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London, 18 May 2021

Financial Results for the Three Months ending 31 March 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 for the three months ending 31 March 2021.

Highlights:

Financial

- Q1 2021 revenues of US\$46.2 million (Q1 2020: US\$60.4 million).
- EBITDA¹ of US\$26.8 million (Q1 2020: US\$31.7 million).
- EBITDA margin of 58.0% (Q1 2020: 52.5%).
- Closing cash as at 31 March 2021 was US\$85.3 million (31 December 2020: US\$78.6 million). Closing cash as at 31 March 2021 and 31 December 2020 excludes cash held in a restricted account under the terms of a forbearance agreement dated 23 October 2020 between the Company, together with certain of its subsidiaries (the “**Note Parties**”) and members of an ad hoc committee of noteholders (the “**AHG**”) (the “**First Forbearance Agreement**”). Cash held on the restricted account as at 31 March 2021 was US\$21.5 million (31 December 2020: \$12.9 million).
- Total debt² of US\$1,209.8 million including accrued interest of US\$100.1 million, net debt US\$1,124.5 million as at 31 March 2021. Net debt position as at 31 March 2021 does not take into account Restricted Cash.
- Continued focus on cost and production optimisation to help manage our liquidity.
- Interest on Nostrum’s 8.0% Senior Notes due 2022 and its 7.0% Senior Notes due 2025 (together the “**Notes**”) issued by Nostrum Oil & Gas Finance B.V. and due in February and March 2021 was not paid.

Operational

- Average daily production after treatment for Q1 2021 totalled 19,341 boepd with average daily sales volumes for the quarter of 17,419 boepd. Production and sales guidance for the year is 17,000 boepd and 16,000 boepd, respectively.
- 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.

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

2. Total debt does not include finance lease liabilities under IFRS16 Leases



- 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.
- Planned facilities maintenance shut down programme successfully executed in April / May 2021.
- We continue to focus on ways to monetise spare capacity in the gas treatment facility through processing third party volumes.

Bond Restructuring

- On 23 October 2020, the Company announced that the Note Parties had entered into the First Forbearance Agreement with the AHG.
- The Company agreed to pay, or procure the payment by the issuer of, certain consent fees in cash (a “**Consent Fee**”) to each forbearing holder. The Consent Fees are payable by reference to the total aggregate principal amount of the Notes outstanding. The first and second consent fees totaling US\$5,584,983 were paid in November and December 2020. The final consent fee for US\$1,116,990 was paid on 22 February 2021. The total consent fees paid under the Forbearance Agreement are US\$6,701,973.
- Under the terms of the First Forbearance Agreement, certain holders agreed to forbear from the exercise of certain rights and remedies under the indentures governing the Notes. The agreed forbearances included agreeing not to accelerate the Notes' obligations as a result of certain missed interest payments. Following invitation, a substantial number of additional holders acceded to the original forbearance agreement.
- 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 First 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 the secured account an amount of US\$1,116,990, equating to 9.9288 bps of the outstanding Notes. This amount was paid into the secured account on 30 March 2021. The total amount paid into the secured account at 31 March 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 First Forbearance Agreement from 4 p.m. on 20 April 2021 to 4 p.m. on 20 May 2021.
- The First Forbearance Agreement will automatically terminate on 20 May 2021.
- The Company expects to enter into a Second Forbearance Agreement substantially similar to the First Forbearance Agreement with an initial termination date of 21 June 2021, unless extended in accordance with its terms.
- The restructuring work is progressing and discussions are ongoing between the Company and the informal ad hoc committee of holders of the Notes.

CEO appointment

As previously announced, Arfan Khan was appointed as Chief Executive Officer of the Group effective 26 January 2021.

Interim 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.



Sales volumes

Average daily Q1 2021 sales volumes of 17,419 boepd comprised:

Products	Q1 2021 sales volumes (boepd)	Q1 2020 product mix (%)
Crude Oil	3,919	22.5%
Stabilised Condensate	3,368	19.3%
LPG (Liquid Petroleum Gas)	2,294	13.2%
Dry Gas	7,838	45.0%
Total	17,419	100.0%

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

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

“We continue to be vigilant in respect of COVID-19 and exercise extreme caution to ensure the continued safety of our employees and contractors, at the same time minimising the disruption to production and operations.

A successful bond restructuring when combined with our on-going liquidity management will lead to the vitally needed financial capacity for exploiting, and adding to PDP, the low cost per barrel, high confidence infill opportunities with best-in-class well & reservoir management. We will also continue discussions with third parties to secure additional volumes to commercialise our world-class infrastructure.

Nostrum has taken all necessary steps to safeguard its core business through streamlining operations and prioritising reducing costs. Together with a robust bond restructuring, the Company has laid down a solid foundation to build from. Reshaping Nostrum’s future trajectory so that it is fully aligned with the growth agenda now requires strengthening the skills and capabilities of the organisation in areas that will be mission critical, whilst simultaneously leveraging our seasoned expertise in project execution and production operations.”

Conference call

Nostrum’s management team will present the Q1 2021 Results and will be available for a Q&A session with analysts and investors today at 2pm UK time, 18 May 2021. If you would like to participate in this call, please register by clicking on the following link and following instructions: [Results Call](#)

[Download: Q1 2021 Results Presentation](#)

[Download: Q1 2021 Financial Statements](#)

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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 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.