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TETHYS PETROLEUM LIMITED PRESS RELEASE

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

Kazakhstan Forward Work Programme

ALMATY, Kazakhstan, June 19, 2013 - Tethys Petroleum Limited ("Tethys"), the oil and gas exploration and production company focused on Central Asia, today announced its work programme in Kazakhstan for the second half of 2013.

Forward Work Programme:

- AKD08 ("Doto") Exploration well to spud in early August
- Further oil exploration wells planned after Doto results
- Testing programme on suspended oil wells
- Two gas well workovers planned
- Up to five new shallow gas wells to be drilled near the Akkulka Block
- Kalypso well to be stimulated and tested in Q3
- 2D Seismic planned and crew mobilising for the Kul-Bas Block
- 3D Seismic planned for the near future in the Akkulka Block
- Further seismic will help improve subsurface understanding in both Kul-Bas and Akkulka to better focus the longer-term programme.
- Aral Oil Terminal ("AOT") expansion adds 12,500 barrels of storage capacity
- Total CAPEX for the programme estimated at approximately USD20.4 million

Dr. David Robson, Executive Chairman and President of Tethys, commented:

"The second half of the year will see us implement a busy and active programme in Kazakhstan. The combination of new exploration, testing of existing wells and workovers will move Tethys closer to exploiting the high potential of its gas and liquids portfolio, at a modest cost for shareholders. Further seismic will help us improve subsurface understanding in Kul-Bas and Akkulka to focus our longer-term programme as we continue to be excited by the upside and prospectivity of the area."

<u>Exploration</u>

<u>Oil</u>

A location for The AKD08 ("Doto") Exploration well has been finalized to the south-west of the producing Doris field and is designed to target both the Upper Jurassic Carbonate and Lower Cretaceous sandstone sequences as proven in Doris. The Doto prospect has 22 million barrels gross mean unrisked recoverable prospective oil resources attributed to it (Gustavson & Associates).

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The well will be spudded in early August and is forecast to take approximately 45 days to drill to a planned total depth of 2,420 metres using Tethys' own ZJ70 "Telesto" rig.

Following on from AKD08 the Company has plans to drill additional exploration targets in the Akkulka and Kul-Bas licences, further information on these targets will be provided in due course.

A number of progressive cavity pumps are being purchased to carry out a testing programme on several suspended oil wells. These pumps should enable definition of the ultimate potential of these wells which was not possible during the initial testing due to the lack of available lifting capacity at that time. These wells include AKD02, 03 and 07 and if successful these wells could be brought on production quickly.

Gas

Tethys has re-focused some of its investment into gas development after the effective doubling of the realised gas price in January of this year to US$65 from US$32.5 per 1,000 cubic metres. The new Kazakhstan-China gas trunkline under construction (planned to pass through Tethys' contract areas) will provide an additional commercialization route and a further upside to the price.

It is planned to conduct workovers on the AKK05 and AKK14 wells in Q3 in order to boost gas production and short-term cash flow. These wells have successfully tested gas in the past but were not brought on stream due to the relatively low gas price at that time.

Commencing in Q4 up to five further shallow gas exploration wells are expected to be drilled on a number of additional prospects and leads which have been identified based on seismic data. These are relatively low risk targets and of the 13 shallow exploration wells previously drilled by Tethys in the Akkulka Block, 11 tested commercial gas.

The planned gas exploration wells are typically 600-800 meters measured depth and will take up to three weeks each to drill. Currently these are located mainly in the central and south-eastern part of the Akkulka Exploration Contract and relatively close to existing gas infrastructure.

Kul-Bas Block

The KBD01 (Kalypso) comprehensive testing programme initially on the Permo-Carboniferous interval will commence in Q3. The programme will involve initial perforation and potentially acidisation followed by fracture stimulation of the carbonate interval approximately 4,100 meters below the surface and will take up to one month to complete. Electric logs run over this section indicated more than 100 metres of gross potential hydrocarbon bearing zones in what is interpreted to be

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shelf limestones with hydrocarbon shows also being noted whilst drilling. The Kalypso Permo-Carboniferous is likely to be gas condensate bearing with 122 billion cubic feet (3.5 billion cubic metres) gross mean unrisked recoverable prospective resources attributed to it by Gustavson & Associates. Further potential lies in the Jurassic sands which showed indications of oil when drilling and on electric logs.

The two-year extension to the Kul-Bas Exploration and Production Contract area has now been successfully obtained by Tethys at the Ministry of Oil and Gas in Astana and as such the exploration phase of this contract will now run until November 11, 2015 assuming no further extensions are given.

<u>Seismic</u>

200 kilometres of 2D seismic is planned in Q3 over identified prospects in the south-west part of the Kul-Bas block, separate from Kalypso.

An additional seismic programme of 100 square kilometres of 3D data is planned over further prospects identified north west of the producing Doris wells and with similar Cretaceous reservoirs predicted. Furthermore an additional 35 kilometres of 2D data is planned for acquisition within the Akkulka block, but targeting additional areas of interest around the shallow producing Kyzyloi gas field. This activity is likely to follow the Kul-Bas seismic acquisition programme.

The total CAPEX for this program, with the drilling of two oil exploration wells, seismic, testing of KBD01, drilling of five shallow gas wells and workovers totals approximately USD20.4 million and is expected to take the rest of this year and into H1 2014.

<u>Aral Oil Terminal</u>

On June 6, 2013 Phase 2b of the Aral Oil Terminal ("AOT") expansion was inspected by the State Commission of the Republic of Kazakhstan. The Phase 2b expansion consists primarily of an additional 12,500 barrels of crude oil storage capacity. This additional storage capability will greatly enhance the efficiency of oil transhipment through the terminal which has been suffering of late due to lack of storage associated with offtake issues from the terminal. These issues, although now solved, did affect the volumes of oil which were able to transit through the terminal. Furthermore, Phase 3 expansion of AOT, which will see the installation of an electrical dehydrator to significantly improve the quality of oil, will be undertaken when Phase 2b has been formally signed off. Phase 3 expansion is expected to be commissioned and operational in Q3 of this year.

The references in this press release to "prospective resources" means those quantities of petroleum estimated, as of April 30, 2012, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. There is no certainty that any portion of these resources will be discovered. If

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discovered, there is no certainty that it will be commercially viable to produce any portion of these resources.

The resources estimates contained or referred to are estimates only and are not meant to provide a determination as to the volume or value of hydrocarbons attributable to the Company's properties. There are numerous uncertainties inherent in estimating quantities of resources and cash flows that may be derived, including many factors that are beyond the control of the Company. The following is a non-exhaustive list of factors which may have a significant impact on the above estimates of prospective resources: despite the classification that they are as yet undiscovered but may be potentially recoverable the Company may be unable to carry out the development or their potential recovery; the activity may not be economically viable; the Company may not have sufficient capital or time to develop them; there may be no market or transportation routes for the production; legal, contractual, environmental and governmental concerns might not allow for the recovery being undertaken; reservoir characteristics might prevent recovery. The recovery of the resources is subject to the following risks and uncertainties: market fluctuations, the proximity and capacity of oil and gas pipelines and processing equipment, government regulation, political issues, export issues, competing suppliers, operational issues (exploration, production, pricing, marketing and transportation), extensive controls and regulations imposed by various levels of government, lack of capital or income, the ability to drill productive wells at acceptable costs, the uncertainty of drilling operations, factors such as delays, accidents, adverse weather conditions, and the availability of drilling rigs and the delivery of equipment.

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

This press release contains "forward-looking information". Such forward-looking statements reflect our current views with respect to future events and are subject to certain assumptions. 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. 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.

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