



August 25, 2017

**Tethys Petroleum Press Release
(TSX: TPL)**

Corporate Update

GRAND CAYMAN, CAYMAN ISLANDS - Tethys Petroleum Limited ("Tethys" or the "Company") today announces a corporate update.

TAG Rehabilitation Filing

On August 10, 2017 the Company announced that Tethys Aral Gas LLP ("TAG"), a wholly owned subsidiary of Tethys, filed an application for rehabilitation with the Special Economic Court of Aktobe Region (the "Rehabilitation Court"). The application is subject to review and approval by the Rehabilitation Court. Pending such review and approval, TAG will continue business as usual, provided that no creditor may take any adverse action against TAG in such review period, including Eurasia Gas Group LLP attempting to enforce the decision of the Court of Appeal in Almaty. In addition, TAG may, if circumstances change, withdraw its application for rehabilitation at any time.

Review of the Eligibility for Continued Listing on TSX

Following the above announcement, Tethys has been notified by the Toronto Stock Exchange ("TSX") that it is performing an expedited review of the eligibility criteria for the continued listing of the Company's ordinary shares pursuant to Part VII of the TSX Company Manual.

A meeting of the Continued Listing Committee of TSX is scheduled to be held on August 31, 2017 at 3:00 p.m. EST to consider whether or not to delist and/or suspend the securities of the Company. Tethys is committed to retaining a listing on a recognized stock exchange and along with its advisers is considering its position and response to the TSX review, as well as its eligibility, and steps required to list on, an alternate exchange in Canada should the TSX decide to delist Tethys.

Update on Gas Drilling Program

Further to the update provided by the Company on July 28, 2017, drilling company Great Wall has completed drilling the first well in the gas drilling program known as KYZ-111 and has found indications that gas is present. Once the required inspections have been carried out and gas flaring permissions obtained the well will be fully tested. Great Wall has now begun drilling operations for the second well known as KYZ-110.

As previously announced the current plan is to drill eight wells in 2017, to obtain and interpret new seismic and then drill a further 4-5 wells in early 2018, with the intention of maintaining and improving shallow gas production on a continuing basis.

Appointment of new General Director in Kazakhstan

The Company is pleased to announce the appointment of George Pool as its new General Director in Kazakhstan. George is a US national and a resident of Kazakhstan. Fluent in Russian, he has over 20 years' wide-ranging experience of the culture and business practices



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of the Former Soviet Union and Latin America having worked on projects in Kazakhstan, Russia, Uzbekistan, China, Panama, Ecuador, Europe and the USA.

About Tethys

Tethys is focused on oil and gas exploration and production activities in Central Asia and the Caspian Region. This highly prolific oil and gas area is rapidly developing and Tethys believes that significant potential exists in both exploration and in discovered deposits.

Disclaimer

Some of the statements in this document are forward-looking. Forward-looking statements include statements regarding the intent, belief and current expectations of the Company or its officers with respect to the potential that exists in both exploration and in discovered deposits in Central Asia and the Caspian Region, the outcome of the TSX's review, retaining a listing on the TSX or other recognized stock exchange and the timing, number of wells drilled and success of the gas drilling program. When used in this document, the words "expects," "believes," "anticipates," "plans," "may," "will," "should" and similar expressions, and the negatives thereof, are intended to identify forward-looking statements. Such statements are not promises or guarantees, and are subject to risks and uncertainties that could cause actual outcomes to differ materially from those suggested by any such statements including risks and uncertainties with respect to the potential that exists in both exploration and in discovered deposits in Central Asia and the Caspian Region, the outcome of the TSX's review, retaining a listing on the TSX or other recognized stock exchange and the timing, number of wells drilled and success of the gas drilling program.

No part of this announcement constitutes, or shall be taken to constitute, an invitation or inducement to invest in the Company or any other entity, and shareholders of the Company are cautioned not to place undue reliance on the forward-looking statements. Save as required by applicable law, the Company does not undertake to update or change any forward-looking statements to reflect events occurring after the date of this announcement.

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