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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

Zhaikmunai LLP

Full Year Results for the Year Ending 31 December 2022

Uralsk, 2 June 2023

Zhaikmunai LLP, a subsidiary of Nostrum Oil & Gas PLC (“**Nostrum**” or “**the Company**” and together with its subsidiaries “**the Group**”), an independent oil and gas company engaging in the production, development and exploration of oil and gas in the pre-Caspian Basin, announces Nostrum’s consolidated full year financial results for the twelve months ended 31 December 2022 (“FY 2022”), together with the publication of its 2022 Annual Report.

Nostrum’s management team will present the FY 2022 Results and will be available for a Q&A session with analysts and investors today at 2pm UK time, 2 June 2023. If you would like to participate in this call, please register by clicking on the following link and following instructions: [Results Call](#)

Arfan Khan, Chief Executive Officer of Nostrum Oil & Gas, commented:

“The financial performance of the Group during the year was stable and positive due to an increase in commodity pricing. This was achieved despite the significant natural decline in production, alongside inflationary and other macroeconomic challenges.

In 2022, the Company successfully generated over US\$68.3 million in positive free cash flow, resulting in total cash balances of US\$233.6 million as of 31 December 2022. The strong cash flow performance combined with a successful restructuring of existing debt put Nostrum in a strong position to be able to invest into economically favorable strategic projects.

With a successful completion of the Restructuring in early 2023, an optimised balance sheet, cash reserves and a new, high-caliber Board, Nostrum has entered a new stage of its development that we call ‘Nostrum 2.0’ and launched its mixed-asset energy strategy.

Nostrum has already succeeded in its transformation from a single-asset (Chinarevskoye Field) to a mixed-asset company by adding another upstream field (Stepnoy Leopard), sanctioning the upcoming startup of the midstream tie-back project by Ural Oil & Gas (Rozhkovskoye Field), and completing an internal feasibility assessment of a possible midstream project from the Karachaganak Field.

In 2023, we will continue to focus on developing our assets and invest in both upstream and midstream opportunities where we see the right risk/reward.

I would like to take this opportunity to thank all our stakeholders and the host governments for your trust and support. We are looking forward to continuing our established relationships and to strengthening them further. I believe that the road ahead is an exciting and rewarding one.”

2022 Highlights

Financial

- FY revenues were US\$199.7m against average 2022 Brent prices of US\$99/bbl (FY2021: revenues of US\$195.3m, average Brent price of US\$71/bbl).
- EBITDA¹ US\$115.7m (2021: US\$112.5m) and EBITDA¹ margin of 58% (FY2021: 58%).
- Exported crude oil and condensate have been facing large Urals discounts. Starting from 2023, the Company has updated its off-take agreements which should help reduce the discount and further strengthen the netbacks.
- Unrestricted cash position as at 31 December 2022 was US\$233.6m (FY2021: US\$165.2m). US\$31.0m remained as restricted cash as at 31 December 2022, including US\$22.7m held in a restricted account under the terms of the Forbearance Agreement.
- The Group continued focusing on its cost optimisation to help manage liquidity by optimising FY 2022 operating costs and general administrative expenses against the target of US\$45.5 million.

Operational

- Daily production after treatment averaged 13,200 boepd (2021: 17,032 boepd).
- Daily sales volumes averaged 12,524 boepd (2021: 15,330 boepd).
- The Group continued to execute its well and reservoir management strategy through well workovers and rigless well intervention in 2022.
- Total Proven plus Probable ("2P") reserves of 28.3 million barrels of oil equivalent ("mmboe") and the 8.5 mmboe of Possible ("3P") reserves of 36.8. mmboe, based on the annual reserves audit conducted by Ryder Scott.
- The Group is continuing to progress with a tie-back project, budgeted for c.US\$5m of capital expenditures. It will allow for the first ever third-party feedstock from Ural Oil & Gas LLP ("Ural O&G") to be received for treatment in the Group's facilities that is expected to start in Q4 2023.
- Whilst not itself a target of the sanctions imposed in connection with the conflict in Ukraine, the Group continues to monitor the current and evolving lists of individuals and entities who are subject to sanctions with a view to compliance by the Group with all applicable sanctions and to ensuring that the Group's ongoing activities are not materially affected by such sanctions.
- The Group continues to prioritise the safety of all staff and contractors as well as focussing on running sustainable operations.

Restructuring

On 9 February 2023, the Group completed the implementation of the restructuring initially announced on 23 December 2021 (the "Restructuring") and the related lock-up and forbearance arrangements were terminated. The principal elements of the Restructuring are as follows:

- Exchange of a portion of the Group's legacy Notes Debt for the issuance to each Noteholder of a pro rata allocation of the New Notes, comprising US\$250million of

new senior secured notes (the "SSNs") and US\$345 million of senior unsecured notes (the "SUNs");

- Conversion of the remainder of the Notes Debt into fully paid ordinary shares (the "New Shares"), resulting in the Noteholders holding 88.89% of the Enlarged Share Capital of the Company;
- Issuance of the New Warrants, to be held by the Warrant Trustee on behalf of the holders of the SUNs from time to time, exercisable in full by a majority of such holders upon the occurrence of certain events to increase their holding of the Company's Enlarged Share Capital to 90.00%; and
- Certain new governance and cashflow arrangements, as described in more detail in the Annual Report and other publications of the Company.

Pursuant to the terms of the Restructuring the interest accrued on the SSNs and the SUNs from 1 January 2022. Accordingly, cash interest accrued to 9 February 2023 in the amount of US\$17.5 million was paid to the Noteholders upon the issuance of the SSNs and the SUNs. The next semi-annual cash interest payment is scheduled for 30 June 2023.

Further details of the Restructuring are contained in the prospectus dated 14 October 2022 (as supplemented) which is available on the Company's website at <https://www.nostrumoilandgas.com/investors/documents-circulars/>.

Positive Invest

- In March 2023, the Company agreed, subject to certain conditions, to acquire 80% of Positive Invest LLP ("Positive Invest"), the company which holds the subsoil use rights to the contract No. 25 for estimation, development and production of hydrocarbons for the area "Kamenskoe" and the development area "Kamensko-Teplovsko-Tokarevskoe" (the "Stepnoy Leopard Fields") in the West Kazakhstan region of the Republic of Kazakhstan (the "Positive Invest Contract"), for US\$20 million (less a modest amount of debt owed to Nostrum Oil & Gas Coöperatief U.A) (the "Proposed Acquisition").
- Management estimates that the Stepnoy Leopard Fields hold between 50 mmbœ and 150 mmbœ of recoverable volumes which are considered contingent resources, with over 20% estimated to be liquids. Hence, the Proposed Acquisition will enable Nostrum to tie-in further resources in the region that can be processed at the Company's gas treatment facilities. Upon completion of the Proposed Acquisition an affiliate of the Company will be appointed as the operator of the Stepnoy Leopard Fields under the Positive Invest Contract.
- The Sale and Purchase Agreement for the Proposed Acquisition has a long stop date of 30 June 2023, by which time all conditions precedent in relation to the Proposed Acquisition must be fulfilled or waived and the Proposed Acquisition completed.

Sustainability

- Zero fatalities during operations to employees and contractors (2021: zero).
- Zero Lost Time Injury ("LTI") (2021: two).
- Four Total Recordable Incidents ("TRI") (2021: six).
- 4,178 tonnes of air emissions emitted in 2022 against 6,413 tonnes permitted for 2022 under the Kazakhstan Environmental Code.
- Continued reduction in Scope 1 and 2 emissions to 169,630 tCO₂e (2021: 187,479 tCO₂e).

- 86% of waste generated in the field was transferred for processing (2021: 93.8%).

Tax audit

- During 2022 the tax authorities in Kazakhstan carried out a comprehensive tax audit of Zhaikmunai LLP for the financial years 2016-2021. As a result of this tax audit, additional taxes have been assessed for the periods covered, including (a) corporate income tax in a principal amount equivalent to approximately US\$12.5m and (b) VAT equivalent to approximately US\$4.4m. Zhaikmunai has informed the authorities that it intends to make payment of the assessed amounts along with related interest and administrative fines. The total amount of payments is expected to be approximately US\$25m.

2023 Q1 results

- Considering the timing of publication of the 2022 Annual Report and Accounts, the Company plans to release its unaudited and unreviewed interim condensed consolidated accounts for the period ending 31 March 2023 on 29 June 2022.

Sales volumes

The sales volume split for 2022 was as follows:

Products	2022 volumes (boepd)	2022 product mix (%)	2021 volumes (boepd)	2021 product mix (%)
Crude Oil	3,127	25.0%	3,395	22.1%
Stabilised Condensate	3,045	24.3%	3,120	20.4%
LPG (Liquid Petroleum Gas)	1,665	13.3%	2,003	13.1%
Dry Gas	4,687	37.4%	6,812	44.4%
Total	12,524	100.0%	15,330	100.0%

The difference between production and sales volumes is primarily due to the internal consumption of gas.

The Company's results materials are available to download on Nostrum's website.

Notes to press release

¹ EBITDA is defined as profit before tax + non-recurring expenses + finance costs + foreign exchange loss/(gain) + employee share-option adjustments + depreciation – interest income + other expenses/(income).

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Further information

For further information please visit www.nostrumoilandgas.com

Further enquiries:

Nostrum Oil & Gas PLC

Ulugbek Makhmadiyarov – Head of Finance

ir@nog.co.uk

Instinctif Partners - UK

Tim McCall

Galya Kulachek

Vivian Lai

+ 44 (0) 207 457 2020



nostrum@instinctif.com

Notifying person

Thomas Hartnett
Company Secretary

About the Group

Nostrum Oil & Gas PLC is an independent oil and gas company currently engaging in the production, development and exploration of oil and gas in the pre-Caspian Basin. Its shares are listed on the London Stock Exchange (ticker symbol: NOG) and the Astana International Exchange (ticker symbol: NOG). The principal producing asset of Nostrum Oil & Gas PLC is the Chinarevskoye field, which is operated by Zhaikmunai LLP, a wholly-owned subsidiary of Nostrum Oil & Gas PLC and the sole holder of the subsoil use rights to develop the field.

Forward-Looking Statements

Some of the statements in this document are forward-looking. Forward-looking statements include statements regarding the intent, belief and current expectations of the Company or its officers with respect to various matters. When used in this document, the words “expects”, “believes”, “anticipates”, “plans”, “may”, “will”, “should” and similar expressions, and the negatives thereof, are intended to identify forward-looking statements. Such statements are not promises nor guarantees and are subject to risks and uncertainties that could cause actual outcomes to differ materially from those suggested by any such statements.

No part of this announcement constitutes, or shall be taken to constitute, an invitation or inducement to invest in the Company or any other entity, and shareholders of the Company are cautioned not to place undue reliance on the forward-looking statements. Save as required by the relevant listing rules and applicable law, the Company does not undertake to update or change any forward-looking statements to reflect events occurring after the date of this announcement.