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Amsterdam, 28 August 2015

Update on possible offer for Tethys Petroleum

Nostrum Oil & Gas PLC (LSE: NOG) ("Nostrum" or "the Company"), an independent oil and gas company engaging in the production, development and exploration of oil and gas in the pre-Caspian Basin, announces that it has made a further approach to the Board of Tethys Petroleum Limited ("Tethys") regarding a possible offer for the entire issued share capital of Tethys (an "Offer").

Following its recent due diligence review of Tethys and its business and in light of the recent Kazakh tenge devaluation and change in macro-economic conditions, Nostrum has revised the price at which it would be prepared to make an Offer. Any offer would be made at a price of C\$0.147 per Tethys share. This price represents a premium of 22.9% to the closing middle market price of an ordinary Tethys share on the TSX of C\$0.12 on 25 August 2015 (the date such price was communicated to Tethys). The price would be satisfied by the issue of fully paid ordinary shares of £0.01 each in Nostrum.

Additionally, Nostrum has indicated that it is prepared to provide further interim funding to Tethys, in addition to the US\$5 million loan financing provided to Tethys on 10 August 2015, to support short term liquidity for Tethys until the completion of any Offer by Nostrum. The provision of such further funding is subject, amongst other items, to the unanimous recommendation of the Board of Tethys as to an offer at C\$0.147 per Tethys share.

The previous exclusivity period granted to Nostrum for the purposes of conducting due diligence on Tethys has now expired.

This announcement is not an announcement of a firm intention to make an Offer and there can be no certainty that any Offer will be made, nor as to the terms on which any Offer might be made. Any Offer for Tethys will not be subject to the provisions of The City Code on Takeovers and Mergers.

A further announcement will be made in due course as appropriate.

Further information

For further information please visit www.nog.co.uk

Further enquiries

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About Nostrum Oil & Gas

Nostrum Oil & Gas PLC is an independent oil and gas company currently engaging in the production, development and exploration of oil and gas in the pre-Caspian Basin. Its shares are listed on the London Stock Exchange (ticker symbol: NOG). The principal producing asset of Nostrum Oil & Gas PLC is the Chinarevskoye field, in which it holds a 100% interest and is the operator through its wholly-owned subsidiary Zhaikmunai LLP. In addition, Nostrum Oil & Gas holds a 100% interest in and is the operator of the Rostoshinskoye, Darinskoye and Yuzhno-Gremyachenskoye oil and gas fields through the same subsidiary. Located in the pre-Caspian basin to the north-west of Uralsk, these exploration and development fields are situated approximately 60 and 120 kilometres respectively from the Chinarevskoye field.

Forward-Looking Statements

Some of the statements in this document are forward-looking. Forward-looking statements include statements regarding the intent, belief and current expectations of the Partnership or its officers with respect to various matters. 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.

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.

Additional Information

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities whether pursuant to this announcement or otherwise.



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