

TETHYS PETROLEUM LIMITED

**THIS PROXY IS TO BE USED IN CONNECTION WITH THE
ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 24, 2008**

This proxy is solicited by and on behalf of management of Tethys Petroleum Limited (the “Company”) and should be read in conjunction with the accompanying management information circular of the Company dated March 20, 2008 (the “Information Circular”). The undersigned holder of ordinary shares in the capital of the Company hereby appoints Dr. David Robson, Chief Executive Officer of the Company, or failing that person, Liz Landles, Corporate Secretary of the Company, or instead of either of them _____, as proxy, with power of substitution, to attend, vote all such shares held by the undersigned and otherwise act for and on behalf of the undersigned at the annual general meeting of shareholders of the Company (the “Meeting”) to be held at the offices of Borden Ladner Gervais LLP, 1100, 400 - 3rd Avenue S.W., Calgary, Alberta T2P 4H2 on April 24, 2008, commencing at 10:30 a.m. (Mountain Daylight Time) and at any adjournment thereof, to the same extent and with the same power as if the undersigned were personally present at the Meeting or such adjournment or adjournments thereof and, without limiting the generality of the power hereby conferred, the person(s) named above is specifically directed as indicated below with respect to those shares registered in the name of the undersigned.

Without limiting the general powers hereby conferred, the undersigned hereby directs the said proxyholder to vote the shares represented by this instrument of proxy in the following manner (check (✓) the appropriate box):

1. Election of Directors:

1.1 **FOR** **or AGAINST**

The ordinary resolution to re-elect Dr. David Robson as a director of the Company.

1.2 **FOR** **or AGAINST**

The ordinary resolution to re-elect Bernard Murphy as a director of the Company.

1.3 **FOR** **or AGAINST**

The ordinary resolution to re-elect the Rt. Hon. Peter Lilley as a director of the Company.

1.4 **FOR** **or AGAINST**

The ordinary resolution to re-elect Liz Landles as a director of the Company.

1.5 **FOR** **or AGAINST**

The ordinary resolution to re-elect Russ Hammond as a director of the Company.

1.6 **FOR** **or AGAINST**

The ordinary resolution to re-elect Paul Murphy as a director of the Company.

1.7 **FOR** **or AGAINST**

The ordinary resolution to re-elect Colin Smith as a director of the Company.

1.8 **FOR** **or AGAINST**

The ordinary resolution to elect Piers Johnson as a director of the Company.

2. **FOR or AGAINST**

The ordinary resolution to approve the appointment of PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Company for the next ensuing year, to hold office until the close of the next annual general meeting of shareholders, and authorizing the board of directors of the Company to fix their compensation, as more particularly described in the Information Circular.

3. **FOR or AGAINST**

The following ordinary resolution to approve the amendment to the stock incentive plan of the Company, as more particularly described in the Information Circular:

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

- (a) the Company is hereby authorized to amend section 4.1 of the stock incentive plan of the Company (the **“Plan”**) to increase the number of Ordinary Shares which are reserved for issuance under the Plan by 3,000,000 Ordinary Shares, by deleting the number **“4,511,670”** in section 4.1 and replacing it with the number **“7,511,670”**; and
- (b) any one (or more) director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

4. **FOR or AGAINST**

The following ordinary resolution to approve and ratify the grant of certain stock options, as more particularly described in the Information Circular:

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

- (a) the grant of options to purchase an aggregate of 129,000 Ordinary Shares, as more particularly described in the management information circular of the Company dated March 20, 2008, is hereby ratified and approved;
- (b) the shareholders of the Company hereby expressly authorize the board of directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
- (c) any one (or more) director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

5. **FOR or AGAINST**

The following ordinary resolution to approve the shareholder rights plan of the Company, as more particularly described in the Information Circular:

“**BE IT RESOLVED** as an ordinary resolution of the Company that:

- (a) the adoption of the shareholder rights plan of the Company is hereby approved and the Company is authorized to issue rights pursuant thereto;
- (b) the shareholders of the Company hereby expressly authorize the board of directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
- (c) any one (or more) director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

6. **FOR or AGAINST**

The following special resolution to approve the amendment to the Articles of Association of the Company to permit the continuance of the Company, as more particularly described in the Information Circular:

“**BE IT RESOLVED** as a special resolution of the Company that:

- (a) the existing articles of association of the Company be amended (the “**Continuance Amendment**”) by inserting the following as a new article immediately after article 146:

MIGRATION

147. Migration

The Company may by special resolution resolve to be registered by way of continuation in a jurisdiction outside Guernsey or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to remove the Company from the Register of Companies in Guernsey or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company; and

- (b) any one (or more) director or officer of the Company is hereby authorized to execute and deliver any documents, instruments or other writings and to do all other acts as may be necessary or desirable to give effect to the Continuance Amendment and the foregoing resolution.”

7. **FOR or AGAINST**

Conditional upon the special resolution approving the Continuance Amendment being approved, the following special resolution of the Company to approve the continuance of the Company from the laws of Guernsey to the laws of the Cayman Islands, as more particularly described in the Information Circular:

“**BE IT RESOLVED** as a special resolution of the Company, conditional upon the special resolution approving the Continuance Amendment being approved, that:

- (a) as provided for by Article 147, the Company be removed from the Register of Companies in Guernsey for the purpose of becoming registered as a body corporate under the laws of the Cayman Islands pursuant to Part II of the Migration of Companies Ordinance 1997 and the Companies Law (2007 Revision) of the Cayman Islands and the Company make application to the Registrar of Companies of the Cayman Islands and such other authority as may be appropriate to

transfer by way of continuation into the Cayman Islands pursuant to the Companies Law (2007 Revision) of the Cayman Islands (the “**Continuance**”) and that any one director of the Company be authorized to perform such further acts and execute such further documents as may be required to give effect to the foregoing; and

- (b) effective on the date of Continuance, the registered office of the Company shall be at such address in the Cayman Islands as the board of directors shall approve.”

8. **FOR or AGAINST**

Conditional upon the special resolution approving the Continuance being approved, the following special resolution of the Company to approve the increase to the authorized share capital of the Company and the adoption of the New Memorandum and Articles (as defined below), as more particularly described in the Information Circular:

“**BE IT RESOLVED** as a special resolution of the Company, conditional upon the special resolution approving the Continuance being approved and with effect from the date that the Company is registered as a body corporate under the laws of the Cayman Islands, that:

- (a) the authorized share capital of the Company be increased from US\$50,000,000 to US\$75,000,000 by the creation of 200,000,000 Ordinary Shares of US\$0.10 each, each ranking *pari passu* in all respects with the existing Ordinary Shares of US\$0.10 each in the capital of the Company and 50,000,000 preference shares of US\$0.10 each having the rights more particularly set out in the draft Memorandum and Articles of Association (the “**New Memorandum and Articles**”) attached as Appendix “B” to the management information circular of the Company dated March 20, 2008;
- (b) the New Memorandum and Articles be adopted as the Memorandum and Articles of Association of the Company in substitution for, and to the exclusion of, the existing Memorandum and Articles of Association; and
- (c) any affect on, modification of, variation of or abrogation of the rights and privileges attaching to the Ordinary Shares of the Company which will or may result from the passing and carrying into effect of (a) and (b) above is hereby sanctioned and consented to.”

This Proxy is solicited on behalf of the Management of the Company. The shares represented by this Proxy will be voted and, where the shareholder has specified a choice with respect to the above matters, will be voted as directed above or, if no direction is given, will be voted FOR each of the above matters. Every shareholder has the right to appoint some other person or company of their choice, who need not be a shareholder, to attend and act on their behalf at the Meeting. If you wish to appoint a person or company other than the persons whose names are printed herein, please insert the name of your chosen proxyholder in the space provided above. Completion of a form of proxy does not preclude a shareholder from subsequently attending and voting at the Meeting in person if he so wishes.

If any amendments or variations to the matters above referred to or to any other matters identified in the Notice of Meeting are proposed at the Meeting or any adjournment thereof or if any other matters which are not now known to Management should properly come before the Meeting or any adjournment thereof, this Proxy confers discretionary authority on the person voting the Proxy to vote on such amendments or variations or such other matters in accordance with the best judgment of such person.

To be effective, a Proxy must be received by the Registrar and Transfer Agent of the Company, Equity Transfer & Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1 (facsimile: (416) 361-0470), not later than 12:30 p.m. (Eastern Daylight Time) (10:30 a.m. Mountain Daylight Time) on April 22, 2008, or at least forty-eight (48) hours preceding any adjournment of the Meeting.

This Proxy supersedes and revokes any proxy previously given in respect of the Meeting.

DATED this ____ day of _____, 2008.

Signature of Shareholder or officer of Shareholder

Name of Shareholder (please print)

NOTES:

1. This Proxy must be signed by the shareholder or the shareholder's attorney authorized in writing. If the shareholder is a corporation, this Proxy must be signed by the duly authorized officer, attorney or other authorized signatory of the shareholder. A person signing on behalf of a shareholder must provide, with this Proxy, satisfactory proof of such person's authority and must indicate the capacity in which such person is signing.
2. If the securities are registered in the name of more than one owner (for example, joint ownership, trustees, executors, etc.), then all those registered should sign this Proxy.
3. This Proxy should be signed in the exact manner in which the shares are registered.
4. If this Proxy is not dated, it will be deemed to bear the date on which it is mailed by management of the Company to the shareholder.
5. A shareholder may appoint more than one proxy to attend the Meeting. When two or more valid but differing instruments of proxy are delivered in respect of the same share for use at the Meeting and in respect of the same matter, the instrument of proxy which is lastly delivered (regardless of its date or date of execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which instrument of proxy was lastly delivered, none of them shall be treated as valid in respect of that share.