

## **TETHYS PETROLEUM PRESS RELEASE**

FOR IMMEDIATE RELEASE

### **Afghan Bid Update**

GRAND CAYMAN, CAYMAN ISLANDS, Sep 05, 2011 (MARKETWIRE via COMTEX) --

Tethys Petroleum Limited ("Tethys" or the "Company") (TSX: TPL)(LSE: TPL) today announced that it understands that the Chinese State Oil Company, CNPC, has won the tender for the Kashkari, Bazarkhami and Zamarudsay blocks in Northern Afghanistan which Tethys was also bidding for.

As a commercial oil and gas company Tethys could not offer the same terms as CNPC which, in Tethys' view, would make the project non-commercial. Tethys still believes there is good oil and gas potential in Afghanistan and will evaluate any other future opportunities there.

Tethys is focused on oil and gas exploration and production activities in Central Asia with activities currently in the Republics of Tajikistan, Kazakhstan 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. See our Annual Information Form for the year ended December 31, 2010 for a description of risks and uncertainties relevant to our business, including our exploration and development activities. Test production rates may vary from sustained production rates when developing a well or a deposit. The commerciality of any discovery can be affected by many factors including product prices, operating costs, capital costs, government take and sustained production levels and ultimate recovery of hydrocarbons. Hydrocarbon indications from drilling or wireline log data do not necessarily mean that mobile hydrocarbons are present in the formation or can be produced.

#### Contacts:

Tethys Petroleum Limited  
Sabin Rossi  
Vice President Investor Relations  
+1 416 572 2065  
+1 416 572 2201 (Fax)  
[info@tethyspetroleum.com](mailto:info@tethyspetroleum.com)

Tethys Petroleum Limited  
TD Canada Trust Tower  
161 Bay Street, 27<sup>th</sup> Floor

Correspondence Address:  
P.O. Box 524,  
St. Peter Port,  
Guernsey, GY1 6EL,  
British Isles



Tel: +44 1481 725911  
Fax: +44 1481 725922  
Email: [tethys@tethyspetroleum.com](mailto:tethys@tethyspetroleum.com)  
Website: [www.tethyspetroleum.com](http://www.tethyspetroleum.com)

Toronto M5J 2SD1, Canada  
Mobile site: <http://m.tethyspetroleum.com>

In Asia-Pacific:  
Quam IR  
Anita Wan, Associate Director  
+ (852) 2217-2999  
+ (852) 2217-2999 (Fax)  
[Anita.wan@quamgroup.com](mailto:Anita.wan@quamgroup.com)