

TETHYS PETROLEUM LIMITED
89 Nexus Way, Camana Bay,
Grand Cayman, KY1-9007, Cayman Islands

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an annual general and special meeting (the “**Meeting**”) of the holders of ordinary shares (“**Ordinary Shares**”) of Tethys Petroleum Limited (the “**Company**”) will be held at the registered office of the Company, 89 Nexus Way, Camana Bay, Grand Cayman, Cayman Islands on June 13, 2012 at 10:30 a.m. (Eastern Standard Time – local time in the Cayman Islands) for the following purposes:

Ordinary Business

1. Resolution 1 – Receipt of Financial Statement and Auditors Report

To receive and consider the financial statements of the Company for the year ended December 31, 2011 and the report of the auditors thereon.

2. Resolution 2.1 to 2.9 – Election of Directors

To propose each of the following resolutions as ordinary resolutions of the Company:

2.1 to re-elect Russ Hammond as a director of the Company;

2.2 to re-elect Piers Johnson as a director of the Company.

2.3 to re-elect Elizabeth Landles as a director of the Company;

2.4 to re-elect the Rt. Hon. Peter Lilley M.P. as a director of the Company;

2.5 to re-elect Bernard Murphy as a director of the Company;

2.6 to re-elect James Rawls as a director of the Company;

2.7 to re-elect Marcus Rhodes as a director of the Company; and

2.8 to re-elect Dr. David Robson as a director of the Company.

2.9 to elect Julian Hammond as a director of the Company.

3. Resolution 3 – Appointment of Auditors

To propose the following resolution as an ordinary resolution of the Company:

“That KPMG Audit Plc, Chartered Accountants, be appointed as auditors of the Company, to hold office until the close of the next annual general meeting of shareholders and that their compensation be fixed by the board of directors.”

Special Business

4. Approval of Unallocated Options under the Company’s Stock Incentive Plan

To propose the following resolution as an ordinary resolution of the Company:

“That:

- (i) the number of Ordinary Shares of the Company reserved for issuance under the 2007 Long Term Incentive Plan, as amended (the “Stock Incentive Plan”) shall be equal to twelve per cent (12%) of the Outstanding Issue (as defined under the Stock Incentive Plan) at the time of grant of Options (as defined under the Stock Incentive Plan);
- (ii) the aggregate of (a) 519,929 Ordinary Shares reserved for issuance in respect of unallocated Options as at May 7, 2012 (calculated as 12% of the Outstanding Issue, less Ordinary Shares reserved for issuance in respect of Options outstanding as at May 7, 2012), and (b) such number of additional Ordinary Shares as shall be reserved for issuance in respect of Options to be granted under Plan as a result of any increase in the Outstanding Issue from time to time after May 7, 2012, be and they are hereby approved for issuance in accordance with the terms of the Stock Incentive Plan;
- (iii) the approval of the shareholders in respect of unallocated options under the Stock Incentive Plan as at the third anniversary of this ordinary resolutions (the “Termination Date”) shall terminate on the Termination Date, unless the shareholders of the Company confirm by ordinary resolution their approval of such unallocated Options prior to the Termination Date;
- (iv) any one (or more) director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this ordinary resolution

5. Resolution 5 – Amendment to the Company’s Articles of Association

To propose the following resolution as a special resolution of the Company:

That the Articles of Association of the Company adopted on the 17th day of July, 2008 as amended by Special Resolution passed on 10th February 2011 (the "Articles") be amended by deleting the existing Article 23(A) of the Articles in its entirety and replacing it with the following:

- (A) Subject to this Article, shares of the Company are free from any restriction on transfer. In exceptional circumstances approved by each Recognised Investment Exchange on which the Company’s shares are listed from time to time and, if applicable, the securities regulatory authority having jurisdiction over any such Recognised Investment Exchange (which, for as long as the Ordinary Shares of the Company are admitted to the Official List (the "Official List") of the UK Financial Services Authority (the "FSA"), shall include the FSA), the Board may refuse to register a transfer of shares provided that such refusal would not disturb the market in those shares (and, for as long as the Ordinary Shares of the Company are admitted to the Official List, the FSA is satisfied that such refusal would not disturb the market in those shares). Subject to the requirements of any such Recognised Investment Exchange and, if applicable, the securities regulatory authority having jurisdiction over any such Recognised Investment Exchange, the Board may, in its absolute discretion and without giving a reason, refuse to register the transfer of a share which is not fully paid or the transfer of a share on which the Company has a lien.

The details of all matters proposed to be put before shareholders at the Meeting are set forth in the information circular accompanying this Notice of Meeting. At the Meeting, shareholders will be asked to approve each of the foregoing items.

Only shareholders of record as of May 11, 2012, the record date (the "Record Date"), are entitled to receive notice of the Meeting.

DATED this 14th day of May, 2012.

BY ORDER OF THE BOARD OF DIRECTORS

"Elizabeth Landles"

Chief Administrative Officer and Corporate Secretary

IMPORTANT

It is desirable that as many Ordinary Shares as possible be represented at the Meeting. If you do not expect to attend and would like your Ordinary Shares represented, please complete the enclosed form of proxy and return it as soon as possible in the envelope provided for that purpose. In accordance with the articles of association of the Company, all proxies, to be valid, must be deposited at the office of the Registrar and Transfer Agent of the Company, Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1, not later than 11:30 a.m. (Eastern Daylight Time) on June 11, 2012, or twenty-four hours preceding any adjournment of the Meeting.

The Company gives notice that only those shareholders entered on the register of shareholders (or their duly appointed proxies) at close of business on May 11, 2012, will be entitled to attend and vote at the Meeting in respect of the number of Ordinary Shares registered in their name at that time.

A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and, on a poll, to vote in his place. A proxy need not be a shareholder of the Company. Completion of a form of proxy does not preclude a shareholder from subsequently attending and voting at the Meeting in person if he so wishes.

Any transferee or person acquiring Ordinary Shares after the Record Date may not later than 11:30 a.m. (Eastern Daylight Time) on June 11, 2012 request that the Registrar and Transfer Agent of the Company, Equity Financial Trust Company add his or her name on the register of members and include him or her in the list of persons entitled to attend and vote at the Meeting.