

TETHYS PETROLEUM PRESS RELEASE

FOR IMMEDIATE RELEASE

Kazakhstan KBD01 (Kalypso) Exploration Well Update

BOZOI, KAZAKHSTAN, Sep 07, 2011 (MARKETWIRE via COMTEX) -Tethys Petroleum Limited ("Tethys" or the "Company") (TSX: TPL)(LSE: TPL) today announced the initial logging results of its KBD01 (Kalypso) exploration well drilled in the Kul-Bas block some 50 km north west of the Doris oil discovery.

The well has now reached total depth in what is initially interpreted to be rocks of Carboniferous age. Electric logs just run over the deeper section indicate more than 100 metres of gross potential hydrocarbon bearing zones in what is interpreted to be shelf limestones of Carboniferous age. Hydrocarbon shows were also noted whilst drilling. This is in addition to the hydrocarbon indications noted on logs and drill data in the overlying Jurassic section (logged prior to drilling this deeper hole section).

7-inch liner is now about to be run after which a comprehensive testing programme on both the Carboniferous and Jurassic intervals is planned following agreement and approvals from the appropriate Kazakh authorities. Obtaining these approvals could take some 2 months (with mobilization of testing equipment to follow thereafter), as this is an exploration well and, unlike appraisal wells, no estimated testing programme could be submitted prior to finishing the well.

The nearest field which produces from similar Carboniferous shelf limestones is the Alibekmola field, some 250km to the north in the pre-Caspian Basin Subsalt. It is likely that the limestone interval will require acidisation and possible fracture stimulation to achieve optimal production performance (as do other similar fields). This will be evaluated as part of the test programme planning.

Meanwhile, elsewhere in Kazakhstan the AKD06 Doris oil appraisal well is drilling ahead at a depth of 1,755 metres towards the Aptian sandstone target.

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.

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

Contacts:

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

Tethys Petroleum Limited
TD Canada Trust Tower
161 Bay Street, 27th Floor
Toronto M5J 2SD1, Canada
Mobile site: <http://m.tethyspetroleum.com>

In Asia-Pacific:

Quam IR
Anita Wan, Associate Director
+ (852) 2217-2999
+ (852) 2217-2999 (Fax)
Anita.wan@quamgroup.com