NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 28, 2019

AND

MANAGEMENT INFORMATION CIRCULAR

DATED MAY 20, 2019

TETHYS PETROLEUM LIMITED
190 ELGIN AVENUE, GEORGE TOWN,
GRAND CAYMAN, KY1-9005, CAYMAN ISLANDS

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an annual general and special meeting (the "**Meeting**") of the holders of Ordinary Shares of Tethys Petroleum Limited (the "**Company**") will be held at Sheraton Hotel, Frankfurt Airport, 1 Hugo-Eckener-Ring 15, 60549, Frankfurt, Germany on June 28, 2019 at 10.30am (local time) for the following purposes as well as to transact such other business as may properly be brought before the Meeting or any adjournment thereof:

Special Business

1. Resolution 1 – Approval of a Scheme of Arrangement between the Company and Jaka Partners FZC

To propose the following resolution as a special resolution of the Shareholders of the Company:

That:

(a) pursuant to Section 86 (2) of the Companies Law (2018 Revision) of the Cayman Islands, to approve a scheme of arrangement between the Company, Jaka Partners FZC ("**Jaka**") and the shareholders of the Company contained in an arrangement agreement entered into between Jaka, Inform Systems LLP and the Company (the "**Arrangement Agreement**") dated March 19, 2019 (the "**Scheme**"); and

(b) if the Scheme is sanctioned by the Grand Court of the Cayman Islands, to authorize and direct the Secretary of the Company to file a copy of the order approving the Scheme with the Registrar of Companies of the Cayman Islands.

2. Resolution 2 – Issuance of Ordinary Shares Upon Settlement of Olisol Debt

To propose the following resolution as an ordinary resolution of the Shareholders of the Company:

That:

(a) pursuant to the Arrangement Agreement, authorize any officer or director of the Company to enter into a settlement agreement (the "**Settlement Agreement**") among the Company, Olisol Petroleum Ltd ("**OPL**"), Olisol Investments Ltd, Eurasia Gas Group LLP, DSFK Special Finance Company LLP and certain of their principals, substantially in the form attached to the Arrangement Agreement, with any necessary amendments or variations, including increasing the number of Ordinary Shares contemplated by the Settlement Agreement, in full satisfaction of all claims and debts described in the Settlement Agreement, as such debts are described in this circular under the heading "– *Settlement Agreement*"; and

(b) pursuant to the Settlement Agreement, to authorize the issuance of not more than 18,000,000 Ordinary Shares to OPL in consideration for the settlement and full satisfaction of all debts owing by the Company to OPL.

General Business

3. Resolution 3 – Receipt of Financial Statements and Auditors' Report

To receive and consider the financial statements of the Company for the year ended December 31, 2018 and the report of the auditors thereon.

4. Resolutions 4.1 to 4.5 – Election of Directors

To propose each of the following separate resolutions as ordinary resolutions of the Company, the appointment of which and the resignation of the existing directors pursuant to Article 69 of the Articles shall take effect from the conclusion of the Meeting:

4.1 to elect William P. Wells as a director of the Company;

4.2 to elect Abay Amirkhanov as a director of the Company;

4.3 to elect Medgat Kumar as a director of the Company;

4.4 to elect Adeola Ogunsemi as a director of the Company; and

4.5 to elect Mattias Sjoborg as a director of the Company.

5. Resolution 5 – Appointment and Remuneration of Auditors

To propose the following resolution as an ordinary resolution of the Company:

That Grant Thornton UK LLP, be appointed as auditors of the Company to hold office in accordance with the Company's Articles of Association, and that their compensation be fixed by the board of directors.

The Company has elected to use the notice-and-access provisions under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (the "**Notice-and-Access Provisions**") for the Meeting. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing the Company to post the Circular and any additional materials online. Shareholders will receive a notice package including form of proxy and may choose to receive a paper copy of (i) the combined Notice of Meeting and Circular; and/or (ii) the Company's audited financial statements for the most recently completed financial year, together with the report of the auditor thereon, and any interim financial statements of the Company's subsequent to the financial statements for the Company's most recently completed financial year. The Company will not use the procedure known as 'stratification' in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Circular to some shareholders with this notice package. In relation to the Meeting, all shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Circular.

To make a valid election as to the form of consideration that Shareholders wish to receive under the Scheme, Shareholders must sign and return the enclosed letter of transmittal and election form (the "**Election Letter**") and make a proper election thereunder and return it with accompanying Tethys Petroleum Limited share certificate(s) to TSX Trust Company (the "**Depositary**"), at the address shown therein, before 5:00 p.m. (Toronto time) on June 28, 2019 or, if the Meeting is adjourned or postponed, 5:00 p.m. (Toronto time) on the day of the adjourned or postponed meeting (the "**Election Deadline**"). If you fail to make a proper election prior to the Election Deadline, or if the Depositary determines that your election was not properly made with respect to your Ordinary Shares, you will be deemed to have elected to retain the Ordinary Shares you hold.

If you are a non-registered Shareholder and have received these materials through your broker, investment dealer or other intermediary, you will not receive a form of proxy or Election Letter. Please follow the instructions provided by such broker, investment dealer or other intermediary to ensure that your vote is counted at the Meeting and for instructions and assistance in delivering the share certificate(s) representing those Ordinary Shares and, if applicable, making an election with respect to the form of consideration you wish to receive. See "Advice to Beneficial Owners" in the accompanying Circular.

The details of all matters proposed to be put before shareholders at the Meeting are set forth in the Circular. At the Meeting, shareholders will be asked to approve each of the foregoing resolutions, all as more particularly described in the Circular.

Only shareholders of record as of May 17, 2019 (the "**Record Date**") are entitled to receive notice of the Meeting.

DATED this 20th day of May, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

"Clive Oliver"
Corporate Secretary

IMPORTANT

It is desirable that as many Ordinary Shares as possible be represented at the Meeting. If you do not expect to attend and would like your Ordinary Shares represented, please complete the form of proxy and return it as soon as possible. In accordance with the Articles, to be valid, all proxies must be deposited at the office of the Registrar and Transfer Agent of the Company at 301 – 100 Adelaide St W Toronto, ON M5H 4H1, Canada not later than 5:00 p.m. (Eastern Daylight Time – local time in Toronto, Canada) on Tuesday June 25, 2019 or on the Business Day twenty-four hours preceding any adjournment of the Meeting.

The Company gives notice that only those shareholders entered on the register of shareholders (or their duly appointed proxies) at close of business on the Record Date, will be entitled to attend and vote at the Meeting in respect of the number of Ordinary Shares registered in their name at that time.

A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and, on a poll, to vote in his or her place. A proxy need not be a shareholder of the Company. Completion of a form of proxy does not preclude a shareholder from subsequently attending and voting at the Meeting in person if he or she so wishes.

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TETHYS PETROLEUM LIMITED

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 28, 2019

MANAGEMENT INFORMATION CIRCULAR

This management information circular (the "**Circular**") is furnished in connection with the solicitation of proxies by the management of Tethys Petroleum Limited ("**Tethys**", the "**Company**" or "**we**") for use at the annual general and special meeting of the holders of ordinary shares of the Company ("**Ordinary Shares**") to be held at Sheraton Hotel, Frankfurt Airport, 1 Hugo-Eckener-Ring 15, 60549, Frankfurt, Germany on June 28, 2019 at 10.30am (local time), or at any adjournment thereof (the "**Meeting**"), for the purposes set forth in the notice of meeting (the "**Notice of Meeting**").

The Company has elected to use the notice-and-access provisions ("**Notice-and-Access Provisions**") under National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") and National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") for the Meeting. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that allows issuers to post electronic versions of proxy-related materials online, via the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and one other website, rather than mailing paper copies of such materials to securityholders.

Electronic copies of this Circular and other Meeting materials may be found on the Company's profile on SEDAR at www.sedar.com and on a host website at www.tethys-group.com. Under the Notice-and-Access Provisions, Meeting materials will be available for viewing on the host website for one year from the date of posting.

Holders of the Ordinary Shares (each a "**Shareholder**" and, collectively the "**Shareholders**") are directed to read the Circular carefully and in full in evaluating the matters for consideration at the Meeting. Further disclosure on the matters set out above may be found in the Circular in the section entitled *"Particulars of Matters to be Acted Upon"*.

Shareholders will receive paper copies of a notice package (the "**Notice Package**") via mail containing a notice with the information prescribed by NI 54-101 and a form of proxy (if a registered Shareholder) or a voting instruction form (if a non-registered Shareholder). The Company will not use procedures known as "stratification" in relation to the use of the Notice-and-Access Provisions. Stratification occurs when an issuer using the Notice-and-Access Provisions sends a paper copy of the Information Circular to some securityholders with a Notice Package.

As part of the Notice Package, Shareholders will also receive a letter of transmittal and election form (the "**Election Letter**") pursuant to which they can make their election as to the form of consideration they elect to receive under the Scheme.

The costs incurred in the preparation and mailing of the Notice Package will be borne by the Company. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by directors, officers and employees of the Company who will not be directly compensated therefor.

Shareholders may obtain paper copies of the Circular and the Meeting materials free of charge by calling 1-866-600-5869 or by emailing TMXEInvestorServices@tmx.com at any time up until the date of the Meeting, including any adjournment or postponement thereof. Any Shareholder wishing to obtain a paper copy of the Meeting materials should submit their request by June 16, 2019 (or if the Meeting is adjourned to noon on the second business day preceding the date of the adjourned Meeting) in order to receive paper copies of the Meeting materials in time to vote before the Meeting. Shareholders may also use the toll-free number noted above to obtain more information about the Notice-and-Access Provisions.

Registered shareholders are requested to complete, date and sign the form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Circular. If you plan to attend the Meeting and wish to vote in person, please follow the instructions on the voting form to appoint yourself, instead of the management nominees, to vote at the Meeting.

Shareholders who hold their shares with a bank, broker or other financial intermediary are not registered Shareholders. All non-registered Shareholders who receive these materials through a broker or other intermediary should complete and return the materials in accordance with the instructions provided to them by such broker or intermediary. A non-registered Shareholder receiving a voting instruction form or proxy cannot use that form as a proxy to vote such Shareholder's Ordinary Shares directly at the Meeting; rather, the voting instruction form must be returned in accordance with the instructions provided well in advance of the Meeting in order for such Shareholder's Ordinary Shares to be voted at the Meeting. In addition, non-registered Shareholder will not receive an Election Letter and should follow the instructions provided by their broker, investment dealer or other intermediary for instructions and assistance in delivering the share certificate(s) representing Ordinary Shares and, if applicable, making an election with respect to the form of consideration to be received.

All information provided herein is as at the Circular Date unless otherwise indicated.

VOTING BY PROXY - APPOINTMENT AND REVOCATION OF PROXIES

The persons named (the "Management Designees") in the instrument of proxy (the "Instrument of Proxy") are directors or officers of the Company and have been selected by the directors of the Company and have indicated their willingness to represent as proxy the Shareholder who appoints them. A registered Shareholder has the right to designate a person (whom needs not be a Shareholder) other than the Management Designees to represent such Shareholder at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy the name of the person to be designated and by deleting therefrom the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the registrar and transfer agent of the Company, TSX Trust Company (the "**Registrar and Transfer Agent**"). Such shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instructions on how the Shareholder's Ordinary Shares are to be voted. The nominee should bring personal identification with him or her to the Meeting. In any case, the form of proxy should be dated and executed by the Shareholder or an attorney authorised in writing, with proof of such authorisation attached, where an attorney executed the proxy form or, if the appointor is a company, under its seal or under the hand of its duly authorised officer or attorney or other person authorised to sign. In addition, a proxy may be revoked by a Shareholder personally attending at the Meeting and voting his or her shares. A proxy nominee need not be a Shareholder.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Registrar and Transfer Agent, addressed to its attention, at 301 – 100 Adelaide St W Toronto, ON M5H 4H1, Canada not later than 5:00 p.m. (Eastern Daylight Time – local time in Toronto, Canada) on Tuesday June 25, 2019 or on the Business Day twenty-four hours preceding any adjournment of the Meeting (of more than 48 hours, but less than 28 days). Any proxy delivered in respect of the Meeting will be valid for any adjournment of the Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy. The board of directors of the Company (the "**Board**") has approved William P. Wells, the Non-Executive Chairman of the Company, to serve as Chairman of the Meeting.

A Shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the Shareholder or by his or her authorised attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorised, either at the registered office of the Company or with the Registrar and Transfer Agent, addressed to its attention, at 301 – 100 Adelaide St W Toronto, ON M5H 4H1, Canada at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, at which the proxy is to be used, or by depositing the instrument in writing with the Chairman of such Meeting on the day of the Meeting, or any adjournment thereof. In addition, a proxy may be revoked by the Shareholder personally attending the Meeting and voting his or her Ordinary Shares.

A Shareholder giving a proxy has the right to attend the Meeting, or appoint someone else to attend as his or her proxy at the Meeting and the proxy submitted earlier can be revoked in the manner described above.

VOTING IN PERSON AT THE MEETING

A registered Shareholder will appear on a list of Shareholders prepared by the Registrar and Transfer Agent for purposes of the Meeting. To vote in person at the Meeting each registered shareholder will be required to register for the Meeting by identifying themselves at the registration desk. Non-registered Beneficial Shareholders must appoint themselves as a proxyholder to vote in person at the Meeting. Also see "*Advice to Beneficial Shareholders*" below.

VOTING OF PROXIES

Each shareholder may instruct his or her proxy how to vote his or her Ordinary Shares by completing the blanks on the Instrument of Proxy. All Ordinary Shares represented at the Meeting by properly executed proxies will be voted (including the voting on any ballot), and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Ordinary Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxy, will vote in favour of Resolutions 1, 2, 4 and 5 as set out in the Notice of Meeting. No vote with respect to Resolution 3 is required or proposed to be taken. In the absence of any specification as to voting on any other form of proxy, the Ordinary Shares represented by such form of proxy will be voted as the proxy sees fit.**

The enclosed Instrument of Proxy confers discretionary authority upon the Management Designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Company is not aware of any amendments to, variations of or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of management of the Company.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Ordinary Shares in their own name. Shareholders who hold their Ordinary Shares (a "**Beneficial Shareholder**") in the following manner:

(a) registered in the name of an intermediary that the Beneficial Shareholder deals with in respect of the Ordinary Shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or certain administrators; or

(b) registered in the name of a depository (such as The Canadian Depository for Securities Limited or "**CDS**"),

should note that only proxies deposited by Shareholders who appear on the records maintained by the Registrar and Transfer Agent as registered holders of Ordinary Shares will be recognized and acted upon at the Meeting. If Ordinary Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Ordinary Shares will, in all likelihood, not be registered in the Shareholder's name.

In accordance with applicable laws, including but not limited to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, non-registered owners who have advised their Intermediary that they do not object to the Intermediary providing their ownership information to issuers whose securities they beneficially own ("**Non-Objecting Beneficial Owners**," or "**NOBOs**") will receive by mail: (i) a voting information form which is not signed by the Intermediary and which, when properly completed and signed by the non-registered holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**Voting Instruction Form**"); (ii) a letter from the Company with respect to the notice and access procedure; and (iii) the request for financial statements form (collectively, the "**Notice and Access Package**"). The Circular and the Notice of Meeting may be found at and downloaded from www.tethys-group.com.

NOBOs who have standing instructions with the Intermediary for physical copies of the Circular will receive by mail the Notice and Access Package, the Circular and the Notice of Meeting.

Intermediaries are required to forward the Notice and Access Package to non-registered owners who have advised their Intermediary that they object to the Intermediary providing their ownership information ("**Objecting Beneficial Owners**," or "**OBOs**") unless an OBO has waived the right to receive them. Very often, Intermediaries will use service companies to forward proxy-related materials to OBOs. Generally, OBOs who have not waived the right to receive proxy-related materials will either be given a form of proxy or a Voting Instruction Form, as described further below. Management of the Company does not intend to pay for Intermediaries to forward the Notice and Access Package to OBOs. An OBO will not receive the Notice and Access Package unless the Intermediary assumes the cost of delivery.

A. ***Voting Instruction Form.*** In most cases, a Beneficial Shareholder will receive, as part of the meeting materials, a voting instruction form. If the Beneficial Shareholder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the holder's behalf), the voting instruction form must be completed, signed and returned in accordance with the directions on the form. In accordance with the Articles, to be valid, all voting instruction forms must be deposited at the office of the Registrar and Transfer Agent of the Company at 301 – 100 Adelaide St W Toronto, ON M5H 4H1, not later than 5:00 p.m. (Eastern Daylight Time – local time in Toronto, Canada) on Tuesday June 25, 2019, or the Business Day twenty-four hours preceding any adjournment of the Meeting of more than 48 hours, but less than 28 days. If a Beneficial Shareholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the Beneficial Shareholder's behalf), the Beneficial Shareholder must complete, sign and return the voting instruction form in accordance with the directions provided and a form of proxy giving the right to attend and vote will be forwarded to the Beneficial Shareholder, or

B. ***Form of Proxy.*** Less frequently, a Beneficial Shareholder will receive, as part of the meeting materials, a form of proxy that has already been signed by the intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Ordinary Shares beneficially owned by the Beneficial Shareholder but which is otherwise uncompleted. If the Beneficial Shareholder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the holder's behalf), the Beneficial Shareholder must complete the form of proxy and deposit it with the Registrar and Transfer Agent at 301 – 100 Adelaide St W Toronto, ON M5H 4H1, Canada not later than 5:00 p.m. (Eastern Daylight Time – local time in Toronto, Canada) on Tuesday June 25, 2019, or the Business Day twenty-four hours preceding any adjournment of the Meeting of more than 48 hours, but less than 28 days. If a Beneficial Shareholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the holder's behalf), the Beneficial Shareholder must strike out the names of the Management Designees named in the proxy and insert the Beneficial Shareholder's (or such other person's) name in the blank space provided.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Ordinary Shares registered in the name of his or her broker, a Beneficial Shareholder may attend the Meeting as proxy holder for the registered Shareholder and vote the Ordinary Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Ordinary Shares as proxy holder for the registered shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to Shareholders in this Circular and the accompanying Instrument of Proxy and the Notice of Meeting are to registered Shareholders unless specifically stated otherwise.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person proposed or who has been a director or executive officer of the Company at any time since the beginning of its last completed financial year, or any associate of any such director or executive officer has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Circular.

SHARE CONSOLIDATION

On November 28, 2018 a share consolidation was effected, on the basis of 10 pre-consolidation Ordinary Shares forming one post-consolidation Ordinary Share, and the outstanding Ordinary Shares were adjusted from 683,245,120 to 68,324,512. Unless indicated otherwise, all references to Ordinary Shares, warrants, and stock options reflect the post-consolidation number of Ordinary Shares.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the Record Date, Tethys had no preference shares and 68,324,512 Ordinary Shares issued and outstanding. Every Shareholder present has on a show of hands one vote for each Ordinary Share of which he, she or it is the holder and on a poll every Shareholder present in person or represented by proxy has one vote for each Ordinary Share of which he, she or it is the holder. Only those Shareholders of record on the Record Date are entitled to receive notice of and vote at the Meeting.

Two or more Shareholders present in person or represented by proxy constitute a quorum for the Meeting, irrespective of the number of persons actually present at the Meeting.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, no person or company beneficially owns, or exercises control or direction over, directly or indirectly, more than 10% of the voting rights attached to all of the issued and outstanding Ordinary Shares other than (i) Pope Asset Management, LLC, which, together with its affiliates, owns or controls 13,591,607 Ordinary Shares or approximately 19.9% of the outstanding Ordinary Shares, (ii) Gemini IT Consultants DMCC which owns 7,950,000 Ordinary Shares or approximately 11.6% of the outstanding Ordinary Shares and (iii) Jaka Partners FZC which owns 12,757,000 Ordinary Shares or approximately 18.7% of the outstanding Ordinary Shares.

PARTICULARS OF MATTERS TO BE ACTED UPON

SCHEME OF ARRANGEMENT

On March 19, 2019, the Company executed a binding arrangement agreement with Jaka Partner FZC (the "**Acquiror**") and Inform Systems LLP ("**Inform**") with respect to the potential acquisition by the Acquiror of the Company's issued and outstanding Ordinary Shares that the Acquiror does not already own (the "**Definitive Agreement**") by way of a scheme of arrangement under the Companies Law (2018 Revision) of the Cayman Islands (the "**Scheme**") and in accordance with applicable Canadian securities laws (the "**Proposed Transaction**"). A copy of the Definitive Agreement can be obtained under the Company's profile on SEDAR at www.sedar.com and, upon request, the Company will provide a copy of such document free of charge to a Shareholder. The Proposed Transaction will be carried out by way of the Scheme, and effected pursuant to the Definitive Agreement, the terms and conditions of which are summarized below.

Proposed Transaction Structure

The Proposed Transaction is subject to the approval of the Shareholders, including both approval by such Shareholders representing more than 75% of the Ordinary Shares voting in person or by proxy at the Meeting as well as by a majority of those Shareholders, excluding shares held by the Acquiror or any of its affiliates or joint actors in accordance with Multilateral Instrument 61-101 – *Protection of Minority Shareholders in Special Transactions* ("**MI 61-101**"). Approvals from the Grand Court of the Cayman Islands (the "**Grant Court**") and the NEX board of the TSX Venture Exchange (the "**NEX**") will also be required.

Consideration

The Acquiror proposes to acquire up to 70% of 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 ("**Preferred Shares**") on a one-for-one basis. Each Shareholder can elect to receive consideration for its Ordinary Shares as follows:

(a) receive cash consideration of US$0.60 per Ordinary Share in exchange for up to 70% of its Ordinary Shares and to also receive Preferred Shares in exchange for up to 30% of its Ordinary Shares;
(b) receive cash consideration of US$0.60 per Ordinary Share in exchange for up to 70% of its Ordinary Shares and retain the remaining Ordinary Shares;
(c) receive Preferred Shares in exchange for up to 30% of its Ordinary Shares and retain the remaining Ordinary Shares; or
(d) retain all of its Ordinary Shares.

To the extent that the Proposed Transaction is approved and a Shareholder does not make any election as to its preferred form of consideration, it shall be deemed to have elected to retain all of its Ordinary Shares.

A Shareholder who votes against the Proposed Transaction is still entitled to make an election as to its preferred form of consideration, by completing and returning the Election Letter, provided that a Shareholder who dissents in relation to the Proposed Transaction is not entitled to make an election.

As they will be de minimis, the directors have decided that fractional Ordinary Shares arising will be rounded down and disregarded.

To make a valid election as to the form of consideration that Shareholders wish to receive under the Scheme, Shareholders must sign the Election Letter and make a proper election thereunder and return it with accompanying share certificate(s) or DRS Advice(s) to the Depositary, before 5:00 p.m. (Toronto time) on June 28, 2019 or, if the Meeting is adjourned or postponed, 5:00 p.m. (Toronto time) on the Business Day of the adjourned or postponed meeting (the "**Election Deadline**"). If a Shareholders fails to make a proper election prior to the Election Deadline, or if the Depositary determines that the election was not properly made, such Shareholder will be deemed to have elected to retain its Ordinary Shares.

The payments to Shareholders will be denominated in U.S dollars. However, a Shareholder can also elect to receive payment in Canadian dollars or U.K. Pounds Sterling by checking the appropriate box in the Election Letter, in which case such Shareholder will have acknowledged and agreed that the exchange rate for one U.S. dollar expressed in Canadian dollars or U.K. Pounds Sterling will be based on the exchange rate available to the Depositary at its typical banking institution on the date the funds are converted. Shareholders electing to have the payment for their Ordinary Shares paid in Canadian dollars or U.K. Pounds Sterling will have further acknowledged and agreed that any change to the currency exchange rates of the United States, Canada or the United Kingdom will be at the sole risk of the Shareholder.

If a Shareholder wishes to receive cash payable in Canadian dollars or U.K. Pounds Sterling , the applicable box in the section captioned "PART III Payment of Cash Consideration" in the Election Letter must be completed. Otherwise, the consideration will be paid in U.S. Dollars.

The consideration offered per Ordinary Share of US$0.60 per share and US$1.80 per Preferred Share represents premiums of approximately 320% and 960%, respectively to the CAD$0.25 unaffected price of the Ordinary Shares on the NEX on December 19, 2018, the date before the Proposed Transaction was first announced.

Depositary

The Company has retained the services of TSX Trust Company (the "**Depositary**") for the receipt of the Election Letter and the certificates representing Tethys Petroleum Limited Shares and for the delivery and payment of the Consideration payable for the Shares under the Proposed Transaction. The Depositary will receive reasonable and customary compensation for its services in connection with the Proposed Transaction, will be reimbursed for certain reasonable out-of pocket expenses and will be indemnified against certain liabilities, including liabilities under securities laws and expenses in connection therewith.

Rights, Privilege and Restrictions of the Preferred Shares

The Preferred Shares shall be non-voting and non-convertible, and shall be automatically redeemed by the Company on the date that is three (3) years from the closing of the Proposed Transaction (the "**Effective Date**") at a redemption price of US$1.80 per Preferred Share (the "**Redemption Amount**"). To the extent that the Company is unable to fund all or part of the payment of the Redemption Amount, the Company will have an option to require the Acquiror to provide funding for such payment by purchasing new Ordinary Shares under a share purchase warrant (the "**Warrant**"). Pursuant to the Definitive Agreement, Acquiror's obligations under the Warrant will be guaranteed by Inform, an affiliated company of the Acquiror.

Convertible securities (including options, warrants and convertible debt) shall remain outstanding post-closing and any such securities that are exercised or converted into Ordinary Shares prior to the record date of the Meeting shall entitle the holder to vote at such Meeting.

Stock Market Listing

Tethys will seek to maintain a listing of its Ordinary Shares on the NEX, or other recognized securities exchange, and apply for a listing of the Preferred Shares to be effective upon completion of the Proposed Transaction. Such listings will be subject to satisfaction of the rules of the NEX or other applicable exchange.

Management and the Board

Pursuant to the Definitive Agreement, following the completion of the Proposed Transaction, and provided that they are re-elected at the Meeting, the Acquiror intends to propose new directors as replacements for Mr. Mattias Sjoborg and Mr. William P. Wells. The Acquiror shall ensure that following the completion of the applicable Proposed Transaction, the Board will consist of at least three (3) members and will comply with all Canadian securities laws, including the rules of the NEX. In addition, upon completion of the Proposed Transaction, Mr. Sjoborg will resign from his position as Chief Executive Officer of Tethys. Annuity and Life Reassurance Ltd ("**Annuity**"), a company controlled by Mr. Wells, shall have a right to appoint a board observer and the right to inspect the Company's corporate books, records and premises, for a period of three (3) years following the Effective Date.

Definitive Agreement

The following summary describes certain of the material provisions of the Definitive Agreement. This summary is qualified in its entirety by reference to the Definitive Agreement a copy of which has been filed on SEDAR and is available on the Company's SEDAR profile at www.sedar.com. The Company encourages Shareholders to read the Definitive Agreement carefully in its entirety for a more complete understanding of the Definitive Agreement and the Proposed Transaction.

Representations, Warranties and Covenants. The Definitive Agreement contains certain representations, warranties and covenants of the Company as negotiated between the Company and the Acquiror in consideration of the Proposed Transaction. Such representations and warranties of the Company include, but are not limited to (i) board approval, (ii) corporate existence and power and (iii) compliance with laws. With respect to covenants, the Definitive Agreement includes, among others, covenants for the Company to (i) conduct the business of the Company in the ordinary course between the execution of the Definitive Agreement and the Effective Date, (ii) refrain from soliciting and, if received, to notify the Acquiror of any Acquisition Proposals (as defined in the Definitive Agreement), (iii) maintain the listing of the Ordinary Shares on the NEX, or another similar exchange, and to also seek the listing of the Preferred Shares on the NEX, or another similar exchange, (iv) indemnify each current and future director and officer of the Company for a period of six years following the Effective Date and (v) maintain insurance providing coverage for each future, present and former officer and director of the Company for a period of four years following the Effective Date.

Employment and Board Changes. Pursuant to the Definitive Agreement, on the Effective Date, the Company agreed to use its commercially reasonable efforts to deliver to the Acquiror, resignations of Mr. Mattias Sjoborg as the Chief Executive Officer and as a director of the Company and Mr. William Wells as a director of the Company. Pursuant to the Definitive Agreement, following the Effective Date, the Company and the Acquiror agreed to engage in good faith discussions with Mr. Clive Oliver with respect to his continued employment as Chief Financial Officer and Corporate Secretary of the Company. Additionally, pursuant to the Definitive Agreement, the Acquiror agreed to ensure that the Board, at all times, consists of at least three members and that the Board's constitution complies with all applicable laws, including the rules of the NEX.

Minority Protections and Board Observer. Pursuant to the Definitive Agreement, from the Effective Date until the earlier of (i) the date that is three years from such date and (ii) the date when the Ordinary Shares become listed on the Toronto Stock Exchange or a similar, senior, stock exchange, the Company agreed to 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 Company having issued an aggregate number of Ordinary Shares (on an as converted basis) exceeding eighteen (18) million Ordinary Shares. Additionally, pursuant to the Definitive Agreement, the Acquiror agreed to ensure that, for a period of three years commencing on the Effective Date, 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.

Pursuant to the Definitive Agreement, 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 Annuity owns fewer than 10% of the Ordinary Shares (on a converted basis), Annuity shall be entitled to appoint one Board Observer (as defined in the Definitive Agreement).

Settlement Agreement. The Definitive Agreement also contains a proposed settlement agreement (the "**Settlement Agreement**") which the Company will seek to enter into with Olisol Petroleum Ltd ("**OPL**"), Olisol Investments Ltd ("**Olisol**"), Eurasia Gas Group LLP, DSFK Special Finance Company LLP and certain of their principals. Among other things, the Settlement Agreement provides for the Company to issue 18 million Ordinary Shares to OPL in full satisfaction of all amounts owing by the Company to OPL pursuant to a convertible loan facility (the "**OPL Facility**") of an aggregate principal amount not exceeding US$15,000,000. As of the date hereof, the principal amount outstanding under the OPL Facility is US$7,083,685.

Warrant and Guarantee. As a mechanism for the funding of the payment of the Redemption Amount, the Definitive Agreement provides for the execution of a share purchase warrant (the "**Warrant**") by the Acquiror and a corporate guarantee (the "**Corporate Guarantee**") by Inform.

Conditions to the Proposed Transaction. Completion of the Proposed Transaction is subject to the satisfaction or, where applicable, waiver of customary conditions on or before June 30, 2019, including, but not limited to the Company having maintained the listing of the Ordinary Shares on the NEX.

The Definitive Agreement provides termination rights in favour of the parties, including in circumstances where the parties fail to comply with their obligations. If the Definitive Agreement is terminated in certain circumstances then the Company may be required to pay to the Acquiror a cash termination payment of $500,000 (the "**Termination Payment**") and vice versa (the "**Reverse Termination Payment**").

Considerations under MI 61-101

As Acquiror owns in excess of 10% of the Ordinary Shares, it is a related party of the Company under MI 61-101 and the Proposed Transaction would therefore be a related party transaction under such Instrument.

The Proposed Transaction is exempt from the valuation requirements of MI 61-101 as the Ordinary Shares are not listed on certain recognized exchanges though is subject to the requirement to obtain majority of the minority shareholder approval as described above.

Dividend Policy

The Company has not declared or paid any dividends or distributions on the Ordinary Shares to date. The payment of dividends or distributions in the future are dependent on the Company's earnings, financial condition and such other factors as the Board considers appropriate. The Company currently does not anticipate paying any dividends in the foreseeable future due to the stage of development of the Company, whether in the ordinary course or as a result of the Proposed Transaction.

Canadian Federal Income Tax Considerations of the Proposed Transaction

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Income Tax Act (Canada) (the "**Tax Act**") in respect of the Scheme that are generally applicable to a beneficial owner of Ordinary Shares who at all relevant times and for purposes of the Tax Act: (a) deals at arm's length with the Company, the Acquiror and Inform; (b) is not and will not be affiliated with Company, the Acquiror and Inform; (c) holds the Ordinary Shares and will hold the Preferred Shares received pursuant to the Scheme as capital property; (d) is, or is deemed to be, resident in Canada; and (e) is not exempt from tax under Part I of the Tax Act (a "**Resident Holder**").

The Ordinary Shares and the Preferred Shares generally will be considered capital property to a Resident Holder for purposes of the Tax Act unless the Resident Holder holds such shares in the course of carrying on a business of buying and selling securities or the Resident Holder has acquired or holds such shares in a transaction or transactions considered to be an adventure or concern in the nature of trade.

Any such persons referenced above should consult their own tax advisor with respect to the tax consequences of the Scheme.

In addition, this summary is not applicable to a Resident Holder: (a) that is a "financial institution" (as defined in the Tax Act for the purposes of the "mark-to-market rules"); (b) that is a "specified financial institution" (as defined in the Tax Act); (c) an interest in which is, or whose Ordinary Shares are, a "tax shelter investment" (as defined in the Tax Act); (d) who makes, or has made, a "functional currency" election under section 261 of the Tax Act; (e) that has entered into or will enter into a "synthetic disposition agreement", or a "derivative forward agreement", as defined in the Tax Act with respect to the Ordinary Shares or the Preferred Shares; or (f) if the Acquiror or Inform is at any time a "foreign affiliate" (as defined in the Tax Act) of such Resident Holder or of another corporation that does not deal at arm's length with the Resident Holder for the purposes of the Tax Act. **Such Resident Holders should consult their own tax advisors.**

This summary is based on the current provisions of the Tax Act in force as of the date hereof, the regulations thereunder (the "**Regulations**"), and the Company's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") publicly available prior to the date hereof. This summary also takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that the Proposed Amendments will be enacted in the form proposed. No assurance can be given that the Proposed Amendments will be enacted in the form proposed, or at all. Except for the Proposed Amendments, this summary does not otherwise take into account or anticipate any other changes in Law, whether by judicial, governmental or legislative decision or action or changes in the administrative policies or assessing practices of the CRA, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the Canadian federal income tax considerations discussed below.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not, and should not be construed as, legal, business or tax advice to any particular Resident Holder and no representation with respect to the tax consequences to any particular Resident Holder is made. Accordingly, all Resident Holders should consult their own tax advisors regarding the Canadian federal income tax consequences of the Scheme applicable to their particular circumstances, and any other consequences to them of such transactions under Canadian federal, provincial, local and foreign tax Laws.

Currency Conversion

Subject to certain exceptions that are not discussed herein, for the purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of securities (including dividends, adjusted cost base and proceeds of disposition) must be expressed in Canadian dollars. Amounts denominated in U.S. dollars must be converted into Canadian dollars, generally based on the Bank of Canada spot exchange rate on the date such amounts arise or such other rate of exchange as is acceptable to the Minister of National Revenue (Canada).

The Proposed Transaction Alternatives Pursuant to the Scheme

(i) Resident Holder receives cash consideration of US$0.60 per Ordinary Share in exchange for up to 70% of its Ordinary Shares and also receives Preferred Shares in exchange for up to 30% of its Ordinary Shares

A Resident Holder who disposes of up to 70% of its Ordinary Shares (the "Disposed Shares") to the Acquiror under the Scheme in exchange for US$0.60 per Ordinary Share and disposes of up to 30% of its Ordinary Shares in exchange for Preferred Shares will be considered to have disposed of the Ordinary Shares for proceeds of disposition equal to the aggregate of (i) the cash consideration payable and (b) the fair market value of the Preferred Shares received by the Resident Holder on the exchange (determined at the time that the Preferred Shares are received under the Scheme). As a result, the Resident Holder will generally realize a capital gain (or a capital loss) to the extent that such proceeds of disposition exceed (or are less than) the aggregate of the Resident Holder's adjusted cost base, calculated immediately before the time of disposition, of the respective Ordinary Shares being disposed and any reasonable costs of disposition. See "– *Taxation of Capital Gains and Capital Losses*".

The adjusted cost base to a Resident Holder of Preferred Shares acquired on the exchange will be equal to the fair market value of the Preferred Shares at the time of the exchange.

The Preferred Shares issued to a Resident Holder under the Scheme will not be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a registered disability savings plan, a tax-free savings account and a deferred profit sharing plan (each a "**Registered Plan**"), each as defined in the Tax Act unless the Preferred Shares, commencing at the effective time of the Scheme, are listed on a designated stock exchange for purposes of the Tax Act. The NEX is not considered to be a designated stock exchange for purposes of the Tax Act.

(ii) Resident Holder receives cash consideration of US$0.60 per Ordinary Share in exchange for up to 70% of its Ordinary Shares and retains the remaining 30% of its Ordinary Shares;

A Resident Holder who disposes of up to 70% of its holding of its Ordinary Shares to the Acquiror under the Scheme in exchange for US$0.60 per Ordinary Share will be considered to have disposed of these Ordinary Shares for proceeds of disposition equal to the cash consideration received by the Resident Holder. As a result, the Resident Holder will generally realize a capital gain (or a capital loss) to the extent that such proceeds of disposition exceed (or are less than) the aggregate of the Resident Holder's adjusted cost base, calculated immediately before the time of disposition, of the respective Ordinary Shares being disposed and any reasonable costs of disposition. See "– *Taxation of Capital Gains and Capital Losses*".

(iii) Resident Holder receives Preferred Shares in exchange for up to 30% of the Ordinary Shares held, and retains the remaining 70% of its Ordinary Shares

A Resident Holder who disposes of up to 30% of its holding of Ordinary Shares to the Acquiror under the Scheme in exchange for Preferred Shares will be considered to have disposed of these Ordinary Shares for proceeds of disposition equal to the fair market value of the Preferred Shares received by the Resident Holder. As a result, the Resident Holder will generally realize a capital gain (or a capital loss) to the extent that such proceeds of disposition exceed (or are less than) the aggregate of the Resident Holder's adjusted cost base, calculated immediately before the time of disposition, of the respective Ordinary Shares being disposed and any reasonable costs of disposition. See "– *Taxation of Capital Gains and Capital Losses*".

The adjusted cost base to a Resident Holder of Preferred Shares acquired on the exchange will be equal to the fair market value of the Preferred Shares at the time of the exchange.

The Preferred Shares issued to a Resident Holder under the Scheme will not be qualified investments under the Tax Act for a Registered Plan unless the Preferred Shares, commencing at the effective time of the Scheme, are listed on a designated stock exchange for purposes of the Tax Act. The NEX is not considered to be a designated stock exchange for purposes of the Tax Act.

(iv) Retention of all Ordinary Shares held by a Resident Holder

No tax event arises under this alternative.

Redemption of preferred shares for US$1.80

Upon the redemption of the Preferred Shares, a Resident Holder will be considered to have disposed of these Preferred Shares for proceeds of disposition equal to the sum of the cash consideration received by the Resident Holder, being US$1.80. As a result, the Resident Holder will generally realize a capital gain (or a capital loss) to the extent that such proceeds of disposition exceed (or are less than) the aggregate of the Resident Holder's adjusted cost base, calculated immediately before the time of disposition, of the Preferred Shares being disposed and any reasonable costs of disposition. See "– *Taxation of Capital Gains and Capital Losses*".

Dividends on Ordinary Shares

A Resident Holder will be required to include in computing income for a taxation year the amount of dividends, if any, received or deemed to be received in respect of Ordinary Shares, as the case may be, including any amounts

withheld for foreign withholding tax. For individuals (including a trust), such dividends will not be subject to the gross-up and dividend tax credit rules under the Tax Act normally applicable to taxable dividends received by an individual from a taxable Canadian corporation. A Resident Holder that is a corporation will generally not be entitled to deduct the amount of such dividends in computing its taxable income.

Subject to the detailed rules in the Tax Act, a Resident Holder may be entitled to a foreign tax credit or deduction for any foreign withholding tax paid with respect to dividends received by the Resident Holder on the Ordinary Shares. Resident Holders should consult their own tax advisors with respect to the availability of a foreign tax credit or deduction having regard to their own particular circumstances.

Dispositions of Ordinary Shares and Preferred Shares

A Resident Holder that disposes or is deemed to dispose of an Ordinary Share in a taxation year will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Ordinary Share exceeds (or is exceeded by) the aggregate of the Resident Holder's adjusted cost base of such Ordinary Share immediately before the disposition and any reasonable costs of disposition. The Resident Holder will be required to include any resulting taxable capital gain in income, or be entitled to deduct any resulting allowable capital loss, generally in accordance with the usual rules applicable to capital gains and capital losses. See "– *Taxation of Capital Gains and Capital Losses*".

A Resident Holder that disposes or is deemed to dispose of an Preferred Share in a taxation year will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Preferred Share exceeds (or is exceeded by) the aggregate of the Resident Holder's adjusted cost base of such Preferred Share immediately before the disposition and any reasonable costs of disposition. The Resident Holder will be required to include any resulting taxable capital gain in income, or be entitled to deduct any resulting allowable capital loss, generally in accordance with the usual rules applicable to capital gains and capital losses. See "– *Taxation of Capital Gains and Capital Losses*".

Taxation of Capital Gains and Capital Losses

Generally, a Resident Holder will be required to include in computing income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized in that year. A Resident Holder will generally be entitled to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Resident Holder in that taxation year. Allowable capital losses in excess of taxable capital gains for a taxation year may be carried back to any of the three preceding taxation years or carried forward to any subsequent taxation year and deducted against net taxable capital gains realized in such years, subject to the detailed rules contained in the Tax Act.

Resident Holders should also note the comments under the headings "– *Alternative Minimum Tax*" and "*Additional Refundable Tax on Canadian-Controlled Private Corporations*", below.

Alternative Minimum Tax

A capital gain realized by a Resident Holder who is an individual (including certain trusts) may give rise to liability for alternative minimum tax under the Tax Act.

Additional Refundable Tax on Canadian-Controlled Private Corporations

A Resident Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be required to pay an additional tax (refundable in certain circumstances) on certain investment income, which includes taxable capital gains, dividends or deemed dividends not deductible in computing taxable income and interest.

Foreign Property Information Reporting

Generally, a Resident Holder that is a "specified Canadian entity" (as defined in the Tax Act) for a taxation year or a fiscal period and whose total "cost amount" of "specified foreign property" (as such terms are defined in the Tax Act), including the Ordinary Shares and the Preferred Shares, at any time in the year or fiscal period exceeds CDN$100,000

will be required to file an information return with Canada Revenue Agency for the year or period disclosing prescribed information. Subject to certain exceptions, a Resident Holder generally will be a specified Canadian entity. The Ordinary Shares and the Preferred Shares will be "specified foreign property" of a Resident Holder for these purposes. Resident Holders should consult their own tax advisors regarding compliance with these reporting requirements.

Offshore Investment Fund Property Rules

The Tax Act contains rules which, in certain circumstances, may require a Resident Holder to include an amount in income in each taxation year in respect of the acquisition and holding of Ordinary Shares and the Preferred Shares, as the case may be, if (1) the value of such shares may reasonably be considered to be derived, directly or indirectly, primarily from certain portfolio investments described in paragraph 94.1(1)(b) of the Tax Act and (2) it may reasonably be concluded, having regard to all the circumstances, that one of the main reasons for the Resident Holder acquiring or holding the Ordinary Shares or the Preferred Shares was to derive a benefit from portfolio investments in such a manner that the taxes, if any, on the income, profits and gains from such portfolio investments for any particular year are significantly less than the tax that would have been applicable under Part I of the Tax Act if the income, profits and gains had been earned directly by the Resident Holder.

These rules are complex and their application and consequences depend, to a large extent, on the reasons for a Resident Holder acquiring or holding Ordinary Shares and the Preferred Shares.

Background to the Proposed Transaction and Previous Purchases and Sales of the Company's Securities by the Acquiror

In 2017, the Board determined that to address legacy issues and create a successful business, it should attract an influential strategic Shareholder in the Republic of Kazakhstan ("**Kazakhstan**"). Tethys sought to attract the Acquiror as that strategic Shareholder.

On July 18, 2018, the Company announced a private placement whereby the Acquiror and Gemini IT Consultants DMCC ("**Gemini**" and, together, the "**Investors**") would each acquire 31,758,506 Ordinary Shares at a price of approximately US$0.01918 per Ordinary Share, representing 6.25% of the issued and outstanding Ordinary Shares, for aggregate proceeds of approximately US$1.2 million (the "**Private Placement**").

On September 6, 2018, the Company announced the closing of the Private Placement whereby the Investors each acquired 31,758,506 Ordinary Shares at a price of US$0.0173182 per Ordinary Share, representing 6.25% of the issued and outstanding Ordinary Shares, for aggregate proceeds of approximately US$1.1 million. Under the Private Placement, the Company also granted to each of the Investors 31,758,506 share purchase warrants (the "**Private Placement Warrants**"), each such warrant entitling its holder to purchase one Ordinary Share at a price of US$0.0233840 at any time on or before October 6, 2018. Additionally, pursuant to the Private Placement, Mr. Abay Amirkhanov, Chief Executive Officer of Inform, was appointed to the Board.

On September 21, 2018, the Company announced that each of the Investors exercised its Private Placement Warrants in their entirety, at the price of US$0.0233840 per Ordinary Share, for aggregate proceeds of approximately US$1.5 million (the "**Exercise**"). Following the Exercise, the Investors each owned approximately 9.99% of the Ordinary Shares.

On October 1, 2018, the Company announced the sale by Askar Yessenov ("**Yessenov**"), through Global Invest Service Capital, of beneficial ownership and control of an aggregate of 31,965,976 Ordinary Shares and 48,075,000 Ordinary Share purchase warrants ("**2019 Warrants**"). Of the Ordinary Shares and 2019 Warrants, Mr. Yessenov sold 15,982,988 Ordinary Shares and all of the 48,075,000 2019 Warrants to the Acquiror for proceeds of US$207,358.50 (the "**Jaka Transaction**") and sold 15,982,988 Ordinary Shares to Gemini for proceeds of US$207,358.50 (the "**Gemini Transaction**", and with the Jaka Transaction, the "**Yessenov Transactions**"). The aggregate proceeds to Yessenov for the sales under the Yessenov Transactions were US$414,717.00.

Each 2019 Warrant entitles the holder to acquire one additional Ordinary Share at a price of US$0.031 per Ordinary Share at any time until November 28, 2019.

Following the completion of the Gemini Transaction, Gemini owned, together with the 63,517,012 Ordinary Shares it owned prior to the Gemini Transaction, an aggregate of 79,500,000 Ordinary Shares or approximately 12.5% of the then-outstanding Ordinary Shares.

In addition to (and following) the Ordinary Shares and Warrants acquired by Jaka as part of the Jaka Transaction, on September 28, 2018, Jaka acquired US$1,351,964 aggregate principal amount of convertible debt of the Company (the "**Convertible Debt**") from Annuity. The Convertible Debt is convertible into Ordinary Shares at a conversion price of US$0.031, which if converted in full, would result in 43,611,741 Ordinary Shares (the "**Conversion Shares**") being issued to the Acquiror.

The Ordinary Shares and the Ordinary Shares underlying the 2019 Warrants acquired by the Acquiror pursuant to the Jaka Transaction, together with the Conversion Shares, represented on a partially diluted basis, approximately 14.8% of the then-outstanding Ordinary Shares of the Company based on 726,856,863 Ordinary Shares outstanding (being 635,170,122 Ordinary Shares outstanding as determined by the Corporation, 48,075,000 Ordinary Shares issuable upon exercise of the 2019 Warrants and the Conversion Shares).

Following the completion of the Jaka Transaction and the purchase of the Convertible Debt, the Acquiror owned, together with the 63,517,012 Ordinary Shares it owned prior to the Jaka Transaction, an aggregate of 79,500,000 Ordinary Shares, 48,075,000 warrants and the Convertible Debt, which, on a partially diluted basis (assuming exercise of all of the warrants and conversion of all of the Convertible Debt) represented approximately 23.6% of the then-outstanding Ordinary Shares based on 726,856,863 Ordinary Shares outstanding (being 635,170,122 Ordinary Shares outstanding as determined by the Corporation, 48,075,000 Ordinary Shares issuable upon exercise of the warrants and the Conversion Shares).

On December 20, 2018, the Company announced that it had received a verbal expression of interest for a possible acquisition of a significant number of Ordinary Shares from representatives of the Investors. The structure of the transaction, though pending discussion, was thought to potentially entail the Investors or their affiliates acquiring up to 70% of the issued and outstanding Ordinary Shares not yet owned by the Investors at a price of US$0.60 per Ordinary Share in cash payable on closing and up to 30% of issued and outstanding Ordinary Shares not yet owned by the Investors would be exchanged for preference shares of the Company, which shares would be automatically redeemed at a price of US$1.80 after three years.

On January 9, 2019, the Company and the Acquiror (but not Gemini which decided not to proceed) signed a non-binding letter of intent setting out, in broad terms, their mutual intention as to the basis upon which they would be prepared to proceed to pursue the Proposed Transaction, including negotiation of a definitive and binding agreement to govern the Proposed Transaction.

Between January 10, 2019 and March 19, 2019, the Company and the Acquiror exchanged and negotiated drafts of the Definitive Agreement and the other transaction documents, including the form of Warrant, the form of Corporate Guarantee and the Settlement Agreement. During this period, the Chairman of the Board had numerous discussions with management and the directors and he and management also had numerous discussions with the Company's legal counsel regarding, among other things, the terms of the transaction documents.

Final drafts of the Definitive Agreement, other transaction documents and Board resolutions to approve the Company entering into the Definitive Agreement were sent to the Board by the Company's Corporate Secretary for their review and approval. On March 19, 2019 the Board determined that the transactions contemplated by the Definitive Agreement are fair, from a financial point of view, to Shareholders and that it is in the best interests of the Company and by written resolution unanimously approved the entering into of the Definitive Agreement.

As set out above, on March 19, 2019, the Company announced the execution of the Definitive Agreement.

Benefits of the Proposed Transaction

In evaluating and approving the Proposed Transaction and in making its recommendation, the Board received the advice and assistance of the Company's management and Borden Ladner Gervais LLP, and carefully evaluated the terms of the Definitive Agreement and the Proposed Transaction and the Company's current business, financial position and future plans and prospects and the associated risks and uncertainties. In reaching these determinations

and making these approvals, the Board considered, among other things, the following factors and potential benefits of the Proposed Transaction:

- ***Premium Price*** — consideration offered per Ordinary Share of US$0.60 per share and US$1.80 per Preferred Share represents premiums of approximately 320% and 960%, respectively to the CAD$0.25 unaffected price of the Ordinary Shares on the NEX on December 19, 2018, being the last trading day before the Company announced the Proposed Transaction;

- ***Cash Consideration*** — the fact that the consideration under the Proposed Transaction includes a cash option provides liquidity and certainty of value to Shareholders compared to a transaction in which Shareholders could only receive all of the consideration in securities or in the future, subject to satisfaction of milestones, and an ability for Shareholders to redeploy such cash received pursuant to the Proposed Transaction in alternative investments;

- ***Optionality*** — the fact that the consideration under the Proposed Transaction includes both a cash option and a Preferred Share option, provides Shareholders with optionality which results in the ability for a Shareholder to elect the extent to which it (i) receives a cash payment at a premium of approximately 320% (as described above) upon the Effective Date, (ii) receives a cash payment at a premium of approximately 960% (as described above) on the third anniversary of the Effective Date or (iii) remains invested in the Company as a Shareholder;

- ***Risk of Business —*** the fact that the Proposed Transaction offers Shareholders the opportunity to mitigate the current and anticipated future risks associated with the Company absent an influential strategic Shareholder in Kazakhstan, including the fact that the Company would be required to raise significant capital in order to develop its oil and gas properties and improve its operations in Kazakhstan;

- ***No Financing Condition*** — the fact that the Proposed Transaction is subject to a limited number of conditions and is not subject to any financing condition;

- ***Terms of the Arrangement Agreement*** — the terms of the Definitive Agreement, including the fact that the Board remains able to respond to Acquisition Proposals and enter into a Superior Proposal (as defined in the Definitive Agreement), all in accordance with the terms and conditions of the Definitive Agreement, and that the Termination Payment payable to the Acquiror and Reverse Termination Payment payable to the Company in connection with a termination of the Definitive Agreement are reasonable in the circumstances;

- ***Contributions of Acquiror as a Strategic Investor*** — the fact that since becoming a Shareholder, the Acquiror has assisted the Company in addressing legacy issues and improving its business in a number of ways including, but not limited to, contributing to cost optimization initiatives and assisting the Company with negotiating a new gas sale contract, resulting in a significantly higher gas price received by the Company for the gas it produces. Completing the Proposed Transaction will better align the Acquiror's interests with the Company's. The Company anticipates that following the Effective Date, the Acquiror will increase the level of its contribution to the Company's business;

- ***Required Shareholder Approval*** — the fact that Shareholders will have an opportunity to vote on the Proposed Transaction, which requires that the arrangement resolution must be approved by not less than (i) 75% of the Shareholders (or being corporations, by their duly authorised representatives) who were in attendance, and voted, at the Meeting (in person or by proxy) 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 (or being corporations, by their duly authorised representatives) who were in attendance, and voted, at the Meeting (in person or by proxy) 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 or any party acting jointly or in concert with it, in accordance with MI 61-101; and

- ***Court Approval*** — the fact that the Proposed Transaction must be approved by the Grand Court, which will consider, among other things, the fairness and reasonableness of the Proposed Transaction.

Voting by beneficial owners who are not the registered owners of Ordinary Shares

In accordance with the Order of the Grand Court of the Cayman Islands convening the Court Meeting, filed 17 May 2019, the Court has reserved its position as to how to treat the votes of beneficial owners when it comes to considering whether the majority vote required for the scheme of arrangement has been met. The Court may order that the number of votes that intermediaries have been instructed by clients to cast in favour of the scheme and the number of clients or members who provided such instructions should be recorded, alongside the figures for those that voted against. The instructions which follow in this Circular are to enable the Grand Court of the Cayman Islands to have sufficient information at its disposal to make such an order. However, there are a number of options open to the Court which would also include, by way of example, recording each intermediary as one vote for the scheme of arrangement and one vote against, in which case the individual votes of the underlying beneficial owners would not be directly counted when the Court considers whether the required majority has been reached.

Recommendation of the Board of Directors in connection with Shareholder Resolution No. 1

After discussions with the Company's legal counsel and careful consideration of, and based on, such matters as it deemed appropriate, including those set out above under "*Benefits of the Proposed Transaction*", the Board unanimously recommends that Shareholders vote in favour of the special resolution set out below to effect the Proposed Transaction. **Unless such authority is withheld, the persons named in the enclosed instrument of proxy intend to vote FOR such resolution.** The text of the special resolution which management intends to place before the Meeting for approval is set forth below:

Shareholder Resolution No. 1 – Approval of a Scheme of Arrangement

Shareholders are being asked to consider, and if thought appropriate, approve the following resolution:

BE IT RESOLVED, as a special resolution of the Shareholders of the Company, that:

(a) pursuant to Section 86 (2) of the Companies Law (2018 Revision) of the Cayman Islands, the Shareholders hereby approve the Scheme of Arrangement between the Company, Jaka Partners FZC ("**Jaka**") and the Shareholders of the Company contained in an arrangement agreement entered into between Jaka and the Company (the "**Arrangement Agreement**") dated March 19, 2019 (the "**Scheme**"); and

(b) provided that the Scheme is sanctioned by the Grand Court of the Cayman Islands, 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.

In order to be adopted, the above resolution must be approved by not less than (i) 75% of the Shareholders (or being corporations, by their duly authorised representatives) who were in attendance, and voted, at the Meeting (in person or by proxy) 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 (or being corporations, by their duly authorised representatives) who were in attendance, and voted, at the Meeting (in person or by proxy) 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 or any party acting jointly or in concert with it, in accordance with MI 61-101.

Background to the Settlement Agreement

In 2015, the Company commenced discussions with Olisol in respect of a potential significant investment by Olisol into the Company. On November 19, 2015, Olisol granted the OPL Facility to the Company as an interim step in advance of a larger investment. Subsequently, on December 8, 2015, the Company announced the execution of an investment agreement (the "**Investment Agreement**") between the Company and Olisol, acting by way of OPL, pursuant to which OPL would subscribe for 150 million new Ordinary Shares, resulting in aggregate proceeds of CDN$25.5 million to the Company. Although executed, the transactions contemplated by the Investment Agreement were never fully consummated, which resulted in the commencement of litigation among the Company on one hand and Olisol and OPL on the other. Since 2016, the Company has, at times, engaged in settlement discussions with Olisol; however, no settlement has been made to date. In 2018, the Company and Olisol again resumed settlement negotiations and each have agreed, in principle, to the terms set out in the Settlement Agreement, pursuant to which, in consideration for the settlement of all matters, including all amounts owed by the Company under the OPL Facility, and the provision of mutual releases in respect of the same, the Company shall issue to OPL, 18 million Ordinary Shares.

Recommendation of the Board of Directors in connection with Shareholder Resolution No. 2

After careful consideration of, and based on, such matters as it deemed appropriate, the Board unanimously recommends that Shareholders vote in favour of the ordinary resolution set out below to effect the Settlement Agreement. **Unless such authority is withheld, the persons named in the enclosed instrument of proxy intend to vote FOR such resolution.** The text of the ordinary resolution which management intends to place before the Meeting for approval is set forth below:

Shareholder Resolution No. 2 – Issuance of Ordinary Shares Upon Settlement of Olisol Debt

BE IT RESOLVED, as an ordinary resolution of the Shareholders of the Company, that:

(a) pursuant to the Arrangement Agreement, the Shareholders hereby authorize and direct any officer or director of the Company to enter into a settlement agreement (the "**Settlement Agreement**") among the Company, Olisol Petroleum Ltd ("**OPL**"), Olisol Investments Ltd, Eurasia Gas Group LLP, DSFK Special Finance Company LLP and certain of their principals, substantially in the form attached to the Arrangement Agreement, with any necessary amendments or variations, including increasing the number of Ordinary Shares contemplated by the Settlement Agreement, in full satisfaction of all claims and debts described in the Settlement Agreement, as such debts are described in this circular under the heading "*– Settlement Agreement*"; and

(b) pursuant to the Settlement Agreement, the Shareholders hereby authorize the issuance of not more than 18,000,000 Ordinary Shares to OPL in consideration for the settlement and full satisfaction of all debts owing by the Company to OPL.

In order to be adopted, the above resolution must be approved by not less than a majority of the Shareholders (or being corporations, by their duly authorised representatives) who were in attendance, and voted, at the Meeting (in person or by proxy) and who were entitled to receive notice of and to attend and vote at a general meeting of the Company duly convened and held.

GENERAL BUSINESS

Shareholder Resolution No. 3 – Receipt of Financial Statements and Auditors' Report

At the Meeting, Shareholders will receive and consider the financial statements of the Company for the year ended December 31, 2018 and the auditors' report thereon, but no vote by the Shareholders with respect thereto is required or proposed to be taken.

Shareholder Resolution No. 4 – Election of Directors

The Company currently has five (5) directors, all of whom are being nominated for election. The table set out below sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Company presently held by such nominee, the nominee's municipality of residence, principal occupation at present and during the preceding five years, the period during which the nominee has served as a director, and the number of Ordinary Shares that the nominee has advised are beneficially owned or over which control or direction is exercised by the nominee, directly or indirectly, as of the Record Date.

The Articles of the Company provide that Shareholders have a right to vote 'for' or 'against' (rather than 'withhold') the election of each director on an individual basis. Pursuant to the Articles, a director who receives more votes "against" than votes "for" will be considered not to have been elected.

In the absence of contrary directions, the Management Designees, if named as proxy, intend to vote for the election of the persons named in the following tables to the Board. Each director elected will hold office until the next annual general meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated.

Procedure for Nomination of Directors

Under the Articles of the Company, no person other than a director retiring may be appointed or reappointed a director at a general meeting unless (i) he or she is recommended by the Board, or (ii) no earlier than one day after the notice of the meeting is sent to shareholders and no later than 7 days before the date fixed for the meeting, there shall have been left at the registered office of the Company notice in writing signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting of his or her intention to propose that person for appointment or reappointment together with notice in writing signed by that person of his or her willingness to be appointed or reappointed.

The directors named below are the only five directors nominated for election to the Board.

Name and Place of Residence	Director Since	Present Principal Occupation, Business or Employment	Number of Ordinary Shares Beneficially Owned, or over which Control or Direction is Exercised, Directly or Indirectly[5]
Willian P. Wells[1] Memphis, Tennessee, United States	November 20, 2015	Mr. Wells is the founder and primary portfolio manager for Pope Asset Management, LLC ("**PAM**"). Founded in 2000, PAM is a Registered Investment Advisor offering financial asset management services to high net worth investors.	13,591,607[2]
Abay Amirkhanov[1] Nursultan, Kazakhstan	September 6, 2018	Mr. Amirkhanov is Chief Executive Officer of Kazakhstan company Inform System LLP and between 2010 and 2016 held a number of senior positions at Kaztransgas Aymak JSC.	Nil
Medgat Kumar[1] Nursultan, Kazakhstan	January 20, 2017	Mr. Kumar is the owner and Director of Petro Impex Trade LLP ("**Petro Impex**"). Petro Impex is a Kazakhstan-based company whose primary activities are trading of crude oil and petroleum products, oil refining and terminals businesses.	4,395,169[3]
Adeola Ogunsemi[1] Richmond, Texas, United States	June 11, 2015	Mr. Ogunsemi is an experienced oil and gas professional and is currently the Chief Financial Officer of Oando Energy Resources, a leading African exploration and production company.	Nil
Mattias Sjoborg[1] London, United Kingdom	November 16, 2016	Mr. Sjoborg was appointed Interim Chief Executive Officer of the Company on July 9, 2018. Mr. Sjoborg joined Plena Group in 2001 and has led teams through origination, due diligence, negotiation and the restructuring of medium to large emerging market enterprises.	1,047,498[4]

Notes:

(1) Mattias Sjoborg is not an independent director as a result of being an executive officer of the Company. Messrs. Wells, Amirkhanov, Kumar and Ogunsemi are all independent directors (as defined herein).
(2) Represents the Ordinary Shares over which PAM exercises control or direction.
(3) Represents Ordinary Shares owned by Impex Trade Limited, the nominee company of Mr. Kumar.
(4) Represents Ordinary Shares owned by Plena Holding S.A. (Luxembourg) of which Mr. Sjoborg is the beneficial owner.

The term of each of the aforementioned directors ends on the date of the Meeting.

Corporate Cease Trade Orders and Penalties or Sanctions

The Company was subject to a failure-to-file cease trade order ("**FFCTO**") issued by the Alberta Securities Commission on June 29, 2018, which order was revoked on September 7, 2018 once the Company brought its filings with Canadian regulatory authorities up to date.

Apart from the above-mentioned FFCTO, no proposed director nor the Chief Executive Officer or Chief Financial Officer is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that was:

(i) subject to an order (within the meaning of Canadian securities legislation) that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or any other penalty or sanction imposed by a court or regulatory body.

Corporate Bankruptcies

No proposed director nor the Chief Executive Officer or Chief Financial Officer is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

No proposed director nor the Chief Executive Officer or Chief Financial Officer has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Shareholder Resolution No. 5 – Appointment and Remuneration of the Auditors

Shareholders will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution appointing Grant Thornton UK LLP ("**GTUK**"), 30 Finsbury Square, London, EC2A 1AG, United Kingdom, as auditors of the Company to hold office in accordance with the Company's Articles of Association, and that their compensation be fixed by the Board. GTUK were appointed as auditors of the Company on November 7, 2018 to replace PricewaterhouseCoopers LLP ("**PWC**") who were first appointed as auditors of the Company on November 25, 2014.

There were no reportable events (disagreements, consultation or unresolved issues as described in National Instrument 51-102) in connection with the prior audits of the Company. The Company filed a Notice of Change of Auditors dated November 8, 2018 (the "**Auditor Notice**"). Copies of the Auditor Notice and the responses from GTUK as successor auditors, and PWC, as former auditors have been filed under the Company's profile at www.sedar.com.

In the absence of contrary directions, the Management Designees, if named as proxy, intend to vote proxies for the ordinary resolution approving the appointment of GTUK as auditors for the Company for the ensuing year and authorizing the Board to fix the compensation of the auditors.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Compensation Discussion and Analysis

Introduction

We depend on the performance of experienced and committed executive officers with the skills, education, experience and personal qualities necessary to manage our business. Our executive compensation arrangements are designed and administered to attract and retain such individuals, particularly with the skills to work successfully in our specific areas of operation.

Mattias Sjoborg, Interim Chief Executive Officer, Kenneth May, Former Chief Executive Officer, Samuel Barrows, Former Interim Chief Executive Officer, and Clive Oliver, Chief Financial Officer and Corporate Secretary, (collectively, the "**Named Executive Officers**") met the requirements to be classified as "Named Executive Officers" of the Company, as such term is defined in Form 51-102F6 Statement of Executive Compensation to National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") for the year ended December 31, 2018.

Elements of Compensation

We use different compensation elements in our executive compensation arrangements. The primary components of our executive compensation program are:

- base compensation;
- cash bonuses and
- other benefits.

See the section titled *"Disclosure of Corporate Governance Practices – Other Board Committees – Compensation Committee"* for additional discussion on the Company's approach to determining the compensation of Named Executive Officers and directors.

Compensation Consultants and Advisors

The Company did not use compensation consultants or advisers during the last two years ended December 31, 2018.

Summary Compensation Table

The following table sets forth all compensation paid to Named Executive Officers and directors for the two years ended December 31, 2018, other than the compensation described below under the heading "*Outstanding Option based Awards*".

Name and Position	Year	Salary, consulting fee, retainer or commission (US$)	Bonus (US$)	Committee or meeting fees (US$)	Value of perquisites (US$)	Value of all other compensation (US$)	Total compensation (US$)[1][2]
Kenneth May [3]	2018	46,027	Nil	Nil	Nil	4,916	50,933
Chief Executive Officer	2017	240,000	Nil	Nil	Nil	15,823	255,823
Samuel Barrows[4]	2018	47,836	Nil	Nil	Nil	Nil	47,836

Name and Position	Year	Salary, consulting fee, retainer or commission (US$)	Bonus (US$)	Committee or meeting fees (US$)	Value of perquisites (US$)	Value of all other compensation (US$)	Total compensation (US$)[1][2]
Interim Chief Executive Officer							
Mattias Sjoborg[5]	2018	75,044	Nil	7,009	Nil	Nil	82,053[6]
Interim Chief Executive Officer and Director	2017	45,115	Nil	8,558	Nil	Nil	53,673[7]
Clive Oliver	2018	193,046	Nil	N/A	Nil	24,301	217,347[8]
Chief Financial Officer and Corporate Secretary	2017	214,619	Nil	N/A	Nil	25,169	239,788[8]
William P. Wells	2018	46,725	Nil	5,340	Nil	Nil	52,065
Director	2017	45,115	Nil	4,970	Nil	Nil	50,085
Medgat Kumar	2018	46,725	Nil	10,680	Nil	Nil	57,405
Director	2017	42,643	Nil	9,859	Nil	Nil	52,502
Adeola Ogunsemi	2018	46,725	Nil	9,345	Nil	Nil	56,070
Director	2017	45,115	Nil	8,650	Nil	Nil	53,765
Abay Amirkhanov[9]	2018	14,855	Nil	Nil	Nil	Nil	14,855
Director							

Notes:

(1) Cash amounts paid or accrued in respect of the services of the non-executive directors were paid/are payable in pounds sterling (£). These amounts were converted into US$ for the purposes of the above table at an average rate of UK£1.00 = US$1.289 (2017) and UK£1.00 = US$1.335 (2018), based on the average exchange rate quoted by bankofengland.com for the year.

(2) Total compensation for the year represents the sum of all cash compensation paid or accrued. There were no option-based or share based awards granted in the 2017 or 2018 years.

(3) Mr. May stepped down as Chief Executive Officer on March 12, 2018.

(4) Mr. Barrows was appointed Interim Chief Executive Officer on April 3, 2018 and resigned on July 9, 2018.

(5) Mr. Sjoborg was appointed Interim Chief Executive Officer effective July 9, 2018.

(6) In 2018, Mr. Sjoborg earned US$42,053 as a result of his duties to the Company as a director.

(7) In 2017, Mr. Sjoborg was a director of the Company only.

(8) Amounts paid in respect of the services of Clive Oliver were paid in pounds sterling (£). These amounts were converted into US$ for the purposes of the Summary Compensation Table at an average rate of UK£1.00 = US$1.289 (2017) and UK£1.00 = US$1.335 (2018), based on the average exchange rate quoted by bankofengland.co.uk for the year.

(9) Mr. Amirkhanov was appointed a director on September 6, 2018.

Employment Agreements

Mr. May stepped down as Chief Executive Officer on March 12, 2018. He did not have a written employment agreement.

Mr. Barrows stepped down as Interim Chief Executive Officer on July 9, 2018. He did not have a written employment agreement.

Mr. Mattias Sjoborg was appointed Interim Chief Executive Officer effective July 9, 2018 and receives a monthly fee of US$10,000. He does not have a written employment agreement.

Mr. Oliver commenced employment with Tethys Services Limited pursuant to an employment agreement dated September 2, 2015 which terminated on May 1, 2017. From that date, he continued in the role of Chief Financial Officer and Corporate Secretary without a written employment agreement until August 14, 2018 when he became party to an employment agreement with Tethys Petroleum Limited (the "**CFO Agreement**") The CFO Agreement does not have an express term and may be terminated by the Company as well as by Mr. Oliver with two months' notice. Effective August 14, 2018, the annual compensation payable to Mr. Oliver is £111,000 plus £15,385 annually in respect of other benefits and a cash bonus of up to five months' salary provided certain performance conditions are met. Prior to the CFO Agreement the annual compensation payable to Mr. Oliver was £166,500 plus £14,985 annually in respect of personal pension requirements. Prior to the CFO Agreement the Company also agreed to pay for certain premiums for health and life insurance.

Incentive Plan Awards

Outstanding Option based Awards

The Company previously operated a Stock Incentive Plan although no awards have been made under the plan, including to directors or Named Executive Officers, since March 2016. The Company does not currently intend to make any awards under this plan for the foreseeable future.

The following sets forth all compensation securities, consisting of Stock Options granted under the Stock Incentive Plan, held by a Named Executive Officer or director as of the year ended December 31, 2018 for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries:

- Clive Oliver, Chief Financial Officer and Corporate Secretary held (i) 148,750 Stock Options expiring on November 29, 2021, exercisable at £0.25 and (ii) 85,000 Stock Options expiring on January 22, 2020, exercisable at £1.50; and
- William P. Wells, Director, and Adeola Ogunsemi, Director, each held 43,312 Stock Options expiring November 29, 2021, exercisable at £0.25. Such Stock Options were granted in accordance with the terms of the Stock Incentive Plan. Such Stock Options have a term of 5 years from the date of grant. The Stock Options vested one third on the date of grant, one third on the first anniversary of the grant date and the remaining one third on the second anniversary of the grant date.

No Named Executive Officer or director exercised a compensation security during the year ended December 31, 2018.

Stock Incentive Plan

Prior to its initial public offering, the Company adopted the Stock Incentive Plan referred to as the "*2007 Long Term Stock Incentive Plan (as amended effective April 24, 2008 and May 7, 2009)*" pursuant to which the Company could grant Stock Options to any director, officer, employee or consultant of the Company or subsidiary of the Company (collectively, "**Service Providers**"). The purpose of the Stock Incentive Plan was to secure for the Company and the Shareholders the benefits of incentives inherent in share ownership by Service Providers who, in the judgment of the Board, would be largely responsible for its future growth and success. No awards have been made under the Stock Incentive Plan since March 2016 and the Company does not currently intend to do so for the foreseeable future.

Defined Benefit or Actuarial Plans

The Company did not have any defined benefit (or actuarial plans) or defined contribution plan during the financial year ended December 31, 2018.

Although the Company does not provide any of its Named Executive Officers with a pension plan, the Company previously paid a monthly contribution equal to 9% to certain of the Named Executive Officers' basic salary as a contribution towards the Named Executive Officers' pension requirements. Payments made to the Named Executive Officer in relation to pension provisions were made on the basis that the Named Executive Officer decides how to direct these payments in accordance with their own pension requirements and objectives.

Termination and Change of Control Benefits

There are no employment agreements in effect that provide for payments to Named Executive Officers on termination or upon a change of control of the Company, except as described above under "*Employment Agreements"*.

The Stock Incentive Plan provides that, in the event of a "Change of Control" (as defined therein), all outstanding Stock Options will immediately vest and become exercisable; however there were no unvested Stock Options at December 31, 2018.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, the Company is required to include in this Information Circular the disclosure required under Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)*.

Introduction

The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interests of shareholders but that it also promotes effective decision making at Board level. The Board is of the view that its approach to corporate governance is appropriate and continues to work to align with the recommendations currently in effect and contained in National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**"). In addition, the Board monitors and considers for implementation the corporate governance standards which are proposed by various Canadian regulatory authorities.

Board of Directors

The Board is responsible for overseeing the conduct of the business of the Company and supervising management, who are responsible for the daily conduct of the business of the Company. The Board is currently comprised of 5 (five) directors, all of whom are being nominated for election at the Meeting. A director is "independent" within the meaning of Section 1.4 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") if he or she does not have any direct or indirect material relationship with the Company which, in the view of the Board, could reasonably interfere with the exercise of the member's independent judgement. Based on the foregoing definition, the Board has 4 (four) independent directors at the date of this Circular.

Independence Status of Directors				
Name	**Management**	**Independent**	**Not Independent**	**Reason for Non-Independent Status**
William P. Wells		✓		N/A
Adeola Ogunsemi		✓		N/A
Mattias Sjoborg	✓		✓	Management – Interim Chief Executive Officer from July 9, 2018
Abay Amirkhanov		✓		N/A
Medgat Kumar		✓		N/A

The Board is comprised of a majority of independent directors and so the Board has concluded that the Board has functioned and can continue to function independently as required.

Following the election of the directors at the Meeting, the Board will consist of five directors, four of whom will be independent within the meaning of section 1.4 of NI 52-110. Mr. Sjoborg is not independent by virtue of being the Interim Chief Executive Officer of the Company.

Certain of the directors are also directors of other reporting issuers (or the equivalent) in a Canadian or foreign jurisdiction as indicated in the table below:

Name	**Reporting Issuer**
William P. Wells	Annuity and Life Re (Holdings), Ltd.

Orientation and Continuing Education

Director Orientation

Under the Board Charter, the Chairman and Corporate Secretary are responsible for providing an induction program for new directors and for periodically providing materials for all directors on subjects that would assist them in discharging their duties. When a new director is elected to the Board, he or she will be given a letter of appointment outlining his or her duties, responsibilities, the role of the Board, its committees and its directors, the nature and operation of the Company's business, remuneration and an induction package including material that will assist with the familiarization of the director with the Company. The intention is that within a reasonable time following appointment to the Board, each new director shall spend time visiting the Company's operations for a personal briefing by the executive on the Company's values, operations, corporate interests, strategic plans, financial statements and key policies.

Continuing Education of Directors

Under the Board Charter, the Corporate Secretary shall alert directors to opportunities to better understand their corporate governance responsibilities through continuing education programs. In addition, directors are encouraged

to visit the Company's facilities, to interact with management and employees and to stay abreast of industry developments and the evolving business of the Company.

Ethical Business Conduct

The Company has adopted a written Code of Business Conduct and Ethics (the "**Code**") which applies to the Company's directors, officers and employees, a copy of which can be obtained under the Company's profile on SEDAR at www.sedar.com. The Company expects all directors, officers and employees to act ethically at all times in accordance with the Code.

The Board takes reasonable steps to monitor compliance with the Code by requiring employees, on the commencement of employment and as otherwise directed by management, to sign a copy of the Code acknowledging that the employee has read, understood and will comply with the Code. The Code encourages that an employee report to their supervisor or the Board possible unethical conduct and breaches of the Code. The Company's Secretary acts as Compliance Monitor with respect to such matters.

In addition to the Code, the Company has adopted an Audit Committee Charter and a Whistleblower Policy (the "**Policy**") with respect to accounting and auditing irregularities. The Policy enables directors, officers and employees to forward any accounting and auditing concerns to the Chairman of the Audit Committee on an anonymous basis. The Company has also adopted a disclosure and insider trading policy to ensure the communications to the investing public about the Company are timely, factual and accurate in accordance with applicable legal and regulatory requirements and to help ensure that the directors, officers and other insiders of the Company understand and comply with the insider trading restrictions under applicable securities legislation.

Since the beginning of the Company's most recently completed financial year, no material change reports have been filed that pertain to any conduct of a director or executive officer that constitutes a departure from the Code.

The Board encourages and promotes a culture of ethical business conduct by appointing directors who demonstrate integrity and high ethical standards in their business dealings and personal affairs. Directors are required to abide by the Code and are expected to make responsible and ethical decisions in discharging their duties, thereby setting an example of the standard to which management and employees should adhere.

The Board requires that the Chief Executive Officer and other executive officers act with integrity and foster a culture of integrity throughout the Company. The Board is responsible for reviewing departures from the Code, reviewing and either providing or denying waivers from the Code, and disclosing any waivers that are granted in accordance with applicable law. In addition, the Board is responsible for responding to potential conflict of interest situations, particularly with respect to considering existing or proposed transactions and agreements in respect of which directors or executive officers advise they have a material interest. Directors and executive officers are required to disclose any interest and the extent, no matter how small, of their interest in any transaction or agreement with the Company, and that directors excuse themselves from both Board deliberations and voting in respect of transactions in which they have an interest. By taking these steps the Board strives to ensure that directors exercise independent judgement, unclouded by the relationships of the directors and executive officers to each other and the Company, in considering transactions and agreements in respect of which directors and executive officers have an interest.

An Anti-Bribery Policy was put in place in 2011. The policy prohibits the offering, giving, solicitation or acceptance of any bribe, whether cash or other inducement to or from any person or company, wherever they are situated and whether they are a public official or body or private person or company, by any individual employee, agent or other person or body acting on the Company's behalf in order to gain any commercial, contractual or regulatory advantage for the Company in a way which is unethical or in order to gain any personal advantage, pecuniary or otherwise, for the individual or anyone connected with the individual.

The policy has been implemented Company-wide in order to ensure the following:

Proportionate Procedures

Procedures are proportionate to the bribery risks faced and to the nature, scale and complexity of the Company's activities. They are also clear, practical to implement and enforced.

Top-level commitment

Top management fosters a culture where bribery is never acceptable.

Risk assessment

It assesses the nature and extent of its exposure to potential external and internal risks of bribery being committed on its behalf by persons associated with it. The assessment is periodic and documented.

Due Diligence

The Company applies appropriate due diligence in respect of persons who perform or will perform services for or on behalf of the Company in order to mitigate identified bribery risks.

Communication

Through internal and external communication, including training, the organisation seeks to ensure that its bribery prevention policies are embedded and understood throughout the Company.

Monitoring and Review

The Company monitors and reviews procedures designed to prevent bribery by persons associated with it.

The Company conducted extensive training on the Company's Anti-Bribery Policy on its initial rollout in 2012 and further training is undertaken periodically. The Company engaged an international legal firm in 2014 to assist the Company to review and update its Anti-Bribery and Corruption policies and procedures.

Nomination of Directors and Compensation

The Compensation Committee is responsible for identifying new candidates to join the Board. The Committee is Chaired by Mattias Sjoborg who was appointed Interim Chief Executive Officer on July 9, 2018 to fill the vacancy in that position until a permanent appointment is made. The Committee is responsible for identifying qualified candidates, recommending nominees for election as directors and appointing directors to committees. The Compensation Committee is requested to objectively consider, among other things, a candidate's independence, financial and technical acumen, skills, ethical standards, career experience, financial responsibilities and risk profile, understanding of fiduciary duty and available time to devote to the duties of the Board in making their recommendations for nomination to the Board. The Committee reviews the composition and size of the Board and tenure of directors in advance of annual general meetings, as well as when individual directors indicate that their terms may end or that their status may change. The Compensation Committee encourages all directors to participate in considering the need for and in identifying and recruiting new nominees for the Board. In doing so, the directors are requested by the Compensation Committee to have regard to the skill sets which are deemed, from time to time, to be most desired in proposed nominees for the Board.

With respect to compensation, the Compensation Committee reviews and approves corporate goals and objectives relevant to the directors and executive officers' compensation, evaluates the directors' and Executive Officers' performance in the light of those corporate goals and objectives and determines or makes recommendations to the Board with respect to the directors and executive officers' compensation level based on this evaluation. This committee also considers and, if deemed appropriate, reviews and approves proposed changes to compensation for the executive officers of the Company and incentive compensation plans of the Company. This includes the review of the Company's executive compensation and other human resource philosophies and policies, the review and administration of the Company's bonuses, stock options and share purchase plan and the preparation and submission of a report for inclusion in annual continuous disclosure documents, as required.

Aside from Mr. Sjoborg, the Compensation Committee is comprised of non-management members of the Board and is required to convene at least two times each year.

Other Board Committees

The Company's three standing committees are the Compensation Committee, Reserves Committee and Audit Committee. The functions of the Compensation Committee and the Reserves Committee are set out below. The function of the Audit Committee is set out in detail in the section titled *"Audit Committee"*.

Compensation Committee

The general aims of the Compensation Committee are to assist the Board in: (i) setting the compensation of senior management and directors, including Named Executive Officers; and (ii) nominating members for election or appointment to the Board, in each case pursuant to a process whereby those responsible for recommendations to the Board have no personal interest in the outcome of the decisions.

The Compensation Committee:

(a) reviews and approves corporate goals and objectives relevant to the Chief Executive Officer's compensation, evaluates the performance of the Chief Executive Officer in the light of those corporate goals and objectives and determines (or makes recommendations to the Board with respect to) the Chief Executive Officer's compensation level based on this evaluation;

(b) considers and, if deemed appropriate, approves the Chief Executive Officer's recommendations for compensation for the executive officers and Company incentive compensation plans;

(c) reviews executive compensation disclosure before the Company publicly discloses this information;

(d) reviews and assesses the risks associated with the compensation and benefit programmes and ensures such programmes are in alignment with the Company's corporate goals and value creation objectives; and

(e) is responsible for appointing and determining the terms of appointment of any consultants in respect of the executive officers' compensation.

In fulfilling its role, the following general policies apply:

(i) the Compensation Committee determines and reviews with the Chief Executive Officer and with the Board the framework or policies for the compensation of the executive officers;

(ii) in determining such policy, the Compensation Committee takes into account all factors which it deems necessary;

(iii) the remuneration of non-executive directors is a matter for the Board and recommended by the Chairman; and

(iv) no director or executive officer is involved in any decisions as to his or her own compensation.

Under the direction of the Compensation Committee, the Company is committed to the fundamental principles of fair pay for performance, improved shareholder returns and external competitiveness in the design, development and administration of its compensation programs. The Compensation Committee recognizes the need to attract and retain a stable and focused leadership with the capability to manage the operations, finances and assets of the Company.

Reserves Committee

The function of the Reserves Committee is to recommend the engagement of a reserves evaluator, ensure the reserves evaluator's independence, review the procedures for disclosure of reserves evaluation, meet independently with the reserves evaluator to review the scope of the annual review of reserves, discuss findings and disagreements with management, annually (or when deemed necessary) assess the work of the reserves evaluator and approve the

Company's annual reserve report (and resource reports if appropriate) and consent forms of management and the reserves evaluator thereto. The Reserves Committee will act in a like manner should other external subsurface studies, beyond the annual reserves report, be required by the Company during the course of the year.

Assessments

Currently the Board, its Committees and individual directors are not regularly assessed with respect to their effectiveness and contribution.

The Board regularly reviews the performance of the officers of the Company and, should any issues arise, the Chairman would then discuss any issues with the Compensation Committee.

One component of good corporate governance, for example to identify gaps between a company's strategy and the skillset of the Board to deliver the strategy, is to periodically hold a board review, facilitated by external nomination consultants. The Compensation Committee does not believes that such an exercise would add value to the Company at this time but may instigate a review at some future juncture.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or executive officer of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of them is or was indebted to the Company at any time since the beginning of the last completed financial year of the Company except for "routine indebtedness" (as defined under Canadian securities laws).

AUDIT COMMITTEE

Audit Committee Charter

The Audit Committee is responsible for reviewing the Company's financial reporting procedures, internal controls and the performance of the external auditors. The Audit Committee Charter of Tethys was reviewed and updated in March 2013 and a copy of this updated charter is set forth as Appendix A of this Circular.

Composition of the Audit Committee

All members of the committee, other than Mr. Mattias Sjoborg, are considered independent and all members are financially literate within the meaning of NI 52-110 – *Audit Committees*.

Relevant Education and Experience of Members of the Audit Committee

Adeola Ogunsemi (Chairman)

Mr. Adeola Ogunsemi is an experienced oil and gas professional with 16 years of industry experience out of his more than 20 years work experience. Mr. Ogunsemi is currently the Chief Financial Officer of Oando Energy Resources, a leading African exploration and production company, previously listed on the Toronto Stock Exchange in Canada. Previously, Mr. Ogunsemi was with BP America for 5 years, rising to become Assistant Controller.

Before joining BP America, Mr. Ogunsemi worked for Northern Illinois Gas in Chicago, USA, for 4 years, the Chicagoland Chamber of Commerce and Midas International in Chicago, USA.

Mr. Ogunsemi obtained a Master of Business Administration (MBA) in Finance and Strategic Management from the University of Chicago Booth School of Business in 2003 and a Bachelor of Science in Accounting and Finance from DePaul University in Chicago in 2000. He is also a Chartered Global Management Accountant (CGMA) in the USA and an Associate Chartered Accountant in Nigeria.

Mattias Sjoborg

Mr. Mattias Sjoborg is Chairman and Chief Executive of Plena Group, which he joined in 2001, and has led teams through origination, due diligence, negotiation and the restructuring of medium to large emerging market enterprises. In 2001, Mr. Sjoborg bought out Plena Group in a management buy-out and has led its growth by continuing to

assemble cross border transactions as well as government privatisations in predominately emerging markets. Mr. Sjoborg has a BA in Corporate Finance and an MBA degree from IMD Lausanne, Switzerland.

Medgat Kumar

Mr. Medgat Kumar is the owner and Director of Petro Impex, a Kazakhstan-based company whose primary activities are trading of crude oil and petroleum products, oil refining and terminals businesses. He is a qualified oil and gas exploration engineer, having received a Master Degree in Engineering from the Kazakh National Technical University in 2002. Mr. Kumar worked for Haliburton in Kazakhstan between 2002 and 2007.

Audit Committee Oversight

At no time since the commencement of the Company's most recent financial year, has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year, has the Company relied on any of the following exemptions from NI 52-110:

(a) the exemption in section 2.4 (*De Minimis Non-Audit Services*);

(b) the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*);

(c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*);

(d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*); or

(e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemption*).

Pre-Approval Policies and Procedures

The Audit Committee has delegated to the Chairman of the Audit Committee (or such other member of the Audit Committee who may be delegated authority), the authority to act on behalf of the Audit Committee between meetings of the Audit Committee with respect to the pre-approval of audit and permitted non-audited services provided by the external auditor. The Audit Committee is required to be notified of any non-approved services over and above audit and tax. The Chairman reports on any such pre-approval at the next meeting of the Audit Committee.

External Auditor Service Fees

PricewaterhouseCoopers LLP Canada, Chartered Professional Accountants ("**PwC**") resigned as auditors of the Company on November 7, 2018 and were replaced by Grant Thornton UK LLP ("**GTUK**") on November 8, 2018.

The following table provides information about the aggregate fees billed to the Company and its affiliates for professional services rendered by PwC for the year-ended December 31, 2017 and by GTUK for the year-ended December 31, 2018, in their capacity as the Company's external auditors.

Type of Service Provided	Year-ended December 31, 2018	Year-ended December 31, 2017
Audit Fees	$160,144	$309,000
Audit-Related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-
Total	**$160,144**	**$309,000**

Exemption

The Company is relying upon Section 6.1 of NI 52-110 which exempts venture issuers from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides details as at December 31, 2018 with respect to all compensation plans of the Company under which equity securities of the Company are authorised for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected herein)
Equity compensation plans approved by security holders[(1)]	Options: 1,362,188	Options: US$0.42	Options: 2,666,244

Notes:

(1) In addition, 1 million Ordinary Shares have been reserved for issuance pursuant to the Company's Employee Share Purchase Plan (the "**ESPP**"), which received Shareholder approval in 2013. The Company does not intend to implement the ESPP in the foreseeable future.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management of the Company is not aware of any material interest, direct or indirect, of any director or executive officer of the Company, any Shareholder of the Company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the voting securities of the Company or any associate or affiliate of such persons, in any transaction within the most recently completed financial year or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

AUDITORS

The auditors of the Company are Grant Thornton UK LLP, who were appointed on November 8, 2018.

ADDITIONAL INFORMATION

Additional information relating to the Company is available under the Company's profile on the SEDAR website at www.sedar.com. Financial information relating to Tethys is provided in the Company's financial statements and management's discussion and analysis ("**MD&A**") for the financial year ended December 31, 2018. Shareholders may contact the Company to request copies of the financial statements and MD&A by: (i) mail to 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands or (ii) email to info@tethys-group.com.

APPROVAL OF DIRECTORS

The contents of this Circular and the sending, communication or delivery thereof to the Shareholders of the Company entitled to receive the Notice of the Meeting, to each director of the Company, to the auditors of the Company and to the appropriate governmental agencies have been approved and authorised by the directors of the Company.

DATED May 20, 2019

ON BEHALF OF THE BOARD OF DIRECTORS

William P. Wells, Chairman

APPENDIX A
AUDIT COMMITTEE CHARTER

(see attached)

Adopted May 2007

Reviewed and updated March 2013

TETHYS PETROLEUM LIMITED

Audit Committee Charter

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1 INTERPRETATION

In these terms of reference:-

"**Auditor**" means the external auditors of the Company;

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

"**Code of Conduct and Ethics Policy**" means the Company's Code of Conduct and Ethics Policy in force at the date of adoption of this Charter, as it may be amended of replaced from time to time;

"**Committee**" means the audit committee of the Board; and

"**Company**" means Tethys Petroleum Limited.

2 CONSTITUTION

By a resolution dated October 5, 2006, the Board resolved, pursuant to the authority and power conferred upon the Board by Article 101 of the Company's articles of association, to establish a committee of the Board to be known as the audit committee.

3 GENERAL AIMS

Without prejudice to the specific duties of the Committee detailed below, the general aims of the Committee shall be to assist the Board in meeting its financial reporting responsibilities and to oversee the Company's relationship with the Auditor.

4 SPECIFIC DUTIES

The Committee shall perform the following duties for the Company.

4.1 Financial Reporting

4.1.1 The Committee shall review the financial statements of the Company, including its:

(a) annual and interim reports and accounts;

(b) announcements of annual and interim results; and

(c) any other formal announcement relating to the Company's financial results.

4.1.2 The Committee shall review and discuss with management and the Auditor:

(a) the Company's annual audited financial statements and related documents prior to their filing or distribution, including;

(i) the annual financial statements, related footnotes and Management's Discussion and Analysis, including significant issues regarding accounting principles, practices and significant management estimates and judgements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to

the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies;

(ii) the use of off-balance sheet financing including management's risk assessment and adequacy of disclosure;

(iii) any significant changes to the Company's accounting policies;

(iv) the Auditor's audit report on the financial statements; and

(b) the Company's quarterly unaudited financial statements and related documents prior to their filing of distribution, including.

(i) quarterly unaudited financial statements and related documents, including Management's Discussion and Analysis including significant issues regarding accounting principles, practices and significant management estimates and judgements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies;

(ii) if applicable, the Auditor's report of its review of the financial statements;

(iii) the use of off-balance sheet financing including management's risk assessment and adequacy of disclosure;

(iv) any significant changes to the Company's accounting policies.

4.1.3 The Committee shall review:

(a) the Company's Annual Information Form, or other similar report filed with securities regulatory authorities, as to financial information;

(b) all prospectuses and information circulars of the Company as to financial information;

(c) any financial information contained in other documents, such as announcements of a price sensitive nature.

4.1.4 The Committee shall review:

(a) the consistency of, and any changes to, accounting policies both on a year on year basis and across the Company;

(b) the methods used to account for significant or unusual transactions where different approaches are possible;

(c) whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the Auditor;

(d) the Company's reporting practices; and

(e) all significant financial reporting issues and all judgements which they contain.

4.1.5 The Committee shall review and discuss with management financial information, including earnings press releases, the use of "pro forma" or non-IFRS financial information and earnings guidance, contained in any filings with the securities regulators or news releases related thereto (or provided to analysts or rating agencies) and consider whether the information is consistent with the information contained in the financial statements of the Company or any subsidiary with public securities. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made).

4.1.6 The Committee shall review the annual financial statements of any pension funds where not reviewed by the Board as a whole.

4.1.7 The Committee shall recommend to the Board the approval of the annual financial statements and related documents and either approve the interim financial statements and related documents or recommend to the Board such financial statements and documents for approval.

4.2 **Internal Controls and risk management systems**

4.2.1 The Committee shall:

(a) keep under review the effectiveness of the Company's internal controls and risk management systems; and

(b) review and approve any statements to be included in the Company's annual report and accounts concerning internal controls and risk management.

4.3 **Ethics Reporting**

4.3.1 The Committee is responsible for the establishment of a policy and procedures for:

(a) the receipt, retention and treatment of any complaint received by the Company regarding financial reporting, accounting, internal accounting controls or auditing matters;

(b) the confidential, anonymous submissions by employees of the Company of concerns regarding questionable accounting or auditing matters.

4.3.2 The Committee will review, on a timely basis, serious violations of the Code of Conduct and Ethics Policy including all instances of fraud.

4.3.3 The Committee will review on a summary basis at least quarterly all reported violations of the Code of Conduct and Ethics Policy.

4.4 Internal Audit

The Committee shall consider annually whether these is a need for an internal audit function and make a recommendation to the Board accordingly. In the event that an internal audit function is introduced, the Board shall extend as appropriate the terms of reference to include, inter alia, monitoring and reviewing the effectiveness of the internal audit function, senior appointments and removals in respect of that function, resourcing of that function, meetings with the internal auditors and reviewing executive management's responsiveness to findings and recommendations of the internal audit function.

4.5 External Audit

4.5.1 The Committee shall:

(a) consider and make recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting, in relation to the appointment, re-appointment or removal of the Auditor. The Committee shall oversee the selection process for new auditors and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required;

(b) oversee the Company's relationship with the Auditor including (but not limited to):

(i) approval of their remuneration, whether fees for audit or non-audit services and ensuring that the level of fees is appropriate to enable an adequate audit to be conducted;

(ii) approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;

(iii) assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the Auditor as a whole, including the provision of any non-audit services;

(iv) satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the Auditor and the Company (other than in the ordinary course of business) or any other conflict of interest;

(v) agreeing with the Board a policy on the employment of former employees of the Auditor, then monitoring the implementation of this policy;

(vi) ensuring receipt, at least annually, from the external auditor of a formal written statement delineating all relationships between the Auditor and the Company, including non-audit services provided to the Company;

(vii) monitoring the Auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees

paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements; and

(viii) assessing annually the qualifications, expertise and resources of the Auditor and the effectiveness of the audit process, which shall include a report from the Auditor on their own internal quality procedures;

(c) overseeing the work of the Auditor, including the resolution of disagreements between management and the Auditor;

(d) meeting regularly with the Auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the Auditor at least once a year, without executive management being present, to discuss their remit and any issues arising from the audit;

(e) reviewing and approving the annual external audit plan and ensure that it is consistent with the scope of the audit engagement;

(f) reviewing the findings of the audit with the Auditor;

(g) reviewing any representation letter(s) requested by the Auditor before they are signed by the executive management;

(h) reviewing the executive management letter and executive management's response to the Auditor's findings and recommendations;

(i) giving consideration to the rotation of the audit partner on a periodic basis;

(j) reviewing any related findings and recommendations of the Auditor together with management's responses including the status of previous recommendations;

(k) reviewing any serious difficulties or disputes with management encountered during the course of the audit, including any restrictions on the scope of the Auditor's work or access to required information; and

(l) reviewing any other matters related to the conduct of the external audit, which are to be communicated to the Committee by the Auditor under generally accepted auditing standards.

4.5.2 The Committee shall develop and implement policies and procedures on the supply of non-audit services by the Auditor, taking into account any relevant statutory requirements on the matter. If such policies and procedures have not been adopted, the Committee shall pre-approve any non-audit services to be provided to the Company or its subsidiaries by the Auditor, except that the Committee has delegated a de minimis level of $20,000 per annum to the Committee Chair who will report to the Committee at their next meeting of any work approved with this limit.

4.6 **Other Matters**

The Committee shall:

(a) have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;

(b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members; and

(c) oversee any investigation of activities which are within its terms of reference.

5 REPORTING

5.1 The chairman of the Committee shall report to the Board generally on its proceedings after each meeting.

5.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any matter within its remit where action or improvement is needed.

5.3 The Committee's Charter shall be available on request and shall be available on the Company's website (if any).

6 REGULATORY DUTIES

In carrying out its duties the Committee shall:

(a) give due regard to:

(i) all relevant legal and regulatory requirements; and

(ii) the rules of any stock exchange or which the Company's securities may be listed;

(b) ensure that it has such information as it considers necessary or desirable to fulfil its duties as set out in these terms of reference.

7 MEMBERSHIP

7.1 Members of the Committee shall be appointed from time to time by the Board, in consultation with the chairman of the Committee.

7.2 The Committee shall be made up of at least three members each of whom shall be a member of the Board.

7.3 The chairman of the Board shall not be a member of the Committee.

7.4 All members of the Committee shall be "independent" as that term is defined under the requirements of applicable securities laws and the standards of any stock exchange on which the Company's securities are listed, taking into account any transitional provisions that are permitted.

7.5 Members shall serve one-year terms and may serve consecutive terms to ensure continuity of experience. Members shall be reappointed each year to the Committee by the Board at the Board meeting that coincides with the annual shareholder meeting. A

member of the Committee shall automatically cease to be a member upon ceasing to be a director of the Company. Any member may resign or be removed by the Board from membership on the Committee or as Chair.

7.6 All members of the Committee must be "financially literate" as that qualification is interpreted by the Board and or acquire such literacy within a reasonable period of time after joining the Committee. At the present time, the Board interprets "financial literacy" to mean a basic understanding of finance and accounting and the ability to read and understand financial statements (including the related notes) of the sort released or prepared by the Company in the normal course of its business.

7.7 The Board shall appoint the chairman of the Committee who shall be a non-executive director of the Company. In the absence of the Chairman, the remaining members of the Committee present at a fully convened Committee meeting may elect one of their number to chair the meeting. The Board shall determine the period for which the chairman of the Committee holds office.

7.8 The Board may from time to time remove members from the Committee.

7.9 The membership of the Committee shall be set out in the annual report of the Company.

8 SECRETARY

The Board shall from time to time nominate an appropriate person to be the secretary of the Committee.

9 MEETINGS

9.1 The Committee shall meet at least two times in each year at appropriate times in the reporting and audit cycle and at such other times as the chairman of the Committee shall require.

9.2 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any member of the Committee or at the request of the Auditor or any internal auditor if they consider it necessary.

9.3 Unless otherwise agreed, at least three (3) working days notice shall be given of each meeting of the Committee.

9.4 Unless otherwise agreed, notice of each meeting of the Committee shall:

(a) confirm the venue, time and date of the meeting;

(b) include an agenda of items to be discussed at the meeting; and

(c) be sent to each member of the Committee, the secretary, any other person required, invited or entitled to attend the meeting and all other non-executive directors of the Company.

9.5 Supporting papers shall be sent to members of the Committee and to other attendees at the same time as the relevant notice.

9.6 The quorum necessary for the transaction of business by the Committee shall be two members of the Committee and a duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

9.7 Only members of the Committee shall have the right to attend meetings of the Committee. However, others (such as the other directors, representatives from the finance function of the Company and external advisers) may be invited to attend and speak at (but not vote at) a meeting of the Committee as and when appropriate.

9.8 The Auditor shall be invited to attend and speak at meetings of the Committee on a regular basis but shall not be entitled to vote at such meetings.

9.9 Meetings of the Committee may be held by conference telephone or similar communications equipment whereby all members participating in the meeting can hear each other; provided always however that at least once per annum a direct meeting shall be held between the Committee and the Auditor where a quorum of the members of the Committee and the Auditor are present in person at the same location.

9.10 Matters for decision by the Committee shall be decided by a majority decision of the members.

10 MINUTES

10.1 The secretary of the Committee shall minute the proceedings and resolutions of Committee meetings and record the names of those present and in attendance.

10.2 The secretary of the Committee shall ascertain, at the start of each Committee meeting, the existence of any conflicts of interest and minute them accordingly.

10.3 Following each meeting of the Committee, the secretary shall circulate, for comment, draft minutes to each member who was present at the meeting.

10.4 After approval and signing of the minutes by the chairman of the Committee meeting, the secretary shall circulate copies of the minutes to all members of the Board, (unless a conflict of interest exists).

11 AUTHORITY

11.1 The Committee is a committee of the Board and as such exercises such powers of the Board as have been delegated to it.

11.2 The Committee is authorised by the Board to investigate any activity within its terms of reference.

11.3 The Committee is authorised to:

(a) seek any information it requires (including from any employee of the Company) in order to perform its duties;

(b) obtain outside legal or other professional advice (including the advice of independent consultants) on any matters within its terms of reference including, without limitation, any legal matters which could have a significant effect on the Company's financial position;

(c) to commission any reports or surveys, which it deems necessary, to help it fulfil its obligations;

(d) to secure the attendance of external advisors at its meetings (if it considers it necessary); and

(e) to call any employee to be questioned at a meeting of the Committee as and when required,

all at the Company's expense.

12 OWN PERFORMANCE

At least once a year, the Committee shall review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.