

# TETHYS PETROLEUM LIMITED

## *Corporate Presentation – January 2012*



*Rig "Telesto" drilling Doris discovery well AKD01*

*The Spirit of Tethys*

# 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](http://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 31, 2011. 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.*

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

# Who are Tethys Petroleum?

- Oil & Gas Exploration & Production Company
  - Focus on Central Asia – **ONLY INDEPENDENT OPERATING IN THREE CENTRAL ASIAN REPUBLICS**
- Public Company
  - Listed on main board of Toronto Stock Exchange (TSX)
  - Listed on main board of London Stock Exchange (LSE)
  - High quality Board of Directors and Officers
  - High quality Institutional Shareholder base in North America & Europe
- **Kazakhstan**
  - Oil and Gas production
  - Exploration upside – potentially significant new oil discovery “Doris”
- **Tajikistan**
  - Large exploration area with huge potential for gas and oil – low cost oil production commenced
  - New exploration oil discovery – significant potential
- **Uzbekistan**
  - Oil production plus two potential new fields
  - Exploration study agreement signed and exploration areas under discussion
- **Own drilling and production equipment**
  - 5 rigs plus associated equipment

# Tethys – Central Asian Assets



# Tethys creating value in Central Asia

- Upside potential
  - High quality underexplored acreage position (over 10.6 million acres)
- Production & Cash Flow
  - Operating cash flow positive
  - Significant increase in cash flow expected by year end
- Market access
  - Local & Export markets
  - More than one buyer and price setter
- Business model and business edge
  - Experience & knowledge of area
  - Reputation in area
- Political and fiscal risk diversification

# Central Asia Oil & Gas Pipelines

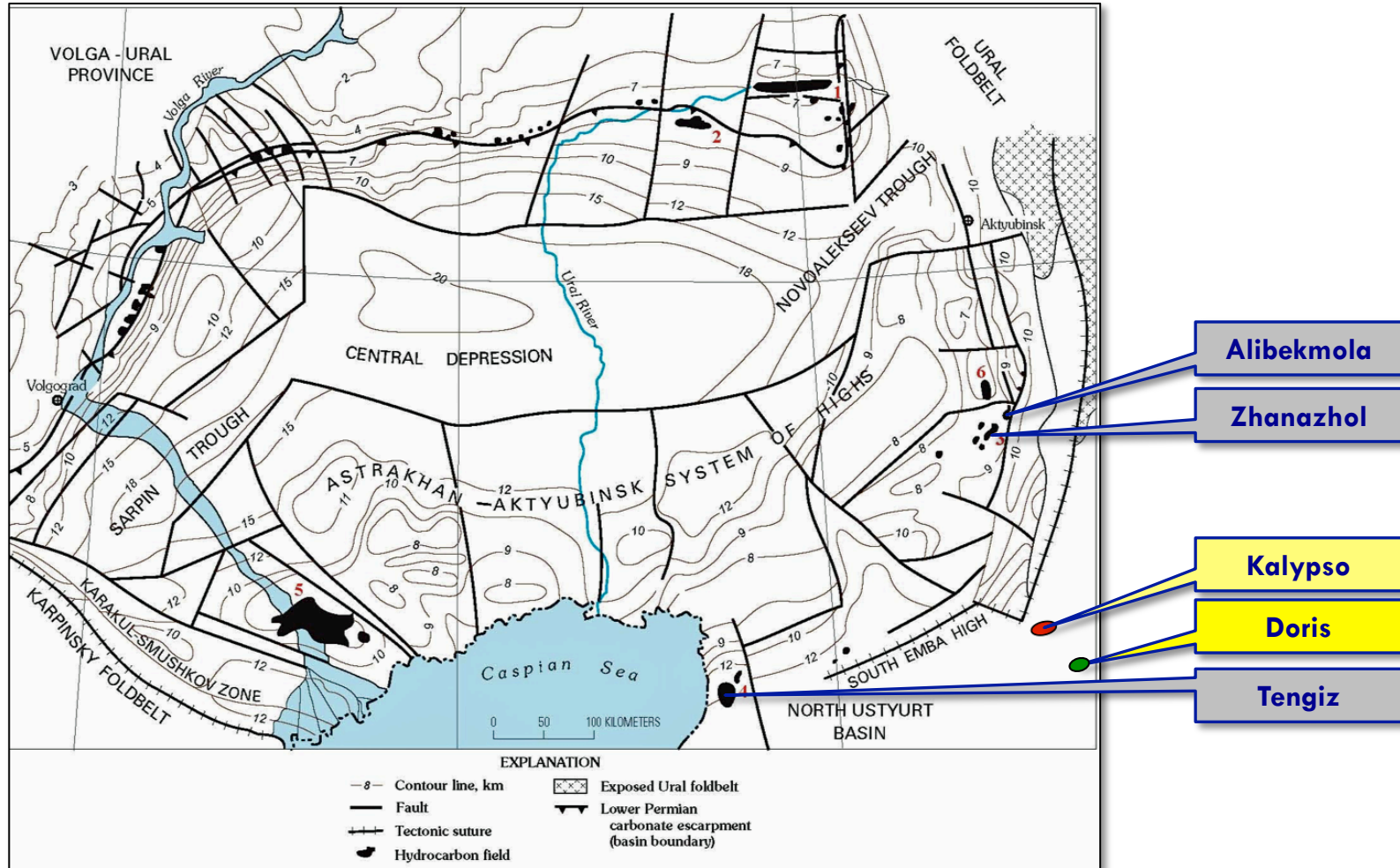


# Milestones

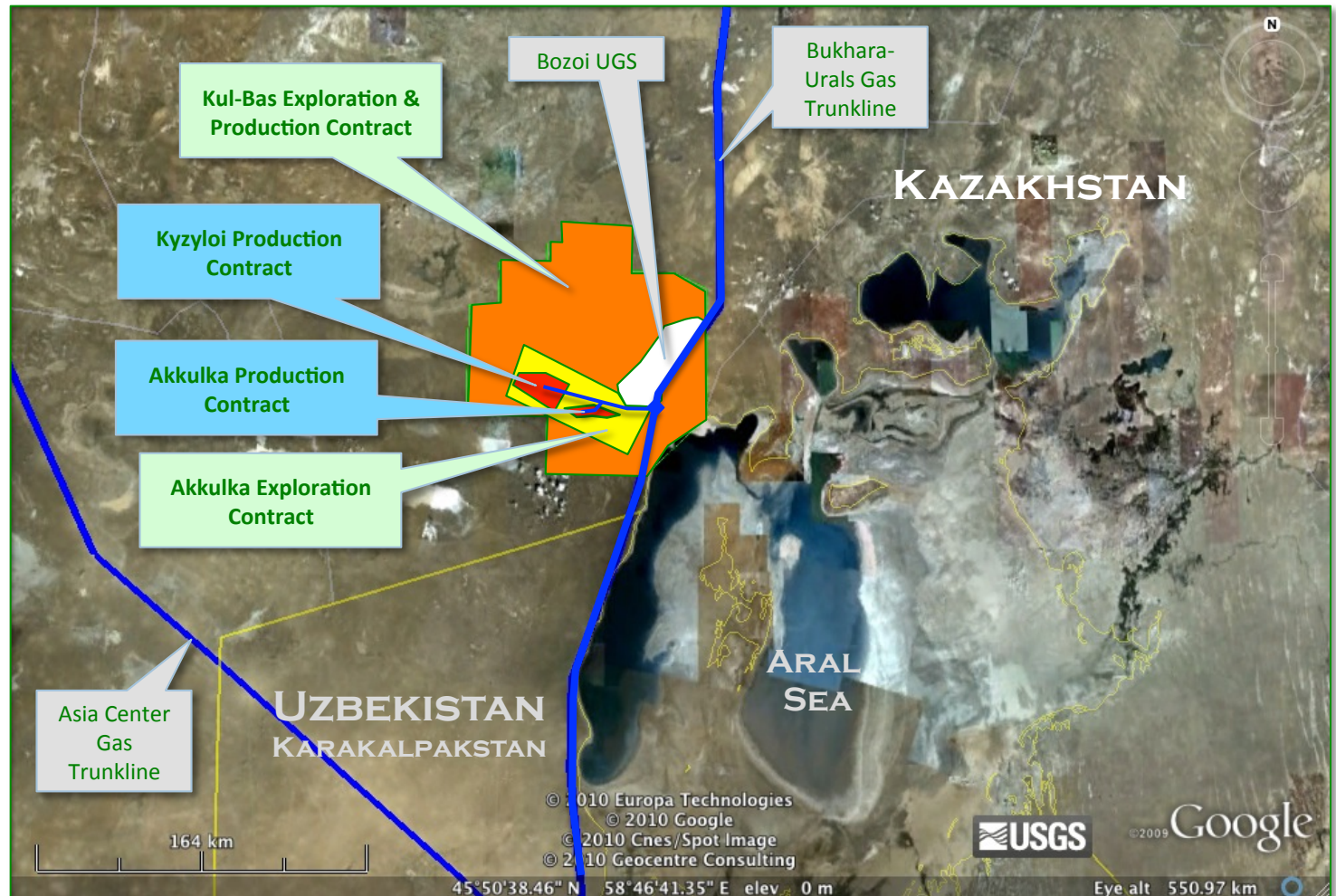
## Tethys Exploration & Development Success

- 2007
  - Brought on-stream first non-state dry gas development in Kazakhstan
- 2008
  - **Made 11 new gas discoveries**
  - Signed first PSC in Tajikistan
- 2009
  - Uzbek oilfield acquired
  - Tajik drilling operations commence
  - Obtained consent for second gas field development in Kazakhstan
- 2010
  - **Doris wildcat exploration oil discovery in Kazakhstan – >6,800 bopd**
  - Akkulka gas field production commenced
  - Test production commenced from Doris field
- 2011
  - **Dione exploration oil discovery in Kazakhstan**
  - Doris pilot oil production facilities inaugurated
  - Kalypso exploration well (Kazakhstan) completed with hydrocarbon indications
  - **East Olimtoi exploration well in Tajikistan discovers oil (first new discovery since independence)**

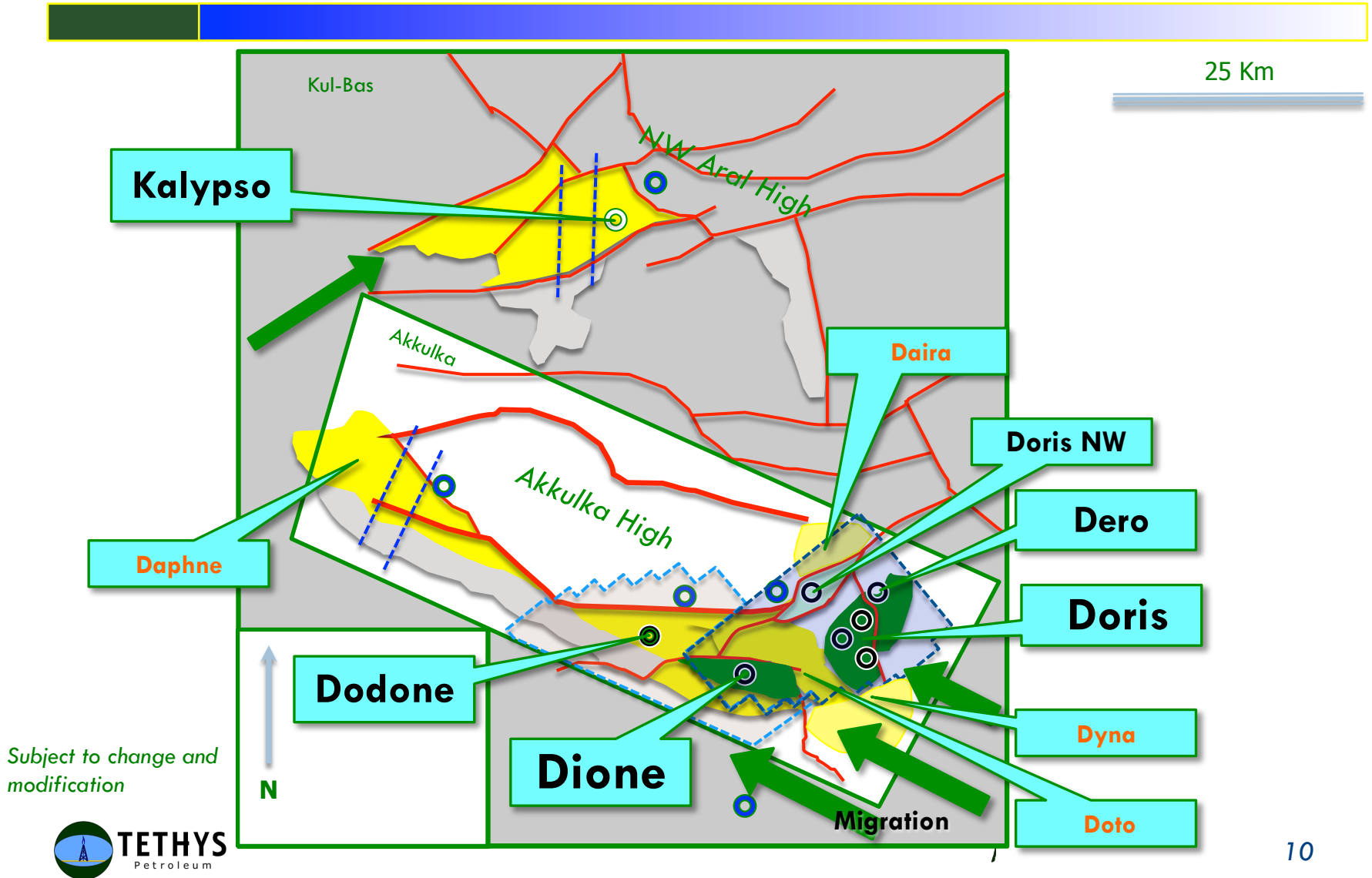
# Doris / Kalypso – Location Map



# Tethys' Kazakh Assets

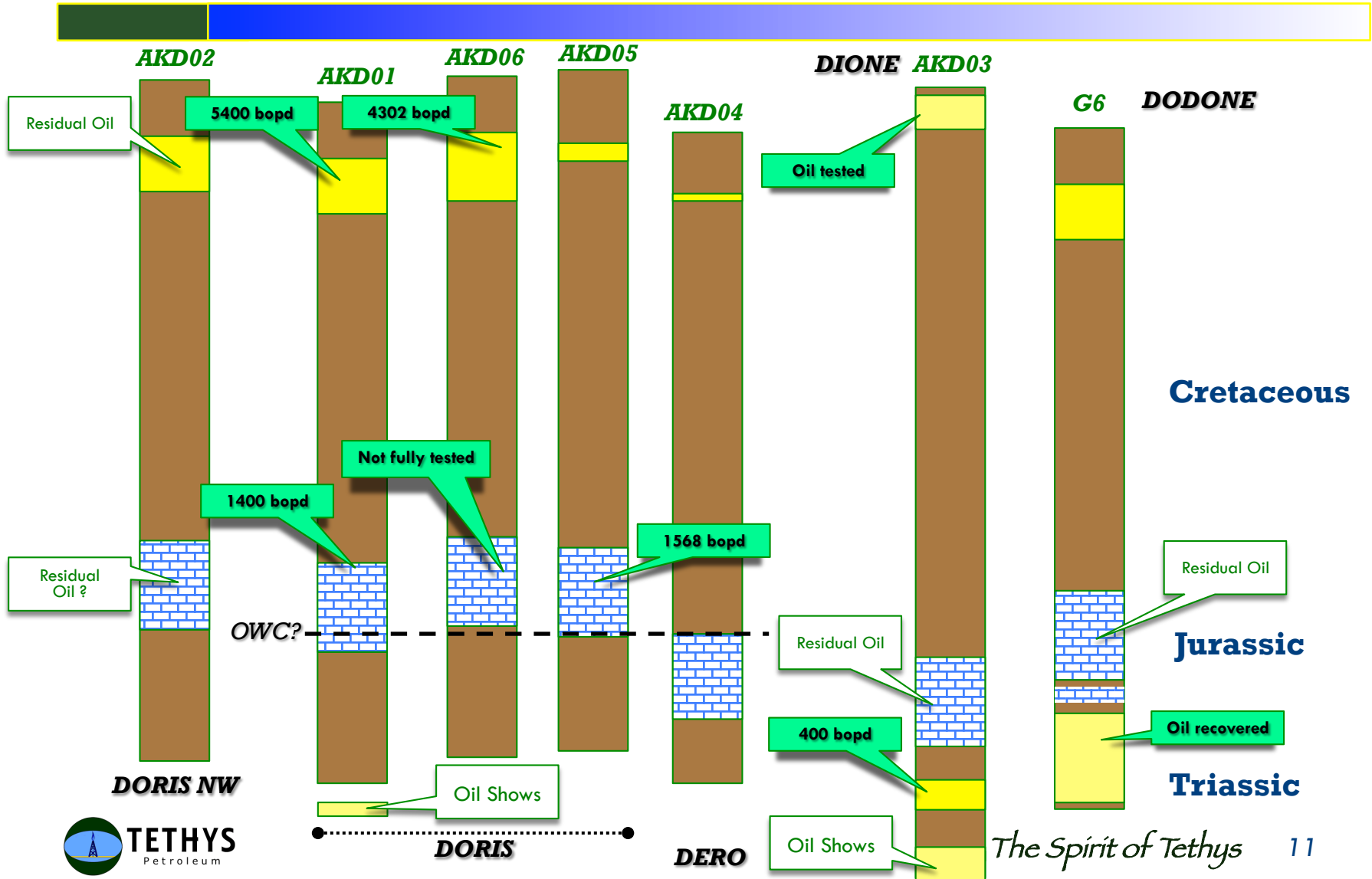


# Schematic Map of Doris Area

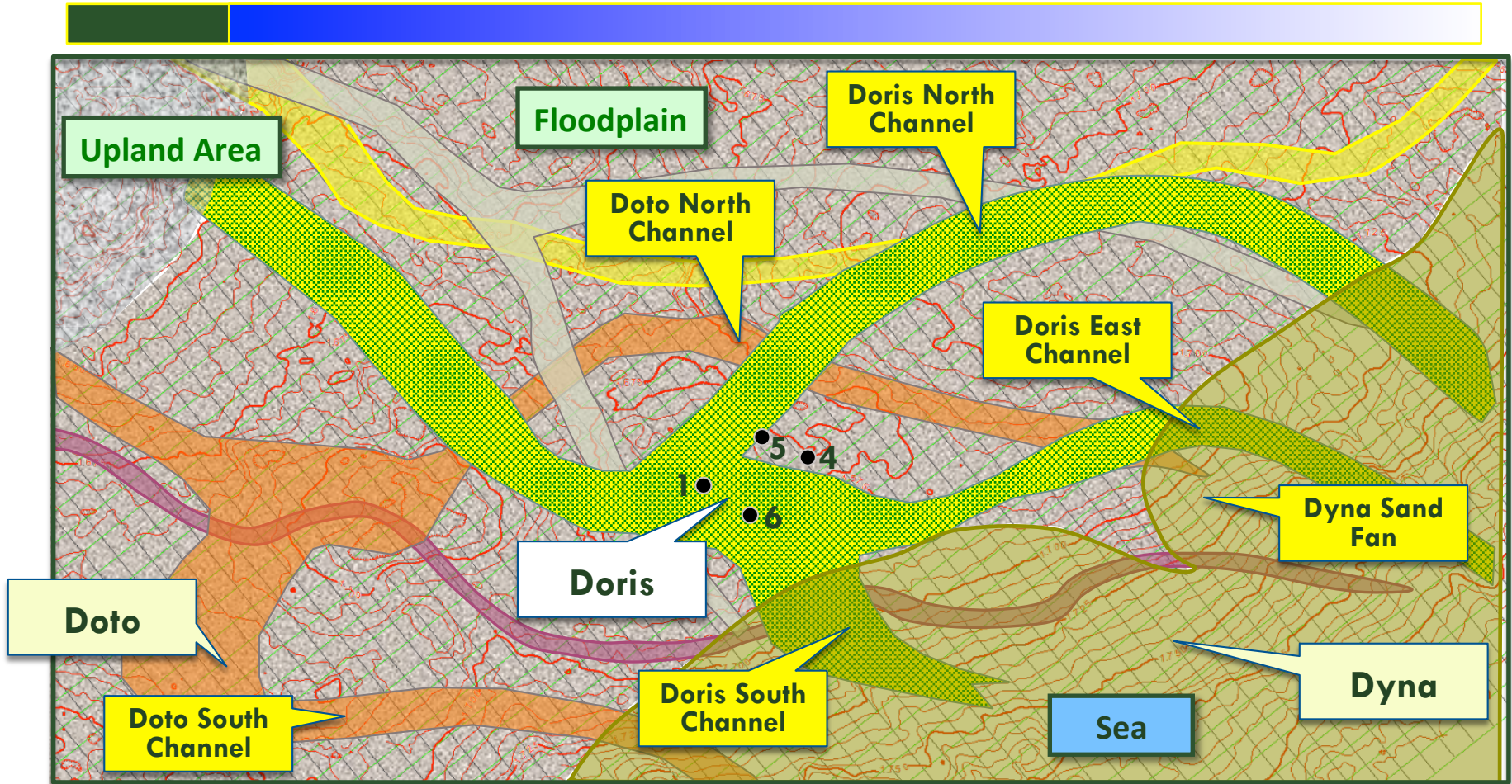


# Doris Area – Well results to Date

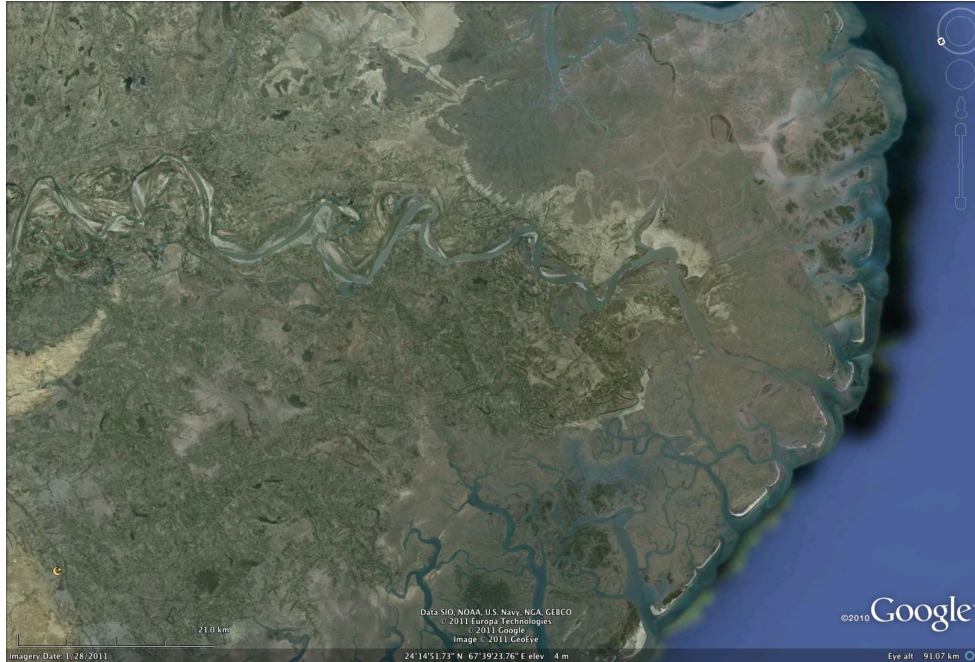
(Schematic - not to scale or elevation)



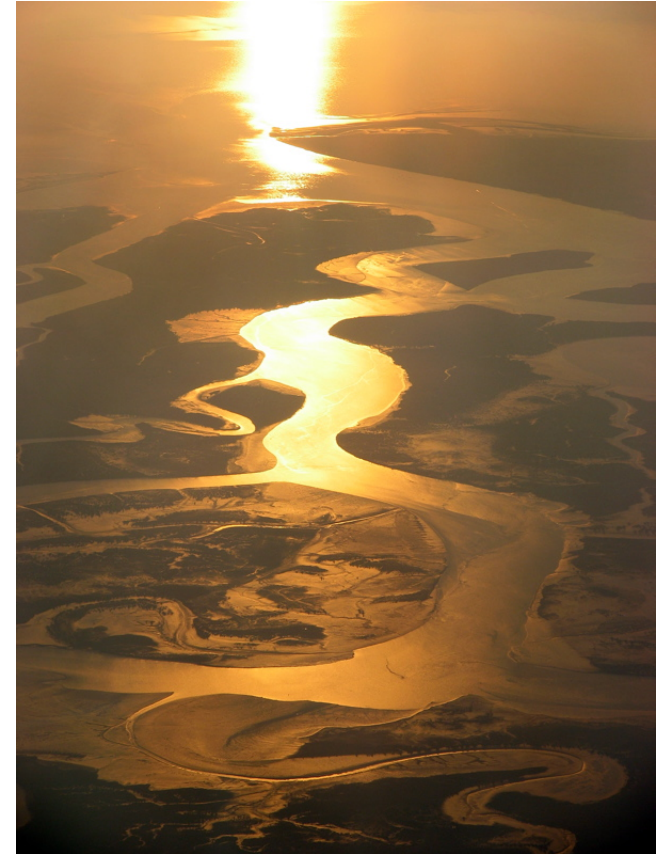
# Doris Area Channels & Sand Fan



# Possible environment of deposition of Doris Sands



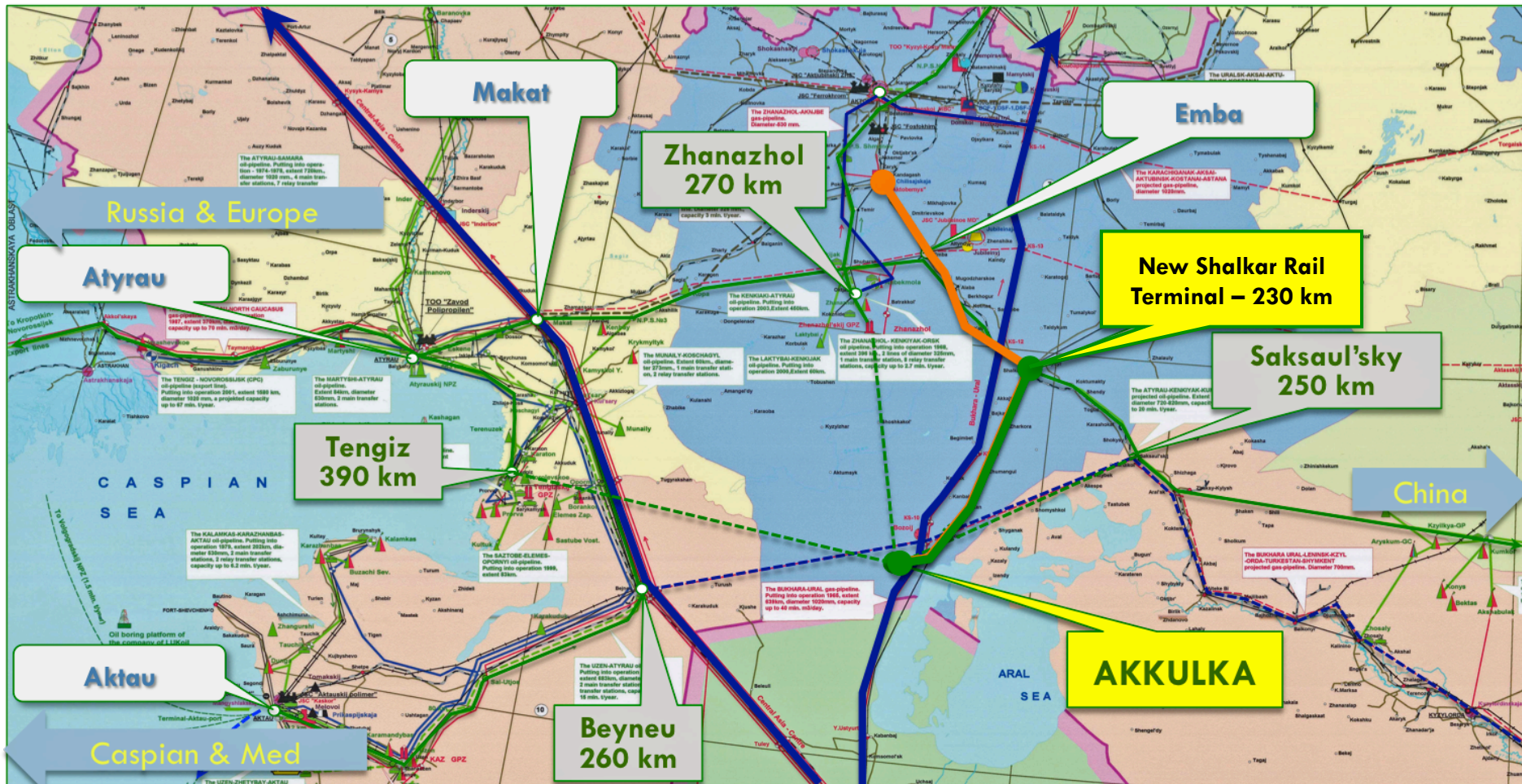
*The Indus Delta, Pakistan*



# Doris Oil Production Facility



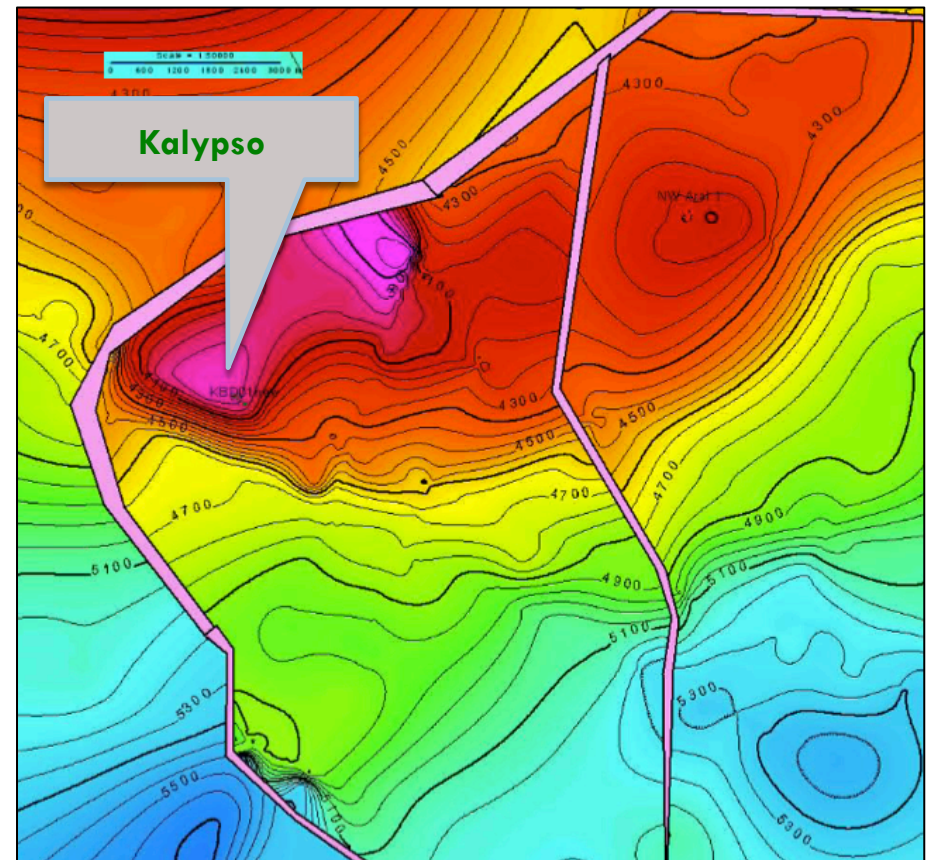
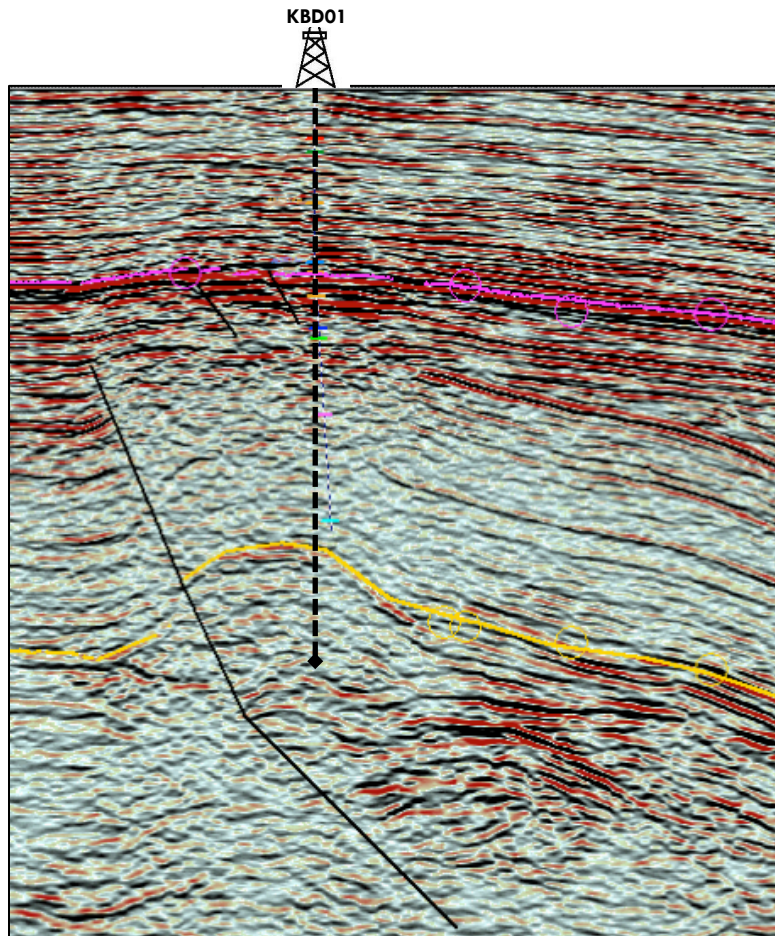
# Doris – Export Routes



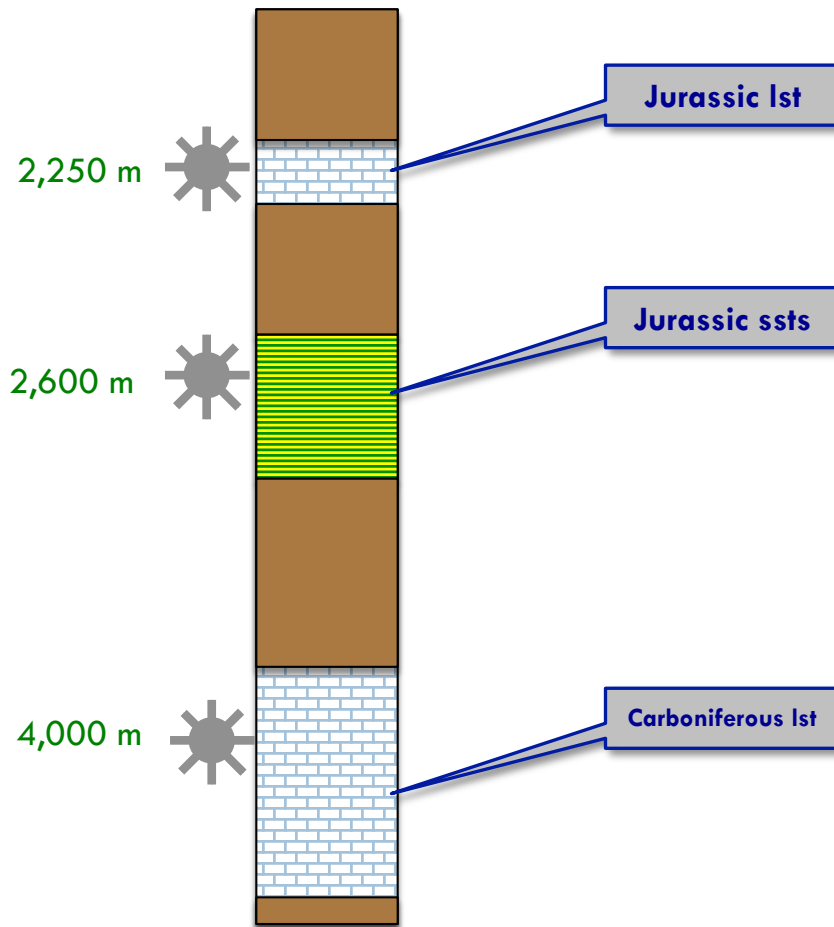
# Doris - Short Term Future Work

- Tested oil to date – 13,100 bopd
- Complete geological model to plan 2012 wells
- Complete Doris pilot production scheme
  - Currently up to 2,300 bopd trucked production
- Commission new rail loading terminal – AOT at Shalkar
  - 50/50 with local partner
  - February target 4,000 bopd by end month
  - Possible increase to 6,000 bopd
  - Terminal design capacity 12,000 bopd
- Prepare full field development plan

# Kalypso – new exploration



# Kalypso – KBD01 – Results to date



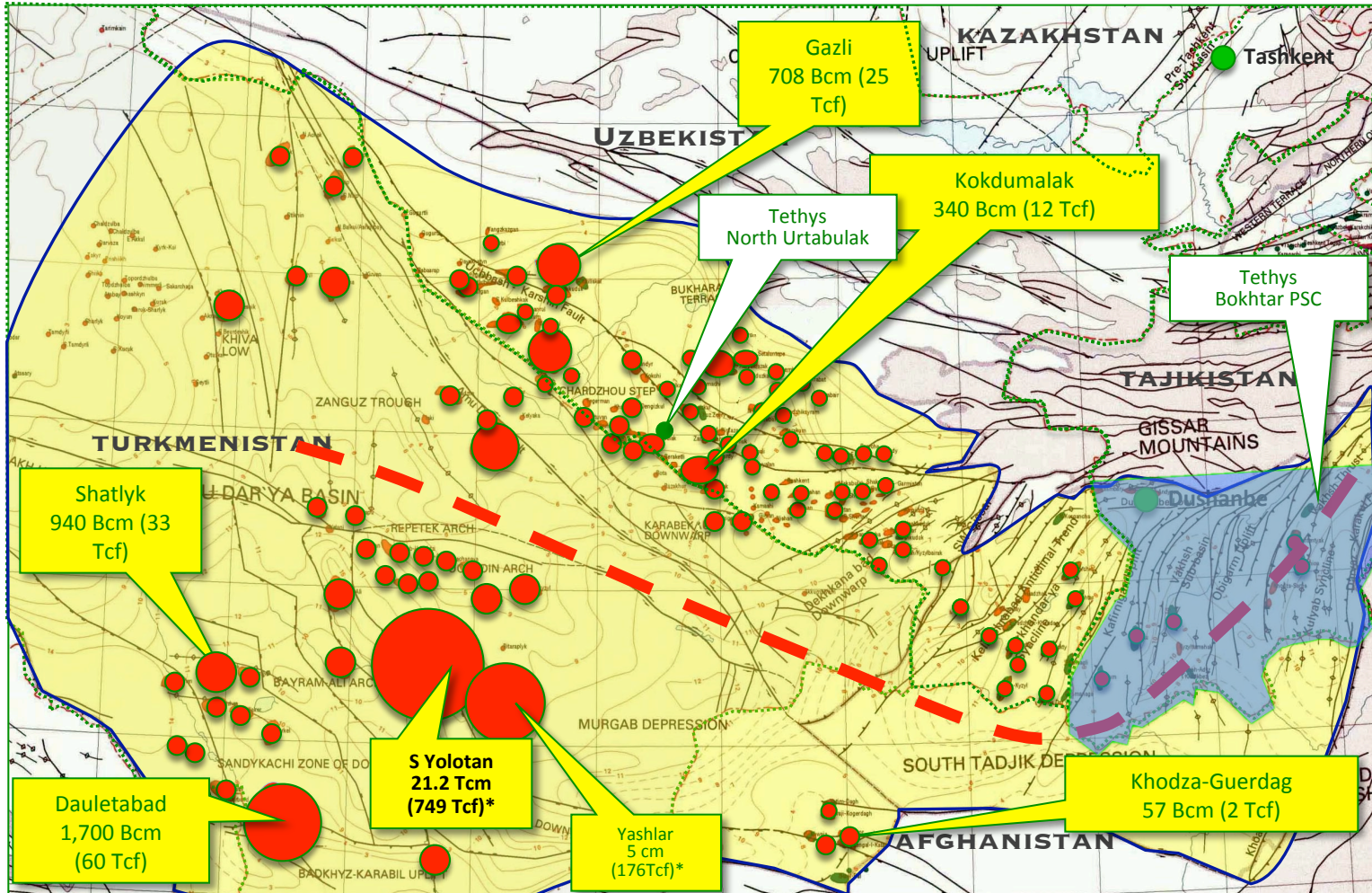
- Well now at total depth
- Hydrocarbon shows in Jurassic and in Carboniferous shelf carbonates
  - Nearest Carboniferous shelf carbonate field – Alibekmola
- Testing programme being planned
  - Requires State consents
  - Likely to be Q2 2012
- Potentially exciting new significant discovery

# Kyzyloi & Akkulka Shallow Gas

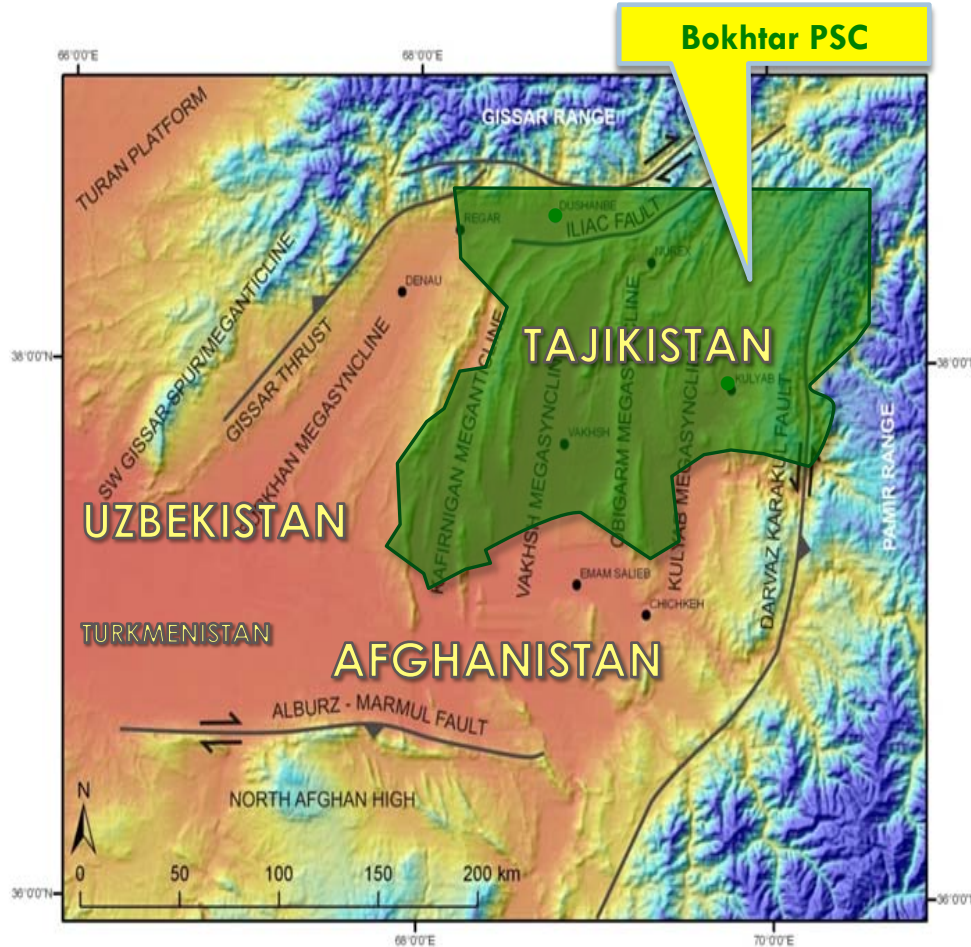
- Currently producing 23 MMcf (50 mcm) per day of gas
  - Dry gas – almost entirely methane
  - Shallow sandstones – 450 metres
  - System designed for 77 MMcf/d (2,200 mcm/d)
- Constructed and operating “state of the art” booster compression station
  - pumping gas into Bukhara-Urals pipeline – first of its kind
- 2P gross reserves – 63.3 Bcf (1.8 Bcm)\*
  - Resources – further 157 Bcf (4.5 Bcm)
- Significant upside in undrilled anomalies
  - Already made 11 new discoveries
- Potential for further development in the future and export into new Kazakh – China gas pipeline
  - Potential game changer with regard to gas price – maybe 5 – 7x uplift
  - Planned to be open 2013
  - Gives big price upside on gas

# Amu-Darya Basin

one of the world's most prolific basins



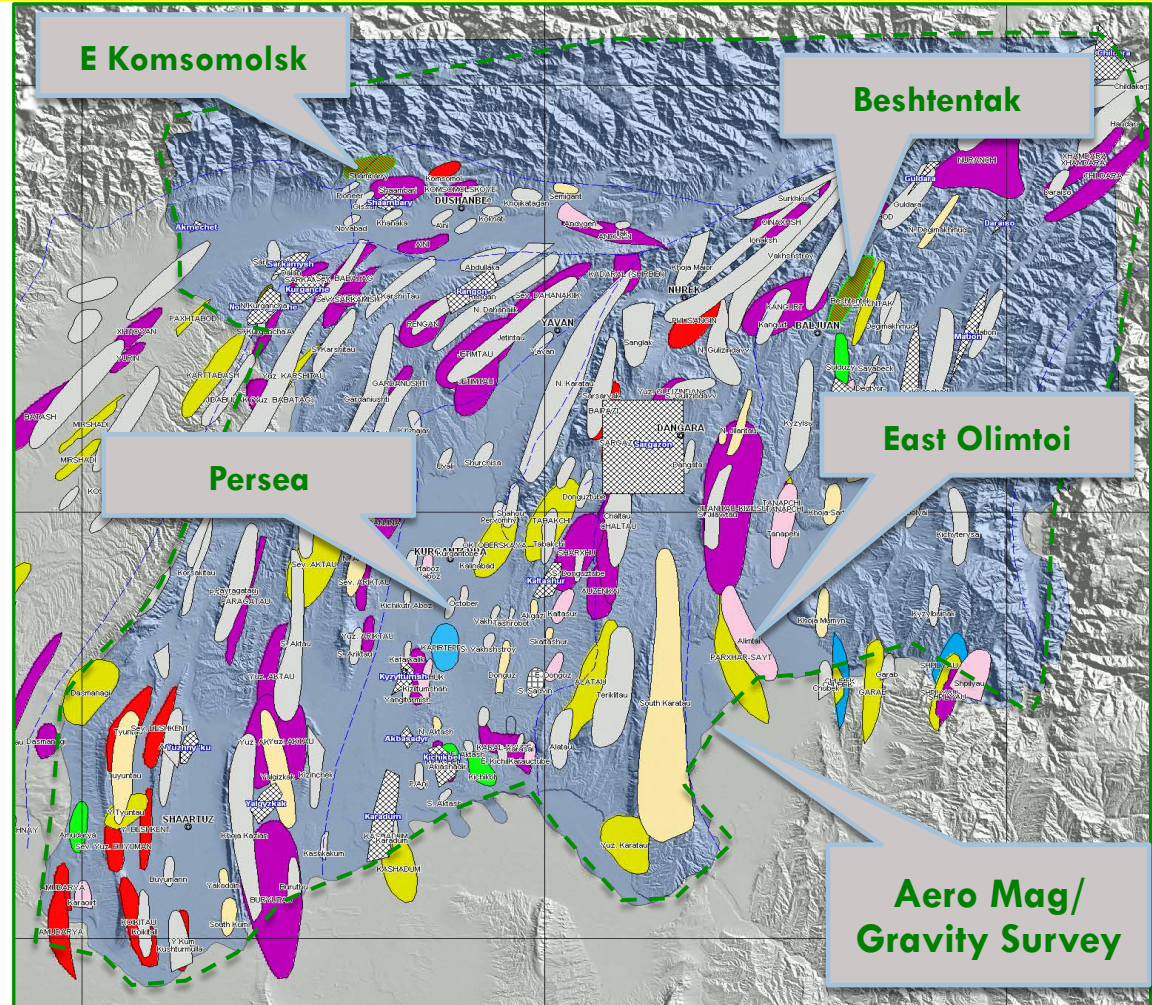
# Tajikistan – “Jewel in the Crown”



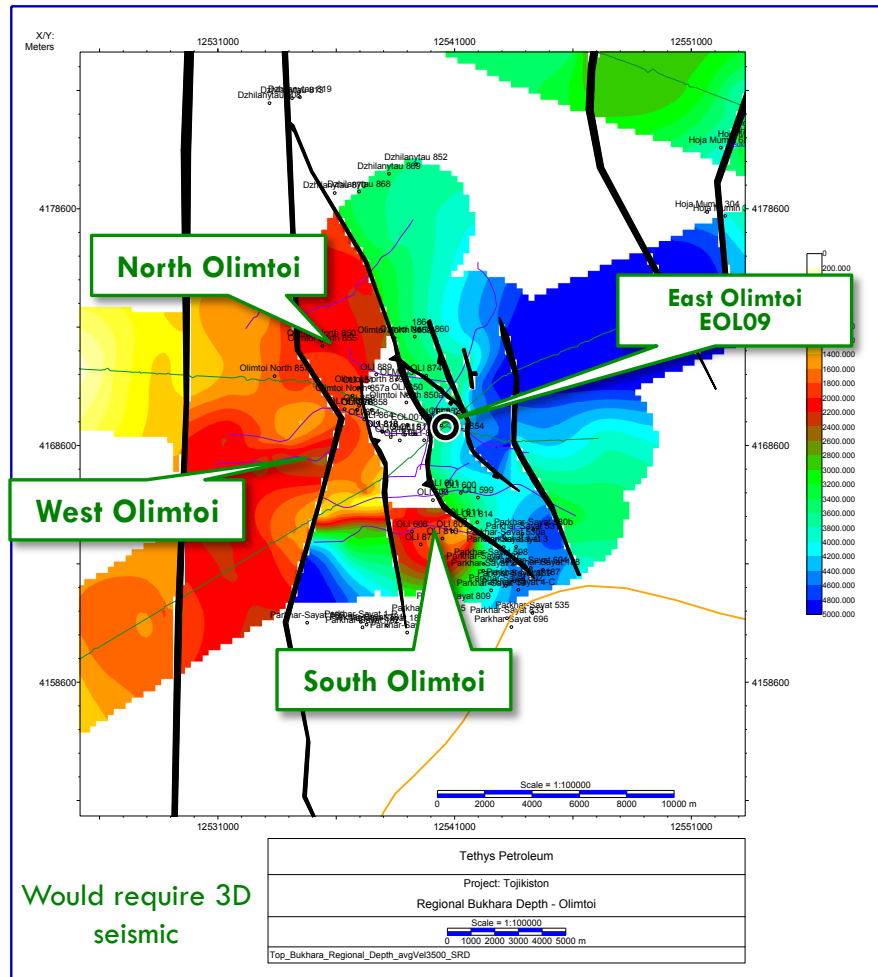
- 35,000 km<sup>2</sup> (8.6 million acres) held under first PSC in Tajikistan (Bokhtar PSC)
- Afghan-Tajik portion of Amu Darya basin
- Very good terms
  - 70% cost recovery
  - 70% Profit Share
  - All taxes included in State share
  - Limited contractual commitments
- Most active oil & gas company in country
  - CEO founder of President’s Investment Council
- Substantial potential for oil and gas – 1.13 billion barrels (audited)
  - Largely underexplored
- Sub-salt plays have super-giant potential
  - No well drilled through Gaurdak salt
- Supra-salt oil potential

# South Tajikistan Assets

- Oil discovered at East Olimtoi
  - Testing underway
- Oil production recommenced at Beshtentak
- Persea exploration well – hydrocarbon indications
- Further gas potential at Komsomolsk
- Aerial gravimetry survey completed



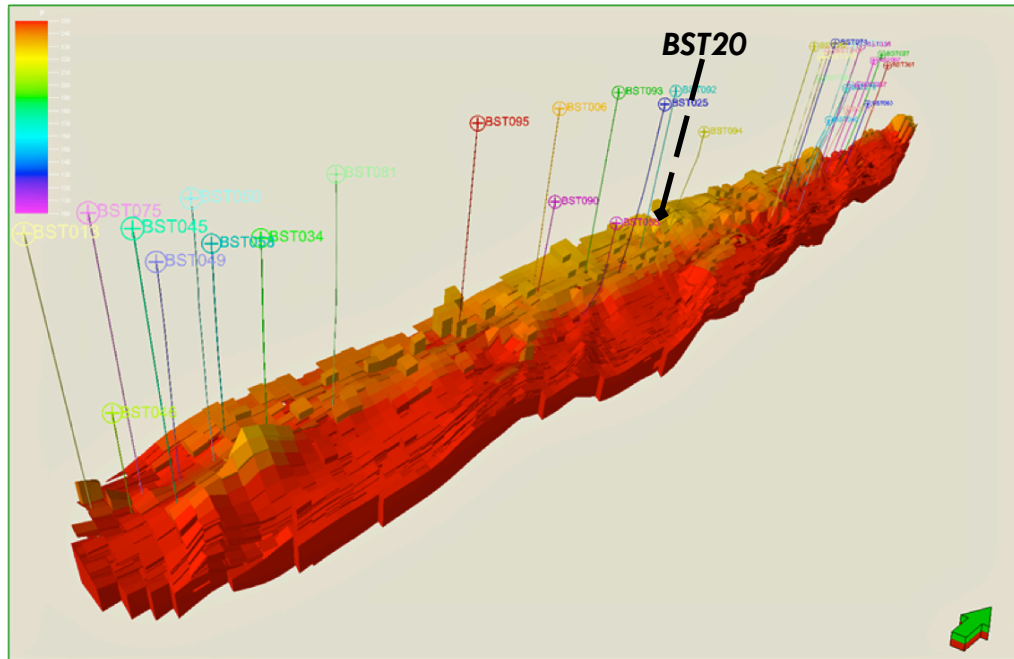
# East Olimtoi Discovery EOL09



- Olimtoi is salt induced structure
  - Oil trapped below salt “Mushroom” and against salt wall
  - Several other parts of structure and other structures
  - Opens up significant potential
- Salt provides prolific hydrocarbon traps worldwide
- Examples
  - Kazakhstan, Iran, Texas, Louisiana, North Sea, Brazil
- Oil “kick” on entering high pressure Alai formation
  - Flow of 36° API oil
  - Further testing underway
  - Need to “clean up” formation



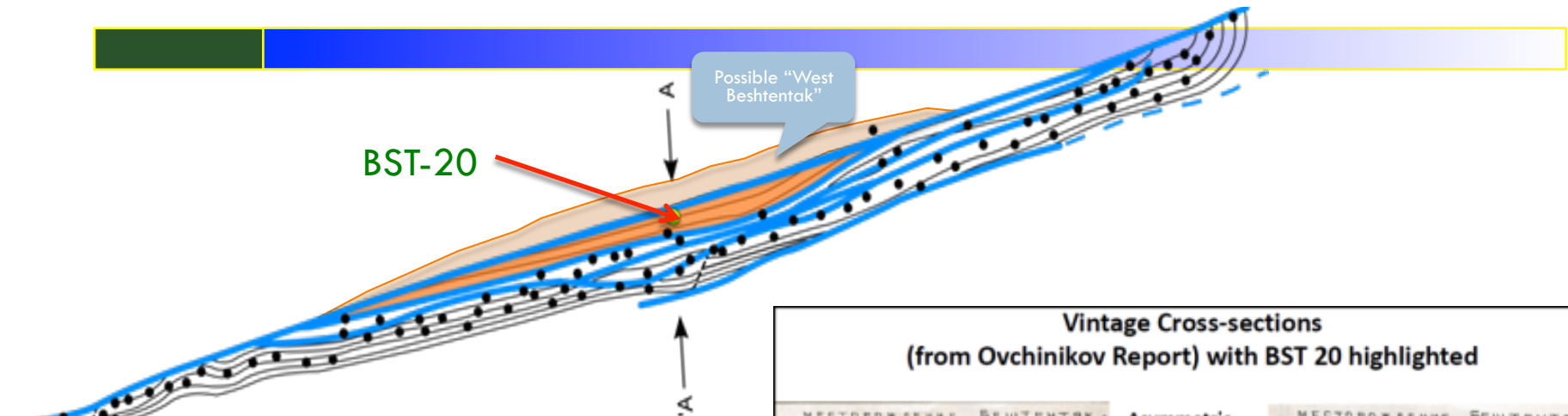
# Beshtentak Field – Bukhara Structure



- Field model built
- Workover involving high tech perforating and acidisation
- Low cost with own rig and equipment

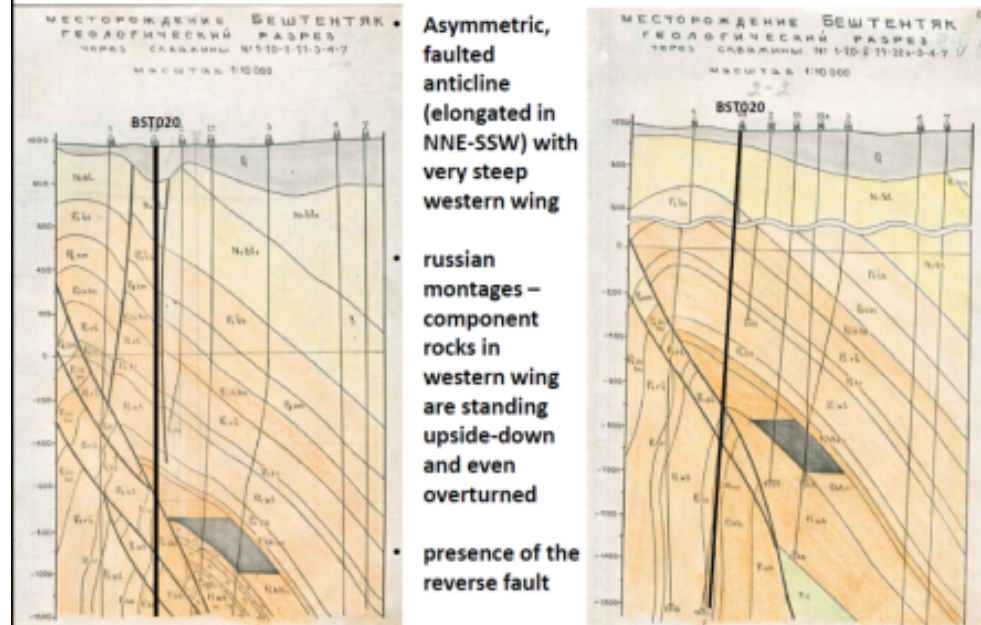
- BST20 well
- Initial testing
- Oil flow rate
  - 533 bopd
  - 38 degrees API
- Gas flow rate
  - 441 Mcf gas
- Good wellhead pressure
- Other possible candidates

# Beshtentak Field



- Initial data showed BST20 to be in separate fault compartment
- Some possible communication with nearby State operated well now observed
- Data being collected to clarify situation
- Well expected to be placed back on production soon
- Significant remaining infill potential with horizontal and inclined wells

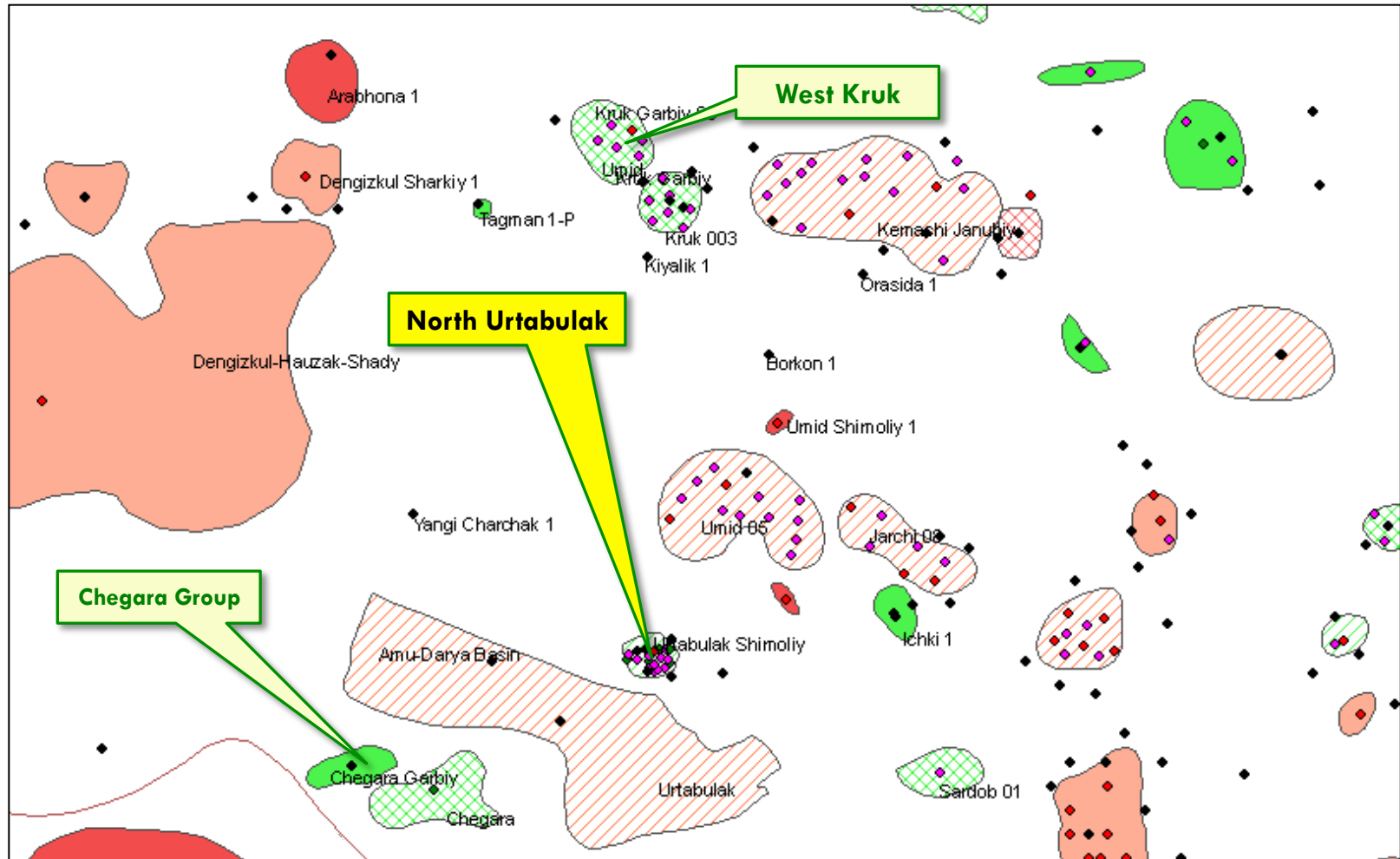
Vintage Cross-sections  
(from Ovchinikov Report) with BST 20 highlighted



# Uzbekistan

- High potential in several oil and gas basins
- Relatively underexplored
- Tethys is only independent oil and gas company working there – all others State companies or similar
- Current project:
  - North Urtabulak Oilfield – enhanced production project
- Potential projects
  - New oilfields
    - MOU signed for Chegara Group and West Kruk oilfields
  - High potential exploration areas
    - Agreement signed with Exploration Institute of State Oil Company to work together on new exploration areas with a view to exploration contracts

# North Urtabulak and surrounding fields

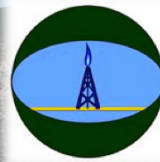




# Tethys Petroleum - Summary

- Operating E&P company with oil & gas exploration and production assets across Central Asia
- **UNIQUE OPERATIONS IN THREE CENTRAL ASIAN COUNTRIES**
- Existing oil & gas production plus massive exploration upside
  - Potential for billion barrel discoveries
- Well respected operator in the area with proven track record of exploration success and rapid developments
- Good relationships with host governments at the highest levels and local populations
- Experienced management team with many years working in the region

***THE Central Asian oil & gas company***



**TETHYS**  
Petroleum

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