

TETHYS PETROLEUM LIMITED

**MATERIAL CHANGE REPORT
Form 51-102F3**

Item 1 Name and Address of Company

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

Item 2 Date of Material Change

The material change occurred on June 27, 2007.

Item 3 News Release

The Corporation issued a press release on June 27, 2007, through CCN Matthews.

Item 4 Summary of Material Change

The Corporation completed its initial public offering of 18,181,818 Ordinary Shares at a price of US\$2.75 (CA\$2.95), for gross proceeds of US\$50 million.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

For a full description of the material change, please refer to the press release of the Corporation dated June 27, 2007, a copy of which is attached hereto 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 name and business number of an executive officer of the Corporation who is knowledgeable about the material change and this report is:

Liz Landles - Corporate Secretary
Telephone: +44 1481 725911

Item 9 Date of Report

This report is dated the 5th day of July, 2007.

SCHEDULE "A"

FOR IMMEDIATE RELEASE

TETHYS PETROLEUM ANNOUNCES CLOSING OF IPO AND TSX LISTING

Wednesday, June 27, 2007 – Toronto, Canada – Tethys Petroleum Limited ("Tethys") today announced that it has completed its initial public offering of 18,181,818 Ordinary Shares for gross proceeds of US\$50 million. The common shares were sold at a price of US\$2.75 (CA\$2.95) each. Following this offering Tethys has 45,116,696 Ordinary Shares in issue and a market capitalisation of approximately US\$124 million (CA\$ 133 million). The Ordinary Shares are listed on the Toronto Stock Exchange under the symbol "TPL".

The offering was conducted by a syndicate of agents led by Jennings Capital Inc. and which included Tristone Capital Inc. and Haywood Securities Inc.

Tethys is focused on oil and gas exploration and production activities in Central Asia with activities currently in the Republic of Kazakhstan and more recently the Republic of Tajikistan. In Kazakhstan its current development and exploration assets are located close to the Aral Sea in western Kazakhstan adjacent to the prolific Pre-Caspian basin. In Tajikistan Tethys is currently negotiating a Production Sharing Contract for the Kulob Area in the south-west of the country.

This news 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 1993, 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 risks and uncertainties outlined under the section titles "Risk Factors and Uncertainties" in our prospectus (available at www.sedar.com). Should one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated or expected.

This news release is not for distribution to United States newswire services or for dissemination in the United States.

For more information please contact:

Sabin Rossi
Investor Relations Manager
Tethys Petroleum Limited
TD Canada Trust Tower
161 Bay Street, 27th Floor
Toronto Canada N5J 2S1

Office: 1-416-572-2065
Fax: 1-416-572-2201
e-mail: info@tethys.gg
website: www.tethyspetroleum.com