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**London, 24 June 2019**

**Corporate Update  
and  
Assessment of Strategic & Operational Options for Nostrum**

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, announces that its Board has commenced a strategic review to optimise its value and that of its assets, together with the consideration of appropriate sources of finance required to pursue the range of growth opportunities available to it.

The Company has also announced today that it has entered into an agreement to acquire 50% of Positive Invest LLP, the owner of the Stepnoy Leopard licences. Management estimates that the Stepnoy Leopard licences could hold up to 452 mmbob of in place volumes, and up to 200 mmbob of Contingent Resources of which over 20% are estimated to be liquids. The licences are located within 60km-120km of the Company’s infrastructure. Nostrum has the right to acquire a further 50% of Positive Invest LLP subject to certain conditions being met by the sellers. This acquisition secures additional undeveloped, material gas condensate resource that can be processed through Nostrum’s infrastructure in the future.

Over the past 12 months, Nostrum has achieved a number of additional significant milestones. These include the mechanical completion of the GTU3 gas treatment unit, the agreement of a gas tolling contract with Ural Oil and Gas LLP, and recent exploration success in the northern part of the Chinarevskoye licence area.

Following the successful completion of these milestones, the Company has identified a broad range of operational and strategic opportunities for the business to deliver shareholder value, some of which require the investment of further capital in the business. These options include (but are not limited to) further throughput agreements with third party gas suppliers, bolt-on acquisitions in existing and adjacent fields, farming down stakes in some assets to expedite their development, and a corporate transaction. The Company therefore announces that it is launching a process to review these operational and strategic options for Nostrum and its shareholders. No decision has been taken yet, and there can be no certainty that this review of options will result in any agreement(s) or transaction(s) being concluded.

***Formal Sale Process***

One of the options that will be considered by Nostrum is a sale of the Company. The Takeover Panel has agreed that any discussions with third parties may be conducted within the context of



a "formal sale process" (as defined in the City Code on Takeovers and Mergers (the "Takeover Code")) to enable conversations with parties interested in making a proposal to take place on a confidential basis.

The Company is not in receipt of any approaches at the time of this announcement.

Parties with a potential interest in making a proposal should contact Goldman Sachs International (contact details as set out below).

It is currently expected that any party interested in participating in the formal sale process will, at the appropriate time, enter into a non-disclosure agreement and standstill arrangement with Nostrum on terms satisfactory to the Board of the Company and on the same terms, in all material respects, as other interested parties. The Company then intends to provide such interested parties with certain information on the Group's business, following which interested parties shall be invited to submit their proposals to Goldman Sachs International. Further announcements regarding timings for the formal sale process will be made when appropriate.

There can be no certainty that an offer will be made, nor as to the terms on which any offer will be made.

The Board of Nostrum reserves the right to alter or terminate the process at any time and in such cases will make an announcement as appropriate. The Board of Nostrum also reserves the right to reject any approach or terminate discussions with any interested party at any time.

A copy of this announcement is also available on Nostrum's website at [www.nostrumoilandgas.com/investors/](http://www.nostrumoilandgas.com/investors/).

#### ***Rule 2.9 of the Takeover Code***

For the purposes of Rule 2.9 of the Takeover Code, Nostrum confirms that it has in issue 188,182,958 ordinary shares of £0.01 each. The ISIN for the shares is GB00BGP6Q951.

#### ***Rules 2.4(a), 2.4(b) and 2.6(a) of the Takeover Code***

The Panel on Takeovers and Mergers (the "Takeover Panel") has agreed that any discussions with third parties may be conducted within the context of a formal sale process. Accordingly, it has granted a dispensation from the requirements of Rules 2.4(a), 2.4(b) and 2.6(a) of the Code such that any interested party participating in the formal sale process will not be required to be publicly identified under Rules 2.4(a) or 2.4(b) as a result of this announcement and any interested party participating in the formal sale process will not be subject to the 28-day deadline referred to in Rule 2.6(a) of the Code for so long as it is participating in the formal sale process. Following this announcement, the Company is now considered to be in an "offer period" as defined in the Code, and the dealing disclosure requirements as set out below will apply.

Disclosure of inside information in accordance with Article 17 of Regulation (EU) 596/2014 (16 April 2014) relating to Nostrum Oil & Gas PLC.

LEI: 2138007VWEP4MM3J8B29

#### **Further information**

For further information please visit [www.nog.co.uk](http://www.nog.co.uk)

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**Notifying person**

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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 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 between approximately 60 and 120 kilometres from the Chinarevskoye field.

Additional information

Goldman Sachs International, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Nostrum Oil & Gas PLC and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Nostrum Oil & Gas PLC for providing the protections afforded to clients of Goldman Sachs International, or



for providing advice in connection with the contents of this announcement or any other matter referred to in this announcement.

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities whether pursuant to this announcement or otherwise.

The distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

#### 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 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.

#### Dealing Disclosure Requirements of the City Code on Takeovers and Mergers

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s).

An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by not later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by not later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree



company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by not later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Takeover Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.