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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

FOR IMMEDIATE RELEASE

**London, 29 July 2022**

**Operational Update for the second quarter and six months ended 30 June 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 operational update in respect of the second quarter and six months ended 30 June 2022.

**H1 2022 Highlights:**

**Operational**

- Daily production after treatment averaged 14,167 boepd (H1 2021: 18,107 boepd).
- Daily sales volumes averaged 13,102 boepd (H1 2021: 16,249 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 in the absence of drilling.
- The Group has initiated a tie back project, budgeted for c.US\$5m of capital expenditures, that will allow for the first ever third-party feedstock from Ural Oil & Gas LLP (“Ural OG”) to be received for treatment in the Group’s facilities by Q4 2023. This follows Ural OG’s signing of a turnkey contract for complex construction works with a contractor in relation to Ural OG’s Rozhkovsky Field Development Project.
- The Directors 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 prioritize the safety of all staff and contractors as well as focussing on running sustainable operations.

**Financial**

- H1 2022 revenues expected to be in excess of US\$107m against average H1 2022 Brent prices of US\$105.0/bbl (H1 2021: US\$92m, average Brent price of US\$65.2/bbl).
- Exported crude and condensate currently faces a large Urals discount which has widened during H1 2022. The Company is working on reducing this discount and optimising netbacks.
- The Group’s unrestricted cash position as at 30 June 2022 was in excess of US\$208m (31 March 2022: US\$180.8m). US\$22.7m remains held in a restricted account as at 30 June 2022 under the terms of the restructuring Forbearance Agreement.



- Continued focus on cost optimisation to help manage our liquidity by achieving our FY2022 operating costs and general administrative expenses basis of US\$45.5 million.
- The US\$725m 8.0% senior notes maturity date was 25 July 2022. Due to the ongoing restructuring (see below), which includes the previously announced lock-up agreement and forbearance agreement entered into by certain holders of the notes, the Company does not intend to take any further action following the maturity date of those notes.

### **Restructuring**

- 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.
- Following the Convening Hearing on 20 June 2022, the Court issued an order granting the Company permission to convene the scheme meeting. The scheme meeting will take place, and the restructuring will be implemented as soon as practicable following the receipt of all necessary authorisations and licences required to hold the scheme meeting.
- On 1 July 2022, the Company received the necessary consents from the Kazakhstan Ministry of Energy with respect to (i) the issuance of new shares and warrants and (ii) the waiver of the Republic of Kazakhstan's priority right to acquire these new shares and warrants.

### **Sustainability**

- Zero fatalities during operations to employees and contractors (H1 2021: zero).
- Zero Lost Time Injury ("LTI") (H1 2021: zero).
- 2 Total Recordable Incidents ("TRI") (H1 2021: two).
- 81 % of staff vaccinated against COVID-19 as at 30 June 2022.
- 2,106 tonnes of air emissions emitted in H1 2022 against 6,413 tonnes permitted for 2022 under the Kazakhstan Environmental Code.

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

*"During the first half of 2022 I am pleased to report we had no major safety incidents and that we continued to operate successfully despite the challenging conditions we have faced as a Company. Whilst our Chinarevskoye field production declines at a steady rate, we have asserted best efforts to maximise the net revenues we are able to achieve for our final products. The commodity price environment, our ability to maximise netbacks and our strong costs discipline has contributed to a strong build of our unrestricted cash balances to over US\$208m.*

*We are at the closing stages of the restructuring and aim to have the scheme implemented late Q3 / early Q4. A number of key milestones have been achieved in H1 so far, including obtaining shareholder approval for the commercial terms of the restructuring and the necessary Kazakhstan Ministerial consents, as well as the Court issuing the order for the convening of the scheme meeting. As soon as we receive the necessary Russian sanctions-related licences to allow affected creditors to vote in the scheme, we will move to the final approval and court sanction stage of the process. This has been a long journey largely due to external factors outside of our control, but I am thankful to our stakeholders and advisors for remaining patient and helping us progress towards our end goal.*

*We are pleased that works on the Ural Oil & Gas LLP gas tie-back have begun and will start our pivot towards growth journey. We have a number of projects in the pipeline which, with our new manageable capital structure once implemented, will help us realise value for our shareholders."*

### **Sales volumes**

The sales volume split for H1 2022 was as follows:



Products	H1 2022 volumes (boepd)	H1 2022 product mix (%)	H1 2021 volumes (boepd)	H1 2021 product mix (%)
Crude Oil	2,858	21.8%	3,705	22.8%
Stabilised Condensate	3,100	23.7%	3,170	19.5%
LPG (Liquid Petroleum Gas)	1,836	14.0%	2,150	13.2%
Dry Gas	5,308	40.5%	7,224	44.5%
<b>Total</b>	<b>13,102</b>	<b>100.0%</b>	<b>16,249</b>	<b>100.0%</b>

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

## Release of Nostrum's H1 2022 Financial Results

Nostrum plans to release its H1 2022 interim financial report including unaudited and unreviewed interim condensed consolidated accounts for the period ending 30 June 2022 on 16 August 2022.

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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) and the Kazakhstan Stock Exchange (ticker symbol: GB\_NTRM). The principal producing asset of Nostrum Oil & Gas PLC is the Chinarevskoye field that is being operated by a wholly-owned subsidiary of Nostrum Oil & Gas PLC – Zhaikmunai LLP, who is the sole holder of the subsoil use rights with respect to the development of the 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 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.