



January 23, 2018

**Tethys Petroleum Press Release
(TSX: TPL)**

Proposals to Acquire Shares in Tethys Petroleum Limited

GRAND CAYMAN, CAYMAN ISLANDS - Tethys Petroleum Limited (“Tethys” or the “Company”) today announces that it has received non-binding proposals from two unrelated private investors, Nurbek Medeuov and Valikhan Zhalmaganbetov (each, an “Investor” and together, the “Investors”) to acquire ordinary shares in the Company (together, the “Share Acquisition Proposals”).

The key commercial terms of the Share Acquisition Proposals are summarised below. The Share Acquisition Proposals are subject to, among other things, agreement on definitive documentation and detailed terms, receipt of approval from the Toronto Stock Exchange (the “TSX”) and other regulatory approvals which may be required. The Company expects that, subject to satisfaction of the conditions noted above, the placings would take between two and four weeks to close. If completed, the placings will bring much needed funding to the Company as well as provide it with new partners in Kazakhstan who can assist the Company in delivering its growth strategy in Kazakhstan and the wider Central Asian region.

Summary of Share Acquisition Proposals

- The Investors would each acquire 31,758,506 ordinary shares of Tethys which, would result in each Investor acquiring approximately 6.25% of the currently issued share capital of the Company.
- The price for the ordinary shares would be US\$0.01918 per share representing a 25% premium to the volume weighted average price for the five trading days prior to the January 15, 2018 offer date (“VWAP”). The total proceeds would amount to approximately US\$1.2 million.
- The Company would grant each Investor share purchase warrants giving each Investor the right to acquire up to 31,758,506 ordinary shares of Tethys for a period of one year from the grant date. The exercise price for the warrants would be US\$0.02301 representing a 50% premium to the VWAP. If the warrants are exercised total proceeds would amount to approximately US\$1.5 million.
- Neither Investor would be entitled to exercise the warrants if that would result in such Investor and his affiliates holding 10% or more of the then issued and outstanding ordinary shares (after giving effect to such conversion) until such time as the TSX has approved Personal Information Forms (“PIFs”).
- Each of the Investors or his respective nominee would be appointed to the Board of Directors of the Company on closing of the placings provided the TSX has approved PIFs, and each appointee would be nominated for re-election at the next General Meeting of the Company in accordance with the Company’s Articles of Association.



- The Company and the Investors will mutually agree on the appointment of a seventh independent director knowledgeable about the oil and gas industry and familiar with doing business in Central Asia.

About Valikhan Zhalmaganbetov

Valikhan Zhalmaganbetov has 17 years' onshore and offshore oil and gas experience. He is currently General Director of Kazgeotech LLP responsible for the commercial and financial activities of the company including development and implementation of corporate strategy. He previously worked at Sozak Oil & Gas LLP and Schlumberger with responsibilities for Kazakhstan, Uzbekistan, the Russian Far East and Worldwide (ex USA). He studied drilling engineering at the Kazakhstan National Oil and Gas University.

About Nurbek Medeuov

Nurbek Medeuov has over 14 years' experience in the Kazakhstan oil and gas industry. He is currently Chief Engineer at Kazgeotech LLP and is responsible for managing the company's technical activities. He has previously worked with Halliburton International, Jupiter Energy and PB Ozenmunaygas, OJSC Kazmunaygas. He studied geology at the Petrochemical Faculty of Aktau State University.

About Tethys

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

Disclaimer

Some of the statements in this document are forward-looking. Forward-looking statements include statements regarding the intent, belief and current expectations of the Company or its officers with respect to the potential that exists in both exploration and in discovered deposits in Central Asia and the Caspian Region and completion of the Share Acquisition Proposals with associated anticipated benefits to Tethys. When used in this document, the words "expects," "believes," "anticipates," "plans," "may," "will," "should" and similar expressions, and the negatives thereof, are intended to identify forward-looking statements. Such statements are not promises or guarantees, and are subject to risks and uncertainties that could cause actual outcomes to differ materially from those suggested by any such statements including risks and uncertainties with respect to the potential that exists in both exploration and in discovered deposits in Central Asia, completion of the Share Acquisition Proposals with associated anticipated benefits to Tethys.

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



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