TETHYS PETROLEUM PRESS RELEASE

FOR IMMEDIATE RELEASE

Third Quarter 2008 Financial Results

ST. PETER PORT, GUERNSEY, Friday, November 14, 2008: Tethys Petroleum Limited ("Tethys" or the "Company" (TSX:TPL)) today announced its third quarter 2008 financial results, and also gave a brief operational update.

FINANCIAL SUMMARY

	Three months ended						
	March 31 2007	**June 30 2007**	**Sept 30 2007**	**Dec 31 2007**	**March 31 2008**	**June 30 2008**	**Sept 30 2008**
Financials (US$000's)							
Revenue	-	-	-	194	1,431	1,566	1,485
Net loss	(2,321)	(20,117)	(2,969)	(16,372)	(4,701)	(5,280)	(6,551)
Basic and diluted loss (US$) per share	(0.14)	(0.95)	(0.07)	(0.36)	(0.10)	(0.11)	(0.10)
Capital Expenditure	2,285	20,249	3,845	11,622	3,541	9,565	14,152
Total Assets	33,751	89,648	85,749	71,656	73,546	115,957	109,422
Cash and working capital surplus	11,901	43,205	37,161	25,773	23,762	57,558	36,921

HIGHLIGHTS

- Revenue generated in the three months to September 30, 2008 was US$1,485,000 compared to nil in the same period of 2007.

- Average field production achieved in the three months to September 30, 2008 was 18.4 million cubic feet per day (MMcf/d) (522 thousand cubic metres per day (Mm3/d)) and gas sales totalled 1.68 billion cubic feet (Bcf) or 47.52 million cubic metres (MMcm). Although there were 92 days in Q3 2008 gross production was actually achieved on only 87 days as a result of the temporary shut-down of compressors for maintenance, the shut-down of wells for testing as per the State requirements and line pigging. If these shut-downs had not been necessary, average field production would have been 19.5 MMcf/d (552 Mcm/d) for the quarter. Delays with the delivery of separators from Ukrainian manufacturers for two additional Kyzyloi wells G12 and G16 resulted in these wells not being able to commence production as planned in August. These separators are expected on site in November and the wells will be brought on stream following installation and State consents, this likely to be in December at which point field gas production is expected to increase significantly.

- A net loss of US$6,551,000 was recorded in the three months to September 30, 2008 compared to a loss of US$2,969,000 for the same period in 2007. The net loss in the three months to September 30, 2008 included a depreciation charge of US$2,298,000 compared to US$20,000 in 2007 and foreign exchange loss of US$1,254,000 in 2008 compared to a gain of US$51,000 in the same period in 2007.

- Capital expenditure of $14,152,000 was incurred as the Company pursued its objectives of initiating Phase 2 gas production from the Akkulka field in Kazakhstan, drilling two exploration wells on the Kul-Bas contract area, preparing to drilling the AKD01 deep well in Kazakhstan, the acquisition of drilling, production and related equipment and commencing operations in Tajikistan following the signing of the PSC in June 2008.

- Operating costs for the three months to September 30, 2008 were $274,000 compared to nil for the same period in 2007. The figures in this latest period also showed an increase on previous quarters in 2008 in part as a result of higher labour costs and insurance premiums but also as a result of work done to optimize the Kyzyloi wells and compression regimes.

- Depletion on proved properties in Q3 2008 was US$2,240,000 compared to nil in the same period of 2007 as production did not commence until Q4 2007.

- General & Administration costs incurred in Q3 2008 were US$3,347,000 compared to US$2,743,000 in the same period in 2007 due to increased levels of activity, cost inflation in Kazakhstan and extraordinary office related expenditures.

- Exchange rates moved significantly in the three months to September 30, 2008 resulting in an exchange rate loss of $1,254,000 relating primarily to Euros which are held for equipment purchases and UK£ Sterling which is held for employment and travel costs.
- As at September 30, 2008 17.55% of the contract volume under the long-term gas supply contract relating to the Kyzyloi field had been delivered to the buyer. This contract is for a volume of up to 850 MMcm (30 Bcf) from the Kyzyloi field at an agreed price of US$1.02 per Mcf (US$36.16 per Mcm) before royalties and including Value Added Tax (VAT) which can be offset against VAT costs on the Kyzyloi project.

BRIEF OPERATIONS UPDATE

Kazakhstan

Exploration well KUL03 has now commenced drilling on the potentially large "Kokbulak" gas prospect in the north-west of the Kul-Bas block some 80 km (50 miles) north west of the recent AKK16 well. The well is anticipated to reach total depth within the next three weeks following which, if successful, the well will be tested. Tethys' 80 tonne rig which is drilling the well will then be mobilised to Tajikistan.

The deep exploration well AKD01 is almost ready to commence drilling with the rig now being erected on site and being prepared. However certain small but critical items of ancillary equipment have not yet arrived at the site from China and these are now on their way, with a planned spud date for the well before the end of this month.

Tethys has also commenced initial negotiations with several potential buyers for Phase 2 (Akkulka) gas, with these negotiations now progressing. Meanwhile work on Phase 2 is proceeding apace with the additional compressors now being transported from the Kazakh border to the field and with other work on schedule. The timing of first Phase 2 production is dependent on both completion of the compressor and control system installation and on approval from a Kazakh State Commission. Although this is still possible before the end of this year, it currently seems likely that the Commission will not be ready to visit the field until the New Year resulting in the commencement of Phase 2 gas production at the end of January 2009.

Tajikistan

Workover operations are underway on the Komsomolsk gas field north of Dushanbe with the intention of producing gas in the short term. Workover operations are also commencing on the Beshtentak oil field in the Baljuvon region and are planned to commence shortly on the Khoja Sartez gas condensate field near Kulob, both with the intention of achieving early production. Meanwhile Tethys is building up the capabilities of its new operating company Tethys Services Tajikistan, and carrying out extensive fieldwork and data collection on the large Bokhtar area with a view to planning further appraisal and exploration activities.

Tethys is focused on oil and gas exploration and production activities in Central Asia with activities currently in the Republics of Kazakhstan and Tajikistan. 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, 2007 for a description of risks and uncertainties relevant to our business, including our exploration activities.

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Consolidated Balance Sheet *(unaudited)*

	Note	As at September 30, 2008	As at December 31, 2007
		(Expressed in 000's United States dollars)	
ASSETS			
Current Assets			
Cash and cash equivalents		36,989	26,692
Prepayments	**3**	1,044	351
Accounts Receivable		552	219
Value added tax recoverable		39	-
Inventory		178	-
Other current assets		575	790
Total current assets		39,377	28,052
Non Current Assets			
Prepayments	**3**	6,754	3,062
Restricted Cash	**4**	469	318
Value added tax recoverable	**5**	3,749	2,752
Capital assets	**6**	59,073	37,472
Total non-current assets		70,045	43,604
Total Assets		109,422	71,656
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Accounts payable		553	1,388
Current portion of long term debt	**7**	828	-
Accrued & other liabilities		1,075	891
Total current liabilities		2,456	2,279
Non Current Liabilities			
Long term debt	**7**	4,093	-
Other non-current liabilities	**8**	548	776
Asset retirement obligation	**9**	772	661
Total non current liabilities		5,413	1,437
Total Liabilities		7,869	3,716
Stockholders' equity	**11**		
Share capital		145,555	99,483
Contributed Surplus		6,619	3,527
Warrants		17,535	16,555
Accumulated deficit		(68,156)	(51,625)
Total stockholders' equity		101,553	67,940
Total Liabilities and Stockholders' Equity		109,422	71,656
Commitments and contingencies	**10**		

Consolidated Statement of Operations and Comprehensive Loss *(unaudited)*

	Note	For three months to Sept 30, 2008	For three months to Sept 30, 2007	Year to Date Sept 30, 2008	Year to Date Sept 30, 2007
		(Expressed in 000's United States dollars except share data)		(Expressed in 000's United States dollars except share data)	
Revenues Net of Royalties					
Oil and gas sales		1,485	-	4,482	-
		1,485	-	4,482	-
Expenses					
Operating		274	-	537	-
Selling, general and administrative		3,347	2,743	9,515	6,164
Stock based compensation	**12**	812	679	3,092	17,018
Depreciation, depletion and amortization		2,298	20	5,716	48
		6,731	3,442	18,860	23,230
Operating Loss		(5,246)	(3,442)	(14,378)	(23,230)
Other Income/(Expense):					
Interest, net		283	451	574	(1,817)
Foreign exchange gains/(losses)		(1,254)	51	(1,392)	(92)
Finance charges	**12**	(250)	-	(1,230)	(238)
Other		(84)	(29)	(106)	(30)
Total Other Income/(Expense)		(1,305)	473	(2,154)	(2,177)
Loss Before Income Taxes		(6,551)	(2,969)	(16,532)	(25,407)
Income taxes		-	-	-	-
Net Loss and Comprehensive Loss for the period		(6,551)	(2,969)	(16,532)	(25,407)
Weighted average number of common shares outstanding	**13**	66,393,292	45,116,696	52,598,576	29,283,608
Basic and diluted loss per share		(0.10)	(0.07)	(0.31)	(0.87)

See accompanying notes to these financial statements

Consolidated Statement of Cash Flows *(unaudited)*

	Note	For three months to Sept 30, 2008	Sept 30, 2007	Year to date Sept 30, 2008	Sept 30, 2007
		(Expressed in 000's United States dollars)		(Expressed in 000's United States dollars)	
Operating activities:					
Net loss for the period		(6,551)	(2,969)	(16,532)	(25,407)
Items not affecting cash					
Stock based compensation		812	679	3,092	17,018
Accretion		19	-	52	-
Finance costs		-	-	980	238
Non-cash interest expense		-	-	-	1,917
Depreciation, depletion and amortization		2,298	20	5,716	48
Net change in non-cash working capital items					
Accounts Receivable		34	-	(333)	-
Other current assets		(521)	(100)	(2)	(1,022)
Prepayments		(369)	(328)	(693)	(80)
Accounts payable		(438)	126	(835)	209
Accrued and other liabilities		(7)	(1,912)	184	(257)
Net cash used in operating activities		(4,723)	(4,484)	(8,371)	(7,336)
Investing activities:					
Capital expenditures		(14,152)	(3,845)	(27,257)	(11,360)
Restricted cash		(26)	(2)	(151)	(14)
Value added tax recoverable		(994)	(242)	(998)	(676)
Change in oil & gas suppliers prepayments		(1,625)	326	(3,692)	(2,393)
Net cash used in investing activities		(16,797)	(3,763)	(32,098)	(14,443)
Financing activities:					
Proceeds from sale of common stock			-	50,000	67,337
Share issue costs		(178)	(12)	(3,928)	(5,068)
Proceeds (Repayment) from long term debt		(192)	-	4,922	(5,000)
Other non-current liabilities		(24)	-	(228)	(32)
Net cash provided by/(used in) financing activities		(394)	(12)	50,766	57,237
Net increase/(decrease) in cash and cash equivalents		(21,914)	(8,258)	10,297	35,458
Cash and cash equivalents, beginning of period		58,903	45,479	26,692	1,763
Cash and cash equivalents, end of period		36,989	37,221	36,989	37,221
Interest paid		152	-	309	375

See accompanying notes to these financial statements