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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

Zhaikmunai LLP

Operational Update for the second quarter and six months ended 30 June 2021

Uralsk, 30 July 2021

Zhaikmunai LLP, a subsidiary of Nostrum Oil & Gas PLC ("**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 Nostrum's operational update in respect of the second quarter and six months ended 30 June 2021.

Highlights:

Operational

- Average daily production after treatment for H1 2021 totalled 18,107 boepd with average daily sales volumes for H1 of 16,249 boepd. The production decline means that we do not make condensate sales each month because we have insufficient volumes to form a cargo. Condensate inventory as at 30 June 2021 amounted to approximately 220,000 barrels.
- 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.
- On 23 July 2021, the Company announced that its wholly-owned subsidiary Zhaikmunai LLP ("Zhaikmunai") had agreed with Ural Oil & Gas LLP ("Ural OG") to extend the deadline under the Agreements for Ural OG's first delivery of gas and liquid gas-condensate to Zhaikmunai by approximately six months, from 9 April 2023 to 31 October 2023. The extension was requested by Ural OG as a result of circumstances relating to the COVID-19 pandemic.

Financial

- H1 2021 revenues expected to be in excess of US\$92 million (H1 2020: US\$92 million).
- The cash position as at 30 June 2021 is in excess of US\$108 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 March 2021: US\$85.3 million excluding \$21.5 million held in Restricted Cash).

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 Restricted Cash an amount of US\$1,116,990, equating to 9.9288 bps of the outstanding Notes. This amount was paid into Restricted Cash on 30 March 2021. The total amount paid into Restricted Cash at 30 June 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.

On 18 May 2021, the Company and certain of its subsidiaries entered into a second forbearance agreement (the “**Second Forbearance Agreement**”) with the AHG. The Second Forbearance Agreement is substantially similar to the original forbearance agreement.

- The forbearance period initially expired at 4 p.m. GMT on 21 June 2021 but was extended with the agreement of all the members of the AHG to 4 p.m. on 21 July 2021. On 21 July 2021, the forbearance period was again extended to 25 August 2021.

In connection with the extension of the forbearance period to 25 August 2021, the Company agreed to pay into the Restricted Cash an amount of US\$1,116,990, equating to 9.9288 bps of the outstanding notes.

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

“We continue to engage with parties interested in using the spare capacity in our gas processing facilities to process their gas as well as the local and national government departments who will be essential to such projects. At the same time, we are developing plans to maximise 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, develop the Stepnoy Leopard prospects and ensure that there are no further delays to the Ural Oil and Gas LLP project.”

COVID remains a concern and we remain focused on safeguarding our employees and the contractors working for us.

Finally, we are convinced that a restructuring agreement can be reached in the near future so that we can move forward with confidence and the support of our stakeholders.”

Sales volumes

Average daily H1 2021 sales volumes of 16,249 boepd comprised:

Products	H1 2021 sales volumes (boepd)	2021 sales product mix (%)
Crude Oil	3,705	23%
Stabilised Condensate	3,170	20%
LPG (Liquid Petroleum Gas)	2,150	13%
Dry Gas	7,224	44%
Total	16,249	100%

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

2021 Well Stock

- As at 30 June 2021, the Company had 44 wells in production (24 oil wells and 20 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 remains 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. An extensive recruitment campaign has been conducted and the Company hopes to make an announcement on the successor to Mr. Cocker in the near future.

Release of Nostrum's H1 2021 Financial Results

Nostrum plans to release its unaudited and unreviewed condensed interim consolidated accounts for the period ending 30 June 2021 on 17 August 2021.

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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 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 Group 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 Zhaikmunai LLP or the Company or any other entity, and shareholders of the Company and bondholders of Zhaikmunai LLP are cautioned not to place undue reliance on the forward-looking statements. Save as required by the relevant listing rules and applicable law, neither Zhaikmunai LLP nor the Company undertakes to update or change any forward-looking statements to reflect events occurring after the date of this announcement.