

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

Item 1 Name and Address of Company

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

Item 2 Date of Material Change

November 19, 2015

Item 3 News Release

The press release attached as Schedule “A” was disseminated through Marketwired on November 19, 2015 with respect to the material change.

Item 4 Summary of Material Change

Tethys announced that, further to the letter of intent announced on November 9th, 2015 (the “LOI”), the Company has entered into an interim convertible financing facility of up to US\$15 million (the “Interim Financing Facility”) with Olisol Petroleum Limited (“OPL”), a wholly owned subsidiary of Olisol Investments Limited (“Olisol”). Subject to approval from the Toronto Stock Exchange, the Interim Financing Facility is convertible into Tethys ordinary shares at C\$0.17 per share.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

See the attached press release for further details.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 Omitted Information

Not applicable

Item 8 Executive Officer

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

Julian Hammond
Chief Executive Officer
+ 44 203 358 9000

Item 9 Date of Report

November 20, 2015

SCHEDULE “A”



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November 19, 2015

TETHYS PETROLEUM LIMITED PRESS RELEASE
(TSX:TPL, LSE:TPL)

US\$15 million interim financing facility entered into with Olisol Petroleum Limited

GRAND CAYMAN, CAYMAN ISLANDS – Tethys Petroleum Limited (“Tethys” or the “Company”) announces that, further to the letter of intent announced on November 9th, 2015 (the “LOI”), the Company has entered into an interim convertible financing facility of up to US\$15 million (the “Interim Financing Facility”) with Olisol Petroleum Limited (“OPL”), a wholly owned subsidiary of Olisol Investments Limited (“Olisol”). The Interim Financing Facility is convertible into Tethys ordinary shares at C\$0.17 per share.

OPL will advance to Tethys up to US\$15 million to be used to repay the US\$5 million term loan from Nostrum Oil & Gas PLC and potentially the US\$7.5 million convertible debenture from AGR Energy Limited No. 1 (the “AGR Debenture”), in each case plus any other amounts arising thereunder. In the event that AGR Energy exercises its conversion rights under the AGR Debenture prior to redemption, the Interim Financing Facility will be reduced by US\$7.5 million, with the Placing (as defined below), at the option of OPL, being increased by US\$7.5 million in exchange for 75 million further shares. The balance of the Interim Financing Facility will be used for general and working capital requirements of the Company and will be available thirty days after first draw down or, where requested by Tethys, such earlier date as the parties may agree. The Interim Financing Facility has a maturity date of 31 August 2016. Subject to approval of the Toronto Stock Exchange and compliance with other regulatory requirements including listing on the KASE and National Bank of Kazakhstan approvals, the outstanding principal and interest under the Interim Financing Facility shall be convertible into ordinary shares at C\$0.17 per share

A condition to the first draw down under the Interim Financing Facility is that Mr Alexander Abramov, a designee of Olisol, and Mr William Wells, of Pope Asset Management, LLC, a 19.1% shareholder of the Company, be appointed to the Board of Directors of Tethys (the "Board").

The Interim Financing Facility is the first step in the potential broader transaction provided for under the LOI, where OPL will subscribe to a C\$25.5 million private placement of 150 million new ordinary shares at a price of C\$0.17 per ordinary share (the "Placing") and commit to backstop a further equity fundraising of 50 million shares at C\$0.17 per share (the "Further Financing", together the "Transaction"). OPL and the Company are in advanced negotiations over binding transaction documentation. In the event the Placing is not completed, Mr Abramov will resign once the Interim Financing Facility is repaid in full.

John Bell, Executive Chairman commented:

"We are pleased to have reached agreement with Olisol on this crucial part of our broader transaction and to now have access to US\$15 million in interim financing to see the company through to closing of the Placing."

Further Details

- As a condition to signing the agreement, Olisol provided to Tethys confirmation that the US\$15 million is ready to be drawn down so is no longer liable to pay a break fee to Tethys of US\$1.25 million.
- The Interim Financing Facility will become due and payable after 30 days if the parties do not enter the Investment Agreement before the end of the current Exclusivity Period which expires on November 23, 2015, which can be extended by either party for an additional 14 days on written notice assuming both parties are working in good faith. The Interim Financing Facility will become due and payable after 30 days should closing of the Placing not have occurred within 90 days of signing an Investment Agreement (or such longer period provided for by the Investment Agreement).
- Pursuant to the terms of the Interim Financing Facility, the Company will be subject to certain restrictions including on undertaking any material corporate activity, creating new indebtedness (subject to certain permitted exemptions) or repaying indebtedness in advance of its maturity date; creating any security or giving guarantees or indemnities and entering into further financings or issuing further equity.
- The Interim Financing Facility will also contain events of default and change of control provisions. In circumstances where an event of default has occurred and OPL agrees to waive such event of default, the Company is required to take such actions as OPL may specify for the exercise of any rights, powers and remedies of

OPL under the agreement or by law, and/or confer on OPL security over any property and assets of the Company and its subsidiaries to the fullest extent permitted under the terms of any existing third party security arrangements.

A copy of the Interim Financing Facility agreement will be filed on SEDAR in Canada shortly.

Current Financial Position

There can be no certainty that the Placing or the Further Financing will be completed or that the Investment Agreement will be entered into. The Company currently does not have sufficient funding to meet its funding obligations in the next twelve months and therefore, without the Transaction, there is significant doubt about the Company's ability to continue as a going concern. If this Transaction does not proceed, there can be no assurance that management will be successful in securing alternative funding or that management would have sufficient time to implement any alternative transaction, which would be required to enable the Company to continue as a going concern.

About Tethys

Tethys is focused on oil and gas exploration and production activities in Central Asia and the Caspian Region. This highly prolific oil and gas area is rapidly developing and Tethys believes that significant potential exists in both exploration and in discovered deposits.

About Olisol

Olisol has advised that it will pursue the transaction through its wholly-owned subsidiary Olisol Petroleum Limited. Olisol and its subsidiaries and affiliates have investments in energy and oil & gas operations in the Russian Federation and Kazakhstan. Olisol is incorporated under the laws of Cyprus and is headquartered in Almaty, Kazakhstan.

Disclaimer

Some of the statements in this document are forward-looking. Forward-looking statements include statements regarding the intent, belief and current expectations of the Company or its officers with respect to the Interim Financing, the Placing and the Further Financing. When used in this document, the words "expects," "believes," "anticipates," "plans," "may," "will," "should" and similar expressions, and the negatives thereof, are intended to identify forward-looking statements. Such statements are not promises or guarantees, and are subject to risks and uncertainties that could cause actual outcomes to differ materially from those suggested by any such statements including with respect to completion of the Placing, the Interim Financing and receipt of proceeds, required shareholder approval and required regulatory approvals, use of

proceeds, and receipt of funds pursuant to the Interim Financing within anticipated timeframes, effective implementation of the agreed form Relationship Agreement.

The forward-looking statements are based on the following assumptions: that the Investment Agreement will be entered into, that the Placing and Further Financing will be completed and all shareholder required approvals will be obtained.

No part of this announcement constitutes, or shall be taken to constitute, an invitation or inducement to invest in the Company or any other entity, and shareholders of the Company are cautioned not to place undue reliance on the forward-looking statements. Save as required by the Listing Rules and applicable law, the Company does not undertake to update or change any forward-looking statements to reflect events occurring after the date of this announcement.

Ends

For more information please contact:

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OR

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