

## **TETHYS PETROLEUM PRESS RELEASE**

**FOR IMMEDIATE RELEASE**

### **First Quarter 2009 Financial Results**

ST. PETER PORT, GUERNSEY, Tuesday, May 19, 2009: Tethys Petroleum Limited ("Tethys" or the "Company" (TSX:TPL)) today announced its first quarter 2009 financial results. These are the first results reported by the Company in accordance with International Financial Reporting Standards ("IFRS"). The Company's previous financial results have been reported in accordance with United States Generally Accepted Accounting Principles ("US GAAP").

#### **HIGHLIGHTS**

- Revenue generated in the three months to March 31, 2009 was US\$529,000 compared to US\$1,431,000 in the same period of 2008 as a result of the Kyzylai production being shut down in January and February 2009 due to the installation work on compressors.
- Capital expenditure of US\$10,237,000 was incurred in the three months to March 31, 2009 compared to US\$3,541,000 for the same period in 2008.
- A net loss of US\$5,960,000 was recorded in the three months to March 31, 2009 compared to a loss of US\$4,640,000 for the same period in 2008.

The Accounting Standards Board ("AcSB") confirmed in February 2008 that International Financial Reporting Standards ("IFRS") will be used for Canadian publicly accountable enterprises for financial periods beginning on and after January 1, 2011 but as a foreign issuer, Tethys took the decision to meet these standards early.

The financial statements for the three month period ended March 31, 2009 are the first to be prepared under IFRS and are available in full on [www.sedar.com](http://www.sedar.com). The additional work involved in effecting and reconciling this switch resulted in the auditors' review not being complete at the time when the financial statements were filed. The review is anticipated to be completed within a matter of days.

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.

See our Annual Information Form for the year ended December 31, 2008 for a description of risks and uncertainties relevant to our business including our exploration and development activities.



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# Tethys Petroleum Limited

## Interim Consolidated Statement of Financial Position

(Unaudited)

As at March 31, 2009 and December 31, 2008

(in thousands of US dollars)

	March 31, 2009 \$	December 31, 2008 \$
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets (note 10)	17,941	12,076
Property, plant and equipment (note 11)	74,227	69,839
Investments (note 12)	595	587
Other receivables (note 13)	4,532	6,357
	<u>97,295</u>	<u>88,859</u>
<b>Current assets</b>		
Inventories	329	213
Trade and other receivables (note 13)	2,999	2,664
Cash and cash equivalents (note 14)	7,966	22,200
	<u>11,294</u>	<u>25,077</u>
<b>Total assets</b>	<u>108,589</u>	<u>113,936</u>
<b>Equity and Liabilities</b>		
<b>Equity attributable to shareholders</b>		
Share capital (note 18)	6,779	6,639
Share premium (note 18)	139,299	138,598
Other reserves	25,764	25,060
Accumulated deficit	(72,969)	(67,009)
	<u>98,873</u>	<u>103,288</u>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities – borrowings (note 15)	5,680	6,072
Other non-current payables (note 16)	421	523
Provisions for other liabilities and charges (note 17)	374	465
	<u>6,475</u>	<u>7,060</u>
<b>Current liabilities</b>		
Financial liabilities – borrowings (note 15)	978	853
Trade and other payables (note 16)	2,263	2,735
	<u>3,241</u>	<u>3,588</u>
<b>Total liabilities</b>	<u>9,716</u>	<u>10,648</u>
<b>Total shareholders' equity and liabilities</b>	<u>108,589</u>	<u>113,936</u>
Commitments and contingencies (note 21)		

**Tethys Petroleum Limited**  
Interim Consolidated Statement of Comprehensive Loss  
(Unaudited)  
For the three months ended March 31

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(in thousands of US dollars)

	<b>2009</b>	<b>2008</b>
	\$	\$
Sales and other operating revenues (note 5)	529	1,431
Production expenditure	(285)	(67)
Depreciation, depletion and amortization	(517)	(1,105)
Exploration and evaluation expenditure written off	(17)	-
Administrative expenses	(5,377)	(4,025)
<b>Operating loss</b> (note 6)	(5,667)	(3,766)
Finance income	30	167
Finance costs	(323)	(1,041)
<b>Loss before tax</b>	(5,960)	(4,640)
Taxation (note 8)	-	-
<b>Total comprehensive loss for the period attributable to shareholders</b>	(5,960)	(4,640)
<b>Loss per share</b>		
Basic and diluted (note 9)	(0.09)	(0.10)

No dividends were paid or are proposed for the quarter (2008 – \$Nil)  
All operations were continuing throughout both periods