

TETHYS PETROLEUM PRESS RELEASE

FOR IMMEDIATE RELEASE

AKD05 Well Flows at over 2,000 barrels per day

BOZOI, KAZAKHSTAN, Jul 26, 2011 (MARKETWIRE via COMTEX) -Tethys Petroleum Limited ("Tethys" or the "Company" (TSX: TPL)(LSE: TPL) today announced that following acidisation its AKD05 Doris appraisal well in Kazakhstan has flowed some 2,088 barrels of fluid per day, of which 1,568 barrels per day was good quality (45 degrees API) oil. The well flowed with good surface pressures and the flow was limited by the surface facilities. Flow data indicate that the well would be capable of flowing around 3,000 barrels per day with reconfiguration of the production facilities.

The well is producing from the same Upper Jurassic carbonate sequence, which was also productive in the AKD01 Doris discovery well. Following reconfiguration of the surface facilities the well will be placed on long-term test production. The well is already tied into the Doris oil production facilities and the oil will be trucked for sale along with oil from the AKD01 well.

Mark Sarssam, Vice President Petroleum Development of Tethys commented, "The acidisation on the AKD05 well has proved to be very successful with a production increase of more than three times. We have a well, which has the indications of being a good oil producer from this laterally extensive carbonate reservoir. The reservoir characteristics appear good, the oil of good quality and the data from the long-term production test should give us a much better idea as to the size of this reservoir. This is a good result!"

Preparations are underway for the drilling of the next Doris appraisal well, AKD06, which should commence drilling before the end of this month.

Tethys also updated on the status of other operations in Kazakhstan. The final phase of testing of the AKD04 (Dero) is now complete having tested further thin sands primarily to gain pressure and additional reservoir data for future appraisal planning. As anticipated no commercial oil flow was obtained from these thin sands.

The Kalypso (KBD01) wildcat exploration well, which is targeting primarily a large potential structural closure at Carboniferous level, is currently at a depth of 3,354 metres and is drilling ahead. The planned total depth of this well is between 4,000 and 4,500 metres and it is expected that this will be reached in August.

Additional technical information:

The AKD05 well flowed at a stable rate of 1,568 barrels of oil per day ("bopd") on a 25.4 mm (1 inch) choke from an 18 metre gross interval at a depth of c.2,350 metres. The flowing tubing head pressure was 19 atmospheres (275 psig). The Upper Jurassic carbonate interval is present across the area and is a good seismic marker on the new 3D dataset. The AKD01 Doris discovery well flowed 1,373 bopd from the same interval with a FTHP of 14.2 atmospheres (209 psig) on the same size choke.

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.

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