

November 29, 2016

**Tethys Petroleum Press Release
(TSX: TPL, LSE: TPL)**

Completion of Private Placements

GRAND CAYMAN, CAYMAN ISLANDS - Tethys Petroleum Limited ("Tethys" or the "Company") today announces that it has completed the previously announced private placements ("Placements") with Winston Sanjeev Kumar Soosaipillai and Medgat Kumar (each, an "Investor" and together, the "Investors"). The Placements bring much needed funding to the Company as well as provide it with strong in-country partners in Kazakhstan and internationally.

The key commercial terms of the Placements are summarized below.

Summary of Placements

- The Investors, through nominee companies, have each acquired 43,951,698 ordinary shares of Tethys which results in each Investor individually acquiring approximately 9.0% of the enlarged share capital of the Company.

The price for the ordinary shares is US\$0.01593 per share representing a 24% premium to the five day volume weighted average price preceding the November 6, 2016 offer date ("VWAP"). The total proceeds amount to approximately US\$1.4 million.

- The Company has granted each Investor share purchase warrants giving each Investor the right to acquire up to 96,150,000 ordinary shares of Tethys for a period of three years from the grant date. The exercise price for the warrants is US\$0.031 representing a 138% premium to the VWAP. If both Investors were to exercise all of the Warrants granted to them, each Investor would own approximately 19.9% of the ordinary shares of the enlarged share capital of the Company. Neither Investor may exercise any warrants if after such exercise, the Investor would become a 10% shareholder of the Company until such time as the Toronto Stock Exchange ("TSX") has approved a personal information form (a "PIF") to be submitted by such Investor. Further, the Investors may not exercise more than an aggregate of 12,097,816 warrants unless shareholder approval has been obtained for such exercise. The Company has agreed to call and hold a shareholder meeting for shareholders to consider, and if thought fit, approve the exercise of such warrants as soon as reasonably practicable and in any event within 60 days from the date hereof. The Company has also agreed that should the shareholders not approve the exercise of such warrants, the Company will be required to pay to the Investors, for each outstanding warrant that may not be exercised, the amount by which the then VWAP exceeds the exercise price of the warrant.
- In connection with the Placement, the Investors have entered into voting agreements with Pope Asset Management or its affiliates, pursuant to which such shareholders have agreed to vote or use their commercially reasonable efforts to cause the voting of shares held by them in favour of the warrant exercise. In total, such shareholders hold approximately 16% of the currently outstanding shares.

- The Company has agreed to work with Annuity Life and Reassurance (“ALR”), an affiliate of Pope, to convert approximately US\$168,000 of debt owing to ALR into approximately 12,000,000 ordinary shares, all subject to approval by the TSX. Any such shares so issued will be subject to the voting agreement referred to above.
- Each of the Investors will be appointed to the Board of Directors of the Company once the Investor has filed a PIF with the TSX, provided that each Investor will agree to resign from the Board of Directors if the TSX does not approve the PIF so filed.
- The Company intends to use the proceeds of the Placements for general working capital purposes.
- The Investors have entered into a Relationship Agreement (the “Relationship Agreement”) with the Company which addresses, inter alia:
 - i. the composition of the Board of Directors and Audit Committee and Board nomination rights to each Investor for so long as the Investor owns at least 9% of the outstanding ordinary shares;
 - ii. a requirement to ensure Investors and Tethys comply at all times with applicable securities laws and stock exchange requirements and its Articles of Association;
 - iii. a requirement that any transactions between Tethys and the Investors will be at arm’s length and on normal commercial terms and the Investors will not vote on any transactions where they are a related party;
 - iv. a limitation on the Company’s ability to enter into financing transactions involving convertible debt of the Company for a period of 12 months without the Investor’s consent;
 - v. a limitation on the ability of the Investors to transfer any of the ordinary shares acquired by them for a period of 12 months; and
 - vi. a participation right in favour of the Investors for so long as they own at least 9% of the outstanding ordinary shares, that will enable them to maintain their pro rata ownership in the Company in the event that the Company does dilutive offerings in the future, subject to certain exceptions.

The above is a summary of certain terms of the Relationship Agreement. For a complete understanding of the terms of the Relationship Agreement, investors or other interested parties should review the full text of the Relationship Agreement, a copy of which is available on SEDAR at www.sedar.com.

- A good working relationship has already been established between the Company and the Investors who have provided valuable assistance to the Company to begin to:
 - o Favorably resolve the detrimental issues the Company has been facing in Kazakhstan;
 - o Obtain a bank loan from a reputable bank in Kazakhstan for the Company’s subsidiary Tethys Aral Gas LLP to enable it to repay and restructure current loans and to fund operations;
 - o Market the Company’s gas sales for export;
 - o Improve the pricing of Tethys’ oil and gas products; and
 - o Engage with the Company’s current corporate lenders with a view to restructuring existing loan terms in order to improve cash flow.

About Winston Sanjeev Kumar Soosaipillai

Winston Sanjeev Kumar Soosaipillai (“Sanjeev Kumar”) and his wife Arani Kumar are joint owners of the State Oil Group (“SOG”). Headquartered in London, UK and with trading offices in Zug Switzerland, Singapore and Houston, Texas, SOG is an independent trading, storage, distribution and retail conglomerate dealing in petroleum products and biofuels. The group has syndicated banking facilities which provide a platform to support SOG’s international ambitions. SOG is well connected across the world to influential individuals and powerful oil companies. SOG has a management team that has successfully integrated a number of strategic acquisitions into their group.

About Medgat Kumar

Medgat Kumar is the owner and Director of Petro Impex Trade LLP. Petro Impex Trade LLP is a Kazakhstan based company whose primary activities are trading of crude oil and petroleum products, oil refining and terminals businesses.

About Tethys

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

Disclaimer

Some of the statements in this document are forward-looking. Forward-looking statements include statements regarding the intent, belief and current expectations of the Company or its officers with respect to the use of proceeds from the Placements, the Board appointees, the potential that exists in both exploration and in discovered deposits in Central Asia and the Caspian Region and the assistance the Investors may be able to provide to the Company in the areas identified above. When used in this document, the words “expects,” “believes,” “anticipates,” “plans,” “may,” “will,” “should” and similar expressions, and the negatives thereof, are intended to identify forward-looking statements. Such statements are not promises or guarantees, and are subject to risks and uncertainties that could cause actual outcomes to differ materially from those suggested by any such statements including risks and uncertainties with respect to the potential that exists in both exploration and in discovered deposits in Central Asia and risks that the Investors may not be successful in assisting the Company in the areas identified above.

No part of this announcement constitutes, or shall be taken to constitute, an invitation or inducement to invest in the Company or any other entity, and shareholders of the Company are cautioned not to place undue reliance on the forward-looking statements. Save as required by the Listing Rules and applicable law, the Company does not undertake to update or change any forward-looking statements to reflect events occurring after the date of this announcement.

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