



TETHYS PETROLEUM LIMITED

CORPORATE UPDATE
February 2014

Tethys owned ZJ70 rig drilling "Telesto" in Kazakhstan

Disclaimer and Forward Looking Statements

DISCLAIMER

All material information presented herein has been derived from Tethys Petroleum Limited's (the "Company") public disclosure documents filed with the Canadian securities regulatory authorities (which are available at www.sedar.com) and must be read in conjunction therewith. This presentation does not constitute an offer to sell any of the securities of the Company. Any offer to sell may only be made in accordance with the terms of the prospectus of the Company filed under applicable securities laws and may not be reproduced in whole or in part or provided to any person.

Additional information in respect of the Company's projects in 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 28, 2013. 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.

References to "Prospective Recoverable Resources" means those quantities of petroleum estimated 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. These are Unrisked Prospective Resources 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.

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. 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. 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 28, 2013 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; and other factors, many of which are beyond the control of the Company

IN THIS PRESENTATION ALL FINANCIAL FIGURES ARE IN US\$ UNLESS OTHERWISE STATED

Tethys Petroleum Overview

- **Public company listed on the main boards of:**
 - London Stock Exchange
 - Toronto Stock Exchange
- **Market cap ~UKP 100 million (USD 164 million)**
 - Large institutional shareholders
- **Focus on Central Asia & Caspian**
 - **Kazakhstan**
 - Oil and gas production
 - Substantial exploration upside
 - **Tajikistan**
 - “Supergiant” exploration potential
 - **Georgia**
 - Conventional & Unconventional
 - Large resource base



Tethys Petroleum

An explorer with production

- **Existing oil and gas production** (potential >5,000 boe/d)
- **World class upside in underexplored basins**
 - "First Entrant" advantage has given Tethys large high potential exploration acreage
 - Variety of different basins and play types
 - Attractive to majors for farm-in
- **Focused approach – concentration on region**
- **Flexibility an Independent brings to projects**
- **Established team - over 20 years experience in region – one of the most respected companies**
- **Operator – own rigs and equipment**

Reserves & Resources (NI51-101)

Reserves (MMboe)	Proved	Proved + Probable	Proved + Probable + Possible
Total (Kazakhstan)	14.8	26.0	40.3
NPV₁₀	\$170 MM	\$312 MM	\$489 MM

Unrisked Mean Prospective Recoverable Resources	Oil & Condensate (MMbbl)	Gas (Bcf)	BOE (MMboe)
Kazakhstan	1,230	634	1,336
Tajikistan	2,833*	32,278*	7,791*
Georgia (Iberia)	1,631*	1,016*	1,801*
Total	5,694	33,928	10,928

Reserves & Economics – Gustavson & Associates (“G&A”), Dec 31, 2012
 Kazakhstan Resources - (“G&A”), April, 2012
 Tajikistan Resources – (“G&A”), June, 2012
 Georgia Resources – (“G&A”), June, 2013

* Tethys net interest,
 Kazakhstan figures are pre SinoHan transaction closure

Strategic Partnerships

■ Tajikistan

- Partners - CNPC and Total
- 33% each – Joint Operating Company
- High impact exploration in world class basin

■ Georgia

- Georgian Oil & Gas (“GOG”)
- Tethys 56%, GOG 44% - Tethys Operator
- Conventional and unconventional oil plays

■ Kazakhstan

- Subsidiary of HanHong (Beijing private equity firm)
- 50% each – Tethys Operator
- Tethys to receive \$75 million
- Waiting final government consents



KAZAKHSTAN

HanHong Farm-out

- **New partner - SinoHan Oil & Gas Resources BV**
 - Part of HanHong Private Equity
 - Well respected Beijing PE Fund
- **\$75 MM for 50% (plus one share)**
- **Additional bonuses**
 - Reserve increases
 - SinoHan sells interest for profit
- **Tethys remains as operator – joint board control**
- **Positive deal**
 - High valuation for asset
 - Releases capital for this project and others
 - Access to additional capital from partner – accelerate work program
 - Good business links with China for product sales etc
- **Awaiting final Kazakh government consents**

Kazakhstan

North Ustyurt Assets



Oil Production

Oil production

- Doris oil field
 - Exploration success, first oil discovery in area
 - Cretaceous Sandstone and Jurassic Carbonate
 - 2,200 – 2,500 metres
 - Current production approximately 3,000 bopd
 - Light (46 API°), sweet crude oil
 - Planned horizontal well in 2014 to add 500 – 1,000 bopd
- Dione oil field
 - Jurassic Sandstone
 - Production to be brought on in late 2014

Oil sales

- Currently domestic sales only
 - Under pilot production project
- Sell at well site net \$30 per barrel
 - (\$55 - \$60 at refinery)
- Applying for production contract
 - Export majority of oil
 - Expect to increase net price by more than 50% (after export taxes)



Gas Production

■ Gas production

- Kyzyloi and Akkulka gas fields
 - Shallow 500 – 700 metres – 98% Methane
 - Bright spots, 11 of 13 exploration successes
 - Current production 350 Mcm (12.4 MMcf) / day
 - Tied into Bukhara-Urals trunk line
- 2014 forward programme
 - AKK05, AKK14 drilled and tested, hook up March 2014
 - AKK15, AKK16 drilled and tested, construct tie-ins summer 2014
 - Drill 5-10 new exploration wells
 - 800 Mcm – 1,000 Mcm (28 – 35 MMcf) / day by January 2015

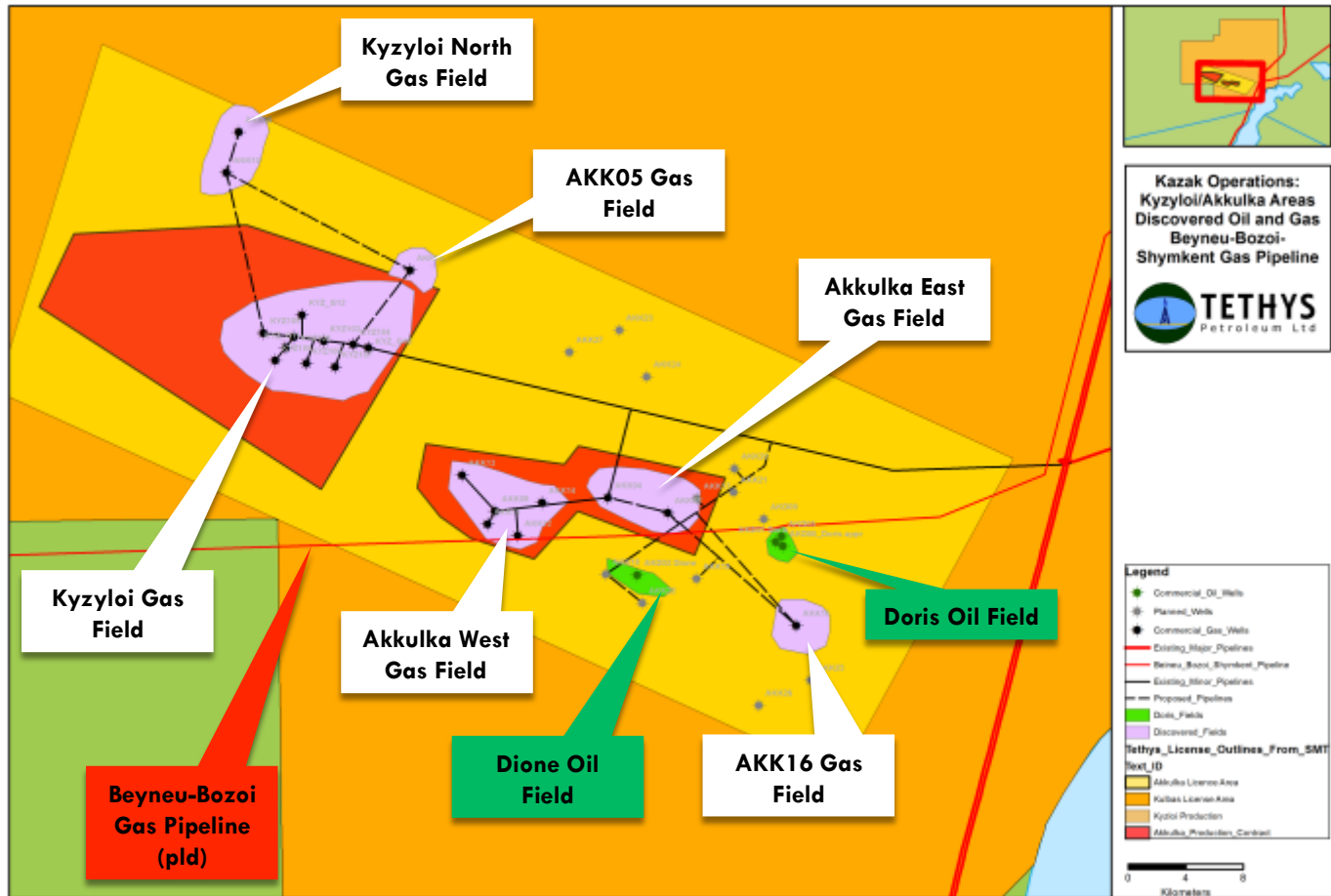
■ Gas sales

- Doubled gas price to \$65/Mcm (\$1.84/Mcf) in 2013
- Kazakhstan – China pipeline opened Q4 2013
- Planned to sell at higher price 2015
- Current gas revenue annualised \$8.2 million

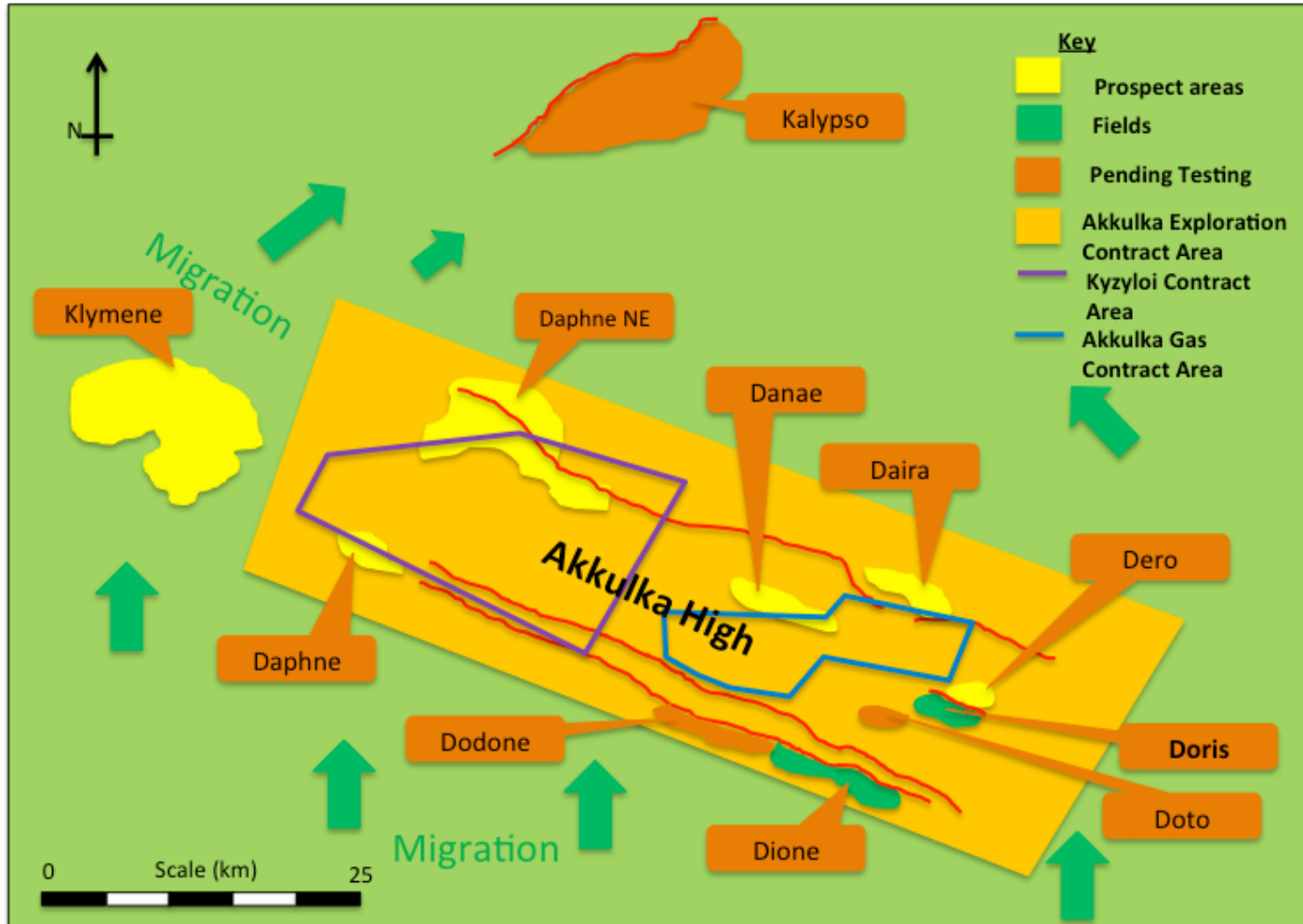


Kyzyloi / Akkulka Area

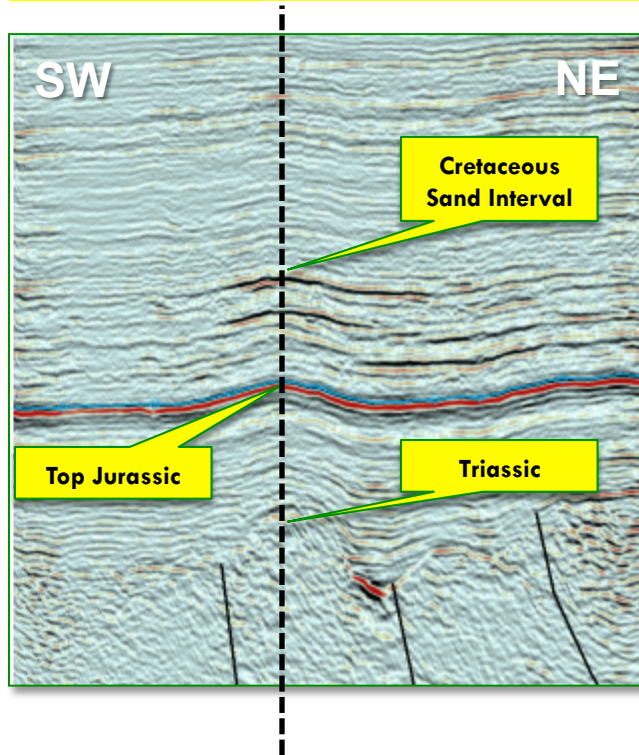
Discovered Oil and Gas



Akkulka / Kul Bas – Deeper Prospects



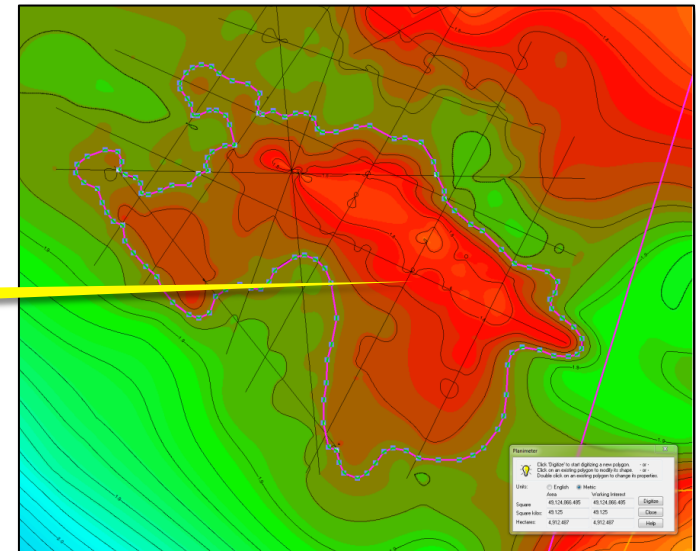
Klymene Prospect – Planned drilling 2014



Line requires further interpretation and possible further processing – well location purely schematic – illustrative only

- **Unrisked Mean Prospective Resources (Gustavson)**
 - **422 million barrels oil**
- **Defined on newly shot seismic**
 - Good four way dip closure
- **Close to source basin**
- **Potential at several levels**
 - Cretaceous sands (multiple)
 - Jurassic carbonate & Jurassic sands
 - Permo-Triassic

Klymene

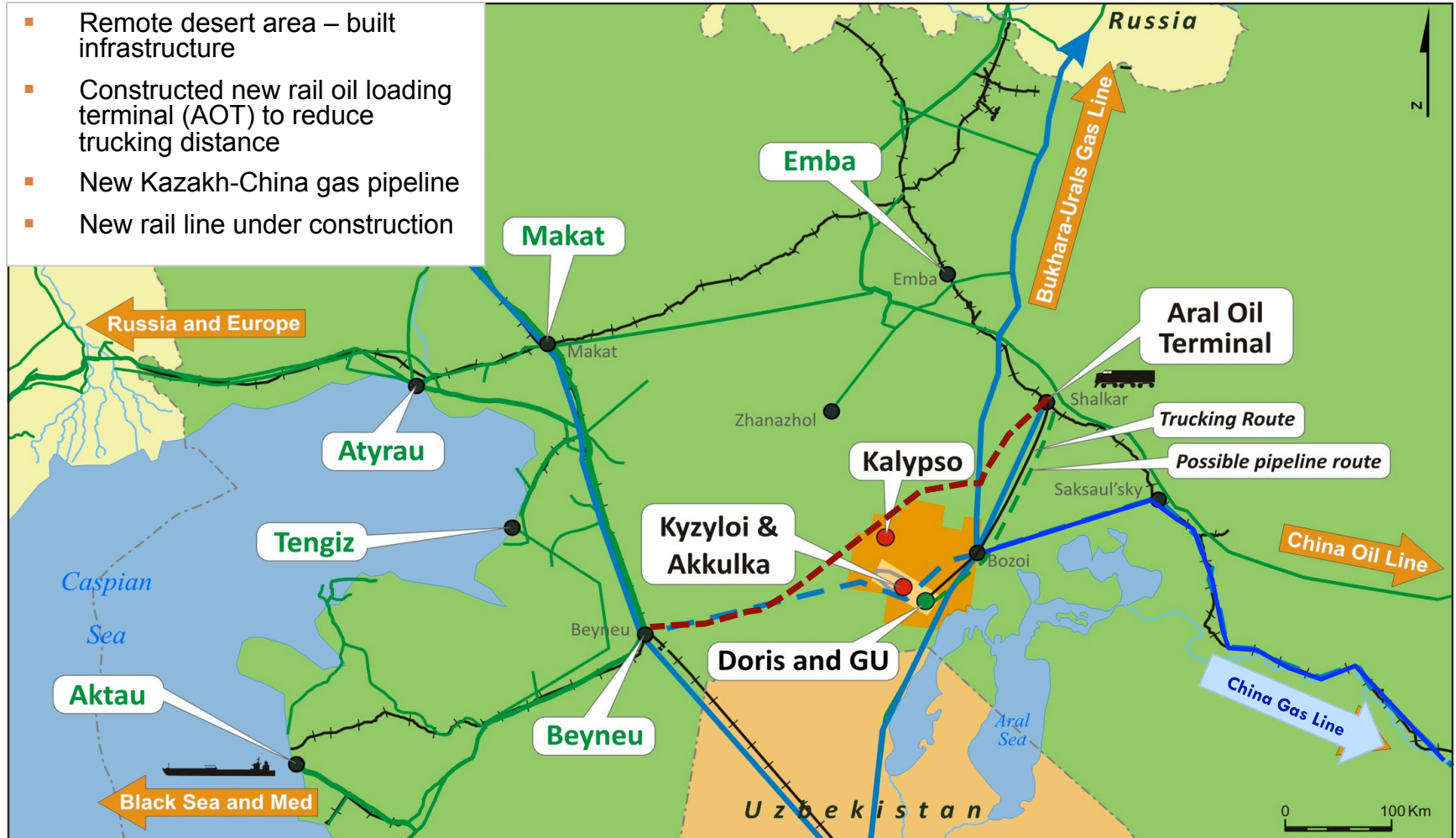


Map requires further interpretation - purely schematic – for illustrative purposes only

Kazakhstan

Commercialising Oil and Gas

- Remote desert area – built infrastructure
- Constructed new rail oil loading terminal (AOT) to reduce trucking distance
- New Kazakh-China gas pipeline
- New rail line under construction



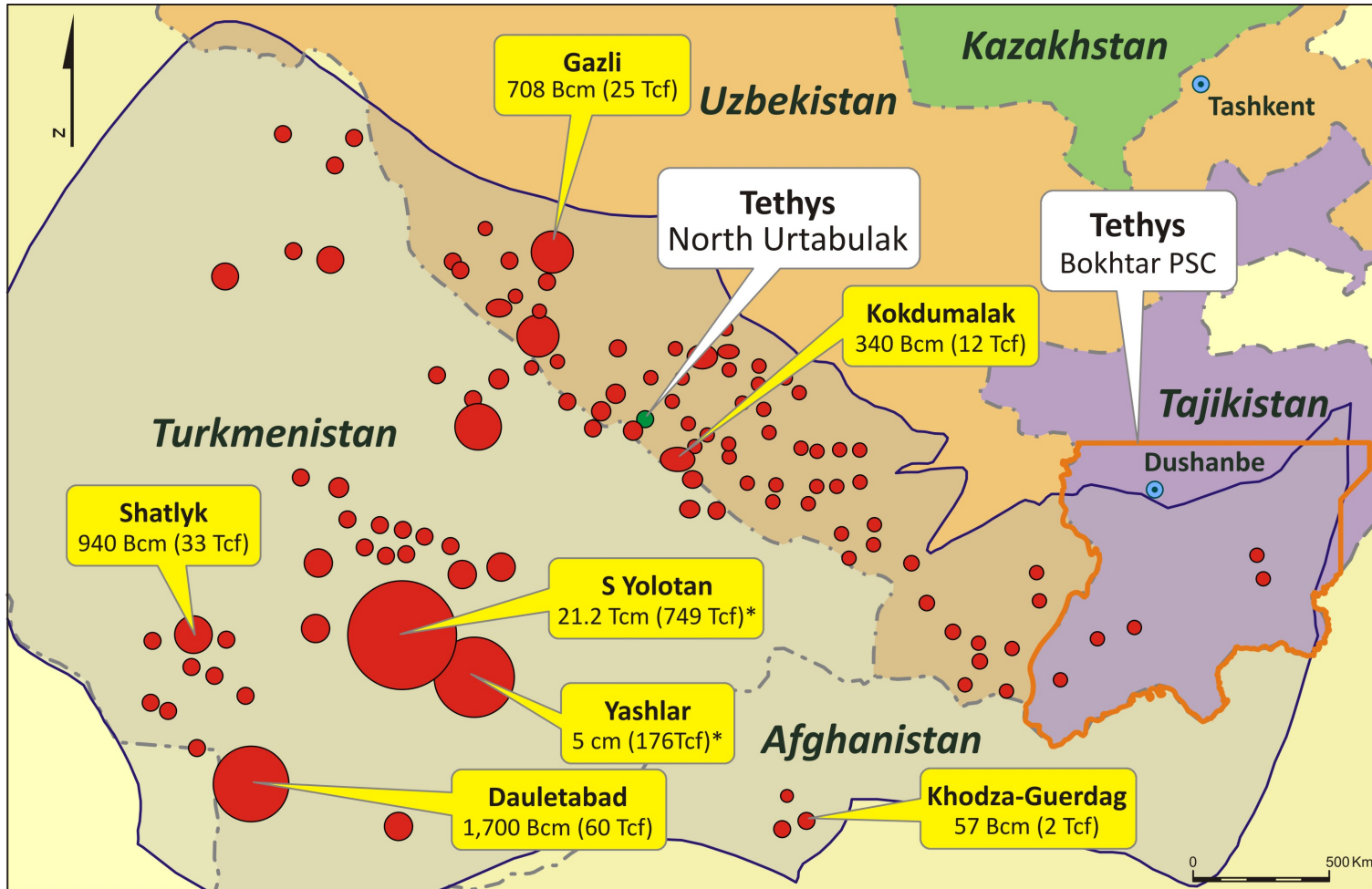
Kazakhstan – 2014 Plans

- **Oil development**
 - Horizontal oil production well planned H1
- **Gas development**
 - Workover 2 wells (already drilled, tested and tied in)
 - Tie-in 2 wells (already drilled and tested)
 - Drill 5-10 shallow gas wells
 - Construct pipelines to tie-in all gas
- **Oil exploration**
 - Drill Klymene well
- **Infrastructure upgrades**
 - Water Injection, Gas dehydration, Gas utilisation
- **Seismic**
 - 3D Seismic in the Akkulka Block
- **Progress oil production contract**
- **Complete SinoHan farm-in**



TAJIKISTAN

Amu Darya – World Class Basin



Tajikistan: the “Jewel in the Tethys Crown”

- **“First mover” advantage**
 - Tethys entered Tajikistan in 2007
- **Acquired large acreage**
 - Bokhtar PSC, 35,000 km² (8.6 million acres)
 - 25-year term
 - Good commercial terms
 - Afghan-Tajik portion of prolific Amu Darya basin
- **Enormous potential in deeper section for super-giant discoveries**
 - Sub-salt Jurassic reefal plays & Lower Cretaceous sands
 - No sub-salt well ever drilled in area



Bokhtar PSC Partnership

■ Partners with Total S.A. and CNPC

- 33% each (Tethys net 28.33%)
- Deal closed June 2013
- \$63 MM of back costs
- 2/3 carry on \$80 MM IWP– Tethys \$9 MM
- Joint Operating Company (BOC)



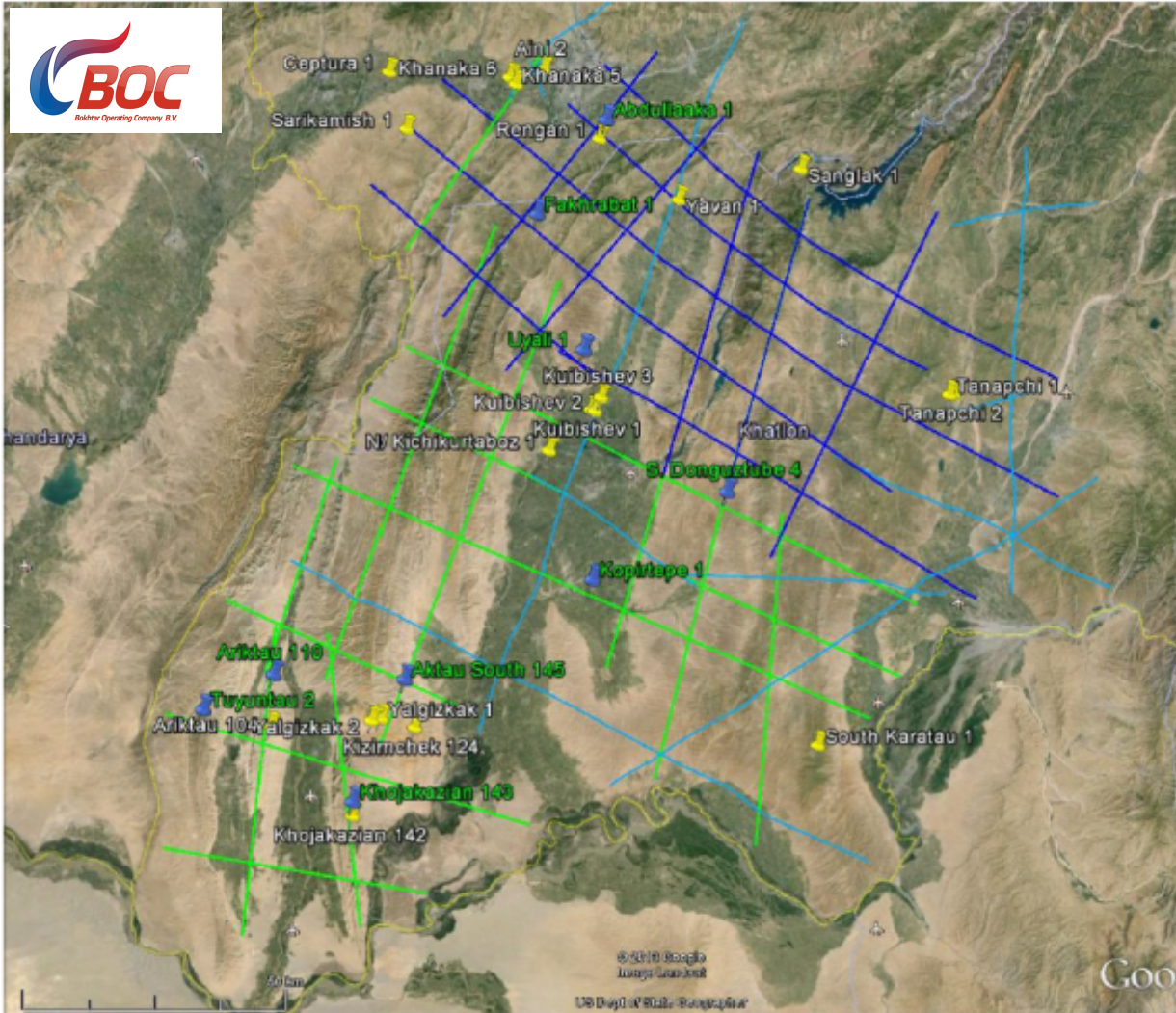
Tajik Prospective Resources

- **27.5 billion barrels oil equivalent¹ comprising**
 - 113.7 Tcf (3.22 Tcm) of natural gas
 - 8.5 billion bbls of oil/condensate
 - More than estimated remaining potential of UKCS²
 - Based on seismic, gravimetry, well data & field outcrops
 - Mainly in deep targets (likely gas condensate)
 - New JV looking to identify 10Tcf+ individual prospects

¹ Gross unrisksed mean recoverable prospective resources from independent report prepared in accordance with Canadian NI 51-101 by Gustavson Associates (USA) – June 30, 2012

² Oil & Gas UK forecasts between 14 and 24 billion barrels oil equivalent still to be recovered in the UKCS

2014-15 Seismic Work Programme



Work load (Full Fold)
Phase 1: 826 km
Phase 2: 908 km
Total : 1734 km

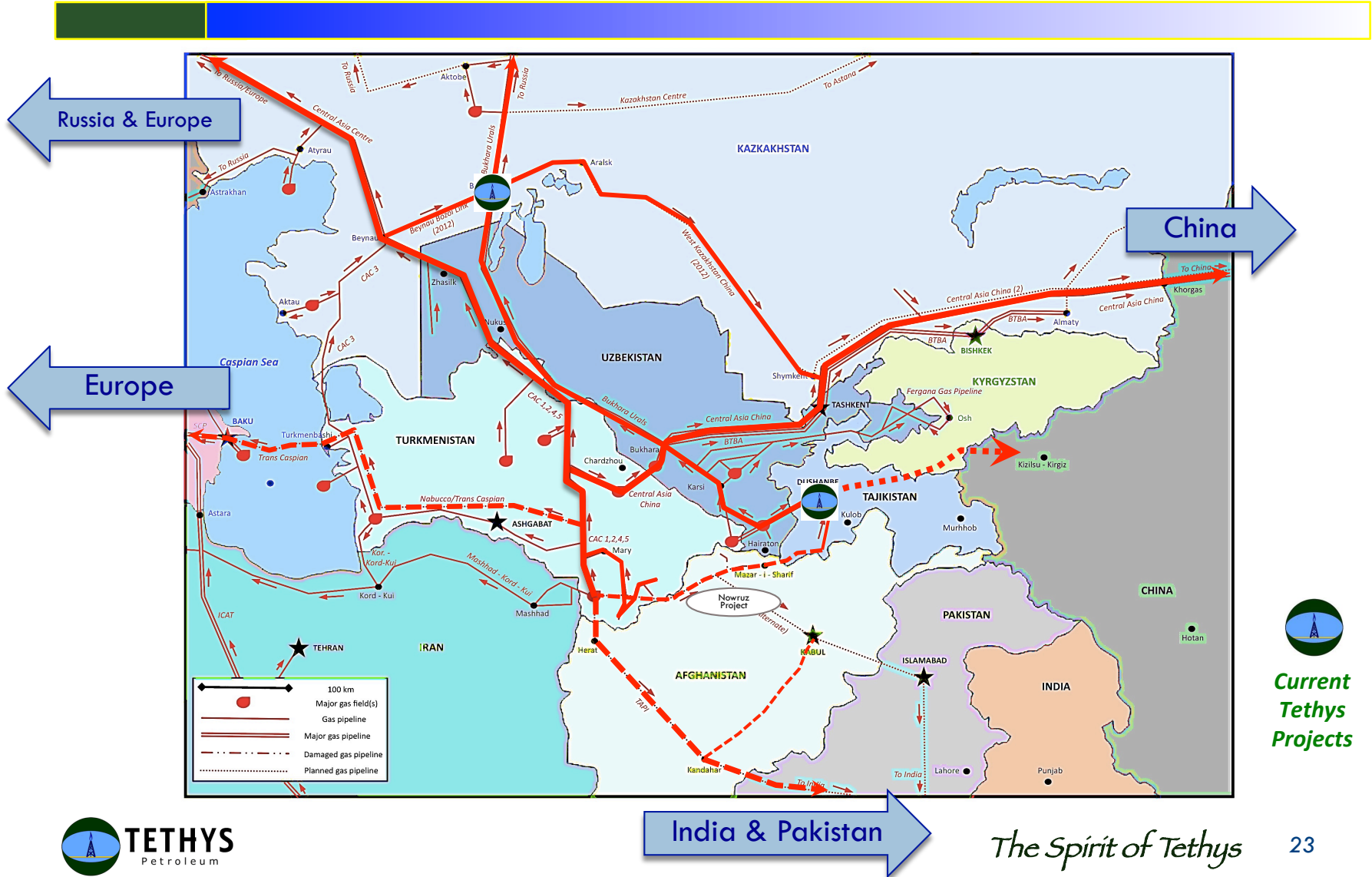
Phase One (FF):

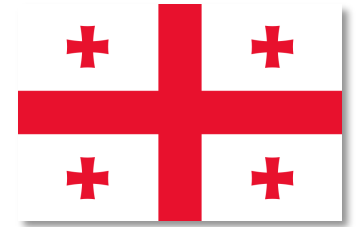
Phase Two (FF):

2009-10 lines

MT on deep lines:
Phase One: 588 km
Phase Two: 485 km

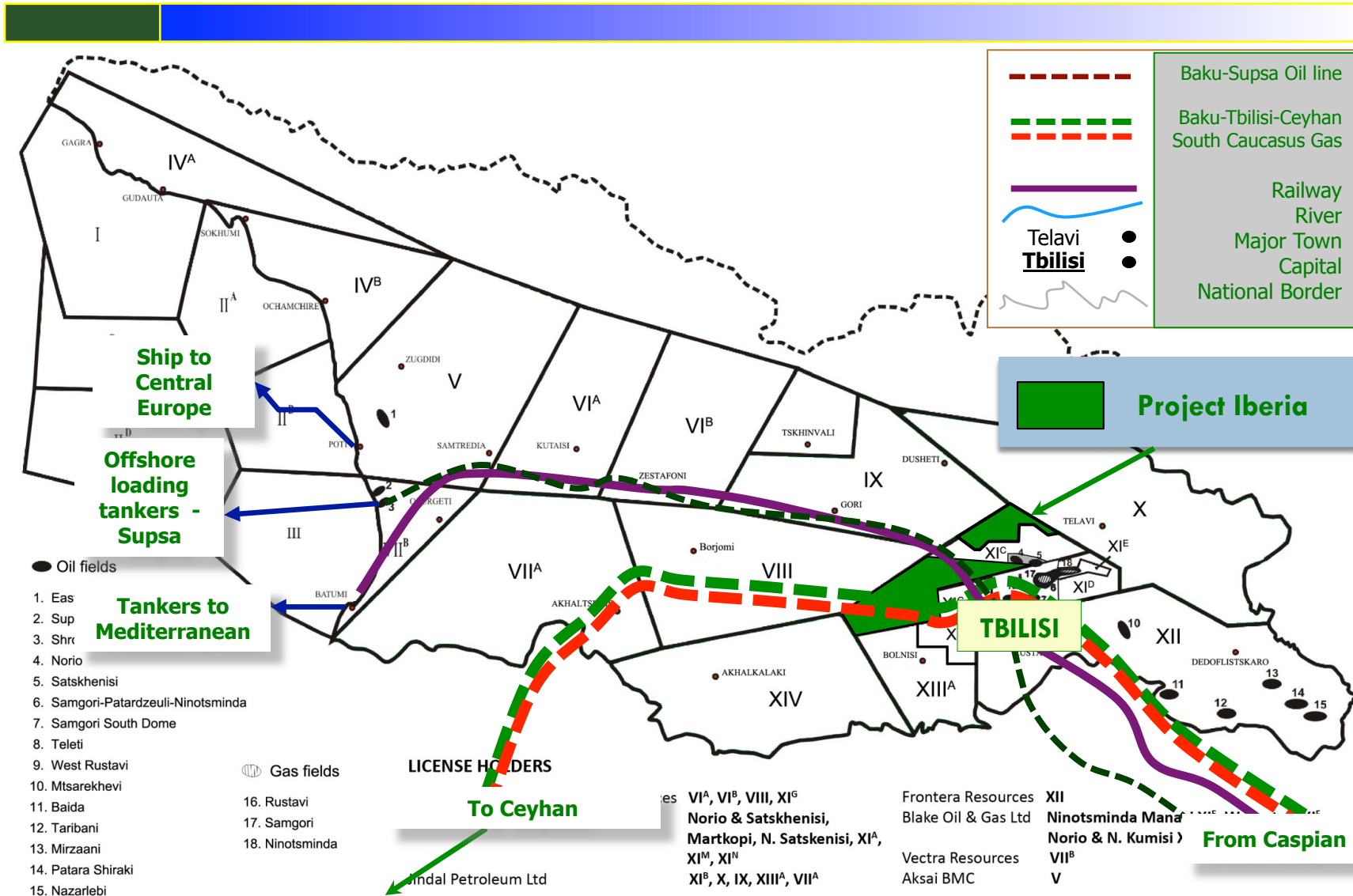
Central Asian Gas Export Infrastructure





GEORGIA

Georgia



Ship to Central Europe

Offshore loading tankers - Supsa

Tankers to Mediterranean

- Oil fields
- 1. Eas
- 2. Sup
- 3. Shrr
- 4. Norio
- 5. Satskhenisi
- 6. Samgori-Patardzeuli-Ninotsminda
- 7. Samgori South Dome
- 8. Teleti
- 9. West Rustavi
- 10. Mtsarekhevi
- 11. Baida
- 12. Taribani
- 13. Mirzaani
- 14. Patara Shiraki
- 15. Nazarlebi

- ⊕ Gas fields
- 16. Rustavi
- 17. Samgori
- 18. Ninotsminda

LICENSE HOLDERS
To Ceyhan

Licence VI^A, VI^B, VIII, XI^G, Norio & Satskhenisi, Martkopi, N. Satskhenisi, XI^A, XI^M, XI^N, XI^B, X, IX, XIII^A, VII^A

Frontera Resources
Blake Oil & Gas Ltd
Vectra Resources
Aksai BMC

XII
Ninotsminda Manana
Norio & N. Kumisi
VII^B
V

From Caspian

	Baku-Supsa Oil line
	Baku-Tbilisi-Ceyhan South Caucasus Gas
	Railway
	River
	Major Town
	Capital
	National Border

Project Iberia

TBILISI

Georgia Projects – in Kura Basin

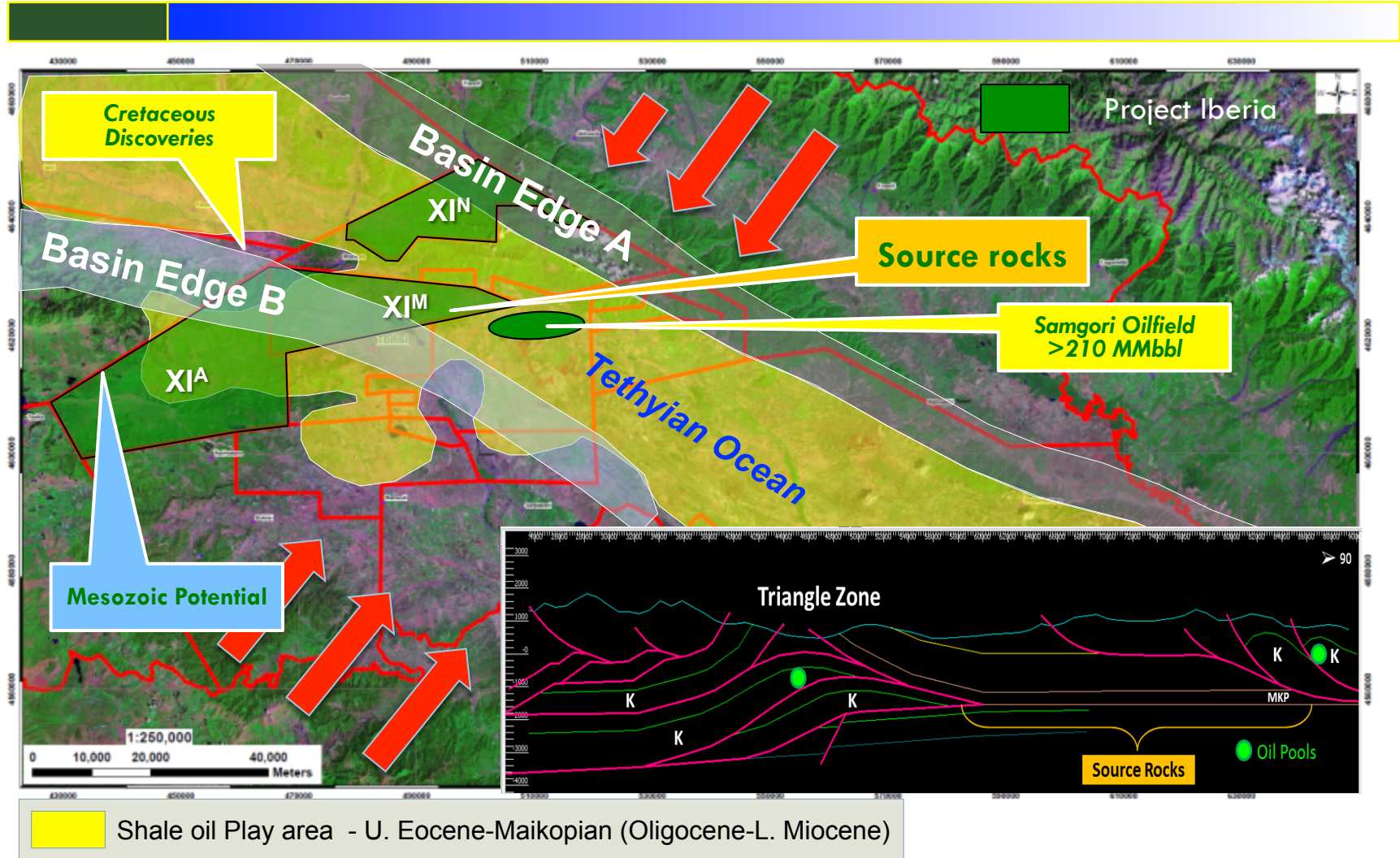
- **Partners with Georgian Oil and Gas (“GOG”)**
 - Tethys 56%, GOG 44%
 - Block XI^A, Block XI^M, Block XI^N
 - High potential acreage with both conventional and unconventional plays
- **Tethys and GOG**
 - Long experience in country
 - Extensive geological database
 - Introduce for first time modern drilling and completion techniques
 - Better quality seismic
 - Abundant oil and gas but not produced optimally
 - No hydraulic fracturing applied to date
- **Further potential projects available in the country**
 - Good business climate
 - Brent oil prices (minus small transportation discount)

Gustavson Resources (Project Iberia Only)

	<i>STOIIP (MMbbl)</i>	<i>Recoverable (MMbbl)</i>	<i>Recoverable Gas (Bcf)</i>	<i>Recoverable (MMbbl BOE)</i>
Conventional	1,758	380	282	427
Unconventional	33,053	2,533	1,534	2,788
TOTAL (unrisked)	34,810	2,913	1,815	3,216

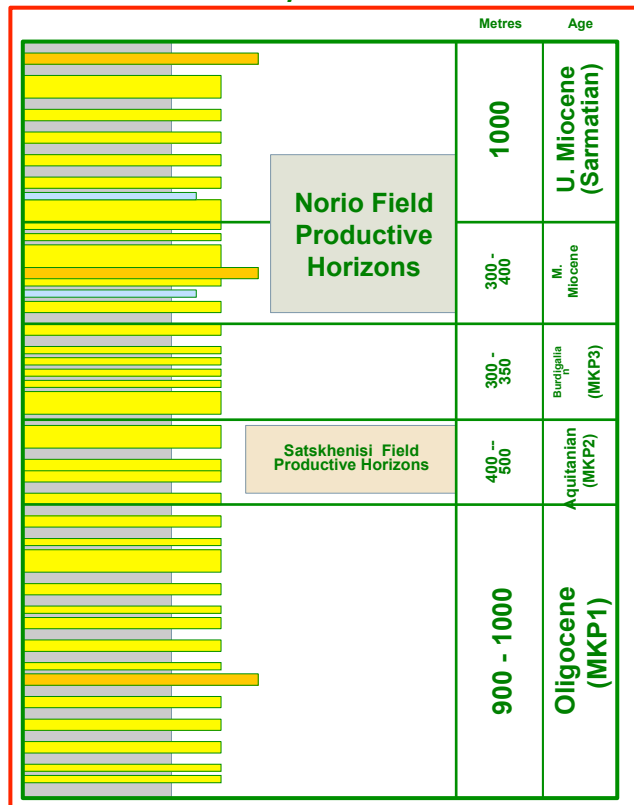
*Mean Prospective Resources – Gustavson Associates NI51-101, June 1, 2013
 Figures Gross to PSC, Tethys has 56% net interest*

Kura Basin - Tertiary Geology

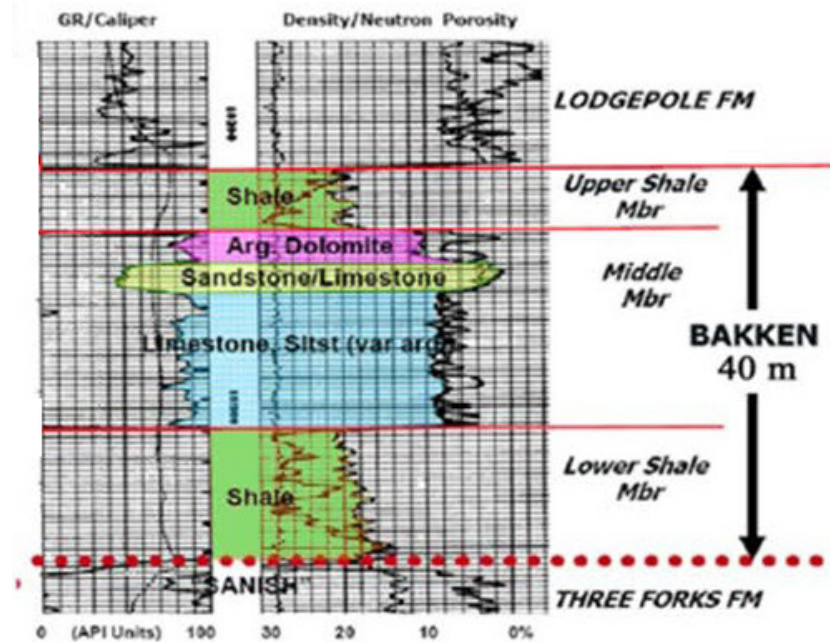


Georgia “Shale” v. Bakken “Shale”

Maikop & Related (Georgia) ~2,500 m

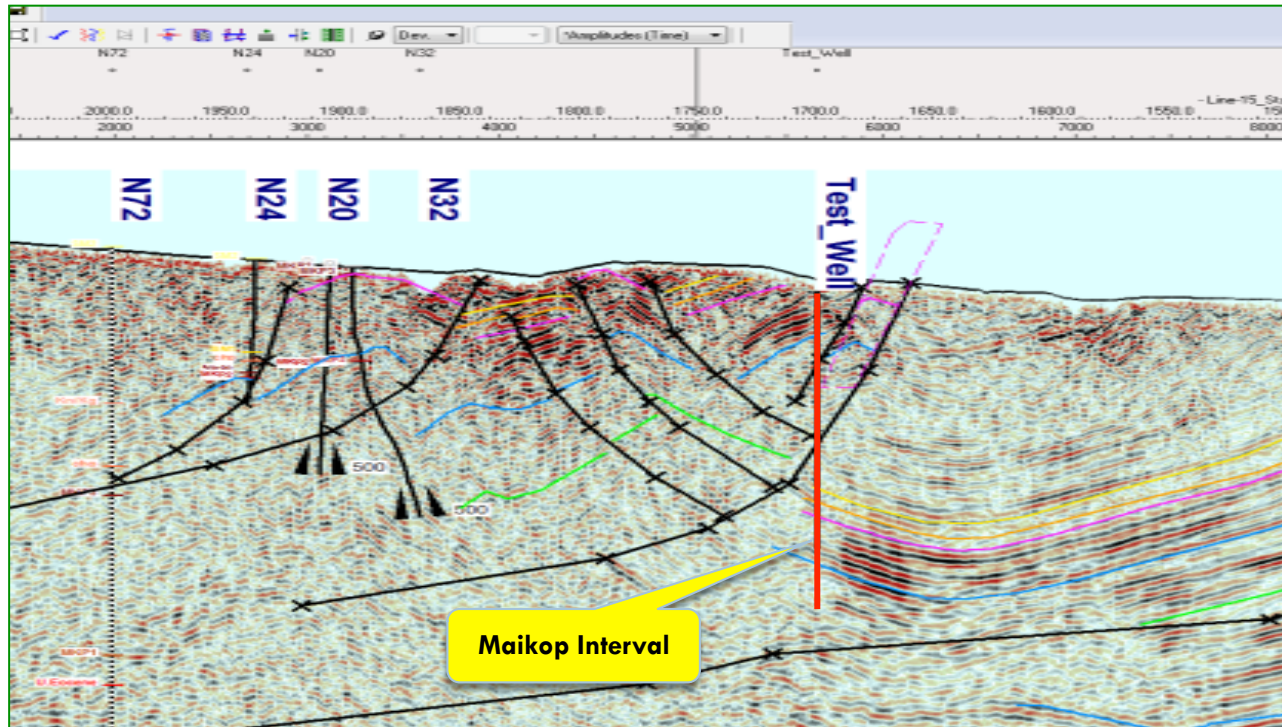


Bakken (North Dakota, USA) ~ 40 m



No need for horizontal wells in Maikop – thicker sequence

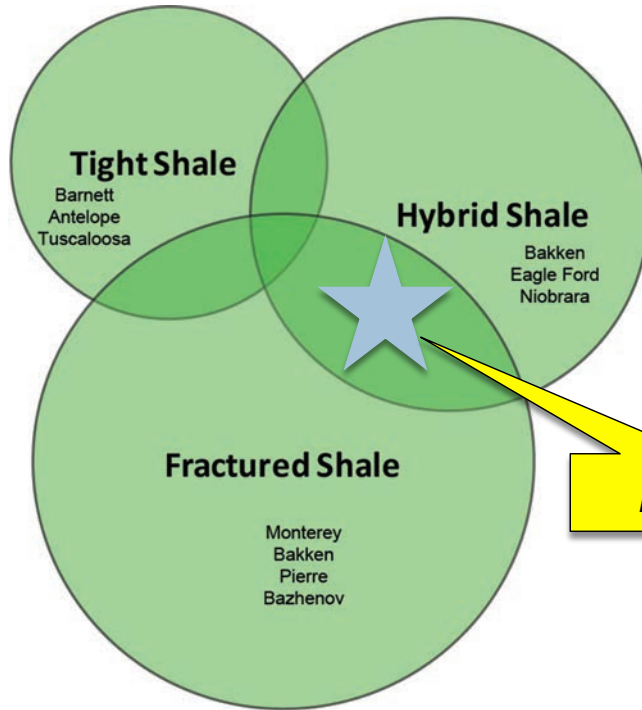
Block XI^M – Maikop Play – South Norio Prospect



Gustavson Figures
Unrisked Mean
Prospective
Resources for
South Norio
Conventional Play
150 MMbbl
Maikop Interval
in Conventional
Play
54 MMbbl

- Unconventional and Conventional Plays in same area
- Oil seeps from source rock at surface
- Shallow wells

Maikop Shale has Good Potential



Shale Types



Oil Seeps

Georgia – 2014 Work Programme

- **350 km seismic commitment by mid 2015**
 - Acquired 250 km in 2013
- **2014 programme**
 - Geochemical and rock mechanic studies
 - Possible aerial gravimetry survey
 - Possible additional seismic
 - Well to test conventional and unconventional play
 - Probably well on South Norio prospect
 - Hydraulic fracturing testing
- **Aim to establish early production and potentially bring in industry partner for Unconventional Development**

Tethys Petroleum - Summary

- **Operating E&P company IN TWO CENTRAL ASIAN AND ONE CASPIAN REGION COUNTRY gives broad spread of regional and political risk cover**
- Oil and gas production
- “First mover” advantage – large, high potential exploration acreage
- Well respected established operator - proven track record of exploration success and rapid development in focus area
- Experienced management team with many years working in the region
- Good relationships with host governments and local populations
- Tajik farmout brings additional credibility, strong partners and corporate funding
- Kazakh farmout brings good investment partner, capital and sharing of forward funding
- New Georgian assets provides high potential conventional and unconventional potential in different complementary area
- Very significant potential for further growth in Central Asia, the Caspian Region and similar areas – future sales into China

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Tethys sponsored horse racing on the Steppe, Bozoi, Kazakhstan

The Spirit of Tethys