Amsterdam, 24 November 2015

9M 2015 Financial Results

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 results in respect of the nine months ended 30 September 2015.

Financial and Operational Highlights from the nine months to 30 September 2015:

- Revenue for the period of US$374.8m (9M 2014: US$620.3m)
- EBITDA[1] for the period was US$202.9m (9M 2014: US$413.2m); EBITDA margin remains strong at 54.1% (9M 2014: 66.6%)
- Closing Cash[2] for the period of US$213.6m; Net Debt / LTM EBITDA ratio of 2.4x
- 32% of liquids production (7,500 bopd) hedged at US$85 until February 2016
- GTU3 construction progressing on time and on budget; completion expected before end of 2016
- Average daily production for the nine month period was 44,042 boepd (9M 2014: 45,204 boepd)
- 2015 production guidance of 40,000-42,000 boepd
- Term sheet signed on US$200m 2 year credit facility with VTB at Libor + 6.875%

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

"Nostrum has delivered a stable quarter, achieving average daily production of above 44,000 boepd and maintaining steady margins of over 54%. We remain focused on ensuring that the liquidity position of the company remains strong as we go through this period of low oil prices. With over US$200m of Cash on our balance sheet and a hedge with a market value in excess of US$85m I believe we are in a good position going in to year-end. The GTU3 project continues to move forward on budget and on target to be completed by the end of 2016. We plan to start 2016 with 3 drilling rigs on site but have the ability to scale down drilling should the oil prices remain low and we decide to preserve liquidity. I look forward to doubling our production capacity in the next 13 months and recognising the value creation GTU3 will bring."

Conference Call

Nostrum's management team will present the 9M 2015 Results and will be available for a Q&A session with analysts and investors today at 14.00 GMT, 24th November. Please click on the following link to register for the call: Conference call registration

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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 Cash & Cash Equivalents + Current Investments

Publications

Download: Nostrum's 9M 2015 Results Presentation
Download: Nostrum's 9M 2015 Financial Statements

Further information:

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

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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 2015: Nostrum Financial Results

In millions of US$ (unless mentioned otherwise)	9M 2015	9M 2014	Variance	Variance in %
Revenue	374.8	620.3	-245.5	-39.6%
EBITDA	202.9	413.2	-210.3	-50.9%
EBITDA margin	54.1%	66.6%	-12.5%	
Cash Position	213.6	515.5	-301.9	-58.6%
Net Debt	739.8	431.5	308.3	71.4%

Revenue, EBITDA and Profit for the Period

Revenue from sales of crude oil, stabilised condensate, LPG and dry gas over the nine months amounted to US$374.4m, down 39.6% on the same period last year. This is reflective of the 45.4% fall in average Brent crude oil price to US$59.4 for the nine month period (9M 2014: US$108.8). EBITDA stood at $202.9m while a loss of US$17.7m was recorded for the period.

Cost of Sales

Cost of sales decreased 7.1% to $146.6m for the nine month period (9M 2014: $157.9m).

Cash

The Group ended the nine month period with US$213.6m in cash, which includes US$5.0m of current investments (FY 2014 US$400.4m).

Net Income

A loss of US$17.7m for the period (9M 2014: US$108.6m) was in part due to a US$56.9m (9M 2014: US$15.7m) deferred income tax charge.

The Group's Corporate income tax is recognised based on the estimated annual effective income tax rate applied to the income before tax for the nine months ended 30 September 2015. Differences between the recognition criteria in IFRS and under the statutory taxation regulations give rise to a temporary difference between the carrying value of certain assets and liabilities for financial reporting purposes and for income tax purposes. The tax effect of the change in temporary differences is recorded at the applicable statutory rates, including the prevailing Kazakhstani tax rate of 30% applicable to income derived from the Chinarevskoye subsoil use license.

The major part of the Group's tax bases of non-monetary assets and liabilities is determined in Tenge. Therefore, any change in the US Dollar/Tenge exchange rates results in a change in the temporary difference between the tax bases of non-current assets and their carrying amounts in the financial statements.

During the period the Tenge devaluated against US Dollar from 182.35 Tenge/US Dollar to 270.4 Tenge/US Dollar, which resulted in an increase of the temporary differences on non-current assets recognised as deferred tax expense in the amount of US$53.3m (9M 2014: US$25.9m).

Hedging

On 3 March 2014, Nostrum entered into a hedging contract covering 7,500 bopd (total of 5,482,500 boe) running through 29 February 2016 at nil upfront cost. Under this contract, a put was bought at US$85/bbl, which protects the Company against any fall in the price of oil below US$85/bbl.

Production

The product split for 9M 2015 was as follows:

PRODUCTS	9M 2015 Average Production (boepd)	9M 2015 Product Mix (%)
Crude Oil & Stabilised Condensate	17,978	41
LPG (Liquid Petroleum Gas)	4,624	10
Dry Gas	21,440	49
TOTAL	**44,042**	**100**

Current Product Destinations

Nostrum's primary export destinations for 9M 2015 remain as follows:

- Crude Oil – Neste Oil's refinery in Finland
- Condensate – Russian Black Sea port of Taman
- LPG – Russian Black Sea ports
- Dry Gas – 75% export and 25% domestic

The Company has no current plans to change any of these export destinations.

9M 2015 Drilling Overview

- 21 oil wells and 18 gas condensate wells were producing at the Chinarevskoye field
- 6 wells drilled over the first three quarters of 2015
- 1 gas condensate well completed in Q3
- 2 production wells to be drilled and completed in Q4
- 1 appraisal well to start drilling in Q4

2016 Drilling schedule

- 2016 budget to start with 3 drilling rigs at Chinarevskoye
- 3 wells required to maintain production at a cost of US$35m
- Current availability of drilling rigs allows for maximum scalability of drilling programme

with decisions on drilling to be taken on a quarterly basis dependent on oil price

Production Schedule

- 2015 – Approximately 40,000-42,000 boepd
- 2016 – Approximately 45,000 boepd
- 2017 – Approximately 70,000 boepd
- 2018 – Approximately 100,000 boepd

Progress on Development of GTU3

Nostrum's fully financed expansion plan for GTU3 is being implemented and completion is expected to occur on time and on budget by the end of 2016, with construction costs expected at or below US$500m. Nostrum has concluded the majority of the procurement process in relation to GTU3. Should oil prices remain depressed and the drilling programme be scaled back Nostrum has the ability to adjust the GTU3 capex schedule accordingly without any increase in cost.

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

GTU3 Cash Spent	**As per 30 September 2015**
2014 expenditure	US$137m
Expected expenditure in 2015	US$168m
Expected expenditure in 2016	US$195m

Other corporate activity

On 7 October 2015, Nostrum announced that it had withdrawn its proposed offer that was previously announced on 23 September 2015 (the "Proposed Offer") to acquire the entire issued share capital of Tethys Petroleum Limited ("Tethys") together with a proposed US $20m interim funding to Tethys (the "Interim Funding" and, together with the Proposed Offer, the "Proposed Transaction").

Nostrum and Tethys had worked together to negotiate legally binding agreements implementing the Proposed Transaction during an exclusivity period that began on 23 September 2015 and expired at 11:59 p.m. on 6 October 2015. However, as stated in Nostrum's announcement of 23 September 2015 it was a condition to entry into those agreements that the three major shareholders of Tethys agree to support the Proposed Offer in form and substance satisfactory to Nostrum. Tethys' largest shareholder, Pope Asset Management LLC, informed Nostrum that it did not support the Proposed Offer and therefore, despite the progress made by Nostrum and Tethys in preparing transaction documentation, the Proposed Transaction will not proceed.

Nostrum reserves the right to propose alternative transactions to Tethys and/or to make an offer for the share capital of Tethys on different terms to those previously announced.

In addition, Nostrum confirms that it has issued a Notice of Events of Default to Tethys under the US$5m loan agreement dated 10 August 2015 between Nostrum as lender and Tethys as borrower, and confirms that it has also issued an Acceleration Notice to Tethys making such loan immediately due and payable. Nostrum has reserved all its rights and remedies in connection with such loan agreement.