SCHEME OF ARRANGMENT

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO: FSD [ ] OF 2019

IN THE MATTER OF TETHYS PETROLEUM LIMITED

and

IN THE MATTER OF SECTION 86 OF
THE COMPANIES LAW (2018 REVISION) OF THE CAYMAN ISLANDS

SCHEME OF ARRANGEMENT

between

TETHYS PETROLEUM LIMITED

and

JAKA PARTNERS FZC

and

THE SCHEME SHAREHOLDERS (as defined herein)

PRELIMINARY

In the Scheme, unless inconsistent with the subject or context, the following expressions shall bear the meanings respectively set out opposite them:

"Circular"	means the management information circular of the Company to be proposed and sent to the Scheme Shareholders in connection with the Court Meeting;
"Companies Law"	means the Companies Law (2018) Revision and its predecessors as consolidated and revised time to time;
"Company"	means Tethys Petroleum Limited an exempted company with limited liability, the ordinary shares of which are listed on the NEX board of the TSX Venture Exchange;
"Court"	means the Grand Court of the Cayman Islands and any court capable of hearing appeals therefrom;

“Court Meeting”	means the meeting of the holders of Scheme Shares convened at the direction of the Court to consider the Scheme and including any adjournment thereof;
“Court Order”	means the Order of Court sanctioning the Scheme;
“Depositary”	means any trust company, bank or financial institution agreed to in writiting between the Company and Jaka;
“Effective Date”	means the date on which the Court Order is filed with the Registrar of Companies;
“JAKA”	means JAKA Partners FZC a company existing under the laws of the United Arab Emirates;
“Notice to the Company”	means the form of notice set out in Schedule 2;
“Option Plan”	means the stock incentive plan of the Corporation as amended effective April 24, 2008 and May 7, 2009;
“Options”	means the options issued pursuant to the Option Plan;
“Parties”	means the Company, JAKA and the Scheme Shareholders;
“Register”	means the register of members of the Company;
“Registrar of Companies”	means the Registrar of Companies of the Cayman Islands;
“Rights”	means the Options and any other securities convertible into Shares, including any outstanding, warrants, convertible debt or debentures;
“Scheme”	means this scheme of arrangement in its present form or with or subject to any modifications, additions or conditions which the Cayman Court may approve or impose;
“Scheme Shares”	means, for the purposes of determining entitlements to attend and vote at the Court Meeting, the Unowned Shares;
“Shares”	means the ordinary shares issued by the Company at a par value of US$ 0.10; and
“Unowned Share”	means a Share that, as of the date of the Court Meeting is not owned by Jaka.

(A) The Company was incorporated as an exempted limited company on the 17th July 2008 in the Cayman Islands under the Companies Law. The authorized share capital of the Company is USD$15,000,000 divided into 145,000,000 Shares of a par value of USD$0.10 each and 50,000,000 preference shares of a par value of USD$0.01 each.

(B) The Company and Jaka propose that Jaka acquire up to 70% of the Unowned Shares.

(C) Jaka has agreed to be bound by the Scheme and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed and done by it for the purpose of giving effect to this Scheme.

SCHEME OF ARRAGEMENT

1. Interpretation:
   In this Scheme, unless the context otherwise requires or otherwise expressly provides:

   (a) references to Recitals, Parts, clauses and sub-clauses are references to the Recitals, Parts, clauses and sub-clauses respectively of this Scheme;

   (b) references to "person" include references to an individual, firm, partnership, company, corporation, unincorporated body of persons or any state agency;

   (c) references to a statue, statutory provision, enactment or subordinate legislation include the same subsequently modified, amended or re-enacted from time to time;

   (d) references to an agreement, deed or document shall be deemed also to refer to such agreement, deed or document as amended, supplemented, restated, verified, replaced and/or novated (in whole or in part) from time to time to any agreement, deed or document executed pursuant thereto;

   (e) the singular includes the plural and vice-versa and words importing one gender shall include all genders;

   (f) headings to Recitals, Parts, clauses and sub-clauses are for ease of reference only shall not affect the interpretation of this Scheme.

2. Jaka shall acquire up to 70% of the Unowned Shares on the terms, subject to the conditions and for the considerations, contained in the Arrangement Agreement dated March 19, 2019 between Jaka and the Company, a copy of which is set out in Schedule 1.

3. As provided for in the Arrangement Agreement consideration for the purchase of the Scheme Shares by Jaka shall be:

   i. Cash Consideration of $0.60 cash per Share for up to 70% of the Unowned Shares;

   ii. Share Consideration of one Preferred Share per Share for up to 30% of the Unowned Shares.

4. This Scheme shall only become effective provided the following conditions are ratified:

   i. This Scheme is approved by the affirmation vote of the Court Meeting of a majority in number representing 75% or more in the value of the Scheme Shares present and voting in person or by proxy at the Court Meeting on the resolution to approve this Scheme;

   ii. The Court Order containing this Scheme is obtained from the Cayman Court.

5. If the Scheme is approved at the Court Meeting each Scheme Shareholder shall elect by Notice of Election as set out in Schedule 2 to receive the Cash Consideration in exchange for his Shares or the Share Consideration or to retain his Shares.

6. Each Notice of Cash Consideration and Share Consideration shall be signed by the holder or in case of joint holdings by all of the joint holders of the Shares to which it relates and sent to the Depositary.

7. At, or prior to the meeting of Shareholders in respect of the Arrangement (in the case of Shareholders returning proxies), Shareholders who approve the Arrangement shall file a Notice of Election with the Depositary which shall be deemed to be an effective mandate or instruction to the Company to cancel the Ordinary Shares to which they relate.

8. Any holder of a Right shall be entitled to conditionally exercise such Right at any time prior to the time that Shareholders must file a Notice of Election with the Company. Any conversion or exercise of a Right shall entitle its holder to receive the Cash Consideration or Share Consideration as they would have received had such Right been exercised or converted into Ordinary Shares, in accordance with its terms, on the day prior to the Effective Date.

9. The capital of the Company shall be reduced by the cancelation of the Shares referred to in the Notice of Election filed at the registered office of the Company. The Company shall fully allot and issue Shares to Jaka on the basis of one Share for each share cancelled.

10. JAKA will pay to the Depositary seven (7) days prior to the Effective date sufficient sums to pay in full the aggregate Cash Consideration payable to Shareholders for the Scheme Shares in accordance with their Notice of Election.

11. The Depositary shall pay on the Effective Date to the holders of the Shares who elected to receive the Cash Consideration such sums in respect of each Share as cancelled thereby as provided herein and in accordance with the Arrangement Agreement less such sums to be withheld in respect of any taxes due by the shareholder of the cancelled Share.

12. The Company shall allot and issue on the Effective Date one Preference share to the holders of each Share who elected to receive the Share Consideration in respect of each Share cancelled.

13. As from the effective date, the Scheme Shareholders shall in accordance with the Scheme cease to have any rights with respect of the Scheme Shares except the right to receive the consideration as set out in Clauses 3 and 5 of this Scheme.

14. The operative terms of this Scheme shall be governed and construed in accordance with the laws of the Cayman Islands and the Courts of the Cayman Islands shall have exclusive jurisdiction to hear and determine any proceedings and to settle any dispute which arises out of and in connection with the terms of this Scheme or their implementation arising out of any action taken or omitted to be taken under this Scheme and for such purposes the parties irrevocably submit to the jurisdiction of the Courts of the Cayman Islands.

SCHEDULE 1

ARRANGEMENT AGREEMENT DATED MARCH 19, 2019 BETWEEN JAKA AND THE COMPANY

(SEE ATTACHED)

EXECUTION COPY

ARRANGEMENT AGREEMENT

JAKA PARTNERS FZC

- and –

INFORM SYSTEMS LLP

- and –

TETHYS PETROLEUM LIMITED

MARCH 19, 2019

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ARRANGEMENT AGREEMENT

THIS AGREEMENT made the 19th day of March, 2019,

Jaka Partners FZC,
a company existing under the laws of the United Arab Emirates,
(hereinafter referred to as the "**Acquiror**")

- and -

Inform Systems LLP,
a limited liability partnership existing under the laws of Republic of Kazakhstan,
(hereinafter referred to as the "**Guarantor**")

- and -

Tethys Petroleum Limited,
a corporation existing under the laws of the Cayman Islands,
(hereinafter referred to as the "**Corporation**")

WHEREAS the Acquiror desires, pursuant to a Scheme of Arrangement under the Companies Law (as hereinafter defined), to acquire up to 70% of the ordinary shares of the Corporation (the "**Ordinary Shares**") that it does not already own and to offer Shareholders the opportunity to exchange up to 30% of the Ordinary Shares that the Acquiror does not already own for Preferred Shares (as hereafter defined) on a one-for-one basis;

AND WHEREAS pursuant to the Scheme of Arrangement, each Shareholder shall have the option to: (i) exchange up to 70% of the Ordinary Shares that it owns for Cash Consideration (as hereinafter defined) and up to 30% of the Ordinary Shares that it owns for Share Consideration (as hereinafter defined); (ii) exchange up to 70% of the Ordinary Shares that it owns for Cash Consideration; (iii) exchange up to 30% of the Ordinary Shares that it owns for Share Consideration; or (iv) retain its Ordinary Shares;

AND WHEREAS it is the intent of the parties that following the Effective Time, the Ordinary Shares shall continue to be listed and tradeable on the NEX (as hereafter defined) and that the Preferred Shares shall also become listed and tradeable thereon;

AND WHEREAS the board of directors of the Corporation (the "**Board**") has determined that the Arrangement (as hereinafter defined) is fair, from a financial point of view, to Shareholders and that the Arrangement is in the best interests of the Corporation and has approved the entering into of this Agreement and its recommendation that Shareholders vote for the Arrangement Resolution, all on the terms and subject to the conditions contained herein;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereby covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations shall have the corresponding meanings:

"**Acquiror**" means Jaka Partners FZC, a company existing under the laws of the United Arab Emirates;

"**Acquisition Proposal**" means, other than any of the transactions contemplated by this Agreement, any written proposal or offer by any person other than the Acquiror or any of its Affiliates with respect to

(a) any merger, amalgamation, scheme of arrangement, plan of arrangement, business combination, consolidation, recapitalization, redemption, reorganization, or similar transaction, or any liquidation, dissolution or winding-up, in any case, in respect of the Corporation;

(b) any take-over-bid, tender offer or exchange offer that, if consummated, would result in any person owning 20% or more of any class of voting or equity securities of the Corporation;

(c) any sale of assets (or any lease, long-term supply arrangement, licence or other arrangement having the same economic effect as a sale) of the Corporation representing 20% or more of the consolidated assets of the Corporation; or

(d) any sale or issuance of shares or other equity interests (or securities convertible into or exercisable for such shares or interests) in the Corporation representing 20% or more of the issued and outstanding voting or equity securities of the Corporation.

"**Affiliate**" has the meaning given to it in the Securities Act;

"**Agreement**" means this arrangement agreement entered into by the Corporation and the Acquiror;

"Annuity" means Annuity and Life Reassurance Ltd.;

"**Arrangement**" means a scheme of arrangement under Section 86 of the Companies Law;

"**Arrangement Resolution**" means the special resolution of Shareholders approving the Arrangement to be considered at the Meeting, substantially in the form attached as Schedule D to this Agreement and any amendments or variations thereto made in accordance with the provisions of this Agreement or the Plan of Arrangement;

"Articles of Arrangement" means the articles of arrangement in respect of the Arrangement to be filed with the Cayman Islands Registrar of Companies after the Final Order is made;

"**Board**" means the board of directors of the Corporation;

"**Board Observer**" means an individual entitled to attend all meetings of the Board, and all committees thereof, in a non-voting, observer capacity;

"**Business Day**" means a day, other than a Saturday or a Sunday, on which the principal commercial banks located in Toronto, Ontario and the Cayman Islands are open for the conduct of non-automated business;

"**Circular**" means the management information circular of the Corporation to be prepared and sent to the Shareholders in connection with the Meeting;

"**Claim**" means any demand, complaint, investigation, action, cause of action, suit, damage, liability (actual or contingent) or obligation;

"**Cash Consideration**" means $0.60 in cash per Ordinary Share for up to 70% of the Unowned Shares;

"**Companies Law**" means the Companies Law (2018 Revision) of the Cayman Islands;

"**Contemplated Transactions**" has the meaning set out in Schedule B to this Agreement;

"**Corporation**" means Tethys Petroleum Limited;

"**Court**" means the Grand Court of the Cayman Islands or any appellate court, as the case may be;

"**Depositary**" means any trust company, bank or financial institution agreed to in writing between the Acquiror and the Corporation to act as depository for the Arrangement;

"**Effective Date**" means the date on which the Arrangement becomes effective under Applicable Laws;

"**Effective Time**" has the meaning set out in the Scheme of Arrangement;

"**Encumbrance**" means any lien, pledge, hypothecation, charge, Claim, mortgage, assignment, security interest, adverse interest, other third party interest or encumbrance of any kind;

"**Final Order**" means the final order of the Court approving the Arrangement, as such order may be amended by the Court at any time prior to the Arrangement becoming effective or, if appealed, then such appeal is disposed of;

"**Governmental Authority**" means any: (i) any multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central

bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (ii) any subdivision, agent, commission, board or authority of any of the foregoing; (iii) any stock exchange; and (iv) corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of such entities or other bodies pursuant to the foregoing;

"**Guarantor**" means Inform Systems LLP;

"**IFRS**" means the International Financial Reporting Standards and the official pronouncements issued by the International Accounting Standards Board;

"**Interim Order**" means the interim order of the Court, as the same may be amended by the Court, containing declarations and directions with respect to the Arrangement and providing for, among other things, the holding of the Meeting;

"**Laws**" or "**Applicable Laws**" means any applicable laws including supranational, national, provincial, state, municipal and local civil laws, treaties, statutes, judgments, decrees, injunctions, writs, certificates and orders, by-laws, rules, regulations, ordinances, policies, notices, directions or other requirements of any Governmental Authority;

"**Legal Proceeding**" means any action, suit, charge, complaint, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, inquiry, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any court or other Governmental Authority or any arbitrator or arbitration panel;

"**Loss**" means any loss (including loss of profits and punitive damages), cost, liability, Tax liability, damage, fine, penalty, settlement, judgment, award or expense, including where applicable costs and expenses (including attorneys' fees and expenses of investigation and defence);

"**Match Period**" has the meaning set out in Section 6.3(b)(iii);

"**Meeting**" means the special meeting of Shareholders to be held for the purpose of considering the Arrangement Resolution and any adjournments or postponements thereof;

"**NEX**" means the NEX board of the TSX Venture Exchange, or such other nationally recognized securities exchange on which the Ordinary Shares may trade from time-to-time;

"**Optionholder**" means a holder of Options;

"**Option Plan**" means the stock incentive plan of the Corporation as amended effective April 24, 2008 and May 7, 2009;

"**Options**" means the options issued pursuant to the Option Plan;

"**Ordinary Share**" means an ordinary share of the Corporation;

"**Outside Date**" has the meaning set out in Section 10.1(b)(ii);

"**party**" means a party to this Agreement;

"**person**" means an individual, general partnership, limited partnership, corporation, company, limited liability company, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;

"**Preferred Share**" means a preference share of the Corporation to be issued in connection with the Scheme of Arrangement, the terms of which are attached here to as Schedule E;

"**Public Disclosure Record**" means all documents filed by or on behalf of the Corporation on SEDAR in the period from January 1, 2018 to the date hereof;

"**Representative**" means, in respect of a person, its subsidiaries and its Affiliates and its and their directors, officers, employees, shareholders, agents and representatives;

"**Rights**" means the Options and any other securities convertible into Ordinary Shares, including any outstanding, warrants, convertible debt or debentures;

"**Scheme of Arrangement**" means the scheme of arrangement substantially in the form attached as Schedule A and any amendment or variation thereto from time to time made in accordance with this Agreement or the Scheme of Arrangement or upon the direction of the Court in the Court Order with the consent of the parties, each acting reasonably;

"**Securities Act**" means the *Securities Act* (Ontario), as amended from time to time;

"**Share Consideration**" means one Preferred Share per Ordinary Share for up to 30% of the Unowned Shares;

"**Shareholders**" means holders of the Ordinary Shares;

"**Shares**" means the Ordinary Shares and the Preferred Shares;

"**subsidiary**" means, with respect to a person, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such person and shall include any body corporate, partnership, joint venture or other entity over which it exercises direction or control or which is in a like relation to a subsidiary;

"**Superior Proposal**" means any written Acquisition Proposal made subsequent to the date hereof:

(a) to purchase or otherwise acquire, directly or indirectly, all of the Ordinary Shares or all or substantially all of the assets of the Corporation;

(b) in respect of which it has been demonstrated to the satisfaction of the Board, acting in good faith that adequate arrangements have been made in respect of any financing required to complete such Acquisition Proposal;

(c) that is not subject to any due diligence condition; and

(d) that the Board has determined, acting in good faith:

(i) is reasonably capable of consummation without undue delay taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal and the person making such Acquisition Proposal; and

(ii) would, if consummated in accordance with its provisions (but not assuming away any risk of non-consummation), result in a transaction more favourable to the Shareholders from a financial point of view than the Arrangement (including any adjustment to the terms and conditions of the Arrangement proposed by the Acquiror pursuant to this Agreement);

"**Superior Proposal Notice**" has the meaning set out in Section 6.3(b)(ii);

"**Tax**" or "**Taxes**" means any taxes, duties, fees, premiums, assessments, imposts, levies, fees and other charges of any kind whatsoever imposed by any Governmental Authority, (including all interest, penalties, fines, additions to tax, or other additional amounts imposed by any Governmental Authority in respect thereof), and including, but not limited to, those levied on, or measured by, or referred to as, income, gross receipts, profits, windfall, royalty, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and other pension plan premiums or contributions imposed by any Governmental Authority;

"**Termination Payment**" has the meaning set out in Section 10.2;

"**Termination Payment Event**" has the meaning set out in Section 10.2;

"**Unowned Share**" means an Ordinary Share that, as of the date of the Meeting, is not owned by the Acquiror; and

"**Warrant**" means a share purchase warrant to purchase Ordinary Shares, substantially in the form attached hereto as Schedule F.

1.2 Construction

In this Agreement, unless otherwise expressly stated or the context otherwise requires:

(a) references to "herein", "hereby", "hereunder", "hereof" and similar expressions are references to this Agreement and not to any particular Section of or Schedule to this Agreement;

(b) references to a "Section" or a "Schedule" are references to a Section of or Schedule to this Agreement;

(c) words importing the singular shall include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders;

(d) the use of headings is for convenience of reference only and shall not affect the construction or interpretation hereof;

(e) if the date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day;

(f) a period of Business Days is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. (Eastern Daylight Time) on the last day of the period if the period is a Business Day or at 4:30 p.m. on the next Business Day if the last day of the period does not fall on a Business Day;

(g) references to any legislation or to any provision of any legislation shall include any modification or re-enactment thereof, any legislation provision substituted therefor and all regulations, rules and interpretations issued thereunder or pursuant thereto;

(h) references to any agreement or document shall be to such agreement or document (together with the schedules and exhibits attached thereto), as it may have been or may hereafter be amended, modified, supplemented, waived or restated from time to time; and

(i) wherever the term "includes" or "including" is used, it shall be deemed to mean "includes, without limitation" or "including, without limitation", respectively.

1.3 Currency

Unless otherwise indicated, all dollar amounts referred to in this Agreement are expressed in United States dollars.

1.4 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made shall be made in accordance with IFRS consistently applied.

1.5 Knowledge

References to the "knowledge of the Corporation" mean the actual knowledge of Mattias Sjoborg, Clive Oliver and William Wells, in their capacities as officers or directors of the Corporation and not in their personal capacities.

1.6 Schedules

The Schedules to this Agreement, as listed below, are an integral part of this Agreement:

Schedule	Description
A	Scheme of Arrangement Under the Companies Law
B	Representations and Warranties of the Acquiror
C	Representations and Warranties of the Corporation
D	Arrangement Resolution
E	Class "A" Preferred Share Terms
F	Form of Warrant
G	Form of Corporate Guarantee
H	Form of Settlement Agreement

ARTICLE 2
ARRANGEMENT

2.1 Interim Order

After the date of this Agreement, the Company shall in a manner reasonably acceptable to the Purchaser, acting reasonably and, in cooperation with the Purchaser, prepare, file and pursue an application for the Interim Order.

2.2 Circular and Meeting

(a) As soon as reasonably practicable after the date hereof, the Corporation shall prepare the Circular, together with any other documents required by Applicable Laws in connection with the Meeting, in accordance with Applicable Laws which Circular shall, subject to Article 6, reflect the approval by the Board of this Agreement and the recommendation that Shareholders vote for the Arrangement Resolution.

(b) Prior to the printing of the Circular and during the course of its preparation, the Corporation shall provide the Acquiror with a reasonable opportunity to review and comment on it, and reasonable consideration shall be given to any comments made by them, provided that all information relating solely to Acquiror or its Affiliates included in the Circular shall be in form and content satisfactory to Acquiror, acting reasonably. The Acquiror shall provide to the Corporation for inclusion in the Circular such information regarding the Acquiror and its Affiliates as is required by Applicable Laws or reasonably requested by the Corporation to be included in

the Circular. The Acquiror represents, warrants and covenants that any information it provides to the Corporation for inclusion in the Circular will be accurate and complete in all material respects as of the relevant date of such information and will not contain any untrue statement of a material fact or an omission to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

(c) The Corporation and the Acquiror shall each promptly notify the other party if at any time before the Meeting it becomes aware (in the case of the Corporation only with respect to the Corporation and in the case of the Acquiror only with respect to the Acquiror and its Affiliates) that the Circular contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Circular, and the parties shall co-operate in the preparation of any amendment or supplement to the Circular, as required or appropriate, and the Corporation shall promptly mail or otherwise publicly disseminate any amendment or supplement to the Circular as required by the Court or Applicable Laws.

(d) As soon as reasonably practicable after the issuance of the Interim Order, the Corporation shall cause the Circular, together with other documents required by Applicable Laws in connection with the Meeting, to be sent to Shareholders and filed as required by the Interim Order and Applicable Laws, provided that if the Corporation provides the Acquiror with a Superior Proposal Notice before mailing and filing the Circular, the Corporation need not file or mail the Circular until the Corporation provides notice to the Acquiror that such Acquisition Proposal is not a Superior Proposal and the Corporation shall call and hold the Meeting as soon as reasonably practicable (subject to adjournment or postponement as contemplated in Section 6.3) for the purposes of considering the Arrangement Resolution in accordance with the Interim Order, the by-laws of the Corporation and Applicable Laws.

(e) The Meeting shall be held on a Business Day to be agreed upon by the parties, acting reasonably. Subject to Article 6, the Corporation shall not adjourn, postpone or cancel (or propose to adjourn, postpone or cancel) the Meeting, except with the Acquiror's prior written consent (which consent should not be unreasonably delayed or withheld), except as contemplated in Section 6.3 or Section 9.4 or as required by Applicable Laws, an order of a court or for quorum purposes.

2.3 Final Order

If the Interim Order is obtained and the Arrangement Resolution is passed at the Meeting as provided for in the Interim Order, the Company shall take all steps necessary or desirable to submit the Arrangement to the Court and pursue an application for the Final Order.

2.4 Court Proceedings

Subject to the terms of this Agreement, the Acquiror shall cooperate with and assist the Corporation in seeking the Interim Order and the Final Order, including by providing to the Corporation, on a timely basis, any information required to be supplied by the Acquiror in connection therewith. The Corporation shall provide the Acquiror with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, and will give reasonable consideration to all such comments. The Corporation shall provide to the Acquiror, on a timely basis, copies of any notice of appearance or other Court documents served on the Corporation in respect of the application for the approval of the Scheme of Arrangement or any appeal therefrom and of any written notice received by the Corporation indicating any intention to oppose the granting of the application to approve the Scheme of Arrangement or any appeal thereof.

2.5 Articles of Arrangement and Effective Date

The parties agree that the Arrangement shall be implemented in accordance with the terms and conditions of this Agreement and the Scheme of Arrangement. The Articles of Arrangement shall implement the Scheme of Arrangement. On or before the third Business Day after the satisfaction or waiver (subject to Applicable Laws) of the conditions set forth in Article 9 (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or waiver of those conditions as of the Effective Date), and unless another date is agreed to in writing by the parties, the Corporation shall file the Articles of Arrangement with the Registrar of Companies to give effect to the Arrangement and implement the Scheme of Arrangement. The Arrangement shall become effective on the Effective Date and the steps to be carried out pursuant to the Arrangement shall become effective on the Effective Date The closing of the Arrangement will take place at the offices of Borden Ladner Gervais LLP, Toronto, Ontario at 9:00 a.m. on the Effective Date, or such other place as agreed upon by the parties.

2.6 Payment of Consideration

(a) The Acquiror shall, subject to the satisfaction or waiver of the conditions set out in Sections 9.1 and 9.3, following the granting of the Final Order and prior to the filing by the Corporation of the Articles of Arrangement with the Registrar of Companies, deliver or cause to be delivered sufficient cash to the Depository to pay in full the aggregate Cash Consideration payable to Shareholders in accordance with their election at the Meeting (other than Shareholders exercising Dissent Rights and who have not withdrawn their notice of objection) on the Effective Date pursuant to the Scheme of Arrangement.

(b) At the Meeting, a Shareholder may elect to:

(i) receive Cash Consideration in exchange for up to 70% of its Ordinary Shares and Share Consideration in exchange for up to 30% of its Ordinary Shares;

(ii) receive Cash Consideration in exchange for up to 70% of its Ordinary Shares and retain the remaining Ordinary Shares;

(iii) receive Share Consideration in exchange for up to 30% of its Ordinary Shares and retain the remaining Ordinary Shares; or

(iv) retain all of its Ordinary Shares.

(c) To the extent that the Scheme of Arrangement is approved and a Shareholder fails to make any election as to its preferred form of consideration, it shall be deemed to have elected to retain all of its Ordinary Shares.

(d) The Scheme of Arrangement shall provide that any holder of a Right shall be entitled to conditionally exercise such Right at any time prior to the time that Shareholders must make their election(s) in accordance with Section **2.6(b)**. Pursuant to the Scheme of Arrangement, any conversion or exercise of a Right shall entitle its holder to receive the Cash Consideration or Share Consideration as elected pursuant to Section **2.6(b)** as they would have received had such Right been exercised or converted into Ordinary Shares, in accordance with its terms, on the day prior to the Effective Date. If the Scheme of Arrangement has not closed by the Outside Date or if this Agreement is terminated pursuant to Section 10.1, then any Rights conditionally exercised or converted shall be treated as not having been exercised or converted, and shall remain outstanding in accordance with their terms.

2.7 Announcement and Shareholder Communications

The Acquiror and the Corporation shall jointly publicly announce the transactions contemplated hereby promptly following the execution of this Agreement, the text and timing of such announcement to be approved in writing by the parties in advance, acting reasonably. Neither party shall (a) issue any press release or otherwise make public announcements with respect to this Agreement or the Scheme of Arrangement without the prior written consent of the other party (which consent shall not be unreasonably withheld or delayed), except as permitted by Article 6, or (b) subject to Article 7, make any filing with any Governmental Authority with respect thereto without the prior written consent of the other party; provided, however, that the foregoing shall be subject to the Corporation's overriding obligation to make any disclosure or filing required under Applicable Laws.

2.8 Withholding Taxes

The Acquiror, the Corporation and the Depositary shall be entitled to deduct and withhold from any consideration or other payments payable or otherwise deliverable to any person hereunder or under the Scheme of Arrangement such amounts as the Acquiror, the Corporation or the Depositary may be entitled or required to deduct and withhold therefrom under any provision of any Applicable Laws or the interpretation or administration thereof in respect of Taxes and remit such deducted and withheld amounts to the appropriate Governmental Authority. To the extent that such amounts are so properly deducted, withheld and remitted on a timely basis to the relevant Governmental Authority, such amounts shall be treated for all purposes under this Agreement or the Scheme of Arrangement as having been paid to the person to whom such amounts would otherwise have been paid.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF THE ACQUIROR

3.1 Representations and Warranties

The Acquiror makes to the Corporation the representations and warranties set out in Schedule B to this Agreement and acknowledges that the Corporation is relying upon these representations and warranties in connection with the entering into of this Agreement.

3.2 Survival of Representations and Warranties

The representations and warranties of the Acquiror contained in this Agreement shall survive the execution and delivery of this Agreement and shall expire and be terminated and extinguished upon the Effective Time.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

4.1 Representations and Warranties

Subject to anything disclosed in the Public Disclosure Record, the Corporation hereby makes to the Acquiror the representations and warranties set out in Schedule C to this Agreement, and acknowledges that the Acquiror is relying upon these representations and warranties in connection with the entering into of this Agreement.

4.2 Survival of Representations and Warranties

The representations and warranties of the Corporation contained in this Agreement shall survive the execution and delivery of this Agreement and shall expire and be terminated and extinguished at the Effective Time.

ARTICLE 5
CONDUCT OF BUSINESS

5.1 Conduct of Business by the Corporation

The Corporation agrees that, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, unless the Acquiror shall otherwise consent in writing (which consent shall not be unreasonably withheld, delayed or conditioned) or as otherwise expressly contemplated or permitted by this Agreement, the Scheme of Arrangement or as required by Law or any Governmental Authority, the Corporation shall:

(a) not split, consolidate or reclassify any of its outstanding shares nor undertake any other capital reorganization, nor declare, set aside or pay any dividends on or make any other distributions on or in respect of its outstanding shares;

(b) not amend its articles or by-laws or the terms of its outstanding securities;

(c) not amalgamate or merge with any other person or adopt or enter into a plan of liquidation or dissolution;

(d) not issue any securities or any options, warrants or other rights to acquire securities, or redeem or purchase any of its outstanding securities, other than the issuance of Ordinary Shares upon the exercise of currently outstanding Rights in accordance with their terms; and

(e) not announce an intention, enter into any agreement, or otherwise make a commitment to do any of the things prohibited by any of the foregoing subparagraphs.

In the event that the Corporation makes a written request for Acquiror's consent for any of the matters set out above (which consent shall not be unreasonably withheld, delayed or conditioned) the Acquiror shall provide its response in writing within five (5) Business Days of receipt of such written request, failing which Acquiror shall be deemed to have approved the Corporation's request.

ARTICLE 6
COVENANTS RELATING TO ACQUISITION PROPOSALS

6.1 Non-Solicitation

(a) Except as provided in Section 6.3 of this Agreement, the Corporation shall not, directly or indirectly through any Representative of the Corporation, and shall not permit any Representative of the Corporation to:

(i) solicit, initiate, knowingly encourage or knowingly facilitate (including by way of furnishing information or permitting any visit to any facilities or properties of the Corporation or entering into any form of agreement, arrangement or understanding) any inquiry, proposals or offer regarding an Acquisition Proposal;

(ii) engage or participate in any substantive discussions or negotiations with any person (other than the Acquiror and its Representatives) regarding any inquiry, proposal or offer that constitutes an Acquisition Proposal, provided that, for greater certainty, the Corporation may (A) advise any person requesting access to information with respect to the Corporation that such access cannot be provided except in accordance with the terms of this Agreement; and (B) advise any person making an unsolicited Acquisition Proposal that such Acquisition Proposal does not constitute a Superior Proposal when the Board has so determined;

(iii) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to the Acquiror, the approval or recommendation of this Agreement or the Arrangement by the Board;

(iv) approve or recommend, or propose publicly to approve or recommend, any Acquisition Proposal; or

(v) accept or enter into, or publicly propose to accept or enter into, any letter of intent, arrangement or undertaking related to any Acquisition Proposal (other than a confidentiality agreement as contemplated under Section 6.3).

(b) The Corporation shall immediately cease any existing solicitation, discussion or negotiation, with any person (other than the Acquiror or any of its Representatives) by the Corporation or any of its Representatives with respect to an Acquisition Proposal. The Corporation shall immediately cease to provide any person (other than the Acquiror or any of its Representatives) with access to information concerning the Corporation in respect of any Acquisition Proposal.

(c) The Corporation shall ensure that its Representatives are aware of the prohibitions in this Section 6.1.

6.2 Notification of Acquisition Proposals

The Corporation shall promptly (and in any event within 48 hours) notify the Acquiror, at first orally and then in writing, of (a) any proposal, inquiry or offer received by the Corporation or its Representatives that constitutes an Acquisition Proposal; or (b) a request received by the Corporation for non-public information of the Corporation relating to an Acquisition Proposal. If the Corporation does, or intends to, respond to such proposal, inquiry, offer or request, in the manner permitted by Section 6.3(a)(ii), then such notice shall also include a description of the material terms and conditions of such proposal, inquiry, offer or request. The Corporation shall keep the Acquiror reasonably informed of the status, including any change to the material terms, of such proposal, inquiry, offer or request.

6.3 Responding to Acquisition Proposals and Superior Proposals

(a) Notwithstanding Section 6.1(a) or any other provision of this Agreement, following the receipt by the Corporation of a written Acquisition Proposal made after the date hereof (that was not solicited in contravention of Section 6.1(a), in any material respect), the Corporation and its Representatives may:

(i) contact the person making such Acquisition Proposal and its Representatives to clarify the terms and conditions of such Acquisition Proposal and the likelihood of its consummation so as to determine whether such Acquisition Proposal is, or may be reasonably likely to lead to, a Superior Proposal; and

(ii) if the Board determines that such Acquisition Proposal is, or could reasonably be expected to lead to, a Superior Proposal:

(A) furnish information with respect to the Corporation to the person making such Acquisition Proposal and its Representatives provided that such person has entered into a confidentiality agreement with the Corporation; and

(B) engage in discussions and negotiations with the person making such Acquisition Proposal and its Representatives.

(b) Notwithstanding Section 6.1(a) or any other provision of this Agreement, the Corporation may (i) enter into an agreement (other than a confidentiality agreement contemplated by Section 6.3(a)(ii)(A)) with respect to an Acquisition Proposal and/or (ii) withdraw, modify or qualify its approval or recommendation of the Arrangement and recommend or approve an Acquisition Proposal, provided:

(i) the Corporation shall have complied in all material respects with its obligations under this Article 6;

(ii) the Corporation has delivered written notice to the Acquiror of the determination of the Board that the Acquisition Proposal is a Superior Proposal and of the intention of the Board to approve or recommend such Superior Proposal and/or of the Corporation to enter into an agreement with respect to such Superior Proposal, together with a copy of such agreement (the "**Superior Proposal Notice**");

(iii) at least three Business Days have elapsed since the date the Superior Proposal Notice was received by the Acquiror, which three Business Day period is referred to as the "**Match Period**";

(iv) if the Acquiror has offered to amend the terms of the Arrangement and this Agreement during the Match Period pursuant to Section 6.3(c), the Board has determined that such Acquisition Proposal continues to be a Superior Proposal compared to the amendment to the terms of the Arrangement and this Agreement offered by the Acquiror at the termination of the Match Period; and

(v) the Corporation terminates this Agreement pursuant to Section 10.1(e) and the Corporation has previously paid or, concurrently with termination, pays the Termination Payment to the Acquiror.

(c) During the Match Period, the Acquiror shall have the opportunity, but not the obligation, to offer to amend the terms of the Arrangement and this Agreement. The Board shall review any such offer by the Acquiror to amend the terms of the Arrangement and this Agreement in order to determine whether the Acquiror's offer to amend the Arrangement and this Agreement, upon its acceptance, would result in the Acquisition Proposal ceasing to be a Superior Proposal compared to the amendment to the terms of the Arrangement and this Agreement offered by the Acquiror. If the Board determines that the Acquisition Proposal would cease to be a Superior Proposal, the Corporation and the Acquiror shall enter into an

amendment to this Agreement reflecting the offer by the Acquiror to amend the terms of the Arrangement and this Agreement.

(d) At the written request of the Acquiror, the Board shall promptly reaffirm its recommendation of the Arrangement by press release after: (i) any Acquisition Proposal (which is determined not to be a Superior Proposal) is publicly announced or made; or (ii) the Board determines that a proposed amendment to the terms of the Arrangement and this Agreement would result in a previously announced Acquisition Proposal not being a Superior Proposal. The Acquiror shall be given a reasonable opportunity to review and comment on the form and content of any such press release, recognizing that whether or not such comments are appropriate will be determined by the Corporation.

(e) Nothing in this Agreement shall prevent the Board from responding through a directors' circular or otherwise as required by Applicable Laws to an Acquisition Proposal. Further, nothing in this Agreement shall prevent the Board from making any disclosure to Shareholders if the Board, acting in good faith and following consultation with its legal advisors, shall have first determined that the failure to make such disclosure would be inconsistent with the fiduciary duties of the Board or such disclosure is otherwise required under the Applicable Laws.

(f) If the Corporation provides the Acquiror with a Superior Proposal Notice on a date that is less than three Business Days prior to the Meeting, at the request of the Acquiror, the Corporation will adjourn the Meeting to a date that is not less than three Business Days and not more than 10 Business Days after the date the Superior Proposal Notice is provided to the Acquiror, as such date is requested by the Acquiror.

(g) Each successive material modification of any Acquisition Proposal shall constitute a new Acquisition Proposal for purposes of Section 6.3(b) and all of the provisions of this Section 6.3 shall apply again to such new Acquisition Proposal.

ARTICLE 7
COVENANTS RELATING TO REGULATORY APPROVALS

7.1 Regulatory Filings and Approvals

(a) As soon as reasonably practicable after the date hereof, each party shall make all necessary filings, applications and submissions with Governmental Authorities (including the NEX) under all Applicable Laws in respect of the transactions contemplated herein.

(b) The Corporation and the Acquiror shall each use its commercially reasonable efforts to obtain all consents, approvals, authorizations or waivers required to be obtained by it from Governmental Authorities in respect of the transactions contemplated herein and to avoid or resolve any suit or threatened suit so as to permit the consummation of the transactions contemplated herein on a timely basis.

(c) The Corporation shall use its commercially reasonable efforts to maintain the listing of the Ordinary Shares on the NEX up to and following the Effective Time, and to obtain the listing of the Preferred Shares on the NEX (or failing that an over the counter listing solution) prior to, or as soon as reasonably practicable following, the Effective Time. The Acquiror agrees to use its commercially reasonable efforts to assist, in any way reasonably required, to obtain such listing of the Preferred Shares, including by submitting any documents requested by the NEX and to maintain the listing of the Ordinary Shares following the Effective Time.

7.2 Regulatory Filings and Approvals

(a) Subject to Applicable Laws, each party shall provide the other party (except in respect of competitively-sensitive, privileged or confidential matters, which may be withheld entirely except where it can be shared with the other party's external counsel without risk of loss of secrecy, privilege or confidentiality) with reasonable opportunity to review and comment on all filings, applications and submissions with Governmental Authorities to be made by it and the other party shall use its commercially reasonable efforts to cooperate with and assist such party in the preparation and making of all such filings, applications and submissions and the obtaining of all consents, approvals, authorizations or waivers required to be obtained by such party (including participating and appearing in any proceedings before Governmental Authorities).

(b) Each party shall promptly notify the other party of any material communication to such party from any Governmental Authority in respect of the transactions contemplated herein (and provide a copy thereof if such communication is in writing) and, subject to Applicable Laws, provide the other party (except in respect of competitively-sensitive, privileged or confidential matters, which may be withheld entirely except where it can be shared with the other party's external counsel without risk of loss of secrecy, privilege or confidentiality) with reasonable opportunity to review and comment on any proposed written material communication to any such Governmental Authority. Each party shall consult with the other party (except in respect of competitively-sensitive, privileged or confidential matters, which may be withheld entirely except where it can be shared with the other party's external counsel without risk of loss of secrecy, privilege or confidentiality) prior to participating in any substantive meeting or discussion with any Governmental Authority in respect of the transactions contemplated herein and use commercially reasonable efforts to give the other party (except in respect of competitively-sensitive, privileged or confidential matters, which may be withheld entirely except where it can be shared with the other party's external counsel without risk of loss of secrecy, privilege or confidentiality) the opportunity to attend and participate thereat.

(c) Following the Effective Time and prior to the redemption of the Preferred Shares, if the Ordinary Shares cease to be listed on the NEX, the Acquiror shall, by way of a take-over bid, scheme of arrangement or any other suitable method, make an offer to purchase all of the then issued and outstanding (i) Ordinary Shares for a purchase

price of the highest of (a) $0.60 per Ordinary Share, (b) the weighted average trading price for the 30 trading days prior to the Ordinary Shares ceasing to be listed or (c) the estimated fair market value per share as determined by a valuation expert from a reputable international accounting and audit firm or reputable investment bank which does not have a prior relationship with the Acquiror and (ii) Preferred Shares for a purchase price of $1.80 per Preferred Share.

ARTICLE 8
OTHER COVENANTS

8.1 Further Assurances

Subject to the terms and conditions of this Agreement, each party agrees to use commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable (a) to satisfy (or cause the satisfaction of) the conditions set out in Article 9 to the extent the same is within its control and to consummate and make effective as promptly as is practicable the transactions contemplated herein and (b) for the discharge by each party of its respective obligations under this Agreement and the Arrangement, including its obligations under Applicable Laws, in each case including the execution and delivery of such documents as the other party hereto may reasonably require. Each of the parties hereto, where appropriate, shall reasonably cooperate with the other party in taking such actions.

8.2 Directors and Officers Insurance and Indemnification

(a) From and after the Effective Time, the Acquiror shall cause the Corporation (or its successor) to indemnify, and keep indemnified each current and future director and officer of the Corporation in respect of all costs, charges, losses, liabilities, damages and expenses in relation to any Claim, howsoever arising, including any costs and expenses incurred or to be incurred by the director or officer in defending any such Claim (whether in relation to civil or criminal proceedings or in connection with regulatory actions or investigations and including an obligation to advance such costs and expenses to the director or officer), (together referred to as a "Liability") to the full extent permitted under Applicable Laws. The Acquiror and the Corporation agree that all rights to indemnification existing on the date hereof in favour of each present officer and director of the Corporation as provided in the Corporation's by-laws or as provided by contracts between such individuals and the Corporation shall survive and shall continue in full force and effect, and the Acquiror shall cause the Corporation, and any successor to the Corporation, to honour such rights of indemnification and indemnify such individuals pursuant thereto, with respect to acts or omissions of such individuals occurring prior to the Effective Time, for a period of six years following the Effective Date.

(b) The indemnity set out in clause 8.2 (a) above is subject to the following exclusions and limitations:

(i) it will not apply to any Claim or Liability to the extent that it arises as result of the actual fraud, wilful default, dishonesty or bad faith by the director;

(ii) if any recovery is made by the director in respect of a Liability or a Claim under any policy of insurance then an amount equal to that so recovered shall be deducted from the amount to which, in respect of that Liability or Claim, the director would otherwise have been entitled pursuant to the indemnity;

(iii) it will not apply to any fines imposed on the director in criminal proceedings or sums payable by the director to a regulatory authority or Stock Exchange by way of a penalty in respect of non-compliance with any requirement of a regulatory nature or the listing regime of a Stock Exchange (howsoever arising);

(c) The Acquiror acknowledges and agrees that, notwithstanding any other provision of this Agreement, the Corporation shall, and if the Corporation is unable to, the Acquiror shall cause the Corporation to, maintain the current directors' and officers' liability insurance providing coverage for each future, present and former officer and director of the Corporation covering Claims in respect of acts or omissions in their capacity as directors or officers of the Corporation occurring prior to the Effective Time made prior to or within a period of four (4) years after the Effective Time, on terms comparable to those contained in the Corporation's insurance policies as are in place as of the Effective Time, provided however that the Corporation and the Acquiror, as applicable, shall not be required to fund premiums associated with such insurance policies in excess of $40,000 per annum.

(d) The provisions of this Section 8.2 are: (i) intended for the benefit of all present and future directors and officers of the Corporation, as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such persons and his or her heirs, executors administrators and other legal representatives (collectively, the "Third Party Beneficiaries") and the Corporation shall hold the rights and benefits of this Section 8.2 in trust for and on behalf of the Third Party Beneficiaries and the Corporation hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Third Party Beneficiaries; and (ii) are in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries may have by contract or otherwise. Furthermore, this Section 8.2 shall survive the termination of this Agreement as a result of the occurrence of the Effective Date for a period of six years.

8.3 Employment Matters

(a) The Corporation shall use its commercially reasonable efforts to deliver to the Acquiror on the Effective Date resignations effective on the Effective Date, of:

(i) Mr. Mattias Sjoborg as the Chief Executive Officer and as a director of the Corporation; and

(ii) Mr. William Wells as a director of the Corporation,

provided that such resignations will be subject to consummaton of the Contemplated Transactions and this Section 8.3 as well as any right to receive any consideration as well as any compensation that has been earned not yet paid or accrued benefits not yet provided.

(b) Each resignation delivered pursuant to this Section 8.3 shall have been written voluntarily by the applicable individual and, notwithstanding the terms of their employment or other contracts, shall be delivered free of any requirement for remuneration or consideration.

(c) Following the Effective Date, the Corporation and the Acquiror shall engage in good faith discussions with Mr. Clive Oliver with respect to his continued employment as Chief Financial Officer and Corporate Secretary of the Corporation, having regard to his years of service to the Corporation and knowledge about the Corporation's business and its regulatory obligations as a publicy-listed company and, notwithstanding the outcome of such discussions, in no event shall Mr. Oliver's employment with the Corporation be terminated without the Corporation first having provided him with a minimum of two (2) months' notice or pay in lieu of the same.

8.4 Minority Protection

(a) For the period commencing on the Effective Date and ending on the earlier of: (i) the date that is three years following the Effective Date, and (ii) the date when the Ordinary Shares become listed on the Toronto Stock Exchange or a similar, senior, stock exchange, the Corporation shall not issue any Ordinary Shares, or securities convertible or exercisable into Ordinary Shares, which, if fully converted or exercised, as the case may be, would result in the Corporation having issued an aggregate number of Ordinary Shares (on an as converted basis) exceeding eighteen (18) million Ordinary Shares.

(b) For a period of three (3) years commencing on the Effective Date, the Acquiror shall ensure that the Corporation and its subsidiaries shall not pledge any of their assets, except to a bank in connection with a new bank loan arranged in the ordinary course of business, unless such action has first been approved by a majority of the minority Shareholders.

(c) For the period commencing on the Effective Date and continuing for so long as any Preferred Shares remain outstanding, the Corporation shall not, without the prior written approval of a majority of the holders of the Preferred Shares, sell, encumber or dispose of, in any manner, any assets of the Corporation or its subsidiaries that are, individually or in the aggregate, material to the Corporation or its subsidiaries.

8.5 Board Composition and Observer; Inspection of Corporate Records

(a) Commencing on the Effective Time and ending on the date that is three years following the Effective Time, and notwithstanding any changes to the composition of the Board, the Acquiror shall ensure that the Board, at all times, consists of at least three members and that the Board's constitution complies with all Applicable Laws;

(b) Commencing on the Effective Time and ending on the earlier of: (i) the date that is three years following the Effective Time, and (ii) the date when Annuity owns fewer than 10% of the Ordinary Shares (on a converted basis), Annuity shall be entitled to appoint one Board Observer. The Board Observer (i) shall have the right to attend all meetings of the Board and any committees thereof, (ii) shall be entitled to receive all notices of intended meetings of the Board and all other notices provided to members of the Board from time to time, and (iii) shall receive all written information provided to the Board or any committee thereof, which information shall be provided to the Observer concurrently with the provision of such information to the Board or the applicable committee thereof. The Board Observer may give their views as to matters discussed at any such meeting but shall not be entitled to vote on any matter before the Board nor shall the Board Observer count towards any applicable quorum requirement. Annuity may, at any time, by written notice to the Board, appoint a new Board Observer in replacement of the previously appointed Board Observer or alternate.

(c) The provisions of Section 8.5(b) are: (i) intended for the benefit of Annuity and the Corporation shall hold the rights and benefits of Section 8.5(b) in trust for and on behalf of Annuity and the Corporation hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of Annuity; and (ii) are in addition to, and not in substitution for, any other rights that Annuity may have by contract or otherwise. Furthermore, Section 8.5(b) shall survive the termination of this Agreement as a result of the occurrence of the Effective Date for a period of three (3) years.

8.6 Warrant and Guarantee

(a) The Corporation shall use its available funds to fund the redemption of the Preferred Shares in accordance with their terms (the "**Redemption**").

(b) To the extent that the Corporation lacks sufficient financial means to fund the Redemption, then the Acquiror shall, upon the receipt of notice from the Corporation, be obligated to fund the difference between the amount payable pursuant to the Redemption and the amount available to be paid by the Corporation, having regard to its financial means, in respect of the Redemption (the "**Top-Up Payment**").

(c) As a mechanism to facilitate the Acquiror's payment of the Top-Up Payment, as may be required, the Corporation shall issue the Warrant to the Acquiror.

(d) The Guarantor agrees to provide a corporate guarantee (the "**Corporate Guarantee**"), substantially in the form attached hereto as Schedule G, of the Acquiror's obligation to make the Top-Up Payment and exercise the Warrant, if required, as set out therein.

(e) The Corporation shall use the proceeds, if any, received from the exercise of the Warrant to fund the Redemption.

(f) The obligations imposed by this Section 8.6, including, for the avoidance of doubt, for the Acquiror to exercise the Warrant and for the Guarantor to make any payment under the Corporate Guarantee: (i) are intended for the benefit of all holders of the Preferred Shares, as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such persons and his or her heirs, executors administrators and other legal representatives (collectively, the "**Third Party Preferred Shareholder Beneficiaries**") and the Corporation shall hold the rights and benefits of this Section 8.6 in trust for and on behalf of the Third Party Preferred Shareholder Beneficiaries and the Corporation hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Third Party Preferred Shareholder Beneficiaries; (ii) are in addition to, and not in substitution for, any other rights that the Third Party Preferred Shareholder Beneficiaries may have by contract or otherwise; and (iii) shall include any resulting legal costs incurred by any holder of the Preferred Shares in connection with enforcing the Corporate Guarantee. Furthermore, this Section 8.6 shall survive the termination of this Agreement as a result of the occurrence of the Effective Date for so long as any Preferred Shares remain issued and outstanding.

(g) To the extent that, pursuant to Applicable Laws, the Corporation is not permitted to issue the Warrant then the Parties agree that the Corporation shall issue a preference share or such other security as agreed to by the Parties, acting reasonably, (the "Substitute Security") which Substitute Security shall possess the same economic obligations and effects as the Warrant and, provided further that, the requirements of this Section 8.6 (including but not limited to Sections 8.6(a)-(f) relating to the Guarantee) shall apply *mutatis mutandis* to the Substitute Security, as they would to the Warrant.

8.7 Cooperation Regarding Settlement

Notwithstanding Section 8.4(c) and subject to shareholder approval and Applicable Laws (including approval of the NEX, where required), the Corporation intends to enter a settlement agreement with Olisol Pertroleum Ltd, Olisol Investments Ltd, Eurasia Gas Group LLP, Alexander Skripka, Alexander Abramov, Fedor Osinin, DSFK Special Finance Company LLP substantially in the form attached hereto as Schedule H..

8.8 Continuation of Rights

Following the Effective Time, all Rights that have not been converted or exercised pursuant to the Scheme of Arrangement shall remain outstanding in accordance with their terms.

ARTICLE 9
CONDITIONS

9.1 Mutual Conditions

The obligations of the Corporation and the Acquiror to complete the transactions contemplated herein are subject to fulfillment of the following conditions on or before the Effective Date:

(a) the Interim Order and the Final Order shall each have been obtained in form and substance satisfactory to the parties, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to the parties, acting reasonably, on appeal or otherwise;

(b) the Arrangement Resolution shall have been approved at the Meeting in accordance with the Interim Order;

(c) there shall not be in force any Law and no Governmental Authority shall have issued any order or decree restraining or prohibiting the completion of the transactions contemplated herein; and

(d) this Agreement shall not have been terminated in accordance with its terms.

The foregoing conditions are for the mutual benefit of each of the Corporation and the Acquiror and may only be waived, in whole or in part by mutual written consent of the parties.

9.2 Corporation Conditions

The obligation of the Corporation to complete the transactions contemplated herein is subject to the fulfillment of the following conditions on or before the Effective Date or such other time as specified below:

(a) the representations and warranties made by the Acquiror in this Agreement shall be true and correct in all respects as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date or except as affected by transactions contemplated or permitted by this Agreement), except where the failure or failures of any such representations and warranties to be so true and correct in all respects would not reasonably be expected individually, or in the aggregate, to prevent or materially impair or delay Acquiror's ability to complete the Arrangement, and the Acquiror shall have provided to the Corporation the certificate of any authorized person(s) of the Acquiror certifying such accuracy on the Effective Date;

(b) the Acquiror shall have complied in all material respects with its covenants herein, and the Acquiror shall have provided to the Corporation the certificate of any authorized person(s) of the Acquiror certifying that the Acquiror has so complied with its covenants herein as of the Effective Date;

(c) the Corporation having maintained the listing of the Ordinary Shares on the NEX; and

(d) the Acquiror having executed an instrument having the effect of guaranteeing the funding of the redemption of the Preferred Shares issued pursuant to the Scheme of Arrangement in a form acceptable to the Corporation.

The foregoing conditions precedent are for the benefit of the Corporation and may be waived, in whole or in part, by the Corporation in writing at any time.

9.3 Acquiror Conditions

The obligation of the Acquiror to complete the transactions contemplated herein are subject to the fulfillment of the following conditions on or before the Effective Date or such other time as specified below:

(a) the representations and warranties made by the Corporation in this Agreement that are qualified by materiality shall be true and correct in all respects and the representations and warranties made by the Corporation in this Agreement that are not so qualified shall be true and correct, except where the failure to be so true and correct would not result in a material adverse effect on the Corporation, in each case as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date or except as affected by transactions contemplated or permitted by this Agreement), and the Corporation shall have provided to the Acquiror the certificate of any authorized person(s) of the Corporation certifying such accuracy on the Effective Date; and

(b) the Corporation shall have complied in all material respects with its covenants herein, and the Corporation shall have provided to the Acquiror the certificate of any authorized person(s) of the Corporation certifying that the Corporation has so complied with its covenants herein as of the Effective Date.

The foregoing conditions precedent are for the benefit of the Acquiror and may be waived, in whole or in part, by the Acquiror in writing at any time.

9.4 Notice and Cure

Each party will give prompt notice to the other party of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts of which it is aware which occurrence or failure would, or would be likely to:

(a) cause any of the representations and warranties of such party contained herein that are qualified by materiality to be untrue or inaccurate in any respect or any of the representations and warranties of such party that are not qualified by materiality to be untrue or incorrect in any material respect, in each case, at any time between the date hereof and the Effective Date;

(b) result in the failure to comply with or satisfy any covenant or agreement to be complied with or satisfied by any other party at or prior to the Effective Date; or

(c) result in the failure to satisfy any of the conditions precedent contained in Sections 9.1, 9.2 or 9.3, as the case may be.

Subject to the provisions of this Agreement, a party may elect not to complete the transactions contemplated hereby pursuant to the conditions contained in Sections 9.1, 9.2 or 9.3 or exercise any termination right arising therefrom; provided, however, that (i) forthwith and in any event prior to the filing of the Final Order and the Articles of Arrangement for acceptance by the Registrar of Companies, the party intending to rely thereon has delivered a written notice to the other party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the party delivering such notice is asserting as the basis for the non-fulfillment of the applicable condition precedent or termination right, as the case may be and (ii) if any such notice is delivered, and a party is proceeding diligently to cure such matter, if such matter is susceptible to being cured, the other party may not terminate this Agreement until the expiration of a period of fifteen Business Days from such notice.

9.5 Merger of Conditions

The conditions in Sections 9.1, 9.2 and 9.3 shall be conclusively deemed to have been satisfied, waived or released upon the filing of the Articles of Arrangement and the Final Order as contemplated herein.

ARTICLE 10
TERMINATION

10.1 Termination

This Agreement may be terminated at any time prior to the Effective Date (except in the case of Section 10.1(e) which may only be exercised prior to the approval by the Shareholders of the Arrangement Resolution):

(a) by mutual written agreement of the Acquiror and the Corporation;

(b) by the Acquiror or the Corporation, if:

(i) the Meeting shall have been held and the Shareholders do not approve the Arrangement Resolution in the manner required by the Interim Order, except that the right to terminate this Agreement under this Section 10.1(b)(i) will not be available to any party whose action or failure to act has been the principal cause or resulted in the failure to obtain the approval of the Arrangement Resolution and such action or failure to act constitutes a breach of this Agreement;

(ii) the Effective Date has not occurred on or prior to June 30, 2019 (the "**Outside Date**"), other than as a result of the breach by such party of any

covenant or obligation under this Agreement or as a result of any representation or warranty of such party in this Agreement being untrue or incorrect; or

(iii) any Governmental Authority shall have issued an order, decree or ruling permanently restraining or enjoining or otherwise prohibiting any of the transactions contemplated herein (unless such order, decree or ruling has been withdrawn, reversed or otherwise made inapplicable) which order, decree or ruling is final and non-appealable;

(c) by the Acquiror or the Corporation, if:

(i) subject to Section 9.4, any representation or warranty of the Corporation (in the case of a termination by the Acquiror) or the Acquiror (in the case of a termination by the Corporation) under this Agreement is untrue or incorrect or shall have become untrue or incorrect such that the conditions contained in Sections 9.2(a) or 9.3(a), as applicable, would be incapable of satisfaction;

(ii) subject to Section 9.4, the other party is in default of a covenant or obligation hereunder such that the condition contained in Section 9.2(b) or 9.3(b), as applicable, would be incapable of satisfaction;

(d) by the Acquiror, if:

(i) the Board fails to publicly reaffirm its approval of the Arrangement in accordance with Section 6.3(d);

(ii) the Board withholds (when required to provide a recommendation under this Agreement), withdraws, modifies, changes or qualifies its approval or recommendation of this Agreement or the Arrangement in any manner adverse to the Acquiror or publicly proposes to withhold, withdraw, modify, change or qualify its approval or recommendation of this Agreement or the Arrangement in any manner adverse to the Acquiror; and

(iii) the Board, recommends, approves or accepts or publicly proposes to recommend, approve or accept an Acquisition Proposal other than the Arrangement,

(e) by the Corporation, if the Board authorizes the Corporation to enter into a definitive agreement with respect to a Superior Proposal (other than a confidentiality agreement as contemplated by Section 6.3), or approves or recommends a Superior Proposal in compliance with Section 6.3, provided that no termination by the Corporation under this Section 10.1(e) shall be effective unless and until the Corporation shall have paid the Acquiror the Termination Payment in accordance with Section 10.2.

Any termination pursuant to (b)-(e) shall be effected by written notice from the terminating party to the other party.

10.2 Termination and Payment

(a) The Acquiror shall be entitled to a cash termination payment in the amount of $500,000 (the "**Termination Payment**"), upon the occurrence of any of the following events (each a "**Termination Payment Event**") which shall be paid by the Corporation within the time specified in respect of each such Termination Payment Event:

(i) this Agreement is terminated by the Acquiror pursuant to Section 10.1(d)(i), (ii) or (iii) (other than a change in recommendation that is required by the Board to satisfy its fiduciary duties), in which case the Termination Payment shall be paid to the Acquiror no later than 10:00 a.m. (Eastern Daylight Time) on the second Business Day following the date the Agreement is terminated;

(ii) this Agreement is terminated pursuant to Section 10.1(e) in which case the Termination Payment shall be paid to the Acquiror in accordance with Section 6.3(b)(v); and

(iii) this Agreement is terminated pursuant to Section 10.1(b)(i) if: (A) prior to the date of the Meeting, an Acquisition Proposal is made or publicly announced, and not withdrawn prior to the date of the Meeting, by any person (other than the Acquiror or any of its Affiliates); and (B) within 6 months following the date of such termination, such Acquisition Proposal is consummated or effected, in which case the Termination Payment shall be made to the Acquiror within two Business Days following the consummation of such Acquisition Proposal. For purposes of this clause (iii), the term "Acquisition Proposal" shall have the meaning assigned to such term in Section 1.1, except that references to "20% or more" shall be deemed to be references to "50% or more".

(b) The Corporation shall be entitled to a cash termination payment in the amount of $500,000 (the "**Reverse Termination Payment**"), upon the occurrence of any of the following events (each a "**Reverse Termination Payment Event**") which shall be paid by the Acquiror no later than 10:00 a.m. (Eastern Daylight Time) on the second Business Day following the date the Agreement is terminated:

(i) this Agreement is terminated by the Corporation pursuant to Section 10.1(b)(ii) and the Corporation is ready to close and all conditions capable of being satisfied prior to the Effective Date have been satisfied, except for those that the failure of which to be satisfied are as a result of the Acquiror; and

(ii) this Agreement is terminated by the Corporation pursuant to Sections 10.1(c)(i) or (ii).

(c) The Termination Payment or the Reverse Termination Payment, as the case may be, shall be paid by the Corporation to the Acquiror or by the Acquiror to the Corporation, by wire transfer in immediately available funds to an account specified by the party receiving the payment, provided that in no event will either party be required to pay more than one Termination Payment or Reverse Termination Payment. For greater certainty, the obligations of the parties under this Section 10.2 shall survive the termination of this Agreement, regardless of the circumstances thereof.

(d) The parties acknowledge that the amounts set out in this Section 10.2 in respect of the Termination Payment and Reverse Termination Payment represent liquidated damages which are a genuine pre-estimate of the damages, including opportunity costs, which the Acquiror or the Corporation will suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement, and that neither payment constitutes a penalty. The Corporation and the Acquiror each irrevocably waive any right it may have to raise as a defence that any such liquidated damages are excessive or punitive.

10.3 Effect of Termination

In the event of termination of this Agreement pursuant to Section 10.1, this Agreement shall be of no further force and effect, except that Section 10.2, this Section 10.3, and Article 11 shall survive the termination of this Agreement. For greater certainty, the parties agree that, where a Termination Payment Event or Reverse Termination Event occurs, the Termination Payment or the Reverse Termination Payment to be received pursuant to Section 10.2 is the sole remedy in compensation or damages of the Acquiror or the Corporation, as the case may be, with respect to the event or events giving rise to the termination of this Agreement and the resulting Termination Payment Event or Reverse Termination Payment Event; provided, however, that nothing contained in this Agreement shall relieve or have the effect of relieving any party in any way from liability for damages incurred or suffered by a party if the Agreement is terminated in any circumstances other than pursuant to a Termination Payment Event or Reverse Termination Payment Event.

10.4 Remedies

Subject to Section 10.3, the parties acknowledge and agree that an award of money damages would be inadequate for any breach of this Agreement by any party or its Representatives and any such breach would cause the non-breaching party irreparable harm. Accordingly, the parties agree that, in the event of any breach of this Agreement by one of the parties, the non-breaching party will also be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available at law or equity to each of the parties.

ARTICLE 11
GENERAL PROVISIONS

11.1 Amendment

Subject to the provisions of the Interim Order, the Scheme of Arrangement and Applicable Laws, this Agreement and the Scheme of Arrangement may, at any time and from time to time before or after the holding of the Meeting but not later than the Effective Date, be amended by mutual written agreement of the parties.

11.2 Waiver

(a) At any time prior to the termination of this Agreement pursuant to Section 10.1, either party may:

(i) extend the time for the performance of any of the obligations or other acts of the other party; or

(ii) waive compliance with any of the agreements of the other party or with any conditions to its own obligations, in each case only to the extent such obligations, agreements and conditions are intended for its benefit.

(b) No waiver by any party shall be effective unless in writing and any waiver shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence. No failure or delay in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege under this Agreement.

11.3 Expenses

Except for 50% of the reasonable legal expenses of the Acquiror which shall be paid by the Corporation, the parties agree that all costs and expenses of the parties relating to the transactions contemplated herein, including legal fees, accounting fees, regulatory filing fees, stock exchange fees, all disbursements of advisors and printing and mailing costs, shall be paid by the party incurring such expenses.

11.4 Notices

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a party shall be in writing and may be given by delivering same or sending same by facsimile transmission or by delivery addressed to the party to which the notice is to be given at its address for service herein. Any notice, consent, waiver, direction or other communication aforesaid shall, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if a Business Day, if not, the next succeeding Business Day) and if sent by facsimile transmission be deemed to have been given and received at the time of receipt (if a Business Day, if not the next succeeding Business Day) unless

actually received after 4:30 p.m. (Eastern Daylight Time) at the point of delivery in which case it shall be deemed to have been given and received on the next Business Day.

The address for service for each of the parties hereto shall be as follows:

(a) if to the Corporation:

Tethys Petroleum Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9007
Cayman Islands

Attention: Mr. Mattias Sjoborg, Interim CEO
Email: msjoborg@tethys-group.com
Fax: +44 (20) 7395 2791

with a copy to:

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower, 22 Adelaide St West
Toronto, Ontario
M5H 4E3

Attention: Jason Saltzman
Email: jsaltzman@blg.com
Fax: +1 (416) 367-6749

(b) if to the Acquiror:

Jaka Partners FZC
Business Center, Al Shmookh Building, UAQ Free Trade Zone,
Umm Al Quwain,
UAE

Attention: Farrukh Medmood, Director
Email: farrukh@solutionfinder.ae
Fax: +971-2-6313039

11.5 Severability

If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be

affected, impaired or invalidated and the parties shall negotiate in good faith to modify the Agreement to preserve each party's anticipated benefits under this Agreement.

11.6 Entire Agreement

This Agreement (together with all other documents and instruments referred to herein and therein) constitute the entire agreement and supersede all other prior agreements and undertakings, both written and oral, among the parties with respect to the subject matter hereof.

11.7 Assignment

This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. This Agreement may not otherwise be assigned by either party without the prior written consent of the other parties.

11.8 Governing Law

This Agreement shall be governed in all respects, including validity, interpretation and effect, by the laws of the Cayman Islands therein, without giving effect to any principles of conflict of Laws thereof which would result in the application of the Laws of any other jurisdiction, and all actions and proceedings arising out of or relating to this Agreement shall be heard and determined, on a non-exclusive basis, in the courts of the Cayman Islands.

11.9 Contra Proferentem

The parties waive the application of any rule of Law which otherwise would be applicable in connection with the construction of this Agreement that ambiguous or conflicting terms or provisions should be construed against the party who (or whose counsel) prepared the executed agreement or any earlier draft of the same.

11.10 No Third Party Beneficiaries

Except as provided in Sections 8.2, 8.5(b) and 8.6, this Agreement shall not confer any rights or remedies upon any person other than the parties and their respective successors and permitted assigns.

11.11 Time of Essence

Time shall be of the essence in this Agreement.

11.12 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce more than one counterpart. The parties shall be entitled to rely upon delivery of an executed facsimile, PDF email transmission or similar executed electronic copy of this Agreement, and such facsimile, PDF

email transmission or similar executed electronic copy shall be legally effective to create a valid and binding agreement among the parties.

[THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the date first above written, by the duly authorized representatives of the parties hereto.

TETHYS PETROLEUM LIMITED

By: _____
Name: Mattias Sjoborg
Title: Director

JAKA PARTNERS FZC

By: _____
Name:
Title: Director

INFORM SYSTEMS LLP, AS GUARANTOR

By: _____
Name:
Title: Director

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the date first above written, by the duly authorized representatives of the parties hereto.

TETHYS PETROLEUM LIMITED

By: _____
Name: Mattias Sjoborg
Title: Director

JAKA PARTNERS FZC

By: _____
Name: Furrukh Mahmood
Title: Director

INFORM SYSTEMS LLP, AS GUARANTOR

By: _____
Name: Dauren Musanov
Title: Director

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the date first above written, by the duly authorized representatives of the parties hereto.

TETHYS PETROLEUM LIMITED

By: _____
Name: Mattias Sjoborg
Title: Director

JAKA PARTNERS FZC

By: _____
Name: Farrukh Mehmood
Title: Director

INFORM SYSTEMS LLP, AS GUARANTOR

By: _____
Name: Dauren Musanov
Title: Director

SCHEDULE A

SCHEME OF ARRANGEMENT
UNDER THE COMPANIES LAW

(see attached)

SCHEME OF ARRANGMENT

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO: FSD [ ] OF 2019

IN THE MATTER OF TETHYS PETROLEUM LIMITED

and

IN THE MATTER OF SECTION 86 OF
THE COMPANIES LAW (2018 REVISION) OF THE CAYMAN ISLANDS

SCHEME OF ARRANGEMENT

between

TETHYS PETROLEUM LIMITED

and

JAKA PARTNERS FZC

and

THE SCHEME SHAREHOLDERS (as defined herein)

PRELIMINARY

In the Scheme, unless inconsistent with the subject or context, the following expressions shall bear the meanings respectively set out opposite them:

"Circular"	means the management information circular of the Company to be proposed and sent to the Scheme Shareholders in connection with the Court Meeting;
"Companies Law"	means the Companies Law (2018) Revision and its predecessors as consolidated and revised time to time;
"Company"	means Tethys Petroleum Limited an exempted company with limited liability, the ordinary shares of which are listed on the NEX board of the TSX Venture Exchange;
"Court"	means the Grand Court of the Cayman Islands and any court capable of hearing appeals therefrom;

"Court Meeting"	means the meeting of the holders of Scheme Shares convened at the direction of the Court to consider the Scheme and including any adjournment thereof;
"Court Order"	means the Order of Court sanctioning the Scheme;
"Depository"	means any trust company, bank or financial institution agreed to in writiting between the Company and Jaka;
"Effective Date"	means the date on which the Court Order is filed with the Registrar of Companies;
"JAKA"	means JAKA Partners FZC a company existing under the laws of the United Arab Emirates;
"Notice to the Company"	means the form of notice set out in Schedule 2;
"Option Plan"	means the stock incentive plan of the Corporation as amended effective April 24, 2008 and May 7, 2009;
"Options"	means the options issued pursuant to the Option Plan;
"Parties"	means the Company, JAKA and the Scheme Shareholders;
"Register"	means the register of members of the Company;
"Registrar of Companies"	means the Registrar of Companies of the Cayman Islands;
"Rights"	means the Options and any other securities convertible into Ordinary Shares, including any outstanding, warrants, convertible debt or debentures;
"Scheme"	means this scheme of arrangement in its present form or with or subject to any modifications, additions or conditions which the Cayman Court may approve or impose;
"Scheme Shares"	means, for the purposes of determining entitlements to attend and vote at the Court Meeting, the Unowned Shares;
"Shares"	means the ordinary shares issued by the Company at a par value of US$ 0.10; and
"Unowned Share"	means a Share that, as of the date of the Court Meeting is not owned by Jaka.

(A) The Company was incorporated as an exempted limited company on the 17th July 2008 in the Cayman Islands under the Companies Law. The authorized share capital of the Company is USD$15,000,000 divided into 145,000,000 Shares of a par value of USD$0.10 each and 50,000,000 preference shares of a par value of USD$0.01 each.

(B) The Company and Jaka propose that Jaka acquire up to 70% of the Unowned Shares.

(C) Jaka has agreed to be bound by the Scheme and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed and done by it for the purpose of giving effect to this Scheme.

SCHEME OF ARRAGEMENT

1. Interpretation:
In this Scheme, unless the context otherwise requires or otherwise expressly provides:

(a) references to Recitals, Parts, clauses and sub-clauses are references to the Recitals, Parts, clauses and sub-clauses respectively of this Scheme;

(b) references to "person" include references to an individual, firm, partnership, company, corporation, unincorporated body of persons or any state agency;

(c) references to a statue, statutory provision, enactment or subordinate legislation include the same subsequently modified, amended or re-enacted from time to time;

(d) references to an agreement, deed or document shall be deemed also to refer to such agreement, deed or document as amended, supplemented, restated, verified, replaced and/or novated (in whole or in part) from time to time to any agreement, deed or document executed pursuant thereto;

(e) the singular includes the plural and vice-versa and words importing one gender shall include all genders;

(f) headings to Recitals, Parts, clauses and sub-clauses are for ease of reference only shall not affect the interpretation of this Scheme.

2. Jaka shall acquire up to 70% of the Unowned Shares on the terms, subject to the conditions and for the considerations, contained in the Arrangement Agreement dated March 19, 2019 between Jaka and the Company, a copy of which is set out in Schedule 1.

3. As provided for in the Arrangement Agreement consideration for the purchase of the Scheme Shares by Jaka shall be:

i. Cash Consideration of $0.60 cash per Share for up to 70% of the Unowned Shares;

ii. Share Consideration of one Preferred Share per Share for up to 30% of the Unowned Shares.

4. This Scheme shall only become effective provided the following conditions are ratified:

i. This Scheme is approved by the affirmation vote of the Court Meeting of a majority in number representing 75% or more in the value of the Scheme Shares present and voting in person or by proxy at the Court Meeting on the resolution to approve this Scheme;

ii. The Court Order containing this Scheme is obtained from the Cayman Court.

5. If the Scheme is approved at the Court Meeting each Scheme Shareholder shall elect by Notice of Election as set out in Schedule 2 to receive the Cash Consideration in exchange for his Shares or the Share Consideration or to retain his Shares.

6. Each Notice of Cash Consideration and Share Consideration shall be signed by the holder or in case of joint holdings by all of the joint holders of the Shares to which it relates and sent to the Company at its registered office.

7. At, or prior to the meeting of Shareholders in respect of the Arrangement (in the case of Shareholders returning proxies), Shareholders who approve the Arrangement shall file a Notice of Election with the Company which shall be deemed to be an effective mandate or instruction to the Company to cancel the Ordinary Shares to which they relate.

8. Any holder of a Right shall be entitled to conditionally exercise such Right at any time prior to the time that Shareholders must file a Notice of Election with the Company. Any conversion or exercise of a Right shall entitle its holder to receive the Cash Consideration or Share Consideration as they would have received had such Right been exercised or converted into Ordinary Shares, in accordance with its terms, on the day prior to the Effective Date.

9. The capital of the Company shall be reduced by the cancelation of the Shares referred to in the Notice of Election filed at the registered office of the Company. The Company shall fully allot and issue Shares to Jaka on the basis of one Share for each share cancelled.

10. The Depository will pay to the Company seven (7) days prior to the Effective date sufficient sums to pay in full the aggregate Cash Consideration payable to Shareholders for the Scheme Shares in accordance with their Notice of Election.

11. The Company shall pay on the Effective Date to the holders of the Shares who elected to receive the Cash Consideration such sums in respect of each Share as cancelled thereby as provided herein and in accordance with the Arrangement Agreement less such sums to be withheld in respect of any taxes due by the shareholder of the cancelled Share.

12. The Company shall allot and issue on the Effective Date one Preference share to the holders of each Share who elected to receive the Share Consideration in respect of each Share cancelled.

13. As from the effective date, the Scheme Shareholders shall in accordance with the Scheme cease to have any rights with respect of the Scheme Shares except the right to receive the consideration as set out in Clauses 3 and 5 of this Scheme.

14. The operative terms of this Scheme shall be governed and construed in accordance with the laws of the Cayman Islands and the Courts of the Cayman Islands shall have exclusive jurisdiction to hear and determine any proceedings and to settle any dispute which arises out of and in connection with the terms of this Scheme or their implementation arising out of any action taken or omitted to be taken under this Scheme and for such purposes the parties irrevocably submit to the jurisdiction of the Courts of the Cayman Islands.

Schedule 1

(See attached)

Schedule 2

Notice to

Tethys Petroleum Limited
("the Company")

Pursuant to the Scheme of Arrangement Approved at a General Meeting of the Company On[ ], 2019

[I *(or)* We**]** *(name(s))* of *(address(es))* being **[**a holder *(or)* joint holders**]** of [ ] ordinary shares in the Company ("the Shares"), hereby give notice of my/our election of **one, and only one, of the following options** by inserting applicable percentages in the table below:

Option	**Cash Consideration %**	**Share Consideration %**
(i) tender up to 70% of my/our Shares to be exchanged for Cash Consideration AND up to 30% of my/our Shares to be exchanged for Share Consideration	[ ]	[ ]
(ii) tender up to 70% of my/our Shares to be exchanged for Cash Consideration	[ ]	
(iii) tender up to 30% of my/our Shares to be exchanged for Share Consideration		[ ]
(iv) retain 100% of my/our Shares	[ ]	

_____

(signature(s) of shareholder(s))

Name:

Title:

Date:

SCHEDULE B

REPRESENTATIONS AND WARRANTIES OF THE ACQUIROR

1. Organization and Qualification. The Acquiror is a company valdidly existing under the Laws of the United Arab Emirates, and has all necessary corporate power, authority and capacity to own its property and assets and to carry on its business as currently owned and conducted.

2. Authority Relative to this Agreement. The Acquiror has the requisite power, authority and capacity to execute this Agreement and to perform its respective obligations hereunder. The execution and delivery of this Agreement by the Acquiror and the consummation by the Acquiror of the transactions contemplated by this Agreement (the "**Contemplated Transactions**") have been duly authorized by its board of directors and no other corporate proceedings on the part of the Acquiror (including the approval of its shareholders), as the case may be, are necessary to authorize this Agreement or the Contemplated Transactions. This Agreement has been duly executed and delivered by the Acquiror and constitutes the legal, valid and binding obligation of the Acquiror, enforceable against each of them in accordance with its provisions, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other Laws relating to limitations of actions or affecting the availability of equitable remedies and the enforcement of creditors' rights generally and general principles of equity and public policy and to the qualification that equitable remedies such as specific performance and injunction may be granted only in the discretion of a court of competent jurisdiction.

3. Consents and Approvals. No consent, approval, order or authorization of, or declaration or filing with, any Governmental Authority is required to be obtained by the Acquiror in connection with the consummation of the transactions contemplated by this Agreement, except for:

   (a) the Interim Order and any approvals required by the Interim Order;

   (b) the Final Order; and

   (c) any other consents, approvals, orders, authorizations, declarations or filings of or with any Governmental Authority which, if not obtained, would not in the aggregate impede or delay (i) the consummation of the Arrangement; or (ii) the Acquiror's ability to perform its respective obligations under this Agreement.

4. Non-Contravention. The authorization of this Agreement, the execution, delivery and performance by the Acquiror of its obligations under this Agreement and the consummation of the Contemplated Transactions (for greater certainty, if applicable, in compliance with the Interim Order and the Final Order), do not and will not (i) contravene, conflict with, or result in any violation or breach of any provision of the constating documents of the Acquiror or any agreement with any shareholder or partner of the Acquiror, (ii) subject to obtaining applicable regulatory approvals contemplated by this Agreement, contravene, conflict with or result in a violation or breach of any provision of

any Applicable Laws, except to the extent that the violation or breach of, or default under, any Applicable Laws, would not, individually or in the aggregate, reasonably be expected to impede or delay the consummation of the Arrangement or materially adversely affect the ability of the Acquiror to perform its respective obligations under this Agreement, (iii) any note, bond, mortgage, indenture, contract, licence, permit or government grant to which the Acquiror is party or by which it is bound, except as would not, individually or in the aggregate, reasonably be expected to impede or delay the consummation of the Arrangement or materially adversely affect the ability of the Acquiror to perform its respective obligations under this Agreement or any judgment, decree, order or award of any Governmental Authority or arbitrator.

5. Share Ownership. The Acquiror beneficially owns, or has control or direction over, directly or indirectly, 12,757,500 Ordinary Shares.

6. Sufficiency of Funds. The Acquiror has made, adequate arrangements to ensure that:

   (a) an aggregate amount of funding is available to the Acquiror to effect payment in full of the Cash Consideration in accordance with this Agreement; and

   (b) an aggregate amount of funding is available to the Acquiror to effect the redemption of the Preferred Shares issued pursuant to the Scheme of Arrangement.

7. Brokers. No agent, broker, person or firm acting on behalf of the Acquiror or any of its Affiliates is, or will be, entitled to any commission or brokers' or finders' fees in connection with any of the Contemplated Transactions.

SCHEDULE C

REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

1. Board Approval.

The Board has determined that the Scheme of Arrangement is fair, from a financial point of view, to Shareholders and the Scheme of Arrangement is in the best interest of the Corporation. The Board has approved the entering into of the Agreement and the making of a recommendation that the Shareholders vote for the Arrangement Resolution.

2. Corporate Existence and Power.

(a) The Corporation is a corporation validly existing under the laws of the jurisdiction of its formation and has all requisite corporate power, authority, and capacity to own its property and assets as now owned and to carry on its business as currently owned and conducted and is in good standing with respect to the filing of all annual corporate reports, except where the failure to be in good standing or to have made such filings has not had or would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Corporation.

(b) The Corporation is duly registered or otherwise licensed to do business in each jurisdiction in which the nature of its business makes such registration or licensing necessary, except where the failure to be so registered or licensed has not had or would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Corporation.

3. Corporate Authorization.

The Corporation has the necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement by the Corporation and the consummation by the Corporation of the Contemplated Transactions have been authorized by the Board and, except for the approval of the Arrangement by Shareholders, no other corporate proceedings on the part of the Corporation (excluding the Interim Order and the Final Order) are necessary to authorize the Corporation to enter into and to perform its obligations under this Agreement or the Contemplated Transactions. This Agreement has been duly executed and delivered by the Corporation and constitutes a valid and binding agreement of the Corporation, enforceable against the Corporation in accordance with its provisions, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or other Laws relating to limitations of actions or affecting the availability of equitable remedies and the enforcement of creditors' rights generally and general principles of equity and public policy and to the qualification that equitable remedies such as specific performance and injunction may be granted only in the discretion of a court of competent jurisdiction.

4. Authority and No Violation.

(a) The authorization of this Agreement, the execution and delivery by the Corporation of this Agreement and the performance by the Corporation of its obligations under this Agreement, and the consummation of the Contemplated Transactions (for greater certainty, if applicable, in compliance with the Interim Order and the Final Order), will not result (with or without notice or the passage of time) in a violation or breach of or constitute a default under any provision of:

(i) the constating documents of the Corporation;

(ii) subject to obtaining applicable regulatory approvals contemplated by this Agreement, any Applicable Laws; or

(iii) any note, bond, mortgage, indenture, contract, licence or permit to which the Corporation is party or by which it is bound;

except in the case of (ii) or (iii) above, such violations, breaches or defaults as would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Corporation.

(b) The authorization of this Agreement, the execution and delivery by the Corporation of this Agreement and the performance by the Corporation of its obligations under this Agreement, and the consummation of the Contemplated Transactions will not:

(i) give rise to any right of termination, acceleration or cancellation of material indebtedness of the Corporation, or cause any such indebtedness to come due before its stated maturity or cause any available credit of the Corporation to cease to be available;

(ii) give rise to any right of first refusal or trigger any restriction or limitation under any note, bond, mortgage, indenture, contract, agreement, license, franchise or permit of the Corporation; or

(iii) result in the imposition of any Encumbrance upon any assets of the Corporation, except for Encumbrances that are not material to the Corporation.

5. Consents and Approvals.

No consent, approval, order or authorization of, or declaration or filing with, any Governmental Authority or any other third party is required to be obtained by the Corporation in connection with the consummation of the Contemplated Transactions, except for:

(a) the Interim Order and any approvals required by the Interim Order;

(b) the Final Order;

(c) the filings required under the Act;

(d) the filings required by applicable securities Laws, stock exchange rules and policies;

(e) the filings required by applicable corporate statutes;

(f) the approval of the Arrangement Resolution by Shareholders; and

(g) those that if not obtained would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Corporation.

6. Capitalization.

The authorized share capital of the Corporation consists of 145,000,000 Ordinary Shares and 50,000,000 Preferred Shares. As of the close of business on March 14, 2019 there were 68,324,512 Ordinary Shares issued and outstanding and no Preferred Shares issued and outstanding. The Public Disclosure Record sets forth the number of Options and other Rights outstanding as of the close of business on March 14, 2019 and the exercise or conversion prices thereof. Except with respect to the Rights or as disclosed in the Public Disclosure Record, there are no outstanding options, warrants, conversion privileges or other Rights, agreements or commitments of any character whatsoever that would require the issuance, sale or transfer by the Corporation of any shares or other securities of the Corporation or the issuance, sale or transfer of any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares or other securities of the Corporation.

7. Securities Laws Matters.

The Corporation (i) is a "reporting issuer" in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, and is not on the list of reporting issuers in default under the Applicable Laws in such jurisdictions. The Corporation is not in default of any material requirements of any securities Laws applicable to the Corporation by reason of such status. No delisting, suspension of trading or cease trading order with respect to any securities of the Corporation and, to the knowledge of the Corporation, no investigation or other proceedings (formal or informal) of any Governmental Authorities with respect thereto, is in effect or ongoing. The Corporation has not filed with any Governmental Authority any confidential material change reports which at the date hereof remain confidential. The Ordinary Shares are listed for trading on the NEX and the Corporation is in compliance in all material respects with the rules of the NEX.

8. Filings.

The Corporation has filed all documents required to be filed by applicable securities Laws since January 1, 2018, except where the failure to make such filing would not have a material adverse effect on the Corporation. All such filings were, as of their respective dates, in compliance in all material respects with all Applicable Laws, provided that some filings were made late as disclosed in the Public Disclosure Record and, in respect of documents required to be filed under applicable securities Laws, at the time filed did not

contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

9. Compliance with Laws.

The Corporation is, and have been since January 1, 2018, in compliance in all material respects with any material Applicable Laws.

10. Litigation.

As of the date hereof, there is no Claim, action, proceeding, charge, order or investigation that has been commenced or, to the knowledge of the Corporation, threatened against the Corporation or affecting its property or assets by or before any Governmental Authority, which if determined adversely against the Corporation would, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Corporation.

SCHEDULE D

ARRANGEMENT RESOLUTION

(SEE ATTACHED)

THE COMPANIES LAW (2018 REVISION) OF THE CAYMAN ISLANDS

EXEMPTED COMPANY LIMITED BY SHARES

RESOLUTIONS OF THE SHAREHOLDERS OF

TETHYS PETROLEUM LIMITED

(the "Company")

Pursuant to the Articles of Association of the Company and the Order of the Grand Court dated [ ], 2019 the following resolutions were hereby passed at a general meeting of the Company held on [ ], 2019 by not less than (i) 75% of those shareholders of the Company (or being corporations, by their duly authorised representatives) who were in attendance at the general meeting of the Company and who were entitled to receive notice of and to attend and vote at a general meeting of the Company duly convened and held and (ii) a majority of those shareholders of the Company (or being corporations, by their duly authorised representatives) who were in attendance at the general meeting of the Company and who were entitled to receive notice of and to attend and vote at a general meeting of the Company duly convened and held, excluding any votes attached to shares owned by Jaka Partners FZC or any party acting jointly or in concert with it, in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*:

RESOLVED that**,** pursuant to Section 86 (2) of the Companies Law (2018 Revision), the Company hereby approves the Scheme of Arrangement between the Company, Jaka Partners FZE ("Jaka") and the shareholders of the Company contained in the Arrangement Agreement entered into between Jaka and the Company dated [ ] 2019 ("the Scheme").

FURTHER RESOLVED that if the Scheme is sanctioned by the Grand Court that the Secretary of the Company shall be authorised and directed to file a copy of the order approving the Scheme with the Registrar of Companies of the Cayman Islands.

_____ _____

Secretary of the Company **Date:**

SCHEDULE E
CLASS "A" PREFERRED SHARE TERMS

The Class "A" Preferred Shares shall have the following rights, privileges, restrictions and conditions:

1.1 **Non-Voting** – The Class "A" Preferred Shares shall be non-voting, other than,

(a) in connection with any proposed termination or amendment of any corporate guarantees that would otherwise support or guarantee the payment of the Redemption Amount (as defined below);

(b) in connection with any sale, encumberance or disposition of any assets of the Corporation or any of its subsidiaries are that are, individually or in the aggregate, material to the Corporation or its subsidiaries, as provided in the Arrangement Agreement dated March 19, 2019 between Jaka Partners FZC and the Corporation; and

(c) in connection with any proposed issuance of Class "A" Preferred Shares.

1.2 **Redemption Amount** – The "**Redemption Amount**" for each Class "A" Preferred Share shall be $1.80 per Class "A" Preferred Share.

1.3 **Dividends** – In addition to any dividends to which all holders of Preferred Shares are entitled, the holders of the Class "A" Preferred Shares shall, on the date that is 3 years following the first issuance of the Class "A" Preferred Shares (the "**Automatic Redemption Date**"), become entitled to a fixed cumulative dividend of $0.18 per annum per Class "A" Preferred Share that has not been redeemed, converted or exchanged into Ordinary Shares.

1.4 **Capital Distribution** – In the event of a Capital Distribution, the holders of the Preferred Shares shall be entitled to receive, in respect of each Preferred Share held, the Redemption Amount, together with the amount of any declared but unpaid dividends to which the holder is entitled (if any), as a distribution of cash or other property having a value equal thereto, before any amount shall be paid or any property of the Corporation shall be distributed to the holders of the Ordinary Shares. If the Corporation does not have sufficient assets to make the foregoing distributions in full to all of the holders of all of the Class "A" Preferred Shares, then such distributions of cash or other property shall be made to the holders of the Class "A" Preferred Shares pro-rata based upon the Redemption Amount for each Class "A" Preferred Share. On payment of the amount so payable to them, the holders of the Preferred Shares shall not be entitled to share in any further distributions of the Corporation.

1.5 **Redemption at Corporation's Option for Class "A" Preferred Shares** – The Corporation may, at any time, on or before the Automatic Redemption Date, upon giving notice as hereinafter provided, redeem all but not less than all of the Class "A" Preferred Shares (the "**Redeemed Shares**") by paying the Redemption Amount, together with the amount of any declared but unpaid dividends to which the holder is entitled (if any).

1.6 **Redemption Procedure by Corporation for Class "A" Preferred Shares** – If the Corporation desires to redeem the outstanding Class "A" Preferred Shares:

(a) **Notice** – The Corporation shall, at least 5 days before the date specified for redemption (the "**Redemption Date**"), provided that in no case may such date be on or after the Automatic Redemption Date, mail to each person who at the date of mailing is a registered holder of the Redeemed Shares, a notice in writing (the "**Redemption Notice**") of the intention of the Corporation to redeem the Redeemed Shares. The Redemption Notice shall be mailed in a prepaid envelope addressed to each such shareholder at the shareholder's address as it appears in the central securities register of the Corporation; or, if the central securities register does not have an address for the shareholder, then to the last known address of the shareholder, provided that the accidental failure to give any notice to one or more shareholders shall not affect the validity of the redemption. The Redemption Notice shall set out the Redemption Amount for the Redeemed Shares, the amount of any declared but unpaid dividends to which the holder is entitled (if any) and the Redemption Date.

(b) **Payment** – On the Redemption Date, the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Redeemed Shares the Redemption Amount for each Redeemed Share, together with any declared but unpaid dividends to which the holder is entitled.

(c) **Waiver** – Notwithstanding the foregoing, the holders of the Redeemed Shares may waive notice of any redemption by instrument or instruments in writing.

1.7 **Automatic Redemption of Class "A" Preferred Shares** – On the Automatic Redemption Date, the Class "A" Preferred Shares shall be automatically redeemed without the requirement of any notice to the holders of Class "A" Preferred Shares upon payment by the Corporation of the Redemption Amount to each holder of the Class "A" Preferred Shares.

1.8 **Automatic Conversion of Class "A" Preferred Shares** – If the Redemption Amount has not been paid to holders of the Class "A" Preferred Shares within 3 business days of the Automatic Redemption Date, then all then outstanding Class "A" Preferred Shares shall automatically be converted on a pro rata basis, into the number of Ordinary Shares that would result in the holders of the Class "A" Preferred Shares becoming holders of 75% of the number of issued and outstanding Ordinary Shares after such conversion.

1.9 **Effect of Liquidation on Class "A" Preferred Shares** – On a liquidation, in addition to any liquidation payments to which all holders of Preferred Shares are entitled, holders of the Class "A" Preferred Shares will additionally be entitled to a liquidation payment of the Redemption Amount all in the manner set out in the Articles.

SCHEDULE F

FORM OF WARRANT

(SEE ATTACHED)

WARRANT CERTIFICATE

TETHYS PETROLEUM LIMITED
(Continued under the laws of the Cayman Islands (having previously been incorporated in Guernsey, Channel Islands))

WARRANT CERTIFICATE NO. 2019/001	■ WARRANTS each entitling the holder to acquire[1], subject to adjustment, one (1) ordinary share for each Warrant represented hereby.

This is to certify that for value received

JAKA PARTNERS FZC

(the "**Holder**") is the registered holder of ■ ordinary share purchase warrants ("**Warrants**"), entitling and requiring the Holder to subscribe for and purchase one (1) fully paid and non-assessable ordinary share in the capital of Tethys Petroleum Limited (the "**Corporation**") for every one (1) Warrant held by the Holder, upon the terms and conditions as hereinafter set forth.

1. Exercise Date and Mandatory Exercise on Notice

The Warrants granted hereunder are exercisable at any time on or before 4:30 p.m. (London time) on ■, 2022 (the "**Expiry Date**"). So long as all or some of the Warrants have not been exercised and before the Expiry Date, the Corporation, acting reasonably, may issue a notice (the "**Notice**") to the Holder requiring the Holder to exercise a specified number of Warrants and make payment of the Exercise Price for each such Warrant on the terms set out therein.

2. Exercise Price

Subject to adjustment as provided in section 9, the exercise price shall be US$1.80 (one United States dollar and eighty United States cents) per ordinary share payable in lawful money in United States (the "**Exercise Price**").

3. Exercise and Payment

The Warrants granted hereunder are exercisable upon the Holder completing an exercise form in the form attached hereto and delivering same to the registered office of the Corporation at 190

[1] Number of Warrants to be equal to the number of Preferred Shares issued to Shareholders who elect to receive Share Consideration pursuant to the Scheme of Arrangement.

Elgin Avenue, George Town, Grand Cayman KY1 9007, Cayman Islands, together with this certificate and the purchase price of the ordinary shares subscribed for. The purchase price is payable by cash, certified cheque, bankers' draft or telegraphic transfer of funds payable in United States funds to, or to the order of, the Corporation.

4. Share Certificates

Upon compliance with the conditions as aforesaid, the Corporation will cause to be issued to the person or persons in whose name or names the ordinary shares so subscribed for are to be issued the number of fully paid and non-assessable ordinary shares subscribed for and such person or persons shall be deemed upon presentation and payment as aforesaid to be the holder or holders of record of such ordinary shares. Within five (5) days of compliance of the conditions aforesaid, the Corporation will cause to be mailed or delivered to the holder at the address or addresses specified in the subscription form, a certificate or certificates evidencing the number of ordinary shares subscribed for.

5. Exercise in Whole

Subject to section 1, the Warrants may only be exercised in whole.

6. No Rights of Shareholder until Exercise

This certificate and the Warrants represented hereby do not confer any rights of a shareholder on the Holder (including any right to receive dividends or other distribution to shareholders or to vote at a general meeting of the shareholders of the Corporation), other than in respect of ordinary shares which the Holder shall have exercised his right to purchase hereunder and which the Holder shall have actually taken up and paid for.

7. No Fractional ordinary shares

No fractional ordinary shares will be issued upon exercise of the Warrants, nor shall any compensation be made for such fractional ordinary shares, if any. To the extent that the Holder would otherwise be entitled to purchase a fraction of an ordinary share, such right may be exercised in combination with other rights which, in the aggregate, entitle the Holder hereof to purchase a whole number of ordinary shares.

8. Transfer of Warrants

The Warrants represented by this certificate and all rights granted hereunder are not transferable.

9. Adjustments

(a) The number of ordinary shares obtainable under each warrant (the "**Exchange Rate")** and the Exercise Price in effect at any time are subject to adjustment, as approved by the Board and provided that the same adjustment is made to the conversion price for all outstanding convertible securities, including the Class "A" preferred shares in the capital of the Corporation, from time to time to ensure that the Exchange Rate and Exercise Price follow certain events is adjusted to preserve

the economic value of the Exchange Rate and Conversion Price prior to such adjustments. Such events will include (i) a share reorganization of the Corporation, including but not limited to a distribution of ordinary shares or securities convertible into ordinary shares to the holders of all or substantially all the ordinary shares by way of a stock dividend or other distribution, (ii) a subdivision or consolidation of the ordinary shares, (iii) a rights offering to all holders of ordinary shares, or (iv) a special distribution to all or substantially all of the holders of ordinary shares of all or substantially all of the assets of the Corporation.

(b) The Corporation shall from time to time, as soon as practicable after the occurrence of any event which requires and adjustment or readjustment, delver a certificate of an officer of the Corporation to the Holder specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

10. Entitlement to Shares on Exercise of a Warrant

All shares of any class or other securities which the Holder is at the time in question entitled to receive on the exercise of the Warrants, whether or not as a result of adjustments made pursuant to section 9 above, shall, for the purposes of the interpretation of this certificate, be deemed to be ordinary shares which the Holder is entitled to acquire pursuant to this certificate.

11. No Adjustment for Stock Options

Anything in section 9 hereof to the contrary notwithstanding, no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of ordinary shares is being made pursuant to any existing employment contract, stock option, stock option plan or stock purchase plan in force as of the date of this certificate (as updated or re-approved by shareholders of the Corporation from time to time) for directors, officers or employees of the Corporation and its subsidiaries or pursuant to any stock options granted by the Corporation on or prior to the date hereof.

12. Determination by Corporation's Auditors

In the event of any question arising with respect to the adjustments provided for in section 9 hereof, such question shall be conclusively determined by the Corporation's auditors (or another independent firm of chartered accountants selected by the Board) who shall have access to all necessary records of the Corporation, and such determination shall be binding upon the Corporation and the Holder and all other persons interested therein. In the event that such determination is made, the Corporation shall deliver a certificate to the Holder describing the effect of such determination.

13. Securities Restrictions

Notwithstanding anything herein contained, the ordinary shares will only be issued pursuant to the exercise of any Warrant in compliance with the securities laws of any applicable jurisdiction, and without limiting the generality of the foregoing, the certificates representing the ordinary shares thereby issued will bear such legend as may, in the opinion of counsel to the Corporation, be

necessary in order to avoid a violation of any securities laws of any applicable jurisdiction or to comply with the requirements of any stock exchange on which the ordinary shares are listed, provided that if, at any time, in the opinion of counsel to the Corporation, such legends are no longer necessary in order to avoid a violation of any such laws, or the holder of any such legended certificate, at the holder's expense, provides the Corporation with evidence satisfactory in form and substance to the Corporation (which may include an opinion of counsel satisfactory to the Corporation) to the effect that such holder is entitled to sell or otherwise transfer such ordinary shares in a transaction in which such legends are not required, such legended certificate may thereafter be surrendered to the Corporation in exchange for a certificate which does not bear such legend.

14. Governing Law

This certificate and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of the Cayman Islands. Each party irrevocably agrees that, the courts of the Cayman Islands shall have non-exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this certificate or its subject matter or formation. Nothing in this clause shall limit the right of the Parties to take proceedings in any other court of competent jurisdiction.

15. Interpretation Not Effected by Headings

The division of this certificate into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction of interpretation hereof.

16. Severability

If any covenant or provision herein or any portion hereof is determined to be void, unenforceable or prohibited by the law of any province or the local requirements of any provincial or federal government authority, such shall not be deemed to affect or impair the validity of any other covenant or provision herein or a portion thereof, as the case may be, nor the validity of such covenant or provision or a portion thereof, as the case may be, in any other jurisdiction.

17. Enurement

This certificate and all of its provisions shall enure to the benefit of the Holder and its successors or personal representatives and shall be binding upon the Corporation, its successors and assigns.

18. Time

Time is of the essence hereof.

[THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY.]

IN WITNESS WHEREOF the Corporation has caused this certificate to be signed by a duly authorized officer effective as of ■ 2019.

TETHYS PETROLEUM LIMITED

Signature: _____

Name: _____

Title: _____

EXERCISE FORM

TO: Tethys Petroleum Limited

Terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Warrant certificate delivered herewith.

The undersigned hereby irrevocably exercises the right to acquire _____ ordinary shares in accordance with and subject to the provisions of the accompanying Warrant certificate and encloses or delivers herewith payment in the amount of US$_____, representing the aggregate subscription price.

The ordinary shares are to be issued as follows:

Name: _____

(print clearly)

Address in full: _____

_____

Number of ordinary shares: _____

DATED as of _____, 20___. _____

(signature of Holder)

_____

print full name

_____

_____

print full address

Instructions:

1. The Holder may exercise its right to receive ordinary shares by completing this form and surrendering this form and the certificate representing the Warrants being exercised to the Corporation at its registered office of the Corporation at 190 Elgin Avenue, George Town, Grand Cayman KY1 9007, Cayman Islands. Certificates for ordinary shares will be delivered or mailed within three business days after this exercise form is received by the Corporation.

2. If this exercise form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the Warrant certificate must be accompanied by evidence of authority to sign satisfactory to the Corporation.

SCHEDULE G

FORM OF CORPORATE GUARANTEE

(SEE ATTACHED)

GUARANTEE AND INDEMNITY

(Inform Systems LLP)

TO: **TETHYS PETROLEUM LIMITED** (the "**Corporation**") for and on behalf of and for the benefit of the Secured Parties (as defined below)

DATE: **■, 2019**

WHEREAS the Acquiror (as hereinafter defined) desires, pursuant to a scheme of arrangement under the Companies Law (2018 Revision) of the Cayman Islands, to acquire up to 70% of the Ordinary Shares of the Corporation that it does not already own and to offer Shareholders (as hereinafter defined) the opportunity to exchange up to 30% of the Ordinary Shares of the Corporation that the Acquiror does not already own for Preferred Shares on a one-for-one basis, which Preferred Shares shall be automatically redeemable by the Corporation for $1.80 per share, payable in cash, (the "**Redemption Amount**") on the date that is 3 years following their first issuance;

AND WHEREAS as a mechanism for the Acquiror to support the Corporation, if required, with funding the Corporation's payment of the Redemption Amount, the Corporation desires to issue a share purchase warrant (the "**Warrant**") to the Acquiror, to purchase such number of Ordinary Shares equal to the number of Preferred Shares as are issuable pursuant to the Arrangement, at an exercise price per Ordinary Share equal to the Redemption Amount;

AND WHEREAS the Acquiror shall be obligated to exercise the Warrant, if so required to support the Corporation's payment of the Redemption Amount, before its expiry date, as set out therein, and the Corporation shall use the proceeds of such exercise to fund the Redemption Amount;

AND WHEREAS the Acquiror is an affiliate of Inform Systems LLP (the "**Obligor**"). Under the terms of the Arrangement Agreement (as hereinafter defined), the Obligor is required to deliver this Agreement to guarantee the Acquiror's payment obligations under the Arrangement Agreement, including, but not limited to, the Acquiror's obligation to exercise the Warrant. The Obligor will derive substantial direct and indirect benefits and advantages from the Arrangement Agreement, and it will be to the Obligor's direct interest and economic benefit to deliver this Agreement in order to allow the Acquiror to obtain those direct and indirect benefits. The Obligor acknowledges the value of that benefit.

FOR VALUE RECEIVED and intending to be legally bound by this guarantee and indemnity (the "**Agreement**"), the **Obligor** agrees as follows:

1. INTERPRETATION

1.1 Capitalized Terms In this Agreement, except where the context otherwise requires, capitalized terms that are used and not otherwise defined have the meanings defined in the Arrangement Agreement, and:

(a) "**Acquiror**" means Jaka Partners FZC.

(b) "**Arrangement Agreement**" means the arrangement agreement dated ■ between the Acquiror as purchaser, the Obligor as guarantor and the Corporation, as amended, supplemented, restated and replaced from time to time.

(c) "**Event of Default**" means the failure of the Acquiror to pay any of the Obligations when due or any demand for payment validly made by any Secured Party pursuant to the Arrangement Agreement that is not met in accordance with the terms of the demand or within any applicable grace period.

(d) "**Obligations**" means all debts, liabilities and obligations of the Acquiror to the Secured Parties under or in connection with the Arrangement Agreement, including but not limited to the exercise of the Warrant, and any legal and other costs, charges and expenses owing or remaining unpaid by the Acquiror to the Secured Parties in any currency under or in connection with the Arrangement Agreement.

(e) "**Secured Parties**" means each person or organization that from time to time (i) is defined as a "Preferred Shareholder" or a "Third Party Preferred Shareholder Beneficiary" under the Arrangement Agreement or (ii) the Corporation. Any reference to "the Secured Parties" shall be interpreted as referring to "the Secured Parties or any of them."

1.2 *No Contra Proferentum* This Agreement has been negotiated by the Obligor and the Corporation with the benefit of legal representation, and any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply to the construction or interpretation of this Agreement.

1.3 Conflict with Arrangement Agreement If there is any conflict or inconsistency between the terms of the Arrangement Agreement and the terms of this Agreement, the provisions of the Arrangement Agreement shall govern to the extent necessary to remove the conflict or inconsistency.

1.4 Other Interpretation Rules In this Agreement:

(a) Any rights or benefits stated to accrue to the benefit of the Corporation shall accrue to the benefit of the Corporation for and on behalf of and for the benefit of the Secured Parties and any decision, determination or other action required or permitted to be made or taken by the Corporation shall be interpreted to mean that decision, determination or other action made or taken in accordance with the provisions of the Arrangement Agreement.

(b) The division into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement.

(c) Unless otherwise specified or the context otherwise requires, (i) "including" or "includes" means "including (or includes) but is not limited to" and shall not be

construed to limit any general statement preceding it to the specific or similar items or matters immediately following it, (ii) a reference to any legislation, statutory instrument or regulation or a section thereof is a reference to the legislation, statutory instrument, regulation or section as amended, restated and re-enacted from time to time, and (iii) words in the singular include the plural and vice-versa and words in one gender include all genders.

(d) Unless otherwise specified or the context otherwise requires, any reference in this Agreement to payment of the Obligations includes performance of the Obligations.

2. GUARANTEE AND INDEMNITY

2.1 Guarantee The Obligor unconditionally guarantees payment to the Corporation of the Obligations.

2.2 Indemnity The Obligor also unconditionally agrees that, if the Acquiror does not unconditionally and irrevocably pay any Obligations when due and those Obligations are not recoverable from the Obligor for any reason under Section 2.1, the Obligor shall indemnify the Secured Parties immediately on demand against any and all costs, losses, damages, expenses or liabilities suffered by the Secured Parties as a result of the Acquiror's failure to do so, including but not limited to any legal fees incurred in enforcing this Agreement.

2.3 Separate Liabilities The liabilities of the Obligor under Sections 2.1 and 2.2 are separate and distinct from each other, but the provisions of this Agreement shall apply to the liabilities under both of those Sections unless the context otherwise requires.

2.4 No Limit on Liability The liability of the Obligor under this Agreement is unlimited.

2.5 Irrevocable This Agreement is irrevocable by the Obligor and, subject to Section 3.4, the Obligor expressly and unconditionally waives any right to terminate this Agreement.

3. CONTINUING AGREEMENT AND REINSTATEMENT

3.1 Continuing Agreement This Agreement is a continuing guarantee and indemnity for a current or running account and will extend to the ultimate balance of the Obligations, regardless of any intermediate payment or discharge of the Obligations in whole or in part.

3.2 Payments in Gross Until this Agreement has been terminated in accordance with Section 3.4, all amounts of any kind received by the Secured Parties from any source in respect of the Obligations shall be regarded for all purposes as payments in gross without any right on the part of the Obligor to claim the benefit of those amounts in reduction of its liabilities under this Agreement.

3.3 Reinstatement If at any time any payment of the Obligations is or must be rescinded or returned by the Secured Parties as a result of insolvency or reorganization of the Acquiror or any other person, or for any other reason whatsoever, the Obligations will be deemed to have continued in existence and this Agreement shall continue to be effective, or be

reinstated, as if the payment had not occurred. The Secured Parties may concede or compromise any claim that any payment ought to be rescinded or returned without diminishing the liability of the Obligor under this Section.

3.4 Termination If the Obligations have been indefeasibly paid in full in cash and if all obligations of the Corporation under the Arrangement Agreement have been cancelled, then the Corporation, with prior written approval from a majority of the Secured Parties, shall, at the request and expense of the Obligor, execute and deliver whatever documents are reasonably required to acknowledge the termination of this Agreement.

3.5 Amendment This Agreement may only be amended, supplemented, or otherwise modified with prior written approval from a majority of the Secured Parties and a written agreement signed by the Corporation, the Obligor and Jaka.

4. WAIVER OF DEFENCES AND OTHER MATTERS

4.1 In Addition to Other Rights; No Marshalling This Agreement is in addition to and is not in any way prejudiced by or merged with any other guarantee, indemnity or security now or subsequently held by the Secured Parties in respect of any Obligations. The Secured Parties shall be under no obligation to marshal in favour of the Obligor any other guarantees or other securities or any money or other property that the Secured Parties may be entitled to receive or may have a claim upon.

4.2 No Obligation to Enforce Other Rights The Obligor waives any right it may have of requiring the Secured Parties (or any trustee or agent on their behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Obligor under this Agreement and the Obligor waives all benefits of discussion and division. These waivers apply irrespective of any law or any provision of the Arrangement Agreement to the contrary.

5. OBLIGATION TO MAKE PAYMENT

5.1 Payment Immediately After Demand The Obligor's liability to make a payment under this Agreement shall arise immediately after demand for payment has been made in writing on the Obligor. In connection with any demand, the Corporation may treat all Obligations as due and payable and may demand immediate payment from the Obligor of the total amount of its liabilities under this Agreement, whether or not all Obligations are otherwise due and payable at the time of demand.

5.2 Right to Enforce Demands under this Agreement may be made from time to time if an Event of Default occurs and is continuing, and the liabilities of the Obligor under this Agreement may be enforced, irrespective of:

(a) whether any demands, steps or proceedings are being or have been made or taken against the Acquiror and/or any third party; or

(b) whether or in what order any security to which the Secured Parties may be entitled in connection with the Arrangement Agreement is enforced.

5.3 Interest The Obligor's liabilities under this Agreement shall bear interest from the date of demand at the highest rate of interest per annum that is applicable to any part of the Obligations.

5.4 Rights Cumulative No failure on the part of the Secured Parties to exercise, nor any delay in exercising, any right or remedy under the Arrangement Agreement or this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. Neither the taking of any judicial or extra-judicial proceeding nor the exercise of rights under any security held from the Obligor shall extinguish the liability of the Obligor to pay and perform its liabilities under this Agreement, nor shall the acceptance of any payment or security create any novation. No covenant, representation or warranty of the Obligor in this Agreement shall merge in any judgment. The rights and remedies provided in this Agreement are cumulative and do not exclude any rights and remedies provided by law or otherwise.

5.5 Limitation Periods To the extent that any limitation period applies to any claim for payment of the Obligations or remedy for enforcement of the Obligations, the Obligor agrees that:

(a) any limitation period is expressly excluded and waived entirely if permitted by applicable law;

(b) if a complete exclusion and waiver of any limitation period is not permitted by applicable law, any limitation period is extended to the maximum length permitted by applicable law;

(c) any applicable limitation period shall not begin before an express demand for payment of the Obligations is made in writing by the Lender to the Obligor; and

(d) any applicable limitation period shall begin afresh upon any payment or other acknowledgment of the Obligations by the Obligor.

6. PAYMENTS

6.1 Withholdings Etc. Any payment made by the Obligor under this Agreement shall be made without any deduction or withholding for or on account of tax and without any set-off or counterclaim of any kind.

6.2 Currency Payment shall be made in United States dollars.

6.3 Currency Indemnity If a judgment or order is rendered by any court or tribunal for the payment of any amount owing to the Secured Parties under or in connection with this Agreement and the judgment or order is expressed in a currency (the "**Judgment Currency**") other than United States dollars, the Obligor shall indemnify and hold each Secured Party harmless against any deficiency in terms of United States dollars in the amount received by that Secured Party arising or resulting from any variation as between (a) the rate at which United States dollars are converted into the Judgment Currency for the purposes of the judgment or order, and (b) the rate at which the Secured Party is able

to purchase United States dollars in accordance with normal banking practice with the amount of the Judgment Currency actually received by the Secured Party on the date of receipt. The indemnity in this Section shall constitute a separate and independent liability from the other liabilities of the Obligor under this Agreement, shall apply irrespective of any indulgence granted by the Secured Parties, and shall be secured by any security held by the Secured Parties from the Obligor.

7. NOTICES

7.1 Notices in Writing Any communication to be made under this Agreement shall be made in writing and may be made by fax or letter. Any communication shall be effective when received if during business hours or on the next business day if received outside of business hours.

7.2 Address for Notice The Obligor's address for notice is ■.

8. ENTIRE AGREEMENT; SEVERABILITY

8.1 Entire Agreement This Agreement embodies all the agreements between the Obligor and the Secured Parties relating to the guarantee, indemnity, assignment and postponement contemplated in this Agreement. No party shall be bound by any representation or promise made by any person relating to this Agreement that is not embodied in it. It is specifically agreed that the Secured Parties shall not be bound by any representation or promise made by the Acquiror to the Obligor. Any waiver of, or consent to departure from, the requirements of any provision of this Agreement shall be effective only if it is in writing and signed by the Corporation, and only in the specific instance and for the specific purpose for which it has been given.

8.2 Severability If, in any jurisdiction, any provision of this Agreement or its application to any circumstance is restricted, prohibited or unenforceable, that provision shall, as to that jurisdiction, be ineffective only to the extent of that restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement, without affecting the validity or enforceability of that provision in any other jurisdiction and, if applicable, without affecting its application to other circumstances.

9. DELIVERY OF AGREEMENT

9.1 Delivery To evidence the fact that it has executed this Agreement, the Obligor may send a signed copy of this Agreement or its signature to this Agreement by facsimile transmission or e-mail and the signature sent in that way shall be deemed to be its original signature for all purposes.

9.2 No Conditions Possession of this Agreement by the Corporation shall be conclusive evidence against the Obligor that the Agreement was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with. This Agreement shall be operative and binding notwithstanding that it is not executed by any proposed signatory.

9.3 Receipt and Waiver The Obligor acknowledges receipt of a copy of this Agreement. The Obligor waives any notice of acceptance of this Agreement by the Secured Parties. The Obligor also waives the right to receive a copy of any financing statement or financing change statement that may be registered in connection with this Agreement or any verification statement issued with respect to a registration, if waiver is not otherwise prohibited by law. The Obligor agrees that the Corporation may from time to time provide information regarding this Agreement and the Obligations to persons that the Corporation believes in good faith are entitled to the information under applicable law.

10. GOVERNING LAW

10.1 Governing Law This Agreement and any dispute arising from or in relation to this Agreement shall be governed by, and interpreted and enforced in accordance with, the laws of the Cayman Islands.

10.2 Obligor's Dispute Resolution Jurisdiction The Obligor agrees that the courts of the Cayman Islands have non-exclusive jurisdiction over any dispute arising from or in relation to this Agreement and the Obligor irrevocably and unconditionally attorns to the non-exclusive jurisdiction of the court of the Cayman Islands. The Obligor agrees that the courts of that jurisdiction are the most appropriate and convenient forum to settle disputes and agrees not to argue to the contrary.

10.3 Secured Parties Entitled to Concurrent Jurisdiction Despite Section 10.2, the Secured Parties are permitted to take proceedings in relation to any dispute arising from or in relation to this Agreement in any court of another province or another state with jurisdiction and to the extent allowed by law may take concurrent proceedings in any number of jurisdictions.

11. SUCCESSORS AND ASSIGNS

11.1 Successors and Assigns The Obligor may not assign or transfer all or any part of its liabilities under this Agreement. This Agreement shall enure to the benefit of the Secured Parties and their respective successors and assigns and be binding on the Obligor and its successors and any permitted assigns.

[**THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY**]

IN WITNESS OF WHICH, the Obligor has duly executed this Agreement.

INFORM SYSTEMS LLP

By: _____

Name:
Title:

Signature page for Guarantee and Indemnity by Inform Systems LLP

SCHEDULE H

FORM OF SETTLEMENT AGREEMENT

(SEE ATTACHED)

DATED

SETTLEMENT DEED AND RELEASE

between

TETHYS PETROLEUM LIMITED

and

TETHYS ARAL GAS LLP

and

TRANSCONTINENTAL OIL TRANSPORTATION SPRL

and

ARAL OIL TERMINAL LLP

and

OLISOL PETROLEUM LIMITED

and

OLISOL INVESTMENTS LIMITED

and

EURASIA GAS GROUP LLP

and

ALEXANDER SKRIPKA

and

ALEXANDER ABRAMOV

and

FEDOR OSSININ

and

DSFK SPECIAL FINANCE COMPANY LLP

THIS DEED is dated [DATE]

PARTIES

(1) TETHYS PETROLEUM LIMITED, a company incorporated under the laws of the Cayman Islands whose registered address is 190 Elgin Avenue, George Town, Grand Cayman KY1 9005, Cayman Islands **("Tethys")**;

(2) TETHYS ARAL GAS LLP, a limited liability partnership established under the laws of the Republic of Kazakhstan whose address is BC "DASTAN CENTER" Bogenbay Batyr str.2, offices 201-209, 030000, Aktobe, Kazakhstan ("**TAG**");

(3) TRANSCONTINENTAL OIL TRANSPORTATION SPRL, a company incorporated under the laws of Belgium whose address is Rue Royale 97 (4th Floor), B-1000 Brussels, Belgium ("**TOT**");

(4) ARAL OIL TERMINAL LLP, a limited liability partnership established under the laws of the Republic of Kazakhstan whose address is [ ], Kazakhstan ("**AOT**");

(5) OLISOL PETROLEUM LIMITED, a company incorporated under the laws of Hong Kong whose registered address is Unit 912, 9F Fairmont House, No.8 Cotton Tree Drive Road, Hong Kong **("OPL");**

(6) OLISOL INVESTMENTS LIMITED, a company incorporated under the laws of Cyprus whose registered address is Stasinou 1, Mitsi Building 1, 1st Floor, Flat/Office 4 Plateia Eleftherias P.C. 1060, Nicosia, Cypus **("OIL");**

(7) EURASIA GAS GROUP LLP, a limited liability partnership established under the laws of the Republic of Kazakhstan whose address is [ ], Kazakhstan ("**EGG**")

(8) ALEXANDER SKRIPKA, whose residential address is [ ], Kazakhstan;

(9) ALEXANDER ABRAMOV, whose residential address is [ ], Kazakhstan;

(10) FEDOR OSSININ, whose residential address is [ ], Kazakhstan;

(11) DSFK SPECIAL FINANCE COMPANY LLP, a limited liability partnership established under the laws of the Republic of Kazakhstan whose address is 15 Republic Square Street, Office 1664, 050013, Almaty, Kazakhstan ("**DSFK**");

each a "**Party**" and together, the "**Parties**".

BACKGROUND

(1) On 19 November 2015, Tethys and OPL entered into a facility agreement pursuant to which OPL granted to Tethys a loan facility of an aggregate principal amount not exceeding fifteen million UD Dollars (US$15,000,000) (the "**Facility Agreement**"). As of the date hereof, the principal amount outstanding under the Facility Agreement is US$ 5,644,016.

(2) On 28 April 2016 Tethys, OPL and OIL entered into an investment agreement pursuant to which OPL agreed to subscribe for and purchase from Tethys, and Tethys agreed to issue

and sell to OPL, 181,240,793 shares for CDN$0.054 per share for aggregate proceeds of CDN$9,787,002.82 (the "**Investment Agreement**").

(3) On 27 January 2017, Tethys and each of its Kazakhstan subsidiaries commenced legal action against OPL, OIL, EGG, Alexander Skripka, Alexander Abramov and Fedor Ossinin in the Court of Queen's Bench of Alberta, Canada. The legal action was to seek, among other things, damages arising from failure to meet contractual obligations under the Investment Agreement on October 27, 2016 and damages arising from alleged unlawful interference with Tethys' business activities, including issuing erroneous press release information about Tethys (the "**Canadian Lawsuit**").

(4) TOT and OIL are joint partners in AOT pursuant to [a Charter dated [ ]] and AOT is the owner of an oil terminal facility in Kazakhstan (the "**AOT Terminal**");

(5) On 1 January 2012 EGG and TAG entered into an oil sales contract No. 05/05-1814 and on 26 March 2012, EGG, TAG and AOT entered into a joint venture agreement pursuant to which TAG would produce oil and sell it to EGG, the AOT would provide oil storage and shipment services to EGG and EGG would advance funds to TAG as a prepayment for future oil sales (the "**Oil Sales Agreements**").

(6) Certain assets of TAG are pledged as security for loans made by Bank RBK JSC ("**RBK**") to EGG pursuant to agreement numbers 27-07/728-12 dated 23.10.2012, 27-07/729-12 dated 23.10.2012, 27-07/730-12 dated 23.10.2012, 27-07/792-12 dated 15.11.2012 and 27-07/793-12 dated 15.11.2012 (the "**Pledge Agreements**") which were subsequently assigned by RBK to DSFK on 14 December 2017.

(7) As of the date hereof, EGG is in default with respect to its obligations to RBK and FSFK under the Pledge Agreements (the **"EGG Default**").

(8) DSFK has commenced legal action in the Republic of Kazakhstan courts to enforce its rights under the Pledge Agreements in respect of the EGG Default (the "**Kazakhstan Lawsuit**")

(9) The Parties have settled their differences and have agreed terms for the full and final settlement of the Disputed Matters and related matters and wish to record those terms of settlement, on a binding basis, in this Deed.

AGREED TERMS

1. INTERPRETATION

1.1 In this Deed, unless the context otherwise requires, the following words and expressions have the following meanings:

(a) "**AOT**" shall have the meaning ascribed in the "PARTIES" section of this Deed

(b) "**AOT Terminal**" shall have the meaning ascribed in the "BACKGROUND" section of this Deed

(c) "**Canadian Lawsuit**" shall have the meaning ascribed in the "BACKGROUND" section of this Deed

(d) "**Disputed Matters**" means all disputes, claims and counter claims between Tethys and TAG on the one hand and OPL, OIL, EGG, Alexander Skripka, Alexander Abramov, Fedor Ossinin and DSFK on the other.

(e) "**DSFK**" shall have the meaning ascribed in the "PARTIES" section of this Deed

(f) "**EGG**" shall have the meaning ascribed in the "PARTIES" section of this Deed

(g) "**Facility Agreement**" shall have the meaning ascribed in the "BACKGROUND" section of this Deed

(h) "**Investment Agreement**" shall have the meaning ascribed in the "BACKGROUND" section of this Deed

(i) "**NEX**" means the NEX board of the TSX Venture Exchange;

(j) "**OIL**" shall have the meaning ascribed in the "PARTIES" section of this Deed

(k) "**Oil Sales Agreements**" shall have the meaning ascribed in the "BACKGROUND" section of this Deed

(l) "**OPL**" shall have the meaning ascribed in the "PARTIES" section of this Deed

(m) "**Party**" or "Parties" shall have the meaning ascribed in the "PARTIES" section of this Deed

(n) "**Pledge Agreements**" shall have the meaning ascribed in the "BACKGROUND" section of this Deed

(o) "**TAG**" shall have the meaning ascribed in the "PARTIES" section of this Deed

(p) "**Tethys**" shall have the meaning ascribed in the "PARTIES" section of this Deed

(q) "**TOT**" shall have the meaning ascribed in the "PARTIES" section of this Deed

(r) "**Released Claims**" shall have the meaning ascribed in the Clause 4.1 of this Deed

1.2 In this Deed, save where the context otherwise requires:-

(a) references to the singular shall include references to the plural and vice versa;

(b) the words " including" and "include" shall not be construed as or take effect as limiting the generality of the foregoing words; and

(c) the headings shall not be construed as part of this Deed nor affect its interpretation.

2. EFFECT OF THIS DEED

The Parties hereby agree that this Deed shall be fully and effectively binding on them immediately upon execution by all Parties.

3. DISMISSAL OF THE CANADIAN LAWSUIT

3.1 Tethys shall discontinue the Canadian Lawsuit and seek the dismissal of such lawsuit with no order as to costs;

3.2 Tethys and its Kazakhstan subsidiaries agree that they shall have no claims against OPL, OIL, EGG, Alexander Skripka, Alexander Abramov and Fedor Ossinin in respect of the Investment Agreement or any other matters alleged in the Canadian Lawsuit;

4. REPAYMENT OF AMOUNTS OWING UNDER THE FACILITY AGREEMENT

4.1 Following the execution of this Deed, Tethys agrees to issue eighteen million (18,000,000) ordinary shares to OPL in full satisfaction, and in exchange for full repayment, of all amounts (including but not limited to principal and interest amounts) owing under the Facility Agreement as of the date hereof;

4.2 The issuance of shares contemplated by clause 4.1 will be subject to any prior approvals required by relevant securities laws, including shareholder approval and NEX approval;

4.3 OPL agrees to pledge the ordinary shares contemplated by clause 4.1 to DSFK as security for any and all amounts owing by the Parties to DSFK and to enter into a pledge agreement in a form acceptable to DSFK;

5. DISMISSAL OF THE KAZAKHSTAN LAWSUIT AND CANCELLATION OF PLEDGE AGREEMENTS

5.1 The Kazakhstan Lawsuit shall be dismissed with no order as to costs and DSFK shall provide Tethys with satisfactory documentation evidencing the same;

5.2 DSFK agrees to cancel and release TAG from all obligations under the Pledge Agreements;

6. TRANSFER OF TERMINALS

6.1 TOT agrees to transfer its interest in the AOT to OIL at a nominal cost (the "TOT Transfer"). All amounts owing by AOT to EGG, Bank RBK JSC, DSFK or any other party will remain the responsibility of AOT and Tethys and TOT will have no liability for those debts;

7. OIL SALES AGREEMENT

7.1 EGG agrees that it will have no claim against TAG in respect of the Oil Sales Agreements;

7.2 TAG agrees to continue to sell oil to EGG, or one of its affiliated companies, on an exclusive basis under new oil sales agreements provided that the oil sales price is on an arm's length basis and is in line with prevailing market prices. For the avoidance of doubt, the current oil sales price of KZT110,000 per ton shall be considered arm's length and indicative of the "current market price". Future oil prices agreed between TAG and EGG shall be considered arm's length market prices if the same differential to the current Argus Index price is applied to such future price agreements;

8. RELEASE

8.1 Subject to clause 8.2, this Deed is in full and final settlement of, and each Party hereby irrevocably releases and forever discharges, all and/or any actions, claims, causes of action, rights, demands and set-offs, whether in this jurisdiction or any other, whether or not presently known to the Parties or to the law, and whether in law or equity, that it, its parent, subsidiaries, assigns and transferees, representatives, principals, agents, officers and directors or any of them ever had, may have or hereafter can, shall or may have against the other Party or any other of its parent, subsidiaries, assigns and transferees, representatives, principals, agents, officers or directors arising out of or connected with the Canadian Lawsuit, the Kazakhstan Lawsuit, the Pledge Agreements, the Investment Agreement, the Facility Agreement and the Oil Sales Agreements, their subject matter and the associated underlying facts (the "Released Claims").

8.2 The Released Claims do not include, and nothing in this Deed shall affect:

(a) any Eurasia GAZEXPORT LLP's outstanding obligations owed to TAG in respect of oil sales; nor

(b) claims in respect of any breach of this Deed.

9. AGREEMENT NOT TO SUE

9.1 Subject to clause 8.2, each Party agrees, on behalf of itself and on behalf of its parent, subsidiaries, assigns and transferees, representatives, principals, agents, officers or directors, not to sue, commence, voluntarily aid in any way, prosecute or cause to be commenced or prosecuted against the other Party or its parent, subsidiaries, assigns and transferees, representatives, principals, agents, officers or directors, any action, suit, arbitration or other proceeding concerning the Released Claims, in this jurisdiction or any other.

10. COSTS

10.1 The Parties shall each bear their own legal costs in relation to the Canadian Lawsuit, the Kazakhstan Lawsuit, and this Deed.

10.2 OIL shall bear all transaction expenses of Tethys and OIL (including but not limited to legal, regulatory or licencing costs) required to effect the TOT Transfer.

11. WARRANTIES AND AUTHORITY

11.1 Each Party warrants and represents that it has not sold, transferred, assigned or otherwise disposed of its interest in the Released Claims.

11.2 Each Party warrants and represents to the other with respect to itself that (i) it has the full right, power and authority to execute, deliver and perform this Deed, (ii) this Deed has been duly executed and delivered by such Party, and (assuming, if applicable, due authorization, execution and delivery by the other Party) this Deed constitutes the legal, valid and binding obligation of such Party enforceable against such Party in accordance with its terms, (iii) the execution, delivery and performance of this Deed and the consummation of the transactions contemplated hereby, in accordance with the respective terms and conditions thereof will not: (A) contravene any provision of its constitutional documents; (B) contravene, conflict with or result in the breach of any material agreements to which it is a party or by or to which it or any of its assets or properties may be subject; or (C) contravene any order, judgment, injunction, award, ruling or decree of any court, arbitrator or governmental entity, or any agreement with, or condition imposed by, any governmental entity, which has arisen or may arise in each case binding on such Party or its assets.

12. INDEMNITIES

Each Party hereby indemnifies, and shall keep indemnified, the other Party against all costs and damages (including the entire legal expenses of the Parties) incurred in all future actions, claims and proceedings in respect of any of the Released Claims which they may bring against the other Party or its parent, subsidiaries, assigns, transferees, representatives, principals, agents, officers or directors.

13. NO ADMISSION

This Deed is entered into in connection with the compromise of disputed matters and in the light of other considerations. It is not, and shall not be represented or construed by the Parties as, an admission of liability or wrongdoing on the part of either party to this Deed or any other person or entity.

14. SEVERABILITY

If any provision or part-provision of this Deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed to be deleted from this Deed and the remaining provisions of this Deed shall continue in full force and effect.

15. ENTIRE AGREEMENT

15.1 This Deed constitutes the entire understanding and agreement between the Parties in relation to the subject matter of this Deed and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral.

15.2 Each Party acknowledges that it has not entered into this Deed in reliance wholly or partly on any representation or warranty made by or on behalf of the other Party (whether orally or in writing) other than as expressly set out in this Deed.

15.3 Each Party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Deed. Each Party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this Deed.

16. CONFIDENTIALITY

16.1 The terms of this Deed, and the substance of all negotiations in connection with it, are confidential to the Parties and their advisers, and each Party shall not disclose them to, or otherwise communicate them to, any third party without the written consent of the other Party other than:

(a) to the Party's respective auditors, insurers and lawyers on terms which preserve confidentiality;

(b) pursuant to an order of a court or arbitral tribunal of competent jurisdiction, or pursuant to any proper order or demand made by any competent authority or body where they are under a legal or regulatory obligation to make such a disclosure;

(c) as far as necessary to implement an arrangement agreement between Tethys and Jaka Partners FZC; and

(d) as far as necessary to implement and enforce any of the terms of this Deed.

16.2 The Parties are entitled to confirm the fact of, but not the terms of, settlement of the Arbitration Proceedings.

17. GOVERNING LAW AND JURISDICTION

17.1 This Deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, English law.

17.2 Any dispute arising out of or in connection with this Deed, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the London Court of International Arbitration Rules, which Rules are deemed to be incorporated by reference into this clause. The number of arbitrators shall be three, who shall all be Queen's Counsel. The seat, or legal place, of arbitration shall be London, United Kingdom and the language to be used in the arbitral proceedings shall be English.

18. THIRD PARTY BENEFICIARIES

The Parties agree that the terms of this Deed are not enforceable by any third party under the Contracts (Rights of Third Parties) Act 1999 or any similar statute under English law as may be in effect from time-to-time.

19. CO-OPERATION

Each Party shall deliver or cause to be delivered such instruments and other documents at such times and places as are reasonably necessary or desirable, and shall take any other action reasonably requested by any other Party for the purpose of putting this Deed into effect.

20. COUNTERPARTS

20.1 This Deed may be executed in counterparts (and by the Parties on separate counterparts), each of which, when executed, shall constitute a duplicate original and all of which together shall constitute the one Deed. Any Party who provides a faxed (or electronic) executed counterpart to the other Party agrees to provide the original, executed counterpart to Tethys within ten (10) days of execution.

20.2 No counterpart shall be effective until each Party has executed at least one counterpart and each such counterpart shall constitute an original of this Settlement Deed, but all counterparts shall together constitute one and the same instrument.

21. ASSIGNMENT

No party may assign or otherwise seek to transfer and whether in whole or in part, and whether directly or indirectly, all and/or any of its respective benefits, rights, duties,

liabilities and obligations (whether absolutely or by way of security), or deal in any way with any interest it has under this deed, and any purported assignment (or transfer) without such consent shall be void *ab initio*, and of no force and effect.

22. VARIATION

Any variation of this Deed shall be in writing and signed by or on behalf of each Party.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Executed as a deed by **Tethys Petroleum Limited** acting by [NAME OF AUTHORISED SIGNATORY] a [POSITION]	…….. [INSERT NAME]
Executed as a deed by **Tethys Aral Gas LLP** acting by [NAME OF AUTHORISED SIGNATORY] a [POSITION]	…….. [INSERT NAME]
Executed as a deed by **Transcontinental Oil Transportation Sprl** acting by [NAME OF AUTHORISED SIGNATORY] a [POSITION]	…….. [INSERT NAME]
Executed as a deed by **Aral Oil Terminal LLP** acting by [NAME OF AUTHORISED SIGNATORY] a [POSITION]	…….. [INSERT NAME]
Executed as a deed by **Olisol Petroleum Limited** acting by [NAME OF AUTHORISED SIGNATORY] a [POSITION]	…….. [INSERT NAME]
Executed as a deed by **Olisol Investments Limited** acting by [NAME OF AUTHORISED SIGNATORY] a [POSITION]	…….. [INSERT NAME]

Executed as a deed by **Eurasia Gas Group LLP** acting by [NAME OF AUTHORISED SIGNATORY] a [POSITION]	…….. [INSERT NAME]
Executed as a deed by **Alexander Skripka**	……..
Executed as a deed by **Alexander Abramov**	……..
Executed as a deed by **Fedor Ossinin**	……..
Executed as a deed by **DSFK Special Finance Company LLP** acting by [NAME OF AUTHORISED SIGNATORY] a [POSITION]	…….. [INSERT NAME]

SCHEDULE 2

NOTICE TO THE COMPANY

TO: **Tethys Petroleum Limited**

AND TO: **Jaka Partners FZC**

AND TO: **TSX TRUST COMPANY**

PART I

ELECTION

TO BE COMPLETED BY ALL SHAREHOLDERS

The undersigned, hereby gives notice of my/our election to receive my/our consideration in the following percentages (totaling 100%):

Option	**Percentage**
Cash Consideration	_____ **[up to 70%]**
Share Consideration	_____ **[up to 30%]**
Retain my Ordinary Shares	_____ **[up to 100%]**
Total	**100%**

If the undersigned fails to properly note its election above, the undersigned will be deemed to have elected to retain 100% of their Ordinary Shares.