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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

FOR IMMEDIATE RELEASE

**London, 30 April 2021**

### **Operational Update for the first quarter ending 31 March 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 three months ended 31 March 2021.

#### **Highlights:**

##### **Operational**

- Average daily production after treatment for Q1 2021 totalled 19,341 boepd with average daily sales volumes for the quarter of 17,419 boepd. Production guidance for the year is 17,000 boepd and 16,000 boepd, respectively.
- 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 well workover and well intervention programme started in April 2021. The programme is currently for 6 workovers and up to 20 interventions with an expected cost of US\$7.3 million.
- We continue to focus on ways to monetise spare capacity in the gas treatment facility through processing third party volumes.

##### **Financial**

- Q1 2021 revenues expected to be in excess of US\$46 million (Q1 2020: US\$60.4 million).
- The cash position as at 31 March 2021 in excess of US\$85 million excluding US\$21.5 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**”) (31 December 2020: US\$78.6 million excluding \$12.9 million held in as Restricted Cash).
- Total debt<sup>1</sup> expected not to exceed US\$1,208 million and net debt expected not to exceed approximately US\$1,123 million as at 31 March 2021. Net debt position as at 31 March 2021 does not take into account Restricted Cash.
- Continued focus on cost optimisation to help manage our liquidity.
- Interest on debt due in February and March 2021 was not paid. The expiry of the Forbearance Agreement was extended to 20 April 2021 and then to 20 May 2021 both with the unanimous consent of the AHG.

<sup>1</sup> Total debt does not include finance lease liabilities under IFRS16 Leases



## Bond Restructuring

- Discussions continue with the advisers to the AHG to agree a restructuring of the debt.
- The final consent fee for 9.9288 bps equating to US\$1,116,990 was paid on 22 February 2021. The total consent fees paid under the Forbearance Agreement are US\$6,701,973.
- On 22 March 2021, the Company announced that the approval has been received from all the members of the AHG to extend the expiry of the Forbearance Agreement from 4 p.m. on 20 March 2021 to 4 p.m. on 20 April 2021. In return for the AHG agreeing to extend the forbearance period to 20 April 2021, the Company agreed to pay into the secured account an amount of US\$1,116,990, equating to 9.9288 bps of the outstanding Notes. This amount was paid into the secured account on 30 March 2021. The total amount paid into the secured account at 31 March 2021 is US\$21,541,990.
- On 20 April 2021, the Company announced that the approval has been received from all the members of the AHG to extend the expiry of the Forbearance Agreement from 4 p.m. on 20 April 2021 to 4 p.m. on 20 May 2021.

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

*“In 2020, Nostrum has taken all necessary steps to safeguard its core business through streamlining operations and prioritising cost reduction. Together with a sustainable and affordable bond restructuring, the Company will lay down solid foundations to build from.*

*Pivoting towards growth and transitioning into a multi-asset energy company will require tremendous focus and resources. Our existing world-class gas infrastructure and spare operational gas capacity can be monetised further immediately with nearby material opportunities such as processing and handling of the Ural Oil & Gas LLP production.*

*There are a number of additional area-wide opportunities under review that will serve to strengthen our upstream and midstream portfolio in the coming years.*

*Our success in the near-term, however, depends on the following must-wins:*

- *Continuing focus on HSE and COVID risk management;*
- *Stabilising Nostrum through negotiating a sustainable restructuring arrangement supported by our stakeholders that also leaves sufficient headroom for raising further capital for our growth projects, as required;*
- *Safeguarding base business and liquidity by continuing to optimise production and cost efficiencies; and*
- *Maximising 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 & reservoir management.”*

## Sales volumes

Average daily Q1 2021 sales volumes of 17,419 boepd comprised:

Products	Q1 2021 sales volumes (boepd)	2020 product mix (%)
Crude Oil	3,919	22.5%
Stabilised Condensate	3,368	19.3%



LPG (Liquid Petroleum Gas)	2,294	13.2%
Dry Gas	7,838	45.0%
<b>Total</b>	<b>17,419</b>	<b>100.0%</b>

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

Note: The volumes above represent sales made. There were sales of stabilised condensate only in January and March 2021 since there was insufficient in February 2021 to form a cargo.

## 2021 Well Stock

- As at 31 March 2021, 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, 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.

## Interim Chief Financial Officer

On 29 April 2021, the Board of the Company extended the contract of the interim Chief Financial Officer, Martin Cocker, from 30 April 2021 (the expiry date) to 31 August 2021.

## Release of Nostrum's Q1 2021 Financial Results

Nostrum plans to release its unaudited and unreviewed condensed interim consolidated accounts for the period ending 31 March 2021 on 18 May 2021.

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## Further information

For further information please visit [www.nog.co.uk](http://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 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.