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London, 21 May 2019

Financial Results for the First Quarter and Three Months ending 31 March 2019

Nostrum Oil & Gas PLC (LSE: NOG) ("Nostrum", or "the Company"), an independent oil and gas company engaging in the production, development and exploration of oil and gas in the pre-Caspian Basin, today announces its financial results in respect of the three-month period ending 31 March 2019.

Highlights:

Financial:

- Revenue of US$95.4 million (Q1 2018: US$94.8 million)
- Net operating cash flows[1] of US$42.2 million (Q1 2018: US$56.0 million)
- EBITDA[2] of US$58.7 million (Q1 2018: US$57.2 million)
- EBITDA margin of 61.5 % (Q1 2018: 60.3%)
- Closing cash[3] for the period of US$75.7 million (FY 2018: US$121.8 million)
- Total debt of US$1,109.7 million and net debt of US$1,034.1 million as at 31 March 2019

Operational:

- Q1 2019 average production after treatment of 32,646 boepd
- Q1 2019 average sales volumes of 31,621 boepd
- 45 wells currently producing at the Chinarevskoye field - 18 oil wells and 27 gas-condensate wells
- The third Gas Treatment Unit ("GTU3") was mechanically completed in December 2018. Hot commissioning will commence during Q2 with commissioning to be completed in Q3 2019

Kai-Uwe Kessel, Chief Executive Officer of Nostrum Oil & Gas, commented:

"Q1 has been a solid quarter for production which has seen sales volumes grow quarter-on-quarter. We now need to build on this and focus on delivering the results we hope for in the Northern part of the field. The Schlumberger technical study remains ongoing and is expected to complete in Q3 2019.

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1 IFRS term based on indirect cash flow method

2 Defined as profit before tax net of finance costs, foreign exchange loss/gain, ESOP, depreciation, interest income, other income and expenses

3 Defined as cash and cash equivalents including current and non-current investments and excluding restricted cash

I am pleased with the progress that has been made on commissioning of GTU3 and we are on track to finish this in Q3.

On the Q1 financials, we have benefited from rising oil prices during the quarter and recorded strong revenues on the back of this. Our cash balance was lower than forecast due to a large receivable balance which has now largely unwound. We remain focused on growing production and are looking at how we can utilise all of our processing facilities as quickly as possible."

Sales volumes

The sales volumes split for Q1 2019 was as follows:

Products	**Q1 2019 sales volumes (boepd)**	**Q1 2019 product mix (%)**
Crude Oil & Stabilised Condensate	11,853	37.49%
LPG (Liquid Petroleum Gas)	4,109	13.00%
Dry Gas	15,658	49.52%
Total	**31,621**	**100.00%**

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

Q1 2019 Drilling

- As at 31 March 2019, the Company had 45 wells in production (18 oil wells and 27 gas-condensate wells).
- Well 42 (Northern Area) we have drilled through the reservoir and will now start testing the well over the coming weeks.
- Well 41 (Northern Area) is currently drilling through the target horizons.

2019 Drilling and sales volume guidance

- We have completed drilling one well (Well 42) in the Northern Area and released the rig to be deployed in another area of the field whilst we test Well 42. We are close to completing the second well. We remain on track to drill at least six wells during 2019.
- The next well will be targeting Bashkirian crude oil reserves, with a side track from an existing non-producing well. We plan to drill one water injector for pressure maintenance in the Tournasian oil reservoir and further well(s) in the Northern Area pending the results of wells 41 and 42.
- 2019 production guidance remains unchanged at 30,000 boepd, corresponding to sales volumes of 28,000 boepd. Guidance does not include any additional production from new wells planned this year.

Progress on the development of GTU3

- The third Gas Treatment Unit ("GTU3") was mechanically completed in December 2018. Hot commissioning will commence during Q2 with first gas in before the end of May and commissioning to be completed in Q3 2019.

The below figures reflect all future cash payments expected to be made (excluding VAT) on GTU3.

Remaining cash spend on GTU3 (excl VAT) as at 31 March 2019	US$23.4 million

Conference call

Nostrum's management team will present the Q1 2019 Financial Results and will be available for a Q&A session with analysts and investors today at 14.00 pm BST, 21 May 2019. If you would like to participate in this call, please register by clicking on the following link and following instructions: Results Call

Download: Q1 2019 Results Presentation
Download: Q1 2019 Financial Statements

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

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Further information

For further information please visit www.nog.co.uk

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About Nostrum Oil & Gas

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). The principal producing asset of Nostrum Oil & Gas PLC is the Chinarevskoye field, in which it holds a 100% interest and is the operator through its wholly-owned subsidiary Zhaikmunai LLP. In addition, Nostrum Oil & Gas holds a 100% interest in and is the operator of the Rostoshinskoye, Darinskoye and Yuzhno-Gremyachenskoye oil and gas fields through the same subsidiary. Located in the pre-Caspian basin to the north-west of Uralsk, these exploration and development fields are situated approximately 60 and 120 kilometres respectively from the Chinarevskoye field.

<u>Forward-Looking Statements</u>

Some of the statements in this document are forward-looking. Forward-looking statements include statements regarding the intent, belief and current expectations of the Partnership 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 or 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 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.

Q1 2019: Nostrum Financial Results

In millions of US$ (unless mentioned otherwise)	**Q1 2019**	**Q1 2018**	**Variance**	**Variance in %**
Revenue	95.4	94.8	0.6	0.7
EBITDA	58.7	57.2	1.5	2.6
EBITDA margin (%)	61.5	60.3	-	-

In millions of US$ (unless mentioned otherwise)	**Q1 2019**	**FY 2018**	**Variance**	**Variance in %**
Cash Position	75.7	121.8	46.1	(37.8)
Net Debt	1,034.1	1,007.8	26.2	(2.6)

Revenue, EBITDA and Profit/Loss for the Period

Revenue from sales of crude oil, stabilised condensate, LPG and dry gas over the period amounted to US$95.4 million, comparable with Q1 2018 revenue of US$94.8 million. EBITDA was US$58.7 million with an EBITDA margin of 61.5 %. Profit for the period was US$5.9 million.

Cost of sales

The cost of sales during the period was US$41.6 million, remaining broadly in line with the Q1 2018 figure of US$41.4 million.

Cash resources and Net debt

The Group ended the period with US$75.7 million in cash and cash equivalents (FY 2018: US$ 121.8 million). Net debt at the end of the period was US$1,034.1 million (FY 2018: US$1,007.8 million).

Hedging

Nostrum's hedge came to its conclusion in December 2018. The company continues to monitor the market in regard to hedging a portion of its liquid production.