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London, 27 April 2021

Full Year Results for the Year Ending 31 December 2020

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 full year financial results for the twelve months ending 31 December 2020, together with the publication of the 2020 Annual Report for Nostrum and its subsidiaries taken as a whole ("the Group").

2020 highlights:
Operational

- Average daily production after treatment for 2020 totalled 22,337 boepd (2019: 28,540 boepd) with average daily sales volumes for the year of 21,514 boepd (2019: 26,626 boepd). This compares to our production and sales guidance for 2020 of 21,000 boepd and 20,000 boepd, respectively.
- COVID 19 remains of the utmost concern. Actions continue to be taken to protect the safety of all staff and contractors and mitigate any impact on operations. To date, no production has been lost because of COVID 19.
- As previously reported, drilling was halted for 2020. The successful workover and well intervention activity, completed in August 2020, reduced the rate of decline previously expected in the field. A similar targeted campaign for 2021 has already started.
- We continue our focus on ways to monetise spare capacity in the gas treatment facility through processing third party volumes.
- Ryder Scott audited 2P reserves reduced to 39 mmboe as announced on 11 March 2021.
- On 8 October 2020, the Company announced the disposal of the Darinskoye and Yuzhno-Gremyachenskoye licences.

Financial

- 2020 revenue of US$175.9m (2019: US$322.1m).
- 2020 EBITDA[1] US$80.4m (2019: US$199.6m).
- Cash at 31 December 2020 of US$78.6m[2] with net debt of US$1,107.7m.
- Cash position as of 31st March 2021 in excess of US$85m. We continue to take active steps to manage liquidity.

- Operating costs[1] of US$31.8 million for 2020 (2019: US$41.4 million) general & administrative costs[2] of US$14.1 million (2019: US$19.4 million) and selling and transportation costs[2] of US$28.2 million (2019: US$41.4 million) reflect the focus during 2020 on controlling costs and so managing liquidity.
- US$244.9 million impairment following from reduction in Group 2P reserves (2019: US$1,354.7 million).
- Discussions continue with the advises to an informal ad-hoc committee of noteholders (the **"AHG"**) of the 8.0% Senior Notes due 2022 and 7.0% Senior Notes due 2025 issued by Nostrum Oil & Gas Finance B.V. (together, the "**Notes**").

Reserves

The Group carried out an internal review of its reserves as at 31 December 2020. As a result, Management estimated that the Chinarevskoye total Proven plus Probable ("2P") reserves as at 31 December 2020 were 39 million barrels of oil equivalent (mmboe). This represents a reduction of 91 mmboe versus the reserves reported previously, after adjusting for production in 2020. The revisions in reserves are mainly due to the downgrade of reserves attributed to the development of the Biyski-Afoninski West & North-West reservoirs to the Contingent Resources category. In addition, there has been a reduction in the development drilling programme across the Chinarevskoye reservoirs due to reservoir performance concerns and a less favourable product pricing outlook.

The 2P reserves of 39 mmboe assume 16 well interventions, including one appraisal well, with a total estimated drilling cost of US$75 million (2019: 138.1 mmboe requiring 45 interventions for a total estimated drilling cost of $324 million).

The table below shows the 2P reserves by fluid:

Fluid	Unit	Proven producing	Non-producing & undeveloped	Total Proven	Probable	Total Proven and Probable
Oil/Condensate	Barrels	10,016,693	795,902	10,812,595	4,203,999	15,016,594
Plant products	Barrels	3,470,875	130,960	3,601,835	1,072,012	4,673,847
Gas (after shrink)	mmcf	75,562	1,768	77,330	25,257	102,587
Gas (after shrink)	Boe[3]	14,185,940	331,926	14,517,866	4,741,742	19,259,608
Total		**27,673,508**	**1,258,788**	**28,932,296**	**10,017,753**	**38,950,049**

[3] The gas boe totals are management estimates using a conversion factor of 5.327 mcf per boe

Nostrum estimates the Chinarevskoye 1P (Proven) case at 28.9 mmboe, comprising 27.7 mmboe for Proved Developed Producing (PDP) from 45 current wells and 1.2 mmboe in the Proved Undeveloped (PUD) category.

The Reserves Report as of 31 December 2020 looks purely at the economics of a possible field development to extract the maximum number of reserves at a US$60 oil price from 2022.

All of the information provided does not take into account any short-term impact on the liquidity position of Nostrum as a result of fluctuations in the oil price.

CEO appointment

The Company announced the appointment of Arfan Khan as Chief Executive Officer of the Group effective 26 January 2021. Mr Khan assumed the role of chief executive of the Group from Executive Chairman Atul Gupta, who had previously performed such duties on an interim basis. Mr Gupta reverted to his previous

[1] Cost of sales net of depreciation and inventory adjustment
[2] General & administrative and selling and marketing expenses net of depreciation

role as Executive Chairman, effective the same date. Mr Khan also joined the Board of Directors of the Company at the same time.

Mr Khan has over 30 years' experience in the oil and gas industry. A qualified petroleum engineer, he has held various operational and senior management positions in the industry throughout his career, including positions with ExxonMobil in the US and roles at Shell, Enterprise Oil and Maersk Oil. Mr Khan also has strong emerging markets experience, having held operational roles in Nigeria, Angola and Kazakhstan, where he acted as Kashagan Well, Reservoir and Facilities Manager whilst with Shell. As Chief Operating Officer, Executive Director and Special Advisor to the Chairman and CEO at Amni International Petroleum from 2014 to 2019, Arfan oversaw strategic growth plans and fundraising programmes. Most recently he has served as President and Managing Director of Stratum Energy Group.

Bond Restructuring

- As previously announced, Rothschild & Cie were appointed as financial advisers and White & Case as legal advisers to assist the Company in the restructuring of the Notes.

- PJT Partners (UK) Limited were appointed as financial advisers and Akin Gump Strauss Hauer & Feld as legal advisers to the AHG.

- On 24 July 2020, Nostrum announced that it planned to utilise the applicable grace periods for the interest payments due on 25 July 2020 and 16 August 2020 with respect to the Notes. The 30-day grace period allowed the Company to continue active discussions with the financial and legal advisers to an informal ad hoc committee of holders of the Notes with a view to entering into a forbearance agreement with the holders of the Notes in relation to those interest payments.

- On 23 October 2020, the Company announced that, together with certain of its subsidiaries (the "**Note Parties**"), the Company had entered into a forbearance agreement (the "**Forbearance Agreement**") with the AHG. The forbearance period initially expired at 4 p.m. GMT on 20 December 2020 (the "**Initial Expiration Date**"), at which time the Initial Expiration Date automatically extended to 4 p.m. GMT on 18 February 2021, on which date it automatically extended again to 4 p.m. GMT on 20 March 2021.

  On 19 March 2021, by unanimous consent of the AHG, the forbearance period was extended to 20 April 2021 and on that date it was extended, again by unanimous consent of the AHG, to 20 May 2021.

  Pursuant to the Forbearance Agreement, members of the AHG have agreed to forbear from the exercise of certain rights and remedies that they have under the indentures governing the Notes. The agreed forbearances include agreeing not to accelerate the Notes' obligations as a result of the missed interest payments (or the next missed interest periods if they occur prior to the expiry of the Forbearance Agreement).

- The Forbearance Agreement is subject to certain conditions, including:

  - Any representation or warranty made by any of the Note Parties under the Forbearance Agreement continuing to be true and complete in all material respects as of the date of the Forbearance Agreement;

  - A portion of the missed interest payments will be paid into a secured account opened for the benefit of the holders of the Notes. At 27 April 2021, the total held in the secured account in accordance with the Forbearance Agreement was US$20,425,000;

  - The appointment by the AHG of an observer who shall be entitled to attend and speak, but not vote, at any meetings of the Board or Committees of the Company where certain defined matters are to be discussed;

  - The engagement of certain professional and technical advisors on behalf of the AHG;

- The observance by the Company and its subsidiaries of certain operating and other restrictions and limitations; and

- The provision of certain financial and operating information to the advisors of the AHG.

The Company agreed to pay, or procure the payment by the issuer of, certain consent fees in cash (a "**Consent Fee**") to each forbearing holder. The Consent Fees are payable by reference to the total aggregate principal amount of the Notes outstanding. The first Consent Fee was 29.7866 basis points, equating to US$3,350,992, paid on 19 November 2020. The second consent fee for 19.8577 bps, totalling US$2,233,991 was paid on 22 December 2020. The final consent fee for 9.9288 bps equating to US$1,116,990 was paid on February 20, 2021.

Sales volumes

The sales volumes split for 2020 was as follows:

Products	2020 sales volumes (boepd)	2020 product mix (%)
Crude Oil	3,700	17.2%
Stabilised Condensate	5,249	24.4%
LPG (Liquid Petroleum Gas)	2,797	13.0%
Dry Gas	9,768	45.4%
Total	**21,514**	**100.0%**

The difference between production and sales volumes is primarily due to the internal consumption of gas

***Arfan Khan, Chief Executive Officer of Nostrum Oil & Gas, commented*:**

"The Group has faced a number of challenges in 2020, but with prompt and decisive action we have been able to manage our liquidity and reduce reservoir decline. Signing the Forbearance Agreement has provided the time to engage with our bondholders and shareholders to restructure the debt and we are very hopeful of a successful conclusion to this process in the coming months. A robust bond restructuring will give the company a solid foundation to build from. We will continue discussions with third parties to secure additional volumes to commercialise our world-class infrastructure whilst proactively managing our cost base and liquidity.

COVID 19 continues to be of concern. Whilst we have not lost any production or people because of COVID 19, we continue to exercise extreme caution to ensure their continued safety, at the same time minimising the disruption to production and operations.

Looking forward, we are now pivoting towards growth and transitioning into a multi-asset energy company. This will require tremendous focus and resources. Our success in the near-term will depend upon safeguarding the base business and liquidity, sweating the producing asset and adding to PDP by exploiting low cost per barrel, high-confidence infill opportunities with best-in-class well & reservoir management, continuing to deliver on our HSE performance and delivering on our promises and restoring investor confidence."

Strategic focus for 2021:

- ***Delivering on our strategies for growth:***

- ➢ Concluding commercial contracts for the processing of third-party hydrocarbons through our facilities and firming up potential upstream development opportunities;
- ➢ Establishing a comprehensive ESG road-map.

- ***Optimising future operational ability and capital efficiencies:***
  - ➢ Successful restructuring of the debt;
  - ➢ Continue to manage costs and liquidity.
  - ➢ Proactively managing technical and commercial risks.

- ***Maximising output from the Chinarevskoye field***:
  - ➢ Targeted workover and intervention programme;
  - ➢ Maximise uptime of existing wells and production facilities.
  - ➢ Achieve average production volumes of 17,000 boepd corresponding to average sales volumes of 16,000 boepd; and
  - ➢ Continue studies to identify economic ways to bring contingent resources back into 2P.

Conference call

Nostrum's management team will present the FY 2020 Results and will be available for a Q&A session with analysts and investors today at 2pm UK time, 27 April 2021. If you would like to participate in this call, please register by clicking on the following link and following instructions: Results Call

Download: Results Presentation
Download: Consolidated Group Financials
Download: 2020 Annual Report

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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). 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 oil and gas field through the same subsidiary. Located in the pre-Caspian basin to the north-west of Uralsk, this exploration and development field is situated approximately 100 kilometres 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 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 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.