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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

FOR IMMEDIATE RELEASE

**Zhaikmunai LLP**

**Operational Update for the first quarter ending 31 March 2023**

**Uralsk, 28 April 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, today announces Nostrum’s operational update in respect of the three months ended 31 March 2023.

**Highlights:**

**Operational**

- Daily production after treatment for Q1 2023 averaged 10,479 boepd (Q1 2022: 14,683 boepd).
- Daily sales volumes for Q1 2023 averaged 7,276 boepd (Q1 2022: 14,059 boepd). Oil inventory as at quarter-end totalled approximately 254,000 boe which is expected to be sold in Q2 2023.
- The Group continues its well and reservoir management strategy through well workovers and rigless well intervention in 2023.
- 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 OG”) to be received for treatment in the Group’s facilities with an expected start in Q4 2023.
- The Group, whilst not itself a target of sanctions imposed in connection with the conflict in Ukraine, 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 conducting sustainable operations.

**Financial**

- Q1 2023 revenues expected to be in excess of US\$17m (Q1 2022: US\$60.2m).
- The Group’s unrestricted cash position as at 31 March 2023 was in excess of US\$191m (31 December 2022: US\$233.6m), excluding restricted cash of US\$22.6m as at 31 March 2023 (31 December 2022: US\$31.0m).
- The Group continues to focus on cost optimisation to help manage liquidity.

- On 29 March 2023 the Company hosted a Capital Markets Day. Arfan Khan, CEO, together with other Company directors presented Nostrum's new strategic direction, industry trends and opportunities for future growth. The Capital Markets Day presentation is available on the Nostrum website in the "Investors" section.

## **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\$250 million 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.

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 in cash to the Noteholders upon the issuance of the SSNs and the SUNs. The next semi-annual cash interest payment is scheduled for July 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/>.

## **Sustainability**

- Zero fatalities among employees and contractors during operations in Q1 2023 (Q1 2022: zero).
- Zero Lost Time Injury ("LTI") in Q1 2023 (Q1 2022: zero)
- Zero Total Recordable Incidents ("TRI") in Q1 2023 (Q1 2022: one).
- 1,113 tonnes of air emissions emitted in Q1 2023 against 6,309 tonnes permitted for 2023 under the Kazakhstan Environmental Code.

## **Company auditors**

- On 30 September 2022, following completion of a competitive audit tender by the Company, Ernst & Young LLP resigned as the Company's auditor. On 25 October 2022, the proposed incoming auditor notified the Company that it no longer intended to register for FRC supervision, and, as a result, no longer wished to be appointed as auditor. Hence, the Company conducted a further search and discussions with other audit firms to find a replacement and in March 2023 the Company appointed MHA MacIntyre Hudson as auditors to the Group and Ernst & Young Kazakhstan as auditors of Zhaikmunai LLP, a subsidiary of the Company.
- Following these appointments, the relevant audit work commenced in April 2023. Given this delay in the commencement of the audit work, the Company currently plans

to release its annual report and audited financial statements in respect of the financial year ended 31 December 2022 on 31 May 2023.

- Under the Financial Conduct Authority's (the "FCA") Disclosure Guidance and Transparency Rules and the FCA's Listing Rules, an issuer must make public its annual financial report at the latest four months after the end of each financial year. Given the delay in the release of its 2022 annual report and audited financial statements, the Company has conditionally requested the FCA to suspend the listing of the Company's shares in accordance with the provisions of the Listing Rules with effect from 7.30 a.m. on 2 May 2023. Any such suspension will continue until the publication of the annual financial report. Further announcements will be made in due course.

### Positive Invest

- In March 2023, the Company agreed, subject to certain conditions, to acquire 80% of Positive Invest LLC ("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 mmboe and 150 mmboe 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.

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

*"We are pleased to report the financial and operational results we have achieved following completion of the Restructuring.*

*The Company has announced an appointment of a new, highly experienced Board of Directors, signed an agreement to acquire the entity with the rights to Stepnoy Leopard Fields and has launched its new mixed asset energy strategy that will help to maximise the value from our strategically located state-of-the-art processing facilities and export hub.*

*We are excited to embark on this new stage of development for Nostrum where we will continue to build on the momentum achieved so far to capitalise on opportunities to add value to our assets."*

### Sales volumes

The sales volume split for Q1 2023 was as follows:

Products	Q1 2023 volumes (boepd)	Q1 2023 product mix (%)	Q1 2022 volumes (boepd)	Q1 2022 product mix (%)
Crude Oil	1,493	20.5%	3,359	23.9%
Stabilised Condensate	1,833	25.2%	3,117	22.2%
LPG (Liquid Petroleum Gas)	909	12.5%	2,024	14.4%
Dry Gas	3,043	41.8%	5,559	39.5%

<b>Total</b>	<b>7,278</b>	<b>100.0%</b>	<b>14,059</b>	<b>100.0%</b>
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*The difference between production and sales volumes is primarily due to the internal consumption of gas.*

### **Release of Nostrum's Q1 2023 Financial Results**

Nostrum plans to release its unaudited and unreviewed interim condensed consolidated accounts for the period ending 31 March 2023 on 31 May 2023.

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### **Further information**

For further information please visit [www.nostrumoilandgas.com](http://www.nostrumoilandgas.com)

### **Further enquiries:**

Nostrum Oil & Gas PLC

Ulugbek Makhmadiyarov – Head of Finance

[ir@nog.co.uk](mailto:ir@nog.co.uk)

### Instinctif Partners - UK

Tim McCall

Galyna Kulachek

Vivian Lai

+ 44 (0) 207 457 2020

[nostrum@instinctif.com](mailto: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.