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FOR IMMEDIATE RELEASE

London, 29 January 2021

Operational Update for the Fourth Quarter and the Year ending 31 December 2020

Nostrum Oil & Gas PLC (LSE: NOG) ("**Nostrum**", or the "**Company**" and together with its subsidiaries, the **"Group"**), 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 in respect of the year ending 31 December 2020. This update is being issued in advance of the release of Nostrum's annual consolidated accounts for the same period.

Highlights:

Operational

- Average daily production after treatment for 2020 totalled 22,337 boepd with average daily sales volumes for the year of 21,514 boepd. This compares to our production and sales guidance 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.
- We continue our focus on ways to monetise spare capacity in the gas treatment facility through processing third party volumes.
- On 8 October 2020, the Company announced the disposal of the Darinskoye and Yuzhno-Gremyachenskoye licences.

Financial

- 2020 revenues expected to be in excess of US$175 million (2019: US$322.1 million)
- The cash position as at 31 December 2020 was in excess of US$78 million (31 December 2019: US$93.9 million). As at 31 December 2020, the balance excludes US$12.9 million placed into a secured cash account under the terms of the Forbearance Agreement *(see below)*.
- Total debt[1] expected not to exceed US$1,187 million and net debt expected not to exceed approximately US$1,109 million as at 31 December 2020.
- Continued focus on cost optimization to help manage our liquidity.

1 Total debt does not include finance lease liabilities under IFRS16 Leases

Reserves

The Group has carried out an internal review of its reserves as at 31 December 2020. As a result, Management estimate that the Chinarevskoye total 2P (Proven plus Probable) reserves as at 31 December 2020 are 39 mmboe. This represents a reduction of 91 million barrels of oil equivalent versus the levels 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.

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.

Management's estimates of the reserves as at 31 December 2020 are currently being audited by Ryder Scott with results expected in mid-February 2021.

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 8.0% Senior Notes due 2022 and 7.0% Senior Notes due 2025 (together, the "**Notes**") issued by Nostrum Oil & Gas Finance B.V.

- PJT Partners (UK) Limited were appointed as financial advisers and Akin Gump Strauss Hauer & Feld as legal advisers to an informal ad hoc committee of holders of the Notes.

- 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 members of an ad hoc committee of noteholders (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 and will again extend to 4 p.m. GMT on 20 March 2021 unless the Forbearance Agreement has been terminated by a majority decision of the forbearing members of the AHG. A final extension period from 20 March to 19 May 2021 requires the approval of all of the forbearing members of the AHG. 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;

  - 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 is payable on or around February 20, 2021. In this regard, the Company will communicate shortly, through the clearing systems, an announcement inviting all other holders of the Notes to join the Forbearance Agreement in order to participate in the third consent fee payment.

Atul Gupta, Executive Chairman 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. 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.

Further reductions in our proven and probable reserves are, of course, disappointing. This reflects the productivity issues encountered in our undeveloped reservoirs and the adjustment to 2P reserves is considered to be prudent at this time.

COVID 19 continues to be of concern. We have not lost any production in 2020 because of COVID 19 and we continue to exercise extreme caution to ensure the safety of our people and contractors, while minimising the disruption to production and operations.

Finally, and as announced recently, we are delighted to welcome Arfan Khan as Chief Executive Officer of the Group and a member of the Company's Board. Arfan will take over from myself as CEO and I will now revert to my previous role as Executive Chairman. We are extremely confident that Arfan has the breadth and depth of experience and operational expertise to lead us through the next stage as we focus on delivering the bond restructuring for all our stakeholders, whilst also continuing to pursue opportunities to commercialise our world class infrastructure."

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

2020 Well Stock

- As at 31 December 2020, the Company had 45 wells in production (24 oil wells and 21 gas-condensate wells).

2021 Drilling and sales volume guidance

- The Company has not planned a drilling programme in 2021 but will conduct a targeted well work-over and intervention programme in Q2 and Q3 2021, similar to that conducted in 2020.
- The average daily production forecast for 2021 is 17,000 boepd, corresponding to an average daily sales volume of 16,000 boepd.

Release of Nostrum's Annual Financial Results

Nostrum plans to release its Annual Report, including the consolidated accounts for 2020 on 20 April 2021.

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

Further enquiries
Martin Cocker – Chief Financial Officer
ir@nog.co.uk

Instinctif Partners - UK
Mark Garraway
Sarah Hourahane
Galyna Kulachek
+ 44 (0) 207 457 2020
nostrum@instinctif.com

Promo Group Communications – Kazakhstan
Asel Karaulova
Irina Noskova
+ 7 (727) 264 67 37

Notifying person
Thomas Hartnett
Company Secretary

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.