointly controlled entities, cash and cash equivalents and accounts receivable balances. With respect to the Group's financial assets, the maximum exposure to credit risk due to default of the counterparty is equal to the carrying value of these instruments. The maximum exposure to credit risk as at the reporting date is:

	2025	2024
Trade receivables	819	-
Other receivables	1,084	611
Loan receivable from joint venture, gross	4,345	4,165
Loan receivable from joint venture, allowance for expected credit losses (note 12.2)	(4,345)	(4,165)
Cash and cash equivalents, gross	8,172	5,973
Allowance for expected credit losses on cash and cash equivalents	(23)	(14)
Restricted cash	728	526
	10,780	7,096

The Group seeks to minimise credit risk from trade receivables by dealing with known counterparties and invoicing and collecting payment in advance wherever possible.

Deposits at financial institutions included in cash and cash equivalents and restricted cash are not covered by bank guarantees. Whilst deposits are held with reputable banks of good standing, there is nevertheless a risk of credit loss should one of the banks fail and default on its obligations. The Group seeks to minimise

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credit risk from deposits at financial institutions by utilising financial institutions with acceptable financial standing and spreading deposits across more than one financial institution when balances reach certain levels.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. This risk relates to the Group's ability to generate or obtain sufficient cash or cash equivalents to satisfy these financial obligations as they become due.

The Group's processes for managing liquidity risk includes preparing and monitoring capital and operating budgets, co-ordinating and authorising project expenditures and ensuring appropriate authorisation of contractual agreements. The budget and expenditure levels are reviewed on a regular basis and updated when circumstances indicate change is appropriate. The Group seeks additional financing based on the results of these processes.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

As at December 31, 2025	Carrying amount	Contractual cash flows	Less than 1 year	1-3 years	4-5 years	Thereafter
Non-derivative financial liabilities:						
Trade and other payables	12,713	13,601	11,535	636	636	794
Total	12,713	13,601	11,535	636	636	794

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as commodity prices, interest rates and foreign exchange rates.

Commodity price risk

Commodity price risk arises from the effect that fluctuations of future commodity prices may have on the price received for sales of crude oil and natural gas. The marketability and price of crude oil and natural gas that is produced and may be discovered by the Group will be affected by numerous factors that are beyond the control of the Group.

Crude oil and natural gas prices are subject to wide fluctuations. Any material decline in spot prices could result in a reduction of Tethys' future net production revenues and impact on the commercial viability of the Group's existing and future oil and gas discoveries. It may become uneconomic to produce from some wells as a result of lower prices, which could result in a reduction in volumes and the value of Tethys' oil and gas reserves, if the Group elected not to produce from certain wells at lower prices. For example, a 20% net price reduction from the 2025 average oil sales price would result in a reduction of \$4.2 million in oil revenues based on the 2025 sales volume and a 20% net price reduction from the 2025 average gas sales price would result in a reduction of \$1.1 million in gas revenues based on the 2025 sales volume.

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All of these factors could result in a material decrease in the Group's net production revenue causing a reduction in its acquisition and development activities. There were no commodity price financial derivatives outstanding as at December 31, 2025 and 2024.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates. Existing long-term loans have been agreed at fixed interest rates and consequently are not exposed to changes in market interest rates and the Group accepts the opportunity cost of favourable changes in market interest rates and does not seek to mitigate this risk.

The Group has exposure to interest rate risk on cash and cash equivalents. Interest earned on cash and cash equivalents for the year ended December 31, 2025 was \$0.9 million (2024: \$0.7 million).

As at the reporting date the Group's interest rate profile was:

	Fixed rate financial instruments	Total
As at December 31, 2025		
Restricted cash	728	728
Cash and cash equivalents	8,149	8,149
Total	8,877	8,877
As at December 31, 2024		
Restricted cash	526	526
Cash and cash equivalents	5,959	5,959
Total	6,485	6,485

Foreign currency exchange risk

The Group is exposed to risks resulting from fluctuations in foreign currency exchange rates. A material change in the value of any such foreign currency could result in a material adverse effect on the Group's cash flow and future profits. The Group is exposed to exchange rate risk to the extent that balances and transactions are denominated in a currency other than the \$. In addition, expenditures in Kazakhstan are denominated in local currency, tenge. The Group also attempts to negotiate exchange rate stabilisation conditions in new local Tenge denominated service and supply contracts in Kazakhstan. The Group holds surplus funds in \$ or tenge depending on management's assessment of relative interest rates available on deposits and currency exchange risk.

The carrying amounts of the Group's significant Kazakhstan tenge denominated monetary assets and liabilities at the reporting dates are as follows:

In '\$'000 equivalent	2025	2024
Cash and cash equivalents	7,407	4,512
Trade and other receivables	1,895	604
Trade and other payables	(12,185)	(4,095)
Net exposure	(2,883)	1,021

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The following table details the Group's sensitivity to a 10% weakening in \$ against the respective foreign currencies, which represents management's assessment of a reasonably possible change in foreign exchange rates. A 10% strengthening in \$ against the respective foreign currencies would have the same impact.

Effect to profit or (loss) before tax in \$'000	2025	2024
KZT	(288)	102

b) Capital risk management

The Group's capital structure is comprised of shareholders' equity and borrowings, net of cash and cash equivalents.

The Group's objectives when managing capital is to maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term. The capital structure of the Group is managed and adjusted to reflect changes in economic conditions.

The Group has funded its expenditures on commitments in the current year from cash generated from operating activities and the Group has no borrowings.

Financing decisions are made by management and the Board of Directors based on forecasts of the expected timing and level of capital and operating expenditure required to meet the Group's commitments and development plans. Factors considered when determining whether to issue new debt or to seek equity financing include the amount of financing required, the availability of financial resources, the terms on which financing is available and consideration of the balance between shareholder value creation and prudent financial risk management. There have not been any changes in the Group's approach to capital risk management during the year.

The Group's capital structure is summarised in the table below:

	2025	2024
Deferred revenue	2,452	865
Less: cash and cash equivalents	(8,149)	(5,959)
Net cash	(5,697)	(5,094)
Total equity	30,258	23,147
Total equity and borrowings, net of cash and cash equivalents	24,561	18,053

The Group regularly assesses whether projected cash flows are sufficient to service its borrowings and support ongoing operations. Consideration is given to reducing borrowings or raising funds through an alternative route such as the issuing of equity.

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4 Critical judgments and accounting estimates

The preparation of financial statements requires management to make certain judgments, accounting estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates. Accordingly, the impact of these estimates, assumptions and judgments on the consolidated financial statements in future periods could be material. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are discussed below.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

Critical accounting estimates and assumptions

The significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are summarised as follows:

Recoverability of asset carrying values

The Group assesses its property and equipment and intangible exploration and evaluation assets, for possible indicators of impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable, or at least at every reporting date. Such indicators include changes in the Group's business plans, market capitalisation, changes in commodity prices, evidence of physical damage and, for oil and gas properties, significant downward revisions of estimated recoverable volumes or increases in estimated future development expenditure.

If there are low oil prices or natural gas prices during an extended period, the Group may need to recognise significant impairment charges. The assessment for impairment entails comparing the carrying value of the cash-generating unit with its recoverable amount, that is, the higher of fair value less cost of disposal ("FVLCD") or value-in-use ("VIU"). Determination as to whether and how much an asset is impaired involves management estimates on highly uncertain matters such as future commodity prices, the effects of inflation on operating expenses, discount rates, production profiles and the outlook for regional market supply-and-demand conditions for crude oil and natural gas, exchange rates and future development costs.

CGU Identification

A cash generating unit ("CGU") is defined as the lowest grouping of integrated assets that generate identifiable cash inflows that are largely independent of cash inflows of other assets or groups of assets. The allocation of assets into CGUs requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, similar exposure to market risks, shared infrastructures, and the way in which management monitors its operations. The Group's CGUs correspond to its separate subsoil use contracts.

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Oil and gas reserves

Proved and probable oil and gas reserves are used in the units of production calculation for depletion as well as the determination of the timing of well closure costs and impairment analysis. There are numerous uncertainties inherent in estimating oil and gas reserves. Assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may ultimately result in the reserves being changed.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Such estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Asset retirement obligation

Provisions for environmental clean-up and remediation costs associated with the Group's drilling operations are based on current legal or constructive requirements, technology, price levels and expected plans for remediation. Actual costs and cash outflows can differ from estimates because of changes in laws and regulations, prices, discovery and analysis of site conditions and changes in clean-up technology.

Income taxes

The Group is subject to income taxes in a number of jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for tax assessments based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Other significant areas of judgment

The significant areas of critical judgment in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are summarised as follows:

Going concern

The Board has considered the Group's current activities, funding position and projected funding requirements from the reporting date, in determining the ability of the Group to adopt the going concern basis in preparing the consolidated financial statements for the year ended December 31, 2025. The assessment of the Group's ability to execute its strategy to meet its future funding requirements involves judgment.

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Functional currency

The Group has foreign operations, principally in Kazakhstan. Significant judgment is required in determining the functional currency of those operations with consideration given to the currency of the primary economic environment in which it operates. This includes assessing inter alia the currency that mainly influences sales prices for goods and services, the currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services and the currency that mainly influences labour, material and other costs of providing goods. A number of secondary factors are also taken into account.

During the prior year, the Group reassessed the relevant factors and determined that it was appropriate to change the functional currency of its Kazakhstan subsidiaries from United States dollars to Kazakhstan tenge. In accordance with IFRS Accounting Standards, this change was made prospectively from the date of change of functional currency on April 30, 2024.

De-recognition of assets and liabilities on loss of control of subsidiaries

Where subsidiaries have been struck off or dissolved and the Company loses control of those subsidiaries their assets and liabilities and the related non-controlling interest are de-recognised in the consolidated financial statements. It is possible that where a subsidiary is terminated in this way that, for a period of years after the strike-off, creditors, shareholders or other claimants can revive the struck-off company by applying to the courts to obtain satisfaction of their claims. A creditor could attempt to hold the Company responsible for a subsidiary's obligations and request a court lift or pierce the corporate veil. Significant judgment is required to assess whether the Company has lost control of a subsidiary and should de-consolidate its assets and liabilities and whether there are any facts or circumstances, for example the existence of any guarantees, that result in the Company being responsible for the obligations of its subsidiaries.

Under-fulfilment of Work Program Commitments

The Group has annual work program commitments under its exploration and production contracts where non-compliance or under-fulfilment of financial obligations carries the risk of penalties and in some instances cancellation of the contract and forfeiture of licences. The Group has not met all of its obligations under some of its exploration and production contracts in more than one year leading to the imposition of penalties but has not had any of its contracts cancelled. Significant judgment is required in determining whether the likelihood of exploration and production contracts being retained and/or extended at the end of contract terms in instances where not all obligations have been fulfilled and whether there has been any impairment to the related oil and gas assets.

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5 Segment Reporting

Geographical segments

The following is an analysis of the Group's revenue, results and assets by reportable segment:

2025	Kazakhstan	Corporate	Total
Oil sales	20,752	-	20,752
Gas sales	5,620	-	5,620
Other revenue	44	-	44
Segment revenue	26,416	-	26,416
Profit/(loss) before tax	4,830	(1,599)	3,231
Taxation	3,530	(96)	3,434
Profit/(loss) for the year	8,360	(1,695)	6,665
Total assets ¹	63,450	96,261	64,227
Total liabilities ¹	123,459	5,994	33,969
Expenditure on exploration & evaluation assets, property and equipment	8,187	-	8,187
Depreciation, depletion & amortisation	4,560	-	4,560
Finance income/(costs), net	462	31	493

Note 1 – Total is after elimination of inter-segment items of \$95,484 thousand.

2024	Kazakhstan	Corporate	Total
Oil sales	11,353	-	11,353
Gas sales	3,815	-	3,815
Other revenue	33	-	33
Segment revenue	15,201	-	15,201
Loss before taxation	(18,172)	(973)	(19,145)
Taxation	6,758	1	6,759
Loss for the year	(11,414)	(972)	(12,386)
Total assets ¹	54,748	96,335	56,231
Total liabilities ¹	121,001	6,935	33,084
Expenditure on exploration & evaluation assets, property and equipment	7,802	-	7,802
Depreciation, depletion & amortisation	2,315	-	2,315
Finance (costs)/income, net	(175)	51	(124)

Note 1 – Total is after elimination of inter-segment items of \$94,852 thousand.

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6 Sales revenues, deferred revenue and production expenses

6.1 Sales revenues

	2025	2024
<i>Kazakhstan:</i>		
Oil sales	20,752	11,353
Gas sales	5,620	3,815
Other revenue	44	33
Revenue	26,416	15,201

In 2025, oil sales were made to three customers (2024: two customers) in Kazakhstan representing individually more than 10% of segment revenue and collectively representing 71% (2024: 85%) of segment revenue. All gas sales were to one customer.

6.2 Contract liabilities - deferred revenue

	2025	2024
<i>Kazakhstan:</i>		
Oil sales	2,452	865
Deferred revenue	2,452	865

The movement in deferred revenue was as shown in the following table.

	2025	2024
At January 1	865	14
Payments received	22,353	12,204
Recognised in profit or loss	(20,766)	(11,353)
Deferred revenue	2,452	865

The Group receives payments in advance from customers for future deliveries of crude oil. These amounts are recognised as revenue when control of the crude oil is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the crude oil.

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6.3 Production expenses

Direct production expenses were as shown in the following table.

	2025	2024
<i>Kazakhstan oil production:</i>		
Staff costs	2,397	1,744
Taxes & other mandatory payments	1,183	1,483
Contractors & security	321	124
Materials & diesel	306	387
Camp services	259	240
Health & safety, blowout prevention	247	164
Transportation & travel	243	215
Repairs & maintenance	47	23
Other	161	119
Oil production expenses	5,164	4,499
<i>Kazakhstan gas production:</i>		
Staff costs	1,015	803
Health & safety, blowout prevention	463	159
Contractors & security	418	220
Materials & diesel	249	134
Taxes & other mandatory payments	98	79
Camp services	62	62
Repairs & maintenance	56	30
Transportation	54	100
Other	61	76
Gas production expenses	2,476	1,663
Total production expenses	7,640	6,162

There was no gas production from April 2024 to March 2025, because the gas fields were closed as a result of the price and payment dispute with customer QazaqGaz. Oil production restarted in April 2024 following receipt of the required permits and there was no oil production from January to March 2024. Costs continued to be incurred during the idle periods such as staff costs and mandatory costs, albeit costs were at a lower level.

7 Administrative expenses

Administrative expense by nature	2025	2024
Staff costs and director fees	3,915	2,930
Professional fees	1,057	565
Other administrative expenses ¹	770	547
Total	5,742	4,042

Note 1 – includes travel, office, regulatory, insurance, vehicle, investor relations, socio-economic program contributions and bank charges.

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8 Finance income/(costs) and Other losses

8.1 Finance income/(costs), net

The net finance income/(costs) comprises:

	2025	2024
Finance costs – unwinding of discount on asset retirement obligation	(234)	(328)
Finance costs– unwinding of discount on historical costs liability	(174)	(183)
Finance income	901	387
Total	493	(124)

8.2 Other gains and losses, net

	2025	2024
Taxes and other	5,503	564
Total	5,503	564

During the year, the Group recognised a liability for certain tax exposures where the outcome is uncertain but the potential obligation meets the requirements for recognition under IFRS Accounting Standards. The estimates of other previously recognised tax exposures have been revised during the year. Together, these amounts have been included in the Consolidated Statement of Profit/(Loss) as 'Other gains and losses' as shown in the table above.

Tethys Petroleum Limited

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9 Taxation

Tethys is domiciled in the Cayman Islands which has no corporate income tax. The Group also operates in other tax jurisdictions, the most significant of which is Kazakhstan. Taxation of corporate profits in Kazakhstan comprises Corporate Income Tax (CIT) at 20%. The provision for income taxes is different from the expected provision for income taxes for the following reasons:

	2025	2024
Profit/(loss) before income taxes	3,231	(19,145)
Income tax rate	20%	20%
Income tax (expense)/benefit	(646)	3,829
Decrease resulting from:		
Non-taxable income/(non-deductible expenses)	428	(1,096)
Revisions in tax estimates and foreign exchange impact on tax pools	4,803	378
Recognition of provision for other taxes	(1,307)	-
Recognition of asset retirement obligation	-	583
Change in future period expenses	-	(288)
Impact of effective tax rates in foreign jurisdictions other than Kazakhstan	1,348	3,959
Impact of effective tax rates in Kazakhstan	2,182	7,369
Losses and tax assets not utilised/recognised	(3,374)	(7,975)
	3,434	6,759
Current tax expense	(2,168)	(607)
Deferred tax expense	5,602	7,366
Total	3,434	6,759

The temporary differences comprising the deferred income tax liability are as follows:

	2025	2024
Capital assets	13,385	18,574
Tax losses carried forward	(2,661)	(3,219)
Estimated reserve on withholding taxes on distributions from subsidiaries	2,877	6,658
Other	(390)	99
Deferred tax liability	13,211	22,112

As of December 31, 2025, the Group accrued allowance for unrecognized deferred tax assets in the amount of \$nil (December 31, 2024: \$5.5 million).

The Group's deferred tax liabilities have been measured using the average tax rate expected to apply in the periods the deferred tax balances will reverse. The Group's deferred tax liability mainly arises from the different treatment of property and equipment capital allowances for tax purposes and depletion of oil & gas assets for accounting purposes. In addition, the deferred tax liability includes a withholding tax liability of \$2.9 million (2024: \$6.7 million) that may become payable on the remittance of amounts owed by subsidiaries.

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The movement in deferred income tax liability in each year was as follows:

	2025	2024
Deferred tax liability at January 1	22,112	33,956
Recognised in profit or loss	(5,602)	(7,366)
Recognised in other comprehensive income or loss ¹	583	(4,478)
Transfer of withholding taxes on distributions from subsidiaries to current income tax	(3,882)	-
Deferred tax liability	13,211	22,112

10 Earnings per share

	Units	2025	2024
Profit/(loss) for the purpose of basic earnings/(loss) attributable to ordinary shareholders	\$'000	6,665	(12,386)
Weighted average shares – basic ¹	000s	103,367	114,887
Per share amount – basic	\$	0.06	(0.11)
Profit/(loss) for the purpose of diluted earnings/(loss) attributable to ordinary shareholders	\$'000	6,665	(12,386)
Weighted average shares – diluted ¹	000s	103,729	114,887
Per share amount – diluted	\$	0.06	(0.11)

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.

In 2025 there were nil (2024: 516,667) employee share options that had vested and could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are antidilutive for the years presented.

Note 1 - On May 13, 2025 the sole Arbitrator of the International Arbitration Centre ruled and declared, amongst other things, that Olisol Petroleum Limited is ordered to cancel share certificates GS 44 and GS 43 (totalling 18 million shares). Tethys subsequently sought and received a ruling from the arbitrator amending the language to clarify that Tethys has the authority to cancel the 18 million shares. At the date of these consolidated financial statements the legal process to effect the cancellation of the shares was ongoing.

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11 Property and equipment

	Oil and gas properties ¹			Assets in the course of construction		Other fixed assets ²			Total net book amount
	Cost	Amortisation	Total	Cost	Total	Cost	Depreciation	Total	
January 1, 2024	101,932	(69,657)	32,275	37,119	37,119	2,267	(1,081)	1,186	70,580
Additions and transfers	15,785	-	15,785	(7,591)	(7,591)	387	95	482	8,676
Disposals	-	-	-	-	-	(150)	150	-	-
Depletion and depreciation	-	(2,194)	(2,194)	-	-	-	(121)	(121)	(2,315)
Impairment ³	-	(2,485)	(2,485)	(18,033)	(18,033)	-	-	-	(20,518)
Currency translation	(7,073)	3,336	(3,737)	(6,999)	(6,999)	(343)	164	(179)	(10,915)
December 31, 2024	110,644	(71,000)	39,644	4,496	4,496	2,161	(793)	1,368	45,508
Additions and transfers	3,807	-	3,807	(936)	(936)	1,686	-	1,686	4,557
Disposals	-	-	-	-	-	(6)	2	(4)	(4)
Depletion and depreciation	-	(4,289)	(4,289)	-	-	-	(271)	(271)	(4,560)
Currency translation	4,204	(3,096)	1,108	315	315	119	(40)	79	1,502
December 31, 2025	118,655	(78,385)	40,270	3,875	3,875	3,960	(1,102)	2,858	47,003

Note 1 – certain gas transportation assets owned by the Group are the subject of pledges under previous finance arrangements, refer note 18.

Note 2 – consists of oil & gas equipment, vehicles, computer and office equipment.

Note 3 - an impairment of \$20,518,000 was recognised during the prior year, principally in respect of drilling and other capitalised costs in relation to the Kul-Bas license area, which are not part of the Klymene field currently under development and where the Company does not intend to perform further evaluation work.

Oil and gas properties – impairment assessment

As of December 31, 2025, the Group performed an assessment for impairment on the carrying value of its oil and gas assets. The Group's Cash Generating Units ("CGU"), were tested for impairment at that date. The recoverable amount was determined using the higher of Fair Value Less Cost of Disposal ("FVLCD") or Value in Use. Based on the impairment test performed, the recoverable amount of the CGUs was higher than their carrying amounts.

The FVLCD was calculated using a discounted cash flow model based on the proved plus probable reserves using forecast crude oil and natural gas prices and an after-tax discount rate of 18.7% (2024: 17.2%). The cash flow model used is considered a Level 3 fair value technique based on the unobservable inputs used. The FVLCD of the Group's CGUs at December 31, 2025 was not sensitive to a reasonably possible change in the discount rate.

The FVLCD calculation assumes forecast crude oil and natural gas sales prices in \$/bbl and \$/Mcf, which are the December 31, 2025 price forecasts made by the Group's independent reserve evaluator, McDaniel Associates, as shown in the table below.

The principal CGU is the Kul-Bas oil field CGU which had an estimated FVLCD of \$276.3 million compared with its carrying amount of \$36.0 million. The FVLCD is particularly sensitive to the assumed level of crude oil prices and reasonably possible changes in the crude oil assumptions shown in the table below could have a material impact on the FVLCD. However, given the significant amount of headroom between FVLCD and carrying amount such changes are unlikely to give rise to an impairment.

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	Brent Crude Oil Price (\$/bbl)	Export Crude Oil Price (\$/bbl)	Domestic Crude Oil Price (\$/bbl)	Domestic Natural Gas Price (\$/Mcf)	Inflation rate %/year
Forecast					
2026	66.50	36.34	24.94	3.08	2.0%
2027	70.38	39.59	26.39	3.14	2.0%
2028	76.99	45.57	28.87	3.20	2.0%
2029	78.53	47.11	29.45	3.27	2.0%
2030	80.10	48.05	30.04	3.33	2.0%
2031	81.70	49.66	30.64	3.40	2.0%
2032	83.34	51.29	31.25	3.47	2.0%
2033	85.00	52.33	31.88	3.54	2.0%
2034	86.70	54.03	32.51	3.61	2.0%
2035	88.44	55.76	33.16	3.68	2.0%
2036	90.21	56.90	33.83	3.75	2.0%
2037	92.01	58.71	34.50	3.83	2.0%
2038	93.85	60.55	35.19	3.91	2.0%
2039	95.73	61.80	35.90	3.98	2.0%
2040	97.64	63.71	36.62	4.06	2.0%
2041	99.59	65.66	37.35	4.15	2.0%
2042	101.59	67.03	38.09	4.23	2.0%
2043	103.62	69.06	38.86	4.31	2.0%
2044	105.69	69.25	39.63	4.40	2.0%
2045	107.80	71.36	40.43	4.49	2.0%

12. Trade and other receivables and joint arrangements

12.1 Trade and other receivables

	2025	2024
Current		
Trade receivables	819	-
Prepayments	997	117
Other receivables	1,084	611
VAT and other taxes	380	628
	3,280	1,356
Non-current		
Prepayments	341	328
	341	328

Current trade and other receivables are unsecured and non-interest bearing. Normal payment terms for the Group are 30 days. At December 31, 2025, trade receivables amounted to \$819 thousand (2024: \$nil). No allowance for expected credit losses has been recognised in respect of trade receivables. The other classes within trade and other receivables do not contain impaired assets.

Non-current prepayments are advances made to suppliers and contractors for equipment and facilities construction.

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12.2 Joint arrangements

Aral Oil Terminal (Kazakhstan)

On February 16, 2011, the Group signed a joint venture agreement with Olisol Investments Limited (“Olisol”) to construct and operate a rail oil loading terminal in Kazakhstan through a separate jointly controlled legal entity, Aral Oil Terminal LLP (“AOT”). The Group has a 50% interest in the AOT. The Group has classified the arrangement as a joint venture and it is accounted for using the equity method of accounting. At December 31, 2025 and 2024 the carrying value of the Group’s investment in the joint venture was \$nil and the carrying value of loans made to the joint venture was also \$nil after full impairment in prior years.

13. Trade and other payables

	2025	2024
Current		
Trade payables	1,113	1,256
Accruals	711	1,286
Other payables	9,070	1,830
Historical cost liabilities - current	323	144
	11,217	4,516
Non-current		
Historical cost liabilities – non-current	1,496	1,751
	1,496	1,751

Trade payables are non-interest bearing and are normally settled on contractual terms which typically range from due on presentation of invoice to 30 days. The Group payments to suppliers were on average typically made in accordance the contractual payment terms. Other payables are principally liabilities recognised for other taxes, refer to note 8.2 for further details.

Non-current other payables are historical costs payable to the government of the Republic of Kazakhstan (“the Government”) over 10 years from the date of approval of reserves of Kul-Bas in April 2023. The total amount payable is \$3.2 million and has been discounted at 9.4% representing the rate of return on Government securities with a similar term to the payment obligation at origination date, refer also to note 18.

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14. Provisions

	2025	2024
<i>Asset retirement obligations:</i>		
Balance, beginning of year	3,254	2,414
Additions/change in estimated liability	(496)	512
Unwinding of discount	234	328
Balance, end of year	2,992	3,254
Current provisions	507	-
Non-current provisions	2,485	3,254
	2,992	3,254

The Group makes provision for the future cost of decommissioning oil and gas production facilities and pipelines on a discounted basis. These costs are expected to be incurred between 2026 and 2029 and, depending on the type of well, have been estimated at a cost of between \$30,000 and \$36,000 per well (2024: \$37,000). The provision has been estimated using existing technology at current prices, escalated at 5.75% and 12.3% (2024: 5.9% and 7.4%) and discounted at rates between 9.4% and 10.25% (2024: 9.4% and 9.7%) representing the rates of return on the Government securities with a similar term to the asset retirement obligations. The economic life and the timing of the asset retirement obligation are dependent on the Government legislation, commodity prices and the future production profiles of the projects. In addition, the estimated cash outflows are subject to inflationary and/or deflationary pressures in the cost of third-party service provision. The undiscounted amount of the liability at December 31, 2025 is \$4.3 million (2024: \$4.2 million).

15 Capital and reserves

Share capital and share premium

						Number of shares
Authorised as at December 31, 2024 and December 31, 2025:						
Ordinary shares with a par value of \$0.10 each						145,000,000
Preference shares with a par value of \$0.01 each						50,000,000
Ordinary equity share capital						
Date		Number of shares issued ¹	Number of treasury shares	Share Capital	Share Premium	Treasury shares
At January 1, 2024		115,075,013	217,765	11,507	368,825	(108)
Shares cancelled	February 24, 2024	(217,765)	(217,765)	(21)	(87)	108
At December 31, 2024		114,857,248	-	11,486	368,738	-
At January 1, 2025		114,857,248	-	11,486	368,738	-
Dividend paid	February 10, 2025	-	-	-	(973)	-
At December 31, 2025		114,857,248	-	11,486	367,765	-

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Note 1 - On May 13, 2025 the sole Arbitrator of the International Arbitration Centre ruled and declared, amongst other things, that Olisol Petroleum Limited is ordered to cancel share certificates GS 44 and GS 43 (totalling 18 million shares). Tethys subsequently sought and received a ruling from the arbitrator amending the language to clarify that Tethys has the authority to cancel the 18 million shares. At the date of these consolidated financial statements the Group was in the process of having the shares legally cancelled.

Preference shares

The preference shares, none of which have been issued, have the rights as set out in the Memorandum and Articles of Association approved at the AGM on April 24, 2008. Significant terms related to preference shares are summarised below:

- May be issued in one or more series;
- Are entitled to any dividends in priority to the ordinary shares;
- Confer upon the holders thereof rights in a winding-up priority to the ordinary shares;
- And may have such other rights, privileges and conditions (including voting rights) as the Board may determine prior to the first allotment of any series of preference shares, provided that if a series of preference shares has no or limited voting rights it shall be designated as such by the Board.

Other reserves

Other reserves comprise of option reserves and warrant reserves as set out in the Statement of Changes in Equity. The option and warrant reserves relate to stock options issued to employees under the stock option plan and issuance of warrants, details of which are disclosed below.

Share options

Under the option plan approved by shareholders at the Company's Annual General Meeting on September 16, 2021, the Company may grant stock options to any director, employee or consultant of the Company. The options granted under the stock option plan vest in three tranches with one third vesting after one year, one third after two years and one third after three years. The options with GBP 0.25 exercise price granted under the previous stock option plan vest in certain limited circumstances, such as a change of control. The options are equity-settled share-based payment transactions.

The following table lists the options outstanding at December 31, 2025 by exercise price:

Exercise price		Outstanding		Exercisable	
Local	\$ equivalent	No of options	Weighted average remaining term (in years)	No of options	Weighted average remaining term (in years)
CAD1.00	0.73	525,000	0.84	525,000	0.84
GBP0.25	0.34	1,277,188	0.25	-	-

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The following table summarises the activity under the stock option plan.

	2025		2024	
	Number of options	Weighted average exercise price (\$)	Number of options	Weighted average exercise price (\$)
Allotted at January 1	1,802,188	0.43	1,802,188	0.43
Granted	-	-	-	-
Forfeited	-	-	-	-
Allotted at December 31	1,802,188	0.43	1,802,188	0.43
Exercisable at December 31	525,000	0.73	516,667	0.74

A share-based payments expense of \$2 thousand was recognised during the year (2024: \$36 thousand).

Dividends

On February 20, 2025, a dividend of \$0.01 per share was paid to shareholders of record on February 10, 2025 totaling \$973 thousand (2024: \$nil).

16 Related party transactions

A list of the investments in subsidiaries as at December 31, 2025 and 2024, including the name, proportion of ownership interest, nature of business, country of operation and country of registration, is given below.

	Percentage	Nature of business	Country of registration	Country of operation
Subsidiaries				
Tethys Kazakhstan SA	100%	Holding company	Belgium	Belgium
Transcontinental Oil Transportation srl	100%	Holding company	Belgium	Belgium
Tethyda Limited	100%	Group financing	Cyprus	Cyprus
DMS Services LLP	100%	Oil & gas E&P	Kazakhstan	Kazakhstan
Tethys Aral Gas LLP	100%	Oil & gas E&P	Kazakhstan	Kazakhstan
Kul-Bas LLP	100%	Oil & gas E&P	Kazakhstan	Kazakhstan
Tethys Services Kazakhstan LLP	100%	Inactive	Kazakhstan	Kazakhstan
Jointly controlled entities				
Aral Oil Terminal	50%	Oil terminal (non-operating)	Kazakhstan	Kazakhstan

Transactions between the Company's subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Significant shareholders

Pope Asset Management ("PAM") is a Registered Investment Advisor managed by William P. Wells (Executive Chairman of Tethys). PAM clients owned approximately 44.8% of the Company's ordinary shares at December 31, 2025.

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Fincraft Group Limited is a diversified holding company controlled by Kenes Rakishev. Fincraft Group Limited owned approximately 32.0% of the Company's ordinary shares at December 31, 2025.

Remuneration of key management personnel

Key management personnel have been identified as the CEO, CFO and the Non-Executive Directors who have served during the year. The remuneration of the key management personnel of the Group is set out below in aggregate.

	2025	2024
Salaries and short-term employee benefits	699	508
Share options	2	20
Total	701	528

Information on share options granted during the period is given in Note 15.

Ultimate controlling party

In the current and prior year there was no ultimate controlling party of the Group.

17 Cash and cash equivalents and notes to the Consolidated Statements of Cash Flows

17.1 Cash and cash equivalents

	2025	2024
Cash in bank deposit accounts	7,413	4,409
Cash in bank current accounts	386	297
Cash in money market funds	373	1,267
Less: allowance for expected credit losses on cash and cash equivalents	(23)	(14)
Total cash and cash equivalents	8,149	5,959

As at December 31, 2025 cash in bank overnight accounts were held at Forte Bank JSC with annual interest rates of between 14.5%-15.5% (2024: 15-16%). Refer also to Note 3. For the year ended 31 December 2025 interest earned on credit balances was \$0.9 million (2024: \$0.7 million).

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18 Contingencies and commitments

Litigation, claims and assessments

The Group is involved in claims and actions arising in the course of the Group's operations and is subject to various legal actions and exposures, including potential environmental claims and tax positions taken by the Group. Although the outcome of these claims cannot be predicted with certainty, the Group does not expect these matters to have a material adverse effect on the Group's financial position, cash flows or results of operations. If an unfavourable outcome were to occur, there exists the possibility of a material adverse impact on the Group's consolidated net earnings or loss in the period in which the outcome is determined. Accruals for litigation, claims and assessments are recognised if the Group determines that the loss is probable and the amount can be reasonably estimated. The Group believes it has made adequate provision for such claims. While fully supportable in the Group's view, some of these positions, including uncertain tax positions, if challenged may not be fully sustained on review.

Kazakhstan

The regulatory environment including tax environment in the Republic of Kazakhstan is subject to change and inconsistent application, interpretations and enforcement, and in particular, existing subsoil use contracts are under close scrutiny by the tax and other authorities. This could result in unfavourable changes to the Group's tax positions. Non-compliance with Kazakhstan law and regulations as interpreted by the Kazakhstan authorities may lead to the assessment of additional taxes, penalties and interest. Kazakhstan tax legislation and practice is in a state of continuous development and therefore is subject to varying interpretations and frequent changes, which may be retroactive. Tax periods remain open to retroactive review by the tax authorities for five years. Management believes that its interpretation of the relevant legislation is appropriate and the Group's tax, currency legislation and customs positions will be sustained.

Exploration and production contract commitments

The Group's obligations under its exploration and production contracts in the Republic of Kazakhstan are defined by the terms of the contract, including any amendments thereto, as well as the duly approved project documentation, including exploration project plans (for new contracts), field development plans, and any subsequent amendments thereto. These documents establish the project indicators, including mandatory financial obligations comprising capital expenditures, operating costs, contributions to the social sphere, obligations for training of national personnel, research and development costs, and other related expenditures.

These financial obligations form the principal basis for assessing the Group's compliance with its contractual commitments, alongside production volumes under production contracts.

Failure to meet the required level of financial obligations in any given year may result in a financial penalty. The applicable penalty rate is 10% of the shortfall amount under the Kul-Bas Contract and exploration contracts, and 1% under the Kyzylai and Akkulka Production Contracts. Repeated non-compliances by a license holder could result in a license being terminated, unless the non-compliances have been remedied by the license holder or waived by the licensing authority. At the date of this report the Group had not

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received any notifications of actual or threatened termination of any of the Group's licenses, with the exception of the Akkulka Oil, as described in the following section.

For exploration contracts, the assessment of financial obligations is typically performed at the end of the exploration period, rather than annually. Accordingly, any underperformance under exploration contracts would be subject to review only upon expiry of the contract term.

The contractual commitments in Kazakhstan can be summarised as follows:

	Kazakhstan Contractual Commitments			
	Expiry date	Program 2025	Spent during 2025	Program 2025 & later
Akkulka Production Contract (Gas)	2026			
Financial obligations		847	1,371	760
Investments		277	948	
Kyzyloi Production Contract (Gas)	2029			
Financial obligations		3,069	1,942	11,077
Investments		972	1,355	
Kul-Bas Contract*	2026			
Financial obligations		12,210	12,110	100,471
Investments		5,937	4,677	76,919
Exploration blocks	2027			
Financial obligations		2,071	2,189	17,114
Investments		2,071	2,148	17,019
Total				
Financial obligations		18,197	17,612	129,422
Investments (part of financial obligations)		9,257	9,128	93,938
* The Kul-Bas contract was in the preparatory period in 2025, which was limited to three years, or until July 26, 2026. On February 17, 2026, an addendum was signed formalising the transition to the Production Period and extending the contract term to July 28, 2048. See Note 19 for further details.				

Amounts disclosed under "Spent during 2025" represent actual expenditures incurred in fulfilling these contractual obligations and have been recognized in these consolidated financial statements in either the Consolidated Statements of Profit/(Loss) and Comprehensive Income/(Loss), Consolidated Statement of Financial Position or Consolidated Statement of Cash Flows in accordance with the Group's respective accounting policies. Amounts shown in the table above under 'Program 2025 & later' have generally not been incurred as they are in the nature of future contractual commitments and so have not been recognised in these consolidated financial statements.

Apart from the Group's work program commitments, other amounts may become payable in certain circumstances as described below.

Akkulka Oil

In December 2023, the Group received a notification from the Ministry of Energy regarding the termination of the Akkulka Oil contract following expiry of the exploration period. The Group submitted a formal explanation in support of an extension request; however, the Ministry issued a final termination notice on April 16, 2024.

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The Group initiated legal proceedings challenging the termination. The claim was rejected by the Astana Economic Court (first instance) on September 9, 2025, and the appellate court subsequently upheld this decision. As a result, the Group was not able to retain the Akkulka Oil licence.

The Akkulka Oil area represents a legacy asset and all capitalized costs related to the exploration contract were fully impaired in prior reporting periods.

Kul Bas Contract

On July 26, 2023, the Group signed an amendment to the Kul-Bas Exploration and Production Contract, which provided for the approval of the field development plan, the assignment of a mining allotment, and the establishment of a three-year preparatory period. Oil production is permitted during the preparatory period, provided that volumes do not exceed those achieved during the prior pilot production phase.

The Group's contractual obligations for the production period, including the preparatory phase, are determined in accordance with the approved field development plan. Obligations relating to the social sphere, training, and R&D become applicable only after the full production period begins.

During 2025, the Kul-Bas Contract remained in the preparatory period. On December 19, 2025, the Ministry of Energy approved the transition of the Kul-Bas field to the production period. Subsequent to the reporting date, the contract was amended to formalise the transition to the production period (see Note 19).

The Group's financial obligations and production indicators under the Kul-Bas Contract are determined in accordance with the approved field development documentation. As presented in the table above, the Group substantially met its financial obligations for 2025. No penalties have been imposed to date.

The Group assessed the risk of penalties or other adverse consequences related to 2025 performance and concluded that such risk is low.

Historical cost obligations

In the event of an official confirmation of reserves by the Kazakhstan Ministry of Energy, which is a requirement for a commercial production license, the Group would be required to pay for historical costs of up to \$2.7 million in the case of the Akkulka Exploration License.

Historical costs for the Kul-Bas license are payable to the government over 10 years from the date of approval of reserves of Kul-Bas in April 2025. The total amount payable is \$3.2 million discounted at 9.4%, representing the rate of return on Republic of Kazakhstan government securities with a similar term to the payment obligation, has been recorded as a liability of the Group, refer to Note 13.

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DSFK pledges and settlement agreement

On February 8, 2021, the Group announced that it had reached a legally binding settlement agreement with OIisol Petroleum Limited, Eurasia Gas Group LLP ("EGG") and their principals and DSFK Special Finance Company ("DSFK"), (hereinafter the "Settlement Agreement").

Tethys subsidiary, TethysAralGas LLP ("TAG"), agreed to pay DSFK a settlement payment of KZT1,435 million (approximately \$3.4 million) to secure the release of TAG from all obligations under the pledge agreements under which TAG's gas transportation assets were pledged to DSFK.

On June 8, 2021, the Company announced that the Kazakhstan Supreme court had issued a ruling in connection with the Settlement Agreement effective May 26, 2021.

TAG subsequently made the required financial payment of KZT1,435 million, equivalent to \$3.4 million, and the Company issued the 18 million shares necessary to fulfil the Group's obligations under the Settlement Agreement.

At the date of approval of these Consolidated Financial Statements DSFK has not yet released TAG from all obligations under the pledge agreements under which TAG's gas transportation assets were pledged to DSFK.

On January 22, 2024, DSFK informed TAG that they will proceed to release the pledged assets only after EGG has fulfilled its obligations under the Settlement Agreement, otherwise DSFK will apply to court for a writ to enforce repayment of the debt owed by EGG and to foreclose on TAG's pledged assets.

In response, the Company has initiated arbitration proceedings at the Astana International Financial Centre to enforce parts of the Settlement Agreement and secure the release the pledged assets.

During 2025, the AIFC Court issued decisions in favour of the Group, including the award of legal costs. Enforcement proceedings in respect of these decisions, as well as related proceedings in local courts, are ongoing as at the date of approval of these Consolidated Financial Statements.

Tajikistan

In May 2016, the Group's former subsidiary Kulob Petroleum Limited ("Kulob") was notified by Total E&P Tajikistan B.V. ("Total") that it had been required to pay the equivalent of \$5.0 million to the tax authorities in Tajikistan in relation to the farm-out of part of the Group's interest to Total in 2013. Total was seeking to have Kulob indemnify it for these taxes under the terms of the farm-out agreement. Kulob disagreed with Total's interpretation of the farm-out agreement or that it is liable to indemnify Total for these taxes. No similar claim has been received from CNPC although the terms of the farm-out with CNPC were the same for Total and CNPC.

On December 30, 2017, the Group announced that Kulob had been notified of a final arbitration award in respect of Kulob's interest in the Bokhtar Production Sharing Contract and Joint Operating Agreement and

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Shareholders' Agreement with Total and CNPC Central Asia B.V. ("CNPC") pertaining to oil and gas exploration and production rights in Tajikistan.

The Arbitral Tribunal of the ICC (the "Tribunal") ordered, inter alia, that Kulob should pay Total and CNPC an amount of damages of approximately \$13.9 million.

Tethys does not expect the decisions of the Tribunal to have a significant effect on the results, cash flows or financial position of the Group since Tethys and its other subsidiaries were not a party to the arbitration, do not believe they are responsible for the obligations of Kulob and have not provided any guarantees on behalf of Kulob. Total and CNPC have asserted that Tethys Petroleum Limited should be responsible for Kulob's liabilities however Tethys does not believe there is any basis for this claim and no provisions has been made in these consolidated financial statements.

19 Events after the reporting period

- *DSFK pledges and settlement agreement*

Subsequent to December 31, 2025, the Group entered into an arrangement with the relevant parties in an attempt to secure the release of the pledged TAG assets and made a payment of approximately \$2.2 million in connection with this arrangement, while continuing efforts to recover the previously paid KZT 1,435 million, or approximately \$2.8 million, under the Settlement Agreement.

The court bailiff did not accept the appraised value used by the Group, and the expected release of the pledged assets did not occur. The \$2.2 million payment was subsequently returned to the Group.

DSFK has indicated that it may seek to enforce the sale of the pledged assets through an auction process, which could result in a higher valuation being applied.

In addition, during this period, the Group's claim in administrative court proceedings challenging the actions of the court bailiff was dismissed. The Group has initiated an appeal against this decision.

- *Kul-Bas commercial production license*

On February 17, 2026, Kul-Bas LLP and the Ministry of Energy of the Republic of Kazakhstan signed Addendum No. 14 to Contract No. 1897 dated November 11, 2005, which formalises the transition of the Kul-Bas field to the Production Period and extends the contract term for 25 years, until July 28, 2048. Under the addendum, Kul-Bas LLP has undertaken to provide annual financing for social and economic development of the Baiganin district of the Aktobe region in the amount of KZT 50 million, or approximately \$100 thousand per year from 2026 to 2037.