FACILITY AGREEMENT

between

TETHYS PETROLEUM LIMITED (as Borrower)

and

NOSTRUM OIL AND GAS PLC (as Lender)

10 August 2015

CONTENTS

THIS AGREEMENT is dated 10 August 2015.

PARTIES

*Registration number omitted.

TETHYS PETROLEUM LIMITED, [redacted] a company organised and existing in the Cayman Islands whose registered office is at 89 Nexus Way, Camana Bay, Grand Cayman, Cayman Islands KY1-9007 (the "**Borrower**"); and

NOSTRUM OIL AND GAS PLC, [redacted] (the "**Lender**").

*Registration number, Laws of incorporation and address omitted.

AGREED TERMS

1. Definitions and Interpretation

1.1 Definitions

The following definitions apply in this agreement.

"Availability Period"	the period of **ten (10) Business Days** from and including the date of this agreement.
"Business Day"	a day other than a Saturday, Sunday or public holiday in England, Kazakhstan and the Cayman Islands when banks in those jurisdictions are open for business.
"Change of Control"	means the occurrence of any of the following events, without the prior written consent of the Lender: (a) the entering into of a direct or indirect joint venture or partnership (or similar) of an interest equal to or greater than 50% in the Borrower and its material subsidiaries, taken as a whole; (b) the completion of the acquisition of control of the Borrower or any of its material subsidiaries holding, directly or indirectly, all or a substantial part of the Group's Kazakhstan hydrocarbon assets (**"Kazakh Subsidiaries"**) by a third party (or third parties acting in concert); or (c) the entering into by the Borrower (or any of its Kazakh Subsidiaries) of a legally binding agreement to effect a transaction contemplated by (a) or (b) unless such agreement includes as a condition precedent the obtaining of the Lender's approval to the transaction or the relevant part of it.
"control"	a person shall be deemed to be controlled by another person or by two or more persons if: (i) voting securities of the first-mentioned person carrying more than 50% of the votes attaching to such securities are held, otherwise than by way of security only, by or for the benefit of the other person or by or for the benefit of the other persons; and (ii) in the case of a company, the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of such company.
"Event of Default"	any event or circumstance listed in clause 11.1 to clause 11.8.
"Facility"	the term loan facility made available under this

agreement.

"Final Repayment Date" — 28 February 2016 or, following the occurrence of a Nostrum Withdrawal, 31 August 2016.

"Full Funding Event" — the receipt by the Borrower or any member of the Group of new cash funding (other than the Loan or any other funding provided by the Lender), whether in the form of debt or equity and whether in one or more tranches, in the amount of fifteen million US Dollars (US$15,000,000) or more on or before the Final Repayment Date.

"Group" — the Borrower and its subsidiaries and subsidiary undertakings.

"Indebtedness" — any obligation to pay or repay money in excess of one million US dollars (US$1,000,000), present or future, whether actual or contingent, sole or joint and any guarantee or indemnity of any of those obligations.

"Loan" — the principal amount of the loan made or to be made by the Lender to the Borrower under this agreement or (as the context requires) the principal amount (and any accrued interest) outstanding for the time being of that loan.

"Nostrum Withdrawal" — the absence of a public announcement by the Lender that it intends to acquire all or substantially all of the issued share capital of the Borrower (or otherwise intends to announce a firm intention to make an offer for the issued share capital of the Borrower) within two Business Days of the Lender's completion of its due diligence exercise within the time period set out in paragraph 2.1(b) of the Proposal Letter, or such extended time period as may be agreed between the Borrower and the Lender in writing.

"Partial Funding Event" — the receipt by the Borrower or any member of the Group of new cash funding (other than the Loan or any other funding provided by the Lender) on or before the Final Repayment Date, whether in the form of debt or equity and whether in one or more tranches, in an amount equal to or greater than two million US Dollars (US$2,000,000) and less than fifteen million US Dollars (US$15,000,000).

"Proposal Letter" — the letter dated 7 August 2015 from the Lender to the Borrower setting out the terms on which the Lender is prepared to make a non-binding indicative proposal to acquire the issued and to be issued share capital of the Borrower.

"Tajikistan Receipts" — any amount in cash received by any member of the Group in respect of the sale or disposal of any assets of the Group or member of the Group undertaking business in Tajikistan (provided for the avoidance of doubt that this shall not include any financial benefit received, directly or indirectly, by any member of the Group as a result of a carry or similar agreement to fund part or all of the Group's share of joint venture cash calls and/or work programme commitments).

"Total Facility Amount"	the maximum principal amount of the Facility referred to in clause 2.
"US Dollar" and "$"	the lawful currency of the United States of America.

1.2 Interpretation

In this agreement:

1.2.1 clause and paragraph headings shall not affect the interpretation of this agreement;

1.2.2 a reference to a person shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees;

1.2.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;

1.2.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;

1.2.5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees;

1.2.6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;

1.2.7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;

1.2.8 a reference to a time of day is to London time;

1.2.9 a reference to writing or written includes fax but not e-mail;

1.2.10 an obligation on a party not to do something includes an obligation not to allow that thing to be done;

1.2.11 a reference to this agreement (or any provision of it) or to any other agreement or document referred to in this agreement is a reference to this agreement, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this agreement) from time to time;

1.2.12 unless the context otherwise requires, a reference to a clause is to a clause of this agreement;

1.2.13 any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;

1.2.14 a reference to a document in agreed form is to that document in the form agreed by the Lender and the Borrower and initialled by or on their behalf for identification;

1.2.15 a reference to an amendment includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly);

1.2.16 a reference to assets includes present and future properties, undertakings, revenues, rights and benefits of every description;

1.2.17 a reference to "subsidiary" or "subsidiary undertaking" shall have the meaning given to such term in the Companies Act 2006;

1.2.18 a reference to continuing in relation to an Event of Default means an Event of Default that has not been remedied or waived;

1.2.19 a reference to determines or determined means, unless the contrary is indicated, a determination made at the discretion of the person making it;

1.2.20 a reference to a disposal of any asset, undertaking or business includes a sale, lease, licence, transfer, loan or other disposal by a person of that asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions); and

1.2.21 a reference to a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

2. The Facility

The Lender grants to the Borrower an unsecured US Dollar term loan facility of an aggregate principal amount not exceeding **five million US Dollars (US$5,000,000)** on the terms, and subject to the conditions, of this agreement.

3. Purpose

The Borrower shall use all money borrowed under this agreement in the following order of priority (a) to ensure that all obligations under its Kazakh work programmes, excluding the Kulbas exploration programme, are met for 2015, to the extent that these cannot be funded by revenue from Kazakh operations, (b) prior to any Nostrum Withdrawal (or if Nostrum announces a firm intention to make an offer for the issued share capital of the Borrower, prior to 31 October 2015), to ensure that the Group shall be able to fund all of its work programme obligations in Tajikistan so that there are no breaches of licence for non-fulfilment of such obligations and (c) to meet general and working capital requirements of the Group. Notwithstanding the foregoing statement of priority, when any liability, obligation or commitment of the Group within permitted use (b) or (c) above falls due before a liability relating to permitted use (a), the Borrower may use money borrowed under this agreement to meet such liability, obligation or commitment under permitted use (b) or (c) as it falls due.

The Borrower undertakes to provide such information as the Lender may reasonably require as to how the funds borrowed under this agreement have been applied. The Lender requests that every week until the loan is fully utilised the Borrower provides a list of items over US$100,000 where the proceeds were spent.

4. Drawing

4.1 The Borrower may utilise the Facility in a single amount on any Business Day during the Availability Period. To do this, the Borrower shall give the Lender prior notice of the date on which the Borrower wants to draw down the Loan specifying the amount of the proposed Loan, the Business Day on which it is to be made and the bank account to which payment is to be made (details of which are in the annex to this agreement). The amount of the Loan shall not exceed the Total Facility Amount.

4.2 Any notice given under clause 4.1 will be irrevocable.

4.3 Any amount of the Facility not drawn down during the Availability Period will automatically be cancelled at the end of the Availability Period.

5. Interest

5.1 The Borrower shall pay to the Lender interest on the Loan at the rate of 9% (nine per cent.) per annum, calculated and compounded semi-annually in arrears on the basis of a 365 day year.

5.2 Interest shall be payable by the Borrower on the Final Repayment Date.

5.3 If the Borrower fails to make any payment due under this agreement on the due date for payment, interest on the unpaid amount shall accrue daily, from the date of non-payment to the date of actual payment (both before and after judgment), at 9% (nine per cent.) per annum above the rate specified in clause 5.1.

6. Costs

6.1 The Borrower shall pay any stamp, documentary and other similar duties and taxes to which this agreement may be subject, or give rise.

6.2 Each Party shall pay its own costs and out-of-pocket expenses in connection with the documentation of the Loan.

7. Repayment

To the extent not prepaid in accordance with the provisions of clause 8, the Loan shall be repayable in full by the Borrower, together with accrued interest, on the Final Repayment Date. Interest shall be payable in accordance with clause 5.1.

8. Prepayment

8.1 The Borrower may prepay all or any part of the Loan at any time prior to the Final Repayment Date.

8.2 Provided that in doing so it shall not breach applicable law, the Borrower shall:

8.2.1 prepay the entire Loan in full within five (5) Business Days of the occurrence of any Full Funding Event;

8.2.2 prepay an amount in respect of the Loan equal to the Tajikistan Receipts within five (5) Business Days of the actual receipt of the Tajikistan Receipts; and

8.2.3 prepay an amount in respect of the Loan equal to twenty per cent. (20%) of the gross amount raised pursuant to any Partial Funding Event within five (5) Business Days of the occurrence of the relevant Partial Funding Event.

8.3 Any prepayment made under this clause 8 shall be made together with accrued interest on the amount prepaid.

8.4 Any prepayment of the Loan shall not be available to be redrawn under the Facility.

9. Payments

9.1 All payments made by the Borrower under this agreement shall be in US Dollars and in immediately available cleared funds to the Lender at an account to be notified by the Lender to the Borrower.

9.2 If any payment becomes due on a day that is not a Business Day, the due date of such payment will be extended to the next succeeding Business Day, or, if that Business Day falls in the following calendar month, such due date shall be the immediately preceding Business Day.

9.3 All payments made by the Borrower under this agreement shall be made in full, without set-off, counterclaim or condition, and free and clear of, and without any deduction or withholding, provided that, if the Borrower is required by law or regulation to make such deduction or withholding, it shall:

9.3.1 ensure that the deduction or withholding does not exceed the minimum amount legally required;

9.3.2 pay to the relevant taxation or other authorities, as appropriate, the full amount of the deduction or withholding;

9.3.3 furnish to the Lender, within the period for payment permitted by the relevant law, either:

(i) an official receipt of the relevant taxation authorities concerned on payment to them of amounts so deducted or withheld; or

(ii) if such receipts are not issued by the taxation authorities concerned on payment to them of amounts so deducted or withheld, a certificate of deduction or equivalent evidence of the relevant deduction or withholding; and

9.3.4 pay to the Lender such additional amount as is necessary to ensure that the net full amount received by the Lender after the required deduction or withholding is equal to the amount that the Lender would have received had no such deduction or withholding been made.

10. Covenants

10.1 Subject to clause 10.2, the Borrower covenants with the Lender that, as from the date of this agreement until all its liabilities under this agreement have been discharged in full, without the prior consent of the Lender:

10.1.1 No member of the Group will undertake any material corporate activity (including but not limited to distributions, acquisitions or disposals and material commercial agreements) other than with regard to the orderly farm-down process being undertaken in connection with its assets held in Tajikistan (which shall not be completed prior to any Nostrum Withdrawal without the consent of the Lender) and/or Georgia.

10.1.2 No member of the Group will make any discretionary payments in respect of bonuses (or other additional discretionary remuneration payments of any kind) to any of the directors, officers, employees or contractors of the Group.

10.1.3 No member of the Group will pay any fees, management services costs or similar to any third party adviser, consultant or shareholder of the Borrower other than under or pursuant to the contractual requirements of any pre-existing engagements, appointment letters or other contractual arrangements with third party advisers and consultants to the Borrower.

10.1.4 No member of the Group will declare, make or pay any dividend or distribution to any shareholder of such member.

10.1.5 No member of the Group will

(i) create any new Indebtedness or increase the amount of any existing Indebtedness save to the extent that cash on the consolidated balance sheet of the Borrower is greater than US$15,000,000 or the overall level of Indebtedness of the Company does not change as a result of the new Indebtedness or increase in existing Indebtedness (in either of which such case the consent of the Lender will not be required, provided that (i) any new Indebtedness or the increase in the amount of any existing Indebtedness will not rank in priority or preference to the indebtedness of the Borrower to the Lender under this Agreement and (ii) will not have a maturity date which falls at any time on or before the Final Repayment Date under this Agreement); or

(ii) repay any Indebtedness prior to its stated maturity date unless such repayment is required by the terms of the relevant contract(s) under which such Indebtedness is constituted.

10.1.6 No member of the Group will create or permit to subsist any security over any of its assets in respect of any debt, or give or permit to subsist any guarantee for, or in respect of, any debt.

10.1.7 Prior to any Nostrum Withdrawal, no member of the Group will enter into any form of financing agreement and/or issue any instrument or grant any right in respect of any equity interest of any member of the Group (whether by way of option, warrant, convertible security, stock or share capital).

10.1.8 The Borrower shall prepare quarterly management accounts including a profit and loss account, an earnings and profits account, balance sheet, income statement and cash flow statement and shall send copies of the same to the Lender within 20 Business Days of the end of the quarter to which the accounts relate or as near thereto as reasonably practicable.

10.1.9 The Borrower shall not enter into any agreement to do any of the acts referred to in clauses 10.1.1 to 10.1.7.

10.2 Nothing in clause 10.1 shall require or be construed as requiring any member of the Group to act in breach of applicable law or to fail to act in accordance with applicable law, or otherwise act or fail to act in a manner that would cause the directors of the Borrower to breach their fiduciary duties or legal obligations, provided that the Borrower shall discuss in advance with the Lender any intention to undertake an action specified in clause 10.1 in reliance under this clause 10.2.

11. Events of Default

Each of the events or circumstances set out in this clause 11 (other than clause 11.9) is an Event of Default.

11.1 The Borrower fails to pay any sum payable by it under this agreement for five Business Days after its due date.

11.2 The Borrower fails (other than by failing to pay), to comply with any provision of this agreement and (if the Lender considers, acting reasonably, that the default is capable of remedy), such default is not remedied within 10 Business Days of the earlier of:

11.2.1 the Lender notifying the Borrower of the default and the remedy required; and

11.2.2 the Borrower becoming aware of the default.

11.3 The Borrower fails to pay any sum payable by it under any third party credit facility, loan agreement or similar agreement in respect of Indebtedness for 10 Business Days after its due date.

11.4 Any action, proceedings, procedure or step is taken for:

11.4.1 the suspension of payments, a moratorium of any Indebtedness, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Borrower; or

11.4.2 the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Borrower or any of its assets,

provided that in the event that any such action, proceedings or step taken by a third party is contested by the Borrower in good faith, on reasonable grounds and in a timely manner, an Event of Default shall not be deemed to have occurred where the relevant action, proceedings or step taken has been discharged, vacated or stayed within 20 Business Days of the taking of such action, proceedings or step.

11.5 Any event occurs in relation to the Borrower similar to those in clause 11.3 under the laws of any applicable jurisdiction, subject to the same caveats set out in clause 11.3.

11.6 Any execution, expropriation, sequestration or another analogous legal process is levied, enforced or sued out on, or against, the Borrower's material assets and is not discharged or stayed within 20 Business Days of its occurrence.

11.7 The Borrower (or any of its material subsidiaries) suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a substantial part of its business.

11.8 There shall have occurred a Change of Control with respect to the Borrower for which the Lender has not provided its written consent.

11.9 The liabilities of the Group set out in the financial diligence information provided by the Borrower to the Lender between execution of the Proposal Letter and the execution of this Agreement were not true and accurate in all material respects and/or were misleading in any material respect

11.10 At any time after an Event of Default has occurred which is continuing, the Lender may, by notice to the Borrower:

11.10.1 cancel all of its outstanding obligations to advance the Loan or any part of it under this agreement whereupon they shall immediately be cancelled; and/or

11.10.2 declare that the Loan (and all accrued interest and all other amounts outstanding under this agreement) is immediately due and payable, whereupon they shall become immediately due and payable; and/or

11.10.3 declare that the Loan be payable on demand, whereupon it shall become immediately payable on demand by the Lender.

12. Set-off

The Lender may at any time set off any liability of the Borrower to it against any liability of it to the Borrower, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this agreement. If the liabilities to be set off are expressed in different currencies, the Lender may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Lender of its rights under this clause 12 shall not limit or affect any other rights or remedies available to it under this agreement or otherwise.

13. Accounts and certificates

13.1 The Lender shall maintain accounts evidencing the amounts owed to it by the Borrower, in accordance with its usual practice. Entries in those accounts shall be prima facie evidence of the existence and amount of the Borrower's obligations as recorded in them.

13.2 If the Lender issues any certificate, determination or notification of a rate or any amount payable under this agreement, it shall be (in the absence of manifest error) conclusive evidence of the matter to which it relates to between the Borrower and the Lender.

14. Amendments, Waivers and Consents and Remedies

14.1 No amendment of this agreement shall be effective unless it is in writing and signed by, or on behalf of, each party to it (or its authorised representative).

14.2 A waiver of any right or remedy under this agreement or by law, or any consent given under this agreement, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. Any such waiver shall only apply in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

14.3 A failure or delay by a party to exercise any right or remedy provided under this agreement or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this agreement. No single or partial exercise of any right or remedy provided under this agreement by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this agreement by the Lender shall be effective unless it is in writing.

14.4 The rights and remedies provided under this agreement are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

15. Severance

If any provision (or part of a provision) of this agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this agreement.

16. Assignment and transfer

No party may assign any of its rights or transfer any of its rights or obligations under this agreement without the prior written consent of the other party, save that the Lender may assign any of its rights under this agreement to any of its subsidiaries or subsidiary undertakings.

17. Counterparts

This agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute one agreement.

18. Third party rights

18.1 A person who is not a party to this agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this agreement. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

18.2 The rights of the parties to rescind or agree any amendment or waiver under this deed are not subject to the consent of any other person.

19. Notices

19.1 Any notice or other communication given to a party under or in connection with this agreement shall be:

19.1.1 in writing;

19.1.2 delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax; and

19.1.3 sent to:

(i) **the Borrower at:**

Tethys Petroleum Limited
c/o Tethys Services Limited
27^{th} Floor
Millbank Tower
21-24 Millbank
London SW1P 4QP
[redacted]

*Fax number and contact person for Tethys Petroleum Limited omitted.

(i) **the Lender at:**

Nostrum Oil & Gas plc
[redacted]

*Notice details for Nostrum Oil & Gas plc omitted.

or to any other address or fax number as is notified in writing by one party to the other from time to time.

19.2 Any notice or other communication that any Lender gives to the Borrower under or in connection with, this agreement shall be deemed to have been received:

19.2.1 if delivered by hand, at the time it is left at the relevant address;

19.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and

19.2.3 if sent by fax, when received in legible form.

19.3 A notice or other communication given as described in clause 19.2.1 or clause 19.2.3 on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

19.4 Any notice or other communication given to the Lender shall be deemed to have been received only on actual receipt by the Lender.

19.5 A notice or other communication given under or in connection with this agreement is not valid if sent by e-mail.

20. Governing law and jurisdiction

20.1 This agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

20.2 Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim that arises out of, or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the Lender to take proceedings against the Borrower in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

20.3 The Borrower irrevocably appoints Tethys Services Limited of 27th Floor, Millbank Tower, 21-24 Millbank, London SW1P 4QP as its agent to receive on its behalf service of any proceedings arising out of or in connection with this agreement. Such service shall be deemed completed on delivery to such agent (whether or not it is forwarded to and received by the Borrower). If for any reason such agent ceases to be able to act as agent or no longer has an address in England and Wales, the Borrower shall forthwith appoint a substitute acceptable to the Lender and deliver to the Lender the new agent's name, address and fax number.

This agreement has been entered into on the date stated at the beginning of it.

EXECUTION

Signed by ....
for and on behalf of **TETHYS PETROLEUM LIMITED**

....
Director / Authorised Signatory

Signed by ....
for and on behalf of **NOSTRUM OIL AND GAS PLC**

....
Director / Authorised Signatory

(signed) "Kai-Uwe Kessel", CEO

[redacted]

Director / Authorised Signatory

EXECUTION

Signed by ______________________ ______________________
For and on behalf of TETHYS PETROLEUM
LIMITED

(signed) "Frank Monstrey"

[redacted]

Signed by ______________________
For and on behalf of **NOSTRUM OIL AND GAS**

Frank Monstrey
Chairman

____
Director

EXECUTION

Signed by John Bell, Executive Chairman for and on behalf of **TETHYS PETROLEUM LIMITED**	[redacted] Director / Authorised Signatory	(signed) "John Bell"
Signed by .... for and on behalf of **NOSTRUM OIL AND GAS PLC**	.... Director / Authorised Signatory	
	.... Director / Authorised Signatory	

ANNEX
Account Details

[redacted]

*Account Details omitted.