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London, 30 April 2018

Operational Update for the First Quarter ending 31 March 2018

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 in respect of the three-month period ending 31 March 2018. This update is being issued in advance of the release of Nostrum's consolidated accounts for the same period. The information contained in this update remains subject to review by the Company's independent auditors.

Highlights:

Operational

- Q1 2018 average production after treatment of 32,946 boepd
- Q1 2018 average sales volumes of 30,874 boepd

Financial

- Revenues expected to be in excess of US$94 million (Q1 2017: US$111.9 million)
- Cash position in excess of US$130 million (FY 2017: US$127 million)
- Total debt expected not to exceed US$1,125 million and net debt expected not to exceed approximately US$995 million as at 31 March 2018

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

"The focus for 2018 is on stabilising our production decline and starting to grow production in the second half of the year. During Q1 we carried out work in three main areas. Firstly, we have been trying to establish the source of the water that led to us losing two significant production wells during 2017. The results we have obtained show that the water is likely reservoir water but contained to the flanks on the Biski North East reservoir. One of our production wells has encountered this water on the flanks as we drilled through it, after which we stopped drilling on the well. Further analysis will be carried out but our initial conclusion is that the likely impact on our reserves is limited and that the central part of the Biski North East reservoir remains a source for future production wells to be drilled.

The second focus for 2018 is on drilling production wells. We are approaching completion of the first well that has encountered hydrocarbons and will bring that well online as soon as it is completed. Currently we have a rig working to remove the drill pipes from the well which were stacked after cementation. Finally, we are looking to open up the Northern Area's proven and probable reserves for future production. A well in the Northern Area of the field has been *deepened using a workover rig and we are waiting to compete an open hole test in the coming days."*

Sales volumes

The sales volumes split for Q1 2018 was as follows:

Products	**Q1 2018 sales volumes (boepd)**	**Q1 2018 Product Mix (%)**
Crude Oil & Stabilised Condensate	12,080	39
LPG (Liquid Petroleum Gas)	3,978	13
Dry Gas	14,816	48
Total	30,874	100

The difference between production after treatment and sales volumes is due to part of the dry gas being used for internal consumption (power generation), gas lift and some losses during transportation.

Drilling

- 43 wells currently producing at the Chinarevskoye Field - 23 oil wells and 20 gas condensate wells
- In Q1 2018 drilling of our first production well that encountered hydrocarbons is almost complete
- Drilling of the well that encountered water in the flanks of the Biski North East has been stopped
- The appraisal of the Northern Area has continued with the deepening of an old well with a workover rig, two core samples have been taken and an open hole test will be completed in the coming days
- Completion and stimulation activity finished on one oil development well which was successfully brought online
- Preparations were made to recommence the technical appraisal of one well in the Western area of the Chinarevskoye field
- Wellsite preparation commenced on two further gas condensate development wells to be completed later in the year
- Currently there are two drilling rigs on the field with a third rig due to arrive and be operational in Q2 to allow for up to eight wells to be drilled during 2018

Production guidance

- Whilst the analysis carried out on the Biski reservoir doesn't impact the reserves in the field, we had anticipated production from one well in the flanks during 2018 and thus production guidance in the short term may be at risk of a slight reduction from 37,000 boepd. An update will be provided at the Q1 financial results release.
- For guidance beyond 2018 we rely on Ryder Scott figures which are shown below. If we alter the drilling schedule during 2018 such that production wells are running behind schedule then this will have some impact on the ability to meet the Ryder Scott numbers in the future. Currently we do not see material changes but we are running behind our

forecast plan as a result of the analysis of the issues on the water encountered in the Biski reservoir:

- 2019 - Ryder Scott guidance assumes average production of 56,087 boepd
- 2020 - Ryder Scott guidance assumes average production of 68,211 boepd
- 2021 - Increasing the rig count to six at the field site to build production towards filling capacity beyond 2021

Progress on the development of GTU3

In Q1 2018 the construction of GTU3 entered into its final construction phase. The tie-in of GTU3 into existing infrastructure at field site started on April 26, 2018 during the scheduled shut-down of GTU1&2. We expect the tie-in to take three weeks and pre-commissioning activities will then start along with the complete hydro-testing of all the tie-ins.

The below figures reflect all future cash payments to be made excluding VAT on GTU3.

GTU3 Cash Spent (excl VAT)	as at 31 March 2018
Expenditure remaining in 2018	US$45.9 million

Release of Nostrum's Q1 2018 Financial results

Nostrum plans to release its audited consolidated accounts for Q1 2018 ending 31 March 2018 on 22 May 2018.

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Further information

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

Further enquiries

Nostrum Oil & Gas PLC – Investor Relations
Kirsty Hamilton-Smith
Amy Barlow
+44 203 740 7433
ir@nog.co.uk

Instinctif Partners - UK
David Simonson
Laura Syrett
George Yeomans
+ 44 (0) 207 457 2020

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

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-Gremyachinskoye 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.