Zhaikmunai LLP

Interim condensed financial statements (unaudited)

For the three months ended 31 March 2023

Contents

Statement of financial position

In thousands of US Dollars	Notes	31 March 2023	31 December 2022
Assets			
Non-current assets			
Property, plant and equipment	4	**269,914**	276,043
Advances for non-current assets	5	**1,191**	1,672
Restricted cash	9	**8,222**	8,220
		279,327	285,935
Current assets			
Inventories	6	**32,880**	30,196
Prepayments and other current assets	7	**8,346**	3,637
Trade receivables	8	**8,074**	12,394
Cash and cash equivalents	9	**8,576**	41,694
		57,876	87,921
TOTAL ASSETS		**337,203**	373,856
Equity and liabilities			
Capital and reserves			
Partnership capital		**4,112**	4,112
Other reserves		**32,586**	32,586
Retained deficit and reserves		**(979,890)**	(953,918)
		(943,192)	(917,220)
Non-current liabilities			
Long-term borrowings	10	**1,145,819**	1,155,751
Long-term finance guarantee	10	**272**	351
Abandonment and site restoration provision		**20,138**	20,073
Due to Government of Kazakhstan		**3,908**	4,002
Deferred tax liability		**46,506**	50,076
		1,216,643	1,230,253
Current liabilities			
Current portion of long-term borrowings	10	**27,212**	4,433
Current portion of finance guarantee	10	**382**	382
Trade payables	11	**6,891**	7,764
Advances received		**273**	52
Income tax payable		**2,099**	20,596
Current portion of due to Government of Kazakhstan		**1,031**	1,031
Other current liabilities	12	**25,864**	26,565
		63,752	60,823
TOTAL EQUITY AND LIABILITIES		**337,203**	373,856

General Director of Zhaikmunai LLP ____ *Zhomart Darkeev*

Chief Accountant of Zhaikmunai LLP ____ *Olga Shoshinova*

The accounting policies and explanatory notes on pages 6 through 15 are an integral part of these interim condensed financial statements

Statement of comprehensive income

In thousands of US Dollars	Notes	For the three months ended 31 March 2023	2022
Revenue			
Revenue from export sales		**11,454**	**54,955**
Revenue from domestic sales		**5,884**	**5,241**
	13	**17,338**	60,196
Cost of sales	14	**(15,840)**	**(21,312)**
Gross profit		**1,498**	38,884
General and administrative expenses	15	**(1,355)**	**(1,636)**
Selling and transportation expenses	16	**(2,313)**	**(4,712)**
Taxes other than income tax	17	**(1,170)**	**(5,211)**
Finance costs	18	**(24,012)**	**(24,364)**
Foreign exchange loss		**(718)**	**(219)**
Interest income		**63**	**62**
Other income	19	**373**	**2,154**
Other expenses	19	**(1,908)**	**(712)**
Loss before (loss)/income tax		**(29,542)**	4,246
Deferred income tax expense		**3,570**	(9,352)
Income tax expense	20	**3,570**	(9,352)
Loss for the period		**(25,972)**	(5,106)
Other comprehensive income		–	–
Total comprehensive loss for the period		**(25,972)**	(5,106)

General Director of Zhaikmunai LLP — Zhomart Darkeev

Chief Accountant of Zhaikmunai LLP — Olga Shoshinova

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Statement of cash flows

In thousands of US Dollars	Notes	For the three months ended 31 March 2023	2022
Cash flow from operating activities:			
(Loss)/income before income tax		**(29,542)**	4,246
Adjustments for:			
Depreciation, depletion and amortisation	14,15,16	**10,210**	14,041
Finance costs	18	**24,012**	24,364
Interest income		**(63)**	(62)
Foreign exchange loss on investing and financing activities		**(184)**	783
Loss on disposal of property, plant and equipment		**39**	–
Finance guarantee gain	10	**(79)**	(370)
Operating profit before working capital changes		**4,393**	43,002
Changes in working capital:			
Change in inventories		**(2,634)**	(206)
Change in trade receivables		**4,320**	(16,470)
Change in prepayments and other current assets		**(4,709)**	305
Change in trade payables		**676**	(544)
Change in advances received		**221**	17
Change in due to Government of Kazakhstan		**(258)**	(258)
Change in other current liabilities		**(837)**	(249)
Cash generated from operations		**1,172**	25,597
Income tax paid		**(18,498)**	(138)
Net cash flows from operating activities		**(17,326)**	25,459
Cash flow from investing activities:			
Interest received		**63**	62
Purchase of property, plant and equipment		**(5,170)**	(2,303)
Advances for non-current assets		**481**	(1,370)
Net cash used in investing activities		**(4,626)**	(3,611)
Cash flow from financing activities:			
Finance costs paid		**(1,244)**	–
Repayment of borrowings		**(10,000)**	–
Net cash used in financing activities		**(11,244)**	–
Effects of exchange rate changes on cash and cash equivalents		**78**	(624)
Net increase in cash and cash equivalents		**(33,118)**	21,224
Cash and cash equivalents at the beginning of the period	9	**41,694**	53,733
Cash and cash equivalents at the end of the period	9	**8,576**	74,957

General Director of Zhaikmunai LLP — *Zhomart Darkeev*

Chief Accountant of Zhaikmunai LLP — *Olga Shoshinova*

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Statement of changes in equity

In thousands of US Dollars	Partnership capital	Other reserves	Accumulated losses	Total
As at 1 January 2022	**4,112**	**32,586**	**(870,648)**	**(833,950)**
Loss for the period	–	–	(5,106)	(5,106)
Total comprehensive loss for the period	**–**	**–**	**(5,106)**	**(5,106)**
As at 31 March 2022	**4,112**	**32,586**	**(875,754)**	**(839,056)**
Loss for the period	–	–	(78,164)	(78,164)
Total comprehensive loss for the period	–	–	**(78,164)**	**(78,164)**
As at 31 December 2022	**4,112**	**32,586**	**(953,918)**	**(917,220)**
Loss for the period	-	-	(25,972)	(25,972)
Total comprehensive loss for the period	-	-	(25,972)	(25,972)
As at 31 March 2023	**4,112**	**32,586**	**(979,890)**	**(943,192)**

General Director of Zhaikmunai LLP *Zhomart Darkeev*

Chief Accountant of Zhaikmunai LLP *Olga Shoshinova*

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Notes to the financial statements

1. Overview

Zhaikmunai, a Limited Liability Partnership (the "Partnership" or "Zhaikmunai LLP") was established under the laws of the Republic of Kazakhstan in 1997.

The Partnership's operations comprise of a single operating segment including all its assets related to its Chinarevskoye field as well as surface facilities located in Kazakhstan.

The Partnership does not have an ultimate controlling party. Nostrum Oil & Gas Coöperatief U.A. is the sole participant of the Partnership. The indirect parent of the Partnership is Nostrum Oil & Gas PLC ("the Parent"), which is a public limited company incorporated in England and Wales and listed on the London Stock Exchange. Nostrum Oil & Gas PLC and its wholly-owned subsidiaries are hereinafter referred to as "the Group". The registered legal address of the Partnership is: 43/1, Aleksandr Karev street, Uralsk, the Republic of Kazakhstan.

These the interim condensed financial statements were authorised for issue by the Partnership's General Director and Chief Accountant on 30 May 2023.

Subsoil use rights terms

The Partnership carries out its activities in accordance with the Contract for Additional Exploration, Production and Production-Sharing of Crude Hydrocarbons in the Chinarevskoye oil and gas condensate field (the "Contract") dated 31 October 1997 between the State Committee of Investments of the Republic of Kazakhstan and the Partnership in accordance with the license MG No. 253D for the exploration and production of hydrocarbons in Chinarevskoye oil and gas condensate field.

The term of the Chinarevskoye subsoil use rights included a 5-year exploration period followed by a 25-year production period with the Contract being valid until 26 May, 2031.

Royalty payments

The Partnership is required to make monthly royalty payments throughout the entire production period, at the rates specified in the Contract. Royalty rates depend on hydrocarbons recovery levels and the phase of production and can vary from 3% to 7% of produced crude oil and from 4% to 9% of produced natural gas. Royalty is accounted on a gross basis.

Government "profit share"

The Partnership makes payments to the Government of its "profit share" as determined in the Contract. The "profit share" depends on hydrocarbon production levels and varies from 10% to 40% of production after deducting royalties and reimbursable expenditures. Reimbursable expenditures include operating expenses, costs of additional exploration and development costs. Government "profit share" is expensed as incurred and paid in cash. Government profit share is accounted on a gross basis.

Group debt restructuring

On 31 March 2020, the Group announced that it would seek to engage with its bondholders regarding a possible restructuring of the Group's US$725 million 8.0% Senior Notes due July 2022 ("2022 Notes") and its US$400 million 7.0% Senior Notes due February 2025 ("2025 Notes") (together, the "Existing Notes").

In May 2020, the Group engaged Rothschild & Cie ("Rothschild") as financial advisers and White & Case LLP ("White & Case") as legal advisers to assist in the restructuring of the Existing Notes. Since then, the Parent has been in restructuring discussions with an informal ad hoc group of noteholders (the "Ad Hoc Group" or "AHG"), who are advised by PJT Partners (financial) and Akin Gump LLP (legal). The Parent has also been in discussions with its largest shareholder ICU Holdings Limited ("ICU"), also a holder of the Existing Notes, and their legal advisors Dechert LLP from 2021.

Forbearance Agreements

The Group has not made coupon payments due under the Existing Notes since July 2020, which was an event of default under the terms of the indentures governing 2022 Notes and 2025 Notes. However, the Parent continued active discussions with the financial and legal advisers to the AHG and signed the First Forbearance Agreement ("First FBA") with the AHG on 23 October 2020 and a new Forbearance Agreement ("Second FBA") on 19 May 2021 (together the "FBAs"). The First FBA and the Second FBA were on substantially the same terms and prohibited the AHG from exercising certain rights and remedies under the Existing Note indentures. The FBAs were intended to provide the Group with a short-term solution to its liquidity issues and a platform to engage in discussions with the noteholders in relation to a potential restructuring.

As part of the signing of the FBAs, the Parent agreed to pay consent fees to existing noteholders as well as agreeing to deposit a portion of the missed initial coupon payments into a Restricted Account. A total of US$6,701,973 has been paid in consent fees during the signing and various extensions of the FBAs, of which US$1,116,990 was paid in 2021. A total of US$22,658,980 has been deposited into the Restricted Account under the terms of the FBAs (including US$9,758.980 transferred in 2021), with Nostrum having access to the funds under certain circumstances, such as liquidity falling below an agreed threshold).

Lock-up Agreements

On 23 December 2021, the Group entered into a lock-up agreement (the "First LUA") and agreed terms of a restructuring with noteholders. Holders of 77.73% of the total aggregate principal amount of the Notes signed or acceded to the First LUA including a majority of holders of aggregate principal amount of both Senior Notes and an affiliate of ICU in its capacity as a shareholder and holder of the Notes. A fee of 50 bps (the "Lock-up Fee") was payable to each Participating Noteholder who was originally party to the First LUA or acceded to the First LUA within 22 days of its execution (i.e. by 14 January 2022).

The First LUA expired on 17 August 2022, on which day the Parent entered into the Second Lock-Up Agreement with the AHG and ICU (the "Second LUA"). The parties to the Second LUA gave similar undertakings to those given in the First LUA, and terms of the Restructuring remained the same. No consent or "early bird" fee was payable in relation to the Second LUA.

Notes to the financial statements (continued)

Upon signing of the First LUA and the Second LUA (together the "LUAs"), the Second FBA was extended in parallel. The terms and conditions continue to remain in effect during the restructuring until the earlier of the successful closing of the restructuring and the Longstop Date of 16 February 2023 (the 'Longstop Date').

Terms of the Restructuring

The below outlines the key terms of the restructuring as agreed between the Group, acceded noteholders and ICU in the LUAs and also voted in favour of by Nostrum shareholders:

- Partial reinstatement of debt in the form of US$250 million Senior Secured Notes (SSNs) maturing on 30 June 2026 and bearing interest at a rate of 5.00% per year payable in cash. The SSNs are not convertible;
- Partial reinstatement of debt in the form of US$300 million Senior Unsecured Notes (SUNs) maturing on 30 June 2026 and bearing interest at a rate of 1.00% per year payable in cash and 13.00% per year payable in kind. If not repaid in cash at maturity, the SUNs are repayable in specie through the issuance of equity in the Parent based on the value of the SUNs outstanding on the issuance date as a percentage of the fair market value of the Parent (up to a maximum of 99.99% of the Parent's fully diluted equity);
- Conversion of the remainder of the Existing Notes and accrued interest into equity by way of a UK scheme of arrangement:
  - Existing noteholders will own 88.89% of the expanded share capital of the Parent on closing of the restructuring. Existing noteholders will also own warrants (to be held by trustee) allowing them to subscribe for an additional 1.11% of the share capital of the Parent upon exercise – increasing noteholder ownership of the Parent to 90.00%;
  - The existing shareholders will hold 11.11% upon closing of the restructuring. The existing shareholders will be diluted to 10.00% if the warrants held by existing noteholders are exercised;
- New corporate governance arrangements in respect of the Group and certain arrangements regarding future utilization of the Group's cashflows. This includes a cash sweep mechanism requiring that cash above US$30 million is swept into a debt service retention account (to fund the next two cash interest payments due) and a restricted cash account which the Parent can access with approval of the majority of Independent Non-Executive Directors of the Parent; and
- Transfer the Parent 's listing to the Standard Listing segment of the London Stock Exchange.

Key implementation milestones completed

Following execution of the Lock-up Agreement, the Parent commenced implementation of the Restructuring.

On 4 February 2022, the Parent received the required consents from noteholders after a solicitation process to approve the amendments to the Existing Notes indentures. The approved amendments (i) changed the governing law and jurisdiction of both Existing Notes indentures from the State of New York to the laws of England and Wales; (ii) made Nostrum Oil & Gas plc a co-issuer of the Existing Notes and (iii) other smaller amendments to facilitate the implementation of the restructuring. Holders of 87.081% in aggregate principal amount of the 2022 Notes and Holders of 91.222% in aggregate principal amount of the 2025 Notes provided consents. No consent solicitation payments were made to vote in favour.

On 29 April 2022, 99.99% of voting shareholders voted for the implementation of the restructuring which meant that the restructuring continues under a UK scheme of arrangement under Part 26 of the Companies Act 2006. Further, 99.89% of voting shareholders voted in favour of the RPT Resolution, allowing a related party to receive the issuance of new securities under the scheme.

On 20 June 2022, the High Court of Justice of England and Wales has made an order granting the Parent permission to convene a meeting for the Scheme creditors to approve the Restructuring.

On 1 July 2022, the Parent received the required consents from the Kazakhstan Ministry of Energy («MOE») with respect to (i) the issue of new shares and warrants (in partial repayment of the Existing Notes) and (ii) the waiver of the State of Kazakhstan's priority right to acquire such new shares and warrants.

On 1 August 2022, after receiving a key regulatory authorisation from the US Office of Foreign Assets Control, the Parent issued a notice inviting Scheme creditors to a Scheme meeting on 21 August 2022. At the Scheme meeting with participation and voting (by proxy) of 148 Scheme Creditors, the Scheme proposed by the Parent in connection with the Restructuring was approved by the requisite majority of Scheme Creditors (being a majority in number, representing at least 75 percent in value of the Scheme Creditors present and voting).

On 26 August 2022, the Scheme Sanction Hearing took place, whereby the Court made an order sanctioning the Scheme, following which on 31 August 2022 the Scheme Sanction Order was lodged with Companies House and the Scheme thereby took effect and binds (amongst other parties) all Scheme Creditors and the Parent by its terms.

On 14 October 2022, a prospectus was approved by the FCA and published by the Parent (the 'Prospectus'). The Prospectus relates to the proposed admission of up to 1,505,633,046 new ordinary shares to the standard listing segment of the Official List of the FCA and to trading on the main market for listed securities of London Stock Exchange plc.

On 4 November 2022 the Group therefore proposed to amend the definition of "Longstop Date" in the Scheme (pursuant to Clause 8.1 thereof) and the Implementation Deed (pursuant to Clause 16.1 thereof) to 16 February 2023 (the "Extension"). The Extension was approved by Noteholders constituting the Majority Scheme Creditors and was effected on 21 November 2022.

In January 2023, the Group received the licence from Office of Financial Sanctions Implementation (the UK) approving the Scheme and the issue of the Prospectus, and confirmations that such licences are not required from the Ministry of Finance (the Netherlands) and Policy & Resources Committee (the UK, States of Guernsey).

On 9 February the Group notified that the Restructuring was implemented pursuant to the terms of the Scheme sanctioned by the Court on 26 August 2022. The terms of the Restructuring included the sub-division and consolidation of the ordinary share capital of the Company following the issue of the New Shares on 9 February 2023. This sub-division and share consolidation occurred after close of business on 9 February 2023 and resulted in the number of Ordinary Shares on issue being reduced from approximately 1,693.8 million Ordinary Shares (following the issue of the New Shares yesterday) to approximately 169.4 million Ordinary Shares on the basis of a 10:1 consolidation of ordinary shares. Accordingly, on 10 February 2023, 150,563,304 new Ordinary Shares have been admitted to the standard listing segment of the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange under the ticker symbol "NOG.L". The Company's ordinary shares (including the New Shares) were also admitted to listing and trading on the Astana International Exchange (AIX) on 13 February 2023. The

Notes to the financial statements (continued)

New Warrants were not admitted to listing and trading on the AIX. The New Notes and the New Warrants were also admitted to listing and trading on The International Stock Exchange (TISE) with effect from 9 February 2023. No new securities were listed on the Irish Stock Exchange plc.

2. Basis of preparation

These interim condensed financial statements for the three months ended 31 March 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Partnership's annual financial statements for the year ended 31 December 2022. The interim condensed financial information for three months ended 31 March 2023 and 2022 is neither audited nor reviewed by the auditors.

Going concern

These interim condensed financial statements have been prepared on a going concern basis. The directors are satisfied that the Partnership has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report.

Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Segment information

The Partnership considers that it has only one operating segment in accordance with IFRS 8. Segment valuation is measured on the basis of profit or loss and measured in accordance with profit or loss in the financial statements prepared in accordance with IFRS.

3. Changes in accounting policies and disclosures

New standards, interpretations and amendments adopted by the Partnership

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Partnership's annual

IAS 8.30 IAS 8.31(d) IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

• A specific adaptation for contracts with direct participation features (the variable fee approach)

• A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Partnership.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
• What is meant by a right to defer settlement
• That a right to defer must exist at the end of the reporting period
• That classification is unaffected by the likelihood that an entity will exercise its deferral right
• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The amendments have not had a material impact on the Partnership's financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments have not had a material impact on the Partnership's financial statements.

Notes to the financial statements (continued)

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The amendments have not had a material impact on the Partnership's financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments have not had a material impact on the Partnership's financial statements.

4. Property, plant and equipment

During the three months ended 31 March 2023 the Partnership had additions of property, plant and equipment of US$ 4,167 thousand (three months ended 31 March 2022: US$ 2,480 thousand). These additions are mostly associated with commencement of well workover campaign as well as capital repairs of equipment (2021: completion of drilling and construction projects started in 2019 and purchase of equipment and spare parts for capital repairs of equipment) and capitalized interest US$ 443 thousand (three months ended 31 March 2022: US$ 149 thousand). See Note 22 for capital commitments.

5. Advances for non-current assets

As at 31 March 2023 and 31 December 2022 advances for non-current assets comprised the following:

In thousands of US Dollars	**31 March 2023**	31 December 2022
Advances for construction materials	**677**	1,090
Advances for construction services	**514**	582
	1,191	1,672

6. Inventories

As at 31 March 2023 and 2022 inventories comprised the following:

In thousands of US Dollars	**31 March 2023**	31 December 2022
Spare parts and other inventories	**26,763**	26,720
Crude oil	**3,297**	1,182
Gas condensate	**1,849**	1,905
LPG	**917**	335
Dry gas	**42**	46
Sulphur	**12**	8
	32,880	30,196

As at 31 March 2023 and 2022 inventories are carried at cost.

7. Prepayments and other current assets

As at 31 March 2023 and 2022 prepayments and other current assets comprised the following:

In thousands of US Dollars	**31 March 2023**	31 December 2022
VAT receivable	**3,035**	484
Advances paid	**2,931**	2,318
Other taxes receivable	**2,276**	761
Other	**104**	74
	8,346	**3,637**

Advances paid consist primarily of prepayments made to service providers. As at 31 March 2023 the impaired VAT receivable amounted to US$5,596 thousand and the impaired advances paid amounted to US$26 thousand (31 December 20212 impaired advances paid: US$26 thousand).

Notes to the financial statements (continued)

8. Trade receivables

As at 31 March 2023 and 31 December 2022 trade receivables were not interest-bearing and were mainly denominated in US dollars and Tenge. Trade receivables are collected on average within a period of 30-120 days.

As at 31 March 2023 and 31 December 2022 there were neither past due nor impaired trade receivables. Based on the assessments made, the Partnership concluded that no provision for expected credit losses should be recognized as at 31 March 2023 and 2022.

9. Cash and cash equivalents

In thousands of US Dollars	**31 March 2023**	31 December 2022
Current accounts in US Dollars	**8,502**	28,739
Current accounts in Tenge	**66**	12,949
Petty cash	**8**	6
	8,576	41,694

In addition to the cash and cash equivalents in the table above, the Partnership has restricted cash accounts as a liquidation fund deposits of US$8,222 thousand with Halyk bank (31 December 2022: US$ 8,220 thousand with Halyk bank), which are kept as required by the subsoil use rights for abandonment and site restoration liabilities of the Partnership.

10. Borrowings

Borrowings are comprised of the following as at 31 March 2023 and 31 December 2022:

In thousands of US Dollars	**31 March 2023**	31 December 2022
Notes issued in 2012 and maturing in 2033	**573,398**	560,063
Notes issued in 2014 and maturing in 2033	**409,234**	399,701
Loan due to Nostrum Oil & Gas Finance B.V.	**190,399**	200,420
	1,173,031	1,160,184
Less amounts due within 12 months	**(27,212)**	(4,433)
	1,145,819	1,155,751

2012 and 2014 Notes

On 13 November 2012, Zhaikmunai International B.V. issued US$560,000 thousand notes (the "2012 Notes") with maturity on 13 November 2019. On 24 April 2013 Zhaikmunai LLP replaced Zhaikmunai International B.V. as issuer of the 2012 Notes and assumed all of the obligations of the issuer under the 2012 Notes.

On 14 February 2014, Nostrum Oil & Gas Finance B.V., a subsidiary of Nostrum Oil & Gas PLC, issued US$400,000 thousand notes (the "2014 Notes") with maturity on 14 February 2019. On 6 May 2014, Zhaikmunai replaced Nostrum Oil & Gas Finance B.V. as issuer of the 2014 Notes and assumed all of the obligations of the issuer under the 2014 Notes.

On 25 July 2017, Nostrum Oil & Gas Finance B.V. (the "2017 Issuer") issued US$725,000 thousand notes (the "2017 Notes") with maturity on 25 July 2022. The issue of the 2017 Notes was used primarily to fund the purchases from bondholders of US$390,884 thousand in principal amount of the outstanding 2012 Notes and US$215,924 thousand in principal amount of the outstanding 2014 Notes.

On 16 February 2018, Nostrum Oil & Gas Finance B.V. (the "2018 Issuer") issued US$400,000 thousand notes (the "2018 Notes") with maturity on 16 February 2025. On 17 February 2018, the outstanding 2012 Notes and the 2014 Notes held by persons other than Nostrum Oil & Gas PLC and its subsidiaries were purchased from the bondholders by Nostrum Oil & Gas Finance B.V.

On 2 May 2018, certain amendments to the terms and conditions of the 2012 and 2014 Notes became effective, whereby the interest rate on the 2012 and 2014 Notes was changed to 9.5%, being effective from 19 February 2018. The maturity dates of the 2012 Notes and 2014 Notes were moved to 25 June 2033 and 14 January 2033, respectively. Interest on the 2012 Notes and 2014 Notes is payable on 14 June and 14 December of each year.

Guarantee of 2017 Notes

The 2017 Notes are jointly and severally guaranteed on a senior basis by Nostrum Oil & Gas PLC, Nostrum Oil & Gas Coöperatief U.A., Zhaikmunai LLP and Nostrum Oil & Gas B.V.

As at 25 July 2017, the Partnership recognised the granted guarantee liability at the fair value of US$5,177 thousand, which was the present value of the guarantee premium estimated based on the assessment of credit risk of the 2017 Issuer. The present value of the estimated guarantee premium was discounted by the 2017 Notes' interest rate.

Guarantee of 2018 Notes

The 2018 Notes are jointly and severally guaranteed on a senior basis by Nostrum Oil & Gas PLC, Nostrum Oil & Gas Coöperatief U.A., Zhaikmunai LLP and Nostrum Oil & Gas B.V.

Notes to the financial statements (continued)

As at 16 February 2018, the Partnership recognised the granted guarantee liability at the fair value of US$2,057 thousand, which was the present value of the guarantee premium estimated based on the assessment of credit risk of the 2018 Issuer. The present value of the estimated guarantee premium was discounted by the 2018 Notes' interest rate. During three months ended 31 March 2023 , the Partnership recognized guarantee gain in the amount of US$79 (three months ended 31 March 2022: US$74 thousand) thousand and the outstanding balance of the guarantee as at 31 December 2022, both current and non-current totaled US$654 thousand (31 December 2022: US$733 thousand).

Loan due to Nostrum Oil & Gas Finance B.V.

On 1 July 2008 the Partnership signed a loan agreement with Nostrum Oil & Gas B.V. (previously known as Frans van der Schoot B.V. and Zhaikmunai Netherlands B.V.) under which the latter provided the Partnership with a US$ 90,276 thousand loan at an annual interest rate of two times LIBOR. On 15 September 2009 Nostrum Oil & Gas B.V. provided an additional loan of US$ 261,650 thousand at then prevailing interest rate of 2.6% per year. Subsequently, the interest rate was changed to 6.625% and the maturity date was moved to 31 December 2032.

With effect from 1 October 2019, under the intra-group loan agreement, the rights in respect of outstanding nominal amounts and unpaid interest were transferred from Nostrum Oil & Gas B.V. to Nostrum Oil & Gas Finance B.V.

Effective from 1 May 2021, the interest rate was changed to 2.8%. Effective from 14 July 2021, the interest rate of the intra-group loan with Nostrum Oil & Gas Finance B.V. was changed to 2.8% in respect of interest periods starting on or after 1 May 2020. The income from reversal of the previous period borrowing costs in the amount of US$ 4,896 thousand was recognised in finance costs in the third quarter of 2021.

The outstanding balance of the loan as at 31 March 2023 has an interest rate of 2.8% (31 December 2022: 2.8%).

11. Trade payables

Trade payables comprise the following as at 31 March 2023 and 31 December 2022:

In thousands of US Dollars	**31 March 2023**	31 December 2022
Tenge denominated trade payables	**6,555**	6,942
Euro denominated trade payables	**193**	453
US Dollar denominated trade payables	**103**	228
Russian Rouble denominated trade payables	**40**	141
	6,891	7,764

12. Other current liabilities

Other current liabilities comprise the following as at 31 March 2023 and 31 December 2022:

In thousands of US Dollars	**31 March 2023**	31 December 2022
Other accruals	**14,096**	14,983
Training obligations accrual	**6,682**	6,441
Taxes payable	**1,727**	2,613
Due to employees	**2,560**	1,770
Other current liabilities	**799**	758
	25,864	**26,565**

13. Revenue

	For the three months ended 31 March	
In thousands of US Dollars	**2023**	2022
Revenue from oil and gas condensate sales	**13,129**	49,209
Revenue from gas and LPG sales	**4,207**	10,987
Revenue from sulphur sales	**2**	–
	17,338	60,196

The pricing for all of the Partnership's crude oil, condensate and LPG is, directly or indirectly, related to the price of Brent crude oil. The average Brent crude oil price for the three months ended 31 March 2023 was US$ 82.1/bbl (three monthes ended 31 March 2022 : US$97.9/bbl).

During the three months ended 31 March 2023 the revenue from sales to three major customers amounted to US$9,422 thousand, US$3,707 thousand and US$2,023 thousand respectively (three months ended 31 March 2022 : US$47,490 thousand, US$3,119 thousand and US$2,927 thousand, respectively.

Notes to the financial statements (continued)

14. Cost of sales

In thousands of US Dollars	For the three months ended 31 March	
	2023	2022
Depreciation, depletion and amortisation	**10,166**	14,006
Payroll and related taxes	**3,754**	3,122
Repair, maintenance and other services	**1,735**	1,496
Materials and supplies	**1,089**	875
Management fees	**–**	734
Well repair and maintenance costs	**1,016**	920
Transportation services	**572**	605
Environmental levies	**27**	35
Change in stock	**(2,641)**	(565)
Other	**122**	84
	15,840	21,312

15. General and administrative expenses

In thousands of US Dollars	For the three months ended 31 March	
	2023	2022
Payroll and related taxes	**904**	842
Management fees	**–**	342
Professional services	**181**	156
Insurance fees	**69**	57
Materials and supplies	**21**	36
Communication	**41**	45
Depreciation and amortisation	**44**	35
Business travel	**19**	23
Bank charges	**3**	10
Other	**73**	90
	1,355	1,636

16. Selling and transportation expenses

In thousands of US Dollars	For the three months ended 31 March	
	2023	2022
Transportation costs	**770**	2,051
Loading and storage costs	**809**	1,929
Payroll and related taxes	**335**	296
Marketing services	**–**	72
Other	**399**	364
	2,313	4,712

17. Taxes other than income tax

In thousands of US Dollars	For the three months ended 31 March	
	2023	2022
Transportation costs	**770**	2,051
Loading and storage costs	**809**	1,929
Payroll and related taxes	**335**	296
Marketing services	**–**	72
Other	**399**	364
	2,313	4,712

Notes to the financial statements (continued)

18. Finance costs

In thousands of US Dollars	For the three months ended 31 March	
	2023	2022
Interest expense on borrowings	**23,783**	24,113
Unwinding of discount on amounts due to Government of Kazakhstan	**164**	182
Unwinding of discount on abandonment and site restoration provision	**65**	69
	24,012	24,364

19. Other income and other expenses

For the three months ended 31 March 2023 and 2022 other expenses comprise the following:

In thousands of US Dollars	For the three months ended 31 March	
	2023	2022
Other taxes and penalties	**1,330**	177
Training accruals	**267**	313
Currency conversion	**90**	86
Social program	**78**	78
Sponsorship	**10**	1
Loss on disposal of property, plant and equipment	**39**	1
Other	**94**	56
	1,908	712

For the three months ended 31 March 2023 and 2022 other income comprise the following:

In thousands of US Dollars	For the three months ended 31 March	
	2023	2022
Finance guarantee gain	**79**	370
Currency conversion	**52**	144
Reversal of other taxes and penalties	**33**	–
Catering and accommodation	**21**	60
Reversals of training accruals	**5**	553
Reversals of other accruals	**–**	925
Other	**183**	102
	373	**2,154**

20. Income tax expense

In thousands of US Dollars	For the three months ended 31 March	
	2023	2022
Deferred income tax expense	**(3,570)**	9,352
	(3,570)	9,352

21. Related party transactions

For the purpose of these interim condensed financial statements transactions with related parties mainly comprise transactions between the Partnership and the participants and/or the subsidiaries or associated companies of the Group.

Borrowings from related parties as at 31 March 2023 and 31 December 2022 consisted of the following:

In thousands of US Dollars	**31 March 2023**	31 December 2022
Borrowings		
Under common control:		
Nostrum Oil & Gas Finance B.V.	**190,399**	200,420

During the three months ended 31 March 2023 and 2022 the Partnership had the following transactions with related parties:

Three months ended 31 March

Notes to the financial statements (continued)

In thousands of US Dollars	**31 March 2023**	31 March 2022
Purchases		
Under common control:		
Nostrum Services N.V.	–	1,148
Interest paid		
Under common control:		
Nostrum Oil & Gas Finance B.V.	**1,244**	–

Remuneration (represented by short-term employee benefits) of key management personnel amounted to US$ 434 thousand for three months ended 31 March 2023 (three months ended 31 March 2022: US$ 204 thousand). Other key management personnel were employed and paid by Nostrum Services N.V. and their remuneration forms part of management fees and consulting services above.

22. Contingent liabilities and commitments

Taxation

Kazakhstan's tax legislation and regulations are subject to ongoing changes and varying interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan's tax laws are severe and where the tax authorities disagree with the positions taken by the Partnership the financial outcomes could be material. Administrative fines are generally 80% of the taxes additionally assessed and interest is assessed at the refinancing rate established by the National Bank of Kazakhstan multiplied by 1.25. As a result, penalties and interest can amount to multiples of any assessed taxes. Fiscal periods remain open to review by tax authorities for five calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods. Because of the uncertainties associated with Kazakhstan's tax system, the ultimate amount of taxes, penalties and interest, if any, may be in excess of the amount expensed to date and accrued at 31 March 2023. As at 31 March 2023 management believes that its interpretation of the relevant legislation is appropriate and that it is probable that the Partnership's tax position will be sustained.

Abandonment and site restoration (decommissioning)

As Kazakh laws and regulations concerning site restoration and clean-up evolve, the Partnership may incur future costs, the amount of which is currently indeterminable. Such costs, when known, will be provided for as new information, legislation and estimates evolve.

Environmental obligations

The Partnership may be subject to loss contingencies relating to regional environmental claims that may arise from the past operations of the related fields in which it operates. Kazakhstan's environmental legislation and regulations are subject to ongoing changes and varying interpretations. As Kazakh laws and regulations evolve concerning environmental assessments and site restoration, the Partnership may incur future costs, the amount of which is currently indeterminable due to such factors as the ultimate determination of responsible parties associated with these costs and the Government's assessment of respective parties' ability to pay for the costs related to environmental reclamation.

However, depending on any unfavourable court decisions with respect to any claims or penalties assessed by the Kazakh regulatory agencies, it is possible that the Partnership's future results of operations or cashflows could be materially affected in a particular period.

Capital commitments

As at 31 March 2023, the Partnership had contractual capital commitments in the amount of US$5,336 thousand (31 December 2022: US$2,845 thousand), mainly in respect to the Partnership's oil field development activities.

Social and education commitments

As required by the Contract (after its amendment on 2 September 2019), the Partnership is obliged to:

- spend US$ 300 thousand per annum to finance social infrastructure;
- make an accrual of one percent per annum of the actual investments for the Chinarevskoye field for the purposes of educating Kazakh citizens.

Domestic oil sales

In accordance with Supplement # 7 to the Contract, the Partnership is required to deliver at least 15% of produced oil to the domestic market on a monthly basis for which prices are materially lower than export prices.

Impact of sanctions on Russia

The recent Russia-Ukraine conflict has led to widespread sanctions being imposed on various Russian institutions and individuals. Bodies and nations imposing sanctions today include the US, UK and EU and these sanctions have been sequentially expanding. Given the geographical position of the Group's main operating company, it is very close to the evolving situation in Ukraine. Whilst Kazakhstan is not directly involved in the ongoing conflict, nor have any Western sanctions impacted upon on it, the country is connected to Russia through infrastructure, banking, and other business links. The Partnership currently sends approximately 40% of its products through Russia via Russian transport infrastructure and ports. Furthermore, the Partnership contracts with a limited number of Russian service companies. The Partnership will need to be cognisant of the current and evolving sanctions list to ensure it is conducting business in compliance with these sanctions and, if it is foreseen that it will not be, the necessary alternatives will need to be set up to be compliant whilst continuing to conduct ordinary course of business.

23. Fair values of financial instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Partnership's financial instruments, other than those with carrying amounts reasonably approximating their fair values:

Notes to the financial statements (continued)

	Carrying amount		Fair value	
In thousands of US Dollars	**31 March 2023**	31 December 2022	**31 March 2023**	31 December 2022
Interest bearing borrowings	**(1,173,031)**	(1,160,184)	**(911,011)**	(432,370)
Finance guarantee	**(654)**	(733)	**(1,356)**	(1,356)
Total	**(1,173,685)**	**(1,160,917)**	**(912,367)**	(433,726)

Management assessed that cash and cash equivalents, short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.