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London, 20 August 2019

Financial Results for the First Half and Six Months ending 30 June 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 six-month period ending 30 June 2019.

Highlights:

Financial:

- Revenue of US$174.2 million (H1 2018: US$191.5 million)
- Net operating cash flows[1] of US$116.8 million (H1 2018: US$99.9 million)
- EBITDA[2] of US$110.2 million (H1 2018: US$113.2 million)
- EBITDA margin of 63.3% (H1 2018: 59.1%)
- Closing cash[3] for the period of US$120.8 million (Q1 2019: US$75.7 million)
- Total debt[4] of US$1,132.9 million and net debt of US$1,012.0 million as at 30 June 2019

Operational:

- H1 2019 average production after treatment of 31,096 boepd
- H1 2019 average sales volumes of 29,210 boepd
- Drilling of wells 41 and 42 completed, with testing ongoing

Strategic

- Proposed Acquisition of oil & gas assets in North West Kazakhstan
- Review of Strategic & Operational Options for Nostrum

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

"Financially H1 2019 was strong with oil prices averaging US$66.20 per barrel and this meant we continued to generate operating cashflow in excess of our target and remain on course to end the year with over US$100m of cash. Operationally, we are moving ahead with testing the Frasnian section of well 41, which is the same horizon from which well 40 produces. The well needs further

[1] IFRS term based on indirect cash flow method
[2] Profit before tax net of finance costs, foreign exchange loss/gain, ESOP, depreciation, interest income, other income and expenses
[3] Cash and cash equivalents including current and non-current investments and excluding restricted cash
[4] Total debt does not include lease liabilities under IFRS16 Leases

cleaning and a long-term test before we can confirm commerciality. On well 42, two reservoirs have been tested that confirmed gas-condensate saturation but without commercial flow.

GTU3 continues to progress with hot commissioning now underway and final commissioning targeted for the end of Q3 2019. On the strategic front we are working towards bringing the acquisition of Positive Invest to shareholders whilst at the same time working on the strategic review of our business. Our primary focus remains on trying to find ways to grow production in the near term. We are working to update our own geological models and incorporate the two independent studies currently being worked on by Schlumberger and PM Lucas in the North East and West of the field into the model."

Sales volumes

The sales volumes split for H1 2019 was as follows:

Products	**H1 2019 sales volumes (boepd)**	**H1 2019 Product Mix (%)**
Crude Oil & Stabilised Condensate	10,216	34.97
LPG (Liquid Petroleum Gas)	3,901	13.36
Dry Gas	15,093	51.67
Total	**29,210**	**100**

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

H1 2019 Drilling

- As at 30 June 2019, the Company had 45 wells in production (18 oil wells and 27 gas-condensate wells).
- Drilling has been completed on the two wells in the Northern area, 41 & 42. Well 42 has encountered three horizons with gas shows during drilling. These are the Frasnian, Mullinski and Vorobyovski. The testing of the Vorobyovski and Mullinski reservoirs was completed confirming gas-condensate saturation but without commercial flow. The testing of the upper Frasnian reservoir is ongoing but based on initial results we do not expect commercial flow. During drilling of Well 41 gas shows were seen in four different reservoirs, namely the Frasnian, Mullinski, Ardatovski and Vorobyovski. A drill stem test (DST) conducted during drilling of the Frasnian confirmed similar reservoir pressure to well 40. Following testing of the lowermost horizon, the Vorobyovski, we encountered a small leak in the sliding sleeve door within the production tubing. This has caused a delay in testing the upper horizons. We are now moving ahead with testing the Frasnian section of well 41 which is the same horizon from which well 40 produces. Initial results show a flow of hydrocarbons but the cleaning up of the well and longer term testing will be required before we can provide more detailed information.
- Drilling is currently ongoing with two rigs in operation. One rig is drilling a side track into the Bashkirian oil reservoir and the other rig is drilling in the North targeting the Vorobyovski horizon (well 361).

2019 Drilling and sales volume guidance

- The location of additional wells in 2019 will be finalised once we have completed the evaluation of the first two Northern Wells.
- 2019 production guidance remains unchanged at 30,000 boepd, corresponding to sales volumes of 28,000 boepd.

Progress on the development of GTU3

Mechanical completion of GTU3 was achieved in December 2018. Hot commissioning is continuing with the commissioning of off-sites and utilities completed, including nitrogen, HVAC, building, fire detection, fire-fighting and flare systems. We remain on target for full commissioning of the plant before the end of 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 30 June 2019	US$19.7 million

Conference call
Nostrum's management team will present the H1 2019 Financial Results and will be available for a Q&A session with analysts and investors today at 14.00 pm BST, 20 August 2019. If you would like to participate in this call, please register by clicking on the following link and following instructions: Results Call

Download: H1 2019 Results Presentation
Download: H1 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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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.

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 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.

H1 2019: Nostrum Financial Results

In millions of US$ (unless mentioned otherwise)	**H1 2019**	**H1 2018**	**Variance**	**Variance in %**
Revenue	174.2	191.5	(17.3)	(9.0)
EBITDA	110.2	113.2	(3.0)	(2.7)
EBITDA margin (%)	63.3	59.1	4.2%	-

In millions of US$ (unless mentioned otherwise)	H1 2019	Q1 2019	Variance	Variance in %
Cash Position	120.8	75.7	45.1	59.5
Net Debt	1,012.0	1,034.1	(22.1)	(2.1)

Revenue, EBITDA and Profit for the Period

Revenue from sales of crude oil, stabilised condensate, LPG and dry gas over the period amounted to US$174.2 million for the reporting period, a decrease from the H1 2018 figure of US$191.5 million. This is mainly explained by a 7.1% decrease in the average Brent crude oil price during the period. EBITDA was US$110.2 million with an EBITDA margin of 63.3%. Profit for the period was US$6.1 million.

Cost of sales

The cost of sales during the period was US$79.8 million, remaining broadly in line with the H1 2018 figure of US$82.7 million.

Cash resources and net debt

The Group ended the period with US$120.8 million in cash and cash equivalents (Q1 2019: US$75.5 million). Net debt at the end of the period was US$1,012.0 million (Q1 2019: US$1,034.1 million).