

TETHYS PETROLEUM PRESS RELEASE

FOR IMMEDIATE RELEASE

Revenues Increased by 106% 30/03/2012

GRAND CAYMAN, CAYMAN ISLANDS, Mar 30, 2012 (MARKETWIRE via COMTEX)
--Tethys Petroleum Limited ("Tethys" or the "Company") (TSX: TPL)(LSE: TPL) today announced its Annual Results for the period ended December 31, 2011. Tethys is focused on oil and gas exploration and production activities in Central Asia with activities currently in the Republics of Kazakhstan, Tajikistan, 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.

Operational Highlights

Kazakhstan

- Successfully tested the Doris AKD05 and AKD06 appraisal wells with a combined flow rate of over 6,000 barrels of oil per day
- 2P Reserves increased by 45% to 25.3 million barrels of oil equivalent
- AKD03 (Dione) exploration well flowed commercial oil from a new reservoir
- KBD01 (Kalypso) exploration well drilled and logged with indications on the logs that moveable hydrocarbons are present. To be tested later this year
- Aral Oil Terminal land acquired and construction commenced (now complete and about to commence operations)

Tajikistan

- Deep sub-salt exploration programme advanced with completion of Graviometry Survey
- EOL09 (East Olimtoi) exploration well discovers oil, believed to be the first oil discovery in Tajikistan since independence - testing programme about to recommence
- Persea exploration well (the last commitment well under the Bokhtar PSC) completed with potential logged hydrocarbons - to be tested after EOL09 well
- Successful rehabilitation work on Beshtentak oilfield

Uzbekistan

- Negotiations commenced on acquiring a new producing oil field
- MOU signed to carry out exploration studies on a large acreage position in the North Ustyurt Basin - the same basin which contains the Doris oil discovery

Financial Highlights

- 2011 Total Revenue was USD30.30 million (2010 USD14.71 million)
- The average oil and gas production in the year ended 2011 was 5,730 barrels of oil equivalent per day. The average oil and gas production for Q4 2011 was 6,584 barrels of oil equivalent per day
- Tethys increased interest in the Bokhtar PSC to 85% (from 51%)
- Total assets year-end 2011 USD263.39 million (2010: USD267.75 million)
- Capital expenditure in 2011 was USD41.90 million
- 2011 Operating costs were USD10.78 million (2010: USD7.08 million)
- 2011 Net Loss of USD26.99 million (2010: USD29.65 million)
- Cash balance at December 31, 2011 of USD11.63 million

The Company also announced completion of a USD10 million loan facility secured against its drilling rigs and related equipment. Part of this loan was a rollover of a previous debt facility primarily related to this equipment giving the company a total current debt burden of USD10 million dollars.

Dr. David Robson, Chairman and Chief Executive Officer of Tethys Petroleum, commented: "In 2011 we made significant progress on the key projects in Tethys. In Kazakhstan we drilled successful appraisal wells and made a new exploration discovery both significantly increasing our core reserves. The modeling work we have now completed based on these drilling results bodes well for the new appraisal/exploration wells we will drill in 2012 where success would see further reserves upgrades. The Aral Oil Terminal is now complete and will become operational imminently effectively doubling oil production. In Tajikistan we advanced the deep sub-salt exploration program with the completion of the graviometry survey, the results of which are very exciting and confirm our previous geological evaluation, indicating the possible presence of giant Jurassic reefs below the salt. Looking forward in 2012 the new final seismic survey will focus on the most prospective areas with the intention of firming up a location to spud a deep well."

The full Annual Results together with a Management Discussion & 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 2011 financial statements are prepared under International Financial Reporting Standards ("IFRS").

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 11:45 AM Eastern Standard Time (4:45 PM British Summer Time) on Monday, April 2, 2012. The North American conference call number is 866 700 6293 and the outside North America conference call number is +1 617 213 8835. The conference call code to use is 94211241. 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://phoenix.corporate-ir.net/phoenix.zhtml?p=irol-eventDetails&c=213714&eventID=4746203>

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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, 2011 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.

Contacts:

Tethys Petroleum Limited
Sabin Rossi
Vice President Investor Relations
Office: +1 416 572 2065
+1 416 572 2201 (FAX)
info@tethyspetroleum.com

In Europe: Tethys Petroleum Limited
Veronica Zhuvaghena
Vice President Corporate Communications
Office: +44 1481 725911
+44 1481 725922 (FAX)
www.tethyspetroleum.com

Correspondence Address:
P.O. Box 524,
St. Peter Port,
Guernsey, GY1 6EL,
British Isles



Tel: +44 1481 725911
Fax: +44 1481 725922
Email: tethys@tethyspetroleum.com
Website: www.tethyspetroleum.com

Mobile site: <http://m.tethyspetroleum.com>

In Asia-Pacific: Quam IR
Anita Wan
Associate Director
Office phone/fax: +852 2217 2999

Tethys Petroleum Limited
Consolidated Statement of Financial Position
(in US dollars)

	As at December 31	
	2011	2010
	\$'000	\$'000
Non-current assets		
Intangible assets	99,959	16,892
Property, plant and equipment	128,918	115,653
Restricted cash	1,407	1,015
Prepayments and other receivables	10,217	12,320
Loan receivable from jointly controlled entity	-	35,460
Investment in jointly controlled entities	1,113	-
	-----	-----
-	241,614	181,340
	-----	-----
-		
Current assets		
Inventories	2,025	2,121
Trade and other receivables	5,478	3,680
Loan receivable from jointly controlled entity	2,013	-
Cash and cash equivalents	10,746	79,135
Restricted cash	885	-
Derivative financial instruments - interest rate swap	630	1,472
	-----	-----
-	21,777	86,408
	-----	-----
-		
Total assets	263,391	267,748
	-----	-----
-		
-		
Equity attributable to shareholders		
Share capital	28,669	26,063
Share premium	306,725	297,222
Other reserves	38,530	34,261
Accumulated deficit (118,023)	(144,962)	
Non-controlling interest	8,918	-
	-----	-----
-	237,880	239,523
	-----	-----
-		
Non-current liabilities		
Deferred gain on sale of assets to jointly controlled entity	-	3,699
Financial liabilities - borrowings	1,632	2,853
Deferred taxation	2,111	4,070
Trade and other payables	547	721
Asset retirement obligations	386	192
	-----	-----
-		

	4,676	11,535
-		
Current liabilities		
Financial liabilities - borrowings	8,396	5,047
Derivative financial instruments - warrants	264	405
Derivative financial instruments - foreign currency hedge	157	-
Deferred revenue	1,839	2,450
Trade and other payables	10,179	8,788
-		
	20,835	16,690
-		
-		
Total liabilities	25,511	28,225
-		
Total shareholders' equity and liabilities	263,391	267,748
-		
-		
Tethys Petroleum Limited		
Consolidated Statement of Comprehensive Income (in US dollars)		
	Year ended December 31, 2011	2010 (re-presented)
	\$'000	\$'000
Sales and other operating revenues	22,922	14,706
Other operating income	7,375	-
-		
Total revenue and other income	30,297	14,706
Production expenditures (7,076)	(10,785)	
Depreciation, depletion and amortization (5,885)	(13,111)	
Impairment charge	(8,983)	-
Unsuccessful exploration and evaluation expenditures	(1,807)	-
Listing expenses (1,288)	(606)	
Business development expenses (35)	(2,363)	
Administrative expenses (19,520)	(20,549)	
Share based payments (5,956)	(3,814)	
Foreign exchange gain / (loss) - net (337)	74	
Fair value loss (net) on derivative		

Correspondence Address:

P.O. Box 524,
St. Peter Port,
Guernsey, GY1 6EL,
British Isles



Tel: +44 1481 725911

Fax: +44 1481 725922

Email: tethys@tethyspetroleum.com

Website: www.tethyspetroleum.com

financial instrument (24)	(625)	
Gain on previously held interest in jointly controlled entity	27,381	-
Loss on settlement of pre-existing loan relationship	(24,423)	-
Loss from jointly controlled entity (634)	(722)	
Finance income / (costs) - net (129)	1,100	
-	-----	
Loss before taxation (26,178)	(28,936)	
Taxation (3,471)	1,947	
-	-----	
Loss for the year (29,649)	(26,989)	
-	-----	
-	-----	
Loss attributable to:		
Shareholders (29,649)	(26,939)	
Non-controlling interest	(50)	-
-	-----	
Loss for the year (29,649)	(26,989)	
-	-----	
-	-----	
Loss per share attributable to shareholders		
-	-----	
-	-----	
Basic and diluted (0.15)	(0.10)	
-	-----	
-	-----	

No dividends were paid or are declared for
the year (2010 - \$Nil).

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

	Year ended December 31,	
	2011	2010
		(re-presented)
	\$'000	\$'000

Cash flow from operating activities		
Loss before taxation	(28,936)	
(26,178)		
Adjustments for		
Share based payments	3,814	5,956
Net finance (income) / cost	(1,100)	112
Unsuccessful exploration and evaluation expenditures	1,807	-
Depreciation, depletion and amortization	13,111	5,885
Impairment charge	8,983	-
Payment of royalties	-	-
(78)		
Loss on disposal of assets	96	-
Fair value loss on derivative financial instrument	625	24
Gain on previously held interest in SSEC	(27,381)	-
Loss on settlement of pre-existing loan relationship	24,423	-
Listing expenses	-	351
Net unrealised foreign exchange (gain)	(72)	-
(75)		
Loss from jointly controlled entity	722	634
Deferred revenue	(611)	-
(663)		
Other operating income	(7,375)	-
Net change in non-cash working capital	(664)	-
(2,792)		
-		
Net cash used in operating activities	(12,558)	
(16,824)		
-		
Cash flow from investing activities		
Interest received	138	61
Expenditure on exploration and evaluation assets	(11,633)	
(31,688)		
Expenditures on property, plant and equipment	(30,269)	
(6,605)		
Investment in restricted cash	(1,277)	
(356)		
Acquisition of subsidiary, net of cash received	(6,785)	-
Payments made on behalf of jointly controlled entity	(18,292)	
(14,070)		
Movement in advances to construction contractors	2,490	
(3,298)		
Movement in value added tax receivable	(2,982)	
(4,148)		
Net change in non-cash working capital	682	3,461
-		

Net cash used in investing activities (56,643)	(67,928)	
-		
Cash flow from financing activities		
Investment in jointly controlled entity	(1,113)	-
Proceeds from issuance of long-term borrowings	2,393	1,840
Repayment of long-term borrowings (4,974)	(642)	
Interest paid on long-term borrowings and other non-current payables (1,036)	(356)	
Non-current other payables (296)	(284)	
Proceeds from issuance of equity, net of issue costs	12,109	149,770
-		
Net cash generated from financing activities	12,107	145,304
-		
Effects of exchange rate changes on cash and cash equivalents	(10)	1
Net decrease in cash and cash equivalents	(68,389)	71,838
Cash and cash equivalents at beginning of the year	79,135	7,297
-		
Cash and cash equivalents at end of the year	10,746	79,135
-		
-		