TETHYS PETROLEUM LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

for the three and six months ended June 30, 2010

(All references to $ are United States dollars unless otherwise noted)

(Tabular amounts are in thousands, unless otherwise stated.)

	2010	**2009**	**% Change**
Revenue	8,146	3,326	145%
Net Loss	(11,321)	(11,609)	-2%
Basic and diluted loss ($) per share	0.06	0.15	
Capital expenditure	11,759	15,015*	-22%
Total Assets	184,082	127,577	44%
Long Term Liabilities	(14,938)	(5,299)	182%
Cash and working capital surplus	24,408	17,351	41%
Common shares outstanding			
Basic and diluted	187,369,769	134,554,769	

*The 2009 figure includes Tajikistan capital expenditure while in 2010 this is included in the jointly controlled entity SSEC.

The following Managementôs Discussion and Analysis (ñMD&Aò) dated August 13, 2010 should be read in conjunction with the Companyôs unaudited Interim Consolidated Financial Statements and related notes for the period ended June 30, 2010 as well as the audited Consolidated Financial Statements and the MD&A for the year ended December 31, 2009. The accompanying financial statements of the Company have been prepared by management and approved by the Companyôs Audit Committee and Board of Directors. These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Additional information relating to the Company can be found on the SEDAR website at *www.sedar.com*. Readers should also read the ñForward-Looking Statementsò legal advisory contained at the end of this MD&A and also the Companyôs AIF.

IFRS accounting

The Accounting Standards Board (ñAcSBò) confirmed in February 2008 that International Financial Reporting Standards (ñIFRSò) will be used for Canadian publicly accountable enterprises for financial periods beginning on and after January 1, 2011. As a foreign issuer, Tethys elected early adoption for periods beginning January 1, 2009, with a transition date of January 1, 2008 and consequently prepared its first interim consolidated financial statements in accordance with IFRS for the three month period ended March 31, 2009. The audited consolidated financial statements for the year ended December 31, 2009 are the Companyôs first set of annual consolidated financial statements prepared under IFRS as issued by the International Accounting Standards Board. For all accounting periods prior to March 31, 2009 the Company prepared its financial statements under accounting principles generally accepted in the United States of America (óUS GAAPô).

Highlights and Significant Transactions

- On January 23, 2010 the Company completed a non-brokered private placement raising US$10 million issuing 12.6 million ordinary shares at a price of $0.79 per share.
- On February 8, 2010 the Company announced that the testing of the Akkulka exploration well AKD01 had flowed oil at a combined rate from the upper and lower zones in excess of 6,800 barrels per day.
- On March 3, 2010 the Company completed a private placement raising CAD$46.5 million issuing 30 million ordinary shares at a price of CD$1.55 per share.
- The Company generated revenues from refined oil product and gas sales of US$7.67 million and US$0.48 million respectively in the six months ended June 30, 2010 compared to US$1.67 million and US$1.65 respectively in the six months ended June 30, 2009.
- The Company recorded a net loss before taxation of US$9.79 million in the six months ended June 30, 2010 compared to a net loss of US$11.61 million in the six months ended June 30, 2009.
- Capital expenditure, excluding the joint venture in Tajikistan, in the six months ended June 30, 2010 was US$11.76 million compared to US$15.1 million in the six months ended June 30, 2009.
- Total Production costs in the six months ended June 30, 2010 were US$2.74 million compared to US$1.24 million in the six months ended June 30, 2009 reflecting the higher level of refined product sales in Uzbekistan.
- Administrative costs (including the costs of stock based compensation) in the six months ended June 30, 2010 were US$11.4 million compared to US$8.08 million in the six months ended June 30, 2009. Excluding the costs of stock based compensation, Administrative costs in the six months ended June 30, 2010 were US$8.1 million compared to $6.5 million in the six months to June 30, 2009.

Nature of Business

Tethys Petroleum Limited is incorporated in the Cayman Islands and managed from Guernsey in the British Isles. Tethys Petroleum and its subsidiaries (collectively ñTethysò or ñthe Companyò) is an oil and gas company currently operating within the Republic of Kazakhstan, Republic of Tajikistan and the Republic of Uzbekistan. Tethysô principal activity is exploration for and production of crude oil and natural gas.

Financial and Operational Review

Kazakhstan Gas Production (Kyzyloi field)

	2010		**2009**		**Change**
	Mcm	Mcf	Mcm	Mcf	%
Three months to March 31	-	-	15,602	550,907	(100)
Three months to June 30	10,029	354,124	36,809	1,299,726	(72)
Total production	10,029	354,124	51,411	1,850,633	(80)

- The Bukhara-Urals gas trunkline, through which the gas output flows, was closed with effect from November 24, 2009 and did not re-open until May 27th and even then volumes through the pipeline were restricted to 360 Mcm/d. This restriction has now been removed and current production is 538 Mcm/d. In the prior year the Bukhara-Urals gas trunkline was closed from November 28, 2008 but re-opened on March 5, 2009. The revenue generated in 2010 was consequently significantly less than in the previous year.

- On January 5, 2006 Tethysô Kazakh subsidiary, TAG, executed a natural gas supply contract with Gaz Impex S.A. (ñGaz Impexò) relating to gas sales from TAGõs Kyzyloi field in Kazakhstan at an agreed price of $32 per thousand cubic metres (ñMcmò) or $0.90 per thousand cubic feet (ñMcfò) excluding value added tax (ñVATò). On May 1, 2009, this contract was further assigned to Asia Gas NG LLP.
- The Gas Supply Contract, which has a term until the earlier of December 1, 2012, the date on which all contracts and licences pursuant to which the gas to be delivered under the Gas Supply Contract terminate, or when 850 thousand cubic metres (Mcm) has been delivered, is based on a takeï orï pay principle and covers all gas produced from the Kyzyloi Field Licence and Production Contract area up to termination.
- To the end of Q2 2010 some 307,750 Mcm (approximately 10.8 Bcf) or 36% of the maximum contract volume under the Gas Supply Contract had been delivered.

Uzbekistan Oil Production (North Urtabulak PEC)

	2010		**2009**	
	Total Production		Total Production	
	Tonnes	Barrels*	Tonnes	Barrels*
Three months to March 31	20,859	160,614	20,909	160,999
Three months to June 30	19,627	151,128	22,755	175,214
Total production	40,486	311,742	43,664	336,213

	BHCL Share		BHCL Share	
	Tonnes	Barrels*	Tonnes	Barrels*
Three months to March 31 , 2009	10,434	80,345	10,454	80,495
Three months to June 30, 2009	9,814	75,565	11,377	87,603
Total production	20,248	155,910	21,831	168,098

** using 7.7 barrels = 1 tonne*

- The Company acquired its interest in the North Urtabulak PEC with effect from April 9, 2009 and so had no rights to the BHCL production prior to that date. Production is under a Production Enhancement Contract (ñPECò) for the North Urtabulak oilfield with subsidiaries of the Uzbek State oil and gas company NHC Uzbekneftefgas.
- Drilling of a new well, NUR116, commenced in November 2009 and production commenced in March 2010. The well originally tested at a satisfactory rate of up to 600 bopd but since then production has decreased significantly. It is believed that the location chosen in the reservoir is locally less permeable than nearby and the Company is investigating alternative methods to increase production from this well including radial sidetracking.

Tajikistan Oil Production (Beshtentak field)

	Total Production		KPL Share	
	Tonnes	Barrels*	Tonnes	Barrels*
Three months to March 30, 2010	290	2,101	264	1,912
Six months to June 30, 2010	323	2,342	294	2,130
Total production	613	4,442	558	4,042

- The Beshtentak field is produced under the Bokhtar Production Sharing Contract (ñBokhtar PSCò) under which the contractor party is Kulob Petroleum Limited (ñKPLò) a company in which Tethys owns a 51% interest through the joint venture company Seven Stars Energy Corporation (ñSSECò).
- Oil production commenced from the Beshtentak field in Q1, albeit on a small scale, and further work is underway aimed at increasing this production.
- The oil is being produced from well BST20 which is an existing well and the production is as a result of a workover. Further workovers are planned.
- Tethys has a 51% indirect shareholding in KPL but currently takes 100% of the revenue attributable to the Bokhtar PSC under the terms of a loan agreement between Tethys and SSEC.

Revenue

	Three months ended June 30			Six months ended June 30		
	2010	2009	Change	**2010**	2009	Change
Gas Sales	476	1,125	-58%	476	1,654	-71%
Refined Products sales	5,554	1,672	232%	7,670	1,672	359%
	6,030	2,797	116%	8,146	3,326	145%

- The gas sales are generated from the Kyzyloi contract in Kazakhstan and as referred to in *Kyzyloi Gas Production* above are sold to Asia Gas NG LLP at an agreed price of $32 per Mcm ($0.90 per Mcf) excluding VAT.
- Gas sales in both 2010 and 2009 were affected by stoppages and production restrictions detailed in *Kyzyloi Gas Production* above.
- There was no gas revenue in the first quarter of 2010 compared to $529,000 in the first quarter of 2009 as the pipeline was closed for the whole of the first quarter of 2010 while in 2009 it was re-opened from March 5th.
- In 2009 the pipeline was opened for the whole of the second quarter though with reduced production levels from the middle of May while in 2010 the pipeline was only opened from May 27th at reduced production levels which resulted in the gas revenue being $476,000 in 2010 compared to $1,160,000 in 2009 for the second quarter.
- These pipelines stoppages could in due course result in the Kyzyloi gas being sold after December 1, 2012, the termination date of the existing sales contract, at a sales price that could be greater than the existing contracted price of $32 per Mcm plus VAT.
- The refined product sales are the result of oil production in Uzbekistan which the Company only acquired in April 2009.
- During the course of Q2 2010 a number of shipments were completed for production stretching back to 2009. The consequence of this was that the revenue recognised in Q2 2010 was significantly higher than if it was linked purely to Q2 production and significantly higher than in the comparative period in 2009 when there had been no such backlog. The backlog in undelivered orders has now been cleared.
- In 2009 the Company acquired the Uzbekistan operation in Q2 and consequently the 2009 cumulative revenue figure is the same as that in second quarter.

Production expenses

	Three months ended June 30			Six months ended June 30		
	2010	2009	Change	**2010**	2009	Change
Production costs	1,938	956	102%	2,875	1,241	131%

- Production costs in the three months to June 30, 2010 were $124,000 for Kazakhstan and $1,777,000 in Uzbekistan
- Production costs in the six months to June 30, 2010 were $311,000 for Kazakhstan and $2,564,000 in Uzbekistan
- Despite the reduction in production referred to in *Kyzyloi Gas Production* above there was no significant reduction in the production costs in Kazakhstan. The labour force had to be maintained and was used on the monitoring of wells every few days plus turning over the existing compressors every few days to prevent them from being damaged in the cold weather. Some costs are also fixed by well and need to be paid whether or not there is production.
- Production costs in Q2 2010 represented some 32% of revenue while for the six months to June 30, 2010 the figure was 33%.

Depreciation, depletion and amortization expense

	Three months ended June 30			Six months ended June 30		
	2010	2009	Change	**2010**	2009	Change
DD & A costs	1,358	1,398	-3%	2,050	1,915	7%

- Because of the low level of production in Q2 2010 in Kazakhstan the DD&A charge on oil and gas properties was only $201,000. There was no Kazakhstan production in Q1 2010 and so no DD&A charge on oil and gas properties.
- Because of the production position in Kazakhstan the DD&A in the three months and the six months to June 30, 2010 was primarily the result of the Uzbekistan production combined with the depreciation of the drilling rigs and ancillary equipment.

Listing costs

	Three months ended June 30			Six months ended June 30		
	2010	2009	Change	**2010**	2009	Change
Listing costs	573	0	100%	1,200	0	100%

- These costs related to the possible secondary listing of the Company's ordinary shares on the Hong Kong Stock Exchange, a course of action which the Company has since decided not to pursue.

Administrative expenses

	Three months ended June 30			Six months ended June 30		
	2010	2009	Change	**2010**	2009	Change
Gen admin & selling costs	4,565	3,495	31%	8,145	6,470	26%
Stock based compensation	2,066	915	126%	3,260	1,619	101%
	6,631	4,410	50%	11,405	8,089	41%

- General administration and selling expenses in the three months to June 30, 2010 were up on 2009 as a result of a number of one off bonuses associated with the oil discovery and fund raising, extra salary and travel costs associated with the increased activity level as a result of the oil discovery, together with the costs associated with the new Uzbekistan subsidiary Tethys Uzbekistan B.V. plus some Asia Oilfield Equipment BV (AOE) costs and the first general salary review for two years that took effect from April 1, 2010.
- General administration and selling expenses for the six months to June 30, 2010 were greater than for the comparative period in 2009 for the reasons mentioned in the previous point plus the costs of Tethys Production Uzbekistan (previously BHCL) that the Company did not own in the first quarter of 2009.
- Stock based compensation expenses increased in the three months to June 30, 2010 and were greater than the comparative period in 2009 principally due to the cost of new share options issued during the period.
- Stock based compensation expenses increased in the six months to June 30, 2010 for the reasons mentioned above combined with the cost of new share options issued during the Q1 2010

Finance expenses

	Three months ended June 30			Six months ended June 30		
	2010	2009	Change	**2010**	2009	Change
Foreign exchange loss- net	167	689	-76%	152	2,483	-94%
Fair value gain/(loss)	(2,973)	101	-3044%	(472)	61	-874%
Loss from joint venture	93	0	100%	244	0	100%
Finance Income	(22)	(19)	16%	(25)	(49)	-49%
Finance costs	101	746	-86%	421	1,069	-61%

- The foreign exchange loss in 2009 was primarily the result of the movement in the Kazakhstan Tenge against the $ resulting from the Kazakhstan central bankös decision to stop supporting the Tenge against the $ and the rate moved from approximately KZT123 to KZT150 to the US$. At June 30, 2010 the rate was KZT147.5 to the US$.
- The Company has an embedded derivative contract as a result of the royalty arrangement in connection with the two loan financing transactions associated with well NUR116. During the second quarter, a significant fluctuation occurred in the fair value of the interest rate swaps due to a significant decline in the expected production from the well (NUR 116). There was also a movement in the fair value of warrants issued by the Company that are denominated in a currency other than the Companyös functional currency for financial reporting purposes.
- Loss from the jointly controlled joint venture represents the Companyös 51% share in the loss incurred by SSEC.
- Finance costs in Q2 2010 are significantly down on the same period for 2009 due to the capitalisation of interest ($618,000) a policy which was not introduced in 2009 until the final quarter.

Taxation

	Three months ended June 30			Six months ended June 30		
	2010	2009	Change	**2010**	2009	Change
Tax	1,433	0	100%	1,527	0	100%

Tethys is domiciled in the Cayman Islands which has no Company income tax.

The provision for income taxes is different from the expected provision for income taxes for the following reasons:

	June 30, 2010 $
Loss before income taxes	(9,794)
Income tax rate	20%
Expected income tax expense (recovery)	(1,959)
Increase / (decrease) resulting from:	
Non-deductible expenses	33
Impact of effective tax rates in other foreign jurisdictions	1,681
Losses and tax assets not utilised/recognised	1,734
Other	38
	1,527
Current income tax expense (recovery)	-
Deferred tax expense (recovery)	1,527
	1,527

Capital Expenditure

Capital expenditure in the six months to June 30, 2010 was $11,759,000 while a further $3,200,000 of prepayments on capital projects was also incurred. The figures including the prepayments are as follows:

	Three months ended June 30			Six months ended June 30		
	2010	2009	Change	**2010**	2009	Change
Kazakhstan	8,776	2,955	197%	12,061	4,652	159%
Uzbekistan	495	501	-1%	2,756	501	100%
Other and Corporate	100	0	100%	142	2,682	-95%
	9,371	3,456	171%	14,959	7,835	91%

Major items of capital expenditure in 2010 were:

Kazakhstan

- Akkulka deep exploration well (AKD01) $1,618,000
- Akkulka deep appraisal well (AKD02) $3,750,000
- Akkulka deep exploration well (AKD03) $3,847,000
- Akkulka drilling and related equipment $1,139,000
- Akkulka 3D and 2D seismic $1,107,000
- Kul Bas seismic and geological works $ 593,000

Uzbekistan

- Well workovers $ 950,000
- NUR116 development well $1,805,000

Tajikistan (paid by SSEC)

- Seismic exploration including processing $1,600,000
- Komsomolsk appraisal well (KOM200) $1,010,000
- Komsomolsk appraisal well (KOM201) $2,793,000
- Well rehabilitation and workovers $ 250,000
- East Olimtoi (EOL09) exploration well $ 297,000

Summary of Quarterly Results

The 2009 and 2010 comparative figures in the table below have been prepared under IFRS while the 2008 figures have been restated to comply with IFRS requirements.

	Sept 30 2008	Dec 31 2008	March 31 2009	June 30 2009	Sept 30 2009	Dec 31 2009	March 31 2010	Jun 30 2010
Financials ($000ôs)								
Revenue	1,485	878	529	2,797	2,426	2,807	2,116	6,030
Net loss	(4,964)	(7,645)	(6,016)	(5,594)	(3,946)	(6,166)	(7,991)	(3,322)
Basic and diluted loss ($) per share	(0.07)	(0.13)	(0.09)	(0.06)	(0.03)	(0.05)	(0.05)	(0.02)
Capital Expenditure	14,152	15,085	10,237	4,778	8,337	8,868	4,443	7,316
Total Assets	119,326	113,548	108,201	127,577	124,627	137,082	186,405	184,082
Total long Term Liabilities	(5,413)	(6,084)	(5,595)	(5,299)	(4,997)	(18,345)	(13,419)	(14,938)
Cash and working capital surplus	36,598	21,343	7,947	17,351	6,369	(157)	38,372	24,408

Financial position

The significant movements in the balance sheets were as follows:

	June 30, 2010	Dec 31, 2009	Movement	Movement Details
Intangible assets	32,317	24,378	7,939	Expenditure on Akkulka deep appraisal and exploration wells
Property, plant and equipment	75,918	73,171	2,747	This was primarily the expenditure in Uzbekistan encompassing the final payment on NU116 and workovers on other wells.
Prepaids other receivables	9,344	5,171	4,173	Increase in VAT balance in Kazakhstan plus increase in prepayments to contractors.
Loan receivable from jointly controlled entity	28,692	21,727	6,965	Funds provided to SSEC to cover costs in Tajikistan for seismic survey, KOM200, KOM201 etc.
Cash and cash equivalents	30,232	7,297	22,935	See Consolidated Statement of Cash Flows in the Q2 financial statements
Share capital	225,147	167,203	57,944	The increase related to the two private placements referred to above for 30 million shares and 12.6 million shares respectively plus the completion of a private placement initiated in December 2009 involving 10 million shares less associated costs
Other reserves	30,975	27,775	3,200	Stock based compensation expense in the six months to June 30, 2010.
Accumulated deficit	(99,695)	(88,374)	(11,321)	Loss incurred in the six months to June 30, 2010.
Non-current financial liabilities - borrowings	8,139	9,324	(1,185)	Decrease as a result of the balloon payment on the Telesto loan of $2.6 million due in March 2011 which has now moved to current liabilities plus the repayments made in Q1 and Q2 net of the loan associated with well NU116 in Uzbekistan
Advanced Equity Subscriptions	-	3,750	(3,750)	Funds received in advance of January 2010 completion of a $5 million private placement.
Deferred taxation	2,126	598	1,528	Movement in deferred tax liability since December 31, 2009
Current financial liabilities - borrowings.	3,526	1,086	2,440	Movement from long term liabilities of balloon payment of $2.6 million due at the end of the Telesto loan period in March 2011.

Derivative financial instruments - warrants	2,477	1,053	1,424	Movement in the liability following issue of CD$ warrants in connection with short term loan.
Deferred revenue	1,750	3,113	(1,363)	Reduction in Q2 of BHCL goods paid for awaiting delivery.
Trade and other payables	4,964	6,786	(1,822)	Settlement of a number of accruals built up towards the end of 2009 including audit and listing fees.

Contractual obligations and liabilities as at June 30, 2010

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 Year	1 - 3 Years	4 - 5 Years	After 5 years
Long term debt	$11,665,000	$3,526,000	$8,139,000	-	-
Operating leases	$579,000	$315,000	$264,000	-	-
Trade and other payables	$5,764,000	$4,964,000	$800,000	-	-
Purchase obligations	$10,392,000	$7,800,300	$0	$2,591,700	-
Joint venture purchase commitments	$1,499,400	$2,009,000	-	-	-
Total contractual obligations	$29,899,400	$18,614,300	$9,203,000	$2,591,700	-

The Company is confident that it will satisfy these commitments in full.

Liquidity and Capital Resources

As at June 30, 2010 the Company had a working capital surplus, including cash, of $24,408,000 while at June 30, 2009 the figure was $17,351,000. The position at the end of June represented a significant turnaround from the position at December 31, 2009, when there was a deficit of $157,000, which was primarily the result of the following actions taken by the Company:

- The private placement of 10 million shares for gross proceeds of $5,000,000 of which $3,750,000 had been received before December 31, 2009 was successfully completed in January 2010.
- A second private placement was successfully completed in January 2010 consisting of 12,615,000 shares for gross proceeds of $10,000,000.
- A further private placement was completed in March 2010 consisting of 30,000,000 shares for gross proceeds CD$46,500,000.

Set out below is a comparison of the actual use of funds to date and remaining to be expended against what was projected in the prospectus dated June 19, 2008.

The primary differences were in relation to:

- The purchase of two drilling rigs and associated equipment.
- Further drilling and related equipment was purchased for use on the shallow drilling and production programme in Kazakhstan and in Tajikistan.
- Unplanned expenditure on a supply and storage base at Bozoi, Kazakhstan, and additional capital spares.
- Although new projects have been considered none has yet been considered suitable.

	Per June 19, 2008 Prospectus	Incurred to June 30, 2010	To be Spent
Kazakhstan			
Shallow Wells and Tie-Ins, deep well, additional seismic and infrastructure	28,100	14,000	14,100
Tajikistan			
Horizontal drilling, seismic, deepening potential gas exploration well plus infrastructure	8,415	8,415	-
Drilling rigs plus ancillary equipment	5,000	17,663	-
New Projects	3,500	500	-
Working Capital and General Corporate Purposes	1,385	1,385	-
	46,400	41,963	14,100

Set out below are details of the planned use of funds to as detailed in the prospectus dated June 11, 2009.

The primary differences were in relation to:

- The Komsomolsk well, KOM200, encountered unexpected drilling challenges and is cost more than was anticipated and drilling has been put on hold. As a result the processing plant has not yet been constructed.
- At June 30, 2010drilling on well KOM201 was ongoing.
- The new North Urtabulak well was completed in February 2010.
- A decision on installation of the Gas Lift Compression system is awaiting completion of the current dynamic field model.

	Per June 12, 2009 Prospectus	Incurred to June 30, 2010	To be Spent
Tajikistan			
East Komsomolsk - KOM 200 appraisal well Phase 1	3,500	5,896	-
Infrastructure - Komsomolsk gas Processin plant Phase 1	2,000		2,000
East Komsomolsk - gas development well KOM 201 Phase 2	3,500	2,793	707

Additional seismic on Bokhtar PSC	3,660		3,660
Uzbekistan			
North Urtabulak Gas Lift Compression System	1,190		
North Urtabulak new well.	4,000	4,000	-
Workovers			
	17,850	12,689	6,367

Stockholder Equity

As at June 30, 2010 the Company had authorized share capital of 700,000,000 Ordinary Shares of which 187,169,769 had been issued and 50,000,000 preference shares of which none had yet been issued. The preference shares have the rights as set out in the Memorandum and Articles of Association approved at the AGM on April 24, 2008.

On December 21, 2009 the Company announced that it would complete a non-brokered private placement of 10,000,000 Ordinary Shares for gross proceeds of US$5 million subject to regulatory approval. The sum of $3,750,000 was received in December 2009 with the balance of $1,250,000 received in January 2010. The Ordinary Shares were placed at a price of US$0.50 (CAD$0.53) each. The placement was completed in January 2010.

On January 11, 2010 the Company further announced that it would complete a non-brokered private placement of 12,615,000 Ordinary Shares for gross proceeds of US$10 million subject to regulatory approval. The Ordinary Shares were placed at a price of CAD$0.82 each. The placement was completed in January 2010.

On February 12, 2010 the Company announced an additional private placement of 30,000,000 Ordinary Shares for gross proceeds of CAD$46.5 million subject to regulatory approval. The Ordinary Shares were placed at an average price of CAD$1.55 each. The placement was completed on March 2, 2010.

As at June 30, 2010 a total of 31,108,455 (December 31, 2009 ï 24,489,455) ordinary shares were reserved under the Companyôs Long Term Stock Incentive Plan and Warrants granted by the Company. Details of the options and warrants are given in note 8 to the Audited consolidated financial statements for the period ended December 31, 2009.

At the AGM held on May 7, 2009 a resolution was passed whereby the number of shares which are reserved for issuance under the Stock Incentive Plan was altered to 12% of the number of Ordinary Shares outstanding at the time of the grant of options rather than the fixed figure of 7,511,760 shares.

OUTLOOK

As a result of the turbulence in the world economic situation, including the significant decline in energy prices and the decline in the market price for the Companyôs shares in the second half of 2009 the focus of the short-term capital expenditure programs had been on both meeting the expenditure plans set out in the short form prospectus issued on June 11, 2009 and on development and production enhancement projects that would improve short to medium term cash flow. Following the announcement on February 8, 2010 that the testing of the Akkulka exploration well AKD01 had flowed oil at a combined rate in excess of 6,800 barrels per day the Company outlook changed, with what might potentially be a significant oil discovery and which the Company believes is commercial.

On February 12, 2010 the Company announced a private placement of 30 million shares raising CAD$46.5 million and then on February 23, 2010 the Company announced that it planned to carry out appraisal drilling on the AKD01 oil discovery (named ñDorisò) to evaluate and establish the size and potential of the discovery and provide the necessary data to obtain a production contract. In addition further seismic data would be acquired including a 3D seismic survey over the Doris discovery together with the shooting of additional targeted 2D seismic lines to firm up further potential in the area. The first appraisal well (AKD02) was spudded on April 1, 2010 with the initial results being announced on June 23, 2010. Testing operations are currently underway on this well with these being phased with testing operations on the G6RE well (see below) to minimize mobilization costs of contractor testing equipment and services Drilling commenced on the next exploration well (AKD03) located on the ñDioneò prospect to the southwest of Doris, on May 20, 2010. Operations are currently underway on this well which is planned to target potential oil bearing reservoirs down to the Triassic sequence (which had oil shows in AKD01 but which was not tested. Re-interpretation of the data from the G6 well (drilled and junked but not tested in 2001) using cores and other data from the AKD02 and AKD01 wells has lead the Company to believe that there may be oil bearing zones in the G6 well at several levels. This well is some 16 km to the west of the AKD01 and if commercial oil is shown to be present at this location this would significantly extend the potential of the Doris accumulation and surrounding area. On July 20, 2010 the Company announced that operations had commenced on a re-drill of the lower section of the G6 well (well G6RE) and currently casing has been set at a depth of 2,403 m with the well now to be deepened further to a planned depth of 2,810 m after which testing operations are planned. The seismic acquisition programme commenced in Q2 and 3D data is currently being acquired over Doris ï an initial trance of data is being ñfast trackedò over the area between AKD01 and AKD02 in order to provide data for a possible sidetrack of the AKD02 well once testing operations have been completed on this well.

On June 28, 2010 the Company announced that it had received permission from the Ministry of Oil & Gas of the Republic of Kazakhstan (ñMOGò) to extend the period of the Akkulka Exploration Contract (the ñAkkulka Contractò) by two further years from March 10, 2011 until March 10, 2013. MOG have agreed to this extension to the contract primarily to enable appraisal of the commercial discovery of oil at AKD01 (ñDorisò) to be carried out and it also enables further exploration in the Akkulka Contract Area.

Gas production in Kazakhstan

On May 27th the Kyzyloi gas production recommenced but with a on reduced capacity due to restrictions placed on production by the Bukhara-Urals trunkline owner InterGas Central Asia (ñICAò) relating to technical issues further north on the line. As a result the daily production was approximately 350Mcm. At the end of July the restriction on capacity was lifted with production now at 538 Mcm/d.

While the Akkulka Production Contract (Phase 2 of the gas development) was finally approved by the Kazakhstan authorities in December 2009 the Phase 2 gas price had yet to be fixed and there has been considerable uncertainty over gas prices in Central Asia in recent months. Following the lifting of the production restrictions in the Bukhara-Urals pipeline the Company is hopeful of completing a contract for the sale of the Phase 2 Akkulka gas very soon and is in discussion with several potential buyers. The Company believes that even at a price matching that of the Kyzyloi contract when Phase 2 gas from Akkulka comes on stream then together with the Kyzyloi production and the PEC in Uzbekistan it will be in a position to cover its production and G&A costs of its existing operations.

Tajikistan

While within Tajikistan the Company has a partner in its joint venture, SSEC, the Company continues to seek partners in projects, preferably strategic partners who may bring capital into specific projects, or purchase significant interests in existing projects and assist the Company in building its business in Central Asia. Farm outs (including the possible farm out of certain of the Companyôs Tajik assets) are also being considered as part of an overall strategy to balance risk and optimise the Companyôs portfolio in order to bring available capital to bear on the most significant projects. No agreements have been entered into as at the date of this MD&A.

The KOM201 well on the Komsomolsk field is currently drilling ahead in the Cretaceous section at a depth of 1,270 metres. Directional drilling equipment is expected to arrive shortly to deviate the well to the south towards the mapped crestal area of the field. The primary target for this well is the Jurassic section with secondary targets in the Lower Cretaceous. .

Work continues on the Beshtentak oilfield where oil is currently being produced from the BST20 well. Work is now underway on the BST92 well which is hoped to be put on production soon.

Work on the East Olimtoi EOL09 exploration well and the KOM200 gas appraisal well (which flowed gas from the Cretaceous reservoir) awaits the arrival of specialist equipment from the USA. All special permits for the import of this equipment have now been received but the timing of transport of the equipment to Tajikistan is still not yet certain. Regional transportation limitations are causing delays in the shipment of equipment generally to the

Companyôs Tajik operations. The ongoing regional exploration seismic survey continues with data currently being acquired in the area north of the town of Qurghonteppa in the Vaksh river valley.

Uzbekistan

In Uzbekistan the Company drilled a new development well, NUR116, which commenced producing in March at a rate of 600 bopd but production levels have declined significantly, likely due to the well having encountered a part of the reefal reservoir with locally lower permeability. Plans are underway to carry out radial sidetracking on this well as part of an initial five well radial sidetrack programme to commence in September with the aim of increasing production.

The full field dynamic reservoir model for the North Urtabulak field is now complete and indicates that additional oil can recovered from the field with a reconfiguration of the water injection scheme and additional drilling. In light of this work is underway to reconfigure the water injectors to give better reservoir pressure maintenance. In addition an initial five well radial sidetrack programme will commence in September with four planned lateral wells per wellbore. This is the first time that radial drilling has been applied in Uzbekistan and based on international experience should yield good production increases. A further conventional horizontal sidetrack is also planned to drain additional oil from the NW salt zone of the field.

The Company is looking at other opportunities in Uzbekistan, both in additional field redevelopment and in exploration but these are subject to reaching agreement with the Uzbek government on such projects.

In order to meet future planned growth objectives, the Company would require additional capital. Possible sources of funding include an issue of new shares and while the Company has taken the decision not to pursue a possible secondary listing on the Hong Kong Stock Exchange at this time it has not ruled out pursuing alternative courses of action.

Sensitivities

The price of gas sales from gas produced from the Kyzyloi gas field under the Gas Supply Contract is fixed in US dollars until December 1, 2012 and consequently there is no sensitivity to currency movements or market movements in the gas price. The price of Phase 2 gas sales from gas produced from the Akkulka Block has yet to be agreed and therefore could be sensitive to movements in the market price of gas.

The sales revenue in Uzbekistan is sensitive to fluctuations in the price of oil. For every 100 net barrels of oil produced from the PEC a movement of $10 per barrel on the realised price would affect annual revenue by $365,000.

Transactions with Related Parties

Vazon Energy Limited

Vazon Energy Limited (ñVazonò) is a corporation organized under the laws of the Bailiwick of Guernsey, of which Dr. David Robson, Chief Executive Officer, is the sole owner and managing director. Tethys has a management services contract with Vazon that came into effect from June 27, 2007 whereby the services of Dr. Robson and other Vazon employees are provided to the Company. The total cost charged to Tethys for services from Vazon in the period ended June 30, 2010 was $1,142,828 (June 30, 2009 ï $716,568).

Oilfield Production Consultants

Oilfield Production Consultants (OPC) Limited and Oilfield Production Consultants (OPC) USA LLC, both of which have one common director with the Company, has charged Tethys a monthly retainer fee for engineering expertise, provided services relating to compression optimization and has consulted on certain reservoir modelling work on projects in Tajikistan and Uzbekistan. Total fees for the period ended June 30, 2010 were $166,526 (June 30, 2009 ï $160,115).

Transactions with affiliates or other related parties including management of affiliates are to be undertaken on the same basis as third party arms-length transactions.

Financial Risk Management

The Companyὃs activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Companyὃs overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Companyὃs financial performance.

Risk management is carried out by senior management, in particular, the Executive Board of Directors.

Summarized below are risks which may be material to the Companyὃs future performance. See also ñ*Risks and Uncertainties"*.

Financial risk factors

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet its contractual obligations. Credit risk arises from the Companyὃs cash and cash equivalents and accounts receivable balances.

With respect to the Companyὃs financial assets the maximum exposure to credit risk due to default of the counter party is equal to the carrying value of these instruments. The maximum exposure to credit risk as at the reporting date is:

	June 30 2010 $	**June 30 2009 $**
Trade receivables	2,965	2,664
Cash and cash equivalents	30,232	20,549
Investments	686	606
Loan receivable from jointly controlled entity	28,692	-
	62,575	33,819

Concentration of credit risk associated with the above trade receivable balances in Kazakhstan is as a result of contracted sales to only one customer during the year. The Company does not believe it is dependent upon this customer for sales due to the nature of gas products and the associated market. The Companyὃs sales in Kazakhstan commenced in December 2007 and the Company has not experienced any credit loss to date. At June 30, 2010 the trade receivable amounted to $866,000 and was several months overdue. This balance was settled in full in July 2010.

In Uzbekistan, the Company currently makes use of two customers. Full payment is in US Dollars and is required before delivery of the oil and therefore there is limited exposure to credit risk in this country.

Although a significant amount of the deposits at financial institutions are not covered by bank guarantees, the Company does not believe there to be a significant risk of credit loss as the majority of the counterparties are banks with high credit ratings (A- or equivalent) assigned by international ratings agencies (Fitch and Standard and Poors). Within the Central Asian countries banks with these ratings are not generally available.

The Company is exposed to credit risk in relation to its loan receivable from a jointly controlled entity to the extent that the jointly controlled entity fails to meet its contractual obligations. The Company does not believe that the balance is impaired at the reporting date. The carrying amount of the loan receivable represents the maximum exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. This risk relates to the Companyǿs ability to generate or obtain sufficient cash or cash equivalents to satisfy these financial obligations as they become due. Since inception, the Company has incurred significant consolidated losses from operations and negative cash flows from operating activities, and has an accumulated deficit at June 30, 2010.

The Companyǿs processes for managing liquidity risk includes preparing and monitoring capital and operating budgets, co-ordinating and authorizing project expenditures and ensuring appropriate authorization of contractual agreements. The budget and expenditure levels are reviewed on a regular basis and updated when circumstances indicate change is appropriate. The Company seeks additional financing based on the results of these processes.

The timing of cash outflows relating to financial liabilities and commitments at the reporting date are summarized on page 9

above in *Contractual obligations and liabilities as at June 30, 2010.*

There can be no assurance that debt or equity financing will be available or sufficient to meet the Companyǿs requirements or if debt or equity financing is available, that it will be on terms acceptable to the Company. The inability of the Company to access sufficient capital for its operations could have a material adverse impact on the Companyǿs financial condition, results of operations and prospects.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as commodity prices, interest rate and foreign exchange rates.

Commodity price risk

Commodity price risk arises from the effect that fluctuations of future commodity process may have on the price received for sales of gas and refined oil products. The marketability and price of natural gas and oil that is produced and may be discovered by the Company will be affected by numerous factors that are beyond the control of the Company.

Natural gas prices are subject to wide fluctuations, the Company has entered into a fixed price contract for sales of gas from the Kyzyloi field. However, any material decline in natural gas prices could result in a reduction of Tethysô future net production revenues and impact on the commercial viability of the Companyǿs existing and future oil and gas discoveries. It may become uneconomic to produce from some wells as a result of lower prices, which could result in a reduction in volumes and the value of Tethysô gas reserves, if the Company elected not to produce from certain wells at lower prices.

Any material decline in refined oil product prices could result in a reduction of the Companyǿs Uzbekistan net production revenue.

All of these factors could result in a material decrease in the Companyǿs net production revenue causing a reduction in its acquisition and development activities.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates. Existing long term debt arrangements have all been agreed at fixed interest rates and consequently the Company has limited exposure to changes in market interest rates.

The Company is exposed to interest rate risk on short term deposits to the extent that the significant reductions in market interest rates would result in a decrease in the interest earned by the Company. Current deposit rates are minimal and there is not scope for any significant rate reductions.

Foreign exchange risk

The Company is exposed to risks resulting from fluctuations in foreign currency exchange rates. A material change in the value of any such foreign currency could result in a material adverse effect on the Companyĝs cash flow and future profits. The Company is exposed to exchange rate risk to the extent that balances and transactions denominated in a currency other than the US dollar. In addition, a significant portion of expenditures in Kazakhstan and Tajikistan are denominated in local currency, the Tenge and Somoni, respectively. The Company is not currently using exchange rate derivatives to manage exchange rate risks but is attempting to negotiate exchange rate stabilization conditions in new local Tenge denominated service and supply contracts in Kazakhstan.

The Company holds the majority of its cash and cash equivalents in US dollars and looks to keep balances in other currencies to a minimum. However, business the Company is involved in dictates that deposits in other currencies, are necessary in order to fund ongoing general and administrative activity and other expenditure incurred in these currencies.

Capital risk management

The Companyĝs capital structure is comprised of shareholdersô equity and debt.

The Companyĝs objectives when managing capital is to maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term. The capital structure of the Company is managed and adjusted to reflect changes in economic conditions.

The Company funds its expenditures on commitments from existing cash and cash equivalent balances, primarily received from issuances of shareholders equity but it also has some debt financing arrangements. None of the outstanding debt is subject to externally imposed capital requirements.

Financing decisions are made by management and the Board of Directors based on forecasts of the expected timing and level of capital and operating expenditure required to meet the Companyĝs commitments and development plans. Factors considered when determining whether to issue new debt or to seek equity financing include the amount of financing required, the availability of financial resources, the terms on which financing is available and consideration of the balance between shareholder value creation and prudent financial risk management.

Net debt is calculated as total borrowings (including ócurrent and non-current borrowingsô as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as óequityô as shown in the consolidated statement of financial position plus net debt.

	June 30, 2010	December 31, 2009
	$	$
Total financial liabilities - borrowings	11,665	10,410
Less: cash and cash equivalents	(30,232)	(7,297)
Net debt / (funds)	(18,567)	3,113

Total equity	225,147	167,203
Total capital	206,580	170,316

The Company is not currently subject to any externally imposed capital restrictions.

RISKS AND UNCERTAINTIES AND OTHER INFORMATION

Readers are encouraged to read and consider the risk factors and additional information regarding the Company, included in its 2009 Annual Information Form filed with the Canadian securities regulators, a copy of which is posted on the SEDAR website at www.sedar.com

Environmental

The Companyôs operations are subject to environmental regulations in the jurisdictions in which it operates and the Company carries out its activities and operations in material compliance with all relevant and applicable environmental regulations and pursuant to best industry practices. In Kazakhstan, quarterly reports are required to be submitted by the Company to the Shalkar (Bozoi) Tax Committee. Payments made by the Company to date have been very small. The Company is also required to prepare reports on any pollution of air, toxic waste and current expenses on environmental protection which have been made by the Company and which are submitted to the appropriate Kazakh authorities. Reports are submitted on semi-annual basis for information purposes and no payments are applicable.

Under the Bokhtar PSC in Tajikistan, any Development Plan shall also include an abandonment and site restoration programme together with a funding procedure for such programme. All funds collected pursuant to the funding procedure shall be allocated to site restoration and abandonment and will be placed in a special interest bearing account by KPL which shall be held in the joint names of the State and KPL or their respective nominees, or its designee. KPLôs responsibilities for environmental degradation, site restoration and well abandonment obligations, and any other actual contingent and potential activity associated with the environmental status of the Development Area shall be limited to the obligation to place the necessary funds in the approved account. In addition any relinquished areas must be brought into the same condition as they were prior to their transfer to KPL (soil fertility condition, quality of the ground and environment). All expenditures incurred in abandonment and site restoration are cost recoverable. An independent environmental base line study has been carried out on the Beshtentak oilfield.

Within the PEC in Uzbekistan in the event that the Company advises the Operating Committee that it no longer intends to perform any Operating Services on a well then it is required to plug and abandon such well at its own expense or the State gas company shall immediately assume responsibility for such well. In the latter such event the Company shall have no responsibility with regard to plugging and abandoning the well. While operating the well the Company is required to observe all environmental laws of the Republic of Uzbekistan.

At present, the Company believes that it meets all applicable environmental standards and regulations, in all material respects, and has included appropriate amounts in its capital expenditure budget to continue to meet its environmental obligations.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The annual consolidated financial statements of the Company are prepared in accordance with International Financial Reporting Standards (IFRSs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations issued by the International Accounting Standards Boards (ñIASBò).

New and amended accounting standards

- IFRS 3 óBusiness Combinationsô - the Company has adopted the revised version of this standard, with effect from 1 January 2010. The revised standard still requires the purchase method of accounting to be applied to business combinations but introduces some changes to the accounting treatment. Assets and liabilities arising from business combinations that occurred before January 1, 2010 were not required to be re-stated and thus there was no effect on the companyøs reported income or net assets on adoption.

- IAS 27 óConsolidated and Separate Financial Statementsô - the Company has adopted the amended version of IAS 27, also with effect from January 1, 2010. This requires the effects of all transactions with minority interests to be recorded in equity if there is no change in control. When control is lost, any remaining interest in the entity is re-measured to fair value and a gain or loss recognized in profit or loss. There was no effect on the Companyøs reported income or net assets on adoption.

- IAS 38 óMeasurement of non-current assets (or disposal groups) classified as held for saleô ï the Company has adopted the amendment to this standard, with effect from January 1, 2010, which clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits grouping of intangible assets as a single asset if each asset has similar useful economic lives. There was no effect on the Companyøs reported income or net assets on adoption.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of Tethys are responsible for establishing and maintaining internal control over financial reporting (ICFR) as that term is defined in National Instrument 52-109 ï Certification of Disclosure in Annual and Interim Filings. The CEO and the CFO of Tethys are responsible for designing a system of internal controls over financial reporting, or causing them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with IFRS.

Management of Tethys has designed and implemented, under the supervision of its CEO and CFO, a system of internal controls over financial reporting as of June 30, 2010 which it believes is effective for a company of its size. Management of Tethys has not identified any material weaknesses relating to the design of the internal controls over financial reporting as at June 30, 2010. The Companyøs control system and procedures are reviewed periodically and adjusted or updated as necessary. In addition where any new or additional risks have been identified then the management of Tethys has put in place appropriate procedures to mitigate these risks.

Under the supervision of the CEO and the CFO, an evaluation was conducted of the effectiveness of internal control over financial reporting based on ñInternal Control ï Integrated Frameworkò issued by the Committee of Sponsoring Organisations of the Treadway Commission. Based on this evaluation, management concluded that the Companyøs internal control over financial reporting was effective as at December 31, 2009. No material weakness relating to the design of the Companyøs system of ICFR or relating to the Companyøs operations as at December 31, 2009 were identified. A similar exercise will be carried out in the second half of 2010.

DISCLOSURE CONTROLS AND PROCEDURES

The CEO and the CFO are responsible for establishing and maintaining disclosure controls and procedures (DC+P) as that term is defined in NI 52-109. Disclosure controls and procedures have been designed by the Tethys Management, under the supervision of the CEO and CFO, to ensure that information required to be disclosed by the

Company is accumulated, recorded, processed and reported to the Companyôs management as appropriate to allow timely decisions regarding disclosure.

FORWARD-LOOKING STATEMENTS

In the interest of providing Tethysô shareholders and potential investors with information regarding the Company and its subsidiaries, including managementôs assessment of Tethysô and its subsidiariesô future plans and operations, certain statements contained in this MD&A constitute forward-looking statements or information (collectively referred to herein as ñforward-looking statementsò) within the meaning of the ñsafe harbourò provisions of applicable securities legislation. Forward-looking statements are typically identified by words such as ñanticipateò, ñbelieveò, ñexpectò, ñplanò, ñintendò, ñforecastò, ñtargetò, ñprojectò or similar words suggesting future outcomes or statements regarding an outlook. Forward looking statements in this MD&A include, but are not limited to, statements with respect to: the projected 2010 capital investments projections, and the potential source of funding therefore. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause the Companyôs actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These risks, uncertainties and assumptions include, among other things: volatility of and assumptions regarding oil and gas prices; fluctuations in currency and interest rates; ability to successfully complete proposed equity financings; product supply and demand; market competition; ability to realise current market gas prices; risks inherent in the Companyôs and its subsidiariesô marketing operations, including credit risks; imprecision of reserve estimates and estimates of recoverable quantities of oil and natural gas and other sources not currently classified as proved; the Companyôs and its subsidiariesô ability to replace and expand oil and gas reserves; unexpected cost increases or technical difficulties in constructing pipeline or other facilities; unexpected delays in its drilling operations; delays in the delivery of its drilling rigs; unexpected difficulties in, transporting oil or natural gas; risks associated with technology; the Companyôs ability to generate sufficient cash flow from operations to meet its current and future obligations; the Companyôs ability to access external sources of debt and equity capital; the timing and the costs of well and pipeline construction; the Companyôs and its subsidiariesô ability to secure adequate product transportation; changes in royalty, tax, environmental and other laws or regulations or the interpretations of such laws or regulations; political and economic conditions in the countries in which the Company and its subsidiaries operate; the risk of international war, hostilities, civil insurrection and instability affecting countries in which the Company and its subsidiaries operate and terrorist threats; risks associated with existing and potential future lawsuits and regulatory actions made against the Company and its subsidiaries; and other risks and uncertainties described from time to time in the reports and filings made with securities regulatory authorities by Tethys.

With regard to forward looking information contained in this MD&A, the Company has made assumptions regarding, amongst other things, the continued existence and operation of existing pipelines; future prices for natural gas; future currency and exchange rates; the Companyôs ability to generate sufficient cash flow from operations and access to capital markets to meet its future obligations; the regulatory framework representing mineral extraction taxes, royalties, taxes and environmental matters in the countries in which the Company conducts its business: gas production levels; and the Companyôs ability to obtain qualified staff and equipment in a timely and cost effective manner to meet the Companyôs demands. Statements relating to ñreservesò or ñresourcesò or ñresource potentialò are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described exist in the quantities predicted or estimated, and can be profitably produced in the future. Although Tethys believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list of important factors is not exhaustive. Furthermore, the forward-looking statements contained in this MD&A are made as of the date of this MD&A, and except as required by law Tethys does not undertake any obligation to update publicly or to revise any of the included forward looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.