

Tethys on Track for a 15 Year Extension to Kyzyloi Gas Contract

May 21, 2014 (Source: Marketwired) – Tethys Petroleum Limited (“Tethys” or the “Company”) (TSX:TPL)(LSE:TPL) today announced that the Kazakh State Reserves Committee (GKZ) has approved the Company’s gas reserve evaluation for the Kyzyloi Production Contract area (the “Contract”). This approval is a precursor to a further extension of 15 years of the Contract and is subject to confirmation and registration of this extension with the appropriate bodies including the Ministry of Oil and Gas of the Republic of Kazakhstan (“MOG”).

The Contract Area covers some 287 km² (70,918 acres) and the Company is currently producing gas from the shallow Kyzyloi sandstone in this area. Such an extension will give Tethys significantly more time to produce natural gas from this attractive area.

The reserves attributed to the Kyzyloi Contract area, determined in accordance with National Instrument 51-101 of the Canadian Securities Administrators, are included in the Company’s reserves evaluation for its oil and gas interests in Kazakhstan set out in its Annual Information Form dated March 31, 2014 available on www.sedar.com.

Gas Programme Update (on the surrounding Akkulka area)

Work continues on the shallow gas exploration and development programme in the surrounding Akkulka area. Drilling operations on the AKK20 well have commenced. This is the fourth exploration well of the 2014 shallow gas programme and is targeting gas at two shallow gas horizons, both the Kyzyloi sand and, at the deeper, higher pressured Tasaran sand level.

Testing of the AKK17, AKK18 and AKK19 wells will commence in early June with AKK20 to follow on should the logs indicate success and this is expected to take a combined 6 – 8 weeks. Following testing, State Reserves will be obtained for these deposits and these wells will be tied into the existing infrastructure along with AKK05, AKK15 and AKK16. The order for gas dehydration equipment has now been placed, with the aim of commencing significantly increased gas production from the beginning of 2015.

Steve Elliott, Vice President Project Development for Tethys commented; "Obtaining updated State Reserves for Kyzylai places us on track to secure a long extension to the Kyzylai gas field production period. The programme on Akkulka continues apace, with new wells being drilled, testing and tie-ins planned for this summer, and with important facilities such as the gas dehydration equipment now moving forward. Our project team is focused on meeting the objective of tripling gas production by the beginning of next year and our commercial negotiators are working on achieving significant increases in gas prices, all of which should add significantly to cash flow from the project in 2015."

Tethys is focused on oil and gas exploration and production activities in Central Asia with activities currently in the Republics of Kazakhstan, Tajikistan and Georgia. 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 the Contract extension, testing of the AKK17, AKK18, AKK19 and AKK20 wells and tying-in of these wells and the AKK05, AKK15 and AKK16 wells (collectively, the "Wells"), tripling of gas production by the beginning of 2015, significant increases in gas pricing and addition to cash flow in 2015. 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 approval of the Contract extension, or its registration, will be delayed or deferred, the risk that testing and/or tying-in of the Wells will be delayed, the risk that gas production from the Akkulka contract area will not triple by the beginning of 2015 because of equipment mobilization, geological issues or production delays, and the risk that gas prices realized by the Company in 2015 will not significantly increase. These forward-looking statements assume that testing and tying-in of the Wells will be completed on schedule and that gas production and pricing from the Akkulka contract area will increase as expected. See our Annual Information Form dated March 31, 2014 for the year ended December 31, 2013 for a description of risks and uncertainties relevant to our business, including our exploration and production 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.