

March 31, 2015

TETHYS PETROLEUM LIMITED PRESS RELEASE

2014 ANNUAL RESULTS

GRAND CAYMAN, CAYMAN ISLANDS, March 31, 2015 - Tethys Petroleum Limited today announced its Annual Results for the year ended December 31, 2014.

Corporate Highlights – 2014

- Updated Oil Resource Report for the “Klymene” prospect in Kazakhstan with total Unrisked Mean Recoverable Oil Resources being estimated independently at over 400 million barrels;
- Drilling of a further 4 successful shallow gas exploration wells;
- Renewal of the 2013 gas sale contracts for 2014 volumes up to 150 million cubic metres;
- USD15 million financing completed;
- Release of the USD3.88m deposit placed into Escrow with respect to the conditional sale of a 50% (plus one share) interest in the Company’s Kazakhstan business;
- Extension of the Longstop Date to the Sale and Purchase Agreement with SinoHan Oil and Gas Investment Number 6 B.V. (“SinoHan”) through to May 1, 2015;
- New Executive Chairman, and Board changes
- New contract signed with respect to 2015 gas production for a minimum 100 million cubic metres (MMcm) at a net price of \$75/Mcm (at a fixed Tenge price)

Corporate Highlights – Q1 2015

- Extension of the Akkulka Exploration Contract for another four years, from March 10, 2015 to March 10, 2019 (subject to certain routine amendments to the Contract);
- Completion of two loan financings amounting to gross proceeds of USD9.5 million;
- Reduction in interests and current funding obligations in Georgia of approximately US\$4 million;
- Extension of the Kzyloi Gas Production Contract for another 15 years, from June 14, 2014 to December 31, 2029.



Financial Highlights - 2014

- Oil and gas revenue from continuing operations of USD27.39 million (2013: USD36.95 million);
- Loss for the year from continuing operations of USD15.47 million (2013: USD10.54 million⁽¹⁾);
- Basic & diluted loss per share of USD0.05 from continuing operations (2013: USD0.03)
- Capital Expenditure of USD26.07 million (2013: USD23.81 million)
- Cash and cash equivalents of USD3.11 (2013: USD25.11 million)

⁽¹⁾ The 2013 reported loss of USD10.54 million includes a gain of USD8.2 million realized on the Tajik farm-out

Reserve Highlights

- Total Gross (i.e. before the application of Kazakh Mineral Extraction Tax) Oil and Gas Reserves consisting of "Proved" 1P reserves of 16.62 million BOE (2013: 14.14 million BOE) and "Proved and Probable" 2P reserves of 27.08 million BOE (2013: 25.37 million BOE). With the addition of 2014 production these figures represent an increase on the 2013 year end volumes in both categories;
- The NPV10 value after tax of the Company's Kazakh reserves (proven and probable) as at December 31, 2014 was USD185.86 million (2013: USD257.2 million);
- The reserves in this press release are estimated with an effective date of December 31, 2014 and do not reflect the pending sale of 50% of the Kazakhstan assets, which remains subject to Kazakh State waiver.

The reserve report was prepared by Gustavson Associates in full accordance with the requirements of National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities of the Canadian Securities Administrators. The Company's 2014 Annual Information Form dated March 31, 2015 includes more detailed disclosure and reports relating to petroleum and natural gas activities for 2014. Both oil and gas reserves are based on availability of sufficient funding to allow development of the known accumulations. The estimated value (NPV10) of the reserves does not represent fair market value.

Executive Chairman's Message

John Bell, Executive Chairman said: "Since I became Executive Chairman at the end of November last year, we have made significant progress across all aspects of the business, to better manage the business in the challenging oil price environment. We have outlined a new strategy focused on delivering cash flows and value from our existing discovered reserves and material upside from within our portfolio, whilst



exercising capital discipline. We have introduced a focus on performance and a safety culture, we have announced a halving of the Company's G&A, cost cuttings which are on track, and we have doubled gas production and increased prices for the quarter. Based on this we believe Tethys is well placed to respond and adapt to the changing market environment."

Filing Details

The full Annual Results together with Management's Discussion and Analysis and Annual Information Form have been filed with the Canadian securities regulatory authorities. 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.

The Company's 2014 financial statements are prepared under International Financial Reporting Standards (IFRS).

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

Cautionary Statements

This press release contains "forward-looking information" which may include, but is not limited to, statements with respect to our operations, completion of the sale of an interest to SinoHan and prospective resource estimates. Such forward-looking statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions, including the risk that approvals for the sale to SinoHan will be delayed and the risk that any or all of the prospective will not become recoverable. See our Annual Information Form for the year ended December 31, 2014 for a description of risks and uncertainties relevant to our business, including our exploration activities.

The resource estimates contained or referred to are estimates only and are not meant to provide a determination as to the volume or value of hydrocarbons attributable to the Klymene prospect. There are numerous uncertainties inherent in estimating quantities of resources and cash flows that may be derived, including many factors that are beyond the control of the Company. The following is a non-exhaustive list of factors which may have a significant impact on the above estimates of prospective resources: despite the classification that they are as yet undiscovered but may be potentially recoverable the Company may be unable to carry out the development or their potential recovery; the



activity may not be economically viable; the Company may not have sufficient capital or time to develop them; there may be no market or transportation routes for the potential production; legal, contractual, environmental and governmental concerns might not allow for the recovery being undertaken; reservoir characteristics might prevent recovery. The recovery of the resources is subject to the following risks and uncertainties: market fluctuations, the proximity and capacity of oil and gas pipelines and processing equipment, government regulation, political issues, export issues, competing suppliers, operational issues (exploration, production, pricing, marketing and transportation), extensive controls and regulations imposed by various levels of government, lack of capital or income, the ability to drill productive wells at acceptable costs, the uncertainty of drilling operations, factors such as delays, accidents, adverse weather conditions, and the availability of drilling rigs and the delivery of equipment. See our 2014 Annual Information Form dated March 31, 2015 of a description of significant positive and negative factors relevant to the resource estimates in the press release and of the contingencies which prevent the classification of the resources as reserves.

A barrel of oil equivalent ("BOE") conversion ratio of 6,000 cubic feet (169.9 cubic metres) of natural gas = 1 barrel of oil equivalent has been used and is based on the standard energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

About Tethys Petroleum

Tethys Petroleum's aim is to become the leading independent E&P Company in Central Asia, by exercising capital discipline, by generating cash flow from existing discoveries and by maturing large exploration prospects within our highly attractive frontier acreage.

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FOR FURTHER INFORMATION PLEASE CONTACT:

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