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(TSX:TPL, LSE:TPL)

Update on US\$7.5 Million Convertible Debenture with AGR Energy Limited No. 1

GRAND CAYMAN, CAYMAN ISLANDS – Tethys Petroleum Limited (“Tethys” or the “Company”) announces that it has received an Accelerated Repayment Notice from AGR Energy Limited No 1 (“AGR Energy”) in relation to the unsecured convertible debenture issued by Tethys to AGR Energy on 15 May 2015 (“Convertible Debenture”) notifying the Company of events of default and demanding repayment of the principal amount of US\$7,500,000 and accrued interest of US\$443,984.

As announced by the Company on November 19, 2015, it has entered into an interim convertible financing facility of up to US\$15 million (the "Interim Financing Facility") with Olisol Petroleum Limited (“OPL”), a wholly owned subsidiary of Olisol Investments Limited, part of the proceeds of which are to be used to repay the Convertible Debenture. As all of the condition precedents to the first drawdown under the Interim Financing Facility have been satisfied and a drawdown notice has been submitted to OPL, the Company intends to repay the Convertible Debenture as well as the outstanding US\$5 million loan issued by Nostrum Oil & Gas plc on August 10, 2015, as soon as funds have been received from OPL.

About Tethys

Tethys is focused on oil and gas exploration and production activities in Central Asia and the Caspian Region. This highly prolific oil and gas area is rapidly developing and Tethys believes that significant potential exists in both exploration and in discovered deposits.

Disclaimer

Some of the statements in this document are forward-looking. Forward-looking statements include statements regarding the intent, belief and current expectations of the Company or its officers with respect to receipt of funds under the Interim Financing Facility and the repayment of the Convertible Debenture. When used in this document, the words "expects," "believes," "anticipates," "plans," "may," "will," "should" and similar expressions, and the negatives thereof, are intended to identify forward-looking statements. Such statements are not promises or guarantees, and are subject to risks and uncertainties that could cause actual outcomes to differ materially from those suggested by any such statements including with respect to receipt of funds pursuant to the Interim Financing Facility or repayment of the Convertible Debenture.

The forward-looking statements are based on the assumption that funds will be received under the Interim Financing Facility within anticipated timeframes.

No part of this announcement constitutes, or shall be taken to constitute, an invitation or inducement to invest in the Company or any other entity, and shareholders of the Company are cautioned not to place undue reliance on the forward-looking statements. Save as required by the Listing Rules and applicable law, the Company does not undertake to update or change any forward-looking statements to reflect events occurring after the date of this announcement.

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