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Amsterdam, 27 October 2015

Operational Update for the Nine Months Ending 30 September 2015

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 nine month period ended 30 September 2015. This update is being issued in advance of the release of its audited and consolidated accounts for the same period, which will be released on 24 November 2015. The information contained in this update remains subject to review by the independent auditors.

Highlights:

Operational

- Average daily production for first 9 months in 2015 of 44,042 boepd
- GTU3 construction progressing with completion expected on time and on budget before the end of 2016
- On track for 2015 drilling target to complete 8 wells (6 production and 2 appraisal)
- 2015 production guidance of 40,000-42,000 boepd, reduced from 45,000 boepd due to unexpected repair work carried out by Intergas Central Asia (ICA) on the export pipeline operated by ICA that is used by Nostrum to transport its gas. The duration of this repair work by ICA extended beyond the completion of Nostrum’s regular scheduled GTU maintenance, resulting in lower forecasted production for October and reduced guidance for 2015. The repair work is now complete and production is back to normal levels. 2016 production guidance remains at approximately 45,000 boepd

Financial

- 9 month revenue expected to be in excess of US\$370m
- Cash position in excess of US\$210m (including short-term deposits), total debt remains at US\$960m and net debt of approximately US\$750m as at 30 September 2015
- Fully funded capex programme both to maintain current production in 2015 and 2016 and to complete the construction of GTU3 on time in 2016
- 32% of liquids production (7,500 bopd) hedged at US\$85 until February 2016

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

“Nostrum’s operational results reflect another steady quarter for the Company. We have maintained good production levels during Q3 at the Chinarevskoye field whilst also undertaking the bi-annual maintenance at the gas plant. The Intergas Central Asia repair work on their own export pipeline has reduced our October production levels, resulting in a decrease to the overall 2015 production forecast. We remain on track to meet our drilling targets for the year. Our main focus continues to be the completion of the GTU3, which is on track to be delivered on budget before the end of 2016. Whilst we remain in a strong financial position with over US\$200m of cash on our balance sheet, we are also continuing to seek to reduce costs across the business and to ensure that we are operating as efficiently as possible in this low oil price environment”.



Operational & Financial Update

- Q3 revenues were reduced from Q2 due to the falling oil price
- We have 21 oil wells and 18 gas condensate wells currently producing at the Chinarevskoye field
- We continue to minimise operating costs and will complete our drilling programme for 2015 with 1 operational rig

Production Split

The product split for Q3 2015 was as follows:

PRODUCTS	9M 2015 Average Production (boepd)	Q3 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 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.

Drilling

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

Our 2016 drilling programme will be provided at the end of the year once the 2016 budget is finalised.

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.

- 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.

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

GTU3 Cash Spent (excl VAT)	as per 30 September 2015
Expenditure to date	US\$224m
Remaining expected expenditure in 2015	US\$96m
Expected expenditure in 2016	US\$180m

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 \$20 million 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.

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.