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Disclosure of inside information in accordance with Article 17 of Regulation (EU) 596/2014 (16 April 2014) relating to Zhaikmunai LLP and Nostrum Oil & Gas PLC

Amsterdam, 18 October 2017

Update on the completion of the Third Gas Treatment Unit (“GTU3”)

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 provides an update on the progress of GTU3.

Due to the delayed delivery of some specially designed valves required for the tie-in of GTU3 with GTU1&2 it will not be possible to bring gas into GTU3 in 2017. The previously planned three week shut down of GTU1&2 has therefore been postponed until after the winter period. The shut down and tie-in is now scheduled to be completed in April 2018. The tie-in will allow gas to go from GTU1&2 into GTU3, for GTU3 to be connected with the export gas pipeline and GTU3 commissioning to take place. Commissioning is expected to be completed within approximately 60 days.

The main reason for the delay is due to the fact that once the tie-in is completed the welding joints need to be hydro-tested prior to any gas passing through it. This testing cannot take place during the winter when temperatures are below zero. In order to minimise the downtime of GTU1&2 it is more efficient to have just one period of downtime to complete the tie-in and the hydro-testing rather than to have two separate periods of shut down for the tie-in and hydro-testing to be carried out separately. Therefore the decision has been taken to move the three week shut down to the period when temperatures move above freezing, which is now forecast to be April 2018.

The result of this change in timing for the tie-in means there will be a very short shut down of GTU1&2 in Q4 2017 as it will be limited to the minimal required maintenance of only a few days. The GTU3 plant on a standalone basis will be mechanically complete well in advance of the forecast tie-in date in April. The postponement of GTU3 commissioning does mean that production guidance for the first six months of 2018 will be impacted as the Company will not be able to increase production above current capacity of 45,000 boepd however the target to ramp up production to 100,000 boepd by 2020 has not changed. Revised full year guidance for production will be given no later than year-end when the 2018 drilling programme has been set and is under way. The total cost of the plant is not impacted by the delay to the tie-in and commissioning and remains at US\$532 million. The company remains fully funded to complete GTU3 and ramp up production.



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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 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.