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March 29, 2016

TETHYS PETROLEUM LIMITED PRESS RELEASE

2015 ANNUAL RESULTS

GRAND CAYMAN, CAYMAN ISLANDS, March 29, 2016 - Tethys Petroleum Limited today announced its Annual Results for the year ended December 31, 2015.

Corporate Highlights – 2015

- Extension of the Akkulka Exploration Contract for another four years, from March 10, 2015 to March 10, 2019;
- Extension of the Kyzylai Gas Production Contract confirmed for another 15 years, from June 14, 2014 to December 31, 2029;
- MOU signed with PetroChina regarding future exports of hydrocarbons to China;
- Doubling of gas production in January 2015 vs. end 2014;
- Reduction in interests and current funding obligations in Georgia of approximately USD4 million to USD1 million;
- Completion of six separate loan financings amounting to gross proceeds of USD28.1million, of which USD5million has been repaid;
- Notice received to withdraw from the Joint Operating Agreement and Shareholders Agreement dated June 18, 2013 in Tajikistan (the "JOA") and the underlying Bokhtar PSC from CNPC Central Asia B.V. ("CNPC") and Total E&P Tajikistan B.V. ("Total"). Discussions have been initiated with CNPC and Total and management continue to evaluate options to maximise value for this asset;
- Extension of the Kul-Bas Exploration and Production Contract (the "Kul-Bas Contract") in Kazakhstan for additional two years up to November 2017 (subject to certain routine project and work programme approvals with amendments to the Kul-Bas Contract);
- USD15 million convertible debt facility (the "Interim Facility") entered into with Olisol Investments Limited and its wholly owned subsidiary, Olisol Petroleum Limited ("OPL", together "Oilsol");

Corporate Highlights – Q1 2016

- Signed a legally binding amendment (the "Facility Agreement Amendment") to the USD15 million convertible debt facility entered into on November 19, 2015 with Olisol setting out amended terms to the Interim Facility, the Investment Agreement announced on December 8, 2015 and consequential changes to the transaction documentation between the companies;
- Conversion notice received from Olisol to convert USD6.3million of outstanding debt to TPL shares at USD0.10 per share. USD3.7million already converted with the remainder pending TSX approval;
- New gas sales contracts signed for 2016 volumes of up to 150 million cubic metres.

Financial Highlights - 2015

- Administrative and business development expenses reduced by 51% to USD9.5m from USD19.5m;
- Headcount has been reduced by 24% since Q4 2014 contributing to a staff costs reduction of 50% to USD4.5m from USD8.9m;
- Office costs reduced by 53% to USD0.9m from USD2.0m;
- Travel costs reduced by 64% to USD0.8m from USD2.3m;
- Production expenses reduced by 24% to USD10.2m from USD13.5m;
- Gas revenue increased by 98% to USD16.2m from USD8.2 following completion of a shallow gas development programme in late 2014 and significantly improved pricing from January 2015, however the increase was more than offset by a reduction in oil revenue to USD5.9m from USD18.9m due to lower production and a more than halving of realised prices;
- The loss for the year of USD74.6m (2014: USD16.4m) was due to increased Depreciation, Depletion and Amortisation (DD&A) which was USD27.5m higher than the prior year. The Kazakh oil and assets were not depreciated in the prior period whilst held for sale to SinoHan. Due to the inability to fulfil the conditions precedent to this legacy transaction by the extended May 1, 2015 longstop date a catch up DD&A charge for 26 months was required to be made in the current year. In addition, the Tajikistan asset was impaired by USD25.9m reflecting the difficult economic market for frontier territory exploration assets and the devaluation of the Kazakhstan Tenge in Q4 2015 resulted in a deferred tax charge of USD6.4m. All of the aforementioned are non-cash items;
- EBITDA - adjusted for share-based payments improved to negative USD10.6m from negative USD12.3m, despite significantly lower oil revenues, as a result of

higher gas revenues and significantly lower production and administrative expenses following management's cost reduction initiatives.

- Cash and cash equivalents at December 31, 2015 were USD3.3m (2014: USD3.9m, including cash of USD0.8m in a disposal group)

Reserve Highlights

- Total Gross (i.e. before the application of Kazakh Mineral Extraction Tax) Oil and Gas Reserves consisting of "Proved" 1P reserves of 13.18 million boe (2014: 16.62 million boe) and "Proved plus Probable" 2P reserves of 23.97 million boe (2014: 27.08 million boe);
- The NPV10 value after tax of the Company's Kazakh reserves (Proved plus Probable) as at December 31, 2015 was USD 183.6 million (2014: USD 185.9 million);
- The reserves in this press release are estimated with an effective date of December 31, 2015.

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 2015 Annual Information Form dated March 29, 2016 includes more detailed disclosure and reports relating to petroleum and natural gas activities for 2015. 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.

Chairman's Message

John Bell, co-Chairman said: "2015 saw unprecedented challenges in the oil and gas industry worldwide. Kazakhstan saw its own unique challenges with declining prices and a massive depreciation in the Kazakh Tenge starting the year at 180 Tenge to the USD and ending up around 350 Tenge to the USD. This put pressure on revenues and a severe strain on the Kazakh banking industry. Despite this the Company adjusted to the new paradigm and in 2015 we have halved the Company's G&A and Business Development expenses, whilst increasing gas production by 98% at a higher gas price. These costs are forecast to reduce further to \$6 million on an annualised basis. Furthermore, we secured a new in-country strategic partner in Olisol Petroleum Limited and progressed on reaching a binding agreement which will lead to a recapitalisation of the business, ensure the Company's continued operations and will see Olisol becoming a major shareholder. I believe we are now better placed to realise value from the assets and have the right in-country partner to achieve success in Kazakhstan."

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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 2015 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 and completion of the Olisol deal. 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 the private placement with Olisol will be delayed or not finalised. See our Annual Information Form for the year ended December 31, 2015 for a description of risks and uncertainties relevant to our business, including our exploration activities.

A barrel of oil equivalent ("boe") conversion ratio of 6,000 cubic feet (169.9 cubic metres) of natural gas = 1 barrel of oil 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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Tethys Petroleum Limited
Consolidated Statement of Financial Position
(in thousands of US dollars)

	2015	2014
Non-current assets		
Intangible assets	64,202	47,630
Property, plant and equipment	113,397	13,804
Restricted cash	2,233	623
Investment in joint arrangements	4	4
Trade and other receivables	2,457	-
Deferred tax	226	258
	182,519	62,319
Current assets		
Cash and cash equivalents	3,272	3,112
Trade and other receivables	3,710	634
Inventories	879	-
Restricted cash	215	116
Assets of a disposal group classified as held for sale	-	172,514
	8,076	176,376
Total assets	190,595	238,695
Non-current liabilities		
Trade and other payables	133	-
Financial liabilities - borrowings	22,873	5,489
Deferred tax	10,792	-
Provisions	846	-
	34,644	5,489
Current liabilities		
Financial liabilities - borrowings	9,159	5,139
Derivative financial instruments	275	-
Current taxation	398	364
Trade and other payables	14,189	4,102
Provisions	360	1,759
Liabilities of a disposal group classified as held for sale	-	16,092
	24,381	27,456
Total liabilities	59,025	32,945
Equity		
Share capital	33,696	33,645
Share premium	321,803	321,724
Other reserves	43,166	42,845
Accumulated deficit	(273,189)	(198,560)
Non-controlling interest	6,094	6,096
Total equity	131,570	205,750
Total equity and liabilities	190,595	238,695

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Tethys Petroleum Limited
Consolidated Statements of Comprehensive Income (Loss)
(in thousands of US dollars except per share information)

	2015	2014
Sales and other revenues	22,135	27,389
Sales expenses	(4,210)	(2,287)
Production expenses	(10,232)	(13,476)
Depreciation, depletion and amortisation	(28,731)	(1,270)
Exploration and evaluation expenditure written off	(25,918)	-
Business development expenses	-	(1,881)
Administrative expenses	(9,492)	(17,647)
Restructuring costs	(3,247)	(2,585)
Transaction costs of assets held for sale	(1,065)	(243)
Share based payments	(450)	(224)
Profit on sale of fixed assets	53	-
Foreign exchange loss	(1,715)	(200)
Fair value gain on derivative financial instrument	824	17
Loss from jointly controlled entity	(2,796)	(1,356)
Finance costs	(3,329)	(1,247)
	(90,308)	(42,399)
Loss before tax from continuing operations	(68,173)	(15,010)
Taxation	(6,430)	(463)
Loss for the year from continuing operations	(74,603)	(15,473)
Loss for the year from discontinued operations net of tax	(28)	(912)
Loss and total comprehensive income for the year	(74,631)	(16,385)
Loss and total comprehensive income attributable to:		
Shareholders	(74,629)	(16,027)
Non-controlling interest	(2)	(358)
Loss and total comprehensive income for the year	(74,631)	(16,385)
Loss per share attributable to shareholders:		
Basic and diluted - from continuing operations (USD)	(0.22)	(0.05)
Basic and diluted - from discontinued operations (USD)	-	-

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Tethys Petroleum Limited
Consolidated Statements of Cash Flows
(in thousands of US dollars)

	2015	2014
Cash flow from operating activities		
Loss before tax from continuing operations	(68,173)	(15,010)
Loss before tax from discontinued operations	(28)	(912)
	(68,201)	(15,922)
Adjustments for:		
Share based payments	450	224
Net finance cost	3,329	1,247
Depreciation, depletion and amortisation	28,731	1,270
Unsuccessful exploration and evaluation expenditures	25,918	-
Profit on sale of fixed assets	(53)	-
Fair value gain on derivative financial instruments	(824)	(17)
Net unrealised foreign exchange gain	(114)	(192)
Loss from jointly controlled entity	2,796	1,356
Movement in provisions	(4,646)	1,239
Net change in working capital	752	(389)
Cash used in operating activities	(11,862)	(11,184)
Corporation tax paid	(136)	(320)
Net cash used in operating activities	(11,998)	(11,504)
Cash flow from investing activities		
Interest received	183	198
Expenditure on exploration and evaluation assets	(5,798)	(8,683)
Expenditure on property, plant and equipment	(2,495)	(17,386)
Proceeds from sale of fixed assets	121	-
Movement in restricted cash	214	137
Movement in advances to construction contractors	416	782
Movement in value added tax receivable	1,284	(90)
Net change in working capital	(1,275)	285
Net cash generated used in investing activities	(7,350)	(24,757)
Cash flow from financing activities		
Proceeds from issuance of borrowings, net of issue costs	28,107	11,604
Repayment of borrowings	(10,269)	(8,803)
Interest paid on borrowings	(1,448)	(1,721)
Proceeds from issuance of equity	-	14,947
Share issue costs	-	(1,379)
Movement in other non-current liabilities	(313)	(153)
Net cash generated from financing activities	16,077	14,495
Effects of exchange rate changes on cash and cash equivalents	2,675	(97)
Net decrease in cash and cash equivalents	(596)	(21,863)
Cash and cash equivalents at beginning of the year	3,868	25,731
Cash and cash equivalents at end of the year	3,272	3,868
Cash and cash equivalents at end of the year comprises:		
Cash in assets of a disposal group held for sale	-	756
Cash and cash equivalents	3,272	3,112
	3,272	3,868

FOR FURTHER INFORMATION PLEASE CONTACT:

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Listed on the Toronto Stock Exchange (TSX) and the London Stock Exchange (LSE) with the symbol "TPL"

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