

TETHYS PETROLEUM PRESS RELEASE

FOR IMMEDIATE RELEASE

Kazakhstan Drilling Update

Bozoi, Kazakhstan – September 2, 2010 - Tethys Petroleum Limited ("Tethys" or the "Company") (TSX: TPL) today gave a brief update on its operations in Kazakhstan focused on its oil exploration and appraisal program.

The AKD03 (Dione) exploration well is currently at a depth of 2,823 metres (in what is interpreted to be the middle Jurassic sequence) and casing has been run. Hydrocarbons have been indicated from drilling and log data in three zones and a testing programme is planned for the near future. Once this testing programme has been carried out the well will be drilled deeper into the Triassic sequence.

The G6RE (Dodone) well has now been drilled to a depth of 2,835 metres in order to test a deeper potential oil bearing zone identified from the wireline logs in the original G6 hole. The hole is currently being prepared to run casing but differential sticking in the bottom section probably caused by higher formation pressures and permeable zones has slowed down the process. Once casing has been run, preparations for testing can commence.

On the AKD02 (Doris NW) well further testing of the Jurassic carbonate interval awaits commencement of the testing programme on the G6RE well, with both wells being tested as part of an integrated program to maximise efficiency.

Additional Details on AKD03

On the AKD03 well a potential oil bearing zone has been identified in good quality Cretaceous sandstones, these being similar to the reservoir, which flowed over 5,400 barrels of oil per day ("bopd") in the AKD01 Doris discovery well located some 10 km to the north-east. The Jurassic carbonate zone (which tested some 1,400 bopd in the AKD01 well) is also present in the well with a thickness of over 20 metres and with hydrocarbon indications while drilling and on the wireline logs. In addition to these two intervals a third potential oil bearing interval has been identified in the deeper middle Jurassic sequence. This is a coal bearing sequence of probable deltaic origin and with hydrocarbon indications in likely channel sandstones. Testing of this well is planned with the objective of assessing the potential for the production of commercial hydrocarbons, and the possible extent of the reservoirs. Given the work underway on the planned Doris (AKD01) oil development some of these data will be useful for this planning and as such some of the testing of the AKD03 well may be accelerated to take this into account. It is planned to drill the AKD03 well deeper to target the Triassic sequence and to also assess the hydrocarbon potential of the deeper Permian and Carboniferous intervals with a planned total depth of some 4,000 metres. This well is



located further into the sedimentary basin than the AKD01 well (which encountered thin sands in the Triassic with oil indications) and it is hoped that the Triassic sandstones will be thicker at this location.

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” 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, including the risks relating to regulatory approvals and of sufficiency of the proceeds for the purposes contemplated. See the description of risks and uncertainties and underlying factors and assumptions relevant to the offering and “forward looking information” contained herein and to the Company’s business, including its exploration and development activities, contained in the Annual Information Form dated March 31, 2010 and other corporate filings (which are incorporated herein by reference). 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. Hydrocarbon indications from drilling or wireline log data from intervals in a well are not definitive and there is no guarantee that such intervals will flow commercial quantities of hydrocarbons, or indeed flow any hydrocarbons to surface

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