

TETHYS PETROLEUM PRESS RELEASE

FOR IMMEDIATE RELEASE

Operational Update

GRAND CAYMAN, CAYMAN ISLANDS, Monday August 15, 2011: Tethys Petroleum Limited ("Tethys" or the "Company" (TSX:TPL, LSE:TPL) today provided an operational update in conjunction with its financial results for the Quarter ended June 30, 2011.

Operational Update

RECENT HIGHLIGHTS

Kazakhstan

- AKD05 appraisal well flowed at over 1,500 bopd of good quality oil.
- KBD01 (Kalypso) exploration well close to total depth.
- Drilling operations commenced on AKD06, an appraisal well of the Doris oil discovery targeting the Cretaceous sand.
- Stage 2 oil production facilities installed.

Tajikistan

- East Olimtoi exploration well EOL09 has reached total depth and electric logs are currently being run.
- New exploration well "Persea 1" spudded with total depth expected to be 2,700 metres.
- Aero magnetics and gravity gradiometry survey underway.

Uzbekistan

- Initial jet pump trial on the North Urtabulak oilfield successful.
- Negotiations continue on new production and exploration contracts.

These 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.

Kazakhstan

The appraisal programme on the Doris oil discovery and further exploration on the Akkulka and Kul-Bas block is continuing.

The Kalypso (KBD01) wildcat exploration well which, is targeting primarily a large potential structural closure at Permo-Carboniferous level, is currently at a depth of 4,128 metres in what is interpreted to be Carboniferous limestones. Some oil and gas indications have been observed but the significance of these cannot be ascertained until electric logs have been run and further evaluation carried out. The planned total depth of this well is approximately 4,300 metres.



The Doris (AKD06) appraisal well, which is targeting primarily the Cretaceous sandstone interval, which flowed at over 5,400 barrels of oil per day (“bopd”) in the AKD01 Doris discovery well, is currently at a depth of 641 metres. This well is located on an amplitude anomaly derived from detailed spectral analysis of the new 3D seismic dataset and is aimed at establishing a stratigraphic component to the Doris oil accumulation. The planned total depth of this well is 2,400 metres and it is estimated to be completed by October 2011.

Tajikistan

The East Olimtoi (EOL09) exploration well has just reached its total depth of 3,765 metres in the Akdzhar formation. Electric logs are currently being run in the Bukhara and Akdzhar sections as well as the lower part of the overlying Alai formation. The initial results from the raw logs indicate some zones of interest in the Bukhara limestone sequence but further data gathering and analysis is required. The Alai formation showed both good oil and gas shows while drilling (with oil and gas to surface) and the electric logs through this interval indicate several hydrocarbon bearing zones with no evidence of any oil-water contact. Following a full analysis of the Bukhara interval, a testing programme will commence. The well is exploring an attractive salt induced structure located in the south-east of the PSC area, south of the town of Kulob and only some 10 kilometres north-west of the Afghan border. The nearest oilfield in that region is the Beshtentak field some 75 km to the north-west.

The Persea 1 exploration well is primarily targeting the Bukhara limestone formation in a four-way dip closed structure with the overlying Alai formation forming a potential secondary target. The well is currently at a depth of 606 meters where casing has been run. The planned total depth of this well is 2,700 metres and it is expected that this will be reached by October. The well is located near the town of Kurgon-Teppa in the south-west part of the PSC area with the nearest field in the same Bukhara horizon being Kyzyltumshuk to the immediate south and south-east of the prospect.

The Company has commenced the gravity, gradiometry and magnetic aerial survey. The survey will cover the entire area of the 35,000 km² Bokhtar Production Sharing Contract Area and will provide additional and more aerially extensive data to complement the existing seismic acquisition. Over 34% of the survey data has now been acquired and the final processed data and results are expected in Q4 2011. The Company has previously stated that it is seeking a suitable farm-in partner for its exploration programme in Tajikistan and these geophysical data are an important part of the information relating to such a potential farm-in. Discussions with several parties are ongoing.

Uzbekistan

The initial results of the recent jet pump trial on the North Urtabulak oilfield appear successful with oil rates on the two test wells increasing by some 20%. Further work is now underway to ascertain the economics of extending the use of jet pumps on the field (and potentially on any new fields the Company is successful in contracting) which, together with the likely effects of the water injection reconfiguration carried out earlier this year, should have a positive impact on oil production levels from the field in the latter half of 2011.



Negotiations continue with the Uzbek authorities on production enhancement contracts for two further oilfields in the Bukhara area, and work continues on the joint exploration study agreement carried out with the Institute of Geology and Prospecting for Oil and Gas Department of the State Holding Company NHC Uzbekneftegas. This study is now almost complete. Tethys hopes this study will lead onto contracts over these exploration areas.

These 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 10 AM Eastern Time on Tuesday, August 16, 2011 covering both operational and financial updates, with the operational update being covered first. The North American conference call number is (800) 291-5365 and the outside North America conference call number is (617) 614-3922. The conference call code to use is 31811593. 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://phx.corporate-ir.net/phoenix.zhtml?p=irol-eventDetails&c=213714&eventID=4179930>

Tethys is focused on oil and gas exploration and production activities in Central Asia with activities currently in the Republics of Tajikistan, Kazakhstan 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.

This press release contains "forward-looking information" which may include, but is not limited to, statements with respect to our operations. Such forward-looking statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions. See our Annual Information Form for the year ended December 31, 2010 for a description of risks and uncertainties relevant to our business, including our exploration and development activities. Test production rates may vary from sustained production rates when developing a well or a deposit. The commerciality of any discovery can be affected by many factors including product prices, operating costs, capital costs, government take and sustained production levels and ultimate recovery of hydrocarbons. Hydrocarbon indications from drilling or wireline log data do not necessarily mean that mobile hydrocarbons are present in the formation or can be produced.

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