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London, 28 August 2019

**Further statement in relation to AGM vote on Directors'
Remuneration Report and Remuneration Policy**

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 that in the 2019 AGM results announcement, the Board of Directors of Nostrum Oil & Gas PLC (“Nostrum”, or “the Company”) noted that all resolutions were passed with the requisite majority, although there was a significant minority vote against approval of the remuneration report (25.35%) and the remuneration policy (28.93%).

Following the AGM Nostrum’s Board and Remuneration Committee consulted with shareholders and have discussed the views of shareholders in relation to these two items. The main themes expressed by some shareholders and shareholder advisers in relation to the remuneration report and remuneration policy were:

- A desire that the performance period under the LTIP be extended from one to three years.
- A desire that the vesting period for LTIP awards be increased from three to five years.
- A desire that the LTIP be modified to remove the provisions for accelerated vesting of awards in the event of certain sales of the Company.
- A comment that there are low shareholdings amongst the executive directors and that no minimum shareholding requirement has been imposed.
- The potential use of “golden hellos” in connection with the recruitment of new directors.

Nostrum’s Remuneration Committee and the Board continue to believe that the Company’s remuneration policy is appropriate and aligned with Nostrum’s strategy and business needs and after discussing the points mentioned above the Board and the Remuneration Committee concluded that the current provisions of the LTIP relating to the performance period and vesting period are appropriate and aligned with the interest of shareholders, so that modifying such provisions of the LTIP at this time would not be the right course of action.

In relation to the LTIP rules which provide for the accelerated vesting of awards upon a sale of the Company, the Remuneration Committee and the Board believe that such provisions are appropriate and common in long term incentive plans. They note as well that the Company has added additional conditions (i.e. a minimum sale price) in the grant documentation for the first two tranches of awards granted under the LTIP which restrict any early vesting in the event of a sale approved by the Company’s shareholders. Additional conditions may also be applied to future LTIP awards. Finally, we note that the Remuneration Committee also retains discretion under the LTIP to reduce if appropriate the number of awards that may vest early based both on (a) the



likelihood that other performance conditions to such awards would be met, and (b) the period of time elapsed from the grant date of such awards to the early vesting date as compared to the normal vesting date.

In relation to the expressed desire for minimum shareholding requirements for executive directors, in accordance with the remuneration policy executive directors are encouraged to maintain a holding in the Company to align their interests with those of the Company's shareholders. The Remuneration Committee and the Board have not to date imposed a minimum shareholding requirement on executive directors because the Company has not in the past granted Company shares to executive directors by way of bonus or otherwise and it was felt that imposing such a minimum shareholding requirement would be onerous in the circumstances. The Company is considering awarding future bonuses to executive directors in part in the form of Company shares and if it does so the Company may require them to hold 50% of such shares for a three year period and/or impose a minimum shareholding requirement.

As regards the potential use of "golden hellos" for new directors, the Remuneration Committee and the Board believe that this provision of the Remuneration Policy gives the Company valuable flexibility if necessary to recruit executive directors, although we note that the Company has never exercised its discretion to provide such a "golden hello" to any director and has no current intention to do so.

The Board and the Remuneration Committee are committed to keeping the remuneration policy under review and continuing their engagement and dialogue with the Company's shareholders and their advisory bodies on these and other matters and welcome their feedback.

The Company intends to post a copy of this statement on the Public Register maintained by the Investment Association and notes that the Company appeared on the Public Register in relation to the shareholder votes on its Directors' Remuneration Policy and Remuneration Report in 2018 as well.

A further update on these matters will be included in the Company's next annual report.

LEI: 2138007VWEP4MM3J8B29

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, 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.

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.