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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

London, 24 May 2022

Financial Results for the first quarter ending 31 March 2022

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 financial results in respect of the three months ended 31 March 2022.

Nostrum’s management team will present the Q1 2022 Results and will be available for a Q&A session with analysts and investors today, 24 May 2022, at 2pm UK time. If you would like to participate in this call, please register by clicking on the following link and following instructions: [Results Call](#)

Q1 2022 Highlights:

Financial

- Revenues of US\$60.2m (Q1 2021: US\$46.2m) against average realised Brent oil price of US\$97.9/bbl (Q1 2021: US\$61.8/bbl).
- EBITDA¹ of US\$40.5m (Q1 2021: US\$26.8m) with EBITDA¹ margin of 67.3% (Q1 2022: 58.0%).
- Closing unrestricted cash as at 31 March 2022 of US\$180.8m (31 December 2021: US\$165.2m). US\$22.7m remains held in a restricted account as at 31 March 2022.
- Continued focus on cost optimisation to help manage our liquidity.
- Notes restructuring update: shareholders approved the restructuring resolution at the General Meeting convened on 29 April 2022 with 99.99% of voting shareholders voting in favour of the terms agreed between the Group and its noteholders ([RNS](#)). Scheme of Arrangement pursuant to a restructuring launched on 11 May 2022 via the issuance of a Practice Statement Letter to noteholders ([RNS](#)).

Operational

- Daily production after treatment averaged 14,683 boepd (Q1 2021: 19,341 boepd).
- Daily sales volumes for averaged 14,059 boepd (Q1 2021: 17,419 boepd).
- The Group continues its well and reservoir management strategy through well workovers and rigless well intervention in 2022. The programme proves to be non-capital intensive and offers reasonable risk/reward.
- The Group will shortly upgrade its facilities and build a short pipeline to receive Ural Oil & Gas LLP (“Ural OG”) feedstock by the previously announced date of Q4 2023. This is a defining moment for



Nostrum as it represents the first third-party gas processing deal which the Group has been able to achieve and sets the blueprint for future deals.

- We note that recent geopolitical events, including the unrest in Kazakhstan in early Q1 2022 and the ongoing Russia-Ukraine conflict, have had no operational impact to our business to date. The Directors and managers of the Group are cognisant of the current and evolving sanctions list against Russian individuals and entities and have ensured the Group has conducted ongoing operations in compliance with these sanctions.
- The Group continues to protect the safety of all staff and contractors in light of COVID-19 and mitigate any impact on operations. To date, no production has been lost because of COVID-19.

Sustainability

- Zero fatalities during operations to employees and contractors (Q1 2021: zero).
- Zero Lost Time Injury (“LTI”) (Q1 2021: zero).
- 1 Total Recordable Incidents (“TRI”) (Q1 2021: zero).
- 79% of staff vaccinated against COVID-19 as at 31 March 2022.
- 1,250 tonnes of air emissions emitted in Q1 2022 against 6,413 tonnes permitted for 2022 under the Kazakhstan Environmental Code.

Restructuring update:

- 99.99% of voting shareholders voted in favour of the terms of a restructuring on 29 April 2022 at the convened General Meeting.
- The Group launched the scheme of arrangement on 11 May 2022 via the issuance of a Practice Statement Letter addressed to noteholders.
- Subject to the closing of necessary milestones, the Group expects the restructuring process to complete by Q3 2022.

Key terms

The agreed terms which will proceed under a UK scheme of arrangement, are as follows:

1. Partial reinstatement of the Existing Notes in the form of new:

a) Senior Secured Notes (“SSNs”)

- Principal amount of US\$250,000,000;
- Cash coupon of 5.00% per annum;
- Interest accrues from 1 January 2022;
- Maturing on 30 June 2026; and
- SSNs are not convertible upon maturity.

b) Senior Unsecured Notes (“SUNs”)

- Principal amount of US\$300,000,000;
- Cash coupon of 1.00% per annum;
- Payment-in-kind interest of 13.00% per annum;
- Interest accrues from 1 January 2022;
- Maturing on 30 June 2026; and
- If not repaid in cash at maturity, the SUNs will be repayable in specie through the issuance of equity of the Company based on the value of the SUNs outstanding on the issuance date as a percentage



of the fair market value of the Company (up to a maximum of 99.99% of the Company's fully diluted equity).

2. Conversion of the remainder of the Existing Notes and accrued interest into equity by way of a UK scheme of arrangement:
 - Existing noteholders will own 88.89% of the expanded share capital of the Company on closing of the restructuring.
 - Existing noteholders will also own warrants (to be held by a Trustee) allowing them to subscribe for an additional 1.11% of the share capital of the Company upon exercise – increasing existing noteholder ownership of the Company to 90.00% on closing.
3. New corporate governance arrangements in respect of the Group and certain arrangements regarding future utilisation of the Group's cashflows, including the proposal to transfer the Company's listing to the Standard Listing segment of the London Stock Exchange.

For material terms of the restructuring, we refer readers to the Regulatory News Service (“RNS”) announcement issued on 23 December 2021 and the restructuring Circular issued to shareholders on 13 April 2022 which can be found on our website.

Sales volumes

The sales volume split for Q1 2022 was as follows :

Products	Q1 2022 volumes (boepd)	Q1 2022 product mix (%)	Q1 2021 volumes (boepd)	Q1 2021 product mix (%)
Crude Oil	3,359	23.9%	3,919	22.5%
Stabilised Condensate	3,117	22.2%	3,368	19.3%
LPG (Liquid Petroleum Gas)	2,024	14.4%	2,294	13.2%
Dry Gas	5,559	39.5%	7,838	45.0%
Total	14,059	100.0%	17,419	100.0%

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

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

“I am pleased to report solid results in the first quarter despite a challenging market environment, including the political unrest that took place in Kazakhstan in early January. We achieved higher Q1 revenues of over US\$60m with corresponding EBITDA of over US\$40m. Due to our operating leverage, we were able to take advantage of the higher pricing environment in the reporting quarter to boost our EBITDA margin to 67.3%.

The restructuring is progressing well, and we have a fully supported arrangement with our stakeholders which, once implemented, will provide us with the right capital structure to pivot towards growth. There are still several important milestones left to achieve, but we are all focused on closing the restructuring by Q3 this year.

We continued building cash on our balance sheet as we ended Q1 with over US\$180m. This, along with the restructuring progressing well, should allow us to seriously push our agenda of pivoting towards growth and transitioning into a multi-asset energy company.

We celebrated our 25th anniversary as a Company in the first quarter of 2022 along with our employees, business partners and stakeholders. This is a fantastic achievement that demonstrates our sustained and positive presence in the region.”

The Company's results materials are available to download on Nostrum's website:

[Download: Q1 2022 Results Presentation](#)



[Download: Q1 2022 Financial Statements](#)

Notes to press release

¹ EBITDA is defined as profit before tax net of finance costs, impairment, foreign exchange loss/gain, ESOP, depreciation, interest income, other income and expenses.

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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.

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.