

November 14, 2013

TETHYS PETROLEUM LIMITED PRESS RELEASE

("Tethys" or "the Company" (TSX:TPL, LSE:TPL))

Third Quarter 2013 Financial Results

GRAND CAYMAN, CAYMAN ISLANDS - Tethys Petroleum Limited today announced its third quarter 2013 financial results and gave an update on its operations in Kazakhstan. These figures are headlined by the 2013 EBITDA figure adjusted for share-based payments for the nine months to September 30, 2013 being more than seven times than that achieved in the same period of 2012.

RECENT FINANCIAL HIGHLIGHTS

Nine months 2013 vs. nine months 2012:

- EBITDA adjusted for share-based payments of USD9.7 million compared to USD1.3 million in 2012
- 2013 loss before tax of USD4.5 million (2012: loss of USD15.7 million)
- 2013 loss after tax of USD7.0 million (2012: USD16.8 million)
- 2013 total oil and gas revenues up 15%

The Company reports financial results in accordance with International Financial Reporting Standards ("IFRS").

Operational Update (Kazakhstan)

AKD08 ("Doto")

The AKD08 ("Doto") well has reached a depth of 2,947 metres where the next casing string will be set. Electric logs are being run and hydrocarbon indications have been observed in both the Cretaceous and Jurassic sections whilst drilling and from the wireline logs, although the Cretaceous sands appear not to be as good a quality as observed in the nearby AKD01 Doris discovery well. Such indications, though encouraging, do not necessarily confirm the presence of commercially produceable hydrocarbons. Following logging and setting casing, drilling will continue into the Triassic section which had oil shows in the AKD01 well. After completion of drilling, it is likely that a testing programme will be undertaken. The Doto well is expected to take approximately a further month to reach its planned total depth of 3,500 metres.

AKD09 ("Dexa")

The AKD09 ("Dexa") well has reached a depth of 1,366 metres and casing is about to be set before drilling ahead towards the target zone. The Dexa well is expected to

take approximately a further month to drill to the planned total depth of 2,400 metres. The well is located to the north-west of the producing Doris field and is designed to target Cretaceous channel sandstone sequences similar to the current major producing unit in the Doris field.

KBD01 ("Kalypso")

The KBD01 ("Kalypso") comprehensive testing programme initially on the Permo-Carboniferous interval will commence in mid December. Currently the well is undergoing pre-test operations to conduct a further cementing prior to the main testing programme. The testing programme will involve fracture stimulation of the carbonate interval approximately 4,100 metres below the surface and will take up to one month to complete. Electric logs run over this section and drilling data indicated more than 100 metres of gross potential hydrocarbon bearing zones.

Oil Production

Following continued optimisation of the downhole pumps, production is currently approximately 3,200 barrels of oil per day from the three producing wells.

Shallow Gas Drilling program

The previously announced shallow gas work program is underway and results will be announced in due course.

The full Q3 Results together with a Management Discussion & Analysis 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 above highlights along with other operational and financial details will be further discussed in a scheduled conference call. Details of the conference call can be found below:

Conference Call:

A conference call will be held at 8:00 AM EST US and Canada and 13:00 PM GMT European time on Friday, November 15, 2013. The North American conference call number is 866-515-2912 and the outside North America conference call number is +1 617-399-5126. The conference call code to use is 99140866. Please call in about 10 minutes before the starting time in order to be patched into the call.

Webcast:

The call is being webcast and can be accessed at:

<http://www.media-server.com/m/acs/738b9c96fe1c3c9b77aa2b2948a65377>

Tethys is focused on oil and gas exploration and production activities in Central Asia

and the Caspian Region with activities currently in the Republics of Kazakhstan, Tajikistan and Uzbekistan. This highly prolific oil and gas area is rapidly developing and Tethys believes that significant potential exists in both exploration and in discovered deposits.

The indications of hydrocarbons from the shows while drilling and the electric log interpretation for the AKD08 ("Doto") well are not necessarily indicative of the possible recovery of hydrocarbons from that well or of long term performance. Production testing and other evaluation will be required before the Company is able to establish the commercial viability of the well.

This press release contains "forward-looking information" which include statements related to the drilling progress of the AKD08, AKD09 and KBD01 wells. Such forward-looking statements reflect our current views with respect to future events and are subject to certain assumptions, including the assumption that the 30 day periods will be sufficient for drilling the AKD08 and AKD09 wells to depth and the KBD01 testing programme will commence in mid December. These forward looking statements are subject to risks and uncertainties, including the risk that the drilling period for the wells will extend beyond the expected periods and the testing programmes will be delayed or deferred because of operational and geological factors. See our Annual Information Form for the year ended December 31, 2012 for a description of risks and uncertainties relevant to our business, including our exploration activities. The forward looking statements contained herein speak only as of the date of this press release and, unless required by applicable law, the Company undertakes no obligation to publicly update or revise such information, whether as a result of new information, future events or otherwise.

Note on non GAAP measures: "EBITDA adjusted for share based payments" is a non GAAP measure and is defined as Earnings before Interest, Tax, Depreciation, Amortization and share based payments. See the Management Discussion and Analysis for Q3 for a reconciliation to Profit / (Loss).

For more information please contact:

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Tethys Petroleum Limited

Condensed Consolidated Statement of Financial Position

(Unaudited)

(in US Dollars)

	As at	
	September 30, 2013	December 31, 2012
	\$'000	\$'000
Non-current assets		
Property, plant and equipment	113,409	121,097
Intangible assets	55,419	107,374
Restricted cash	2,178	1,543
Prepayments and other receivables	7,031	6,444
Investment in jointly controlled entity	1,120	1,116
	<u>179,157</u>	<u>237,574</u>
Current assets		
Inventories	2,093	2,046
Trade and other receivables	10,879	7,703
Loan receivable from jointly controlled entity	2,723	2,403
Cash and cash equivalents	51,207	1,750
Restricted cash	477	477
	<u>67,379</u>	<u>14,379</u>
Total assets	<u>246,536</u>	<u>251,953</u>
Equity attributable to shareholders		
Share capital	28,756	28,671
Share premium	307,295	306,725
Other reserves	42,502	41,705
Accumulated deficit	(171,963)	(165,385)
Non-controlling interest	7,998	8,437
Total equity	<u>214,588</u>	<u>220,153</u>
Non-current liabilities		
Financial liabilities - borrowings	6,117	3,688
Deferred taxation	5,338	2,912
Trade and other payables	275	351
Asset retirement obligations	184	524
	<u>11,914</u>	<u>7,475</u>
Current liabilities		
Financial liabilities - borrowings	11,735	13,625
Derivative financial instruments - warrants	299	523
Deferred revenue	664	1,713
Trade and other payables	7,265	8,231
Current tax	71	233
	<u>20,034</u>	<u>24,325</u>
Total liabilities	<u>31,948</u>	<u>31,800</u>
Total shareholders' equity and liabilities	<u>246,536</u>	<u>251,953</u>

Tethys Petroleum Limited

Condensed Consolidated Statement of Comprehensive Income

(Unaudited)

For the three and nine months ended September 30, 2013

(in US Dollars)

	For the 3 months ended September 30,		For the 9 months ended September 30,	
	2013 \$'000	2012 \$'000 (re-presented)	2013 \$'000	2012 \$'000 (re-presented)
Sales and other revenues	9,177	9,990	30,681	26,681
Sales expenses	(832)	-	(2,357)	-
Production expenses	(3,391)	(3,562)	(10,516)	(9,401)
Depreciation, depletion and amortisation	(3,721)	(4,766)	(12,234)	(12,557)
Exploration and evaluation expenditure written off	-	(138)	-	(138)
Business development expenses	(751)	(239)	(2,020)	(1,223)
Administrative expenses	(4,974)	(4,293)	(14,559)	(14,646)
Share based payments	(205)	(582)	(751)	(2,459)
Gain on Tajik farm-out	(205)	-	8,453	-
Foreign exchange loss	(140)	(158)	(62)	(334)
Fair value gain/(loss) on derivative financial instruments	516	(149)	548	(216)
Gain/(loss) from jointly controlled entity	201	(395)	589	(294)
Net finance costs	(732)	(296)	(2,249)	(1,148)
Loss before taxation	(5,057)	(4,588)	(4,477)	(15,735)
Taxation	(328)	(529)	(2,540)	(1,100)
Loss for the period	(5,385)	(5,117)	(7,017)	(16,835)
Loss attributable to:				
Shareholders	(5,174)	(4,906)	(6,578)	(16,565)
Non-controlling interest	(211)	(211)	(439)	(270)
Loss for the period	(5,385)	(5,117)	(7,017)	(16,835)
Loss per share attributable to				

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shareholders

Basic and diluted	(0.02)	(0.02)	(0.02)	(0.06)
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Tethys Petroleum Limited

Condensed Consolidated Statement of Cash Flows

(Unaudited)

For the three and nine months ended September 30, 2013

(in US dollars)

	For the 3 months ended		For the 9 months ended	
	September 30		September 30	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Cash flow from operating activities				
Loss before taxation for the period	(5,057)	(4,588)	(4,477)	(15,735)
Adjustments for				
Share based payments	205	582	751	2,459
Net finance cost / (income)	732	296	2,249	1,148
Depreciation, depletion and amortization	3,721	4,766	12,234	12,557
Fair value (gain)/loss on derivative financial instruments	(516)	149	(548)	216
Net unrealised foreign exchange (gain) / loss	114	228	(2)	216
Gain on Tajik farm-out	205	-	(8,453)	-
(Profit)/loss from jointly controlled entity	(201)	395	(589)	294
Movement in deferred revenue	(491)	(157)	(1,049)	(601)
Net change in non-cash working capital	(4,200)	84	(2,943)	(1,903)
Cash generated/(used in) operating activities	(5,488)	1,755	(2,827)	(1,349)
Corporation tax paid	(50)	-	(276)	-
Net cash generated / (used) in operating activities	(5,538)	1,755	(3,103)	(1,349)
Cash flow from investing activities				
Interest received	60	-	152	5
Expenditure on exploration and evaluation assets	(947)	(2,412)	(1,458)	(4,014)
Expenditures on property, plant and equipment	(4,040)	(3,609)	(5,841)	(5,317)
Movement in restricted cash	(10)	1	(635)	412
Investment in jointly controlled entity	-	-	(4)	(5)
Repayment of loan receivable from jointly controlled entity	-	-	400	-
Movement in advances to construction contractors	(1,409)	(643)	(2,321)	(1,677)
(Costs)/proceeds of Tajik farm-out	(205)	-	63,199	-
Movement in value added tax receivable	190	251	1,734	1,098
Net change in non-cash working capital	704	1,476	(1,387)	(924)
Net cash generated/(used in) investing activities	(5,657)	(4,936)	53,839	(10,422)
Cash flow from financing activities				
Proceeds from issuance of borrowings, net of issue costs	-	999	4,714	10,334
Repayment of borrowings	(1,216)	(246)	(4,203)	(7,112)
Interest paid on borrowings	(631)	(283)	(1,814)	(804)
Proceeds from issuance of equity, net of issue costs	-	-	523	-
Movement in asset retirement obligation	(253)	-	(253)	-
Movement in other non-current liabilities	(69)	(71)	(212)	(213)
Net cash generated / (used) in financing activities	(2,169)	399	(1,245)	2,205
Effects of exchange rate changes on cash and cash equivalents	36	(44)	(34)	(34)
Net (decrease)/increase in cash and cash equivalents	(13,328)	(2,826)	49,457	(9,600)
Cash and cash equivalents at beginning of the period	64,535	3,972	1,750	10,746
Cash and cash equivalents at end of the period	51,207	1,146	51,207	1,146

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