

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

London, 29 October 2021

Operational Update for the third quarter and nine months ended 30 September 2021

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 third quarter and nine months ended 30 September 2021.

Highlights:

Operational

- Average daily production after treatment for 9M 2021 totalled 17,532 boepd with average daily sales volumes of 15,838 boepd. Condensate inventory is not included in the reported sales volumes and as at 30 September 2021 amounted to approximately 254,000 boe, which is planned to be sold in Q4 2021.
- We remain extremely vigilant in respect of COVID-19. We continue to implement stringent precautionary measures and we believe we have the systems in place to monitor and manage the risks presented by the pandemic in west Kazakhstan. To date, no production has been lost because of COVID-19.
- A follow-up 7 well workover programme started in September; this is a continuation of a well intervention programme initiated in April 2021. The entire programme is currently for 13 workovers and up to 20 interventions to be completed by June 2022.
- We continue to focus on ways to monetise spare capacity in the gas treatment facility through processing third party volumes.
- On 23 July 2021, the Company announced that its wholly-owned subsidiary Zhaikmunai LLP ("Zhaikmunai") had agreed with Ural Oil & Gas LLP ("Ural OG") to extend the deadline under the Agreements for Ural OG's first delivery of gas and liquid gas-condensate to Zhaikmunai by approximately six months, from 9 April 2023 to 31 October 2023. The extension was requested by Ural OG as a result of circumstances relating to the COVID-19 pandemic.
- The 2021 planned shutdown that included the internal inspection of all process vessels was completed successfully in the third quarter.

Financial

- 9M 2021 revenues expected to be in excess of US\$142 million (9M 2020: US\$135.8 million).

- The cash position as at 30 September 2021 is in excess of US\$142 million excluding US\$22.6 million held in a restricted account under the terms of the Forbearance Agreement (the "**Restricted Cash**") with an informal ad hoc committee of noteholders (the "**AHG**") (30 June 2021: US\$108 million excluding US\$21.5 million held in Restricted Cash).

Bond Restructuring

- Discussions continue with the advisers to the AHG to agree a restructuring of the debt.
- On 18 May 2021, the Company and certain of its subsidiaries entered into a second forbearance agreement (the "**Second Forbearance Agreement**") with the AHG. The Second Forbearance Agreement is substantially similar to the original forbearance agreement.
- The forbearance period initially expired at 4 p.m. (BST) on 21 June 2021 but was extended with the agreement of all the members of the AHG to 4 p.m. (BST) on 21 July 2021. On 21 July 2021, the forbearance period was again extended to 4 p.m. (BST) on 25 August 2021. In connection with the extension of the forbearance period to 25 August 2021, the Company agreed to pay into the Restricted Cash an amount of US\$1,116,990, equating to 9.9288 bps of the outstanding notes. The total amount paid into Restricted Cash at 30 September 2021 is US\$22,661,980.
- The forbearance period was extended several times since 25 August 2021 with the agreement of all the members of the AHG. The forbearance agreement is set to expire at 11.59 p.m. (GMT) on 9 November 2021 following the last agreed extension.

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

"We continue to engage with the AHG and believe that good progress is being made toward reaching a restructuring agreement in the near future. The closing of the restructuring will allow us to move the Group forward and achieve our near-term business goals with the support of our stakeholders.

We also continue to engage with parties interested in using the spare capacity in our gas processing facilities to process their gas, as well as with the local and national government departments who will be essential to such projects. At the same time, we are developing plans to maximise the output from the producing asset and adding to PDP by exploiting low cost per barrel, high-confidence infill opportunities with best-in-class well and reservoir management and ensure that there are no further delays to the Ural Oil & Gas LLP project.

As ever, COVID remains a concern and we remain focused on safeguarding our employees and the contractors working for us."

Sales volumes

Average daily 9M 2021 sales volumes of 15,838 boepd comprised:

Products	9M 2021 sales volumes (boepd)	2021 sales product mix (%)
Crude Oil	3,588	23%
Stabilised Condensate	3,147	20%

LPG (Liquid Petroleum Gas)	2,035	13%
Dry Gas	7,068	44%
Total	15,838	100%

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

2021 Well Stock

- As at 30 September 2021, the Company had 43 wells in production (23 oil wells and 20 gas-condensate wells).

2021 Drilling and sales volume guidance

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

Appointment of Chief Financial Officer

On 17 August 2021, the Board of the Company announced the appointment of Shane Drader as Chief Financial Officer (CFO) effective 30 August 2021. Mr Drader is a chartered accountant with over 20 years' experience in strategic financial management, most recently serving as Managing Director, Head of IPO Office at JSC NC "KazMunayGas". Mr Drader was also a member of the management board at KazMunayGas Exploration and Production JSC where he also had the role of Managing Director, Financial Controller and Acting CFO.

Martin Cocker, who previously served as interim CFO, stepped down from the role on the effective date but continues on the Board and is a designated non-executive director and member of the Audit Committee, Nomination and Governance Committee, Remuneration Committee and Health, Safety, Environment and Communities Committee.

Release of Nostrum's 9M 2021 Financial Results

Nostrum plans to release its unaudited and unreviewed interim condensed consolidated financial statements for the period ended 30 September 2021 on 16 November 2021.

LEI: 2138007VWEP4MM3J8B29

Further information

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

Further enquiries

Shane Drader - Chief Financial Officer
ir@nog.co.uk

Instinctif Partners - UK

Tim McCall
 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.

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 relevant 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.