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London, 30 November 2018

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 issues a further statement in relation to AGM vote on Directors' Remuneration Report and Remuneration Policy.

In the 2018 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 directors' remuneration report (24.83%) and remuneration policy (34.51%).

In response to feedback received from shareholders and shareholder advisory bodies prior to the AGM regarding the remuneration report and remuneration policy, as previously announced the Company's non-executive directors who had been granted awards under the Company's Long-Term Incentive Plan ("LTIP") agreed to renounce such awards and agreed that they will not accept any future LTIP awards from the Company.

Following the AGM Nostrum's Board and Remuneration Committee continued their consultations with shareholders and have discussed at length the views of shareholders in relation to these two items. The main themes expressed by some shareholders and shareholder advisers during the engagement process in relation to the remuneration report and remuneration policy were:

- That non-executive directors should not be eligible for participation in the LTIP.
- That the performance period under the LTIP be extended from one to three years.
- That the vesting period for LTIP awards be increased from three to five years.
- That the LTIP be modified to remove the provisions for accelerated vesting of awards in the event of certain sales of the Company.
- That there be additional clarity that targets for certain bonuses were agreed in advance by the Remuneration Committee.
- That the Remuneration Committee be comprised solely of independent non-executive directors and the Company chairman.

Nostrum's Remuneration Committee and the Board continue to believe that the Company's remuneration policy is appropriate and is aligned with Nostrum's strategy and business needs.



However, as a result of its engagement with shareholders Nostrum has taken a number of specific actions:

- Following the decision mentioned above by Nostrum's non-executive directors who had been granted LTIP awards, the Company has amended the terms of its LTIP to make non-executive directors ineligible to participate in the LTIP;
- The Board has resolved to propose to shareholders at its next AGM that the remuneration policy be modified to prohibit non-executive directors from participating in the LTIP;
- The composition of the Remuneration Committee has been changed such that it is now comprised solely of independent non-executive directors; and
- The Remuneration Committee will endeavour to provide additional information and clarity regarding KPIs for bonuses for executive directors in future in the remuneration report published in the Company's annual reports.

After discussing the other points mentioned above the Board and the Remuneration Committee concluded that the current provisions of the LTIP relating to the performance period, vesting period and accelerated vesting of awards upon a sale of the Company 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.

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

A final update on these matters will be included in the Company's next annual report.
Disclosure of inside information in accordance with Article 17 of Regulation (EU) 596/2014 (16 April 2014) relating to Nostrum Oil & Gas PLC.

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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.