TETHYS PETROLEUM LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

for the nine months ended September 30, 2015

The following Management's Discussion and Analysis ("MD&A") is dated November 13, 2015 and should be read in conjunction with the Company's unaudited Condensed Consolidated Interim Financial Statements and related notes for the period ended September 30, 2015 as well as the audited Consolidated Financial Statements and the MD&A for the year ended December 31, 2014. The accompanying unaudited Condensed Consolidated Interim Financial Statements of the Company have been prepared by management and approved by the Company's Audit Committee and Board of Directors. The 2014 annual audited Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The unaudited Condensed Consolidated Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and the requirements of the Disclosure and Transparency Rules ("DTR") of the Financial Conduct Authority ("FCA") in the United Kingdom as applicable to interim financial reporting. Additional information relating to the Company, such as the annual audited financial statements, Annual Information Form ("AIF") and Management's Discussion and Analysis ("MD&A") can be found on the SEDAR website at *www.sedar.com*.

Readers should also read the "Forward-Looking Statements" legal advisory wording contained at the end of this MD&A and also the Company's AIF.

Nature of Business

Tethys Petroleum Limited and its subsidiaries (collectively "Tethys" or "the Company") is an oil and gas company operating within the Republic of Kazakhstan, Republic of Tajikistan and Georgia. Tethys' principal activity is the exploration and development of crude oil and natural gas fields. The address of the Company's registered office is 89 Nexus Way, Camana Bay, Grand Cayman, Cayman Islands. The domicile of Tethys is the Cayman Islands where it is incorporated.

Financial highlights

(All references to USD are United States dollars unless otherwise noted and tabular amounts are in thousands, unless otherwise stated)

	Quarter ended September 30			Nine months ended September 30		
	2015	**2014**	**Change**	**2015**	**2014**	**Change**
Oil and gas revenue – continuing ops [1]	5,736	7,261	(21%)	18,528	21,165	(12%)
Loss for the period						
– continuing ops [1]	(3,698)	(2,362)	57%	(31,010)	(10,439)	197%
– discontinued ops [1]	(11)	(57)	(81%)	(88)	(702)	(87%)
	(3,709)	(2,419)	53%	(31,098)	(11,141)	179%
Basic and diluted loss (USD) per share						
– continuing ops [1]	(0.01)	(0.01)	0%	(0.09)	(0.03)	207%
– discontinued ops [1]	-	-	0%	-	-	0%
EBITDA - adjusted for share based payments [2]	(637)	(1,134)	(44%)	(6,321)	(8,480)	(25%)
Capital expenditure	1,938	6,216	(69%)	7,919	18,317	(57%)
				As at 30 September		
				2015	**2014**	**Change**
Total assets				225,170	241,059	(7%)
Cash & cash equivalents				4,286	7,914	(46%)
Cash & cash equivalents – held in a disposal group [3]				-	2,153	(100%)
Short & long term borrowings				32,479	11,032	194%
Short & long term borrowings – held in a disposal group [3]				-	5,166	(100%)
Total non-current liabilities				24,264	5,923	310%
Total non-current liabilities – held in a disposal group[3]				-	7,412	(100%)
Net debt [4]				28,193	6,131	360%
Number of common shares outstanding [5]				336,839,315	336,452,667	0%

Note 1 At the end of 2013 the Company made a decision to exit Uzbekistan (refer to page 12) and thus the results of the Uzbekistan segment were disclosed as a discontinued operation and shown separately from the results of the Company's continuing operations in Kazakhstan, Tajikistan and Georgia

Note 2 EBITDA is a non-GAAP Measure, refer to page 23 for details

Note 3 All assets and liabilities of the Kazakh segment were designated as "Assets and Liabilities of a disposal group held for sale" due to the conditional sale of 50% (plus one share) to SinoHan. On May 1, 2015, the Company announced that the sale would no longer be taking place, whereupon the assets and liabilities of the Kazakh segment reverted back to their original positions on the Statement of Financial Position. For further information – refer to note 10 of the Condensed Consolidated Interim Financial Statements

Note 4 Net debt is a non-GAAP Measure, refer to pages 20 and 24 for further details

Note 5 Includes 386,648 shares issued in connection with the Executive Chairman's remuneration package whereby 30% of base salary is paid in shares at a price of 16.84 pence per share calculated by reference to the 15 day weighted average closing rate prior to the date of his employment (November 26, 2014).

Third quarter 2015 versus third quarter 2014

- Administrative expenses reduced by 50% to USD2.1m from USD4.2m;
- Business development expenses reduced by 100% to nil from USD0.5m;
- Headcount has been reduced by 26% since Q4 2014 contributing to a staff costs reduction of 55% to USD1.1m from USD2.4m;
- Office costs reduced by 54% to USD0.2m from USD0.5m;
- Travel costs reduced by 63% to USD0.2m from USD0.5m;
- Production expenses reduced by 39% to USD1.8m from USD3.0m;
- Gas revenue more than doubled due to production and price increases, however the increase was more than offset by a decrease in oil revenue as a result of lower production and price realised oil price;
- The loss of USD3.7m was higher than prior quarter loss of USD2.4m due to higher DD&A of USD3.7m as the Kazakh assets were not depreciated when classified as Held For Sale (note 3 above);
- EBITDA - adjusted for share based payments improved, notwithstanding the reduction in oil revenues, as a result of significantly lower production and administrative expenses following management's cost reduction initiatives;
- Capital expenditure was lower due to lack of funding to develop the Company's assets with expenditure in the prior period relating to new gas wells and gas dehydration equipment;

- Net debt increased as a result of a USD5.0m loan provided to the Company by Nostrum Oil & Gas PLC.

First nine months 2015 versus first nine months in 2014

- Administrative expenses reduced by 47% to USD7.6m from USD14.4m;
- Business development expenses reduced by 100% to nil from USD1.8m;
- Staff costs reduced by reduced by 50% to USD3.6m from USD7.2m;
- Office costs reduced by 55% to USD0.7m from USD1.6m;
- Travel costs reduced by 67% to USD0.6m from USD1.9m;
- Production expenses reduced by 14% to USD8.6m from USD10.0m;
- Gas revenue more than doubled following completion of a shallow gas development programme in late 2014 and significantly improved pricing from January 2015, however the increase was more than offset by a reduction in oil revenue due to lower production and a more than halving of realised prices;
- The loss of USD31.1m is was higher than the prior period loss USD11.1m due to due to higher DD&A of USD25.0m as the Kazakh assets were not depreciated in the prior period when classified as Held For Sale (note 3 above);
- EBITDA - adjusted for share based payments improved from to negative USD6.3m from negative USD8.5m, notwithstanding the reduction in oil revenues, as a result of significantly lower production and administrative expenses following management's cost reduction initiatives.

Operational highlights

	Quarter ended 30 September			Nine months ended 30 September		
	2015	**2014**	**Change**	**2015**	**2014**	**Change**
Kazakhstan						
Oil (bopd)	1,702	2,445	(30%)	1,619	2,311	(30%)
Gas (boe/d)	3,121	1,721	81%	3,181	1,858	71%
Total (boe/d)	**4,823**	**4,166**	**16%**	**4,800**	**4,169**	**15%**
Kazakhstan						
Oil – net production – barrels	156,599	224,966	(30%)	441,913	630,791	(30%)
Oil – net revenue (USD'000)	1,631	5,334	(69%)	4,884	14,549	(66%)
Oil – production costs (USD'000)	(980)	(2,093)	(53%)	(3,859)	(7,159)	(46%)
Oil - gross margin (USD'000)	**651**	**3,241**	**(80%)**	**1,025**	**7,390**	**(86%)**
Oil – gross sales price per barrel (USD)	12.24	27.88	(59%)	12.93	27.30	(53%)
Oil – cost per barrel (USD)	(6.26)	(9.30)	(33%)	(8.73)	(11.35)	(23%)
Oil - gross margin per barrel (USD)	**5.98**	**18.58**	**(68%)**	**4.20**	**15.95**	**(74%)**
Gas – gross production - Mcm	48,784	26,892	81%	147,562	86,156	71%
Gas – revenue net of sales expense (USD'000)	4,103	1,923	113%	13,636	6,352	115%
Gas – production costs (USD'000)	(766)	(807)	(5%)	(2,959)	(2,526)	17%
Gas - gross margin (USD'000)	**3,337**	**1,116**	**200%**	**10,677**	**3,826**	**179%**
Gas – sales price net of marketing commission (Mcm)[1]	63.40	53.06	19%	70.41	53.06	33%
Gas – cost per Mcm	(15.70)	(30.23)	(48%)	(20.05)	(29.39)	(32%)
Gas – gross margin per Mcm	**47.70**	**22.83**	**109%**	**50.36**	**23.67**	**113%**

Note 1 Using a 2015 average exchange rate of USD 1 = Tenge 193.87 (2014: USD 1 = Tenge 181.90)

Oil

- Current quarter oil production averaged 1,702 bopd compared with 2,445 bopd in 2014, reflecting a natural decline in overall production;
- Oil production cost per barrel in the current quarter has reduced to USD6.26 compared with USD9.30 in the comparative period despite lower production volume as a result of reductions in staff levels and other operating cost reduction initiatives;
- Oil prices increased from USD13 bbl in June to USD14 bbl in July but fell to around USD10 bbl in September following the devaluation of the Kazakhstan currency, the Tenge.

Gas

- Gas production more than doubled as of January 1, 2015 as a result of a shallow gas development programme undertaken completed in 2014;
- Gas production costs reduced in the quarter, notwithstanding the significant increase in production and the cost per Mcm almost halved as a result of economies of scale associated with greater production volume;
- An increase in gas price in local currency of over 40 percent was obtained for 2015 which translates to an increase for the quarter from USD53.06 per Mcm to USD63.40 per Mcm, net of marketing commission.

Outlook

The information provided under this heading is considered as forward looking information; as such please refer to *Forward Looking Statements* on page 32 of this MD&A.

The Company's objective is to become the leading Independent E&P Company in Central Asia, by exercising capital discipline, by generating cash flow from existing discoveries and by maturing large exploration prospects within our highly-attractive frontier acreage. The Company produces both oil and natural gas in order to balance its product portfolio, and currently operates in three separate jurisdictions in Central Asia and the Caspian Region, though the Board is looking to farm down or sell the Georgian assets to focus on the Central Asian assets in Kazakhstan and Tajikistan. The Board has been looking to reduce its interest in Tajikistan whilst still retaining a material interest. The Company was served with a withdrawal notice from its partners in Tajikistan subsequent to the period end details of which are given on page 8.

The Company's long-term ambition is to achieve a significant role in the production and delivery of hydrocarbons from the Central Asian region to local and global markets, especially to the Chinese market. In common with many oil and gas companies, in implementing its strategies, the Company regularly considers farm-out/farm-in and joint venture opportunities and new projects which provide synergy with the Company's activities. Meanwhile, the specific focus of management in the short term is to:

- secure a strategic transaction to provide funding for the business and a strong in-country partner in Kazakhstan;
- continue to evaluate farm-out opportunities with respect to Tajikistan and Georgia;
- continue to review and implement further cost reductions across the business;
- maintain and increase shallow gas production with the objective to supply gas to China through the newly built pipeline once operational, once additional funding is secured;
- obtain an extension of the Kul-Bas contract and drill the Klymene exploration well in Kazakhstan, subject to securing additional funding for the purpose.

Significant events and transactions for the nine months ended September 30 2015

- *Kazakhstan - Akkulka Exploration Contract Extension*

  On January 6, 2015, the Company announced that its wholly owned Kazakh subsidiary, TethysAralGas LLP, had received permission from the Ministry of Energy of the Republic of Kazakhstan to extend the Akkulka Exploration Contract for another four years, from March 10, 2015 to March 10, 2019 (subject to certain routine amendments to the Contract). This is the first time the Company has received a four-year extension as previous extensions have been for two-year periods.

  The Ministry of Energy has provided this extension to allow the Company to fully assess the acreage. In addition, the current oil production from the "Doris" oil field is produced under this contract and this extension allows for this to continue for the four-year period provided the Pilot Production Project is updated periodically.

- *Corporate - New loan financing*

  On January 16, 2015, the Company announced that it had secured a new USD6.0 million unsecured loan facility. The principal is due at the end of two years with interest payments at the rate of 8% per annum being due every 6 months. The loan has been fully drawn down by the Company.

  In connection with the loan financing, the Company issued the lender with 35,600,000 warrants over the Company's shares with a price of CAD0.19. The loan financing also provided that if the Company completed the issuance of any additional new ordinary shares (or options, warrants or other securities convertible into ordinary shares) equal to 7.5% or more of the cumulative aggregate number of outstanding shares, the lender would have the option of surrendering the warrant for a "surrender value" which would be added to the principal amount of the loan and be repayable on the 2 year maturity date. The initial surrender value was set at USD2.1 million and had been due to decrease by 25% every 6 months over the term of

the loan. On July 14, 2015, the lender exercised its option to surrender the warrants as a result of the entry into by the Company of convertible loan agreements with AGR Energy Limited Number I ("AGR Energy") and Annuity and Life Reassurance Limited ("ALR", a company controlled by Pope Asset Management, LLC ("PAM"), which currently controls the voting rights over approximately 19% of the shares in Tethys). As a consequence of the exercise of this option by the lender, the surrender value of USD2.1 million was added to the principal loan amount and the warrants were cancelled. The total amount of principal now due under the loan agreement is USD8.1 million. The loan agreement contains event of default and change of control provisions.

On March 10, 2015, the Company announced it had entered into a USD3.5 million loan agreement with ALR. PAM currently controls the voting rights over approximately 19% of the shares in Tethys. The principal of the loan is due to be repaid at the end of 2 years with interest payments at the rate of 8% per annum payable every 6 months. The loan agreement contains events of default and change of control provisions. The loan has been fully drawn down by the Company. In connection with the loan financing, the Company has issued the lender with 23,333,333 warrants over the Company's shares with a price of CAD0.19. These remain outstanding.

- *Georgia – Reduction in interests*

  On January 22, 2015, the Company announced that it had reached agreement, subject to finalising documentation with its partner, Georgia Oil and Gas Limited ("GOG"), to remove its current funding obligations of approximately USD4 million under the farm-out agreement signed in July 2013, through reducing its interest in these projects. Under the terms of the new agreement Tethys reduced its interest in licence Blocks XIA, XIM and XIN to 49% (from 56%) as of January 30, 2015 and GOG became Operator of each of those Blocks from February 1, 2015.

  In connection with such restructuring, Tethys agreed with GOG that if the State of Georgia did not agree to amend the minimum work programme for licence Block XIN and imposed a US$1 penalty for non-fulfillment of minimum work commitments on that Block, Tethys would pay such penalty and indemnify GOG in respect of such penalty; if as a result the State of Georgia cancelled the PSC for Block XIN, pursuant to the agreement with GOG the Company would in addition be obligated to issue Tethys shares with a market value of US$1 million, or to the extent Tethys is not publicly listed or it is otherwise not practicable to issue such shares, pay an aggregate amount of US$1 million to GOG within one month of the notification being received by the State. In circumstances where the State of Georgia agrees to amend the minimum work programme for licence Block XIN and one of the contractor parties subsequently fails to meet its obligations, resulting in the State imposing a US$1 million penalty, the non-defaulting contractor party and its parent company (TPL or GOG as the case may be) would pay such penalty and indemnify the other party in respect of such penalty; if as a result the State of Georgia cancelled the PSC for Block XIN, pursuant to the agreement between the contractor parties, TPL and GOG, the defaulting party would be obligated to pay an additional amount of US$1 million; if the defaulting party is Tethys and to the extent practicable, such payment would take the form of issued shares.

- *Kazakhstan - Kyzyloi Gas Production Contract 15-year Extension*

  On January 23, 2015, the Company announced that its wholly-owned Kazakh subsidiary, TethysAralGas LLP, had received permission from the Ministry of Energy of the Republic of Kazakhstan to extend the Kyzyloi Gas Production Contract for another 15 years, from June 14, 2014 to December 31, 2029.

  The Ministry of Energy granted this contract extension following the Kazakh State Reserves Committee's approval of the new State Reserves for Kyzyloi previously announced in May 2014. The Kyzyloi contract area has been increased by 56 percent to 449 km2 (110,950 acres) and now encompasses a larger gas bearing area including the AKK05 well (successfully worked over in Q2 2015) and also the successful, but currently suspended, AKK08 & AKK10 gas wells.

- *SinoHan Transaction*

  On May 1, 2015, the Company announced that the main approval required from the Ministry of Energy of the Republic of Kazakhstanin relation to the sale of 50% of its Kazakhstan oil and gas assets to SinoHan Oil & Gas Investment Number 6 B.V. ("SinoHan"), part of HanHong, a Beijing, PRC, based private equity fund, for USD75 million, was not received by the longstop date of May 1, 2015 and that SinoHan had confirmed that it did not wish to enter into a further extension on the transaction.

As a result, the sale did not proceed and the Company therefore retained 100% of its Kazakhstan oil and gas assets. During the period the Company repaid the USD3.9 million deposit provided by SinoHan as a loan and successfully negotiated a reduced payment of USD0.65 million for transaction fees.

- *Unsecured convertible loan facility from AGR Energy*

  On May 15, 2015, the Company announced that it had signed and closed a binding agreement for a USD7.5 million convertible loan facility with AGR Energy Limited No. 1 ("AGR Energy"). The loan is unsecured and bears interest at a rate of 9 percent per annum. Interest is payable twice a year on June 30 and December 31 whereas the principal is repayable on June 30, 2017 (the maturity date). The principal and accrued interest, subject to certain conditions, may be converted into ordinary shares in the Company at the option of the lender, in whole or in part, at any time up to the maturity date at a conversion price of USD0.10 per share.

- *Unsecured convertible loan facility from ALR*

  On May 22, 2015, the Company announced that it had signed a binding agreement for a further USD1.76 million convertible loan facility, this time with ALR. The loan was drawn down in full on June 1, 2015. The loan is unsecured and bears interest at a rate of 9 percent per annum. Interest is payable twice a year on June 30 and December 31 whereas the principal is repayable on June 30, 2017 (the maturity date). The principal and accrued interest, subject to certain conditions, may be converted into ordinary shares in the Company at the option of the lender, in whole or in part, at any time up to the maturity date at a conversion price of USD0.10 per share.

- *Closure of Guernsey office*

  On June 11, 2015, the Company announced its intention to proceed with the closure of the Guernsey office and this was completed in September. Full provision for associated severance costs and onerous contracts relating to the closure has been made.

- *Strategic collaboration with AGR Energy*

  On July 1, 2015, the Company announced that it had signed an agreement for a USD47.7 million private placement of up to 318,003,951 new ordinary shares (the "AGR Placing") at a price of CAD0.192 per ordinary share with AGR Energy Holdings Limited ("AGR Energy Holdings"), a subsidiary of AGR Energy. In connection with the AGR Placing, the Company also entered into a further convertible loan for up to USD5 million with AGR Energy, whereby the Company was entitled to draw down an advance on the placing proceeds before closing of the AGR Placing to support short term liquidity.

  On August 10, 2015, the Company announced that this Placing would not be proceeding following AGR Energy indicating to the Company that it would require significant changes to the structure and terms of the financing announced on July 1, 2015. Accordingly, the Company did not draw down the convertible loan.

- *Surrender of warrants*

  On July 14, 2015, the Company announced that the lender of the January 2015 USD6 million loan financing exercised its option to surrender the 35,600,000 warrants that had been issued in connection with the financing. The surrender value was for USD2.1 million which was added to the principal amount of the loan and which is repayable on the two year maturity date or earlier in circumstances where there is an event of default or a change of control giving rise to early repayment of the loan.

- *Shareholder subscription*

  On July 14, 2015, the Company announced that further to its announcement of July 1, 2015, it had agreed with Pope Asset Management LLC ("Pope"), the Company's largest shareholder, that Pope would subscribe for 100,000,000 new ordinary shares on substantially the same terms as the AGR Placing and that the number of shares for which AGR Energy would

subscribe under the AGR Placing would be reduced correspondingly to 218,003,951. As noted above, on August 10, 2015, the Company announced that this subscription would no longer proceed.

- *USD5 million loan financing and possible offer from Nostrum*

  On July 13, 2015 the Company acknowledged the announcement made that day by Nostrum Oil & Gas PLC ("Nostrum") in respect of its approach to the Board of Tethys regarding a possible offer for the entire issued and to be issued share capital of the Company, which provided for a potential price of C$0.2185 per Tethys share, subject to various conditions including completion of due diligence, a site visit and approval of the Board of Nostrum. The Company announced the following day that the Board of Tethys, having considered the approach by Nostrum in light of the previously announced AGR Placing and the non-solicitation provisions relating to the AGR Placing, the Board of Tethys had resolved not to pursue or engage in discussions with Nostrum.

  On August 10, 2015, the Company announced that it had received a further non-binding indicative proposal from Nostrum regarding a possible offer for the entire issued and to be issued share capital of the Company (the "Possible Offer"). The Possible Offer provided for a price of CAD0.2185 per Tethys share, which would be satisfied in cash or, at the election of each eligible shareholder of Tethys, fully paid ordinary shares in Nostrum, or a combination of both cash and shares. This price represented a premium of 15% to the price at which AGR Energy Holdings had agreed to subscribe for new ordinary shares in Tethys pursuant to the AGR Placing and a premium of 56% to the closing market price of an ordinary share of Tethys on the TSX of CAD0.14 on Friday August 7, 2015.

  Following receipt of the Possible Offer, the Company entered into discussions with Nostrum. Any decision by the Board of Nostrum to make a formal offer was conditional on, amongst other things (i) satisfactory completion by Nostrum of confirmatory due diligence and (ii) the Board of Tethys, having been so advised by its financial adviser, agreeing unanimously to recommend the formal offer to shareholders of Tethys.

  In connection with the Possible Offer, Nostrum and Tethys entered into an unsecured USD5 million loan facility to support the short term liquidity of Tethys during the implementation period of any formal offer. The loan was available immediately to the Company and was drawn in full on August 10, 2015. The loan would be repayable on February 28, 2016 or, in the event that Nostrum did not announce an intention to make a formal offer within two business days of the conclusion of its confirmatory due diligence, on August 31, 2016. Interest accrues on the loan at a rate of 9% per annum, repayable on the maturity date of the loan. Pursuant to the terms of the loan, the Company is subject to certain negative covenants and events of default and change of control provisions apply. In consideration for Nostrum agreeing to advance the loan, the Company agreed to grant Nostrum a limited period of exclusivity to undertake its confirmatory due diligence in connection with the Possible Offer and any potential resulting formal offer.

  On August 28, 2015 the Company received a revised non-binding and highly conditional proposal from Nostrum setting out revised terms on which Nostrum was prepared to make an offer to acquire the Company and to provide further financing to Tethys. On September 23, 2015 the Company and Nostrum entered into a non-binding letter of intent and period of exclusivity until October 6, 2015 in connection with a proposed of C$0.147 per share and an interim financing facility of up to US$20 million to fund the Company's cash requirements until completion of any formal offer.

Significant events and transactions subsequent to the period end

- *Announcement from Olisol Investment Group*

  On October 5, 2015 the Company acknowledged the public announcement by Olisol Investment Group on October 2, 2015 regarding a non-binding proposal submitted to the Company.

- *Receipt of Letter of Intent From AGR Energy*

  On October 7, 2015 the Company announced that it had received a non-binding letter of intent from AGR Energy Holdings in connection with a potential US$20 million equity fundraising at a price of C$0.165 per share and potential US$5 million loan to support short-term liquidity. In addition to the equity fundraising AGR Energy Holdings would also be granted an option by the Company to subscribe for further newly issued shares for up to US$20 million of shares at the same subscription price.

- *Withdrawal of Proposed Offer by Nostrum*

  On October 7, 2015 the Company announced that Nostrum had withdrawn its proposed offer that was previously announced on September 23, 2015 to acquire the entire issued share capital of Tethys together with a proposed US$20 million interim funding transaction and that whilst Tethys and Nostrum has worked together to negotiate legally binding agreements implementing the proposed transaction during the exclusivity period Tethys' largest shareholder, Pope Asset Management, had informed Nostrum that it did not support the proposed transaction and therefore Nostrum informed the Company that the proposed transaction would not proceed.

- *Tajikistan Update*

  On October 12, 2015 the Company announced that it had received a notice to withdraw from the Joint Operating Agreement and Shareholders Agreement dated June 18, 2013 relating to the Bokhtar PSC in Tajikistan (the "JOA") and the underlying PSC (the "Contract") from CNPC Central Asia B.V. ("CNPC") and Total E&P Tajikistan B.V. ("Total").

  The notice of withdrawal was served on the basis that Tethys has not made the payment on October 9, 2015 for the September Cash Call (approximately USD1.28 Million) issued by the Bokhtar Operating Company. Tethys has also not made payment for the October 2015 Cash Call (approximately USD0.78 million). Pursuant to the notice of withdrawal, Total and CNPC state that they jointly require Tethys' subsidiary, Kulob Petroleum Limited to completely withdraw from the JOA and assign all of its participating interests derived from the Contract and the JOA to Total and CNPC in proportion to their respective participating interests.

  Tethys is considering its position under the JOA, the Contract and under applicable laws and equity and, as stated in its announcement on October 9, 2015, Tethys will use all commercially reasonable efforts to protect its interest in the Bokhtar PSC in Tajikistan.

- *Nostrum Loan Update*

  On October 14, 2015 the Company announced that it had received a Notice of Events of Default from Nostrum in connection with the USD5 million facility agreement between Tethys and Nostrum, dated August 10, 2015. Tethys does not agree with Nostrum's interpretation of the Facility Agreement that an event of default has occurred, has submitted a rebuttal of the notification received and has reserved all its rights.

  Nostrum has indicated that its interpretation is due to the announcement on October 12, 2015 that Tethys had received a notice from CNPC and Total requiring that Tethys' subsidiary, Kulob Petroleum Limited withdraw from the JOA in Tajikistan and the underlying PSC.

- *Letter of Intent Signed with Olisol Investments Limited*

  On November 9, 2015 the Company announced that it had entered into a non-binding and indicative letter of intent with Olisol setting out proposed terms upon which Olisol Petroleum Limited ("OPL"), a wholly-owned subsidiary of Olisol, will provide Tethys with a USD15 million interim debt facility, 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 and commit to backstop a further equity fundraising of 50 million shares at C$0.17 per share. The Company has agreed to grant OPL a limited period of exclusivity November 22, 2015 (unless such date is extended by request of one of the parties) in connection with the transaction.

- *AGR Energy Loan Update*

  On November 10, 2015 AGR Energy notified the Company that the failure by the Company to repay the Nostrum loan constitutes an event of default under AGR Energy's convertible loan facility and also that an event of default has arisen due to the Company's material breach of a material contract in relation to the Bokhtar JOA and Contract referred to above. The Company does not agree with AGR Energy's interpretation of the convertible loan facility agreement.

- *Continued devaluation of the Tenge*

  On August 19, 2015 The National Bank of Kazakhstan ("Central Bank") allowed the Kazakh Tenge ("KZT") to marginally devalue following recent devaluations by Russia and China. Prior to August 20, 2015 the Central Bank had allowed the KZT to trade within a range to which the Central Bank managed using its reserves. On August 20, 2015 the Central Bank removed this support and allowed the KZT to trade freely by floating the KZT. Following the new policy, the KZT/USD declined by 26.2% to 255.26 KZT/USD the same day and continued to decline towards the end of Q3. The Central Bank resumed intervention by supporting the KZT on September 16, 2015 as the KZT declined to 300 KZT/USD. On November 5, 2015 the Central Bank stopped intervention and allowed the KZT to decline to a new low of 312.62 KZT/USD as of November 10, 2015. Details of the Company's exposure to foreign currency risk are given on page 29 and details of the impact on the Company's revenues of changes in the KZT/USD exchange rate are given on page 33.

Results of Operations and Operational Review - Kazakhstan

Oil production – Akkulka Contract

	2015					2014				
	Gross fluid		Net	Net production		Gross fluid		Net	Net production	
	m3	barrels	barrels	days	bopd	m3	barrels	barrels	days	bopd
Q1	19,666	123,683	107,529	90	1,195	42,503	267,334	180,801	90	2,009
Q2	31,745	199,682	177,785	91	1,954	53,005	333,390	225,024	91	2,473
Q3	31,159	195,986	156,599	92	1,702	58,926	370,635	224,966	92	2,445
Total	**82,570**	**519,351**	**441,913**	**273**	**1,619**	**154,434**	**971,359**	**630,791**	**273**	**2,311**

- The Company produces oil from three wells under a pilot production licence: AKD01, AKD05 and AKD06. These wells have been performing to expectation although AKD05 & AKD06 have been off during most of the past winter and all of the spring due to restricted transshipment and trucking and higher water cuts but AKD05 was put back on production in August 2015 which involved bringing staff back from unpaid leave. Moderate capacity progressive cavity pumps have been installed as planned on AKD05 and on AKD06 and it is expected that at some time in the future the AKD01 well will also require a large volume pump; a large volume Electrical Submersible Pump (ESP) has been scoped but not yet purchased.

Oil operations update

General

Oil production is currently at a combined 1,771 barrels per day from AKD01 and AKD05. AKD01 was on a 12mm choke from late July although this was changed back progressively to a 14mm and then 15mm choke in late October and early November respectively. AKD05 was put back on to production in mid-August with a new PC Pump. The current price oil is the equivalent of USD8.71 per barrel following the significant devaluation of the Kazakhstan currency, the Tenge, in August 2015, however it should be noted that operating costs in USD terms have also reduced.

Joint Venture – Aral Oil Terminal ("AOT")

In 2013, the construction of Phase 2 of the AOT facility was completed, which provides for an increase in throughput capacity from 4,200 bopd to 6,300 bopd with the installation of two 1000 m^3 storage tanks (12,500 bbls) and associated pumping equipment. Phase 3, which includes the incorporation of an electrical dehydrator for the commercial treatment of crude oil has not been completed due to insufficient volumes. Whilst current levels of oil production have meant AOT throughput has been lower than is optimal for the terminal to generate an acceptable rate of return the AOT joint venture has continued to operate since 2013 without recourse to additional loan funding from the JV partners. Principal payments on an external loan have been deferred with the agreement of the lender, however, the loan is repayable by February 2016 if not rescheduled prior to that date.

Gas production – Kyzyloi and Akkulka Contracts

	2015				2014			
	Mcm [1]	Mcf [2]	Mcm/d [3]	Boe/d [4]	Mcm [1]	Mcf [2]	Mcm/d [3]	Boe/d [4]
Kyzyloi								
Q1	9,283	327,835	103	607	23,390	825,901	260	1,530
Q2	10,700	377,817	118	692	22,780	804,362	250	1,473
Q3	15,836	559,152	172	1,013	19,925	703,552	217	1,275
Total	**35,819**	**1,264,804**	**131**	**772**	**66,095**	**2,333,815**	**242**	**1,425**
Akkulka								
Q1	39,239	1,385,735	436	2,566	7,430	262,353	83	486
Q2	39,556	1,396,930	435	2,558	5,664	199,996	62	366
Q3	32,948	1,163,406	358	2,108	6,967	246,005	76	446
Total	**111,743**	**3,946,071**	**409**	**2,409**	**20,061**	**708,354**	**73**	**433**
TOTAL	**147,562**	**5,210,875**	**541**	**3,181**	**86,156**	**3,042,169**	**315**	**1,858**

Note 1 Mcm is thousands of cubic metres

Note 2 Mcf is thousands of cubic feet
Note 3 Mcm/d is thousands of cubic metres per day
Note 4 boe/d is barrel of oil equivalent per day. A boe conversion ratio of 6,000 cubic feet (169.9 cubic metres) of natural gas = 1 barrel of oil has been used and is based on the standard energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead

- Production commenced from the Kyzyloi field in 2007, following the construction of a 56 km, 325mm outside diameter export pipeline from the Kyzyloi field gathering station to the main Bukhara–Urals gas trunkline, where a compressor station was constructed at 910 km on that trunkline. The gas flows into the main trunkline which is owned by IntergasCentralAsia (ICA), a division of the Kazakh state natural gas company KazTransGas (KTG);
- Production commenced from the Akkulka field on October 6, 2010;
- Gas production increased by 81% in the current quarter compared with the same quarter in the prior year (71% period to date compared with prior year period) as a result of incremental production from the shallow gas development programme that came on stream on January 1, 2015.

Gas operations update

Shallow Gas Drilling Programme

During the second half of 2014 a new pipeline system was installed in order to tie in the AKK15, 16, 17, 18 and 19 wells for which final State approvals were received in February 2015. In parallel, a dehydration system was installed at the Booster Compressor Station and is performing well and outputting gas sufficient to make not only Kazakh but also export standard. Both of these installations was completed incident free, on schedule and within budget. Final State approval and commissioning of this unit was achieved in March 2015.

Currently, the Company produces dry gas from a total of 16 wells at a depth of approximately 480-600m below surface, comprising eight producing wells in the Kyzyloi field and eight in the Akkulka field with combined current production of 460 Mcm per day.

During Q3 2015 Compressor #1 engine was overhauled. It is still required to overhaul Compressors #2 and #3 engines and replace compression cylinders when funding allows. If one of these went offline in the interim then it would have a negative impact on production.

The recently completed Bozoi-Shymkent-China gas pipeline means that, for the first time, Tethys has two potential gas export routes that provide alternatives to sell its gas; the route taking gas to the more populous south eastern part of Kazakhstan and, ultimately to China, and the existing Bukhara Urals trunk line that transports gas from Central Asia into Russia. Currently, the Chinese pipeline is only taking domestic gas within Kazakhstan to Shymkent and it is not known when exports to China will commence. The Company expects to realise a higher net sales price to China should exports commence but it is unknown at this time what the price will be. Recently, gas prices have been seen to fall in China, especially imported LNG prices from the coast, which have been reduced along with world prices. The Company still believes that the long term price for gas will rise in the region, in particular dry gas imported via pipeline from Central Asia and that Chinese demand will increase over the medium to long term, especially with the substitution in China of a greater percentage of energy use from gas instead of coal. During Q1 2015, the Company signed a Memorandum of Understanding ("MOU") with PetroChina with respect to co-operation in potential future gas sales.

Current November production averages 2,683 boepd gas (c. 456 Mcm/d or 16.1 MMcf/d), the rates are partly effected by higher winter season delivery pressures in the Buhkara-Urals pipeline.

Exploration - update

The KBD02 ("Klymene") prospect is planned to be drilled to a total depth of 2,750 metres targeting a large structure in the south west of the Kul-Bas block, and will target three horizons in the Lower Cretaceous and Upper Jurassic. State approval for the Klymene exploration well drill project and associated emissions are now in place, and commencement of drilling operations is planned upon receipt of funds and the necessary extension to the Kul-Bas Contract beyond November 2015 which has not been secured as yet. The Company is seeking to extend the Kul-Bas contract for an additional two to four year period but a requirement to do so prior to the expiry of the contract is to have moveable hydrocarbons to surface which has not been achieved to date. The Company has a successful history of extending contracts in Kazakhstan and hopes that it will be able to extend this contract too, but this is not guaranteed. The Klymene prospect has the potential to be an order of magnitude bigger than the Doris oil discovery and surrounding prospects (the geographical area of the prospect is up to ten times the areal extent of the Doris oil field). It appears to have good four-way structural closure and positive amplitude effects which may be indicative of enhanced porosity on the recently acquired and

interpreted seismic. Independent prospective resources assessment by Gustavson Associates (January 2014) assign total unrisked mean recoverable oil resources of 422 million barrels to the structure and total risked mean recoverable oil resources of 106 million barrels. Total SA has recently acquired the acreage to the south and west of Klymene and currently has a drilling program underway.

Results of Operations and Operational Review - Uzbekistan

Oil Production - North Urtabulak Production Enhancement Contract (“PEC”)

During the second half of 2013, the Company’s operations in Uzbekistan were seriously impacted by the closure of the Fergana refinery and a deterioration in the business climate in the country. The Board met in November 2013 and discussions concluded that a full withdrawal from existing projects in the country was required. Operations had been significantly interrupted by then to the extent that no revenue from operations had been earned since June 2013. The Board formally decided in December 2013 to exit from existing projects in the country and announced on January 2, 2014, being the next working day, that it would do so effective immediately as there was no contractual notice period but that it would take a period to complete the process of exiting from the Production Enhancement Contract ("PEC") for the North Urtabulak field. During Q2 2014 the Company formally transferred the wells to the State. Remaining field equipment was handed over in May 2015 and the final four members of staff were released. There were some vehicles bought for the project which were transferred to the State in Q3 2015. The Company was not expected to benefit from any production or earn any revenues in 2014-2015 and therefore, in view of the circumstances described, the results of the Uzbekistan segment have been disclosed as a discontinued operation and shown separately from the results of the Company’s continuing operations in Kazakhstan, Tajikistan and Georgia.

Results of Operations and Operational Review - Tajikistan

Operations update

Since completion of the farm-out to Total and CNPC in 2013, the joint operating company has been focused on the completion of a full regional 2D seismic acquisition programme across the PSC area, particularly targeted at deeper exploration potential. In Q4 2013, the joint operating company went out to tender for the acquisition of seismic data which was awarded to BGP of China in April 2014 and commenced field acquisition in late October 2014. This new wide line 2D survey is specially designed to image the deep targets described in the Independent Resource Report and consists of a first phase of 826 kms with an option for an additional 200 kms, all to be acquired by the end of 2015. As well as 2D acquisition and processing, a concurrent low cost passive seismic survey was planned and commenced in March whilst a Magnetotellurics survey is also being acquired now along the dip lines. Processing of all these data will be concurrent and interpretation and mapping has been underway from Q2 2015. This whole data set will enable the identification of the best possible drilling location to be agreed on at the end of 2015 / early Q1 2016. As at the end of August more than 80% of the 2D seismic has been acquired. However, due to the the default situation under the JOA (see page 8 for details) the Company has been unable to receive any of the new data and is unable to comment on the status of the operations and prospectivity potential.

An Independent Resource Report on the Bokhtar PSC area (dated June 30, 2012), prepared by Gustavson Associates in accordance with Canadian National Instrument 51-101, estimates Gross unrisked mean recoverable prospective resources of 27.5 billion barrels of oil equivalent, consisting of 114 trillion cubic feet (3.22 trillion cubic metres) of gas and 8.5 billion barrels of oil.

Accounting from date of farm-out

Following the farm-out to subsidiaries of Total and CNPC in June 2013, whereby each acquired a one third interest in Kulob’s Bokhtar Production Sharing Contract, an operating company, Bokhtar Operating Company BV, was established which is jointly owned by the three partners. The Company classifies the arrangement as a joint operation (where the company has rights to the assets, and obligations for the liabilities, relating to the arrangement). The Company recognizes its share of assets, liabilities and transactions, including its share of those incurred jointly, in accordance with the relevant International Financial Reporting Standards.

Results of Operations and Operational Review - Georgia

Following completion, in early January 2014, of the acquisition of a 56% interest in the Georgian license areas: Blocks XIA, XIM and XIN, activities performed since the 2013 2D seismic acquisition have focused on the collation, preparation, processing and interpretation of seismic and well data across blocks XIA and XIM with some geochemical and structural geology work having been completed across all three blocks with ground gravity data acquisition in 2015.

An Independent Resource Report on the Company’s Georgia acreage (dated July 1, 2013), prepared by Gustavson Associates in accordance with Canadian National Instrument 51-101, estimates Gross unrisked mean recoverable prospective resources of 3.2 billion barrels of oil equivalent, consisting of 2.9 billion barrels of oil plus 1.8 trillion cubic feet (51.4 billion cubic meters) of gas.

Geochemical and rock mechanics were completed to further evaluate the unconventional play on the Company's acreage which Tethys believes has substantial upside potential. In addition, several conventional targets have been identified from seismic as well as potential drilling locations for unconventional wells.

During Q2 and early Q3 2015 the operator NOC oversaw ground gravity acquisition on all three blocks and field acquisition was completed in late July 2015 where a total of 187.4 kms^2 of XIA phase III obligation gravity, 197.5 kms^2 of XIM phase II obligation and 721.1 kms^2 of XIN phase II obligation gravity were completed. In parallel, approvals to the changes in the work programme were passed successfully through several State entities and the final Government ratification was achieved in October 2015 and stipulates the main capital expenditure item to be a minimum of 50km of 2D seismic to be finished and evaluated by July 1, 2017 in XIN, at an estimated net to Tethys cost of USD1.1m whilst the potential block non-compliance fine is set as $2m net to Tethys.

Final drill or drop decision points are June 1, 2017 for XIA and July 1, 2017 for XIM and XIN respectively, with any chosen well drilling needing to be complete 12 months later, in 2018.

Financial Review

Summary of Quarterly Results

	Sep 30 2015	Jun 30 2015	Mar 31 2015	Dec 31 2014	Sep 30 2014	Jun 30 2014	Mar 31 2014	Dec 31 2013
Oil and gas revenue	5,736	6,838	5,954	6,224	7,261	7,123	6,781	8,527
Loss for the period								
– continuing ops	(3,698)	(25,278)	(2,034)	(5,034)	(2,362)	(3,668)	(4,409)	(4,208)
– discontinued ops	(11)	(36)	(41)	(210)	(57)	(153)	(492)	(6,406)
Basic & diluted loss (USD) per share								
– continuing ops	(0.01)	(0.08)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)
– discontinued ops	-	-	-	-	-	-	-	(0.02)
EBITDA – adjusted for share based payments [1]	(637)	(4,425)	(1,259)	(3,806)	(1,134)	(2,509)	(4,837)	(3,348)
Capital expenditure	1,938	4,034	1,947	7,752	6,216	4,835	7,266	16,510
Total assets	225,170	226,024	243,560	238,695	241,059	242,878	232,881	234,618
Cash & cash equivalents	4,286	4,942	5,280	3,112	7,914	11,642	13,698	25,109
Cash & cash equivalents – held in a disposal group[2]	-	-	1,707	757	2,153	6,036	1,627	622
Short & long term borrowings	(32,479)	(26,719)	(16,637)	(10,628)	(11,032)	(7,581)	(6,715)	(4,965)
Short & long term borrowings – held in a disposal group[2]	-	-	(4,641)	(4,871)	(5,166)	(5,911)	(6,755)	(8,947)
Total non-current liabilities	(24,264)	(23,197)	(11,468)	(5,489)	(5,923)	(6,370)	(5,744)	-
Total non-current liabilities – held in a disposal group[2]	-	-	(814)	(7,937)	(7,412)	(7,691)	(8,019)	(10,913)
Net (debt) / funds [1]	(28,193)	(21,777)	(14,291)	(11,630)	(6,131)	4,186	1,855	11,819
Number of common shares outstanding	336,839,315[4]	336,712,385	336,543,145	336,452,667	336,452,667	336,452,667[3]	299,557,744	299,557,744

Note 1 Non-GAAP Measure – refer to page 23 for details

Note 2 All assets and liabilities of the Kazakh segment were designated as "Assets and Liabilities of a disposal group held for sale" due to the conditional sale of 50% (plus one share) to SinoHan. On May 1, 2015, the Company announced that the sale would no longer be taking place, hence the assets and liabilities of the Kazakh segment reverted back to their original positions on the Statement of Financial Position at that date. For further information – refer to note 10 of the Condensed Consolidated Interim Financial Statements

Note 3 Issue in May and June 2014 of 36,894,923 new ordinary shares which raised gross proceeds of USD 15m for the Kazakh shallow gas programme

Note 4 Includes 336,648 shares issued during 2015 in connection with the Executive Chairman's remuneration package whereby 30% of his salary is paid in shares calculated at a 15 day weighted average closing rate prior to the date of his employment (November 26, 2014) which was 16.84 pence

Loss for the period

The Company recorded a loss of USD31.1m for the nine months ended September 30, 2015 (2014: USD11.m), the principal variance between the two periods being the DD&A charge calculated on the Kazakh assets following their reclassification from Assets Held for Sale. Further variances between the two periods are summarized below together with a discussion of significant variances between the two periods.

	Quarter ended September 30			Nine months ended September 30		
	2015	**2014**	**Change**	**2015**	**2014**	**Change**
Sales and other revenues	5,736	7,261	(21%)	18,528	21,165	(12%)
Sales expenses	(1,182)	(534)	121%	(3,563)	(1,776)	101%
Production expenses	(1,811)	(2,963)	(39%)	(8,578)	(9,975)	(14%)
Depreciation, depletion and amortization	(3,716)	(281)	1,222%	(25,004)	(580)	4,211%
Business development expenses	-	(461)	(100%)	-	(1,781)	(100%)
Administrative expenses	(2,073)	(4,181)	(50%)	(7,608)	(14,388)	(47%)
Restructuring costs	(586)	-	-	(2,907)	-	-
Transaction costs of assets held for sale	-	(114)	(100%)	(1,065)	(245)	335%
Share based payments	(93)	(20)	365%	(358)	(216)	66%
Profit on sale of fixed assets	10	-	-	53	-	-
Foreign exchange loss	(716)	(98)	631%	(931)	(168)	454%
Fair value gain/(loss) on derivative financial instruments	236	-	-	(233)	17	(1,471%)
Loss from jointly controlled entity	(15)	(44)	(66%)	(250)	(1,312)	(81%)
Finance costs	(321)	(215)	49%	(2,848)	(1,200)	137%
Loss before taxation	**(4,531)**	**(1,650)**	**175%**	**(34,764)**	**(10,459)**	**232%**
Taxation	833	(712)	(217%)	3,754	20	18,670%
Loss for the period from continuing operations	(3,698)	(2,362)	57%	(31,010)	(10,439)	197%
Loss for the period from discontinued operations	(11)	(57)	(81%)	(88)	(702)	(87%)
Loss for the period	**(3,709)**	**(2,419)**	**53%**	**(31,098)**	**(11,141)**	**179%**

Sales & other revenue

	Quarter ended September 30			Nine months ended September 30		
	2015	**2014**	**Change**	**2015**	**2014**	**Change**
Summary						
Oil	1,631	5,334	(69%)	4,884	14,549	(66%)
Gas	4,103	1,923	113%	13,636	6,352	115%
Other	2	4	(50%)	8	264	(97%)
Total	**5,736**	**7,261**	**(21%)**	**18,528**	**21,165**	**(12%)**
By region:						
Kazakhstan						
Oil	1,631	5,334	(69%)	4,884	14,549	(66%)
Gas	4,103	1,923	113%	13,636	6,352	115%
Other	2	4	(50%)	8	12	(33%)
Total	**5,736**	**7,261**	**(21%)**	**18,528**	**20,913**	**(12%)**
Tajikistan						
Oil	-	-	-	-	-	-
Other	-	-	-	-	252	-
Total	**-**	**-**	**-**	**-**	**252**	**-**
Other	-	-	-	-	-	-
Total	**5,736**	**7,261**	**(21%)**	**18,528**	**21,165**	**(12%)**

Kazakhstan – Oil revenue and price

	Gross sales		Realized price at wellhead	Compensation	VAT	Net sales
2015	**bbls**	**Revenue**	**USD/bbl**			
Q1	100,773	1,424	13.00	30	149	1,245
Q2	177,178	2,275	13.00	26	241	2,008
Q3	152,267	1,863	11.3	38	194	1,631
Total	430,218	5,562	12.9	113	584	4,884
2014						
Q1	174,381	4,827	27.1	97	507	4,223
Q2	215,535	5,704	26.5	114	598	4,992
Q3	219,117	6,097	27.9	122	641	5,334
Total	**609,033**	**16,628**	**27.3**	**333**	**1,746**	**14,549**

- Under the pilot production licence oil can only be sold in the local market;
- Net figures exclude the compensation for water content plus compensation for natural wastage and transportation costs of water from the well head to the terminal at Shalkar. The compensation for water content is due to the small amount of water in the crude that remains after the field separation;
- Sale price is determined at the wellhead where the oil is sold and therefore the Company incurs no transportation or marketing costs. Whilst some other oil companies report higher oil prices they report their transportation and marketing costs separately, however Tethys' oil is trucked 230 kilometres and then railed hundreds of kilometres and according to figures provided by local oil buyers if the price was determined at the refinery it would be significantly higher;
- 2015 revenue, both in the current quarter and year to date, has been affected by the decrease in world oil prices that took place at the end of 2014 as well as the significant devaluation of the Kazakh Tenge against the US Dollar in late August, which has affected realised US Dollar prices, although operating costs have also come down in US Dollar terms.

Kazakhstan – Gas revenue and price

- Gas revenue increased in the current quarter compared with the same quarter in the prior year as a result of significantly higher production volumes following the shallow gas development programme completed in December 2014 and an increase in gas price from January 1, 2015;
- The 2014 gas contract was for an annual volume up to 150 million cubic metres at a fixed Tenge price of KZT 9,652.50 per 1,000 cubic metres, net of VAT and sales expenses, (USD53.06 at a 2014 period to date average exchange rate of 181.90);
- On December 31, 2014, a new contract was signed with respect to 2015 production for a minimum 100 million cubic metres at a fixed Tenge price of KZT 13,650 per 1,000 cubic metres, net of VAT and sales expenses, (USD70.41 at a 2015 period to date average exchange rate of 193.87 Tenge);
- Gas contracts are subject to exchange rate risk – refer to page 31 – *Sensitivities.*

Sales expenses

Sales expenses represent Kazakh marketing agent commissions paid in relation to the gas sale contracts. There was a change of marketing agent for 2015 with commission payable at KZT4,550 per Mcm, net of 12% VAT, (USD23.46 at a 2015 period to date average exchange rate of 193.87 Tenge), (2014: KZT 3,712.50 per Mcm, net of 12% VAT, (USD20.41 at a 2014 period to date average exchange rate of 181.90 Tenge).

Production expenses

	Quarter ended September 30			Nine months ended September 30		
	2015	2014	Change	2015	2014	Change
Kazakhstan						
Oil production	980	2,093	(53%)	3,859	7,159	(46%)
Gas production	766	807	(5%)	2,959	2,526	17%
Other	65	63	3%	1,760	290	507%
Total	**1,811**	**2,963**	**(39%)**	**8,578**	**9,975**	**(14%)**
Kazakhstan						
Oil production - net bbls	156,599	224,966	(30%)	441,913	630,791	(30%)
Oil production - cost per bbl	USD6.26	USD9.30	(33%)	USD8.73	USD11.35	(23%)
Gas production – boe	287,111	157,136	83%	868,457	505,925	72%
Gas production - cost per boe	USD2.67	USD5.14	(48%)	USD3.41	USD4.99	(32%)
Weighted average cost per boe	USD3.94	USD7.59	(48%)	USD5.20	USD8.52	(39%)

Kazakhstan – oil production

- A significant proportion of costs associated with oil production are fixed so costs would not generally be expected to reduce in the same proportion as a decline in production. The reduction in oil production costs in the quarter and period to date is a result of management's cost reduction initiatives;
- Cost per barrel of oil produced is lower in both the current quarter and year to date, compared with comparative periods due to reductions in staff level, reduction in salaries and staff being placed on unpaid leave, plus the effect of the devaluation of the Kazakh currency, the Tenge, in August this year.

Kazakhstan – gas production

- Gas production costs decreased significantly in barrel of oil equivalent terms inthe current quarter and the year to date as a result of economies of scale achieved with from the shallow gas development programme completed in late 2014 as well as cost reduction initiatives such as placing staff on unpaid leave, as well as the effect of devaluation of the Tenge in August. Gas production, more so than the oil generally, has a significant fixed cost element which includes compressor supplies denominated in US dollar and consequently, as production declines, the production cost per Mcm (or boe) increases.

Kazakhstan – prior year production taxes

The Company has accrued additional production taxes relating to prior years, along with related interest which increased production expenses by USD1,517,000, finance costs by USD892,000 and tax benefit by USD303,000.

Depreciation, depletion and amortization (DD&A)

DD&A for the quarter was USD3.7m (2014: USD0.3m) reflecting DD&A on the Kazakh assets which in the prior period were classified as Held for Sale and not depreciated. DD&A for the year to date was USD25.0m (2014: USD0.6m) which includes a depletion charge made for the entire period November 2013 to April 2015 when the assets were classified as Held for Sale. The Kazakh assets ceased to shown as Held for Sale when the SinoHan transaction failed to complete on May 1, 2015.

Business development expenses

Business development expenses were nil for both the quarter and year to date (2014: USD0.5m and USD1.8m respectively), reflecting a cessation of new business activities in late 2014 and a focus on optimisation of existing businesses and cost reduction.

Administrative expenses

	Quarter ended September 30			Nine months ended September 30		
	2015	2014	% Change	2015	2014	Change
Staff	1,100	2,436	(55%)	3,606	7,207	(50%)
Travel	177	476	(63%)	648	1,932	(66%)
Office	224	490	(54%)	708	1,564	(55%)
Professional fees	125	189	(34%)	1,127	1,424	(21%)
Regulatory	123	171	(28%)	405	309	31%
Marketing costs	190	163	17%	414	957	(57%)
Non-executive director fees	78	97	(20%)	372	296	26%
Other costs	56	159	(65%)	328	699	(53%)
Total	**2,073**	**4,181**	**(50%)**	**7,608**	**14,388**	**(47%)**
G&A expenses per boe (USD)	4.67	10.91	(57%)	5.81	12.64	(54%)

- Staff costs have reduced significantly in the current quarter and period to date as a result of reductions in staff levels, staff placed on unpaid leave and salary reductions;

- Reductions in travel expenses reflect management's focus to reduce costs in this area and are also lower due to closure of a number of international offices and reductions in staff levels across the business;

- Office costs reduced in both the current quarter and period to date as a result of management's decisions to close the Dubai, Washington, Toronto offices and Guernsey offices. Ongoing rental commitments with respect to these offices have been fully provided for and included within Restructuring costs;

- Professional and regulatory fees combined are lower for the quarter and period to date reflecting lower audit fees and less legal advice required on routine matters although a significant amount of legal advice has been taken in connection with a large number of funding and strategic transactions which required specialist legal advice and regulatory approvals (refer to pages 4 to 7 for further details). These and a number of legacy issues also required external legal advice and the related costs have been shown as restructuring costs;

- Marketing costs include mandatory corporate social responsibility obligations in Kazakhstan. They are slightly higher in the current quarter due to timing of payments but significantly lower period to date reflecting management's initiatives to reduce the cost of investor relations activities and promotional activities;

- Non-executive director fees are lower in the current quarter reflecting the lower number of non-executive directors but are higher in the period to date as a result of fees paid for additional work undertaken;

- Other costs, which include bank charges, vehicles costs and insurance are lower during the quarter and period to date as a result of reduced activity levels.

Restructuring costs

Costs associated with the restructuring programme announced on December 1, 2014, have been shown separately from administrative expenses. A provision for costs associated with staff reductions and office closures was made at the end of 2014 and further costs have been incurred 2015 in engaging a financial adviser and on legal advice associated with restructuring the business. Costs were also incurred in closing the Company's Guernsey office including staff redundancy costs and full provision was made for ongoing lease commitments. Since June 2014 the number of corporate entities has been reduced from 45 to 29 and further reductions and simplification of the corporate structure are planned.

Transaction costs of assets held for sale

Period to date costs relating to the SinoHan transaction which failed to complete by the longstop date of May 1, 2015 were USD1.1m (2014: USD0.2m).

Share based payments

Share based payments of USD0.4m (2014: USD0.2m) for the period to date reflect the issuance of options at the beginning of 2015 and 386,648 shares issued in connection with the Executive Chairman's remuneration package whereby 30% of base salary is paid in shares at a price of 16.84 pence per share calculated by reference to the 15 day weighted average closing rate prior to the date of his employment (November 26, 2014).

Foreign exchange loss - net

Foreign exchange gains and losses arise from the revaluation of monetary assets and liabilities denominated in currencies other than the reporting currency and the receipt or settlement of foreign currency denominated amounts at a different amount than the originally recorded transaction amount. The loss is principally as a result of the revaluation of the Kazakhstan Tenge denominated items translated into US Dollars and reflects the large devaluation of the Tenge in August of this year.

Fair value gain / (loss) on derivative financial instruments

The fair value gain of USD0.2m arising in the current quarter compared with a loss of USD0.2m period to date was due to the revaluation of the warrants issued in connection with corporate loans and also loans with conversion features.

Loss from jointly controlled entity

The Company's share of loss from the Aral Oil Terminal joint venture was USD0.3m for the period to date (2014: USD1.3m). Since the last quarter of 2013, the terminal has generated losses as a result of low oil volume throughput. Actions have been taken at the terminal to reduce operating costs and financing was re-structured with effect from August 2014 resulting in a grace period on principal repayments to the end of October 2015 and reduced interest payments.

Finance costs

Finance costs comprise interest expense net of interest income and includes accrued interest due of USD0.9m on Kazakh production taxes (see Production) and higher effective interest charges on new corporate loans which together have resulted in higher overall finance costs in the period to date of USD2.8m (2014: USD01.2m).

Taxation

An overall tax benefit for the period to date of USD3.8m (2014: tax charge USD nil) arose mainly as a result of the depletion of oil and gas properties following the Kazakh assets being reclassified from Held for Sale which reduced the deferred tax liability. The tax benefit of USD0.8m (2014: tax charge USD0.7m) was as a result of the impact of the Tenge devaluation in August 2015. A reconciliation of the loss before income tax to the current tax expense is provided in note 5 of the September 2015 Condensed Consolidated Interim Financial Statements.

Loss for the period from discontinued operations

As a result of the Company's decision at the end of 2013 to exit from Uzbekistan, all revenues and costs associated with this segment have been excluded from the Company's results and separately disclosed. The loss of USD0.1m (2014: USD0.7m) represents costs associated with the exit and handover process.

Liquidity and Capital Resources

The Company's capital structure is comprised of shareholders' equity and debt.

The Company's objectives when managing capital is to maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term. The capital structure of the Company is managed and adjusted to reflect changes in economic conditions.

The Company funds its capital expenditures from existing cash and cash equivalent balances, primarily received from issuances of shareholders equity and some debt financing. None of the outstanding debt is subject to externally imposed capital requirements.

Financing decisions are made by management and the Board of Directors based on forecasts of the expected timing and level of capital and operating expenditure required to meet the Company's commitments and development plans. Factors considered when determining whether to issue new debt or to seek equity financing include the amount of financing required, the availability of financial resources, the terms on which financing is available and consideration of the balance between shareholder value creation and prudent financial risk management.

Net debt

Net debt (refer to Non-GAAP measures) is calculated as total borrowings (which includes 'current and non-current borrowings') less cash and cash equivalents. Total capital is calculated as 'equity' plus net debt. All figures are as stated in the September 2015 Condensed Consolidated Statements of Financial Position.

	Quarter ended 30 September		
	2015	**2014**	**Change**
Total financial liabilities - borrowings	32,479	11,032	
Total financial liabilities – borrowings of a disposal group	-	5,166	
Less: cash and cash equivalents	(4,286)	(7,914)	
Less: cash and cash equivalents – of a disposal group	-	(2,153)	
Net debt / (funds)	28,193	6,131	360%
Total equity	225,170	210,986	7%
Total capital	**253,363**	**217,117**	17%

Should the Company be in a net debt position, it will assess whether the projected cash flow is sufficient to service this debt and support ongoing operations. Consideration will be given to reducing the total debt or raising funds through alternative methods such as the issue of equity, farm-down of assets or sale of the Company.

Financing and Going Concern

The Management and the Board has considered the Company's current activities, funding position and projected funding requirements for the period of at least twelve months from the date of approval of the Condensed Consolidated Interim Financial Statements in determining the ability of the Company to adopt the going concern basis in preparing the Condensed Consolidated Interim Financial Statements for the period ended September 30, 2015. The Company currently does not have sufficient funding to fund its obligations for the next twelve months.

Although these Condensed Consolidated Interim Financial Statements have been prepared on a going concern basis in accordance with IFRS, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due, events and uncertainties arising subsequent to the balance sheet date and which are discussed below, raise substantial doubt about the Company's ability to continue as a going concern, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company reported a loss of USD30.6 million for the nine months ending September 30, 2015 (2014: USD11.1 million) and an accumulated deficit as at that date of USD229.2 million (2014: USD198.6 million) and negative working capital of USD6.9 million (December 31 2014: negative USD7.5 million) excluding items classified as held for sale.

On November 2, 2013, Tethys announced the sale of a 50% interest in its Kazakhstan businesses to SinoHan Oil and Gas Investment Number 6 B.V. ("SinoHan"), a Beijing based private equity fund, for USD75 million. Completion was dependent on the Company receiving Kazakh governmental permission and waiver of the State pre-emptive right. The Company also had an obligation to undertake a number of significant conditions precedent prior to completion of the sale which the Company was actively pursuing up until the longstop date. However, on May 1, 2015, the Company announced that the main approval required from the Ministry of Energy had not been received and SinoHan confirmed that it did not wish to enter into a further extension of the agreement. As the deal did not complete, the USD3.9m consideration advanced became repayable to SinoHan along with transaction costs of USD0.7m.

In order to support the Company's short term liquidity position, which has been adversely affected by the decrease in world oil prices, management has been implementing a cost reduction programme with respect to its operational, G&A costs and capital expenditure and, during the nine months to September 30, 2015, it has sourced a number of loans under which it raised total net proceeds of USD23.6 million, (refer to note 11 of the Condensed Consolidated Interim Financial Statements).

On July 1, 2015 the Company announced a strategic collaboration with AGR Energy Holdings ("AGR") involving a proposed USD47.7 million private placement at a price of CAD0.192 per share and a convertible loan for up to USD5 million to support short term liquidity. Pursuant to this agreement, it also agreed with Pope Asset Management ("PAM"), the Company's largest shareholder, that PAM would subscribe for shares on substantially the same terms as AGR. However, following further correspondence and discussions with

AGR, during which AGR indicated that it would require changes to the proposed structure and terms, the Company announced on August 10, 2015 that it would no longer be proceeding with the AGR placing or the PAM subscription.

On the same date, the Company announced that it had received a non-binding indicative proposal from Nostrum Oil & Gas PLC ("Nostrum") regarding a possible offer for the Company at a price of CAD0.2185 per Tethys share, which would be satisfied in cash or shares in Nostrum, or a combination of both cash and shares. In connection with the possible offer, Nostrum and Tethys entered into an unsecured USD5 million loan facility to support the short term liquidity of Tethys during the proposed offer period.

On August 28, 2015 the Company received a revised non-binding and highly conditional proposal from Nostrum setting out revised terms on which Nostrum was prepared to make an offer to acquire the Company and to provide further financing to Tethys. On September 23, 2015 the Company and Nostrum entered into a non-binding letter of intent and period of exclusivity until October 6, 2015 in connection with a proposed of C$0.147 per share and an interim financing facility of up to US$20 million to fund the Company's cash requirements until completion of any formal offer.

On October 5, 2015 the Company announced a non-binding proposal submitted to the Company by Olisol Investment Group ("Olisol") and on October 7, 2015 that it had received a non-binding letter of intent from AGR in connection with a potential US$20 million equity fundraising at a price of C$0.165 per share and potential US$5 million loan to support short-term liquidity. In addition to the equity fundraising AGR would also be granted an option by the Company to subscribe for further newly issued shares for up to US$20 million of shares at the same subscription price.

On the same day the Company announced that Nostrum had withdrawn its proposed offer and that whilst Tethys and Nostrum had worked together to negotiate legally binding agreements implementing the proposed transaction during the exclusivity period Tethys' largest shareholder, PAM, had informed Nostrum that it did not support the proposed transaction and therefore Nostrum informed the Company that the proposed transaction would not proceed.

On November 9, 2015 the Company announced that it had entered into a non-binding and indicative letter of intent with Olisol setting out proposed terms upon which Olisol Petroleum Limited ("OPL"), a wholly-owned subsidiary of Olisol, will provide Tethys with a USD15 million interim debt facility, 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 and commit to backstop a further equity fundraising of 50 million shares at C$0.17 per share. The Company has agreed to grant OPL a limited period of exclusivity November 22, 2015 (unless such date is extended by request of one of the parties) in connection with the transaction.

Tethys' future operations and earnings will depend upon the results of its operations in the Republic of Kazakhstan, Tajikistan and Georgia. There can be no assurance that Tethys will be able to successfully conduct such operations, and a failure to do so would have a material adverse effect on Tethys' financial position, results of operations and cash flows. Also, the success of Tethys' operations will be subject to numerous contingencies, some of which are beyond management's control. These contingencies include general and regional economic conditions, prices for crude oil and natural gas, competition and changes in regulation. Since Tethys is dependent on international operations, Tethys will be subject to various additional political, economic and other uncertainties. Among other risks, Tethys' operations may be subject to the risks and restrictions on transfer of funds, import and export duties, quotas and embargoes, domestic and international customs and tariffs, and changing taxation policies, foreign exchange restrictions, political conditions and regulations.

These circumstances indicate the existence of a material uncertainty related to events or conditions that may cast significant doubt about the Company's ability to continue as a going concern and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to secure and deliver the above-described additional funding required to meet capital expenditure programs including its contractual obligations, its ability to renew and maintain access to debt facilities, equity issuances, manage risks associated with depressed oil prices and potential Tenge devaluation and ability to generate positive cash flows from operations. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported revenues, expenses and balance sheet classifications that would be necessary if the Company was unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

Cash Flow

	Quarter ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Net cash used in operating activities	**(5,123)**	**(2,107)**	**(10,675)**	**(9,765)**
Capital expenditure	(1,938)	(6,216)	(7,919)	(18,317)
Other investing cash flows	893	(1,259)	333	(2,630)
Net cash used in investing activities	**(1,045)**	**(7,475)**	**(7,586)**	**(20,947)**
Proceeds from loan financing	5,000	3,884	23,235	11,604
Loan principal and interest payments	(288)	(1,547)	(6,172)	(9,561)
Proceeds from equity, net of costs	-	-	-	13,568
Other financing cash flows	(338)	(160)	(155)	(126)
Net cash generated from financing activities	**4,374**	**2,177**	**16,980**	**15,485**
Effect of exchange rates	1,138	(206)	1,699	(437)
Net (decrease) / increase in cash	**(656)**	**(7,611)**	**418**	**(15,664)**
Cash & cash equivalents at beginning of period	4,942	17,678	3,868	25,731
Cash & cash equivalents at end of period	**4,286**	**10,067**	**4,286**	**10,067**

Operating activities

The increase in cash used in operating activities in the current quarter and the period to date compared with the comparative periods, is primarily due to lower oil and gas sales receipts.

Investing activities

Investing activities relate mainly to capital expenditure on oil and gas properties, details of which are given on the following page.

Financing activities

Proceeds from loan financing in the period to date includes:

- USD6.0m unsecured loan taken out on January 16, 2015 as previously disclosed;
- USD3.5m unsecured loan facility taken out on March 10, 2015 with Annuity and Life Reassurance Limited ("ALR"), a company controlled by Pope Asset Management, LLC, the Company's largest shareholder;
- USD7.5m unsecured convertible loan taken out on May 15, 2015 with AGR Energy Limited No. 1;
- USD1.8m unsecured convertible loan taken out on May 22, 2015 with ALR;
- USD5.0m unsecured loan taken out on August 10, 2015 from Nostrum Oil & Gas PLC.

Loan repayments includes scheduled repayments on the Company's rig loans and USD3.9m escrow loan repaid to SinoHan following failure of the larger transaction with SinoHan to complete.

Capital Expenditure

Significant spend is as follows:

	Quarter ended September 30			Nine months ended September 30		
	2015	2014	Change	2015	2014	Change
Kazakhstan						
Fire-safety	-	-		-	299	
AKD08	-	-		244	533	
AKD09	-	-		-	768	
Pumps	-	-		-	548	
2D & 3D Seismic	-	-		-	228	
New shallow gas wells & tie-ins	-	3,018		857	5,801	
Gas dehydration	-	1,867		-	3,761	
Rig mobilization	-	-		112	148	
KBD01 – testing	-	-		-	636	
Compressors, rotor and pumps	-	-		298	-	
Kul-Bas contract extension	-	-		171	-	
Other	359	-		881	1,115	
Total	**359**	**4,885**	**(93%)**	**2,563**	**13,837**	**(81%)**
Tajikistan - Bokhtar exploration	**1,353**	**835**	**62%**	**4,561**	**2,381**	**92%**
Georgia - exploration	**226**	**496**	**(54%)**	**795**	**1,818**	**(56%)**
Corporate & other	**-**	**-**	**-**	**-**	**281**	**(100%)**
Total	**1,588**	**6,216**	**(74%)**	**7,919**	**18,317**	**(59%)**

Accounting policies, changes to accounting standards and critical estimates

The Company's significant accounting policies and discussion of changes to accounting standards are disclosed in note 2 of the Notes to the September 2015 Condensed Consolidated Interim Financial Statements. Refer to note 4 of the Notes to the 2014 Consolidated Financial Statements for further information on the Company's significant judgments and assumptions and critical estimates.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Non-GAAP Measures

EBITDA adjusted for share based payments

EBITDA adjusted for share based payments is defined as "Loss or profit before Interest, Tax, Depreciation, Amortization, Impairment, Fair value gains or losses and Share Based Payments" and is calculated on the results of continuing operations. It provides an indication of the results generated by the Company's principal business activities prior to how these activities are financed, assets are depreciated and amortized, or how results are taxed in various jurisdictions.

The reconciliation of EBITDA adjusted for share based payment to Loss for the Period is as follows:

	Quarter ended September 30			Period ended September 30		
	2015	2014	Change	2015	2014	Change
EBITDA – adjusted for share based payments	(637)	(1,134)	(44%)	(6,321)	(8,480)	(25%)
Depreciation, depletion and amortization	(3,716)	(281)	1,222%	(25,004)	(580)	4,211%
Share based payments	(93)	(20)	365%	(358)	(216)	66%
Fair value gain on derivative financial instrument - net	236	-	-	(233)	17	(1,471%)
Finance costs - net	(321)	(215)	49%	(2,848)	(1,200)	137%
Loss before taxation	**(4,531)**	**(1,650)**	**175%**	**(34,764)**	**(10,459)**	**232%**

Net debt / (funds)

Net debt / (funds) is calculated as total borrowings (which includes current and non-current borrowings) less cash and cash equivalents. Total capital is calculated as equity plus net debt. All figures are as stated in the September 30, 2015 Condensed Consolidated Interim Financial Statements.

EBITDA adjusted for share based payments and Net debt / (funds) shown in this MD&A do not have any standardized meaning as prescribed under IFRS and, therefore, are considered non-GAAP measures. These measures have been described and presented to provide shareholders and potential investors with additional information regarding the Company's financial results. These measures may not be comparable to similar measures presented by other entities.

Stockholder Equity

As at November 13, 2015 the Company had authorized share capital of 700,000,000 ordinary shares of which 336,902,780 (2014: 336,452,667) had been issued and 50,000,000 preference shares of which none had yet been issued. The preference shares have the rights as set out in the Memorandum and Articles of Association approved at the AGM on April 24, 2008.

As at November 13, 2015, a total of 40,374,320 (2014: 40,374,320) ordinary shares were reserved under the Company's Long Term Stock Incentive Plan. The number of options outstanding as at November 13, 2015 is 12,386,000 and the number of warrants outstanding is 25,423,333. Loan facilities are in place which are convertible into a total of 97,788,080 ordinary shares.

Dividends

There were no dividends paid or declared in the period.

Transactions with Related Parties

Transactions between the Company's subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. There are no other related party transactions requiring disclosure.

Commitments and contingencies

Litigation, claims and assessments

The Company is involved in claims and actions arising in the course of the Company's operations and is subject to various legal actions and exposures, including tax positions taken by the Company. Although the outcome of these claims cannot be predicted with certainty, the Company does not expect these matters to have a material adverse effect on the Company's financial position, cash flows or results of operations. If an unfavourable outcome were to occur, there exists the possibility of a material adverse impact on the Company's consolidated net earnings or loss in the period in which the outcome is determined. Accruals for litigation, claims and assessments are recognized if the Company determines that the loss is probable and the amount can be reasonably estimated. The Company believes it has made adequate provision for such claims. While fully supportable in the Company's view, some of these positions, including uncertain tax positions, if challenged may not be fully sustained on review.

Kazakhstan

The tax environment in the Republic of Kazakhstan is subject to change and inconsistent application, interpretations and enforcement, and in particular, existing subsurface use contracts are under close scrutiny by the tax and other authorities. This could result in unfavourable changes to the Company's tax positions. Non-compliance with Kazakhstan law and regulations as interpreted by the Kazakhstan authorities may lead to the assessment of additional taxes, penalties and interest. Kazakhstan tax legislation and practice is in a state of continuous development and therefore is subject to varying interpretations and frequent changes, which may be retroactive. Tax periods remain open to retroactive review by the tax authorities for five years. Management believes that its interpretation of the relevant legislation is appropriate and the Company's tax, currency legislation and customs positions will be sustained.

The work programme commitments Kazakhstan businesses can be summarised as follows:

	Kazakhstan Work Programme Commitments			
	Expiry date	Program 2015	Spend to date 2015	Program 2016 & later
Akkulka Production Contract (Gas)	2018			
Financial obligations, total		9,365	3,973	26,123
Investments		3,957	1,526	11,275
Kyzyloi Production Contract (Gas)	2029			
Financial obligations, total		7,488	2,198	101,875
Investments		1,886	842	22,328
Akkulka Exploration Contract (Oil)	2019			
Financial obligations, total		5,838	6,256	28,338
Investments		3,192	2,685	21,937
Kul-Bas Exploration Contract	2015			
Financial obligations, total		9,440	861	-
Investments		8,964	699	-
Total				
Financial obligations, total		32,131	13,288	156,336
Investments		17,999	5,752	55,540

General background

Work programmes for exploration and production contracts agreed with the Kazakh State include a required level of "Investments" as defined in the contracts. "Investments" includes capital expenditure, operating expenses, social sphere, sub-soil monitoring and specialist training costs. It is this required level of Investments that forms the principal financial obligation of the Company in respect of its work programme commitments and against which the Company is mainly measured by the relevant Kazakh State authorities along with production volumes in the Production Contracts. Failure by the Company to meet the required level of Investments could put the Company's licences at risk of forfeiture. Historically an 80% level of the minimum programme at year end was sufficient to avoid queries from and justifications to the State.

In addition, an assumed level of other costs forms part of the overall work programme (insurance, liquidation fund, indirect costs and taxes). Taken together with the Investments amount described above these form the Company's "Financial obligations, total" as defined in the contracts and as set out in the table above.

Based on the updated Q3 2015 Kazakhstan Business Unit investment reports (LKU's) that are submitted quarterly to the State (and summarized in the table above) it is now certain that the Kyzyloi (gas) Production Contract will be under the production volumes and associated OPEX and Investments as outlined in the minimum work programme for 2015. However, this will be most likely offset by the annual production volumes, OPEX and investments in the Akkulka (gas) Production Contract. The situation with the Akkulka Exploration Contract is satisfactory with respect to Investments and will be for oil production volumes by year end and will exceed the 80% threshold of the 2015 work programme commitments although "Exploration" spend i.e. seismic has been delayed to next year.

Combined, the Akkulka and Kyzyloi Production Contracts will most probably exceed the minimum combined 180 MMcm by the end of 2015 and the Company will use this in potential discussions with the State however legally they are different sub-soil user contracts and work programmes and the State have treated them separately in the past. In mitigation, it is understood by the Company that this year several companies will most likely not make their minimum requirements and some have halted production entirely. Note that the final Q4 LKU report for 2015 will not be available until the end of January 2016.

The biggest shortfall is in Kul-Bas Investments i.e. less than 10% of the 2015 commitment being met at the end of Q3, this is due to not drilling KBD02 (and 03); this will not be rectified until a) an extension is secured and b) funding is available.

Apart from the Company's work programme commitments, other amounts may become payable to the Kazakh State in certain circumstances. These are described below.

Akkulka Production Contract

On December 23, 2009, the Company and the Ministry of Energy and Mineral Resources of the Republic of Kazakhstan signed the Akkulka Production Contract giving the Company exclusive rights to produce gas from the Akkulka Block for a period of nine years. Contingent upon commencement of commercial production on the Akkulka contractual territory, an amount of USD3,500,000 was due to the Kazakh State as a reimbursement of historical costs previously incurred in relation to the contractual territory. For that part of the contractual territory from which production commenced in 2010, staged payments over a period of nine years totaling approximately USD933,997 are to be paid in equal quarterly instalments from the commencement of production until full reimbursement. To September 2015, the Company had reimbursed the Kazakh State USD598,368 in respect of the Akkulka Field.

Kul-Bas Exploration and Production Contract

The Kazakhstan Government is to be compensated for the historical costs related to the contractual territory in the amount of USD3,275,780. To date, the Company has paid two amounts of USD49,137 each in relation to this balance. If and when commercial production commences, USD80,666 is due in quarterly instalments until the remaining historical costs of USD3,177,506 have been paid in full.

The Company is seeking to extend the Kul-Bas contract for an additional two year period. The Company has a successful history of extending contracts in Kazakhstan and hopes that it will be able to extend this contract too, but this is not guaranteed and the Contract is due to expire on November 11, 2015.

Tajikistan

The Company has an effective 28.33% interest (33.33% interest via its 85% owned subsidiary) in Bokhtar Operating Company BV with partners Total and CNPC each having a 33.33% interest.

Under the terms of the farm-out agreement entered into on June 18, 2013 with Total and CNPC the Company is only required to contribute 11.11% or USD9 million of the first USD80 million of the initial work programme. As at September 30, 2015, the joint venture partners had contributed USD69.7 million to the Bokhtar Operating Company of which the Company's share wasUSD6.5 million. At September 30, 2015, Bokhtar had contractual commitments not yet incurred or accrued relating to seismic acquisition of which Tethys share is 33.33%. The Company has not been provided with this information by the joint operating company as a result of being in default of cash calls.

Georgia

The Company has a 49% interest in three blocks in Eastern Georgia and is responsible for funding its percentage interest share in the work programmes.

During 2015 the Joint Venture completely redefined the work obligations and cost of exploration. The forward work programme has also been reduced and deferred on all 3 blocks: XIA, XIN and XIM. For 2015 this involves ground based gravity work which was completed in Q3 at a net cost to Tethys in 2015 (inclusive of G&A costs) of USD0.6m, focussed 2D seismic acquisition is planned for 2016 at a cost net to Tethys of USD0.9m after which the Joint Venture will make an informed decision in 2017 whether to drill or cease further activity with contingent drilling of any wells in 2018. These changes have been ratified by all levels of government and final Government (Cabinet) approval was received in early October.

Operating leases

Leases as a lessee:

Operating leases consist primarily of leases for offices. Lease commitments are as follows:

September 30, 2015	Total	Less than 1 year	1 – 3 years	Greater than 3 years
Operating leases	1,645	701	794	150

Risks, Uncertainties and Other Information

Readers are encouraged to read and consider the risk factors and additional information regarding the Company, included in its 2014 Annual Information Form filed with the Canadian securities regulators, a copy of which is posted on the SEDAR website at www.sedar.com

Risk management is carried out by senior management, in particular, the Executive Chairman, the CEO and the CFO as well as the Board of Directors. The Company has identified its principal risks for 2015 to include:

- Liquidity;
- Retention and extension of existing licences and development thereof with respect to success rates. Considerable technical work is undertaken to reduce related areas of risk and maximise opportunities;
- Production volume – both oil and gas;
- Political, fiscal and related risks.

Financial Risk Management

The Company's activities expose it to a variety of financial risks including: market risk, credit risk, liquidity risk, interest rate and foreign exchange risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Board of Directors of the Company has overall responsibility for the Company's management of risk, including the identification and analysis of risks faced by the Company and the consideration of controls that monitor changes in risk and minimise risk wherever possible.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet its contractual obligations. Credit risk arises from the Company's loans receivable from jointly controlled entities, cash and cash equivalents and accounts receivable balances.

With respect to the Company's financial assets the maximum exposure to credit risk due to default of the counter party is equal to the carrying value of these instruments. The maximum exposure to credit risk as at the reporting date is:

	September 30	December 31
	2015	**2014**
Cash and cash equivalents	4,286	3,112
Restricted cash	2,821	739
Trade receivables	4,587	1,257
Loans to joint arrangements	2,501	-
Total	**14,195**	**3,851**
Assets of a disposal group held for sale (Kazakhstan):		
Trade receivables	-	1,540
Cash and cash equivalents	-	757
Restricted cash	-	1,922
Loans to joint arrangements	-	1,500
Total	**-**	**5,719**
Total	**14,195**	**9,570**

Concentration of credit risk associated with the above trade receivable balances in Kazakhstan is as a result of contracted sales to two customers during the period. The Company does not believe it is dependent upon these customers for sales due to the nature of gas products and the associated market. The Company's sales in Kazakhstan commenced in December 2007 and the Company has not experienced any credit loss to date.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. This risk relates to the Company's ability to generate or obtain sufficient cash or cash equivalents to satisfy these financial obligations as they become due. Since inception, the Company has incurred significant consolidated losses from operations and negative cash flows from operating activities, and has an accumulated deficit at September 30, 2015. Refer also to the section on Financing and Going Concern on pages 20 to 21.

The Company's processes for managing liquidity risk includes preparing and monitoring capital and operating budgets, co-ordinating and authorizing project expenditures and ensuring appropriate authorization of contractual agreements. The budget and expenditure levels are reviewed on a regular basis and updated when circumstances indicate change is appropriate. The Company seeks additional financing based on the results of these processes.

The following are the contractual maturities of financial liabilities, including estimated interest payments at September 30, 2015:

	Contractual cash flows	Less than one year	1 – 3 years	4 – 5 years	Thereafter
Trade and other payables	14,224	14,071	153	-	-
Financial borrowings	39,295	12,479	26,816	-	-
Total contractual obligations	**53,519**	**26,550**	**26,969**	**-**	**-**

There can be no assurance that debt or equity financing will be available or, sufficient to meet the Company's requirements or, if debt or equity financing were available, that it would be on terms acceptable to the Company. The Company is currently reliant on

obtaining additional debt or equity funding to continue as a going concern. Inability of the Company to access sufficient capital for its operations could have a material impact on the Company's financial condition, timing of activities and results of operations and prospects.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates. Existing long term debt is agreed at fixed interest rates and consequently the Company has limited exposure to changes in market interest rates.

The Company is exposed to interest rate risk on short term deposits to the extent that reductions in market interest rates would result in a decrease in the interest earned by the Company. An increase or decrease of 100 basis points would have had a minimal impact on the Company's results for the period.

Foreign exchange risk

The Company is exposed to risks resulting from fluctuations in foreign currency exchange rates. A material change in the value of any such foreign currency could result in a material adverse effect on the Company's cash flow and future profits. The Company is exposed to exchange rate risk to the extent that balances and transactions are denominated in a currency other than the US dollar. In addition, a portion of expenditures in the U.K., Kazakhstan, Tajikistan and Georgia are denominated in local currency: GBP, Tenge, Somoni and Lari respectively. The Company also attempts to negotiate exchange rate stabilization conditions in local Tenge denominated service and supply contracts in Kazakhstan.

The Company holds the majority of its cash and cash equivalents in US dollars. However, the Company does maintain deposits in other currencies, as disclosed in the following table, in order to fund ongoing general and administrative activity and other expenditure incurred in these currencies.

The carrying amounts of the Company's significant foreign currency denominated monetary assets and liabilities at September 30, 2015 are as follows:

In USD equivalent	**GBP '000**	**KZT '000**
Cash and cash equivalents	721	212
Trade and other receivables	124	9,313
Trade and other payables	(631)	(580)
Financial liabilities – borrowings	(2,350)	(3,219)
Net exposure	**(2,136)**	**5,726**

The following table details the Company's sensitivity to a 10% movement in US dollars against the respective foreign currencies, which represents management's assessment of a reasonably likely change in foreign exchange rates.

Effect in USD'000	**GBP '000**	**KZT '000**
Profit or (loss) before tax	(214)	573

Currently, there are no significant restrictions on the repatriation of capital and distribution of earnings from Kazakhstan, Tajikistan or Georgia to foreign entities. However, there can be no assurance, that restrictions on repatriation of capital or distributions of earnings will not be imposed in the future. Moreover, there can be no assurance that the Tenge, Somoni or Lari will continue to be exchangeable into US Dollars or that the Company will be able to exchange sufficient amounts of Tenge, Somoni or Lari into US Dollars or Pounds Sterling to meet its foreign currency obligations.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as marketability of production and commodity prices.

- *Marketability of Production*

The marketability and ultimate commerciality of oil and gas acquired or discovered is affected by numerous factors beyond the control of the Company. These factors include reservoir characteristics, market fluctuations, the proximity and capacity of oil and gas pipelines and processing equipment and government regulation. Tethys produces gas into the transcontinental gas trunkline system which ultimately supplies gas to Russia, Europe and now potentially China. Political issues, system capacity constraints, export issues and possible competition with Russian gas supplies may in the future cause problems with marketing production, particularly for export. Oil and gas operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and

regulations imposed by various levels of government, which may be amended from time to time. Restrictions on the ability to market the Company's production could have a material adverse effect on the Company's revenues and financial position.

- *Commodity price risk*

Oil and gas prices are unstable and are subject to fluctuation. Any material decline in oil and/or natural gas prices could result in a reduction of the Company's net production revenue and overall value and could result in ceiling test write downs. In Kazakhstan, the Company has fixed price (Tenge) gas contracts up to the end of 2015, although there is potential to discuss a re-alignment of price with the buyers in the event of Tenge / USD devaluation greater than 10%.

The Company's oil contract in Kazakhstan is subject to commodity price fluctuation and it may become uneconomic to produce from some wells as a result of lower prices, which could result in a reduction in the volumes and value of the Company's reserves. The Company might also elect not to produce from certain wells because of lower prices. These factors could result in a material decrease in the Company's net production revenue causing a reduction in its acquisition and development activities.

Fluctuations in oil and gas prices could materially and adversely affect the Company's business, financial condition, results of operation and prospects. There is no government control over the oil and gas price in the countries where the Company operates.

Although the Company believes that the medium to long term outlook for oil and gas prices in the region is good, the recent events in various parts of the world demonstrate the volatility and uncertainties of the oil and gas industry. Also, consideration needs to be given to production and other factors such as OPEC, refinery shut-ins and inventory. Any discussion of price or demand is subjective and, as such, there are many differing opinions on the cause of recent price changes.

As previously stated gas production from both the Kyzyloi and Akkulka contracts in Kazakhstan is sold at fixed prices, at least until the end of 2015, and so the fluctuation in world commodity prices should have no effect on the Company's revenue from the Kazakh gas operations up to the end of 2015, however, it would be affected by exchange rate risk, see "Sensitivities".

There were no commodity price financial derivatives outstanding as at September 30, 2015 or September 30 2014.

Environmental

The Company's operations are subject to environmental, safety and health and sanitary regulations in the jurisdictions in which it operates. Whilst the Company believes that it carries out its activities and operations in material compliance with these environmental, safety and health and sanitary regulations, there can be no guarantee that this is the case. In Kazakhstan, quarterly reports are required to be submitted by the Company to the Shalkar (Bozoi) Tax Committee. The Company is also required to prepare reports on any pollution of air, toxic waste and current expenses on environmental protection which have been made by the Company and which are submitted to the appropriate Kazakh authorities. Reports are submitted on a semi-annual basis for information purposes and no payments are applicable. In Tajikistan and Georgia the Company is subject to environmental regulation through its joint venture partner operating companies and its activities are subject to inspection by the appropriate authority in that country.

The Company strives to meet all environmental standards in all areas in which it operates, and has included appropriate amounts in its base and contingent capital expenditure budget to meet its current environmental obligations. However, the discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to foreign governments and third parties and may require the Company to incur significant costs to remedy such discharge. No assurance can be given that changes in environmental laws or their application to the Company's operations will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

Political & regulatory

The Company decided in December 2013 and announced on January 2, 2014 that it had made a decision to exit Uzbekistan and surrender its rights under the Production Enhancement Contract due to changes in the business climate and political environment. The Company's decision was principally as a result of problems encountered by Tethys Production Uzbekistan (the trading name of the Company's subsidiary, Baker Hughes (Cyprus) Limited, ("BHCL") in receiving allocation and payment for the delivery of crude oil to the Fergana refinery. Uzbek authorities requested access to certain records of BHCL. Such inspections are relatively commonplace in the FSU. To date, the Company has received two claims as a result of the tax inspection undertaken. The risk of crystallization of these claims is considered by the Company to be remote. In addition, the Company has incurred expenses relating to its exit from Uzbekistan, for which provision has been made. Moreover, as a result of problems encountered by the Company with the Fergana refinery, the Company may be unable to recover payment for oil previously delivered to the Fergana refinery (estimated at USD1.6 million) which was written down to nil in the audited 2013 Annual Consolidated Financial Statements.

Currently, the regulatory systems in the various jurisdictions in which the Company operates contains many inconsistencies and contradictions. Many of the laws are structured to provide substantial administrative discretion in their application and enforcement. In

addition, the laws are subject to changing and different interpretations. These factors mean that even the Company's best efforts to comply with applicable law may not always result in compliance. Non-compliance may have consequences disproportionate to the violation. The uncertainties, inconsistencies and contradictions in local laws and their interpretation and application could have a material adverse effect on the Company's business and results of operations.

Further risk factors on the regulatory and legal environment in those countries in which the Company operates can be found in the Company's Annual Information Form dated December 31, 2014. Political, regulatory and similar risks are reviewed regularly in meetings of the Board at which mitigating strategies and policies are discussed and agreed.

Sensitivities

The price of gas sales from gas produced from both the Kyzyloi and Akkulka gas fields under Gas Supply Contracts is fixed in Tenge until December 31, 2015 and hence will be sensitive to a fluctuation in exchange rate. A 38% devaluation of the Tenge, from 185 to 300 for example, would result in a net price reduction of USD28.28 per Mcm (i.e. USD45.50 from USD73.78). Based on a sales volume of 200,000 Mcm per annum, this would result in a reduction of USD5.7m in gas revenue.

The price of oil sales from the Doris discovery is sensitive to movements in the market price. On a production level of 1,600 bopd, a movement of USD1 per barrel on the price received by the Company would result in a plus or minus movement in oil sales revenue of USD0.6m per annum.

Critical Accounting Policies and Estimates

The annual and Condensed Consolidated Interim Financial Statements of the Company are prepared in accordance with International Financial Reporting Standards ("IFRSs") and IFRIC Interpretations issued by the IFRS Interpretations Committee. Please refer to the 2014 Consolidated Financial Statements - Note 2 *Summary of Significant Accounting Policies* and Note 4 – *Critical Judgements and Accounting Estimates* – for further details.

Derivative Financial Instruments

The Company has a derivative financial liability relating to share warrants where the shares are denominated in a currency that is not the Company's functional currency and also convertible loans where the conversion option is treated as a derivative financial liability. Full details are disclosed in note 12 of the September 30, 2015 Condensed Consolidated Interim Financial Statements.

Disclosure and Internal Controls

Disclosure and Internal Controls Over Financial Reporting

As at September 30, 2015, an evaluation of the effectiveness of the Company's disclosure controls and procedures as defined under the rules adopted by the Canadian securities regulatory authorities was carried out under the supervision and with the participation of management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"). Based on this evaluation, the CEO and the CFO concluded that, as at September 30, 2015, the design and operation of the Company's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by the Corporation in reports filed with, or submitted to, securities regulatory authorities were reported within the time periods specified under Canadian securities laws.

Internal control over financial reporting is a process designed by or under the supervision of management and effected by the Board, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and preparation of consolidated financial statements for external purposes in accordance with IFRS. Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting, no matter how well designed, has inherent limitations and can provide only reasonable assurance with respect to the preparation and fair presentation of published financial statements.

Management has designed and implemented, under the supervision of the CEO and CFO, a system of internal controls over financial reporting which it believes is effective for a company of its size. Management has not identified any material weaknesses relating to the design of these internal controls and consequently, the CEO and CFO have concluded that internal control over financial reporting was effective as at September 30, 2015, and provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes. On May 14, 2013, the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") published an updated Internal Control – Integrated Framework and related illustrative documents, which will supersede the 1992 COSO Framework as of December 15, 2014. As of September 30, 2015, the Company was utilizing the original framework published in1992, but is transitioning to the 2013 COSO Framework as it relates to its internal control over financial reporting.

The Company's CEO and CFO have filed certifications with the Canadian securities regulators regarding the quality of the Company's public disclosures relating to the period ending September 30, 2015.

Significant equity investees

Details of significant equity investees are discussed in note 26 of the 2014 audited Consolidated Financial Statements.

Forward-looking statements

In the interest of providing Tethys' shareholders and potential investors with information regarding the Company and its subsidiaries, including management's assessment of Tethys' and its subsidiaries' future plans and operations, certain statements contained in this MD&A constitute forward-looking statements or information (collectively referred to herein as "forward-looking statements") within the meaning of the "safe harbour" provisions of applicable securities legislation. Forward-looking statements are typically identified by words such as "anticipate", "believe", "expect", "plan", "intend", "forecast", "target", "project" or similar words suggesting future outcomes or statements regarding an outlook. Forward looking statements in this MD&A include, but are not limited to, statements with respect to: the projected 2015 capital investments projections, and the potential source of funding therefore. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur.

By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause the Company's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These risks, uncertainties and assumptions include, among other things: volatility of and assumptions regarding oil and gas prices; fluctuations in currency and interest rates; ability to successfully complete proposed equity financings; product supply and demand; market competition; ability to realise current market gas prices; risks inherent in the Company's and its subsidiaries' marketing operations, including credit risks; imprecision of reserve estimates and estimates of recoverable quantities of oil and natural gas and other sources not currently classified as proved; the Company's and its subsidiaries' ability to replace and expand oil and gas reserves; the ability of the Company to farm out or sell its Georgian assets; unexpected cost increases or technical difficulties in constructing pipeline or other facilities; unexpected delays in its drilling operations; delays in the delivery of its drilling rigs; unexpected difficulties in, transporting oil or natural gas; risks associated with technology; the significant uncertainty over the Company's ability to generate sufficient cash flow from operations to meet its current and future obligations and continue as a going concern; the timing and the costs of well and pipeline construction; the Company's and its subsidiaries' ability to secure adequate product transportation; the Company will not be successful in negotiating binding terms for the export of gas and oil to China at prices significantly higher than prices currently realized; changes in royalty, tax, environmental and other laws or regulations or the interpretations of such laws or regulations; political and economic conditions in the countries in which the Company and its subsidiaries operate; the risk associated with the uncertainties, inconsistencies and contradictions in local laws and their interpretation and application in local jurisdictions in which the Company operates; the risk of international war, hostilities and terrorist threats, civil insurrection and instability affecting countries in which the Company and its subsidiaries operate; risks associated with existing and potential future lawsuits and regulatory actions made against the Company and its subsidiaries; and other risks and uncertainties described from time to time in the reports and filings made with securities regulatory authorities by Tethys.

With regard to forward looking information contained in this MD&A, the Company has made assumptions regarding, amongst other things, the continued existence and operation of existing pipelines; the proposed increase in the selling price for the delivery of gas and crude oil to China; future prices for natural gas; future currency and exchange rates; the Company's ability to generate sufficient cash flow from operations and access to capital markets to meet its future obligations and ability to continue as a going concern; the regulatory framework representing mineral extraction taxes, royalties, taxes and environmental matters in the countries in which the Company conducts its business, gas production levels; that it will be able to farm out or sell its Georgian assets; and the Company's ability to obtain qualified staff and equipment in a timely and cost effective manner to meet the Company's demands. Statements relating to "reserves" or "resources" or "resource potential" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described exist in the quantities predicted or estimated, and can be profitably produced in the future. Although Tethys believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list of important factors is not exhaustive. Furthermore, the forward-looking statements contained in this MD&A are made as of the date of this MD&A and, except as required by law, Tethys does not undertake any obligation to update publicly or to revise any of the included forward looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.