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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

London, 16 August 2022

Financial Results for the second quarter and six months ended 30 June 2022

Nostrum Oil & Gas PLC (LSE: NOG) (“**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 its financial results in respect of the second quarter and six months ended 30 June 2022.

Nostrum’s management team will present the H1 2022 Results and will be available for a Q&A session with analysts and investors today, 16 August 2022, at 2pm UK time. If you would like to participate in this call, please register by clicking on the following link and following instructions: [Results Call](#)

H1 2022 Highlights:

Financial

- Revenues of US\$107.8m (H1 2021: US\$92.3m) against average realised Brent oil price of US\$104.7/bbl (H1 2021: US\$65.2/bbl).
- EBITDA¹ of US\$68.8m (H1 2021: US\$52.8m) with EBITDA¹ margin of 63.8% (H1 2021: 57.2%).
- Closing unrestricted cash as at 30 June 2022 of US\$208.7m (31 March 2021: US\$180.8m). US\$22.7m remains held in a restricted account as at 30 June 2022.
- Continued focus on cost optimisation to help manage our liquidity. Targeting US\$45.5m for operating and general & administrative expenses for FY2022.

Operational

- Daily production after treatment averaged 14,167 boepd (H1 2021: 18,107 boepd).
- Daily sales volumes for averaged 13,102 boepd (H1 2021: 16,249 boepd).
- The Group continues its well and reservoir management strategy through well workovers and rigless well intervention in 2022.
- The Group has initiated a tie back project, budgeted for c.US\$5m of capital expenditures, that will allow for the first third-party feedstock from Ural Oil & Gas LLP (“Ural OG”) to be received for processing in the Group's facilities by Q4 2023.
- The Directors have ensured the Group has remained in full compliance with the Russian sanctions.

Sustainability

- Zero fatalities during operations to employees and contractors (H1 2021: zero).



- Zero Lost Time Injury (“LTI”) (H1 2021: zero).
- 2 Total Recordable Incidents (“TRI”) (H1 2021: 2).
- 81% of staff vaccinated against COVID-19 as at 30 June 2022.
- Initiated an ESG task force who will endeavour to receive the first solicited rating from an internationally recognized rating agency.

Restructuring update:

- On 20 June 2022, a Scheme Convening hearing was held and the Court made an order granting the Company permission to convene the Scheme meeting.
- On 1 July 2022, the Company received the necessary consents from the Kazakhstan Ministry of Energy with respect to (i) the issuance of new shares and warrants and (ii) the waiver of the Republic of Kazakhstan's priority right to acquire these new shares and warrants. This is a condition to the successful closing of the restructuring.
- The Scheme meeting of creditors will take place next week on 22 August 2022. The restructuring will be implemented as soon as practicable following a planned court sanction hearing (currently scheduled after the Scheme meeting) and following the receipt of all necessary authorisations and licenses to complete the transaction. The Company anticipates receiving all necessary authorisations and licences required to close before or at the start of Q4.

Sales volumes

The sales volume split for H1 2022 was as follows:

Products	H1 2022 volumes (boepd)	H1 2022 product mix (%)	H1 2021 volumes (boepd)	H1 2021 product mix (%)
Crude Oil	2,858	21.8%	3,705	22.8%
Stabilised Condensate	3,100	23.7%	3,170	19.5%
LPG (Liquid Petroleum Gas)	1,836	14.0%	2,150	13.2%
Dry Gas	5,308	40.5%	7,224	44.5%
Total	13,102	100.0%	16,249	100.0%

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

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

“As always, working in a safe and sustainable way is a key priority for the Group and I am pleased we had no major safety incidents in the first half of the year. We made our Carbon Disclosure Project (CDP) submissions recently and have tasked an external party to perform an ESG review of the Group. This underpins our commitment to sustainability as we look to improve the way we operate.

We are now at the final stages of the restructuring and hope to complete all remaining steps by the end of Q3 / start of Q4. This has been a long road, but we are ready to pivot the Company towards growth under our new streamlined capital structure. Our core financial business continues to remain strong despite the natural decline in production - as shown by our half year results. We generated revenues of over US\$107m, EBITDA of c.\$69m and maintained a healthy EBITDA margin of 63.8%. We’ve managed to market our products as effectively as possible with high Brent and LPG prices as well as maintain strong costs discipline to ensure our cash position continues to grow. Ending the period with over US\$208m provides us with a solid base to execute some of our strategic initiatives lined up for a post restructured world.

We are doing a lot of work to identify and mature various growth initiatives that will help fill our gas treatment facilities, and we hope to be able to progress a number of these post the restructuring.”



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

[Download: H1 2022 Results Presentation](#)

[Download: H1 2022 Interim Financial Report](#)

Notes to press release

¹ EBITDA is defined as profit before tax net of finance costs, impairment, foreign exchange loss/gain, ESOP, depreciation, interest income, other income and expenses.

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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) and the Kazakhstan Stock Exchange (ticker symbol: GB_NTRM). The principal producing asset of Nostrum Oil & Gas PLC is the Chinarevskoye field that is being operated by a wholly-owned subsidiary of Nostrum Oil & Gas PLC – Zhaikmunai LLP, who is the sole holder of the subsoil use rights with respect to the development of 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.



Appendix

Key terms of the restructuring

The agreed terms which will proceed under a UK scheme of arrangement subject to the creditors' vote and Court sanction, are as follows:

1. Partial reinstatement of the Existing Notes in the form of new:

a) Senior Secured Notes ("SSNs")

- Principal amount of US\$250,000,000;
- Cash coupon of 5.00% per annum;
- Interest accrues from 1 January 2022;
- Maturing on 30 June 2026; and
- SSNs are not convertible upon maturity.

b) Senior Unsecured Notes ("SUNs")

- Principal amount of US\$300,000,000;
- Cash coupon of 1.00% per annum;
- Payment-in-kind interest of 13.00% per annum;
- Interest accrues from 1 January 2022;
- Maturing on 30 June 2026; and
- If not repaid in cash at maturity, the SUNs will be repayable in specie through the issuance of equity of the Company based on the value of the SUNs outstanding on the issuance date as a percentage of the fair market value of the Company (up to a maximum of 99.99% of the Company's fully diluted equity).

2. 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 Company on closing of the restructuring.
- Existing noteholders will also own warrants (to be held by a Trustee) allowing them to subscribe for an additional 1.11% of the share capital of the Company upon exercise – increasing existing noteholder ownership of the Company to 90.00% on closing.

3. New corporate governance arrangements in respect of the Group and certain arrangements regarding future utilisation of the Group's cashflows, including the proposal to transfer the Company's listing to the Standard Listing segment of the London Stock Exchange (this became effective on 31 May 2022).

For material terms of the restructuring, refer to the Regulatory News Service ("RNS") announcement issued on 23 December 2021 and the restructuring Circular issued to shareholders on 13 April 2022 which can be found on our website.