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Amsterdam, 28 August 2015

Update on possible offer for Tethys Petroleum

Zhaikmunai LLP, a subsidiary of Nostrum Oil & Gas PLC (“Nostrum” or “the Company” and together with its subsidiaries “the Group”), an independent oil and gas company engaging in the production, development and exploration of oil and gas in the pre-Caspian Basin, today announces that the Company 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 the Company’s recent due diligence review of Tethys and its business, 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 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 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

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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 Group 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, Zhaikmunai LLP, 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.