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London, 17 August 2021

Financial Results for the Second Quarter and Six Months ending 30 June 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 six-month period ending 30 June 2021.

Highlights:

Financial

- Revenues of US\$92.3 million (H1 2020: US\$92.6 million). Average Brent price in H1 2021 of US\$65.2 (H1 2020: US\$40.0).
- Net operating cashflows¹ of US\$46.3 million (H1 2020: US\$47.0 million).
- EBITDA² of US\$52.8 million (H1 2020: US\$38.7 million).
- EBITDA margin of 57.2% (H1 2020: 41.8%).
- Closing cash³ for the period of US\$108.1 million (December 31, 2020: US\$93.9 million). Cash excludes US\$21.5 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 optimization 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 H1 2021 totalled 18,107 boepd with average daily sales volumes for H1 of 16,249 boepd. The natural production decline means that we do not make condensate sales each month because we have insufficient volumes to form a cargo. Condensate inventory as at 30 June 2021 amounted to approximately 220,000 barrels.
- We remain extremely vigilant in respect of COVID-19. We continue to implement stringent precautionary measures and we believe we have the systems in place to monitor and manage the risks presented by the pandemic in west Kazakhstan. To date, no production has been lost because of COVID-19.
- A well workover and well intervention programme started in April 2021. The programme is currently for 6 workovers and up to 20 interventions with an expected cost of US\$7.3 million.
- We continue to focus on ways to monetise spare capacity in the gas treatment facility through processing third party volumes.
- 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.



- Zhaikmunai LLP has entered into an agreement for the transfer all of its rights and obligations in relation to the Rostoshinskoye field to a third party, subject to the satisfaction of various conditions precedent including the receipt of all relevant regulatory approvals.

Bond Restructuring

- Discussions continue with the advisers to the AHG to agree a restructuring of the debt.
- The final consent fee for 9.9288 bps equating to US\$1,116,990 was paid on 22 February 2021. The total consent fees paid under the Forbearance Agreement are US\$6,701,973.
- On 22 March 2021, the Company announced that the approval has been received from all the members of the AHG to extend the expiry of the Forbearance Agreement from 4 p.m. on 20 March 2021 to 4 p.m. on 20 April 2021. In return for the AHG agreeing to extend the forbearance period to 20 April 2021, the Company agreed to pay into Restricted Cash an amount of US\$1,116,990, equating to 9.9288 bps of the outstanding Notes. This amount was paid into Restricted Cash on 30 March 2021. The total amount paid into Restricted Cash at 30 June 2021 is US\$21,541,990.
- On 20 April 2021, the Company announced that the approval has been received from all the members of the AHG to extend the expiry of the Forbearance Agreement from 4 p.m. on 20 April 2021 to 4 p.m. on 20 May 2021.

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. GMT on 21 June 2021 but was extended with the agreement of all the members of the AHG to 4 p.m. on 21 July 2021. On 21 July 2021, the forbearance period was again extended to 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.

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

“I am pleased that despite all the uncertainties and disruptions that COVID-19 and our restructuring process continues to cause, we are showing strong financial and operational resilience.

We continue to proactively manage our liquidity position. Our costs remain under control and whilst the costs per barrel have been negatively affected by the planned shut down earlier in the year, that shut down was executed safely and completed ahead of schedule and within budget.

We continue to make good progress with our efforts to source third party gas to utilize the spare capacity in our world-class gas processing facilities. Of course, it was disappointing to announce the likely delay to receiving first gas from Ural Oil and Gas LLP, but we are working with them to identify ways to make up the lost ground.

In terms of the restructuring, whilst the process has taken longer than anyone would have liked, I am confident that we are very close to a sustainable solution and so very hopeful that we will be able to make a positive announcement in the near future.

Finally, I would like to thank our staff and contractors for their continued professionalism, support and efforts.”



Sales volumes

Average daily H1 2021 sales volumes of 16,249 boepd comprised:

Products	H1 2021 sales volumes (boepd)	2021 sales product mix (%)
Crude Oil	3,705	23%
Stabilised Condensate	3,170	20%
LPG (Liquid Petroleum Gas)	2,150	13%
Dry Gas	7,224	44%
Total	16,249	100%

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

2021 Well Stock

- As at 30 June 2021, the Company had 44 wells in production (24 oil wells and 20 gas-condensate wells).

2021 Drilling and sales volume guidance

- The Company has not planned a drilling programme in 2021 but will conduct a targeted well work-over and intervention programme, similar to that conducted in 2020.
- The average daily production forecast for 2021 remains 17,000 boepd, corresponding to an average daily sales volume of 16,000 boepd.

Chief Financial Officer

On 29 April 2021, the Board of the Company extended the contract of the interim Chief Financial Officer, Martin Cocker, from 30 April 2021 (the expiry date) to 31 August 2021.

On 17 August 2021, the Company announced the appointment of Shane Drader as Chief Financial Officer, effective 30 August 2021. Martin Cocker will step down from the interim CFO role on the same date but will continue on the Board and be designated as an independent non-executive director and a member of the Audit Committee, Health, Safety, Environment and Communities Committee, Remuneration Committee and Nomination and Governance Committee.

Summary of the financial Results for H1 2021

In millions of US\$ (unless otherwise noted)	H1 2021	H1 2020	Variance	Variance (%)
Revenues	92.3	92.6	(0.3)	(0.3)
EBITDA	52.8	38.7	14.1	36.4
EBITDA margin (%)	57.2	41.8	15.4	36.8

Conference Call

Nostrum's management team will present the H1 2021 Financial Results and will be available for a Q&A session with analysts and investors today, 17 August 2021, at 1400 British Summer Time. If you would like to participate in this call then please register by clicking the following link and following instructions: [Results Call](#)

[Download: H1 2021 Financial Statements](#)

[Download: H1 2021 Results Presentation](#)

LEI: 2138007VWEP4MM3J8B29

**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 oil and gas field through the same subsidiary. Located in the pre-Caspian basin to the north-west of Uralsk, this exploration and development field is situated approximately 100 kilometres from the Chinarevskoye 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 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.