

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Tethys Petroleum Limited (“Tethys” or the “Company”)
P.O. Box 524, Suite 3, Borough House
Rue du Pre,
St. Peter Port, Guernsey
GY1 6EL

Item 2 Date of Material Change

March 21, 2012

Item 3 News Release

The press release attached as Schedule “A” was disseminated through Marketwire on March 21, 2012 with respect to the material change.

Item 4 Summary of Material Change

The Company announced on March 21, 2012 a significant increase in its reserves in oil and gas in Kazakhstan as reported in a new reserve report.

Total Net Oil and Gas Reserves (barrels of oil equivalent :BOE)

- | | |
|----------------------------------|-------------------------|
| • 1P (Proved) up 96%: | 14.5 million BOE |
| • 2P (Proved = Probable) up 45%: | 25.3 million BOE |

Consisting of:

Net Oil reserves:

- | | |
|----------------------------------|----------------------|
| • 1P (Proved) up 108%: | 5.8 million barrels |
| • 2P (Proved = Probable) up 62%: | 12.5 million barrels |

Net Gas reserves:

- | | |
|---|-------------------------|
| • Total 1P (Proved) net gas reserves up 89%: | 52.5 billion cubic feet |
| • Total 2P (Proved = Probable) gas reserves up 31%: | 76.7 billion cubic feet |

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

See the attached press release and the summary above.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable

Item 8 Executive Officer

The following executive officer is knowledgeable about the material change and may be contacted about this report.

Sabin Rossi
Vice President, Investor Relations
(416) 572-2065

Email: info@tethyspetroleum.com
Website: www.tethyspetroleum.com

Item 9 Date of Report

March 21, 2012

Schedule "A"

Wednesday, March 21, 2012

TETHYS PETROLEUM LIMITED PRESS RELEASE

("Tethys" or "the Company" (TSX:TPL, LSE:TPL))

2011 Reserves Report

45% increase in 2P reserves in Kazakhstan

Grand Cayman, Cayman Islands- Tethys Petroleum announces a significant increase in its reserves in oil and gas in Kazakhstan as reported in a new reserve report.

Total Net Oil and Gas Reserves (barrels of oil equivalent: BOE)

- **1P (Proved) up 96%: 14.5 million BOE**
- **2P (Proved + Probable) up 45%: 25.3 million BOE**

Consisting of:

Net Oil Reserves:

- 1P (Proved) up 108%: 5.8 million barrels
- 2P (Proved + Probable) up 62%: 12.5 million barrels

Net Gas Reserves:

- Total 1P (Proved) net gas reserves up 89%: 52.5 billion cubic feet
- Total 2P (Proved + Probable) gas reserves up 31%: 76.7 billion cubic feet

Oil Reserves

The upgrade in oil reserves comes as a result of the successful 2011 Kazakhstan drilling campaign including the Doris appraisal wells AKD05 and AKD06, and the successful AKD03 exploration well, which discovered the Dione field.

The extensive remodeling work subsequently carried out has provided invaluable data that points to a stratigraphic channel model for the Cretaceous sandstone rather than a simple structural model. The validation of this model through further appraisal success would result in a very significant further upgrade in the reserves.

The next appraisal well, AKD07, is expected to spud in Q2 2012 and will be located to the south-east of the original AKD01 discovery well and will target 3P reserves at the Cretaceous Aptian sand level in what is believed to be a channel sand system, whilst simultaneously targeting an exciting exploration prospect (named "Dyna") that has

Correspondence Address:

P.O. Box 524,
St. Peter Port,
Guernsey, GY1 6EL,
British Isles



Tel: +44 1481 725911

Fax: +44 1481 725922

Email: tethys@tethyspetroleum.com

Website: www.tethyspetroleum.com

been identified on the new seismic data from a bright amplitude anomaly at a slightly shallower level and is interpreted to be part of a different, larger sand fan system. The prospective resource for this new target will be disclosed after the completion of a new independent Kazakhstan Resource Report, which is expected to in Q2 2012.

Additional exploration/appraisal prospects have been identified using the newly interpreted 3D and 2D data. This data has led to the identification of a number of other attractive exploration prospects at the Doris reservoir levels and other horizons. All these will be included in the new resource report.

Gas Reserves

The increase in gas reserves is attributed to good field performance during 2011 and the impact of the detailed spectral analysis of the 3D seismic, which has allowed for better definition of the infill drilling targets and nearby structures. There was also some contribution from the solution gas reserves associated with the Doris and Dione oil discoveries.

Dr David Robson, CEO of Tethys Petroleum, said:

"The 2011 drilling programme was focused on two things, increasing 2P reserves and also ensuring sufficient oil production was available to meet our production targets. This programme has successfully met both objectives. We are still in the early stages of appraising and exploring this attractive oil discovery and we look forward to further success with this year's programme based on our new seismic analysis and better geological understanding of the area."

For more information please contact:

Canada	Europe
Sabin Rossi Vice President Investor Relations Office: +1 416 572 2065 +1 416 572 2201 (FAX)	Veronica Zhuvaghena Vice President Corporate Communications Office: +44 1481 725911 +44 1481 725922 (FAX)
Asia Pacific: Quam IR	FTI Consulting
Anita Wan Office phone/fax: +852 2217 2999	Ben Brewerton / Edward Westropp Office: +44 (0) 207 831 3113

info@tethyspetroleum.com

Web: <http://www.tethyspetroleum.com>

Mobile site: m.tethyspetroleum.com

Notes to Editors

Correspondence Address:

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The reserve report was prepared in accordance with the COGE Handbook by Gustavson Associates with an effective date of December 31, 2011. In accordance with the requirements of National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities of the Canadian Securities Administrators, the Company anticipates filing its Annual Information Form that includes more detailed disclosure and reports relating to petroleum and natural gas activities for the 2011 fiscal year at the end of March 2012. Both oil and gas reserves are based on availability of sufficient funding to allow development of the known accumulations. 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.

Tethys is focused on oil and gas exploration and production activities in Central Asia with activities currently in the Republics of Kazakhstan, Tajikistan and Uzbekistan. This highly prolific oil and gas area is rapidly developing and Tethys believes that significant potential exists in both exploration and in discovered deposits.

This press release contains "forward-looking information" which may include, but is not limited to, statements with respect to our operations, exploration programme and new Resource Report. Such forward-looking statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions including the risk that current or future exploration programmes will not be successful and the risk that the new Kazakhstan Resource Report will not be available when expected. See our Annual Information Form for the year ended December 31, 2010 for a description of risks and uncertainties relevant to our business, including our exploration and development activities.