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FOR IMMEDIATE RELEASE

Zhaikmunai LLP

Operational Update for the third quarter and nine months ended 30 September 2022

Uralsk, 28 October 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, today announces Nostrum’s operational update in respect of the third quarter and nine months ended 30 September 2022.

9M 2022 Highlights:

Operational

- Daily production after treatment averaged 13,684 boepd (9M 2021: 17,532 boepd).
- Daily sales volumes averaged 12,780 boepd (9M 2021: 15,838 boepd).
- The Group continues its well and reservoir management strategy through well workovers and rigless well intervention in 2022. The programme proves to be non-capital intensive and offers reasonable risk/reward in the absence of drilling.
- The Group has initiated a tie back project, budgeted for c.US\$5m of capital expenditures, that will allow for the first ever third-party feedstock from Ural Oil & Gas LLP (“Ural OG”) to be received for treatment in the Group’s facilities starting from Q4 2023.
- The Directors are cognisant of the current and evolving sanctions list against Russian individuals and entities and have ensured the Group has conducted ongoing operations in compliance with these sanctions.
- The Group continues to prioritise the safety of all staff and contractors as well as focussing on running sustainable operations.

Financial

- 9M 2022 revenues expected to be in excess of US\$155m against average 9M 2022 Brent prices of US\$102.5/bbl (9M 2021: revenues of US\$142.7m, average Brent price of US\$67.9/bbl).
- Exported crude oil and condensate currently face a large Urals discount which has been widening during H1 2022, and slightly narrowed down in Q3 2022. The Company is working on reduction of this discount and optimising netbacks.

- The Group's unrestricted cash position as at 30 September 2022 was in excess of US\$210m (30 June 2022: US\$208.7m). US\$22.7m remains held in a restricted account as at 30 September 2022 under the terms of the Forbearance Agreement.
- Continued focus on cost optimisation to help manage our liquidity by achieving our FY2022 operating costs and general administrative expenses basis of US\$45.5 million.
- The US\$725m 8.0% senior notes maturity date was 25 July 2022. Due to the ongoing restructuring, which includes the previously announced lock-up agreements and forbearance agreements entered into by certain holders of the notes, the Company did not take any further action following the maturity date of those notes.

Restructuring

- On 1 July 2022, the Company received the necessary consents from the Kazakhstan Ministry of Energy with respect to (i) the issuance of new shares and warrants and (ii) the waiver of the Republic of Kazakhstan's priority right to acquire these new shares and warrants.
- On 17 August 2022, the Company entered into the Second Lock-Up Agreement with the Ad Hoc Group of noteholders and ICU (the "Parties"). The First and Second Lock-up Agreements were on substantially same terms and contain the same terms of the Restructuring.
- On 21 August 2022, a meeting of the Scheme Creditors was held with participation and voting (by proxy) of 148 Scheme Creditors. The Scheme proposed by the Company in connection with the Restructuring was approved by the requisite majority of Scheme Creditors (being a majority in number, representing at least 75 percent in value of the Scheme Creditors present and voting).
- On 26 August 2022, the Scheme Sanction Hearing took place, whereby the Court has made an order sanctioning the Scheme, following which on 31 August 2022 the Scheme Sanction Order was lodged with Companies House and the Scheme thereby took effect and binds (amongst other parties) all Scheme Creditors and the Company by its terms.
- On 14 October 2022, the Prospectus was approved by the FCA and published by the Company. The Prospectus relates to the proposed admission of up to 1,505,633,046 new ordinary shares to the standard listing segment of the Official List of the FCA and to trading on the main market for listed securities of London Stock Exchange plc.
- The key elements of the Restructuring are inter-conditional. Therefore, and notwithstanding the sanctioning of the Scheme by the Court, the terms of the Restructuring will only be implemented if and when each of the Restructuring Conditions has been satisfied or waived. This includes the receipt by the Company of any required licence(s) from applicable authorities, or confirmation that such licence(s) is not required.

Sustainability

- Zero fatalities during operations to employees and contractors (9M 2021: zero).
- Zero Lost Time Injury ("LTI") (9M 2021: one).
- Four Total Recordable Incidents ("TRI") (9M 2021: three).
- 3,108 tonnes of air emissions emitted in 9M 2022 against 6,413 tonnes permitted for 2022 under the Kazakhstan Environmental Code.

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

"I am pleased to report that in Q3 2022 key final milestones have been achieved towards completion of the restructuring, including approval by the majority bondholders of the restructuring scheme, court sanctioning of the scheme, and lodging of the scheme sanction order. Furthermore, we have recently published the FCA-approved prospectus for the issue of new shares, and we now continue to focus on obtaining the required licences from relevant authorities with a view to achieve implementation of restructuring by the end of 2022.

Although commodity prices have been declining during the past quarter, we have managed to preserve our unrestricted cash balances above US\$210m. This was also achieved despite the Urals discount pressure on our netbacks, further natural decline of our production volumes and cost pressures driven by steeply accelerating inflation rates. We continue working on optimisation of our netbacks and cost base, to ensure that we maintain and grow our cash position, which is integral to execution of our strategic initiatives in the future.

We continue working closely with Ural Oil & Gas LLP to ensure the gas tie-back is on schedule to commence our growth journey. With an expectation that the restructuring will be completed in the next few months resulting in a sustainable capital structure, our focus remains on developing plans to maximise the value from our facilities through supply of third-party gas.

As always, we remain focused on safeguarding our employees and the contractors working for us, despite the external challenges the company is facing."

Sales volumes

The sales volume split for 9M 2022 was as follows:

Products	9M 2022 volumes (boepd)	9M 2022 product mix (%)	9M 2021 volumes (boepd)	9M 2021 product mix (%)
Crude Oil	2,926	22.9%	3,588	22.7%
Stabilised Condensate	3,080	24.1%	3,147	19.9%
LPG (Liquid Petroleum Gas)	1,778	13.9%	2,035	12.8%
Dry Gas	4,996	39.1%	7,068	44.6%
Total	12,780	100.0%	15,838	100.0%

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

Release of Nostrum's 9M 2022 Financial Results

Nostrum plans to release its unaudited and unreviewed interim condensed consolidated accounts for the period ending 30 September 2022 on 22 November 2022.

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Further information

For further information please visit www.nog.co.uk

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

Forward-Looking Statements

Some of the statements in this document are forward-looking. Forward-looking statements include statements regarding the intent, belief and current expectations of the 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.