

TETHYS PETROLEUM PRESS RELEASE

FOR IMMEDIATE RELEASE

2008 Annual Results

Tuesday, March 31, 2009 – Georgetown, Grand Cayman, Cayman Islands – Tethys Petroleum Limited (“Tethys” or the “Company”) (TSX: TPL) today announced its Annual Results for the period ended December 31, 2008. The full Annual Results together with a Management Discussion & Analysis have been filed with the Canadian securities regulatory authorities. Tethys also announced that it has filed its Annual Information Form (“AIF”) which contains reserves data and other information about the Company for the period ended December 31, 2008, and the reports as mandated by National Instrument 51-101. Copies of the filed documents may be obtained via SEDAR at www.sedar.com or on Tethys' website at www.tethyspetroleum.com. The summary financial statements are attached to this press release.

Highlights

- The Company generated revenues from gas sales of US\$5.36 million in the year ended December 31, 2008 compared to US\$0.194 million in the year ended December 31, 2007.
- The Company recorded a net loss of US\$22.627 million in the year ended December 31, 2008 compared to US\$41.779 million in the year ended December 31, 2007.
- The Company had a cash and working capital surplus of US\$21.489 million in the year ended December 31, 2008 compared to US\$25.773 million in the year ended December 31, 2007.
- Capital expenditure in the year ended December 31, 2008 was US\$42.343 compared to US\$ 23.001 million in the year ended December 31, 2007.
- Operating costs in the year ended December 31, 2008 were US\$1.334 million compared to US\$0.019 million in the year ended December 31, 2007 (the 2007 figure covered only 12 days of production).
- General and Administrative costs in the year ended December 31, 2008 were US\$13.421 million compared to US\$9.461 million in the year ended December 31, 2007 reflecting the greater level of activity in the Company during that period.

Tethys is focused on oil and gas exploration and production activities in Central Asia with activities currently in the Republics of Kazakhstan and Tajikistan. This highly prolific oil

and gas area is rapidly developing and Tethys believes that significant potential exists in both exploration and in discovered deposits.

This press release contains “forward-looking information” which may include, but is not limited to, statements with respect to our operations. Such forward looking statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions. See our Annual Information Form for the year ended December 31, 2008 for a description of risks and uncertainties relevant to our business, including our exploration activities.

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TETHYS PETROLEUM LIMITED
Consolidated Statement of Operations and Comprehensive Loss

		Year ended December 31,	
		2008	2007
		(Expressed in 000's United States dollars except share data)	
	Note		
Revenues Net of Royalties			
Oil and gas sales		5,360	194
		<u>5,360</u>	<u>194</u>
Expenses			
Operating		1,334	19
Selling, general and administrative		13,421	9,461
Stock based compensation	14	3,945	17,624
Depreciation, depletion and amortization (2007 includes ceiling test write down of \$12.8 million)	7	6,449	13,057
		<u>25,149</u>	<u>40,161</u>
Operating Loss		<u>(19,789)</u>	<u>(39,967)</u>
Other Income/(Expense):			
Interest, net		754	(1,437)
Foreign exchange (losses)		(3,060)	(96)
Finance charges		(373)	(238)
Other		(159)	(41)
Total Other (Expense)		<u>(2,838)</u>	<u>(1,812)</u>
Loss Before Income Taxes		<u>(22,627)</u>	<u>(41,779)</u>
Income taxes		-	-
Net Loss and Comprehensive Loss for the year		<u>(22,627)</u>	<u>(41,779)</u>
Weighted average number of common shares outstanding	14	55,987,525	33,274,413
Basic and diluted loss per share		<u>(0.40)</u>	<u>(1.26)</u>

See accompanying notes to these financial statements

TETHYS PETROLEUM LIMITED
Consolidated Balance Sheet

		As at	
		December 31,	December 31,
	Note	2008	2007
		(Expressed in 000's United States dollars)	
ASSETS			
Current Assets			
Cash and cash equivalents		22,200	26,692
Prepayments	3	900	351
Accounts Receivable		1,124	219
Inventory		213	-
Other current assets		640	790
Total current assets		25,077	28,052
Non Current Assets			
Prepayments	3	1,514	3,062
Restricted Cash	5	587	318
Value added tax recoverable	6	4,843	2,752
Capital assets	7	73,793	37,472
Total non-current assets		80,737	43,604
Total Assets		105,814	71,656
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Accounts payable		1,219	1,388
Current portion of long term debt	8	853	-
Accrued & other liabilities		1,516	891
Total current liabilities		3,588	2,279
Non Current Liabilities			
Long term debt	8	5,096	-
Other non-current liabilities	9	523	776
Asset retirement obligation	10	433	661
Total non current liabilities		6,052	1,437
Total Liabilities		9,640	3,716
Stockholders' equity			
Share capital	13	145,237	99,483
Contributed Surplus	14	7,472	3,527
Warrants	15	17,717	16,555
Accumulated deficit		(74,252)	(51,625)
Total stockholders' equity		96,174	67,940
Total Liabilities and Stockholders' Equity		105,814	71,656
Commitments and contingencies			
	11		

See accompanying notes to these financial statements

Approved by the board of directorson March 31, 2008

"D Robson"
Director

"B Murphy"
Director