

**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**

December 13, 2011

**Item 3 News Release**

The press release attached as Schedule “A” was disseminated through Marketwire on December 13, 2011 with respect to the material change.

**Item 4 Summary of Material Change**

The Company announced on December 13, 2011 that it had completed the purchase of 34% of the shares in Seven Stars Energy Corporation (“SSEC”) from its Tajik joint venture partner Sangam Limited (“Sangam”), and increased its shareholding to 85% (from 51%).

SSEC is the owner of the rights to the Bokhtar Production Sharing Contract in Tajikistan.

After giving effect to the purchase, the ownership of SSEC is as follows:

Tethys:	85%
Sangam:	15%

The purchase price payable in respect of the 34% interest was US\$7 million. To date, Tethys has funded 100% of oil and gas activities through a loan to SSEC. As a result of the purchase, with an effective date of April 1, 2011, the full US\$49,920,000 amount of the loan to SSEC has been reduced to zero and Tethys has discharged Sangam from its obligations in respect of the loan.

**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  
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**Item 9 Date of Report**

December 16, 2011

## Schedule "A"



## **TETHYS PETROLEUM LIMITED PRESS RELEASE**

### **FOR IMMEDIATE RELEASE**

### **Tethys completes Tajikistan Acquisition**

DUSHANBE, TAJIKISTAN, Tuesday, December 13, 2011: Tethys Petroleum Limited ("Tethys" or the "Company" (TSX:TPL) (LSE:TPL)) today announced that it has completed the purchase of 34% of the shares in Seven Stars Energy Corporation from its Tajik joint venture partner Sangam Limited, and increased its shareholding to 85% (from 51%).

Seven Stars Energy Corporation is the owner of the rights to the Bokhtar Production Sharing Contract ("Bokhtar PSC") in Tajikistan.

- Tethys now owns a 85% controlling interest in the Bokhtar PSC
- 1.14 Billion barrels oil equivalent (7 TCF) audited unrisks Prospective Resources are contained within the Contract Area
- Excellent commercial terms fixed under a 25-year Production Sharing Contract
- 35,000 Km<sup>2</sup> (8.7 million acres) of the underexplored Afghan-Tajik Basin with world class discovered fields nearby
- Current oil production
- Ongoing data acquisition in final stages with ultimate goal to drill the first deep pre-salt exploration well in the near future

Dr. David Robson, Chief Executive Officer of Tethys, said, "This is a great step forward that will allow Tethys a greater share in a very prospective, yet underexplored, area. I consider the Afghan-Tajik Basin and its extension the Amu-Darya Basin to be one of the most prolific in the world with giant and supergiant gas and condensate fields such as those in neighbouring Uzbekistan and in Turkmenistan. We are very pleased to have the continued support of our partners Sangam and will continue in ongoing discussions with potential farm-in partners with this acquisition providing a more efficient corporate structure for potential investors. This is a unique opportunity to now move forward and leverage a majority ownership in what Tethys regards as the jewel in the crown of the company."

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

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potential exists in both exploration and in discovered deposits.

Forward Looking Information and Cautionary Statement regarding Prospective Resources

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, the risk that the Company may be unable to complete its data and drilling programs within the timeframes contemplated. In addition, there is no certainty that any portion of the prospective resources will be discovered, and if discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources. The term "prospective resources" is based on the definition in the COGE Handbook. The prospective resources were determined as at December 31, 2010. Reference is made to pages 66 to 68 of the Company's Annual Information Form dated March 23, 2011 available on [sedar.com](http://sedar.com) for a discussion relating to the prospective resources, including the description thereof and risks and uncertainties associated with recovery of Prospective Resources. See our Annual Information Form for a description of other 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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