

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

November 29, 2011

Item 3 News Release

The press releases attached as Schedule “A” were disseminated through Marketwire on November 29, 2011 and December 9, 2011 with respect to the material change.

Item 4 Summary of Material Change

The Company announced on November 29, 2011 that it would complete a private placement of 26,062,975 ordinary shares (the “Ordinary Shares”) for gross proceeds of \$13.6 million (the “Offering”), subject to regulatory approval. The Company announced on December 9, 2011 that it had completed the Offering.

The Ordinary Shares have been placed at a price of \$0.52 (GBP0.32) each. The Ordinary Shares of the Company are listed on the Toronto Stock Exchange and the London Stock Exchange under the symbol “TPL” and the private placement was completed on December 9, 2011. The Ordinary Shares were offered in jurisdictions other than Canada.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

See attached press releases.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 (MI 61-101).

(a) *a description of the transaction and its material terms*

(See above)

(b) *the purpose and business reasons for the transaction*

See description of use of proceeds in the attached press releases.

- (c) *the anticipated effect of the transaction on the issuer's business and affairs*

The Private Placement resulted in a 10% increase in the number of ordinary shares of the Company outstanding.

- (d) *a description of*

- (i) *the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties*

An entity or account managed by Pope Asset Management, LLC ("PAM"), subscribed for an aggregate of 5,212,595 ordinary shares as part of the private placement. PAM is considered a related party of the Company as it exercises control over 47,867,192 ordinary shares of the Company (prior to giving effect to the Private Placement), representing 18.37% of the outstanding ordinary shares.

- (ii) *the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person referred to in subparagraph (i) for which there would be a material change in that percentage*

Upon completion of the Private Placement, PAM will exercise control or direction over 53,079,787 ordinary shares, representing 18.51% of the number of ordinary shares outstanding after giving effect to the Private Placement.

- (e) *Unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee.*

The Private Placement was approved unanimously by the board of directors of the Company. As none of the directors of the Company have an interest in the Private Placement, no directors were required to abstain in respect of the approval.

- (f) *a summary, in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction*

Not applicable

- (g) *disclosure, in accordance with section 6.8 of MI 61-101 of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction*

- (i) *that has been made in the 24 months before the date of the material change report; and*

- (ii) *the existence of which is known, after reasonable inquiry, to the issuer or to any director or senior officer of the issuer*

Not applicable

- (h) *the general nature and material terms of any agreement entered into by the issuer, or related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction*

Not applicable.

- (i) *the disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101, respectively, and the facts supporting reliance on the exemptions*

The Private Placement is exempt from the formal valuation and minority approval requirements of MI 61-101 pursuant to paragraphs 5.5(a) and 5.7(i)(a) thereof, as, at the time the Private Placement was agreed to, neither the fair market value of the 5,212,595 Ordinary Shares to be issued to PAM nor the aggregate subscription price (\$2,710,549.40) exceeded 25% of the Company's market capitalization (calculated in accordance with MI 61-101).

- (j) *Other*

The Private Placement was completed on December 9, 2011. The completion date was scheduled fewer than 21 days from the date of the November 29, 2011 press release to ensure the availability of the proceeds of the Private Placement on a timely basis.

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

December 9, 2011

Schedule "A"

Correspondence Address:

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TETHYS PETROLEUM LIMITED PRESS RELEASE

FOR IMMEDIATE RELEASE

Tethys Announces USD\$13 Million Private Placement

GRAND CAYMAN, CAYMAN ISLANDS, Tuesday, November 29, 2011: Tethys Petroleum Limited ("Tethys" or the "Company" (TSX:TPL) (LSE:TPL)) today announced that it expects to complete a private placement of 26,062,975 Ordinary Shares for gross proceeds of USD13,069,187 million (the "Offering") (USD/CAD \$1:\$1.037), subject to regulatory approval. The Company has received orders for the USD13,069,187 million maximum amount of the Offering. These new Ordinary Shares represent 10% of the current issued share capital of the Company.

The Ordinary Shares have been placed at a price of CAD0.52 (GBP0.32) each. The Ordinary Shares of the Company are listed on the Toronto Stock Exchange and the London Stock Exchange under the symbol "TPL" and the placement is subject to approval by the Toronto Stock Exchange and admission of the Ordinary Shares issued pursuant to the offering to the official list of the financial services authority and to trading on the London Stock Exchange. The private placement is scheduled for completion on or about December 14, 2011.

The net proceeds of the Offering will be used by Tethys to contribute towards the purchase of an additional 34% of shares in Seven Stars Energy Corporation ('SSEC'), the joint venture that owns the rights to the Bokhtar Production Sharing Contract in Tajikistan, and to carry out additional work on the Beshtentak oilfield in Tajikistan where Tethys has recently been flow testing a recompleted well at rates of over 600 barrels of oil per day. Currently Tethys owns 51% of the shares in SSEC and has an option (the "Option") to acquire a further 34% of SSEC from its partner. In addition, when the Option is exercised, the outstanding loan from Tethys to SSEC will be restructured. Tethys proposes to exercise the Option following completion of the Offering. After the completion of the exercise of the Option, Tethys will own 85% of the shares in SSEC.

One of the subscribers is a related party of the Company within the meaning of applicable Canadian securities laws. The proposed date for completion of the private placement is less than 21 days from the date of this release to ensure the availability of the proceeds to the Company on a timely basis. Additional information relating to the interest of the related party in the private placement will be contained in a material change report to be filed in accordance with Canadian securities law.

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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 does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described herein. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold within the United States or to United States Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

This press release contains "forward-looking information" which may include, but is not limited to, statements with respect to our operations. 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 the Offering will not be completed, the risk that regulatory approval for the Offering will not be obtained, the risk that Option will not be exercised and the exercise of the Option will not be completed on the terms contemplated. 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 activities. The "forward looking statements" contained herein speak only as of the date of this press release and, unless required by applicable law, the Company undertakes no obligation to publicly update or revise such information, whether as a result of new information, future events or otherwise.

For more information please contact:

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TETHYS PETROLEUM PRESS RELEASE

FOR IMMEDIATE RELEASE

TETHYS ANNOUNCES COMPLETION OF US\$13 MILLION PRIVATE PLACEMENT

GRAND CAYMAN, CAYMAN ISLANDS, Friday, December 9, 2011 - Tethys Petroleum Limited ("Tethys" or the "Company") (TSX:TPL) (LSE:TPL) today announced that it has completed a previously announced private placement of 26,062,975 Ordinary Shares for gross proceeds of US\$13,069,187 million (the "Offering"). Renaissance Capital, FirstEnergy Capital LLP and Quam Capital acted as joint book runners.

The Ordinary Shares were placed at a price of CAD0.52 (GBP0.32) each. The Ordinary Shares of the Company are listed on the Toronto Stock Exchange ("TSX") and the London Stock Exchange ("LSE") under the symbol ("TPL").

The net proceeds of the Offering will be used by Tethys to contribute towards the purchase of an additional 34% of shares in Seven Stars Energy Corporation ('SSEC'), the joint venture that owns the rights to the Bokhtar Production Sharing Contract in Tajikistan, and to carry out additional work on the Beshtentak oilfield in Tajikistan where Tethys has recently been flow testing a recompleted well at rates of over 600 barrels of oil per day. Currently Tethys owns 51% of the shares in SSEC and has an option (the "Option") to acquire a further 34% of SSEC from its partner. In addition, when the Option is exercised, the outstanding loan from Tethys to SSEC will be restructured. Tethys proposes to exercise the Option following completion of the Offering. After the completion of the exercise of the Option, Tethys will own 85% of the shares in SSEC.

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 does not constitute an offer or a solicitation of an offer to buy, securities of Tethys Petroleum in the United States or to United States persons. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold within the United States or to United States Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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The Ordinary Shares were offered and sold in certain jurisdictions outside of Canada.

This press release contains "forward-looking information" which may include, but is not limited to, statements with respect to our operations. 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 the Offering will not be completed, the risk that regulatory approval for the Offering will not be obtained, the risk that Option will not be exercised and the exercise of the Option will not be completed on the terms contemplated. 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 activities. The "forward looking statements" contained herein speak only as of the date of this press release and, unless required by applicable law, the Company undertakes no obligation to publicly update or revise such information, whether as a result of new information, future events or otherwise.

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