

**Form 51-102F3**  
**Material Change Report**

**Item 1            Name and Address of Company**

Tethys Petroleum Limited (the “Company”)  
P.O. Box 524, St. Peter Port  
Guernsey, GY1 6EL  
British Isles

**Item 2            Date of Material Change**

February 27, 2009

**Item 3            News Release**

The press release attached as Schedule “A” was disseminated through Marketwire on February 27, 2009, with respect to the material change.

**Item 4            Summary of Material Change**

The Company announced that it and its subsidiary, Tethyda Limited, signed an agreement, which is subject to certain regulatory requirements, corporate approvals and additional conditions, to acquire from the British company, Rosehill Energy plc (“Rosehill”), its wholly-owned subsidiary (the “Contractor”) which holds Rosehill’s entire interest in the Production Enhancement Contract (“PEC”) for the North Urtabulak Oil Field in Uzbekistan.

The consideration for the purchase of the Contractor consists of 15,000,000 (fifteen million) ordinary shares of Tethys. These shares will be restricted for resale for a period of up to one (1) year.

The value of the transaction (based on a Tethys share price of US\$0.42 calculated as the 5 day volume weighted average ending on February 25, 2009) is approximately US\$6.5 million.

**Item 5            Full Description of Material Change**

*5.1      Full Description of Material Change*

Please see the press release attached as Schedule “A”.

*5.2      Disclosure for Restructuring Transactions*

Not applicable.

**Item 6            Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

**Item 7            Omitted Information**

Not applicable

**Item 8            Executive Officer**

The following executive officer is knowledgeable about the material change and may be contacted about this report.

Sabin Rossi  
Vice President Investor Relations  
(416) 572-2065

Email:            [info@tethyspetroleum.com](mailto:info@tethyspetroleum.com)  
Website:        [www.tethyspetroleum.com](http://www.tethyspetroleum.com)

**Item 9            Date of Report**

**March 4, 2009**

## **Schedule “A”**

## **TETHYS PETROLEUM PRESS RELEASE**

FOR IMMEDIATE RELEASE

### **Uzbekistan Oil Production Project Acquired**

GUERNSEY, CHANNEL ISLANDS, Friday, February 27, 2009: Tethys Petroleum Limited ("Tethys" or the "Company") (TSX:TPL) today announced its 100% subsidiary, Tethyda Limited, has signed an agreement, which is subject to certain regulatory requirements, corporate approvals and additional conditions, to acquire from the British company, Rosehill Energy plc ("Rosehill"), its wholly-owned subsidiary ("the Contractor") which holds Rosehill's entire interest in the Production Enhancement Contract ("PEC") for the North Urtabulak Oil Field in Uzbekistan.

The consideration for the purchase of this project is 15,000,000 (fifteen million) ordinary shares of Tethys. These shares will be restricted for resale for a period of up to one (1) year.

The value of the transaction (based on a Tethys share price of US\$0.42 calculated as the 5 day volume weighted average ending on February 25, 2009) is approximately US\$6.5 million. The revenue realised under the PEC for 2008 attributable to the Contractor was US\$13.67 Million in 2008.

Average daily production attributed to the Contractor from the North Urtabulak Oil Field for January 2009 was 913 barrels of oil per day. Tethys believes there is considerable scope to increase this production through relatively modest capital investment by working over existing wells and introducing a dedicated gas lift system with modern equipment that has not as yet been utilised at the field. The PEC also gives certain rights over various other fields in the area around North Urtabulak.

Dr. David Robson, CEO of Tethys Petroleum Limited, commented, "We believe this acquisition adds significant shareholder value to the company at an attractive purchase price and brings immediate revenue through existing oil production. We also believe there is significant scope to increase this production through relatively low cost techniques using our own drilling and workover equipment and also by purchasing or leasing some new equipment to introduce gas lift. This also gives us a country entry into Uzbekistan through the purchase of a project that has an existing experienced in-country operations team with a good working knowledge of the field and surrounding area. We will build on this position to evaluate other projects in Uzbekistan, which is internationally known as having substantial oil and gas potential. Furthermore this oil project provides an excellent complement to our existing gas assets and offers shareholders leverage for any increase in the oil price from current levels."



### Supplementary Information

The North Urtabulak Oil Field is located in southern Uzbekistan in the northern portion of the Amu-Darya basin. The nearest city is Bukhara which is about 120 kms north-west of the Field. Under the PEC the Contractor receives a share of incremental production from individual wells it works on.

The North Urtabulak Field produces from a Jurassic age reef structure at a depth of about 2,500 metres (8,125 feet). Surface elevation is approximately 320 metres (1,040 feet).

The area around North Urtabulak was first mapped between 1959 and 1964. Seismic surveys were conducted in 1970 and 1972 with the first well being drilled in 1972. It is reported that the North Urtabulak Field is the second largest oil field in Uzbekistan discovered to date. The oil and gas fields of south-western Uzbekistan are located in the Amu-Darya basin. The basin gently dips southwest into the regional low where the sedimentary cover is 6 to 8 kilometres (19,500 feet to 26,000 feet). The productive horizons in the North Urtabulak Field are the Upper Jurassic (Oxfordian) XV Reef and XV Upper Reef carbonates at approximately 2,500 metres (8,125 feet). These horizons are vuggy carbonates with relatively high porosity and are very heterogeneous. The seal for the reservoir is Upper Jurassic (Kimmeridgian/Tithonian) evaporate sequences which are about 500 metres (1,625 feet) thick. The total stratigraphic section of the North Urtabulak Field contains Palaeozoic to recent sediments with a thickness up to 3,500 metres (11,375 feet). The structural dip on the Field itself varies from 0 degrees on the crest to 40 degrees along the reef boundaries. Fractures within the reef have been seen in cores. According to UNG the orientation of the fractures is NE to SW.

Part of the field is under a zone of active salt movement which has had limited production in the past due to drilling constraints. The Contractor has successfully drilled new development wells in this zone which is believed to have considerable upside for additional oil production in the future.

Under the PEC, the Contractor partners with the Uzbek State Oil Company and a local refinery (collective “the Uzbek Partners”). The Contractor under the PEC receives 50% of all incremental production of each individual well it works on for the first three years of production, and the Uzbek Partners receive 50%. After three years of production from the well, the Contractor receives 20%, and the Uzbek Partners 80%. If at any time certain defined work is carried out on the well then the three year initial period starts again. Under the PEC the Contractor is responsible for all capital investment and carrying out all operations on the North Urtabulak Field. The work program and budget under the PEC is approved by an Operating Committee which is jointly run by the Contractor and the Uzbek State Oil Company. The oil produced under the PEC is refined at a local refinery and the Contractor uses its own marketing agents to sell its share of the refined products at market prices. As a guide to pricing the Contractor received a net oil price (at the field) of approximately US\$20.50 per barrel of oil in January 2009. The PEC terminates eight years after the date of the first incremental production from the final Contractor Well. It is expected to begin work on additional wells in 2009 which resets this period each time a well is completed and production obtained.



Tethys is focused on oil and gas exploration and production activities in Central Asia with activities currently in the Republics of Kazakhstan and Tajikistan. This highly prolific oil and gas area is rapidly developing and Tethys believes that significant potential exists in both exploration and in discovered deposits.

This press release contains “forward-looking information” which may include, but is not limited to, statements with respect to our operations. Such forward looking statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions. See our Annual Information Form for the year ended December 31, 2007 for a description of risks and uncertainties relevant to our business, including our exploration activities.

For more information please contact:

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

Office:	+1 416 572 2065
Fax:	+1 416 572 2201
e-mail:	<a href="mailto:info@tethyspetroleum.com">info@tethyspetroleum.com</a>
website:	<a href="http://www.tethyspetroleum.com">www.tethyspetroleum.com</a>

in Kazakhstan

Ardak Akanov  
Managing Director  
PG Communications  
Almaty, Samal 2 Business Center Satty

Office phone/fax:	+7 701 272 8867
Email:	<a href="mailto:development@pressclub.kz">development@pressclub.kz</a>