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FOR IMMEDIATE RELEASE

Zhaikmunai LLP

Update on Proposed Restructuring and Related Party Transaction

Proposal to be sent to Shareholders

Uralsk, 13 April 2022

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, provides further information regarding the terms of the proposed restructuring of the Group's US$725 million 8.0% Senior Notes due July 2022 and US$400 million 7.0% Senior Notes due February 2025, in each case issued by Nostrum Oil & Finance B.V. (the "**Existing Notes**").

Background

Following a collapse in the oil price in early 2020, in March 2020 the Company announced that it would seek to engage with its noteholders regarding a possible restructuring of the Existing Notes. The Company has been in discussions with an informal ad hoc Noteholder group since May 2020 in relation to a possible restructuring of such notes.

On 23 December 2021, the Company announced the execution of a lock-up agreement and terms of a proposed restructuring of the Group's Existing Notes. The Lock-up Agreement was initially entered into with holders of in excess of 54% of the aggregate principal amount of the 2022 Notes and in excess of 55% of the aggregate principal amount of the 2025 Notes, including affiliates of ICU Holdings Limited ("**ICU**"), the Company's largest shareholder (in their capacity as Noteholders and Shareholders). As at 6 April 2022, holders of at least 76.29% of the 2022 Notes and 80.35% of the 2025 Notes have signed or acceded to the Lock-up Agreement, which comprises approximately 77.73% of the total aggregate principal amount of the Existing Notes.

Certain terms used in this document, including capitalised terms and certain technical and other items, are defined where they first appear in this document or in the section captioned "Definitions".

Overview

The key features of the Restructuring are:

- partial reinstatement of the Existing Notes in the form of new: (a) senior secured notes in a principal amount of US$250,000,000 ("**SSNs**") and (b) senior unsecured notes in a principal amount of US$300,000,000 ("**SUNs**"), in each case maturing on 30 June 2026;

- conversion of the remainder of the Existing Notes (together with accrued but unpaid interest) into new shares in the Company. It is currently anticipated that the Noteholders, or their nominee(s), will own: (a) 88.89% of the enlarged issued share capital of the Company on closing of the Restructuring ("**Closing**"); and (b) warrants, issued to a warrant trustee, to subscribe for additional shares of the Company such that the shares held by the holders of the Existing Notes, or their nominee(s), would increase from 88.89% to 90% of the enlarged issued share capital of the Company on exercise of all of the warrants; in each case based upon the pro forma capitalisation of the Company immediately following Closing;

- implementing new corporate governance arrangements in respect of the Group;

- implementing certain arrangements regarding future utilisation of the Group's cashflows; and

- the transfer of the Company's listing to the Standard Listing segment of the London Stock Exchange,

(together, the "**Restructuring**").

If Shareholders do not approve the necessary resolution with respect to the Restructuring, the Company will pursue an alternative restructuring by means of a court-approved restructuring plan which will result in holders of the Existing Notes, or their nominee(s), instead owning: (i) 98.89% of the enlarged issued share capital of the Company on Closing; and (ii) warrants, issued to a warrant trustee, to subscribe for additional shares of the Company such that the shares held by the holders of the Existing Notes, or their nominee(s), would increase from 98.89% to 99% of the enlarged issued share capital of the Company on exercise of all of the warrants, in each case based upon the pro forma capitalisation of the Company immediately following the closing of such alternative restructuring (a "**Part 26A Restructuring**").

Related Party Transaction

As at the Latest Practicable Date, affiliates of ICU hold approximately US$67.5 million in principal of the Existing Notes, representing approximately 6.0% of the total principal amount of the Existing Notes. Affiliates of ICU hold approximately 23.8% of the Existing Shares and so ICU is a related party of the Company for the purposes of Chapter 11 of the Listing Rules. The affiliates of ICU will be issued with New Shares, New Notes and Warrants pro rata to their holdings of Existing Notes pursuant to the Restructuring (the "**RPT Arrangements**"). The RPT Arrangements constitute a related party transaction for the purposes of Chapter 11 of the Listing Rules and require the approval of Independent Shareholders in accordance with the provisions of the Listing Rules. In this document (and in accordance with the Listing Rules), the term "Independent Shareholders" means, for the purposes of the RPT Resolution, any Shareholders other than ICU or associates of ICU.

Shareholder approval

The implementation of the Restructuring requires the approval of Shareholders at the General Meeting. In addition, the implementation of the RPT Arrangements requires the approval of Independent Shareholders at the General Meeting.

In the opinion of the Directors, voting for the Resolutions and authorising the implementation of the Restructuring (including the RPT Arrangements) will:

- provide Existing Shareholders with the best opportunity to potentially realise value and participate in the recovery of the Group;

- avoid further dilution to the interests of Existing Shareholders which would occur if an alternative restructuring (including a Part 26A Restructuring) were to be implemented;

- rationalise the capital structure of the Group to provide it with the time to implement its business plan and grow the value of its assets; and

- prevent a formal insolvency process.

If Shareholders do not approve the Restructuring Resolution at the General Meeting, Existing Shareholders will have extremely limited prospects of recovering any material value in the Company. Upon a 'no' vote, Nostrum will pursue an alternative restructuring without delay (by way of an Alternative Restructuring (as defined below)). An Alternative Restructuring (as defined below) would provide Existing Shareholders with no more than a *de minimis* recovery upon completion and therefore a limited prospect, or no prospect, of recovering any material value.

Importance of the vote and consequences of the failure to implement the Restructuring

The Group is currently in default under the 2022 Notes and the 2025 Notes. If neither the Restructuring nor a Part 26A Restructuring proceeds, the Directors are of the opinion that, given the defaults under the Group's existing borrowings, the Group will be unable to meet its debts as they fall due. As at 31 January 2022, the Group had approximately US$163.8 million in unrestricted cash, while it owed approximately US$849.3 million (including principal and accrued but unpaid interest) under the 2022 Notes and approximately US$457.7 million (including principal and accrued but unpaid interest) under the 2025 Notes. The Group does not have sufficient funds available to repay the 2022 Notes (including principal and accrued but unpaid interest) on maturity or the 2025 Notes (if accelerated) without an agreed restructuring of the terms of the 2022 Notes and the 2025 Notes.

The 2022 Notes are, in any event, due for repayment in full on 25 July 2022 and accordingly the Group needs to achieve a successful restructuring of its current indebtedness on or before such date.

If Shareholders do not approve the Restructuring Resolution at the General Meeting but the other conditions to the Restructuring are satisfied or waived (including the approval of a Restructuring Plan by the Noteholders at a Restructuring Plan Meeting), the Restructuring will still be implemented, but on the terms of a Part 26A Restructuring (to the extent possible).

If a Part 26A Restructuring is implemented, Shareholders would be left with only a 1.11% shareholding interest in the enlarged issued share capital of the Company (as compared to a 11.11% shareholding interest in the enlarged issued share capital of the Company following the Closing), in each case prior to any further dilution upon the exercise of the Warrants and/or any repayment of the SUNs in specie in June 2026 if the SUNs are not repaid in cash.

If neither the Restructuring nor a Part 26A Restructuring is implemented and an alternative restructuring is implemented by means of an Assets Transfer (as defined below), pursuant to a formal insolvency process (a Part 26A Restructuring, and an Assets Transfer together an "**Alternative Restructuring**"), the Directors believe that Shareholders would hold shares in a company with no material assets and would be unlikely to receive any proceeds from the sale of the Group or the disposal of the Group's assets or other return of income or capital by the Company.

The Directors believe that, if it becomes apparent that the Restructuring or an Alternative Restructuring is not capable of being implemented on or before the maturity date of the 2022 Notes, it is likely that shortly thereafter the Noteholders would terminate the Lock-up Agreement and the present forbearance arrangements. In those circumstances, one or more of the Noteholders or other creditors of the Group would be able to take enforcement action against the Group or cause such action to be taken. Such enforcement action may include the acceleration of the 2022 Notes (to the extent not already due and payable following maturity on 25 July 2022) and the 2025 Notes.

Furthermore, it is likely that, in such circumstances, the Directors would be forced to conclude that the Company no longer has a reasonable prospect of avoiding an insolvent liquidation or an administration.

Therefore, if Shareholders do not approve the Restructuring Resolution at the General Meeting it is expected that the economic terms of an Alternative Restructuring will mean that the Shareholders would be likely to see a significantly worse outcome than in the

event that such approvals are given (including lower or even no recovery in their investments in the Ordinary Shares).

Transfer of Listing

The Company has agreed, pursuant to the Lock-up Agreement, to seek to transfer the Company's listing to the standard listing segment of the London Stock Exchange. The proposed standard listing will mean that the Company will not be required to comply with the super-equivalent provisions of the Listing Rules that apply to companies with securities admitted to the premium listing segment of the Official List. The Board considers that certain provisions relating to its current premium listing, in particular the requirement to obtain prior Shareholder approval for any class 1 transaction, impose onerous obligations on the Company given its current market capitalisation. The Transfer of Listing would allow the Company to pursue potential strategic options to allow it to implement its business plan and grow the value of its assets without the need to prepare a circular to Shareholders (including the preparation of a working capital statement). The Board considers this additional flexibility will assist in the successful execution of the Group's business plan and therefore a standard listing is more suited to the Company's size and strategy following the implementation of the Restructuring.

The Directors consider that the Transfer of Listing should occur as soon as reasonably practicable and, subject to Shareholder approval, ahead of completion of the Restructuring.

Conditions to the Restructuring

The key conditions precedent to the Restructuring becoming effective include:

- the passing of the Restructuring Resolution by Shareholders and the RPT Resolution by Independent Shareholders;
- the approval of the Scheme by a majority in number representing not less 75% by value of the Noteholders that attend and vote at the Scheme Meeting;
- the sanction of the Scheme by the Court;
- consent of the Kazakhstan Ministry of Energy with respect to (i) the issue of the New Shares and the Warrants and (ii) the waiver of the State's priority right to acquire such New Shares and Warrants;
- satisfaction of certain conditions precedent that are customary for a secured financing transaction;
- the FCA and the London Stock Exchange each having approved the applications for Admission to take place; and
- payment of certain costs associated with the Restructuring.

Recommendations

The Board considers the Restructuring to be in the best interests of the Shareholders as a whole and unanimously recommends Shareholders to vote in favour of the Restructuring Resolution, as the Directors intend to do so in respect of their own beneficial holdings of 181,669 Ordinary Shares, representing approximately 0.1% of the Company's existing issued ordinary share capital at the Latest Practicable Date.

Affiliates of ICU hold approximately 23.8% of the Existing Shares and as such ICU is treated as a "substantial shareholder" of the Company for the purposes of the Listing Rules and, as a result, the RPT Arrangements are a "related party transaction" for the purposes of the Listing Rules. The Directors, having been so advised by Stifel (acting in its capacity as sponsor), consider the RPT Arrangements to be fair and reasonable as far as the Shareholders are concerned. In providing advice to the Board, Stifel has taken into account the Directors' commercial assessments of the RPT Arrangements. The Board unanimously recommends Independent Shareholders to vote in favour of the RPT Resolution, as the Directors intend to do so in respect of their own beneficial holdings of 181,669 Ordinary Shares, representing approximately 0.1% of the Company's existing issued ordinary share capital at the Latest Practicable Date.

A circular containing a notice of General Meeting to consider, and if thought fit, approve the Restructuring and the RPT Arrangements is expected to be published soon.

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About the Group
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.

OVERVIEW OF THE RESTRUCTURING

Objectives of the Restructuring

The primary objectives of the Restructuring are to:

(a) rationalise the Group's capital structure so that the Group will possess a strengthened balance sheet and a more appropriate debt service and maturity profile for its business and to provide the Group with the time to implement its business plan and grow the value of its assets;

(b) ensure that the Group can service its general corporate and working capital obligations thereby allowing the Group to continue trading;

(c) mitigate the risk of any of the Group companies having to file for a formal insolvency process, as a result of which the recoveries for creditors would be materially lower than if the Restructuring or a Part 26A Restructuring were to be successfully completed; and

(d) provide holders of the Existing Shares with the opportunity to participate further in any potential upside arising from any increase in oil and gas prices and the successful execution of the Group's business plan.

Terms of the Restructuring

The manner in which the restructuring will be implemented depends upon whether (i) the Company receives the necessary approvals from Shareholders at the General Meeting and (ii) the other conditions to the terms of the Restructuring are satisfied.

As part of the Restructuring, a scheme of arrangement in respect of the Existing Notes is proposed to be implemented. It is anticipated that the issue of the SSNs and SUNs will be made pursuant to a scheme of arrangement to be proposed by the Company to the Noteholders in accordance with Part 26 of the Companies Act (the "**Scheme**"). The parties to the Scheme will be the Company, GLAS Trustees Limited as the trustee of the Existing Notes, the Noteholders, The Depositary Trust Company ("**DTC**") as the depositary under the indentures for the Existing Notes and Cede & Co (as nominee for DTC and as registered holder of the Existing Notes).

(A) Issue of New Notes in satisfaction of Existing Notes claims pursuant to the Scheme

Issue of SSNs and SUNs

As part of the Scheme, Nostrum Oil & Gas Finance B.V. (the issuer of the Existing Notes) will issue US$250 million of SSNs and US$300 million of SUNs, in each case maturing on 30 June 2026. The SSNs and SUNs (together, the "**New Notes**") will be governed by English law.

The following outlines the material features of the SSNs and SUNs:

SSNs

Nostrum Oil & Gas Finance B.V., the issuer of the Existing Notes, will issue US$250,000,000 senior secured notes due 30 June 2026. The SSNs will bear interest at a rate of 5.00% per year, payable semi-annually. Pursuant to the Lock-up Agreement, the Company has agreed that the 5.0% cash interest will accrue from 1 January 2022 and such accrued amount is expected to be paid in cash to the Noteholders upon the issue of the SSNs.

SUNs

Nostrum Oil & Gas Finance B.V., the issuer of the Existing Notes, will issue US$300,000,000 senior notes due 30 June 2026. The SUNs will bear interest at a rate of 1.0% cash and 13.0% payment-in-kind per year, payable semi-annually on a compound basis.

Pursuant to the Lock-up Agreement, the Company has agreed that the 1.0% cash interest and 13.0% payment-in-kind interest will accrue from 1 January 2022. Accordingly, Nostrum Oil & Gas Finance B.V. will (i) issue a principal amount of additional SUNs representing the payment-in kind interest which has been agreed to be payable with effect from 1 January 2022 until the date of issue and (ii) pay to the Noteholders upon the issue of the SUNs an amount in cash representing this accrued cash interest. For example, if the SUNs are issued on 30 June 2022, Nostrum Oil & Gas Finance B.V. will issue approximately US$19.4 million in principal amount of additional SUNs representing the accrued payment-in-kind interest.

Repayment

From the issue date, the New Notes may be repaid at par plus accrued interest.

Upon a change of control, each holder has the right to require the repurchase of all or any part of such holder's New Notes at a purchase price in cash equal to 101% of the aggregate principal amount of the New Notes plus accrued and unpaid interest, if any, to the date of purchase.

Guarantees, security and ranking

The SSNs will be jointly and severally guaranteed on a senior basis by the Company, Nostrum Oil & Gas Coöperatief U.A., Zhaikmunai and Nostrum Oil & Gas B.V. (together, the "**Guarantors**"). The SSNs are the Issuer's and the Guarantors' senior obligations and rank equally with all of the Issuer's and the Guarantors' other senior indebtedness.

The SUNs will be jointly and severally guaranteed on a senior subordinated basis by the Guarantors. The SUNs are the Issuer's and the Guarantors' senior subordinated obligations and rank on a subordinated basis to the SSNs.

Subject to complying with the regulatory requirements in Kazakhstan, first-ranking security interests for SSNs over all of the Group's assets including, but not limited to: (a) share pledge over each material subsidiary; (b) floating charge over the Company's assets; and (c) account security over key operational bank accounts (including the Blocked Account and the DSRA (each as defined in "*Cashflow controls*" below)); and second-ranking security interests for the SUNs over the Blocked Account and DSRA.

Covenants

The New Notes will contain covenants that restrict, subject to certain exceptions and qualifications, the ability of the Company and its restricted subsidiaries to: (a) borrow additional money, (b) pay dividends, redeem or repurchase share capital or make other distributions, (c) make principal payments on or redeem or repurchase indebtedness that is junior to the SSNs or the guarantees, (d) make certain investments, (e) create liens, (f) guarantee additional indebtedness, (g) create restrictions on restricted subsidiaries' ability to pay dividends or other amounts to the Company or its restricted subsidiaries, (h) enter into transactions with affiliates or (i) sell assets or consolidate or merge with or into other companies.

Cashflow controls

The following is a summary of certain cashflow management arrangements to be put in place as part of the Restructuring:

- on (or shortly prior to) the Closing, a cash balance sufficient to pay: (A) the next two cash interest payments due on the New Notes; and (B) the total amount of the Lock-Up Fee, shall be deposited into a Debt Service Retention Account ("**DSRA**"). On each interest payment date under the New Notes following the Release Date, if there is insufficient cash in the DSRA to fund the next two cash interest payments due on the New Notes, a corresponding amount shall be transferred to the DSRA. On the Closing, the Lock-up Fees will be paid to eligible Noteholders out of the funds in the DSRA. On each interest payment date under the New Notes after Closing, the remaining funds in the DSRA will be released from the DSRA and applied first, to pay cash interest due under the SSNs; and second, to pay cash interest due under the SUNs. After a drawdown has been made from the DSRA to fund cash interest due under the SSNs and the SUNs, cash will be swept to the DSRA in accordance with the terms of the cash sweep mechanism described below;

- subject to a minimum cash balance of between US$15-US$30 million to be retained by the Company, all free cash within the Group at Closing shall be applied as follows: (A) first, paid into the DSRA as described above; and (B) second, the remaining balance (if any) to be paid into an account, in the name of the Company, pledged and blocked in favour of the trustee for the New Notes (the "**Blocked Account**"); and

- for a period of 30 months (the end of such period, the "**Release Date**"), cash in the Blocked Account may only be released from the Blocked Account with the approval of the majority of independent directors of the Company for the purpose of either: (i) funding capital expenditure approved by the Board (which may include but is not limited to future projects for which the Company has undertaken, or is undertaking, feasibility studies, approved by the Board) (an "**Approved Expenditure**"); (ii) restoring the cash balance of the Company's other accounts (excluding the Blocked Account) to the agreed minimum cash balance of between US$15-US$30 million; or (iii) making arms' length repurchases for value of the SSNs on the open market and, only once the SSNs have been repaid in full, making arms' length repurchases for value of the SUNs on the open market.

On the Release Date, any amounts standing to the credit of the Blocked Account not committed to, or held in reserve for, an Approved Expenditure or not required to top up the balance of the DSRA to ensure that it is sufficient to fund upcoming cash pay interest due on the New Notes shall be transferred to the paying agent for the New Notes and first applied against costs and expenses of the trustee or security agent for the New Notes, second applied in repayment of the SSNs and third, applied in repayment of the SUNs. At all times following the Release Date, any amounts standing to the credit of the Blocked Account (if any) shall be only released in

connection with (i) an Approved Expenditure, (ii) making arms' length repurchases for value of the SSNs on the open market and, only once the SSNs have been repaid in full, making arms' length repurchases for value of the SUNs on the open market, or (iii) to top up either the minimum cash balance or the balance of the DSRA to ensure that there is sufficient cash to fund the upcoming cash pay interest due on the New Notes.

Potential repayment in specie

The SSNs will not be convertible and may only be repaid in cash.

In addition, on maturity in June 2026, if not repaid in cash, the SUNs may be repaid in specie, subject to (among other necessary approvals) receiving the prior consent of the Kazakhstan Ministry of Energy, by way of the issue of new Ordinary Shares based on the value of the SUNs outstanding on the conversion date as a percentage of the fair market value of the Company ("**FMV**"), up to a maximum of 99.99% of the Company's fully diluted equity. The FMV for these purposes will be equity value of the Company (as if having given effect to the repayment of the SUNs in specie), calculated by reference to the enterprise value of the Company and its assets (including cash) ("**Gross FMV**"), less liabilities (including any indebtedness ranking ahead of the Ordinary Shares assuming the repayment of the SUNs in specie, such as the SSNs), which shall be determined by an independent third party in the business of providing professional valuation services, selected by a majority of the independent directors of the Company. Repayment of the SUNs on maturity by way of the issue of new Ordinary Shares will require: (i) the consent of holders of 75% in outstanding principal amount of the SUNs and (ii) where the Company is to be delisted, notification to the FCA regarding the cancellation of listing.

The SUNs will be repaid following the repayment of the SSNs, which have a principal repayment amount of US$250 million. It is anticipated that the Group's repayment liability upon the maturity of the SUNs will be approximately US$528.6 million (reflecting the initial principal of US$300 million together with the compounded payment-in-kind interest payable semi-annually under the SUNs from 1 January 2022 until maturity on 30 June 2026) (the "**SUNs Maturity Amount**"). The holders of the SUNs may therefore be issued new Ordinary Shares calculated by reference to the SUNs Maturity Amount as a percentage of the FMV, up to a maximum of 99.99% of the Company's fully diluted equity, if the SUNs are not repaid in cash on maturity in June 2026.

(B) Debt for Equity Swap

As part of the Scheme, the remaining face value of the Existing Notes (following the issue of the New Notes but excluding the Warrants Subscription Amount), together with accrued but unpaid interest, will be repaid in consideration for the issue of New Shares in the Company (the "**Debt for Equity Swap**") and the issue of the Warrants. The value of the Existing Notes which will be repaid pursuant to the Debt for Equity Swap will depend upon the date of Closing (given the Existing Notes continue to accrue interest and default interest). For example, if the Closing of the Restructuring occurs on 30 June 2022, approximately US$798.1 million of the Existing Notes (including accrued but unpaid interest) is expected to be repaid in this manner.

There are three potential scenarios anticipated by the Company in respect of the Debt for Equity Swap.

Scenario 1 – implementation of the Restructuring

Scenario 1 is the Company's preferred outcome and is expected to be implemented if Shareholders vote in favour of the Restructuring Resolution, Independent Shareholders vote in favour of the RPT Resolution and the other conditions to the Restructuring are satisfied or waived.

If Shareholders pass the Restructuring Resolution, Independent Shareholders approve the RPT Resolution and the other conditions to the Restructuring are satisfied or waived, it is currently anticipated that the holders of the Existing Notes, or their nominee(s), will receive pursuant to the Scheme:

(a) New Shares so as to result in them owning 88.89% of the enlarged issued share capital of the Company on Closing; and

(b) warrants, issued to the Warrant Trustee, to subscribe for additional Ordinary Shares

such that the holding of such holders of the Existing Notes, or their nominee(s), would increase from 88.89% to 90% of the enlarged issued share capital of the Company on exercise of all of the warrants, based upon the pro forma capitalisation of the Company immediately following Closing (the "**Warrants**").

The Warrants will be issued at Closing and held by GLAS Trust Company LLC as warrant trustee, for the benefit of the holders of the Existing Notes, or their nominee(s), from time to time (the "**Warrant Trustee**"). The Warrants will be issued to the Warrant Trustee in such amount as will, upon exercise in full, result in the issue of new Ordinary Shares (the "**Warrant Shares**") at their nominal value to the holders of the Existing Notes (or their nominee(s)) so as to increase the aggregate entitlement of holders of the Existing Notes, or their nominee(s), to Ordinary Shares from 88.89% to 90% of the enlarged issued share capital of the Company, based upon the pro forma capitalisation of Nostrum immediately following Closing (but excluding entitlements under any new management incentive plan, long-term incentive plan or similar share scheme).

The Warrants will be exercisable in full for the issue of the Warrant Shares upon:

- a breach of the Company's covenants or undertakings in relation to the SUNs or the Warrants;
- a change in, or breach of, certain governance principles to be adopted by the Company on or prior to Closing without approval from the Warrant Director (such approval to be on terms, and in accordance with the process, specifically set out in the Warrant Deed Poll and/or the New Articles) ("**Warrant Approval**");
- a change to the agreed composition of the Board that has not obtained Warrant Approval; or
- an exit event (as specifically defined in the Warrant Deed Poll) but including, in principle, any delisting of Nostrum from the London Stock Exchange, a change of control, sale of all or substantially all assets, the commencement of any winding-up or similar process in relation to Nostrum, or merger of Nostrum (an "**Exit**").

The Company is expected to issue approximately 1,505.6 million New Shares in connection with the Restructuring. The Existing Shareholders will retain 11.11% of the enlarged issued share capital of the Company on Closing (having given effect to the Share Consolidation). A full exercise of the Warrants would decrease that holding to 10% of the enlarged issued share capital of the Company, assuming that no share issuances or cancellations have occurred (or shares have been taken into treasury) in the interim and excluding entitlements under any new management incentive plan, long-term incentive plan or similar share scheme.

The interests of Existing Shareholders and Noteholders in the share capital of the Company on Closing will reflect the proposed consolidation of the enlarged issued share capital of the Company to be implemented as part of the Restructuring.

Approximately £0.19 million (approximately US$0.25 million) of indebtedness under the Existing Notes (the "**Warrants Subscription Amount**") will be released and a promissory note in the amount of the Warrants Subscription Amount will be issued to the Warrant Trustee for the benefit of the holders of the SUNs. The amount due under this promissory note may be applied to pay the nominal value of the approximately 18.8 million Warrant Shares to be issued to holders of the SUNs, or their nominee(s), upon any exercise of the Warrants (following the implementation of the Share Consolidation). The promissory note will not bear any interest.

Following the Closing, Scenario 1 is also subject to the potential repayment of the SUNs by the issue of new Ordinary Shares as referred to above upon the maturity of the SUNs in June 2026 if they are not repaid in cash.

If the Restructuring Resolution is approved, but Independent Shareholders do not approve the RPT Arrangements, the Company would still seek to implement the Restructuring, including the Transfer of Listing, on the proposed timetable. If the RPT Resolution is not approved at the General Meeting, the Company intends to include a provision within the Scheme whereby each Noteholder (other than ICU and its associates) irrevocably consents to the RPT Arrangements (and confers a power of attorney on or irrevocable instruction to the Note Trustee to vote in favour of (or deliver an irrevocable proxy to the chairman of the meeting to vote in favour of)

any resolution to approve the RPT Arrangements at a general meeting of the Company to be held before the Restructuring becomes effective).

Scenario 2 – implementation of an Alternative Restructuring through a Part 26A Restructuring

If Shareholders do not approve the Restructuring Resolution at the General Meeting Nostrum will pursue an Alternative Restructuring without delay. It is anticipated that Scenario 2 would be pursued where Shareholders do not pass the Restructuring Resolution at the General Meeting. Scenario 1 will not be pursued in such circumstances.

If Shareholders do not pass the Restructuring Resolution so that Scenario 1 is no longer capable of implementation, holders of the Existing Notes, or their nominee(s), will (assuming the other conditions to the Restructuring are satisfied or waived) receive pursuant to a restructuring plan to be implemented in accordance with Part 26A of the Companies Act (the "**Restructuring Plan**"):

(a) New Shares so as to result in them owning 98.89% of the enlarged issued share capital of the Company on closing of the Restructuring Plan; and

(b) Warrants, issued to the Warrant Trustee, to subscribe for additional Warrant Shares such that the holding of such holders of the Existing Notes, or their nominee(s), would increase from 98.89% to 99% of the enlarged issued share capital of the Company on exercise of all of the Warrants, in each case based upon the pro forma capitalisation of the Company immediately following closing of the Restructuring Plan.

The Warrants will be exercisable in full for the issue of the Warrant Shares upon:

- a breach of the Company's covenants or undertakings in relation to the SUNs or the Warrants;
- a change in, or breach of, certain governance principles to be adopted by the Company on or prior to closing of the Restructuring Plan without Warrant Approval;
- a change to the agreed composition of the Board that has not obtained Warrant Approval; or
- an Exit.

The Company is expected to issue approximately 16,765 million New Shares in connection with a Part 26A Restructuring. The Existing Shareholders will retain 1.11% of the enlarged issued share capital of the Company on closing of the Restructuring Plan (having given effect to the Share Consolidation). A full exercise of the Warrants would decrease that holding to 1% of the enlarged issued share capital of the Company following closing of the Restructuring Plan, assuming that no share issuances or cancellations have occurred (or shares have been taken into treasury) in the interim and excluding entitlements under any new management incentive plan, long-term incentive plan or similar share scheme.

Under Scenario 2, approximately £18.65 million (approximately US$24.3 million) of indebtedness under the Existing Notes will be released and a promissory note for such amount will be issued to the Warrant Trustee for the benefit of the holders of the SUNs. The amount due under this promissory note may be applied to pay the nominal value of the approximately 1,865 million Warrant Shares to be issued to holders of the SUNs, or their nominee(s), upon any exercise of the Warrants pursuant to Scenario 2 (subject to any adjustment in the number of Warrant Shares to reflect any subsequent share consolidation). The promissory note will not bear any interest.

Following the closing of a Part 26A Restructuring, Scenario 2 is also subject to the potential repayment of the SUNs by the issue of new Ordinary Shares as referred to above upon the maturity of the SUNs in June 2026 if they are not repaid in cash.

If the Restructuring Resolution is not passed, but Independent Shareholders approve the RPT Resolution, the Company will remain as a premium listed company. The Company will proceed to implement an Alternative Restructuring and intends to implement the Restructuring Plan in

such circumstances on the basis of a waiver of the pre-emption provisions of the Listing Rules to be requested from the FCA.

Scenario 3 – implementation of an Alternative Restructuring through an insolvency process

It is anticipated that Scenario 3 would be pursued if for any reason it is not possible to implement either the Restructuring as contemplated under Scenario 1 or a Part 26A Restructuring as contemplated under Scenario 2.

If for any reason an Alternative Restructuring cannot be consummated via a Part 26A Restructuring, it is possible that an Alternative Restructuring would be implemented through a formal insolvency process.

Scenario 3 would entail the Noteholders acquiring all or substantially all of the existing assets of the Group in consideration for a release of part of the debt under of the Existing Notes (the "**Assets Transfer**"). Scenario 3 would be expected to involve the Company and/or other members of the Group filing for formal insolvency processes.

In the event that an Assets Transfer is successfully implemented, it is anticipated that the holders of the Existing Notes would receive their pro rata share of 100% of the share capital of a newly-incorporated vehicle which would acquire and hold all or substantially all of the existing assets of the Group. The Group would not receive any cash consideration in respect of the Assets Transfer. No New Shares would be issued to the Noteholders in connection with an Assets Transfer. Existing Shareholders would not receive any proceeds from the sale of such assets or any interest in such newly-incorporated vehicle. Existing Shareholders would retain an interest in the Company which would have no assets but may retain certain liabilities and it is expected that the Existing Shares would have no value. It is anticipated that an Assets Transfer would be followed by a winding-up of the Company.

It is not certain that it would be possible to implement an Alternative Restructuring pursuant to an Assets Transfer. Whilst the Lock-up Agreement contemplates the possibility of implementation via an Assets Transfer, the Lock-up Agreement also requires the parties thereto to agree any changes which would be needed to the terms of the Restructuring as necessary to implement it in this manner. There can be no certainty that any such changes would be agreed. If such changes were to be agreed, and in any event, there would be no guarantee that: (a) any insolvency process pursuant to which the Assets Transfer would occur would be approved by the relevant court; or (b) any scheme of arrangement under Part 26 of the Companies Act (or, if applicable, parallel proceedings in other jurisdictions) necessary to implement an Alternative Restructuring pursuant to an Assets Transfer would be approved by the Noteholders or approved or sanctioned by the relevant court. As a result of the uncertainty associated with these matters and other relevant variables, it is not possible for the Directors to assess conclusively whether or not the implementation of an Alternative Restructuring pursuant to an Assets Transfer is likely to be viable.

(C) New Governance Arrangements

In connection with the implementation of the Restructuring (or a Part 26A Restructuring), the Company will implement new corporate governance arrangements in respect of the Group and the proposal to transfer the Company's listing to the Standard Listing segment of the London Stock Exchange.

Governance

The Board's composition shall comply with the Corporate Governance Code (save for any temporary breaches). The Board shall consist of no fewer than five and no more than nine directors. Upon Closing, the Board shall consist of seven directors, comprised of: (i) the Chair; (ii) two executive directors; (iii) three independent non-executive directors and (iv) one Warrant Director, subject to any restrictions relating to independence applicable under any applicable listing rules.

Any directors appointed to the Board in addition to the initial seven person composition shall be independent non-executive directors.

Certain actions by the Company will be reserved matters requiring consent of the Warrant Trustee (acting at the direction of two-thirds by value of the holders of the SUNs present and

voting on the relevant reserved matter(s)). Those reserved matters will include, without limitation:

- approval of any amendments to the New Articles which are adverse to the rights of the holders of the Warrants;
- certain Group insolvency processes being in the United Kingdom;
- any alteration to the terms of the Warrants that is adverse to the rights and obligations of the holders of the Warrants; and
- any change to (or removal of) the listing status of the Company, subject to certain exceptions.

It is also intended that the Company will transfer to the standard listing segment of the Official List. This will require the approval of a special resolution of Shareholders which is being proposed at the General Meeting as part of the Restructuring Resolution.

Warrant Director

The terms of the Warrants will include the right for the Warrant Trustee to appoint, remove and replace one director to the Board (the "**Warrant Director**").

The method of appointment for the Warrant Director via instructions from holders of the SUNs will be set out in the Warrant Deed Poll. The Warrant Director shall sit on certain board committees following the Closing, including a remuneration committee, nomination and governance committee and strategic committee. The composition, and objectives, of each of those committees will be set out in the relevant terms of reference.

Transfer of Listing

The Company has agreed, pursuant to the Lock-up Agreement, to seek to transfer the Company's listing to the Standard Listing segment of the London Stock Exchange. The proposed Standard Listing will mean that the Company will not be required to comply with the super-equivalent provisions of the Listing Rules that apply to companies with securities admitted to the premium listing segment of the Official List. The Board considers that certain provisions relating to its current premium listing, in particular the requirement to obtain prior shareholder approval for any class 1 transaction, impose onerous obligations on the Company given its current market capitalisation. The Transfer of Listing would allow the Company to pursue potential strategic options to allow it to implement its business plan and grow the value of its assets without the need to prepare a circular to shareholders (including the preparation of a working capital statement). The Board considers this additional flexibility will assist in the successful execution of the Group's business plan and therefore a Standard Listing is more suited to the Company's size and strategy following the implementation of the Restructuring.

The Directors consider that the Transfer of Listing should occur as soon as reasonably practicable and, subject to shareholder approval, ahead of completion of the Restructuring.

Under the Listing Rules, the Transfer of Listing requires the approval of Shareholders in general meeting by way of a special resolution. In addition, the Company must give notice of the anticipated transfer date, which must be not less than 20 Business Days after the passing of the relevant resolution. The resolution to approve the Transfer of Listing is proposed at the General Meeting to be held on 29 April 2022 as part of the Restructuring Resolution. Accordingly, the Directors propose that, subject to the Restructuring Resolution being approved at the General Meeting, the Transfer of Listing is expected to take place on 31 May 2022.

If Shareholders do not pass the Restructuring Resolution at the General Meeting and a Part 26A Restructuring is implemented, it is expected that the Company would seek to implement the Transfer of Listing following closing of the Restructuring Plan, subject to the approval of Shareholders by way of a separate special resolution at that time (which would include the Shareholders to whom the New Shares will be issued).

Share Consolidation

Given the number of New Shares to be issued in connection with the Restructuring, the

Company proposes to undertake a share consolidation following the issue of the New Shares, so as to achieve an appropriate share price following Closing. Assuming the Restructuring is approved, this share consolidation will result in the number of Ordinary Shares in issue being reduced from approximately 1,693.8 million Ordinary Shares (following the issue of the New Shares) to approximately 169.4 million Ordinary Shares, on the basis of a 10:1 consolidation (the "**Share Consolidation**"). It is intended that the total number of issued Ordinary Shares of the Company following Closing and the Share Consolidation will be more appropriate for the expected market capitalisation of the Company and therefore improve the trading price of the ordinary shares.

In order to give effect to the Share Consolidation, Shareholders are being asked to approve (as part of the Restructuring Resolution) an initial reduction in the nominal value of the Ordinary Shares (the "**Sub-Division**") after the issue of the New Shares. The issued Ordinary Shares currently have a nominal value of £0.01 per Ordinary Share. The Company is proposing that each Ordinary Share will be subdivided at a ratio of 1:10 into one ordinary share of nominal value of £0.001 each together with nine deferred shares of nominal value £0.001 each (the "**Deferred Shares**"). The Deferred Shares will (in practice) have no economic or voting rights in the capital of the Company and it is expected that they will be cancelled following the implementation of the Restructuring.

Following the Sub-Division, it is proposed that the Company undergoes a share consolidation by which the ordinary shares of £0.001 each are consolidated at a ratio of 10:1 (the "**Consolidation**"). The nominal value of the Ordinary Shares following the Consolidation will be £0.01 each (the same as the current nominal value of the Ordinary Shares). Fractions of new Ordinary Shares will not be issued in connection with the Consolidation and any fractional entitlements shall be rounded down to the nearest whole Ordinary Share.

If Shareholders do not pass the Restructuring Resolution at the General Meeting and a Part 26A Restructuring is implemented, it is expected that the Company would seek to implement a share consolidation following closing of the Part 26A Restructuring, subject to the approval of shareholders at that time (which would include the Shareholders to whom the New Shares will be issued). However, any such share consolidation is likely to be on significantly greater multiple than the Share Consolidation, given the Company is expected to issue approximately 16,765 million Ordinary Shares in connection with any Part 26A Restructuring (to reflect the increased dilution to Existing Shareholders), meaning that approximately 16,953 million Ordinary Shares would be in issue following any Part 26A Restructuring and prior to any share consolidation. Any such proposal would be put to Shareholders in due course if required.

The number of Warrant Shares that may be issued will also be adjusted if the resolution to approve the Share Consolidation is passed (whether at the General Meeting or subsequently). The Company's share capital shall be subject to dilution by any new management incentive plan, long-term incentive plan or similar share scheme.

(D) Conditionality of the Restructuring

Each part of the Restructuring is conditional and each of the relevant transactions are inter-conditional.

If Shareholders do not vote in favour of the Restructuring Resolution but the other conditions to the implementation of the Restructuring are satisfied or waived, a restructuring will still be implemented, but on adjusted terms as contemplated in paragraph (B) "*Debt for Equity Swap*" above and paragraph (E) "*Alternative Restructurings*" below. The Board considers that the Alternative Restructurings are far less favourable to Shareholders for the reasons set out in paragraph (E) "*Alternative Restructurings*" below.

It should be noted that in addition to obtaining Shareholder approval for the passing of the Restructuring Resolution (and Independent Shareholder approval for the passing of the RPT Resolution), the Restructuring will require certain additional approvals.

- The Scheme will require the consent of a majority in number representing not less 75% by value of the holders of the Existing Notes that attend and vote at the Scheme Meeting.

- As at 6 April 2022, holders of Existing Notes representing at least 76.29% of the 2022 Notes and 80.35% of the 2025 Notes have contractually undertaken in the Lock-up Agreement to vote in favour of the Scheme at the Scheme Meeting.
- The Lock-up Agreement is subject to termination rights, including (i) automatic termination upon the occurrence of the Longstop Date, the occurrence of certain insolvency events or the termination of the Forbearance Agreement (as defined in the Lock-up Agreement), (ii) termination by a majority by value of Noteholders party thereto upon, amongst other things, a failure by the Company to meet certain prescribed restructuring milestones or the occurrence of certain other adverse events, and (iii) certain termination rights in favour of the Company, Noteholders and Shareholders party thereto.

- The Scheme will also require the sanction of the Court.

- The Admission of the New Shares to the Official List will require the approval of the FCA (following the approval by the FCA of a prospectus in respect of such Admission).

- In addition, the Restructuring will require the consent of the Kazakhstan Ministry of Energy in relation to (i) the issue of the New Shares and the Warrants and (ii) the waiver of the State's priority right to acquire such New Shares and Warrants.

Even if Shareholders approve the Restructuring Resolution, if the remaining conditions to the Restructuring are not satisfied (or where possible waived) no form of restructuring in the manner outlined in Scenario 1 will be implemented. In such circumstances, the Directors believe that the Group would face an immediate risk of being unable to meet its contractual obligations when they fall due and an Alternative Restructuring through an insolvency process, in the manner contemplated in Scenario 3, may be implemented.

Description of the Resolutions related to the Restructuring

In order to implement the Restructuring, a single resolution is being put to Shareholders at the General Meeting, to be approved as a special resolution, to (a) grant the Directors all relevant authorities needed to issue the New Shares and the Warrant Shares in connection with the Restructuring, (b) give effect to the Transfer of Listing, (c) approve the Share Consolidation and (d) adopt new articles of association (the "**Restructuring Resolution**").

In addition, an ordinary resolution is being put to Independent Shareholders to approve the RPT Arrangements (the "**RPT Resolution**") as required by the Listing Rules.

As the General Meeting will be held before either the Scheme or Restructuring Plan is proposed to be launched, the Company, the Shareholders and Noteholders will know in advance of the launch of the Scheme or the Restructuring Plan whether the Restructuring or the Part 26A Restructuring will be implemented, depending on whether or not the Restructuring Resolution has been passed at the General Meeting. This will allow the Company to prepare the necessary forms of documents required to be submitted to the court in relation to the Scheme or the Restructuring Plan and avoid further delays.

It should be noted that if Shareholders approve the Restructuring Resolution at the General Meeting (and Independent Shareholders approve the RPT Resolution), no subsequent Shareholder approval will be required for the implementation of the Restructuring, including as part of the Scheme. However, as noted above, if Shareholders do not approve the Restructuring Resolution, the Company anticipates that an Alternative Restructuring will be implemented.

Effect of the Resolutions

If the Restructuring Resolution is passed, and Independent Shareholders approve the RPT Resolution, the Company will proceed to implement the Scheme.

If the Restructuring Resolution is approved, but Independent Shareholders do not approve the RPT Arrangements, the Company would still seek to implement the Restructuring, including the Transfer of Listing, on the proposed timetable. In such circumstances:

- the Company's listing will have transferred to the standard listing segment of the Official List prior to the creditor's meeting to vote on the Scheme (although the Company will

still be required to seek approval of the RPT Arrangements from Independent Shareholders);

- the Company shall include a provision within the Scheme whereby each Noteholder (other than ICU and its associates) irrevocably consents to the RPT Arrangements (and confers a power of attorney on or irrevocable instruction to the Note Trustee (or an agent thereof) to vote the New Shares in favour of (or deliver an irrevocable proxy to the chairman of the meeting to vote in favour of) any resolution to approve the RPT Arrangements at a general meeting of the Company, or any similar structure to permit the New Shares to be voted on a resolution to approve the RPT Arrangements as may be permitted as part of the Scheme);

- the Company shall convene another general meeting of the Company to approve the RPT Arrangements (by way of another circular to shareholders to approve a related party transaction in accordance with the requirements of the Listing Rules);

    - this subsequent general meeting shall be held at a time after the creditor's meeting to vote on the Scheme and when the New Shares have been issued to the Noteholders (other than ICU and its associates), but prior to Closing so that such Noteholders shall be Independent Shareholders who are entitled to vote (or direct the voting of) such New Shares on a resolution to approve the RPT Arrangements; and

- the Closing shall be implemented in stages as follows:

    - prior to the record date for the subsequent general meeting (which is expected to be at the close of business two days prior to such subsequent general meeting), the Company shall issue the New Shares to the Note Trustee on behalf of the Noteholders (but excluding ICU and its associates), diluting the Existing Shareholders to approximately 11.7% of the then enlarged share capital;

    - in reliance on the irrevocable instruction to the Note Trustee set out in the Scheme, the Note Trustee shall deliver a proxy instruction in respect of all of the New Shares that have been issued to the Noteholders (but excluding ICU and its associates) to vote in favour of the resolution to approve the RPT Arrangements at such general meeting;

    - the Note Trustee shall, following the delivery of the proxy instruction, then transfer the New Shares to the Noteholders (but excluding ICU and its associates);

    - the Company shall hold the subsequent general meeting, at which it is expected that the RPT Arrangements will be approved on the basis that the Noteholders (excluding ICU and its associates) will represent approximately 90.8% of Independent Shareholders at such time having given effect to the issue of the New Shares; and

    - following such approval, the Company will then proceed to complete the remainder of the Restructuring, including (i) the issue of New Shares to ICU and its affiliates pro rata to their entitlement, (ii) the cancellation of the Existing Notes, (iii) the issue of the New Notes and the Warrants and (iv) the admission of the New Shares to the standard listing segment of the Official List and to trading on the London Stock Exchange.

In such circumstances, notwithstanding that the existing Independent Shareholders did not approve the RPT Arrangements at the General Meeting, if the Scheme is sanctioned by the Court and all other conditions to the Restructuring have been satisfied or waived the Noteholders (other than ICU and its associates), in their capacity as Shareholders following the issue of the New Shares, shall hold a sufficient number of Ordinary Shares to enable them to approve the RPT Arrangements at a subsequent general meeting of the Company prior to Closing.

Accordingly, the Directors recommend that Independent Shareholders vote in favour of the RPT Resolution to be proposed at the General Meeting.

If the Restructuring Resolution is not passed, but Independent Shareholders approve the RPT Resolution, the Company will remain as a premium listed company. The Company will proceed to implement an Alternative Restructuring and intends to implement the Restructuring Plan in such circumstances on the basis of a waiver of the pre-emption provisions of the Listing Rules to be requested from the FCA.

If neither the Restructuring Resolution nor the RPT Resolution is passed, the Company will proceed to implement an Alternative Restructuring and intends to implement the Restructuring Plan on the basis of waivers of certain provisions of the Listing Rules to be requested from the FCA, failing which it anticipates the Alternative Restructuring outlined in Scenario 3 will occur.

Restructuring Resolution

Shareholders are being asked to approve the Restructuring Resolution to give the necessary authorities which are required to be passed in order to implement various aspects of the Restructuring as follows:

- to give the Directors the authority to allot New Shares for the purposes of the Debt for Equity Swap;
- to give the Directors the authority to allot Warrant Shares for the purposes of any exercise of the Warrants;
- to empower the Directors to allot New Shares pursuant to that authorisation as if Shareholders' rights of pre-emption did not apply to the allotment in respect of the Debt for Equity Swap, or applied to the allotment with such modifications as the Directors may determine;
- to empower the Directors to allot Warrant Shares pursuant to that authorisation as if Shareholders' rights of pre-emption did not apply to the allotment in respect of the exercise of the Warrants, or applied to the allotment with such modifications as the Directors may determine;
- to adopt new articles of association to give effect to the new governance arrangements and the proposed issue of the Deferred Shares as part of the Share Consolidation;
- to approve the Transfer of Listing;
- to approve the Share Consolidation, comprising the Sub-Division and the Consolidation;
- approve the Capital Reduction in respect of the share premium account of the Company and create a distributable reserve in the capital of the Company (subject to separate sanction by the Court); and
- to approve the Restructuring and ratify the actions of the Directors in respect of the implementation of the Restructuring.

If the Restructuring Resolution is approved at the General Meeting, the Transfer of Listing is expected to take place on 31 May 2022.

RPT Resolution

Independent Shareholders (being any Shareholders other than ICU and its associates) are also being asked to approve the RPT Arrangements (as an ordinary resolution on which only Independent Shareholders may vote).

Working capital

The Company is of the opinion that if the Restructuring completes, and taking into account the capital resources that will be available to the Company after completion of the Restructuring, the working capital available to the Group would be sufficient for Group's present requirements, that is for at least the next 12 months following the date of this document.

Importance of the vote and consequences of a failure to implement the Restructuring

If Shareholders do not approve the Restructuring Resolution at the General Meeting, but the other conditions to the Restructuring are satisfied or waived (including the approval of a Restructuring Plan by the Noteholders at a Restructuring Plan Meeting), the Restructuring will still be implemented, but on the terms of a Part 26A Restructuring.

As the Scheme or Restructuring Plan is proposed to be launched after the General Meeting, the Company, the Shareholders and Noteholders will know in advance of the launch of the Scheme or the Restructuring Plan whether the Restructuring or the Part 26A Restructuring will be implemented.

If a Restructuring Plan is implemented, Shareholders would be left with only a 1.11% shareholding interest in the enlarged issued share capital of the Company following the closing of a Part 26A Restructuring (as compared to a 11.11% shareholding interest in the enlarged issued share capital of the Company following the Closing), in each case prior to any further dilution upon the exercise of the Warrants and/or any repayment of the SUNs in specie in June 2026 if the SUNs are not repaid in cash.

If neither the Scheme nor a Restructuring Plan is implemented and an Alternative Restructuring is implemented by means of an Assets Transfer, pursuant to a formal insolvency process, the Directors believe that Shareholders would hold shares in a company with no material assets and would be unlikely to receive any proceeds from the sale of the Group or the disposal of the Group's assets or other return of income or capital by the Company.

Therefore, if Shareholders do not approve the Restructuring Resolution at the General Meeting it is expected that the economic terms of an Alternative Restructuring will mean that the Shareholders would be likely to see a significantly worse outcome than in the event of the Restructuring being approved.

(E) Alternative Restructurings

An Alternative Restructuring will be pursued without delay if the Restructuring cannot be consummated. The Directors anticipate that the form of an Alternative Restructuring will depend upon whether the other conditions to the Restructuring are satisfied.

Scenario 2 – implementation of an Alternative Restructuring through a Part 26A Restructuring

If the Restructuring Resolution is not passed by Shareholders, but the other conditions to the Restructuring are satisfied or waived (including the approval of a Restructuring Plan by the Noteholders at a Restructuring Plan Meeting), holders of the Existing Notes, or their nominee(s), will receive:

(a) New Shares so as to result in them owning 98.89% of the enlarged issued share capital of the Company on closing of the Restructuring Plan; and

(b) Warrants, issued to the Warrant Trustee, to subscribe for additional Warrant Shares such that the holding of such holders of the Existing Notes, or their nominee(s), would increase from 98.89% to 99% of the enlarged issued share capital of the Company on exercise of all of the Warrants, in each case based upon the pro forma capitalisation of the Company immediately following closing of the Restructuring Plan.

The Warrants will be exercisable in full for the issue of the Warrant Shares upon:

- a breach of the Company's covenants or undertakings in relation to the SUNs or the Warrants;
- a change in, or breach of, certain governance principles to be adopted by the Company on or prior to closing of the Restructuring Plan without Warrant Approval;
- a change to the agreed composition of the Board that has not obtained Warrant Approval; or
- an Exit.

The Existing Shareholders will retain 1.11% of the enlarged issued share capital of the

Company on closing of the Restructuring Plan. A full exercise of the Warrants would decrease that holding to 1% of the enlarged issued share capital of the Company following closing of the Restructuring Plan, assuming that no share issuances or cancellations have occurred (or shares have been taken into treasury) in the interim and excluding entitlements under any new management incentive plan, long-term incentive plan or similar share scheme.

If the Restructuring Resolution is not passed, but Independent Shareholders approve the RPT Resolution, the Company will remain as a premium listed company. The Company intends to implement the Restructuring Plan in such circumstances on the basis of a waiver of the pre-emption provisions of the Listing Rules to be requested from the FCA.

Therefore, if Shareholders do not approve the Restructuring Resolution at the General Meeting it is expected that the economic terms of a Part 26A Restructuring will mean that the Shareholders would be likely to see a significantly worse outcome than in the event that the Restructuring is approved.

The Restructuring Plan, if approved by the Noteholders and sanctioned by the Court, will grant the Directors the authority to allot the New Shares and the Warrant Shares, including as if Shareholders' rights of pre-emption did not apply to the allotment in respect of such Ordinary Shares. Accordingly, the New Shares and the Warrant Shares will be capable of being issued to Noteholders even if Shareholders do not approve the Restructuring Resolution.

The Part 26A Restructuring comprises a number of inter-conditional steps and transactions. Even if the Resolutions are passed, in order for the Restructuring to be implemented there are other conditions that need to be fulfilled, including:

- The approval of the Restructuring Plan by a majority in number representing not less 75% by value of the Noteholders that attend and vote at the Restructuring Plan Meeting.
- The sanction of the Restructuring Plan by the Court.
- Consent of the Kazakhstan Ministry of Energy with respect to (i) the issue of the New Shares and the Warrants and (ii) the waiver of the State's priority right to acquire such New Shares and Warrants. No other consents are required under the Group's production sharing agreement.

If any of these inter-conditional requirements are not satisfied (or where possible waived), the Part 26A Restructuring will not be implemented. In such circumstances, the Directors believe that, given the considerable effort, time and cost that it has taken for the Company to agree to the terms of the Restructuring with its key stakeholders, the prospect of such parties agreeing to an alternative transaction which would leave the Group with a viable capital structure before enforcement action was commenced or it became necessary to place one or more of the Group members, including the Company, into an insolvency procedure, is unlikely.

Following the closing of a Part 26A Restructuring, Shareholders are also potentially subject to further dilution upon the maturity of the SUNs in June 2026 if the SUNs are not repaid in cash.

Scenario 3 – implementation of an Alternative Restructuring through an insolvency process

If neither the Restructuring nor a Part 26A Restructuring proceeds, the Directors are of the opinion that, given the defaults under the Group's existing borrowings, the Group will be unable to meet its debts as they fall due. If for any reason an Alternative Restructuring cannot be consummated via a Part 26A Restructuring, it is possible that an Alternative Restructuring would be implemented by means of an Assets Transfer, pursuant to a formal insolvency process.

In the event that an Assets Transfer is successfully implemented, it is anticipated that holders of the Existing Notes would receive their pro rata share of 100% of the share capital of a newly-incorporated vehicle which would acquire and hold all or substantially all of the existing assets of the Group in consideration for a release of part of the debt under the Existing Notes. The Group would not receive any cash consideration in respect of the Assets Transfer. No New Shares would be issued to the holders of the Existing Notes in connection with an Assets Transfer. Existing Shareholders would not receive any proceeds from the sale of such assets or any interest in such newly-incorporated vehicle. Existing Shareholders would retain an

interest in the Company which would have no assets but may retain certain liabilities and it is expected that the Existing Shares would have no value. It is anticipated that an Assets Transfer would be followed by a winding-up of the Company.

It is not certain that it would be possible to implement an Alternative Restructuring pursuant to an Assets Transfer. Whilst the Lock-up Agreement contemplates the possibility of implementation via an Assets Transfer, the Lock-up Agreement also requires the parties thereto to agree any changes which would be needed to the terms of the Restructuring as necessary to implement it in this manner. There can be no certainty that any such changes would be agreed. If such changes were to be agreed, and in any event, there would be no guarantee that: (a) any insolvency process pursuant to which the Assets Transfer would occur would be approved by the relevant court; or (b) any scheme of arrangement under Part 26 of the Companies Act (or, if applicable, parallel proceedings in other jurisdictions) necessary to implement an Alternative Restructuring pursuant to an Assets Transfer would be approved by the Noteholders or approved or sanctioned by the relevant court. As a result of the uncertainty associated with these matters and other relevant variables, it is not possible for the Directors to assess conclusively whether or not the implementation of an Alternative Restructuring pursuant to an Assets Transfer is likely to be viable.

The Directors believe that, if it becomes apparent that the Restructuring or an Alternative Restructuring is not capable of being implemented because, for example, the requisite majorities of Noteholders do not vote in favour of the Scheme (or a Restructuring Plan), the Court does not sanction the Scheme (or a Restructuring Plan) or the necessary Kazakhstan Ministry of Energy consents are not obtained, it is likely that shortly thereafter the Noteholders would terminate the Lock-up Agreement and the present forbearance arrangements. In those circumstances, one or more of the Noteholders or other creditors of the Group would be able to take enforcement action against the Group or cause such action to be taken. Such enforcement action may include the acceleration of the 2022 Notes (to the extent not already due and payable following maturity on 25 July 2022) and the 2025 Notes. Furthermore, it is likely that the Directors would be forced to conclude that the Company no longer has a reasonable prospect of avoiding an insolvent liquidation or an administration.

In these circumstances, the Directors would likely conclude that the only viable course of action for the Group would be for the key group companies to apply for the commencement of insolvency procedures in relevant jurisdictions in order to obtain, where possible, the benefit of statutory moratoriums. However, in any alternative scenario, it is expected that Shareholders would receive lower or even no recovery on their investments in the Ordinary Shares than the anticipated returns for Shareholders in the Restructuring or an Alternative Restructuring.

(F) Dilution

The Restructuring will result in substantial dilution for Existing Shareholders of their interests in the Company.

Scenario 1 – implementation of the Restructuring

Following the implementation of the Restructuring, the Existing Shareholders, in aggregate, will own approximately 11.1% (which may be diluted on exercise of the Warrants to 10%) of the enlarged issued share capital in the Company, and the Noteholders (or their nominees), in aggregate, will own approximately 88.9% (which may be increased on exercise of the Warrants up to 90%) of the enlarged issued share capital in the Company.

The following table shows the dilution to the issued share capital for each stage of the Restructuring and the cumulative dilution effect for Existing Shareholders.

Step	Number of Shares	Cumulative number of shares	Dilution to issued share capital	Cumulative Interests of Existing Shareholders
Current position	188.2m	188.2m	0%	100%
Debt for Equity Swap	1,505.6m	1,693.8m	88.89%	11.11%

Exercise of Warrants	188.0m	1,881.8m	90%	10%

As noted in "Share Capital Consolidation" in paragraph (C) "*New Governance Arrangements*" above, the Company proposes to undertake a share consolidation following the issue of the New Shares, so as to achieve an appropriate share price following Closing. This Share Consolidation will – if the Restructuring is implemented in the manner contemplated in Scenario 1 – result in the number of Ordinary Shares in issue being reduced from approximately 1,693.8 million Ordinary Shares (following the issue of the New Shares) to approximately 169.4 million Ordinary Shares, on the basis of a 10:1 consolidation. Accordingly, the table above reflects the position following the issue of the New Shares and prior to the effect of the Share Consolidation. Following the Share Consolidation, the Company is expected to have approximately 169.4 million Ordinary Shares in issue, with Warrants representing 18,801,358 Warrant Shares being issued to the Warrant Trustee.

In addition, on maturity in June 2026, if not repaid in cash, the SUNs may be repaid in specie, subject to (among other necessary approvals) receiving the prior consent of the Kazakhstan Ministry of Energy, by way of the issue of new Ordinary Shares based on the value of the SUNs outstanding on the conversion date as a percentage of the FMV of the Company, up to a maximum of 99.99% of the Company's fully diluted equity. The FMV for these purposes will be the equity value of the Company (as if having given effect to the repayment of the SUNs in specie), calculated by reference to the Gross FMV, less liabilities (including any indebtedness ranking ahead of the Ordinary Shares assuming the repayment of the SUNs in specie, such as the SSNs), which shall be determined by an independent third party in the business of providing professional valuation services, selected by a majority of the independent directors of the Company. Repayment of the SUNs on maturity by way of the issue of new Ordinary Shares will require: (i) the consent of holders of 75% in outstanding principal amount of the SUNs and (ii) where the Company is to be delisted, notification to the FCA regarding the cancellation of listing.

The SUNs will be repaid following the repayment of the SSNs, which have a principal repayment amount of US$250 million. It is anticipated that the Group's repayment liability upon the maturity of the SUNs will be approximately the SUNs Maturity Amount. The holders of the SUNs may therefore be issued new Ordinary Shares calculated by reference to the SUNs Maturity Amount as a percentage of the FMV, up to a maximum of 99.99% of the Company's fully diluted equity, if the SUNs are not repaid in cash on maturity in June 2026.

For illustrative purposes only, the following table shows the expected dilution to the issued share capital for the repayment of the SUNs in specie, assuming (i) the repayment of the SSNs in the amount of US$250 million, (ii) a repayment obligation of US$528.6 million in respect of the SUNs, (iii) an issued share capital of 169.4 million Ordinary Shares (following the Debt for Equity Swap and Share Consolidation and assuming no exercise of the Warrants) and (iv) the indicative Gross FMVs (in US$) of the Company.

Gross FMV (US$ m)	**Gross FMV less SSNs repayment (US$ m)**	**SUNs Maturity Amount (US$ m)**	**SUNs as a percentage of Gross FMV after SSNs repayment**	**SUNs ownership**	**Shareholders ownership (excluding SUNs ownership)**	**Existing Shareholders ownership**
350	100	528.6	529%	99.99%	0.01%	0.00%
450	200	528.6	264%	99.99%	0.01%	0.00%
550	300	528.6	176%	99.99%	0.01%	0.00%
850	600	528.6	88%	88.10%	11.90%	1.32%
1,000	750	528.6	70%	70.48%	29.52%	3.28%

If the SUNs are repaid in specie on maturity in June 2026, the holders of the SUNs will receive approximately 1,693,647 million new Ordinary Shares representing 99.99% of the further

enlarged issued share capital of the Company in all situations where the FMV (being the Gross FMV of the Company less the repayment of the SSNs) is less than approximately US$528.6 million (being the expected amount to be repaid under the SUNs on maturity, assuming no prior repayments are made from the Blocked Account).

Scenario 2 – implementation of an Alternative Restructuring through a Part 26A Restructuring

If a Part 26A Restructuring is implemented, this will result in additional dilution for Existing Shareholders of their interests in the Company as compared to the Restructuring. Following the implementation of a Part 26A Restructuring, the Existing Shareholders, in aggregate, will own approximately 1.1% (which may be diluted on exercise of the Warrants to 1%) of the enlarged issued share capital in the Company, and the Noteholders (or their nominees), in aggregate, will own approximately 98.9% (which may be increased on exercise of the Warrants up to 99%) of the enlarged issued share capital in the Company.

The following table shows the dilution to the issued share capital for each stage of a Part 26A Restructuring and the cumulative dilution effect for Existing Shareholders.

Step	Number of Shares	Cumulative number of shares	Dilution to issued share capital	Cumulative Interests of Existing Shareholders – Restructuring Plan
Current position	188.2m	188.2m	0%	100%
Debt for Equity Swap	16,765.2m	16,953.4m	98.89%	1.11%
Exercise of Warrants	1,864.9m	18,818.3m	99%	1.0%

Following any Part 26A Restructuring, the Company may following Closing subsequently seek shareholder approval to undertake a larger share consolidation following the issue of the New Shares, so as to achieve an appropriate share price. Any such share consolidation is likely to be on significantly greater multiple than the Share Consolidation, given the Company is expected to issue approximately 16,765 million Ordinary Shares in connection with any Part 26A Restructuring (to reflect the increased dilution to Existing Shareholders), meaning that approximately 16,953 million Ordinary Shares would be in issue following any Part 26A Restructuring and prior to any share consolidation.

Under Scenario 2, Shareholders may also suffer additional dilution if the SUNs are repaid in specie upon maturity in June 2026 as outlined in Scenario 1 above. Based on the indicative Gross FMVs and assumptions outlined in Scenario 1 above, the cumulative interests of Existing Shareholders following any repayment of the SUNs in specie under Scenario 2 may be between 0.0% and 0.3% of the enlarged issued share capital having given effect to such repayment. If the SUNs are repaid in specie on maturity in June 2026, the holders of the SUNs will be issued new shares representing 99.99% of the further enlarged issued share capital of the Company in all situations where the FMV (being the Gross FMV of the Company less the repayment of the SSNs) is less than approximately US$528.6 million (being the expected amount to be repaid under the SUNs on maturity, assuming no prior repayments are made from the Blocked Account).

Scenario 3 – implementation of an Alternative Restructuring through an insolvency process

Upon any Alternative Restructuring (other than a Part 26A Restructuring), such as that contemplated in paragraph (E) "*Alternative Restructurings*" above, the Existing Shareholders will retain 100% of the issued share capital of the Company and no New Shares or Warrants will be issued to Noteholders. However, the Company is likely to cease to hold any assets and therefore the interests of the Existing Shareholders in the Company are likely to have no value.

(G) Reduction of Capital

In connection with the Restructuring, the Company expects to issue approximately 1,505.6 million New Shares to the holders of the Existing Notes pursuant to the Debt for Equity Swap,

at a significant premium to the nominal value of the Ordinary Shares. This share premium comprises a non-distributable reserve for the purposes of the Companies Act.

The value of the Existing Notes which will be repaid pursuant to the Debt for Equity Swap, and therefore the size of the premium to nominal value of the New Shares, will depend upon the date of Closing (given the Existing Notes continue to accrue interest and default interest). For example, if the Closing of the Restructuring occurs on 30 June 2022, approximately US$798.1 million of the Existing Notes (including accrued but unpaid interest) is expected to be repaid in this manner. As at the date of the General Meeting the amount of share premium that will be created upon the issue of the New Shares will be unknown.

The share premium account only has limited applications and, accordingly, the Company is proposing to reduce the sum standing to the amount of the share premium account arising upon the issue of the New Shares by £0.30 per New Share (or by £451,689,913.80 in aggregate) (the "**Capital Reduction**"), in order to create distributable reserves to support (i) the future payment by the Company of dividends to its Shareholders and (ii) share buybacks should circumstances dictate it is desirable to do so.

On completion of the Capital Reduction, the Company's share premium account will be reduced by £451,689,913.80, subject to the Court being satisfied with the Company's approach to creditors.

The completion of the Capital Reduction will not affect the rights attaching to the Ordinary Shares and will not result in any change to the number of Ordinary Shares in issue.

The Capital Reduction will not be implemented if an Alternative Restructuring is implemented.

(H) Application for Admission

Assuming the Restructuring Resolution is passed and the Transfer of Listing has become effective, an application will be made to the FCA, in its capacity as competent authority under FSMA, for all of the New Shares to be issued pursuant to the Restructuring to be admitted to the standard listing segment of the Official List of the FCA under Chapter 14 of the Listing Rules and to the London Stock Exchange plc for such New Shares to be admitted to trading on the London Stock Exchange's main market for listed securities, in each case upon the Closing. Such application will require the approval of a prospectus by the FCA in due course prior to the Closing.

Position after the Restructuring

The Directors cannot give any assurance (even if the Restructuring is successfully completed) that the Group's business will be successful in the future.

Even if the Restructuring does proceed, the ability of the Group to be in a position to return value to Shareholders (either through an increased share price or payment of dividends or a return of capital in the longer term) for their investment is highly dependent on the ability of the Group to restructure its operations in order to reduce its cost base, develop and monetise its reserves and fill the spare capacity in its processing facilities.

Nostrum conducts its principal operations in the Chinarevskoye oil and gas condensate field (the "**Chinarevskoye Field**") in North-Western Kazakhstan. The Chinarevskoye Field is a mature, declining asset with a low proved and probable reserves base of only 39 million barrels of oil equivalent as at 31 December 2020 based on the Ryder Scott reserves report. Production from the field will be insufficient to utilise the total 4.2 billion cubic metre processing capacity of the Company's gas treatment facilities.

The Company is therefore reliant on acquiring and developing nearby assets with significant resource potential and / or processing third party gas through its processing facilities to continue to produce free cash flows and build sufficient cash reserves to repay future indebtedness. The ability to negotiate and secure these strategic acquisitions is highly uncertain and the ability to fund the development of such projects, the costs of which may be substantial and require external funding, may not materialise. The Group's aim is to ensure that its business is in a strong position to sustain operations at current oil and gas price levels, although it will take time to implement the operational restructuring and see the benefits of such changes.

The Group will be dependent on the prevailing market prices for oil and gas as well as the ability to export a significant proportion of its production. The Group's aim is to ensure that its business is in a strong position to sustain operations at current oil and gas price levels. If oil and gas price levels return to or even fall below levels seen in 2020, the Company will need to review ongoing capital expenditures and operational costs.

The Group's production levels are expected to continue to decrease as the Group depletes the reservoirs in the Chinarevskoye Field. If cost reductions and operational improvements are not successfully implemented, if appraisal assets are not developed, if no new discoveries are made and monetised and/or if the Group is unable to fill the spare capacity in its processing facilities, it is likely that no dividends would be declared, made or paid and that the Company would be unable otherwise to return any value to its Shareholders. If prices for the Group's crude oil fall further or remain at lower levels, this would materially adversely affect the Group's business, results of operations, financial condition and prospects, and the trading price of the Ordinary Shares.

Debt structure of the Group prior to the Restructuring

As at the date of this document, the Group has the following indebtedness:

- US$725 million 8.00% notes due July 2022; and
- US$400 million 7.00% notes due February 2025.

Debt structure of the Group after the Restructuring

Immediately following the completion of the Restructuring, the Group will have aggregate borrowings of approximately US$550.0 million (as adjusted). This will comprise the following:

- Senior secured notes of US$250 million due 30 June 2026; and
- Senior unsecured notes of US$300 million due 30 June 2026 (together with additional SUNs representing capitalised payment-in-kind interest on the SUNs for the period from 1 January 2022 until the date of issue of the SUNs).
    - For example, if the SUNs are issued on 30 June 2022, Nostrum Oil & Gas Finance B.V. will issue approximately US$19.4 million in principal amount of additional SUNs representing the accrued payment-in-kind interest.

Debt maturity profile

The following table sets out the current debt maturity profile and expected payment obligations of the Group under its principal third party debt financings (without giving effect to the Restructuring or an Alternative Restructuring).

Maturity profile	**Principal (US$ millions)**	**Accrued and unpaid interest (US$ millions)[(1)]**	**Payment obligation (US$ millions)[(2)]**
Due by 31 December 2022	725		
Existing Notes due July 2022	725	157.1	882.1
Due by 31 December 2023	-		
Due by 31 December 2024	-		
Due by 31 December 2025	400		
Existing Notes due February 2025	400	73.2	473.2
Total	1,125	230.3	1,355.3

(1) As at 25 July 2022, being the maturity date of the 2022 Notes, including default interest.
(2) Assuming the Existing Notes are repaid in full on 25 July 2022.

The following table sets out the amended debt maturity profile and expected payment obligations of the Group under its principal third party debt financings after giving effect to the Restructuring or a Part 26A Restructuring (including the amounts due in respect of payment-in-kind interest on the SUNs for the period from 1 January 2022 until the maturity date of 30 June 2026).

Maturity profile	**Principal (US$ millions)**	**Payment-in-kind interest (US$ millions)**	**Payment obligation (US$ millions)**
Due by 31 December 2022	-		
Due by 31 December 2023	-		
Due by 31 December 2024	-		
Due by 31 December 2025	-		
Due by 31 December 2026	550		
SSNs due 30 June 2026	250	-	250
SUNs due 30 June 2026	300	228.6	528.6
Total	550	228.6	778.6

Terms of the RPT Arrangements

As at the Latest Practicable Date, affiliates of ICU hold approximately US$67.5 million in principal of the Existing Notes, representing approximately 6.0% of the total principal amount of the Existing Notes. Affiliates of ICU hold approximately 23.8% of the Existing Shares and so ICU is a related party of the Company for the purposes of Chapter 11 of the Listing Rules. The affiliates of ICU will be issued with New Shares, New Notes and Warrants pro rata to their holdings of Existing Notes pursuant to the Restructuring. The RPT Arrangements constitute a related party transaction for the purposes of Chapter 11 of the Listing Rules and require the approval of Independent Shareholders in accordance with the provisions of the Listing Rules.

The RPT Arrangements are conditional upon the RPT Resolution being approved by Independent Shareholders at the General Meeting. ICU has undertaken not to vote on the RPT Resolution, and to take all reasonable steps to ensure that its associates will not vote on the RPT Resolution, at the General Meeting.

In addition, such affiliates of ICU (i) have received their pro rata proportion of the Consent Fee and (ii) will, pursuant to the Lock-up Agreement, be paid the Lock-up Fee, in each case in respect of their holdings of Existing Notes. In addition, pursuant to the Lock-up Agreement, the Company agreed to pay certain legal fees to legal advisers to ICU, in respect of their legal advice in connection with the Restructuring, up to a maximum agreed amount. These arrangements are outside of the RPT Arrangements and do not require the approval of Independent Shareholders in accordance with the provisions of the Listing Rules.

Effect of the Resolutions

If the Restructuring Resolution is passed, and Independent Shareholders approve the RPT Resolution, the Company will proceed to implement the Scheme.

If the Restructuring Resolution is approved, but Independent Shareholders do not approve the RPT Arrangements, the Company would still seek to implement the Restructuring, including the Transfer of Listing, on the proposed timetable. In such circumstances:

- the Company's listing will have transferred to the standard listing segment of the Official List prior to the creditor's meeting to vote on the Scheme (although the Company will still be required to seek approval of the RPT Arrangements from Independent Shareholders);

- the Company shall include a provision within the Scheme whereby each Noteholder (other than ICU and its associates) irrevocably consents to the RPT Arrangements (and confers a power of attorney on or irrevocable instruction to the Note Trustee (or an agent thereof) to vote the New Shares in favour of (or deliver an irrevocable proxy to the chairman of the meeting to vote in favour of) any resolution to approve the RPT Arrangements at a general meeting of the Company, or any similar structure to permit the New Shares to be voted on a resolution to approve the RPT Arrangements as may be permitted as part of the Scheme);

    - the Company shall convene another general meeting of the Company to approve the RPT Arrangements (by way of another circular to shareholders to approve a related party transaction in accordance with the requirements of the Listing Rules);

- this subsequent general meeting shall be held at a time after the creditor's meeting to vote on the Scheme and when the New Shares have been issued to the Noteholders (other than ICU and its associates), but prior to Closing so that such Noteholders shall be Independent Shareholders who are entitled to vote (or direct the voting of) such New Shares on a resolution to approve the RPT Arrangements; and

- the Closing shall be implemented in stages as follows:

    - prior to the record date for the subsequent general meeting (which is expected to be at the close of business two days prior to such subsequent general meeting), the Company shall issue the New Shares to the Note Trustee on behalf of the Noteholders (but excluding ICU and its associates), diluting the Existing Shareholders to approximately 11.7% of the then enlarged share capital;
    - in reliance on the irrevocable instruction to the Note Trustee set out in the Scheme, the Note Trustee shall deliver a proxy instruction in respect of all of the New Shares that have been issued to the Noteholders (but excluding ICU and its associates) to vote in favour of the resolution to approve the RPT Arrangements at such general meeting;
    - the Note Trustee shall, following the delivery of the proxy instruction, then transfer the New Shares to the Noteholders (but excluding ICU and its associates);
    - the Company shall hold the subsequent general meeting, at which it is expected that the RPT Arrangements will be approved on the basis that the Noteholders (excluding ICU and its associates) will represent approximately 90.8% of Independent Shareholders at such time having given effect to the issue of the New Shares; and
    - following such approval, the Company will then proceed to complete the remainder of the Restructuring, including (i) the issue of New Shares to ICU and its affiliates pro rata to their entitlement, (ii) the cancellation of the Existing Notes, (iii) the issue of the New Notes and the Warrants and (iv) the admission of the New Shares to the standard listing segment of the Official List and to trading on the London Stock Exchange.

If the Restructuring Resolution is not passed, but Independent Shareholders approve the RPT Resolution, the Company will remain as a premium listed company. The Company will proceed to implement an Alternative Restructuring and intends to implement the Restructuring Plan in such circumstances on the basis of a waiver of the pre-emption provisions of the Listing Rules to be requested from the FCA.

If neither the Restructuring Resolution nor the RPT Resolution is passed, the Company will proceed to implement an Alternative Restructuring and intends to implement the Restructuring Plan on the basis of waivers of certain provisions of the Listing Rules to be requested from the FCA, failing which it anticipates the Alternative Restructuring outlined in Scenario 3 will occur.

Additional Listings

In connection with the implementation of the Restructuring, the Company will undertake an offering of all of the New Shares and Warrants on the Astana International Stock Exchange ("**AIX**"), by way of the waiver of certain claims under the Existing Notes, in satisfaction of certain regulatory requirements in Kazakhstan. As a result, the Ordinary Shares and Warrants are also expected to be admitted to listing on AIX as part of the implementation of the Restructuring. The Ordinary Shares are currently admitted to listing on the Kazakhstan Stock Exchange ("**KASE**"). The Directors consider that having the Ordinary Shares traded on two stock exchanges in Kazakhstan will create additional costs and have limited benefits. Accordingly, the Directors propose that they will seek to cancel the listing of the Ordinary Shares on the Kazakhstan Stock Exchange shortly prior to or at the time that the Scheme become effective and to only have the Ordinary Shares listed on the AIX following the completion of the Restructuring.

It is also anticipated that the Warrants will be admitted to listing on The International Stock Exchange in the Channel Islands at Closing.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication and posting of the Circular and the Notice of General Meeting	13 April 2022
Latest time and date for receipt of proxy (or CREST Proxy Instruction)	10:00 a.m. on 27 April 2022
Record time and date for entitlement to vote at the General Meeting	6:00 p.m. on 27 April 2022
General Meeting	10:00 a.m. on 29 April 2022
Determination as to whether the Restructuring or an Alternative Restructuring applies	29 April 2022
Transfer of Listing	31 May 2022
Publication of prospectus	June 2022
De-listing from KASE	early Q3 2022
Listing on AIX	early Q3 2022
Closing of the Restructuring	early Q3 2022

All references to time in this document are to London time unless otherwise stated.

The dates given are based on the Company's current expectations and may be subject to change.

DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise:

2022 Notes	the 8.0% Senior Notes due July 2022 issued by Nostrum Oil & Gas Finance B.V.

2025 Notes	the 7.0% Senior Notes due February 2025 issued by Nostrum Oil & Gas Finance B.V.
Admission	the admission of the Ordinary Shares to listing on the standard segment of the FCA's Official List and to trading on the main market of the London Stock Exchange
AIX	Astana International Exchange
Articles of Association	the existing articles of association of the Company
Blocked Account	an account, in the name of the Company, pledged and blocked in favour of the trustee for the New Notes
Board	the board comprising the Directors of the Company from time to time
Business Day	any day (excluding Saturdays, Sundays and public holidays in England and Wales) on which banks are generally open for business in London
Circular	the document to be issued by Nostrum in connection with the Restructuring containing the Notice of General Meeting
Companies Act	the Companies Act 2006 (as amended)
Company or **Nostrum**	Nostrum Oil & Gas PLC a company registered in England and Wales with registered number 8717287 whose registered office is at 20 Eastbourne Terrace, London, England, W2 6LG
Corporate Governance Code	the latest UK Corporate Governance Code published by the Financial Reporting Council
Court	the High Court of Justice of England and Wales
CREST	the paperless settlement procedure operated by Euroclear enabling system securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument
CREST Proxy Instruction	the instruction whereby CREST members send a CREST message appointing a proxy for the meeting and instructing the proxy on how to vote
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 / 3755)
Directors	the directors of the Company from time to time
DSRA	Debt Service Retention Account
Existing Shareholders	the holders of the Existing Shares
Existing Shares	the Ordinary Shares in issue immediately prior to the Restructuring
FCA	the Financial Conduct Authority or its successor from time to time
FSMA	Financial Services and Markets Act 2000 (as amended)
General Meeting	the general meeting of the Company to be held at the offices of White & Case LLP, 5 Old Broad Street, London, EC2N 1DW on 29 April 2022 at 10:00 a.m. (or any adjournment thereof)
Group	the Company and its subsidiary undertakings

KASE	the Kazakhstan Stock Exchange
Kazakhstan	the Republic of Kazakhstan
Kazakhstan Ministry of Energy	the Ministry of Energy of the Republic of Kazakhstan
Latest Practicable Date	11 April 2022, being the latest practicable date before publication of this announcement
Listing Rules	the rules and regulations made by the FCA under the FSMA, and contained in the UK Listing Authority's publication of the same name
Lock-up Agreement	the lock-up agreement dated 23 December 2021 between, inter alia, the Company and certain of the Noteholders
Lock-Up Fee	a fee of 0.5% of the principal amount of the Existing Notes payable upon consummation of the Restructuring to each participating Noteholder who was originally party to the Lock-up Agreement or who acceded to the Lock-up Agreement within 22 days of its execution (that is, by 14 January 2022)
London Stock Exchange	the regulated market operated by London Stock Exchange plc or its successor
Longstop Date	23 August 2022
New Articles	the new articles of association of the Company proposed to be adopted in connection with the Restructuring
New Shares	the Ordinary Shares to be issued pursuant to the Restructuring
Noteholder	a holder of the Existing Notes
Official List	the official list of the FCA
Ordinary Shares	the ordinary shares with a nominal value of 1 penny each in the capital of the Company in issue from time to time
pence or **£**	the lawful currency of the United Kingdom
Registrar	Link Group of 10th Floor Central Square, 29 Wellington Street, Leeds LS1 4DL
Resolutions	the Restructuring Resolution and the RPT Resolution
Restructuring Plan	means a restructuring plan proposed pursuant to Part 26A of the Companies Act between the Company and the Noteholders before the Court in order to implement the proposed Part 26A Restructuring
Restructuring Resolution	the special resolution to give effect to the Restructuring and certain other matters as set out in the Notice of General Meeting at the end of this document
RPT Arrangements	the arrangements with ICU and its affiliates which constitute related party transactions for the purposes of Chapter 11 of the Listing Rules
RPT Resolution	the resolution to approve the RPT Arrangements as set out in the Notice of General Meeting at the end of this document
Restructuring Plan Meeting	the meeting of the Noteholders to consider, and if though fit, to approve the Restructuring Plan

Scheme Meeting	the meeting of the Noteholders anticipated to be convened in accordance with the permission of the Court pursuant to section 896 of the Companies Act to consider, and if thought fit, to approve the Scheme, including any adjournment thereof
Shareholders	the holders of the Ordinary Shares from time to time
Sponsor or **Stifel**	Stifel Nicolaus Europe Limited
SSNs	the new senior secured notes in a principal amount of US$250,000,000 maturing on 30 June 2026 anticipated to be issued as part of the Restructuring
State	the Republic of Kazakhstan
SUNs	the new senior unsecured notes in a principal amount of US$300,000,000 maturing on 30 June 2026 (together with principal amount of additional senior notes representing the payment-in kind interest payable with effect from 1 January 2022 until the date of issue) anticipated to be issued as part of the Restructuring
Transfer of Listing	Admission of the Ordinary Shares to the standard listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities
UK or **United Kingdom**	United Kingdom of Great Britain and Northern Ireland
Uncertificated or **in uncertificated form**	in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form that is, in CREST) and title to which may be transferred by using CREST
United States or **US**	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia, and all other areas subject to its jurisdiction
US$ or **US dollar**	the lawful currency of the United States
Warrant Deed Poll	the deed poll pursuant to which the Warrants will be constituted
Warrant Holder	any holder of a Warrant
Warrant Shares	means the new Ordinary Shares issuable upon the exercise of the Warrants, as the same may be adjusted from time to time in accordance with the terms of the Warrants
Warrant Trustee	GLAS Trust Company LLC or one of its affiliates
Warrants	the equity warrants issued to holders of the SUNs (or their nominees), the terms of which are governed by the Warrant Deed Poll
Warrants Exercise Price	1 penny, as adjusted from time to time
Zhaikmunai	Zhaikmunai LLP, a limited liability partnership formed under the laws of Kazakhstan

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.

Disclaimer

This announcement is not intended to and does not constitute or form part of any offer to sell or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the proposals set out herein or otherwise, nor shall it (or the fact of its distribution) form the basis of, or be relied on in connection with, any contract therefor or be considered a recommendation that any investor should subscribe for or purchase or invest in any securities.

Any such offer or invitation will be made solely by means of a prospectus to be published by the Company in due course. This announcement has not been examined or approved by the Financial Conduct Authority (the "**FCA**") or any other regulatory authority. The distribution of this announcement in certain jurisdictions may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

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