TETHYS Petroleum

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") for Tethys Petroleum Limited ("the Company") is dated November 13, 2007 and should be read in conjunction with the unaudited Interim Consolidated Financial Statements ("Interim Consolidated Financial Statements") for the period ended September 30, 2007, as well as the audited Consolidated Financial Statements and MD&A for the year ended December 31, 2006 as contained in the prospectus prepared for the listing on the Toronto Stock Exchange in June of this year. Readers should also read the "Forward-Looking Statements" legal advisory contained at the end of this MD&A.

The Interim Consolidated Financial Statements and comparative information have been prepared in United States dollars, and in accordance with USA Generally Accepted Accounting Principles ("US GAAP").

	3 months ended September 30, 2007		
	2007	**2006**	**% change**
Financials (US$000's)			
Net Loss	(2,969)	(3,160)	6
Capital expenditure	3,845	2,531	51
Total Assets	85,749	18,760	357
Cash and working capital surplus/(deficit)	37,161	(11,115)	434

The nine months ended September 30, 2007 compared to the nine months ended September 30, 2006

	9 months ended September 30, 2007		
	2007	**2006**	**% change**
Financials (US$000's)			
Net Loss	(25,407)	(3,785)	571
Capital expenditure	26,360	7,860	235
Total Assets	85,749	18,760	357
Cash and working capital surplus/(deficit)	37,161	(11,115)	434

Q3 2007 and 2006 Highlights

- No revenue was realized as of September 30th, 2007 as was the case in 2006.

- The Company benefited from the funds raised in the initial public offering ("IPO") to the tune of approximately US$ 500,000 in interest earned on these funds. The cash balance at the end of September 2007 was US$ 37,221,000 having been US$ 45,479,000 at the end of June 2007.

- The influx of funds from the IPO resulted in a Cash and working capital assets surplus at September 30, 2007 of US$ 37,161,000 compared to a deficit of US$11,115,000 at the same point in 2006 when the Company was being funded by a loan from its then parent CanArgo Energy Corporation.

- A net loss of US$ 2,969,000 recorded in the quarter to September 30, 2007 compared to a loss of US$3,160,000 for the same period of 2006.

- Capital expenditure totaled US$3,845,000 in the three months to September 30, 2007 compared to US$2,531,000 in the same period of 2006. In addition at September 30, 2007 the Company had made prepayments of US$6,245,000 on further capital expenditure compared to prepayments of US$1,846,000 at September 30, 2006.

Net (Loss)

Net loss of US$ 2,969,000 was recorded in the third quarter of 2007, a slight reduction from US$ 3,160,000 in the same period in 2006. The principal differences between the two periods were:

- In September 2007 US$ 679,000 of costs relating to the issuance of share options and share warrants to employees. This was in addition to the US$ 16,339,000 of costs incurred in the six months to June 2007 relating to the issuance of share options and share warrants.

- In the quarter to September 30, 2007 interest was being earned on the funds raised from the IPO at the end of June while in the quarter to September 2006 the Company was being funded by an interest bearing loan from its then parent Canargo Energy Corporation. As a result, the net interest figure in the third quarter of 2007 saw a gain of US$ 451,000, while the result for the equivalent period in 2006 was a cost of US$ 1,101,000.

- Following the successful IP0 in June 2007 the Company incurred additional G&A costs in a number of areas including employment, office costs and travel as it sought to develop the exploration opportunities open to it and to ensure it had adequate resources to pursue the work program set out in the IPO prospectus.

Net loss of US$ 25,407,000 was recorded in the nine months to September 30, 2007, an increase from US$ 3,785,000 in the same period in 2006. The increase in the loss generated in 2007 can be attributed to:

- US$ 17,256,000 of costs relating to the issuing of share options and share warrants.

- US$ 1,916,000 as a result of the amortization of the remaining debt discount associated with the US$ 5 million originally provided in September 2006 that in compliance with the terms of the loan was settled in full upon completion of the IPO. (See note below "Interest); and

- The employment of personnel to ensure that the construction of the Kyzyloi pipeline was completed in a correct and safe manner. Elsewhere additional staff were required to support the Company in its efforts to develop its opportunities in Kazakhstan and Tajikistan.

- There was a significant increase in travel costs both to and from the field as the pipeline project progressed and management travel to both Kazakhstan and Tajikistan,

Capital Expenditure

Capital expenditure in the three month period to September 30, 2007 was US$3,845,000 and US$26,360,000 for the nine months compared to US$ 2,531,000 in and US$ 7,860,000 for the same periods of 2006. The primary areas of expenditure in 2007 were

- The first was the purchase by Tethys Kazakhstan Limited (a wholly owned subsidiary of the Company) of the 30% share of BN Munai not previously owned by the company. The purchase was settled by the issuing of company shares valued at US$ 15 million.

- The second was focused on the construction of the 51km of 325mm pipeline, the associated 114mm infield lines and compressor plant required to initiate gas production from the Kyzyloi field. Approximately US$ 12.5 million (including prepayments) had been spent on this project up to June 30, 2007 and a further US$ 0.4 million was incurred in the third quarter of 2007 taking the total spending to US$ 12.9 million. A further US$ 0.4 million will be incurred in Q4 in finishing the project with production due to commence in December 2007.

- The third area was on the Akkulka and Kul-Bas exploration programs. Eight shallow wells had been drilled by the end of the second quarter of 2007, with a further three drilled in the third quarter and workovers completed on several existing wells. Nine further shallow wells are scheduled to be completed by the middle of 2008. Further capital expenditure in 2007/8 will be incurred on the exploration contracts, including seismic survey costs, and it is also planned to drill at least one deep exploration well on the Akkulka contract area targeting a potential oil prospect. Estimated costs for this drilling are approximately US$12.9 million.

Revenue

On January 5, 2006, BN Munai entered into the Gas Supply Contract with Gaz Impex relating to gas sales from the Kyzyloi Field. The Gas Supply Contract, which has a term until the earlier of June 13, 2014 and the date on which all contracts and licences pursuant to which the gas to be delivered under the Gas Supply Contract terminate, is based on a take–or–pay principle and covers all gas produced from the Kyzyloi Field Licence and Production Contract area. Gas will be supplied to Gaz Impex at a tie–in point on the Bukhara–Urals gas trunkline approximately 32 miles (51 km) east of the Kyzyloi Field. The price of gas to be supplied at the tie–in point averages US$0.91 per Mcf (US$32 per Mcm) over the life of the contract, at a starting price of US$28 per Mcm, with Gaz Impex providing bank guarantees. First revenue will be realized after the construction and commissioning of the pipeline and is expected to begin in the December 2007. In the latter part of November this contract is to be replaced with one where the buyer will be the domestic subsidiary of Gaz Impex. All terms and conditions will be the same other than that the starting price will be US$32 per Mcm.

Royalties

The Royalty on the Kyzyloi gas field is set at 2%. Royalties range from 2% to 6% under the Akkulka Exploration License and Contract with the rate to be set thirty days before the commencement of production. A Royalty rate of between 4% to 6% will apply under the Kul-Bas Exploration and Production Contract depending on the size of the reserves and once again the rate will be set thirty days before the commencement of production. Payment of royalties is due to start one month after sales commence.

General and Administrative Expenses

Warrants and Options

In September 2007 US$ 679,000 of costs were incurred that related to the issuing of share options and share warrants to employees. This was in addition to the US$ 16,339,000 of costs incurred in June 2007 relating to the issuing of share options and share warrants to employees and a related party (Provincial Securities).

There were no such costs in the same period of 2006.

Other

The increase in G&A costs in Kazakhstan in the second quarter carried on with a figure of US$ 675,000 being incurred the third quarter. This increase was the result of a continued build up of resources to meet the operational and administrative requirements resulting from the company's increased activities in Kazakhstan. The increases encompassed additional local staffing costs, new office accommodation, increased activity, including travel costs, related to construction of the pipeline and drilling additional exploration wells.

Elsewhere general costs increased from US$1,500,000 million to US$2,090,000 million reflecting an all round increase in activity within the company as it seeks to develop further commercial opportunities.

Interest

On September 7, 2006, Tethys completed a US$5 million short-term loan financing to fund its development activities in Kazakhstan. This loan was repaid upon successful completion of the IPO at the end of June and the interest incurred of US$ 375,000 was also settled. Under the terms of the Short–Term Loan, the noteholders were entitled to receive additional consideration for the advance of the loan in the form of warrants to subscribe for ordinary shares in the Company at the closing of the IPO. The allocation of these warrants resulted in the company recording a discount to the loan based on the relative fair value of the warrants. This discount was being amortized over the life of the loan and the balance remaining on the date the loan was repaid was US$ 1.873 million. This remaining balance was then amortized in full to interest expense in June 2007.

In the quarter to September 2007 the Company benefited from the funds raised in the IPO to the tune of approximately US$ 500,000 in interest earned on these funds. The cash balance at the end of September remained a healthy US$ 37,221,000 having been US$ 45,479,000 at the end of June.

Depletion, Depreciation and Accretion

The charge for the second quarter of 2007 was US$20,000 giving a year to date figure of US$ 48,000 compared to US$ 22,000 for the same period in 2006. There has been no amortization of resource property costs to Sept 2007.

Taxes

With losses being generated in both 2007 and 2006 there was no tax due in either year. The company has tax loss carried forwards for which no benefit has been recorded in these financial statements.

Liquidity and Capital Resources

As at September 30, 2007 the Company had a working capital surplus, including cash, of US$37,161,000 while at September 30, 2006 the Company had a working capital deficit of US$ 11,115,000 which was a direct result of the Company being funded by a loan from its then parent CanArgo Energy Corporation. (See note Loans from Related Parties and Transactions with Related Parties).

Short–Term Loan

On September 7, 2006, the Company completed the Short–Term Loan financing to fund its development activities in Kazakhstan. The funds from the Short–Term Loan were used primarily for the purchase of pipeline, compressors and related equipment and services for the Kyzyloi Field development. This financing took the form of the issue of US$5,000,000 senior secured notes in Tethys, redeemable on August 31, 2008. These notes were repayable immediately after listing and consequently they were repaid at the end of June 2007. The rate of interest incurred in the six months to the end of June was 15% per annum.

Under the terms of the Short–Term Loan, the noteholders were entitled to receive additional consideration for the advance of the loan in the form of warrants to subscribe for ordinary shares in the Company at the closing of the IPO. These warrants resulted in a discount to the loan but for more information please refer to the note on Interest above.

Loans from Related Parties

Prior to October 23, 2006, other than the Short–Term Loan, all funding for the Company had been provided in the form of a loan from its then parent company CanArgo Energy Corporation. On October 23, 2006, the Company removed this debt by capitalizing the total inter–company loan of US$22,077,693 into 69,000,000 pre-split Ordinary Shares that were issued to CanArgo pursuant to such capitalization. As a result of the Private Placement and the issuance of shares in return for the remaining 30% of BN Munai Canargo's holding in the company dropped to 52% and then following the IPO was reduced to 17.3%. Canargo then sold its remaining shares in Tethys in mid-July so that at the September 30, 2007 it no longer held any shares in the Company.

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Private Placement

On January 23, 2007, Tethys closed a private placement whereby it issued 34,674,390 Pre–Split Ordinary Shares for gross proceeds of approximately US$17,400,000. These Pre–Split Ordinary Shares were issued at a price of US$0.50 per share or $2.50 after giving effect to the Share Consolidation and the funds raised have been used in the construction of the 32 mile (51 km) 325 mm diameter pipeline that will be used in connection with the gas production from the Kyzyloi Field development, now expected to come on line in December 2007 and to fund the drilling of additional exploration wells and for general working capital purposes. The subscribers to this private placement consisted of a small group of sophisticated investors.

BNM

On March 13, 2007, Tethys reached an agreement with the owner of the minority interest in BNM whereby Tethys, through its wholly–owned subsidiary TKL, acquired the 30% of BNM it did not already own in exchange for 30,000,000 Pre–Split Ordinary Shares (or 6,000,000 Ordinary Shares after giving effect to the Share Consolidation), thereby making BNM an indirect wholly–owned subsidiary of Tethys. This acquisition was completed on May 8, 2007.

Aral Vostochniy

On May 10, 2007, Tethys had entered into an agreement with the owner of NBC (Nursat Bauyr and Co) to acquire the rights to the large Aral Vostochniy Block by agreeing to acquire NBC from the owner through its wholly-owned subsidiary TKL in exchange for, among other things, an initial payment of US$2,500,000 (including an immediate US$100,000 deposit to be paid which would have been forfeited, under certain circumstances, if the contract had become null and void) and 1,500,000 Ordinary Shares, thereby making NBC an indirect wholly-owned subsidiary of Tethys. Closing of this acquisition was conditional upon, among other things, Tethys raising gross proceeds of at least US$25,000,000 pursuant to the IPO, which it duly achieved.

On 7th September 2007 it was announced that Tethys had been informed by the seller that as it was unlikely that the necessary contract changes would be agreed with the appropriate Kazakh authorities in the foreseeable future then it was not in a position to meet its obligations under the conditional agreement. As such it was agreed to terminate the agreement by mutual consent. None of the purchase price had yet been paid, and the ordinary shares issued into escrow with respect to this transaction have been forfeited.

Shareholder Equity

As at November 13, 2007 the Company had authorized common stock of 100,000,000 shares of which 45,116,696 had been issued.

Outlook

The Company is anticipating an increase in activities in the coming months as it looks to commence production in Kyzyloi while extending its exploration activities in Akkulka, Kul-Bas and Tajikistan. The Company will continue to look for suitable acquisition opportunities for properties with proven oil/condensate reserves as set out in the prospectus issued prior to the IPO.

The following is a summary of the Company's spending plans as at September 30, 2007:

Work (US$ 000's)	Total	< 1year	1 - 3 years
Completion of Kyzyloi pipeline	436	436	
Well Workovers	450	450	
Drilling and testing of shallow Akkulka wells	4,950	4,950	
New compressor	2,300	2,300	
Central Akkulka pipeline	2,900	2,900	
Drilling of deep Akkulka well	12,900	12,900	
Greater Akkulka seismic studies	300	300	
Drilling in Greater Akkulka	3,116	3,116	
Geological studies & Seismic in Tajikistan	3,000	3,000	
Tajikistan well rehabilitation	1,400	1,400	
Tajikistan exploration well	6,000	2,000	4,000
Total	37,752	33,752	4,000

Gas Production

On October 16th, 2007 the Company announced that work was continuing on the Kyzyloi development itself, with the pipeline and compressor plant fully completed and pressure tested. All that remains to commence gas exports from the field is for the final cut in to be made to the trunkline and the approval of a senior governmental commission. The cut into the trunkline is scheduled to be completed in early November and the senior governmental commission should be in the field in the middle of that month. Following this, space will be allocated in the Bukhara Urals pipeline by the pipeline owners, Intergas Central Asia, and gas sales will commence. Initial gas sales will be sold under the Kyzyloi base load contract which it is understood will be sold domestically. Tethys is currently carrying out additional work on the Kyzyloi field itself to ensure sustained gas production at the maximum level possible through the currently installed compressor capacity.

Tajikistan

On September 7, 2007 the Company announced that its wholly owned subsidiary, Tethys Tajikistan Limited, had signed an Investment and Operating Agreement (the “IOA”) with Southern Oil and Gas Exploration State Unitary Enterprise (“SOG”) relating to oil and gas fields in Southern Tajikistan. The IOA had been agreed to and supported by the Ministry of Energy and Industry of the Republic of Tajikistan (the “Ministry”).

SOG is a wholly state-owned oil and gas company reporting to the Ministry that holds the production licenses to a number of fields in the Kulob Area in southern Tajikistan over which Tethys is currently negotiating a Production Sharing Agreement (“PSA”). The IOA allows Tethys to commence initial production operations in the Kulob Area whilst the Tajikistan government finalizes certain necessary legislative changes to enable the recently adopted Production Sharing Legislation to become effective. Once this is completed Tethys intends to progress and finalize negotiations on the PSA, and the Ministry recommended that the IOA be entered into as a precursor to the execution of the PSA and to provide assistance to Tethys in obtaining a PSA for the Kulob Area.

Purchase of Oil Rig

On October 16, 2007 Tethys also announced that it had placed an order for a new 2,000 horsepower (1,470 kN) ZJ70/4500L drilling rig from a Chinese supplier. This rig, which has a nominal drilling depth of 23,000 feet (7,000 metres) will be completed within 6 months, and will be transported to Akkulka for use on the Akkulka deep exploration program which is planned to commence in May 2008. It is planned that the rig will be operated by Tethys’ current Kazakh drilling contractor under a management agreement. The rig would also be suitable for drilling on the potentially large prospects Tethys has identified in the Kulob area of Tajikistan over which Tethys is currently finalizing a Production Sharing Agreement and where work is commencing under its recently signed Investment Operating Agreement. While the Company anticipates that it will have a financing arrangement for this rig in place by the middle of November it had to pay the deposit of US$1,837,000 from its own funds. The full cost of the rig and support equipment is anticipated to be US$11,500,000

Sensitivities

The price of gas sales from gas produced from the Kyzyloi Field under the Gas Supply Contract is fixed in US dollars and there is no sensitivity to currency movements or market movements in the gas price.

The price of gas sales from gas produced from the Akkulka Block has yet to be agreed and there is therefore sensitivity to movements in the market price of gas.

Transactions with Related Parties

Upon completion of the private placement of shares in February 2007 Kraken Financial Group, which has one common director with the company, was duly registered as a shareholder in the Company. During the course of the placement process Kraken Financial Group had managed the Escrow Bank Account into which funds were paid by each of the investors until all of the funds were present at which point they were paid over to the Company and the shares issued. For the provision of this service Kraken Financial Group was paid the sum of US$19,500 (£10,000).

The 290,000 warrants issued to Provincial Securities were initially issued to Mr Russell Hammond in his capacity as a non-executive director of Tethys Petroleum Limited but were assigned to Provincial Securities at his request. Their cost of US$461,552 has been included in the valuation relating to the 2017 warrants described in Note 17 to the Interim Consolidated Financial Statements.

Up to the date of the listing of Tethys on the Toronto Stock Exchange CanArgo Energy Corporation provided administrative services, which generally consisted of office space, telephones, utilities and other administrative type costs, to Tethys via a management services agreement between CanArgo Energy Corporation, Tethys and Vazon Energy Limited. Vazon Energy Limited is a corporation organized under the laws of the Bailiwick of Guernsey, of which Dr. David Robson, Chief Executive

Officer, is the sole owner and managing director. In addition, a management services agreement existed between CanArgo Energy Corporation and Vazon Energy whereby the services of Dr. Robson, Ms Landles (Corporate Secretary and Executive Vice President) and other Vazon Energy employees, were provided to CanArgo Energy Corporation. A management services contract directly with Vazon Energy came into effect from 27th June 2007 whereby a monthly fee of US$36,200 is paid for the services of Dr Robson, a monthly fee US$41,000 for other Vazon employees and an invoice for all other services and costs is to be issued to Tethys at the end of each month. The total costs charged to Tethys in the three months to September 30, 2007 by Vazon was US$258,818.

Transactions with affiliates or other related parties, including management of affiliates, are to be undertaken on the same basis as third party arm's–length transactions. Transactions with affiliates are reviewed and voted on solely by non–interested directors.

Financial Instruments and Other Instruments

BNM is a party to a gas sales agreement. BNM and Gaz Impex entered into the Gas Supply Contract on January 5, 2006. Gaz Impex is one of the leading independent gas marketing companies in Kazakhstan and is currently involved in gas purchase and supply contracts both within Kazakhstan and in surrounding countries. See "Management's Discussion and Analysis — Liquidity and Capital Resources", Note 12 'Commitments and Contingencies' to the Tethys Q3 unaudited interim consolidated financial statements for further description of the forward contracts and future commitments of the Company.

The nature of the Company's natural gas operations exposes the Company to risks associated with fluctuations in commodity prices and foreign currency exchange rates. To date, the Company has not utilized derivative instruments to manage these risks.

Critical Accounting Policies and Estimates

The Company's financial statements are prepared in accordance with US GAAP, which require management to make judgments, estimates and assumptions which may have a significant impact on the financial statements. A summary of the Company's significant accounting policies can be found in Note 2 to its audited financial statements for the year ended December 31, 2006. The following is a discussion of those accounting policies and estimates that are considered critical in the determination of the Company's financial results.

Oil & Gas Properties — Full Cost Accounting

The Company follows the full cost method of accounting as described in Note 2 to its audited financial statements for the year ended December 31, 2006. Alternatively, the Company could follow the successful efforts method of accounting whereby all costs related to non–productive wells are expensed in the period in which they are incurred.

Under the full cost method of accounting, capitalized costs are subject to a country–by–country cost centre impairment test. Under the successful efforts method of accounting, the costs are aggregated on a property–by–property basis and the carrying value of each property is subject to an impairment test. These policies may result in a different carrying value for capital assets and a different net income. The Company has elected to follow the full cost method and it is the method most commonly followed.

The Company applies a ceiling test to the capitalized cost in the full cost pool. The ceiling test limits such cost to the estimated present value, using a ten percent discount rate, of the future net revenue from proved reserves, based on current economic and operating conditions. Reserve Estimates

Reserve estimates can have a significant impact on net income and the carrying value of capital assets. The process of estimating reserves requires significant judgment based on available geological, geophysical, engineering, and economic data, projected rates of production, estimated commodity price forecasts and the timing of future expenditures, all of which are subject to interpretation and uncertainty. Reserve estimates can impact net income through depletion expense and the application of impairment tests. Revisions or changes in reserve estimates can have either a positive or a negative impact on net income and can impact the carrying amount of capital assets.

Potential lenders may also use reserve estimates to assess the allowable borrowing base under a secured credit facility. Changes to the reserve estimates can result in borrowing base increases or decreases, which could impact the Company's financial position.

Asset Retirement Obligations

The Company recognizes liabilities for asset retirement obligations associated with tangible long–lived assets, such as producing well sites, with a corresponding increase in the related long–lived asset. The Company estimates the liability based on the estimated costs to abandon and reclaim its net ownership in tangible long–lived assets and the estimated timing of the costs to be incurred in future periods. The Company's asset retirement obligations consist of costs related to the plugging of wells, the removal of facilities and equipment, and site restoration on oil and gas properties. Actual payments to settle the obligations may differ from estimated amounts.

FORWARD-LOOKING STATEMENTS

In the interest of providing Tethys shareholders and potential investors with information regarding the Company and its subsidiaries, including management's assessment of Tethys' and its subsidiaries' future plans and operations, certain statements contained in this MD&A constitute forward-looking statements or information (collectively referred to herein as "forward-looking statements") within the meaning of the "safe harbour" provisions of applicable securities legislation. Forward-looking statements are typically identified by words such as "anticipate", "believe", "expect", "plan", "intend", "forecast", "target", "project" or similar words suggesting future outcomes or statements regarding an outlook. Forward looking statements in this MD&A include, but are not limited to, statements with respect to: the projected 2008 capital investments projections, the Company's projected capital investment levels for 2007 and the source of funding therefore; the effect of the Company's risk management program. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause the Company's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things: volatility of and assumptions regarding oil and gas prices; assumptions based upon Tethys' current guidance; fluctuations in currency and interest rates; product supply and demand; market competition; risks inherent in the Company's and its subsidiaries' marketing operations, including credit risks; imprecision of reserve estimates and estimates of recoverable quantities of oil and natural gas and other sources not currently classified as proved; the Company's and its subsidiaries' ability to replace and expand oil and gas reserves; refining and marketing margins; potential disruption or unexpected technical difficulties in developing new products and manufacturing processes; potential failure of new products to achieve acceptance in the market; unexpected cost increases or technical difficulties in constructing or modifying manufacturing or refining facilities; unexpected difficulties in manufacturing, transporting or refining synthetic crude oil; risks associated with technology; the Company's ability to generate sufficient cash flow from operations to meet its current and future obligations; the Company's ability to access external sources of debt and equity capital; the timing and the costs of well and pipeline construction; the Company's and its subsidiaries' ability to secure adequate product transportation; changes in royalty, tax, environmental and other laws or regulations or the interpretations of such laws or regulations; political and economic conditions in the countries in which the Company and its subsidiaries operate; the risk of international war, hostilities, civil insurrection and instability affecting countries in which the Company and its subsidiaries operate and terrorist threats; risks associated with existing and potential future lawsuits and regulatory actions made against the Company and its subsidiaries; and other risks and uncertainties described from time to time in the reports and filings made with securities regulatory authorities by Tethys. Statements relating to "reserves" or "resources" or "resource potential" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described exist in the quantities predicted or estimated, and can be profitably produced in the future. Although Tethys believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list of important factors is not exhaustive. Furthermore, the forward-looking statements contained in this MD&A are made as of the date of this MD&A, and except as required by law Tethys does not undertake any obligation to update publicly or to revise any of the included forward looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.