

**Form 51-102F3  
Material Change Report**

**Item 1 Name and Address of Company**

Tethys Petroleum Limited (“Tethys” or the “Company”)  
P.O. Box 524, St. Peter Port  
Guernsey, GY1 6EL  
British Isles

**Item 2 Date of Material Change**

February 8, 2010

**Item 3 News Release**

The press release attached as Schedule “A” was disseminated through Marketwire on February 8, 2010, with respect to the material change.

**Item 4 Summary of Material Change**

The Company announced the initial results of testing on the upper zone of the AKD01 oil discovery in Kazakhstan. The upper zone flowed oil at a restricted rate of over 5,400 barrels per day. Combined with the recent testing on the lower zone the AKD01 well has now flowed oil at a combined rate in excess of 6,800 barrels per day.

**Item 5 Full Description of Material Change**

*5.1 Full Description of Material Change*

Please see the press release attached as Schedule “A”.

*5.2 Disclosure for Restructuring Transactions*

Not applicable.

**Item 6 Reliance on subsection 7.1(2) or (3) 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.

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**Item 9      Date of Report**

**February 9, 2010**

## Schedule "A"



## TETHYS PETROLEUM PRESS RELEASE

### FOR IMMEDIATE RELEASE

#### **Kazakh exploration well flows over 6,800 barrels of oil per day**

BOZOI, KAZAKHSTAN, Monday, February 8, 2010: Tethys Petroleum Limited ("Tethys" or the "Company" (TSX:TPL)) today announced the initial results of testing on the upper zone of the AKD01 oil discovery in Kazakhstan. The upper zone flowed oil at a restricted rate of over 5,400 barrels per day. Combined with the recent testing on the lower zone the AKD01 well has now flowed oil at a combined rate in excess of 6,800 barrels per day.

*"The test results on the upper zone of AKD01 show tremendous potential," commented Dr. David Robson, CEO of Tethys. "Together with the positive results on the testing of the lower zone combined production rates are extremely encouraging and this discovery marks a significant step forward in the Company's development. We believe this is the first test of oil in this part of Kazakhstan and these results open up an area of substantial potential in our Akkulka and Kul-Bas blocks where we have further attractive prospects.*

*Reservoir quality in the upper zone appears very good as does the quality of the produced oil which bodes well for the development of this discovery, as does the relatively shallow depth of the producing zones. With bigger production tubing and more surface storage it is likely that significantly higher flow rates could be achieved. It is still too early to assess the full potential of this exploration oil discovery but the initial results are very promising and we look forward to an exciting appraisal program and ultimately the development of this discovery."*

#### Technical Background

Well AKD01 encountered two oil-bearing zones, the lower zone being a Jurassic dolomite sequence at approximately 2,355 metres (7,726 feet) and an upper, Cretaceous sandstone zone at approximately 2,174 metres (7,133 feet).

The upper zone, which has just been tested, has interpreted net pay of 9 metres (29 feet) with a porosity of 23%. 8 metres (26 feet) were perforated and a maximum flow rate equivalent to 5,436 bopd was achieved on a 12 mm (30/64") choke with a flowing tubing head pressure of 15.7 atmospheres (230 psig) and with the well still appearing to be cleaning up. The oil was a 37 degree API light crude which appears to have low viscosity, low paraffin content and low pour point. The gas-oil ratio is estimated at approximately 331 cubic feet of gas per barrel of oil. No water was observed with the oil and no oil-water contact is interpreted in the sand. The maximum flow rate appears to have been restricted by the size of the production tubing and with larger tubing a higher production rate should be possible. Limited storage on site also restricted rate of oil production and the length of the flow period. No depletion was observed on test and surface pressure buildup data suggests good permeability.

Testing of the lower dolomite reservoir zone was carried out in December 2009 and January 2010 and flowed (after acidisation) at rates of up to 2,803 barrels of fluid per day on a 24 mm (60/64") choke with 1,373 bopd and with a flowing tubing head pressure of 14.2 atmospheres (209 psig). The oil was a 45 degree API light crude oil and test data indicated that the reservoir has good permeability and is laterally extensive. The total thickness of the zone has been interpreted as being approximately 25 metres (82 feet) with a possible oil-water contact roughly half way through the sequence. It appears that this deeper water zone was the source of the water produced on test, this being channelled behind the casing following the acidisation. The lower zone was sealed off with a bridge plug prior to the testing of the upper zone.

Current mapping indicates that the AKD01 well is in a downdip location on the prospect (named "Doris") with approximately 56 metres (184 feet) of elevation updip of the well, potentially bringing all of the lower reservoir into the oil zone. The prospect covers a most likely area of roughly 60 km<sup>2</sup> (14,826 acres). The 180 metre (590 feet) vertical separation between these two reservoirs and the different oil gravities suggests that they may not have a common oil-water contact but should be able to be developed simultaneously with a dual completion. The combined flow rate of these two tests in this well was over 8,200 barrels of fluid per day.

The Company's plans for the appraisal of the Doris prospect (which are still being firmed up) include appraisal drilling and further seismic surveys. Four further similar prospects have been mapped in the Akkulka and Kul-Bas block near to Doris and the results of the AKD01 well significantly improve the exploration potential of these prospects.

The well is being tested in sub-zero conditions in a remote desert location far away from existing infrastructure and with limited storage capacity for oil. A limited trucking operation has already commenced with oil being sold to local traders who collect the untreated oil from the site for use in the local market. Further production testing on AKD01 is planned which will give a better understanding of the well's potential and will assist in development planning.

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. Such forward-looking statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions, including the risks relating to regulatory approvals and of sufficiency of the proceeds for the purposes contemplated. See the description of risks and uncertainties and underlying factors and assumptions relevant to the offering and "forward looking information" contained herein and to the Company's business,

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including its exploration and development activities, contained in the Annual Information Form dated March 31, 2009 (which are incorporated herein by reference). 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.

The information presented in this press release on the testing of the AKD01 well is based on initial data and observations and measurements at the wellsite as well as preliminary analysis. In addition the length of flow periods were restricted due to physical limitations with respect to oil storage at the site.

For more information please contact:

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