TG WORLD ENERGY CORP.

SEPTEMBER 30, 2005 AND 2004

MANAGEMENT DISCUSSION AND ANALYSIS

The following interim Management's Discussion and Analysis (MD&A) updates our annual MD&A included in our 2004 Annual Report to Shareholders, and our interim MD&A for the first and second quarters of 2005, to which readers are referred. No update is provided where an item is not material or there has been no material change from the discussion in our annual and quarterly MD&A's.

The Management Discussion and Analysis and Financial Statements for the quarter ending September 30, 2005 have not been reviewed by the Company's auditors.

Description of the Business

TG World Energy Corp (the Company or TG World**)** is a Canadian junior oil and gas exploration and development company whose main asset is TG World Petroleum Limited (TG World Petroleum), a 100% owned Bahamian subsidiary. TG World Petroleum's only asset is its 20% interest in the Establishment Agreement (EA) and licenses with the Republic of Niger in the Tenere area. An 80% interest is retained by CNPC International Tenere Ltd. ("CNPCIT"), who is the operator of the Tenere project.

Under the arrangements concluded in 2004, CNPCIT will pay (i.e. carry) 100% (with minor exceptions) of TG World's share of costs for an agreed Minimum Work Program, including project related G & A costs. The major components of the Program are acquiring, processing and interpreting a minimum of 1500 km of seismic and drilling three exploration wells. The Company will also be carried for any seismic done over and above the 1500 km up to the drilling of the second exploration well. The Company will be required to repay its carried costs to CNPCIT, without interest, out of a share of TG World's future production from the Tenere Block, only if the program results in petroleum production. In December 2004 CNPCIT paid TG World US$1 million (CDN$1,235,700) for past costs as part of the arrangements.

The Tenere Block initial seismic acquisition program, operated by CNPCIT is now complete. CNPCIT has previously reported that it achieved all objectives for the seismic acquisition program as of June 18, 2005 through the acquisition of 1,686.525 line km after commencing shooting on January 11, 2005.

CNPCIT has initiated a program to acquire an additional 865 kilometers of new 2D seismic data on the Tenere Block. TG World will be carried for the cost of the additional seismic.

CNPCIT has advised the Corporation that the new data is to be acquired to further evaluate and confirm specific prospects on the Tenere block, and to tie in the structure and the stratigraphy of the Tenere Block with adjacent areas. CPCIT has confirmed that it proposes to initiate the collection of the additional seismic data immediately, so as to take advantage of the continued availability of the BGP Inc. geophysical crew before it is assigned to other programs.

The decision to acquire additional seismic data reflects CNPCIT's commitment to the Tenere program. The operator is devoting considerable effort and resources to the program and is aggressively acquiring geophysical data keyed to confirming the best prospects for the three-well drilling obligation contemplated by the Minimum Work Program and to reducing overall technical risk in drilling wells.

TG World also announced that it intends to independently interpret CNPCIT seismic data so as to be in a position to fully participate in the decision-making meeting (Tenere Operating Committee Meeting) scheduled for mid-December in Beijing. Decisions are expected to be made at that meeting concerning key elements of the Annual Work Program and Budget for 2006.

TG World's independent processing by the Company has confirmed that the data acquired by CNPCIT is high quality.

Overview of Consolidated Financial Highlights

	3 months ended		9 months ended	
	Sept 30, 2005	Sept 30, 2004	Sept 30, 2005	Sept 30, 2004
EXPENSES				
General and administrative	355,338	472,976	809,173	986,800
Amortization of debenture discount	15,091	42,933	68,501	76,885
Interest expense	9,536	47,470	48,624	107,500
Interest income	(9,394)	(5)	(10,328)	(450)
Foreign exchange (gain) loss	567	908	442	1,408
Net loss	371,138	564,282	916,412	1,172,143
Net loss per share – basic and diluted	(0.0121)	(0.0260)	(0.0298)	(0.0550)
Share capital	6,966,238	2,845,568	6,966,238	2,845,568
Working capital (deficiency)	2,070,149	(1,074,059)	2,070,149	(1,074,059)
Capital assets	-	-	-	-
Total assets	2,215,643	254,879	2,215,643	254,879
Convertible debentures	-	-	-	-
Other liabilities	-	-	-	-
Shareholders' equity	2,070,149	(1,074,059	2,070,149	(1,074,059)

TG World's third quarter consolidated net loss was $371,138, or $0.0121 basic and diluted net loss per share. This is a decrease of $193,144 compared to net loss of $564,282 or $0.026 per share for the third quarter of 2004. The decrease in 2005 expenses is attributable mainly to legal costs incurred in 2004 to resolve the dispute with CNPC and related parties.

For the nine month period ended Sept 30, 2005, consolidated net loss was $916,412 or $0.00298 basic and diluted net loss per share, compared to net loss of $1,172,143 for the same period in 2004 ($0.0550 per share) or a decrease of $255,731. The decrease in 2005 is attributable mainly to legal costs incurred in 2004.

Shares issued for convertible debentures and warrants

During the quarter, shares issued for convertible debentures contributed $396,400 to shareholder's equity, and warrants exercised contributed a further amount of $440,000. All the debentures and associated warrants issued for $1 million in 2003 have been converted to common shares of the Company

Shares issued on completion of Brokered Private Placement Financing

During the quarter, shares issued on the completion of the private placement financing contributed a net of $2,322,083 to shareholder equity. Details of this financing are outlined in the commentary on Liquidity and Capital Resources in this MD&A

Capital Assets

In 2003, the Company wrote down $2,030,586, its capital assets related to its previously held Tenere EA, (see Notes 2 & 4 to the 2004 Consolidated Financial Statements) due to uncertainty associated with the ultimate recoverability of the Company's capital assets which were in dispute with the Government of Niger and CNPC group of companies. No value has been assigned to the new Tenere Exploration Agreement executed in 2004.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities decreased to $144,615 in 2005 from $415,256 in 2004, due to the reduction in legal fees in 2005, and the payment of the debenture interest accrued.

Convertible Debentures

During 2003, the Company issued $1,000,000 of convertible debentures (none in 2004 or 2005). The debentures were recorded in debt and equity using their relative fair values. An option-pricing model was used to determine the fair value of the equity component of the debentures. In 2004 over the term of the debentures, an amount equal to the equity component was added to the debt component as a charge to earnings each period.

In 2004 debentures in the amount of $190,000 were converted to 3,800,000 common shares to leave a principal balance of $810,000. In addition 625,000 warrants were exercised in 2004. As a result of the debenture conversion the liability component of $155,637 and equity component of $34,363 were reclassified to share capital. During the nine months ended September 30, 2005, the debenture holders converted the remaining debentures with a principal balance of $810,000 into 11,533,320 common shares at an average $0.07 per common share. As a result, both the liability component of $810,000 and the equity component of $198,590 of the convertible debentures, which were converted in 2005, have been reclassified to share capital. In addition the remaining warrants were exercised for a total of 7,566,662 shares.

Selected Quarterly Information

(Unaudited, in thousands of Canadian dollars, except per share information)

	2005			2004				2003
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Expenses:								
General and administrative	294	109	301	372	480	284	220	694
Stock-based compensation	61	22	22	53	(7)	5	5	13
Amortization of debenture discount	15	21	32	(1)	43	16	18	(71)
Depreciation	-	-	-	-	-	-	-	-
Interest	10	16	23	38	47	30	30	17
Foreign exchange loss	-	-	-	39	1	-	-	-
Write-off capital assets	-	-	-	-	-	-	-	2,031
Cost recovery	-	-	-	(1,236)	-	-	-	-
Interest income	(9)	(1)	(1)	-	-	-	-	-
Net loss (gain)	371	167	377	(735)	564	335	273	2,684
Net loss (gain) per share (basic)	0.012	0.005	0.015	(0.030)	0.026	0.016	0.014	0.136

	2005			2004				2003
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Share capital	6,526	3,808	3,335	2,846	2,826	2,646	2,646	2,646
Warrants	440	-	-	-	-	-	-	-
Working capital (deficiency)	2,070	(711)	(986)	(1,074)	(962)	(472)	(189)	(3)
Capital assets	-	-	-	-	-	-	-	-
Total assets	2,216	9	153	255	36	14	74	261
Convertible debentures	-	-	-	-	(886)	(984)	(938)	(856)
Other liabilities	-	-	-	-	-	-	-	-
Shareholders' equity	2,070	(711)	(986)	(1,074)	(1,848)	(1,456)	(1,127)	(858)

The following discussion highlights some of the more significant factors that impacted the results in the eight most recently completed quarters ended Sept 30, 2005

In the third quarter of 2005 the expense reduction compared to the third quarter of 2004 was mainly due to reduced legal fees. Third Quarter 2005 general and administrative costs exceeded the second quarter 2005 by $185,000 due mainly to a retroactive charge to Management fees paid to a related party ($60,000), the annual Tenere land fee paid in the quarter ($52,000), renegotiated management and services agreement ($30,000) and increased geological and geophysical consulting fees.

Fluctuations in the quarterly net loss were primarily driven by the higher general and administrative costs in the first quarter 2005 and the third and fourth quarters of 2004 and the fourth quarter of 2003 due to bonus payments and increased legal costs in concluding our settlement with the Government of Niger and CNPC group of companies. In the fourth quarter of 2004, the cost recovery of US$1.0 million resulted in a gain for the quarter.

The higher stock based compensation expense recorded in the fourth quarter of 2004 reflects the Company's adoption, with retroactive effect to share options granted since January 2002, of new standards for "stock-based compensation and other stock-based payments" that now require the Company to record the fair value of all share options granted since January 1, 2002. Stock based compensation expense in the first and second quarters of 2005 is higher than the first and second quarters of 2004 for the same reason. The higher stock based compensation cost in the third quarter of 2005 reflects the cost of new options awarded in the quarter.

The increases in share capital in the third and fourth quarters of 2004 and the first and second quarters of 2005 reflect the conversion of debentures to common shares and the exercise of warrants. The increase in share capital in the third quarter of 2005 is due to conversion of debentures, exercise of warrants and issue of shares under the brokered private placement financing.

The working capital deficiency has been eliminated and replaced by positive working capital of $2,070,000 in the third quarter as a result of the cash generated by the private placement financing and the exercise of warrants.

Liquidity and Capital Resources

The Company completed three private placements during 2003. The first tranche closed on March 31, 2003 and the second tranche closed on June 20, 2003. The financing involved the issuance of Units consisting of a $10,000 unsecured convertible debenture bearing interest at the greater of Royal Bank of Canada prime rate plus 4% per annum or 12% per annum and 83,333 common share purchase warrants. Each two warrants entitled the warrant holder to purchase one common share at an exercise price of $0.12 per share for a period of two years from the anniversary of the closing date. The term to maturity of the convertible debenture was the earlier of the two year anniversary from the closing date or conversion by the holder or redemption by the Company. The Company was entitled to call the debenture for redemption, upon giving the holder 15 days notice, when the weighted average trading price of the common shares of the Company for any 22 consecutive business days equaled or exceeded $0.37. The debenture holder was entitled to convert all or part of the debenture (principal only) into common shares of the Company at any time up to two years from the anniversary of the closing date at no additional cost to the holder. The conversion rate for either redemption by the Company or retraction by the holder was 83,333 common shares for each $10,000 investment amount.

The third private placement closed on December 11, 2003 and raised $600,000. The financing involved the issuance of Units consisting of a $10,000 unsecured convertible debenture bearing interest at the greater of Royal Bank of Canada prime rate plus 4% per annum or 12% per annum and 100,000 common share purchase warrants. Each full warrant entitled the warrant holder to purchase one common share at an exercise price of $0.10 per share up to September 30, 2005. The term to maturity of the convertible debenture was the earlier of September 30, 2005 or conversion by the holder or redemption by the Company. The Company was entitled to call the debenture for redemption, upon giving the holder 15 days notice, when the weighted average trading price of the common shares of the Company for any 22 consecutive business days equaled or exceeded $0.37. The debenture holder was entitled to convert all or part of the debenture (principal only) into common shares of the Company at any time up to September 30, 2005 at no additional cost to the holder. The conversion rate for either redemption by the Company or retraction by the holder was 200,000 common shares for each $10,000 investment amount.

The funds raised through the aforementioned private placements were used for working capital purposes and largely to resolve the legal issues with the CNPC group of companies and Niger government. The issues were successfully completed in 2004.

As part of the settlement agreements, TG World was paid by CNPCIT US$1.0 million (CDN$1,235,700) in 2004.

The fully-diluted number of shares outstanding at September 30, 2005 and December 31, 2004 were as follows:

Fully-Diluted Shares Outstanding	September 30, 2005	December 31, 2004
Common shares issued	47,957,606	24,175,913
Stock options outstanding	5,155,000	4,005,000
Common shares issuable upon convertible debenture conversions	0	11,533,320
Common shares issuable from warrant exercises issued in 2003	0	7,566,662
Common shares issuable from warrant exercises issued in 2005	2,197,957	0
Total common shares if all options and warrants are exercised and debentures converted	55,310,563	47,280,895

As at September 30, 2005 the Company had $2,199,601 in cash and working capital of $2,070,149. As anticipated, all debentures were converted to common shares, and all warrants outstanding from the 2003 private placement were exercised before they expired, resulting in the purchase of additional shares which, in conjunction with the new July 2005 private placement, provided additional net funds to the treasury amounting to $3,112,079.

The Company's 20% share of the Minimum Work Program of 1500 km (increased to 1688 km), to be increased by the announced plan of CNPCIT to acquire an additional 865 km of seismic and three exploration wells including project G & A is paid for (i.e. carried) by CNPCI with minor exceptions. The Company will have continuing overhead and other costs and has, accordingly, raised additional funds through a brokered private placement financing completed in July 2005.

Brokered Private Placement Financing

On July 21, 2005, the Company announced the completion of its brokered private placement of an aggregate of 3,571,000 units (the "Units") of the Corporation (the "Offering") to subscribers (the "Subscribers") at a price of $0.70 per unit for gross proceeds to the Corporation of $2,500,000.

Each Unit consists of one common share and one-half of one share purchase warrant. Each full purchase warrant entitles the holder thereof to acquire one common share, at a price of $0.85 per share if the warrant is exercised within the first twelve months following closing and at $1.00 per share if the warrant is exercised at any time during the second year following closing. The Units were offered for sale to accredited investors on a commercially reasonable efforts basis (the "Offering") by Canaccord Capital Corporation acting as agent (the "Agent").

Pursuant to the terms of the formal agency agreement (the "Agency Agreement") entered into between the Agent and the Corporation, the Corporation paid a commission to the Agent equal to 8% of the gross proceeds of the Offering and issued 357,100 share purchase warrants, on the same terms and conditions as the share purchase warrants issued to Subscribers, to the Agent, representing 10% of the number of Units sold by the Agent pursuant to the Offering.

In addition, pursuant to the terms of the Agency Agreement, the Agent exercised its option to receive, in lieu of a portion of its commission otherwise payable in cash, 110,715 Units (consisting of 110,715 common shares and 55,357 share purchase warrants) on the same terms and price as the Units issued to Subscribers.

Under this financing arrangement, 3,681,715 shares were issued on July 21, 2005. Warrants issued on these units represent 1,840,857 shares, which when added to the 357,100 warrants issued to the Agent give a total of 2,197,957 shares. If all the warrants are exercised, an additional 2,197,957 shares would be issued. When these additional shares are added to the 47,957,606 shares already issued as of September 30 2005 and outstanding options of 5,155,000 shares, the total diluted share number for the Company is 55,310,563.

The proceeds received net of issuing expenses amounted to $2,322,083 and will be used to meet working capital requirements. Cash in excess of immediate requirements is invested in short term paper.

Related Party Transactions

Related party transactions were undertaken with respect to management, secretarial and administration services supplied by Seajay Management Enterprises Ltd. in the amount of $15,000 in each of the first and second quarters of 2005 and for each of quarters one to three for 2004. These reduced rates had been negotiated between the Board of Directors and Seajay. The Board of Directors reviewed in the third quarter of 2005 the contracts with Seajay and determined to increase rates charged by Seajay for management, secretarial and administrative services to $15,000 per month retroactive to January 1, 2005. Rent was paid to TVI Pacific Inc. in the amount of $7,614 and $6,147 for the third quarter of 2005 and 2004 respectively. Office maintenance costs paid to TVI amounted to $2,607 and $2,253 for the third quarter of 2005 and 2004 respectively. In addition, management and project services were undertaken by Global Solutions Ltd. in the amount of $30,000 in third quarter 2005 ($15,000 of which was a retroactive adjustment approved by the Board of Directors) and $22,500 in third quarter 2004. All such expenditures were performed under service contracts approved by the Board of Directors and reviewed for appropriateness and approved by company management. In the first quarter of 2005, the Board of Directors, acting on the recommendation of the compensation committee of the Board, awarded Seajay a retroactive management fee of $75,000 in recognition of the reduced fees in 2004 and both Seajay and Global Solutions performance bonuses in the amounts of $50,000 and $25,000 respectively for successfully negotiating the arrangements with CNPC and the Niger government.

Material Contracts and Commitments

The Company's main asset is its wholly-owned subsidiary, TG World Petroleum. TG World Petroleum's only asset is the Establishment Agreement (EA) with Niger relating to the Tenere Block and the obligation of CNPCIT to carry certain work on the EA.

TG World holds a 20% interest in the CNPCIT operated Tenere Permit, and CNPCIT is committed to carry TG World's cost of a Minimum Work Program of 1500 km of seismic and drilling of three exploration wells. Under the terms of the EA this program will fulfill the work program obligations for the first term of almost four years. The Tenere EA also provides options for two additional three year terms that would include additional seismic and exploration well commitments.

Under a Success Fee Arrangement with a third party, the Company has agreed to reserve and pay to a third party for the successful settlement of the outstanding legal matters with CNPC and its related parties and the Government of Niger a minimum fee of $150,000 or greater of 4% of the value received for the Company's 20% interest in the Tenere EA. The third party shall pay its 4% share of the Company's cost. A definitive agreement has not yet been prepared. The minimum $150,000 is not payable until a definitive agreement is signed by both parties.

Critical Accounting Policies and Estimates

Significant and Changed Accounting Policies

Asset retirement obligation – TG adopted the new accounting standards regarding asset retirement obligations effective January 1, 2004. Adoption of the new standard had no impact on the consolidated financial statements of the Company.

Stock-based compensation – Effective January 1, 2004, TG adopted the revised Canadian accounting standard requiring the fair value method of accounting for stock option grants.

Impairment of long-lived assets – Effective January 1, 2004, TG adopted the new accounting standard for impairment of long-lived assets which established new rules for the recognition, measurement, and disclosure of the impairment of long-lived assets (excluding oil and gas assets). The new standard harmonizes Canadian and U.S. GAAP. There was no impact to TG's consolidated financial statements upon initial adoption of the Canadian standard.

Accounting Estimates

TG's management is responsible for applying judgment in preparing accounting estimates. Certain estimates and related disclosures included within the consolidated financial statements are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ significantly from Management's current judgments. The following are significant accounting estimates:

In regard to stock-based compensation TG has estimated the volatility, expected life and risk-free interest rates of the stock-based compensation.

Business Risks and Uncertainties

The Company's business is subject to risks inherent in oil and gas exploration and development operations. In addition, there are risks associated with the Company's current and future operations in the foreign jurisdiction in which it operates. The Company has identified certain risks pertinent to its business including: exploration and reserve risks, drilling and operating risks, costs and availability of materials and services, capital markets and the requirement for additional capital, loss of or changes to production sharing, joint venture or related agreements, economic and sovereign risks, possibility of less developed legal systems, reliance on CNPC relationships, market risk, volatility of future oil and gas prices and foreign currency risk.

The Company must rely on CNPCIT management efficiencies and technical skills as operator of the Tenere project.

Outlook

The Tenere Block initial seismic acquisition program, operated by CNPCIT is now complete. CNPCIT has reported that it achieved all objectives for the seismic acquisition program as of June 18, 2005 through the acquisition of 1,686.525 line km after commencing shooting on January 11, 2005.

As mentioned in the introductory part of this report, CNPCIT has initiated a program to acquire an additional 865 kilometers of new 2D seismic data on the Tenere Block. Under the terms of the arrangement previously entered into with CNPCIT, TG World will be carried for the cost of the additional seismic

The objectives of the program are to define better the structures already identified and to prioritize the prospects for drilling. Seismic shooting, processing and interpretation are expected to be finished in the spring of 2006. Planning for the drilling of the exploration wells has commenced.

Advisory Regarding Forward-Looking Statements

This discussion and analysis contains forward-looking statements. Forward-looking statements are subject to numerous known and unknown risks and uncertainties, some of which are beyond TG's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency exchange rate fluctuations, reserve estimates, environmental risks, and competition from other explorers, stock market volatility and ability to access sufficient capital. TG's actual results could differ materially from those anticipated in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Additional information is available on TG's website at www.tgworldenergy.com or on SEDAR's website at www.sedar.com.

November 24, 2005