



TETHYS
Petroleum

TETHYS PETROLEUM LIMITED

AGM PRESENTATION
June 2015

Tethys' Vision and Strategy

“**Tethys Petroleum's Vision** is to become the leading Independent E&P Company in Central Asia, by exercising capital discipline, by generating cash flow from existing discoveries and by maturing large exploration prospects within our highly-attractive frontier acreage.”

Our Strategy is to

- Be recognised as an ethically-responsible, transparent company, delivering safe, reliable, operations through a culture of safety & performance related delivery
- Focus on cost structures and capital efficiency - Actively manage our portfolio by farming down / reducing our capital commitment whilst retaining materiality
- Increase production, revenue and cash flow from existing discovered reserves and monetize low risk gas and oil prospects
- Explore for ‘elephant’ prospects with ‘company making’ potential within existing acreage
- Ultimately look to supply the growing energy demand of China
- Combine international technical and management expertise with a strong local team

New Executive Chairman, John Bell, on behalf of the Board of Directors of Tethys Petroleum Limited.

Achievements

End of 2014 onwards - significant progress for Tethys. We have:

- G&A reduced from \$21 million (2013) to forecast \$10.5m for (2015)
- Increased production with Q1 sales gas production up 58% to 3,122 boepd (Q1 2014: 1,973 BOE/day), highest quarterly gas production in 3 years
- Increased total Year-to-Date Production by 13% to 4,585 BOE/day (to the end of May), (Total 2014: 4,063 BOE/day)
- Negotiated and signed a new 2015 gas production contract for a minimum 100 million cubic metres at a net price of \$75/Mcm - a 42% increase to previous terms
- Increased year end NI 51-101 reserves in all three categories with 2P up 7% to 27.08 mmboe and 1P up 17% to 16.62 mmboe, highest ever volume and 40% of total reserves
- Reduced our interests and current funding obligations in Georgia by approximately US\$4 million
- Reduced the Tajikistan 2015 Joint Venture budget by over a third
 - Reduced Drilling expenditure from \$26.9 million to \$3.41 million
 - KPL commitment reduced from \$24 million to c.\$15 million
 - 2D seismic acquisition budget reduced by \$18mm over 2014-2015 (with no loss of time or quality)
- Extended the Akkulka Exploration Contract for another four years to March 10, 2019
- Extended the Kyzyloi Gas Production Contract for another 15 years to December 31, 2029
- Increased the State reserves of the Akkulka Gas Production Contract area in Q1 2015
- MOU signed with PetroChina to explore the feasibility of a long-term and mutually beneficial cooperation in natural gas and crude oil deliveries

Disclaimer and Forward Looking Statements

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Additional information in respect of the Company's projects in Georgia, Kazakhstan, Tajikistan and Uzbekistan including location, area, geologic age and lithology, depth, estimated costs and oil and gas marketing information, appears in the Company's Annual Information Form dated March 31, 2014 available on the Company's website. Barrels of oil equivalent ("BOEs") may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

BASIS OF PRESENTATION OF PROSPECTIVE RECOVERABLE RESOURCES AND POSSIBLE RESERVES

References to "Prospective Recoverable Resources" means those quantities of petroleum estimated, as of July 1, 2013 in respect of Project Iberia (Georgia), January 15, 2014 in respect of the Klymene prospect (Kazakhstan), April 30, 2012 in respect of Akkulka (Kazakhstan) and Kul-Bas (Kazakhstan), and June 30, 2012 in respect of Bokhtar (Tajikistan) to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. There is no certainty that any portion of these resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of these resources. These are Unrisked Prospective Resources as of July 1, 2013 in respect of Project Iberia (Georgia), January 15, 2014 in respect of the Klymene prospect (Kazakhstan), April 30, 2012 in respect of Akkulka (Kazakhstan) and Kul-Bas (Kazakhstan), and June 30, 2012 in respect of Bokhtar (Tajikistan) that have not been risked for chance of discovery or chance of development. If a discovery is made, there is no certainty that it will be developed or, if it is developed, there is no certainty as to the timing of such development.

Disclaimer and Forward Looking Statements (continued)

The resources estimates contained or referred to in this presentation are estimates only and are not meant to provide a determination as to the volume or value of hydrocarbons attributable to the Company's properties. There are numerous uncertainties inherent in estimating quantities of resources, including many factors that are beyond the control of the Company. For a non-exhaustive list of factors which may have a significant impact on the estimates of prospective resources contained herein, see the Company's Annual Information Form dated March 31, 2014 available on the Company's website.

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements that are generally identifiable by terms such as anticipated, believe, budget, intend, estimate, expect, outlook, plan or other similar words and includes projected G&A Expenses for 2015 and the expected sale of a 50% interest in the Company's Kazakhstan assets. Also, information relating to reserves and resources is deemed to be forward looking-statements, as it involves the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated, and can be profitably produced in the future.

The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be incorrect, including the Company's ability to reduce its G&A costs for 2015 and future periods by the amount stated and that the sale of a 50% interest in the Company's Kazakhstan assets will be completed by April 30, 2015. Actual results will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. Such factors include those described in the Company's Annual Information Form dated March 31, 2014 and include but are not limited to: general economic, market and business conditions; fluctuations in oil and gas prices, the results of exploration and drilling and related activities; fluctuations in foreign currency exchange rates; the uncertainty of reserve estimates; changes in environmental and other regulations; risks associated with oil and gas operations; that approvals for the sale of a 50% interest in the Company's Kazakhstan assets will not be obtained and the risk that the Company will be successful in all aspects of its cost reduction strategy; and other factors, many of which are beyond the control of the Company.

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