Amsterdam, 23 November 2016

Financial Results for the Nine Months ended 30 September 2016

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 months ended 30 September 2016.

Financial Highlights:

- Revenue for the period of US$245.1m (9M 2015: US$374.8m)
- EBITDA[1] for the period was US$142.6m (9M 2015: US$202.9m); EBITDA margin remains strong at 58.2% (9M 2015: 54.1%)
- Opex[2] / boe for the period was US$3.5 (9M 2015: US$4.1) while transportation costs / boe were US$5.2 (9M 2015: US$6.2)
- Closing Cash[3] for the period of US$94.3m; Net Debt / LTM EBITDA ratio of 5.1x
- Payments in excess of US$27m received over the first nine months of 2016 from the hedge entered into in December 2015
- 15,000 boepd hedged with a strike price of US$49.16 until December 2017

Operational Highlights:

- GTU3 construction progressing on time and on budget; completion expected in 2017
- Average daily production for the nine month period was 38,901 boepd (9M 2015: 44,042 boepd)
- 2016 production guidance remains at 40,000 boepd
- Connection to the KazTransOil (KTO) pipeline due for completion by Q2 2017
- Drilling programme for 2016 completed

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

"Nostrum's results for the first nine months of 2016 reflect the Company's financial resilience during a period of continued volatility in oil prices. Our cost cutting programme has yielded further success and we look forward to realising a significant decrease in transportation costs once the KTO pipeline connection is complete by Q2 next year. Our hedge of 15,000 boepd, secured in December last year, has allowed us to execute GTU3 while maintaining the Company's liquidity position. Our focus now turns towards the 2017 drilling programme and delivering our major infrastructure project, GTU3, on time and on budget."

Conference Call

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[1] Defined as Profit Before Tax + Finance Costs + Foreign Exchange Loss / (Gain) + ESOP + Depreciation – Interest Income + Other Expenses / (Income)

[2] Defined as COGS less depreciation, less royalties, less government profit share, less stock change

[3] Defined as Cash & Cash Equivalents

Nostrum's management team will present the 9M 2016 Results and will be available for a Q&A session with analysts and investors today at 14.00 GMT, 23 November. Please click on the following link to register for the call: Conference call registration PIN: 17375653

Publications
Download: Nostrum's 9M 2016 Results Presentation
Download: Nostrum's 9M 2016 Financial Statements

Further information:
For further information please visit www.nog.co.uk

Further enquiries:

Nostrum Oil & Gas PLC – Investor Relations
Kirsty Hamilton-Smith
Rachel Pescod
ir@nog.co.uk
+ 44 (0) 203 740 7430

Instinctif Partners - UK
David Simonson
Catherine Wickman
George Yeomans
+ 44 (0) 207 457 2020

Promo Group Communications - Kazakhstan
Asel Karaulova
+ 7 (727) 264 67 37

About Nostrum
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 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 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 Group 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.

9M 2016: Nostrum Financial Results

In millions of US$ (unless mentioned otherwise)	9M 2016	9M 2015	Variance	Variance in %
Revenue	245.1	374.8	-129.7	-34.6%
EBITDA	142.6	202.9	-60.3	-29.7%
EBITDA margin	58.2%	54.1%		4.1%
Cash Position	94.3	213.6	-119.3	-55.9%
Net Debt	866.8	739.8	127.0	17.2%

Revenue, EBITDA and Profit / Loss for the Period
Revenue from sales of crude oil, stabilised condensate, LPG and dry gas over the nine months amounted to US$245.1m, down 34.6% on the same period last year. EBITDA stood at US$142.6m while a loss of US$64.3m was recorded for the period.

Cost of Sales
Cost of sales decreased 0.5% to US$145.8m for the nine month period (9M 2015: US$146.6m).

Cash Resources and Net Debt
The Group ended the nine month period with US$94.3m in cash and cash equivalents (FY 2015: US$165.6m). Net debt at the end of the period was US$866.8m.

Hedging
In December 2015, Nostrum rolled its pre-existing hedge into a new hedge of 15,000 boepd with a strike price of US$49.16 per barrel. The cost of the hedge was paid entirely from the sale of the Company's previous hedge for US$92m. The new hedge has a 24-month tenor, maturing in December 2017, with cash settlements on a quarterly basis.

Production
The product split for 9M 2016 was as follows:

PRODUCTS	**9M 2016 Average Production (boepd)**	**9M 2016 Product Mix (%)**
Crude Oil & Stabilised Condensate	15,579	40
LPG (Liquid Petroleum Gas)	4,350	11
Dry Gas	18,972	49
TOTAL	**38,901**	**100**

2016 product destinations

Nostrum's primary export destinations remain as follows:

- Crude Oil – Neste Oil's and Socar's refineries in Finland and Azerbaijan
- Condensate – Russian Black Sea port of Taman
- LPG – Russian Black Sea ports and Bulgaria
- Dry Gas – Sold for export

The Company is building a short pipeline to provide access to the KTO pipeline for its crude oil transportation. This pipeline will be completed at a total cost below US$10m and is expected to be operational by Q2 2017. It will give rise to significant savings on crude oil transportation costs.

Drilling

- 25 oil wells and 19 gas condensate wells are currently producing at the Chinarevskoye field
- All production wells completed during Q3 with production expected to begin during Q4
- Well testing operations at Rostoshinskoye will begin taking place during the fourth quarter with the drilling rig being mobilised at field site
- Detailed 2017 drilling programme being finalised as part of the budget process

Production schedule

Based on the current drilling programme stated above and taking into account the current oil price we reaffirm our production guidance below.

- 2016 – Approximately 40,000 boepd
- 2017 – 40,000 – 60,000 boepd
- 2018 – 60,000 – 90,000 boepd
- 2019 – 90,000 – 100,000 boepd

Should oil prices deviate materially the production guidance will be updated accordingly.

Progress on development of GTU3

Nostrum continues to make steady progress on GTU3. Following the fall in the oil price over the period from H2 2015 onwards, Nostrum took the decision to phase the payments of GTU3 over 2016 and 2017 in order to match the payment profile of the hedge put in place in December 2015. Completion remains scheduled for 2017. The phasing of payments involves no additional cost for Nostrum and the total budget remains at US$500m. The phasing of the payments allow for a continued preservation of cash on Nostrum's balance sheet during this period of low oil prices.

The below figures reflect all cash payments made and future cash payments excluding VAT on GTU3.

GTU3 Cash Spent (excl VAT)	**as at 30 September 2016**
Expenditure to date	US$339m
Expenditure remaining in 2016	US$65m
Expenditure in 2017	US$95m