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London, 16 November 2021

Financial Results for the Third Quarter and Nine Months ending 30 September 2021

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 nine-month period ending 30 September 2021.

Highlights:

Financial

- Revenues up 5.0% year-on-year to US\$142.7 million (9M 2020: US\$135.8 million).
- Net operating cashflows¹ up 25.6% year-on-year to US\$85.4 million (9M 2020: US\$68.0 million).
- EBITDA² up 39.6% year-on-year to US\$84.1 million (9M 2020: US\$60.3 million) with EBITDA margin expanding to 58.9% (9M 2020: 44.4%).
- Closing cash³ for the period increased by US\$63.5 million to US\$142.1 million (December 31, 2020: US\$78.6 million). Cash excludes US\$22.6 million held in a secure account under the terms of the Forbearance Agreements.
- We continue to accrue interest on the 2022 and 2025 loan notes, but no interest has been paid on the loan notes since February 2020 (*see Bond Restructuring below*).
- Continued focus on cost optimisation to help manage the Company's liquidity.

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.

Operational

- Average daily production after treatment for 9M 2021 totalled 17,532 boepd with average daily sales volumes for 9M of 15,838 boepd. Condensate inventory is not included in the reported sales volumes and as at 30 September 2021 amounted to approximately 254,000 boe, which is planned to be sold in Q4 2021.
- We continue to execute our well and reservoir management activities that are supported with well workovers and interventions. These are generally not capital intensive and offer reasonable risk/reward.
- On 23 July 2021, the Company announced that its wholly-owned subsidiary Zhaikmunai LLP ("Zhaikmunai") had agreed with Ural Oil & Gas LLP ("Ural OG") to extend the deadline under the Agreements for Ural OG's first delivery of gas and liquid gas-condensate to Zhaikmunai by approximately six months, from 9 April 2023 to 31 October 2023. The extension was requested by Ural OG as a result of circumstances relating to the COVID-19 pandemic.
- We continue to focus on ways to monetise spare capacity in the gas treatment facility through processing third party volumes. The Company has approved minor investment to upgrade its facilities and build a short pipeline to receive Ural OG feedstock by Q4 2023.
- The 2021 planned shutdown that included the internal inspection of all process vessels was successfully completed on time and under budget in the third quarter.



Bond Restructuring

- Discussions continue with the advisers to the AHG to agree a restructuring of the debt.
- On 18 May 2021, the Company and certain of its subsidiaries entered into a second forbearance agreement (the "**Second Forbearance Agreement**") with the AHG. The Second Forbearance Agreement is substantially similar to the original forbearance agreement.
- The forbearance period initially expired at 4 p.m. (BST) on 21 June 2021 but was extended with the agreement of all the members of the AHG to 4 p.m. (BST) on 21 July 2021. On 21 July 2021, the forbearance period was again extended to 4 p.m. (BST) on 25 August 2021. In connection with the extension of the forbearance period to 25 August 2021, the Company agreed to pay into the Restricted Cash an amount of US\$1,116,990, equating to 9.9288 bps of the outstanding notes. The total amount paid into Restricted Cash at 30 September 2021 is US\$22,661,980.
- The forbearance period was extended several times since 25 August 2021 with the agreement of all the members of the AHG. The forbearance agreement is set to expire at 11.59 p.m. (GMT) on 26 November 2021 following the last agreed extension.

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

"We continue to show strong financial and operational resilience despite the ongoing restructuring process and COVID-19 pandemic. Our operating and free cash flow growth has continued through the year reflecting our proactive cost management, as well as favourable hydrocarbon pricing environment.

We continue to execute our well and reservoir management activities that are supported with well workovers and interventions. These are generally not capital intensive and offer reasonable risk/reward.

The restructuring process is still ongoing, and we are hopeful of reaching an agreement in the near future. The closing of the restructuring will enable us to move the Group forward and continue our efforts to source third party gas to utilize the spare capacity in our gas processing facilities.

Safety of our workforce continues to be our priority, and we are pleased that the Company has successfully managed to maintain operations during this difficult period, with no lost production."

Sales volumes

Average daily 9M 2021 sales volumes of 15,838 boepd comprised:

Products	9M 2021 sales volumes (boepd)	2021 sales product mix (%)	9M 2020 sales volumes (boepd)	2020 sales product mix (%)
Crude Oil	3,588	23%	3,707	17%
Stabilised Condensate	3,147	20%	5,328	24%
LPG (Liquid Petroleum Gas)	2,035	13%	2,900	13%
Dry Gas	7,068	44%	10,334	46%
Total	15,838	100%	22,269	100%

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

2021 Well Stock

- As at 30 September 2021, the Company had 43 wells in production (23 oil wells and 20 gas-condensate wells).

2021 Drilling and sales volume guidance



- The Company has not planned a drilling programme in 2021 but continues to screen and assess any potential value-creation opportunities.
- The average daily production forecast for 2021 remains 17,000 boepd, corresponding to an average daily sales volume of c.16,000 boepd dependent on condensate inventories as at 31 December 2021.

Appointment of Chief Financial Officer

On 17 August 2021, the Board of the Company announced the appointment of Shane Drader as Chief Financial Officer (CFO) effective 30 August 2021. Mr Drader is a chartered accountant with over 20 years' experience in strategic financial management, most recently serving as Managing Director, Head of IPO Office at JSC NC "KazMunayGas". Mr Drader was also a member of the management board at KazMunayGas Exploration and Production JSC where he also had the role of Managing Director, Financial Controller and Acting CFO.

Martin Cocker, who previously served as interim CFO, stepped down from the role on the effective date but continues to sit on the Board and is a designated non-executive director and member of the Audit Committee, Nomination and Governance Committee, Remuneration Committee and Health, Safety, Environment and Communities Committee.

Summary of the financial Results for 9M 2021

In millions of US\$ (unless otherwise noted)	9M 2021	9M 2020	Variance	Variance (%)
Revenues	142.7	135.8	6.8	5.0%
EBITDA	84.1	60.3	23.8	39.6%
EBITDA margin (%)	58.9%	44.4%	14.5%	-

Conference Call

Nostrum's management team will present the 9M 2021 Financial Results and will be available for a Q&A session with analysts and investors today, 16 November 2021, at 14.00 GMT. If you would like to participate in this call, please register by clicking the following link and following instructions:

[Results Call](#)

[Download: 9M 2021 Financial Statements](#)

[Download: 9M 2021 Results Presentation](#)

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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.

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.