

**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**

June 18, 2013

**Item 3            News Release**

The press release (the "Press Release") attached as Schedule “A” was disseminated through Marketwire on June 18, 2013 with respect to the material change.

**Item 4            Summary of Material Change**

The Company announced on June 18, 2013 the completion of the farm-out agreement announced in December 2012 with subsidiaries of Total Exploration and Production and China National Petroleum Corporation whereby each acquired a one third interest in its Bokhtar Production Sharing Contract (the “Bokhtar PSC”) in Tajikistan.

**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.

*5.3    Additional Information required Pursuant to subsection 5.9(1) of National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities - Disclosure of Resources Other than Reserves*

*(a)    the reporting issuer’s interest in the resources*

Kulob Petroleum Limited (“KPL”) has a 33.3% interest in the Bokhtar PSC described in the Press Release. The Company owns 85% of the equity of KPL. The Bokhtar PSC is described at pages 41 and 42 of the Company's Annual Information Form (the "AIF") dated March 28, 2013 and available at [sedar.com](http://sedar.com). The information set out on pages 41 and 42 of the AIF under the heading “Tajikistan – the Bokhtar PSC” is expressly incorporated by reference in this Material Change Report.

(b) *the location of the resources*

Afghan-Tajik basin, part of the Amu Darya basin, in Tajikistan

(c) *the product types reasonably expected*

Oil, condensate, natural gas and non-associated gas.

(d) *the risks and the level of uncertainty associated with recovery of the resources*

These are unrisks prospective resources as of June 30, 2012 that have not been risked for chance of discovery or chance of development. If a discovery is made, there is no certainty that it will be developed or, if it is developed, there is no certainty as to the timing of such development.

The resources estimates contained or referred to in this Material Change Report are estimates only and are not meant to provide a determination as to the volume or value of hydrocarbons attributable to the Company's properties. There are numerous uncertainties inherent in estimating quantities of resources and cash flows that may be derived, including many factors that are beyond the control of the Company. The following is a non-exhaustive list of factors which may have a significant impact on the above estimates of prospective resources: despite the classification that they are as yet undiscovered but may be potentially recoverable the Company may be unable to carry out the development or their potential recovery; the activity may not be economically viable; the Company may not have sufficient capital or time to develop them; there may be no market or transportation routes for the production; legal, contractual, environmental and governmental concerns might not allow for the recovery being undertaken; reservoir characteristics might prevent recovery. The recovery of the resources is subject to the following risks and uncertainties: market fluctuations, the proximity and capacity of oil and gas pipelines and processing equipment, government regulation, political issues, export issues, competing suppliers, operational issues (exploration, production, pricing, marketing and transportation), extensive controls and regulations imposed by various levels of government, lack of capital or income, the ability to drill productive wells at acceptable costs, the uncertainty of drilling operations, factors such as delays, accidents, adverse weather conditions, and the availability of drilling rigs and the delivery of equipment.

**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  
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**Item 9            Date of Report**

June 27, 2013

**Schedule "A"**

**[see attached press release dated June 18, 2013]**

## **TETHYS PETROLEUM LIMITED PRESS RELEASE**

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

### **Tajik Farm-out Deal Completed**

DUSHANBE, Tajikistan, June 18, 2013 - Tethys Petroleum Limited announces the completion of the farm-out agreement announced in December 2012 with subsidiaries of Total Exploration and Production ("Total") and China National Petroleum Corporation ("CNPC") whereby each acquired a one third interest in its Bokhtar Production Sharing Contract (the "Bokhtar PSC") in Tajikistan.

The Bokhtar PSC covers an area of some 35,000 km<sup>2</sup> and contains some 27.5 billion barrels oil equivalent of gross unrisked mean recoverable prospective resources (according to independent figures).

As part of the acquisition, the Tajik Government has also now added a further 1186.37 km<sup>2</sup> of highly prospective acreage which was not previously included in the Bokhtar PSC, and has also extended the first relinquishment period under the PSC by five years until 2020.

Today's signing ceremony in Dushanbe, Tajikistan, was attended by Mr. Gul Sherali, the Minister of Energy and Industry of Tajikistan, Mr. Bo Qiliang, President of CNODC, Mr. Michael Borrell, Senior Vice President Continental Europe and Central Asia of Total and Dr. David Robson, Executive Chairman and President of Tethys Petroleum Limited.

Completion of the deal will enable the consortium to progress exploration plans within the Bokhtar PSC with further seismic acquisition and the drilling of deep exploration wells to evaluate the potential super giant deposits which are thought to be present in the area. This area is an extension of the highly prolific Amu Darya Basin, which contains some of the world's largest gas and condensate fields.

The PSC is now held equally by the three partners who own approximately one third of the project each. An operating company, the Bokhtar Operating Company, has been established and is jointly owned by the three partners.

Tethys' subsidiary Kulob Petroleum Limited ("KPL") which holds the Company's interest in the Bokhtar PSC receives some US\$63 million relating to its past costs. It also has a part carry on an US\$80 million initial work programme whereby KPL contributes only US\$9 million towards this programme. Full details of the 2013 - 2014 work programme will be announced shortly.

#### **Dr David Robson, Executive Chairman and President of Tethys, said:**

*"We believe the Bokhtar PSC is a world class asset with enormous potential. The strengths brought to this project by our new partners, Total and CNPC, means we are in*

*a position to rapidly explore and develop this potential using all available techniques and technologies and with the financial strength to maximise success.”*

**Michael Borrell, Senior Vice President, Continental Europe Central Asia, Total Exploration & Production said:**

*“This acquisition is aligned with our bolder exploration strategy and positions Total in one of the world’s most prolific gas basins. The partnership between Total, CNPC and Tethys is particularly well equipped to conduct successful exploration and potentially develop a value-creating project.”*

### **Total S.A.**

Total is one of the largest integrated oil and gas companies in the world, with activities in more than 130 countries. The Group is also a first rank player in chemicals. Its 97,000 employees put their expertise to work in every part of the industry – exploration and production of oil and natural gas, refining and marketing, new energies, trading, and chemicals. Total is working to help satisfy the global demand for energy, both today and tomorrow. [www.total.com](http://www.total.com)

### **CNPC**

CNPC is China's largest oil and gas producer and supplier, as well as one of the world's major oilfield service providers and a global contractor in engineering construction. CNPC also owns and operates the Central Asia-China Gas Pipeline. The pipeline starts at Gedaim on the border of Turkmenistan and Uzbekistan, runs through central Uzbekistan and southern Kazakhstan, and ends at Horgos in China's Xinjiang Uygur Autonomous Region, where it interconnects to CNPC’s Second China West-East Gas Pipeline. CNPC is also the parent company of PetroChina listed on the New York Stock Exchange and the Hong Kong Stock Exchange

An Independent Resource Report of the Bokhtar PSC (dated June 30, 2012), prepared by Gustavson Associates in accordance with Canadian National Instrument 51-101, estimates Gross unrisked mean recoverable prospective resources of 27.5 billion barrels of oil equivalent, consisting of 114 trillion cubic feet (3.22 trillion cubic metres) of gas and 8.5 billion barrels of oil.

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.

*The references in this press release to "prospective resources" means those quantities of petroleum estimated, as of June 30, 2012, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. There is no certainty that any portion of these resources will be discovered. If*

*discovered, there is no certainty that it will be commercially viable to produce any portion of these resources. The use of the word "Gross" means 100% of the PSC.*

*The resources estimates contained or referred to are estimates only and are not meant to provide a determination as to the volume or value of hydrocarbons attributable to the Company's properties. There are numerous uncertainties inherent in estimating quantities of resources and cash flows that may be derived, including many factors that are beyond the control of the Company. The following is a non-exhaustive list of factors which may have a significant impact on the above estimates of prospective resources: despite the classification that they are as yet undiscovered but may be potentially recoverable the Company may be unable to carry out the development or their potential recovery; the activity may not be economically viable; the Company may not have sufficient capital or time to develop them; there may be no market or transportation routes for the production; legal, contractual, environmental and governmental concerns might not allow for the recovery being undertaken; reservoir characteristics might prevent recovery. The recovery of the resources is subject to the following risks and uncertainties: market fluctuations, the proximity and capacity of oil and gas pipelines and processing equipment, government regulation, political issues, export issues, competing suppliers, operational issues (exploration, production, pricing, marketing and transportation), extensive controls and regulations imposed by various levels of government, lack of capital or income, the ability to drill productive wells at acceptable costs, the uncertainty of drilling operations, factors such as delays, accidents, adverse weather conditions, and the availability of drilling rigs and the delivery of equipment.*

*This press release contains "forward-looking information". Such forward-looking statements reflect our current views with respect to future events and are subject to certain assumptions. See our Annual Information Form for the year ended December 31, 2012 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. A barrel of oil equivalent ("boe") conversion ratio of 6,000 cubic feet (169.9 cubic metres) of natural gas = 1 barrel of oil has been used and is based on the standard energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.*

**For more information please contact:**

*North America & Europe*

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