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Amsterdam, 27 April 2016

First Quarter 2016 Operational Update

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 operational update for the three month period ended 31 March 2016. This update is being issued in advance of the release of Nostrum’s consolidated accounts for the same period. The information contained in this update remains subject to review by the independent auditors.

Highlights:

Operational

- Average daily production of 38,754 boepd (including one week of scheduled maintenance at the end of March)
- GTU3 construction is progressing on schedule for completion in 2017

Financial

- Q1 2016 revenue is expected to be in excess of US\$70m
- Cash position in excess of US\$140m (including short-term deposits), total debt remains at US\$960m and net debt of approximately US\$820m as at 31 March 2016
- First quarterly payment in excess of US\$19m received from new hedge entered into in December 2015

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

“It has been a steady start to Q1 with production broadly in line with expectations taking into account the first part of the annual maintenance. We look forward to bringing on the new production wells during Q2 and completing the negotiations to open up the possibility to transport our crude oil through the KTO pipeline and reduce further our crude oil transport costs. We continue to focus on reducing our operating costs internally and I am pleased with the progress we are making. Whilst the oil price continues to be volatile our hedge provides us with security against any falling price and allows us to focus on the operational side of the business and completing GTU3 during 2017. With our significant reserve base, low cash operating costs and prudent approach to balance sheet management I remain confident Nostrum is excellently placed to deliver its growth strategy in the current environment.”

Production Split

The product split for Q1 2016 was as follows:

PRODUCTS	Q1 2016 Average Production (boepd)	Q1 2016 Product Mix (%)
Crude Oil & Stabilised Condensate	15,557	40
LPG (Liquid Petroleum Gas)	4,373	11



Dry Gas	18,824	49
TOTAL	38,754	100

Current 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 – 75% export and 25% domestic

The Company is working on adding access to the KTO pipeline for its crude oil transportation but has no current plans to change any of these export destinations during 2016.

Drilling

- 21 oil wells and 17 gas condensate wells are currently producing at the Chinarevskoye field
- 3 production wells are currently being drilled
- Rostoshinskoye well has reached target depth of 5050 metres. The well will be completed and tested during Q2.
- 2016 production drilling capex remains below US\$50m for 2016

Production schedule

Based on the current drilling programme stated above and taking into account the current oil price we can provide the following production guidance. Should oil prices deviate materially the production guidance will be updated accordingly:

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

Progress on development of GTU3

Nostrum continues to make steady progress on GTU3. Following the continued fall in the oil price Nostrum has taken the decision to phase the payments of GTU3 over 2016 and 2017 in order to match the payment profile of the new hedge. Completion will now be during 2017. The phasing of payments will involve no additional cost for Nostrum and the total budget remains at US\$500m. The phasing of the payments will 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.

GTU3 Cash Spent (excl VAT)	as at 31 March 2016
Expenditure to date	US\$282m
Expenditure remaining in 2016	US\$154m
Expenditure in 2017	US\$62m

Further information



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

Further enquiries

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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.