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FOR IMMEDIATE RELEASE

London, 22 November 2022

Financial Results for the third quarter and nine months ended 30 September 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 third quarter and nine months ended 30 September 2022.

Nostrum’s management team will present the 9M 2022 Results and will be available for a Q&A session with analysts and investors today, 22 November 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](#)

9M 2022 Highlights:

Financial

- Revenues of US\$155.5m (9M 2021: US\$142.6m) against average Brent oil price of US\$102.5/bbl (9M 2021: US\$67.9/bbl).
- EBITDA¹ of US\$94.9m (9M 2021: US\$84.1m) with EBITDA¹ margin of 61.0% (9M 2021: 58.9%).
- Closing unrestricted cash as at 30 September 2022 of US\$210.2m (30 June 2022: US\$208.7m). US\$22.7m remains held in a restricted account as at 30 September 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 13,684 boepd (9M 2021: 17,532 boepd).
- Daily sales volumes for averaged 12,780 boepd (9M 2021: 15,838 boepd).
- The Group continues to execute its well and reservoir management strategy through well workovers and rigless well intervention.
- 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 starting from 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 (9M 2021: zero).
- Zero Lost Time Injury (“LTI”) (9M 2021: one).
- Four Total Recordable Incidents (“TRI”) (9M 2021: three).
- 3,108 tonnes of air emissions emitted in 9M 2022 against 6,413 tonnes permitted for 2022 under the Kazakhstan Environmental Code.
- ESG taskforce is working on receiving the first solicited rating from an internationally recognized rating agency.

Restructuring update:

- 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.
- On 17 August 2022, the Company entered into the Second Lock-Up Agreement with the Ad Hoc Group of noteholders and ICU (the "Parties"). The First and Second Lock-up Agreements were on substantially same terms and contain the same terms of the Restructuring.
- On 22 August 2022, a meeting of the Scheme Creditors was held with participation and voting (by proxy) of 148 Scheme Creditors. The Scheme proposed by the Company in connection with the Restructuring was approved by the requisite majority of Scheme Creditors (being a majority in number, representing at least 75 percent in value of the Scheme Creditors present and voting).
- On 26 August 2022, the Scheme Sanction Hearing took place, whereby the Court made an order sanctioning the Scheme, following which on 31 August 2022 the Scheme Sanction Order was lodged with Companies House and the Scheme thereby took effect and binds (amongst other parties) all Scheme Creditors and the Company by its terms.
- On 14 October 2022, the Prospectus, relating to the proposed admission of up to 1,505,633,046 new ordinary shares to the standard listing segment of the Official List of the FCA, was approved by the FCA and published by the Company. The new ordinary shares will be traded on the main market for listed securities of London Stock Exchange plc.
- The key elements of the Restructuring are inter-conditional. Therefore, and notwithstanding the sanctioning of the Scheme by the Court, the terms of the Restructuring will only be implemented if and when each of the Restructuring Conditions has been satisfied or waived. This includes the receipt by the Company of any required licence(s) from applicable authorities, or confirmation that such licence(s) is not required.
- Given that the Company has not yet received all the required licences (or any confirmations that such licences are not required) and may not do so in time to implement the Restructuring before the Longstop Date, on 4 November 2022 the Company proposed to amend the definition of "Longstop Date" in the Scheme (pursuant to Clause 8.1 thereof) and the Implementation Deed (pursuant to Clause 16.1 thereof) to 16 February 2023 (the "Extension"). The Extension was approved by Noteholders constituting the Majority Scheme Creditors and was effected on 21 November 2022.

Sales volumes

The sales volume split for 9M 2022 was as follows:

Products	9M 2022 volumes (boepd)	9M 2022 product mix (%)	9M 2021 volumes (boepd)	9M 2021 product mix (%)
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Crude Oil	2,926	22.9%	3,588	22.7%
Stabilised Condensate	3,080	24.1%	3,147	19.9%
LPG (Liquid Petroleum Gas)	1,778	13.9%	2,035	12.8%
Dry Gas	4,996	39.1%	7,068	44.6%
Total	12,780	100.0%	15,838	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:

“Q3 2022 was a financially stable period for the Company. Although we observed downward trends in Brent and LPG prices, Nostrum generated a further US\$47m of revenues, resulting in nine-month revenues of US\$155m, with an EBITDA of c.US\$95m and EBITDA margin of 61%. This, along with strict cost discipline, helped end the period with an unrestricted cash balance of US\$210m, despite the continuing natural decline of our production volumes, inflationary cost pressures and wider Urals discounts applicable to some of our exports. We continue to work hard on all these fronts to preserve the Company’s cash.

In terms of the restructuring, the past quarter was productive with the last key milestones being achieved, such as obtaining the required consents from the Kazakhstan Ministry of Energy, as well as bondholder approval and court sanctioning of the scheme. Furthermore, in October, we have published the FCA-approved prospectus for the issue of new shares.

However, because we have not received the required licenses within the initially expected timeframe, we had to amend the Longstop date to 16 February 2023. Completion of the restructuring is a key pre-requisite to unlocking the full potential of Nostrum’s value-chain and infrastructure, and so, notwithstanding the extension of the longstop date, we are focusing our efforts on achieving implementation of restructuring by the end of 2022. However, in parallel, we continue to explore opportunities and engage with interested parties to develop our growth plans and work closely with Ural Oil & Gas LLP on the gas tie-back project.

In addition to the safety of our people remaining a top priority for the Group, the ongoing ESG review of the Group by an external party is an example of our commitment to continuous improvement across our activities from environmental, governance and social perspectives.”

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

[Download: 9M 2022 Results Presentation](#)

[Download: 9M 2022 Interim Condensed Consolidated Financial Statements](#)

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.

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) 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 (“SSNs”)

- 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 utilization 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.