



Zhaikmunai LLP  
Uralsk, June 29, 2017

**NOSTRUM OIL & GAS TENDER AND CONSENT SOLICITATION  
ANNOUNCEMENT**

**Disclosure of inside information in accordance with Article 17 of Regulation  
(EU) 596/2014 (16 April 2014) relating to Zhaikmunai LLP and Nostrum Oil &  
Gas PLC**

**Nostrum Oil & Gas Finance B.V. Commences Tender Offer and Consent  
Solicitation  
for Zhaikmunai LLP's outstanding 6.375% Senior Notes due February 14, 2019  
and  
7.125% Senior Notes due November 13, 2019**

Uralsk —June 29, 2017 (11:00) — Zhaikmunai LLP, a subsidiary of Nostrum Oil & Gas PLC (LSE:NOG), a London Stock Exchange listed, independent oil and gas producer operating in the pre-Caspian Basin, today discloses that Nostrum Oil & Gas Finance B.V. (the “**Offeror**”), which is also a subsidiary of Nostrum Oil & Gas PLC, announces today the commencement of tender offers to purchase for cash an aggregate amount of Zhaikmunai LLP’s outstanding 6.375% Senior Notes due February 14, 2019 (the “**6.375% Notes**”) and 7.125% Senior Notes due November 13, 2019 (the “**7.125% Notes**” and together with the 6.375% Notes, the “**Notes**”) up to the Aggregate Settlement Amount (as defined below) subject to a minimum aggregate principal amount accepted for purchase of US\$300.0 million (or, if lesser, the aggregate principal amount of the Notes tendered) (the “**Tender Offers**”), and together with the Tender Offers, concurrently to solicit consents to certain proposed amendments and waiver (the “**Proposed Amendment and Waiver**” and together with the Tender Offers, the “**Offers**”) to the relevant indentures governing the Notes. The aggregate amount of consideration payable by the Offeror with respect to the Notes accepted under the Tender Offers (collectively, the “**Aggregate Settlement Amount**”) is expected to be approximately the aggregate principal amount of the New Notes (as defined below), subject to reduction for (a) the payment of transaction fees and expenses and (b) amounts retained for general corporate purposes, provided, in the case of (b), such amounts will not exceed US\$100.0 million.

The Proposed Amendments and Waiver align the Notes covenants with the covenants the Offeror intends to include in the New Notes (as defined below). The Offers are being made pursuant to a tender offer and consent solicitation memorandum dated today’s date (the “**Tender Offer and Consent Solicitation Memorandum**”), which sets forth a more comprehensive description of the terms of the Offers. Capitalized terms used but not otherwise defined in this press release shall have the meanings given to them in the Tender Offer and Consent Solicitation Memorandum.

If the purchase of all Notes validly tendered in the Offers at or prior to the Expiration Deadline would cause the aggregate principal amount of Notes purchased to exceed the amount of Notes the Offeror decides to purchase in the Tender Offers subject to a minimum aggregate principal amount accepted for purchase of US \$300.0 million (or, if lesser, the aggregate principal amount of the Notes tendered), then the Tender Offers will be oversubscribed. This is likely in the event of high participation in the Tender Offers and the amount of New Notes not providing sufficient consideration to purchase all of such Notes. If the Tender Offers are oversubscribed, the Offeror will accept for payment such tendered Notes on a pro rata basis on the amount of Notes tendered in the particular series they choose to purchase, with the proration factor depending on the aggregate principal amount of Notes validly tendered in the relevant series. In the event any tendered Notes are not accepted for purchase due to proration, they will be returned or credited to the Noteholder's account. Any Notes returned to the Noteholders following the proration shall be subject to the Proposed Amendments and Waiver.

For the avoidance of doubt, the Offeror has full discretion over which of the Tender Offers to consummate, and may decide to terminate one Tender Offer and proceed with another Tender Offer; provided, to the extent one or both of the Tender Offers is consummated, the Offeror will purchase

6.375% Notes and/or 7.125% Notes in a minimum combined aggregate principal amount of US\$300.0 million (or, if lesser, the aggregate principal amount of the Notes tendered). The Offeror will announce the results of the Tender Offers and its acceptances after the Early Participation Deadline and Noteholders are reminded that no withdrawal rights are offered once the Early Participation Deadline occurs.

The table below sets forth information with respect to the Notes and the Offers.

Description of the Notes	Outstanding Principal Amount	Acceptance Priority Level following Required Consents being obtained under both series of Notes <sup>(1)</sup>	Tender Offer Consideration per US\$1,000 principal amount of Notes <sup>(1)</sup>	Early Tender Payment per US\$1,000 principal amount of Notes <sup>(1)</sup>	Total Tender Consideration per US\$1,000 principal amount of Notes tendered by the Early Participation Deadline <sup>(1)</sup>	Minimum denominations accepted for tendered Notes	Consent Payment per US\$1,000 principal amount of Notes tendered or submitting a Consent Only Instruction by the Early Participation Deadline
7.125% Senior Notes due 2019	US\$560,000,000	1	US\$976	US\$40	US\$1,016	US\$200,000 and integral multiples of US\$1,000 in excess thereof	US\$4
6.375% Senior Notes due 2019	US\$400,000,000	2	US\$976	US\$30	US\$1,006	US\$200,000 and integral multiples of US\$1,000 in excess thereof	US\$4

- (1) The Offeror intends to prioritise the purchase of a majority of each of the 6.375% Notes and the 7.125% Notes such that the Required Consents are obtained for both series. Provided that this is achieved or in the event that the 6.375% Notes Required Consents are not received, the Offeror intends to purchase the 7.125% Notes in priority to the 6.375% Notes. The foregoing is without prejudice to the ability of the Offeror to terminate either Offer without termination of the other Offer; provided, to the extent one or both of the Tender Offers is consummated, the Offeror will purchase 6.375% Notes and/or 7.125% Notes in a minimum combined aggregate principal amount of \$300.0 million (or, if lesser, the aggregate principal amount of the Notes tendered). The Offeror will announce the results of the Tender Offers and its acceptances after the Early Participation Deadline and Noteholders are reminded that no withdrawal rights are offered once the Early Participation Deadline occurs.

The Offeror also announces today its intention to raise new bond financing guaranteed on a senior basis by, among others, Nostrum Oil & Gas PLC and Zhaikmunai LLP, on terms satisfactory to it (the “**New Notes**”). The purpose of the Offers and the contemplated issue of the New Notes is to extend the Group’s (as defined below) debt maturity profile.

Whether the Offeror will accept for purchase Notes validly tendered in the Offers is subject, amongst other conditions, to the raising by the Offeror of new bond financing under the New Notes.

The Offers are scheduled to expire at 11:59 p.m., New York City time, on July 27, 2017, unless extended or earlier terminated (such time and date, as the same may be extended, the “**Expiration Date**”). Subject to all conditions to the Offers having been satisfied or waived by the Offeror, Noteholders who validly tender (and do not validly withdraw) their Notes at or prior to 5:00 p.m., New York City time, on July 13, 2017, unless extended or earlier terminated (such time and date, as the same may be extended, the “**Early Participation Deadline**”) and whose Notes are accepted for purchase will be eligible to receive the “**Total Consideration**” of U.S.\$1,016 per U.S.\$1,000 principal amount of the 7.125% Notes and U.S.\$1,006 per U.S.\$1,000 principal amount of the 6.375% Notes.

Noteholders who validly tender their Notes after the Early Participation Deadline but at or prior to the Expiration Date and whose Notes are accepted for purchase will be eligible to receive the “**Tender Offer Consideration**” of U.S.\$976 per U.S.\$1,000 principal amount of Notes.

If the Proposed Amendments and Waiver are passed for a particular series and the Proposed Amendments and Waiver become operative, the holders of such series will be eligible to receive the “**Consent Payment**” of U.S.\$4 per U.S.\$1,000 principal amount of Notes for which a valid Tender



Instruction or Consent Only Instruction is received before the Early Participation Deadline with respect to the applicable series of Notes (whether or not proration occurs but provided the Proposed Amendments and Waiver become operative with respect to the applicable series of Notes).

In addition to the Total Consideration or the Tender Offer Consideration, as applicable, Noteholders whose Notes are accepted for purchase will be eligible to receive accrued and unpaid interest from and including the most recent interest payment date for the Notes to, but not including, the Settlement Date.

The complete terms and conditions of the Offers are described in the Tender Offer and Consent Solicitation Memorandum, copies of which may be obtained by contacting Citibank N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United Kingdom, which is acting as the tender agent for the Offers, at +44 207 508 3867. Citigroup Global Markets Limited and VTB Capital PLC are acting as dealer managers for the Offers (the “**Dealer Managers**”). Questions regarding the terms of the Offers may be directed to Citigroup Global Markets Limited, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom, Attention: Liability Management Group, at +44 (0) 20 7986 8969 (London) or (800) 558-3745 (toll-free), (212) 723-6106 (collect) and/or VTB Capital PLC, 14 Cornhill, London EC3V 3ND, United Kingdom, at +44 203 334 8029 (tel), Attention: Liability Management.

This press release does not constitute or form part of any offer or invitation to purchase, or any solicitation of any offer to sell, the Notes or any other securities, nor shall it or any part of it, or the fact of its release, form the basis of, or be relied on or in connection with, any contract therefor. The Offers are made only by and pursuant to the terms of the Tender Offer and Consent Solicitation Memorandum and the related Letter of Transmittal and the information in this press release is qualified by reference to the Tender Offer and Consent Solicitation Memorandum. None of the Offeror, the Dealer Managers or the tender and information agent makes any recommendations as to whether Noteholders should tender their Notes pursuant to the Offers.

### **About the Offeror**

The Offeror is a wholly-owned subsidiary of Nostrum Oil & Gas PLC (together with all its subsidiaries, including Zhaikmunai LLP, the “**Group**”).

The Group is an independent oil and gas enterprise currently engaging in the exploration, production and sale of oil and gas products in northwestern Kazakhstan. Its field and licence area is the Chinarevskoye Field located in the northern part of the oil-rich Pre-Caspian Basin, one of the largest oil-producing regions in central Asia.

### **Forward-Looking Statements**

This press release, the Tender Offer and Consent Solicitation Memorandum and the documents incorporated by reference into the Tender Offer and Consent Solicitation Memorandum contain certain statements that are neither reported financial results nor other historical information. These statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include information with respect to the Offeror’s financial condition, results of operations and businesses, strategy, plans, objectives and the expected impact of this offer on the foregoing. Words such as “anticipates”, “expects”, “should”, “intends”, “plans”, “believes”, “outlook”, “seeks”, “estimates”, “targets”, “may”, “will”, “continue”, “project” and similar expressions, as well as statements in the future tense, identify forward-looking statements.

This press release contain forward-looking statements. All statements other than statements of historical facts included in this press release, including, without limitation, those which reflect our current views or, as appropriate, those of our directors, with respect to financial performance, business strategy, plans and objectives of management for future operations (including development plans relating to our business) are forward looking statements. These forward-looking statements relate to Offeror and the sectors and industries in which it operates. Statements that include the words “expects”, “intends”, “plans”, “believes”, “anticipates”, “will”, “targets”, “may”, “would”, “could”, “continue” and similar statements of a future or forward-looking nature identify forward-looking statements for purposes of the U.S. federal securities laws or otherwise.

All forward-looking statements included in this press release involve known and unknown risks and uncertainties. Accordingly, there are or will be important factors that could cause the Group's actual results, performance or achievements to differ materially from those indicated in these statements.

Any forward-looking statements in these materials reflect our current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Offeror's operations, results of operations, growth strategy and liquidity.

Any forward-looking statements speak only as at the date of this press release. We undertake no obligation to update publicly or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

**Further Enquires:**

**Nostrum Oil & Gas PLC – Investor Relations**

Kirsty Hamilton-Smith

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**Offer And Distribution Restrictions:**

This announcement and the Tender Offer and Consent Solicitation Memorandum do not constitute an offer to buy or the solicitation of an offer to sell the Notes in any jurisdiction in which such offer or solicitation is unlawful, and offers to sell by holders of Notes originating from any jurisdiction in which such offer or solicitation is unlawful will be rejected. In those jurisdictions where the securities laws or other laws require the Tender Offer and Consent Solicitation Memorandum to be made by a licensed broker or dealer, the Tender Offer and Consent Solicitation Memorandum shall be deemed to be made on behalf of the Offeror by one or more registered brokers or dealers licensed under the laws of such jurisdiction. Neither the delivery of this announcement or the Tender Offer and Consent Solicitation Memorandum nor any purchase of Notes shall, under any circumstances, create any implication that there has been no change in the affairs of the Offeror, Zhaikmunai LLP or the guarantors of the Notes since the date hereof, or that the information herein is correct as of any time subsequent to the date hereof.

This announcement does not constitute and shall not, in any circumstances, constitute a public offering nor an invitation to the public in connection with any offer within the meaning of the Directive 2010/73/EU of the European Parliament and Council of November 4, 2003 as implemented by the Member States of the European Economic Area (the "**Prospectus Directive**"). The offer and sale of the New Notes will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area, from the requirement to produce a prospectus for offers of securities.

**United Kingdom.** This announcement, the Tender Offer and Consent Solicitation Memorandum and any other documents or materials relating to the Offers have not been approved by an authorized person for the purposes of Section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials is only being distributed to and is only directed at persons who are outside the United Kingdom, or investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or within Article 43(2) of the Order, or high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order, or to other persons to whom it may lawfully be communicated in accordance with the Order (all such persons together being referred to as "relevant persons"). The Offers are only available to, and the Offers will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

**United States.** The delivery of this announcement or the Tender Offer and Consent Solicitation Memorandum will not under any circumstances create any implication that the information contained herein or incorporated by reference herein is correct as of any time subsequent to the date hereof or, if incorporated by reference, the date such information was made publicly available or that there has



been no change in the information set forth herein or incorporated by reference herein or in the affairs of the Offeror or any of the Offeror's affiliates since the date hereof or, if incorporated by reference, the date such information was made publicly available.

The New Notes will be offered in a private placement only to qualified institutional buyers pursuant to Rule 144A under U.S. Securities Act of 1933, as amended (the "**Securities Act**") and non-U.S. persons pursuant to Regulation S of the Securities Act, subject to prevailing market and other conditions. There is no assurance that the offering will be completed or, if completed, as to the terms on which it is completed. The New Notes to be offered have not been registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered or sold in the United States absent registration or unless pursuant to an applicable exemption from the registration requirements of the Securities Act and any other applicable securities laws.