

**TETHYS PETROLEUM LIMITED**  
**89 NEXUS WAY, CAMANA BAY,**  
**GRAND CAYMAN, KY1-9007, 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 Intercontinental Paris – Le Grand, 2 Rue Scribe, Paris, 75009, France on May 31, 2016 at 11:30 a.m. (Central European Summer Time - local time in Paris, France) 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 to Reduce the Par Value of Ordinary Shares and Preferred Shares, Reduce Authorised Share Capital and Amend the Company’s Articles of Association**

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

That:

- a) subject to confirmation from the Grand Court of the Cayman Islands, the Company’s authorised share capital be reduced from US\$75,000,000 to US\$15,000,000 by (i) reducing the par value of the Company’s ordinary shares and preferred shares (the “**Shares**”) from US\$0.10 to US\$0.01 thereby reducing the authorized share capital from US\$75,000,000 to US\$7,500,000 and (ii) increasing the number of authorized shares to 1,450,000,000 ordinary shares each with a par value of US\$0.01 and 50,000,000 preferred shares each with a par value of US\$0.01 with an increase in the authorized share capital of the company from US\$7,500,000 to US\$15,000,000 and amending the Company’s memorandum of association accordingly; and
- b) the Articles of Association of the Company adopted on July 17, 2008 as amended by special resolutions passed on February 10, 2011, June 13, 2012 and June 11, 2015 (as amended, the “**Articles**”) be amended with immediate effect to, subject to confirmation from the Grand Court of the Cayman Islands, reflect the reduction in the par value of the Shares and the authorised share capital and that the form of articles attached as Schedule A to the management information circular dated May 2, 2016 (the “**Circular**”) be adopted as the Company’s articles of association in substitution for and to the exclusion of the Articles.

2. **Resolution 2 – Approval to Issue Ordinary Shares to Annuity and Life Reassurance Ltd upon exercise of ALR Warrants (up to 23,333,333 shares) and/or Conversion of ALR Debentures (up to 18,402,220 shares, of which 17,609,780 relating to conversion of principal and up to 792,440 relating to accrued, but unpaid interest at the time of conversion)**

To propose the following resolution as an ordinary resolution of the Company in accordance with applicable Toronto Stock Exchange (“**TSX**”) rules, excluding any votes attaching to Ordinary Shares beneficially owned by PAM (as defined below):

That the Company be authorised to issue: (A)(i) up to 23,333,333 Ordinary Shares to Annuity and Life Reassurance Ltd (“**ALR**”), an affiliate of Pope Asset Management, LLC (together with its affiliates, including ALR, “**PAM**”) upon the exercise of 23,333,333 warrants issued to ALR on March 10, 2015 (the “**ALR Warrants**”), and (ii) up to 18,402,220 Ordinary Shares to ALR upon the conversion of convertible debentures issued to ALR on June 1, 2015 (the “**ALR Debentures**”) (17,609,780 relating to principal and up to 792,440 relating to accrued, but unpaid interest), which could result in PAM owning or controlling greater than 20% of the issued and outstanding Ordinary Shares, thereby materially affecting control of the

Company under Section 604 of the TSX Company Manual (the “**TSX Manual**”), and (B) the final 7,288,800 Ordinary Shares issuable upon conversion of the principal of the ALR Debentures, which, together with the issuance of the ALR Warrants and the first 10,320,980 Ordinary Shares issuable upon conversion of the principal of the ALR Debentures, would have resulted in more than 10% of the issued and outstanding Ordinary Shares having been issued or made issuable to insiders during a six month period, all as more particularly described in the Circular.

3. **Resolution 3 – Approval to Issue 181,240,793 Ordinary Shares to Olisol Petroleum Limited**

To propose the following resolution as an ordinary resolution of the Company in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) and applicable sections of the TSX Manual, excluding any votes attaching to Ordinary Shares beneficially owned by Olisol Petroleum Limited (“**Olisol**”):

That the Company be authorised to issue 181,240,793 Ordinary Shares to Olisol at a price per share of C\$0.054 for an aggregate amount of C\$9,787,002.82 pursuant to the terms of an amended and restated investment agreement among the Company, Olisol and Olisol Investments Limited dated April 28, 2016 (the “**Investment Agreement**”) as required by (i) Section 604 of the TSX Manual in the event that such issuance of Ordinary Shares results in Olisol owning or controlling greater than 20% of the issued and outstanding Ordinary Shares, thereby materially affecting control of the Company under Section 604 of the TSX Manual, and (ii) Section 501 of the TSX Manual since the issuance of such Ordinary Shares, together with the issuance of other securities to, and the payment of interest owing under convertible debentures held by, certain related parties and/or insiders (as such terms are defined in the TSX Manual) will result in transactions with insiders and/or related parties of the Company receiving consideration in excess of 10% of the market capitalization of the Company during the past six months, all as more particularly described in the Circular.

4. **Resolution 4 – Approval to Issue up to 24,434,008 Ordinary Shares to Olisol Upon Conversion of US\$1 Million Plus Accrued but Unpaid Interest Under the Amended Facility Agreement**

To propose the following resolution as an ordinary resolution of the Company in accordance with applicable sections of the TSX Manual, excluding any votes attaching to Ordinary Shares beneficially owned by Olisol:

That the Company be authorised to issue up to 24,434,008 Ordinary Shares to Olisol at a price per share of C\$0.054 upon the conversion of the outstanding principal of US\$1,000,000 together with any accrued but unpaid interest thereunder pursuant to the facility agreement entered into with Olisol on November 19, 2015, as amended by agreement dated March 2, 2016 at a conversion price of C\$0.054 (as amended, the “**Amended Facility Agreement**”) as required by (i) Section 604 of the TSX Manual in the event that such issuance of Ordinary Shares results in Olisol, together with its affiliates, owning or controlling greater than 20% of the issued and outstanding Ordinary Shares, thereby materially affecting control of the Company under Section 604 of the TSX Manual, (ii) Section 607 of the TSX Manual as it relates to the Ordinary Shares issuable upon conversion of the outstanding interest as the conversion price of C\$0.054 relating to such shares could be less than the market price (as defined under TSX Manual) at the time of conversion, and (iii) Section 501 of the TSX Manual since the issuance of such Ordinary Shares, together with the issuance of other securities to, and the payment of interest owing under convertible debentures held by, certain related parties and/or insiders (as such terms are defined in the TSX Manual) will result in transactions with insiders and/or related parties of the Company receiving consideration in excess of 10% of the market capitalization of the Company during the past six months, all as more particularly described in the Circular.

**5. Resolution 5 – Approval to Issue up to 43,962,996 Ordinary Shares to Olisol Upon Conversion of the Working Capital Indebtedness**

To propose the following resolution as an ordinary resolution of the Company in accordance with applicable sections of the TSX Manual, excluding any votes attaching to Ordinary Shares beneficially owned by Olisol:

That the Company be authorised to issue up to 43,962,996 Ordinary Shares to Olisol upon the conversion of the outstanding principal and accrued but unpaid interest (assumed to equal US\$1,872,241.15) under any working capital indebtedness (outstanding as of the date hereof or that may be issued after the date hereof) issued in connection with Article 3 of the Investment Agreement at a conversion price of C\$0.054 per share as required by MI 61-101 and (i) Section 604 of the TSX Manual in the event that such issuance of Ordinary Shares results in Olisol, together with its affiliates, owning or controlling greater than 20% of the issued and outstanding Ordinary Shares, thereby materially affecting control of the Company under Section 604 of the TSX Manual, (ii) Section 607 of the TSX Manual as it relates to the Ordinary Shares issuable upon conversion of the outstanding interest as the conversion price of C\$0.054 relating to such shares could be less than the market price (as defined under TSX Manual) at the time of conversion since the market price will not be known until the interest is due, all as more particularly described in the Circular, and (iii) Section 501 of the TSX Manual since the issuance of such Ordinary Shares, together with the issuance of other securities to, and the payment of interest owing under convertible debentures held by, certain related parties and/or insiders (as such terms are defined in the TSX Manual) will result in transactions with insiders and/or related parties of the Company receiving consideration in excess of 10% of the market capitalization of the Company during the past six months, all as more particularly described in the Circular.

**6. Resolution 6 – Approval to Issue up to 50,000,000 Ordinary Shares to Olisol for Future Offering**

To propose the following resolution as an ordinary resolution of the Company in accordance with MI 61-101 and applicable sections of the TSX Manual, excluding any votes attaching to Ordinary Shares beneficially owned by Olisol:

That the Company be authorised to issue up to 50,000,000 Ordinary Shares to Olisol at a price per share of C\$0.054 for an aggregate amount of up to C\$2,700,000 in the event that certain shareholders of the Company do not participate in a future offering as described in, and pursuant to the terms of, the Investment Agreement, as required by MI 61-101 and (i) Section 604 of the TSX Manual in the event that such issuance of Ordinary Shares results in Olisol owning or controlling greater than 20% of the issued and outstanding Ordinary Shares, thereby materially affecting control of the Company under Section 604 of the TSX Manual and (ii) Section 501 of the TSX Manual since the issuance of such Ordinary Shares, together with the issuance of other securities to, and the payment of interest owing under convertible debentures held by, certain related parties and/or insiders (as such terms are defined in the TSX Manual) will result in transactions with insiders and/or related parties of the Company receiving consideration in excess of 10% of the market capitalization of the Company during the past six months, all as more particularly described in the Circular.

**7. Resolution 7 – Approval to Issue Shares to Olisol to Satisfy its Pre-Emptive Rights**

To propose the following resolution as an ordinary resolution of the Company in accordance with MI 61-101 and applicable sections of the TSX Manual, excluding any votes attaching to Ordinary Shares beneficially owned by Olisol:

That the Company be authorised to issue Ordinary Shares to Olisol to permit Olisol to maintain its *pro rata* equity percentage in the Company, measured immediately prior to an applicable dilutive issuance, at the same price as the dilutive issuance, as required by MI 61-101 and Section 604 of the TSX Manual in the event that such issuance results in greater than 10% of the outstanding Ordinary Shares being issued to insiders in a six month period, all as more particularly described in the Circular.

**General Business**

**8. Resolution 8– Receipt of Financial Statements and Auditors Report**

To receive and consider the financial statements of the Company for the year ended December 31, 2015 and the report of the auditors thereon.

**9. Resolutions 9.1 to 9.4 – 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 of Association shall take effect from the conclusion of the Meeting:

9.1 to elect Alexander Abramov as a director of the Company;

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

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

9.4 on a conditional basis as set forth in the Circular, to elect Vladimir Griguletsky as a director of the Company.

**10. Resolution 10 – Appointment of Auditors**

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

That PricewaterhouseCoopers 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 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 April 29, 2016, the record date (the “**Record Date**”), are entitled to receive notice of the Meeting.

**DATED** this 2<sup>nd</sup> day of May, 2016.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Clive Oliver”*  
Corporate Secretary