

Simple Sustainable Successful

H1 2016 Results Presentation

H1 2016 Financial Results

Financial and operational stability in a volatile and uncertain oil price environment

- 1 Stable production volumes — 3.6mmboe / 38,993 boepd (Q1 2016: 3.5mmboe / 38,754 boepd)
- 2 Continued reduction in cost base¹ — 11% reduction in combined Opex², G&A and transportation costs
- 3 Consistently strong margins — 62% EBITDA³ margin
- 4 Resilient at low oil prices — 15,000 bopd production hedged at US\$49.16 / bbl with US\$111.9m of cash⁴
- 5 Fully funded to complete GTU III and double production capacity during 2017
- 6 Substantial asset base — 2P reserves of 470mmboe as at 31 December 2015

Doubling production capacity to over 100,000 boepd in 2017

¹ Total US\$m reduction from Q1 2016

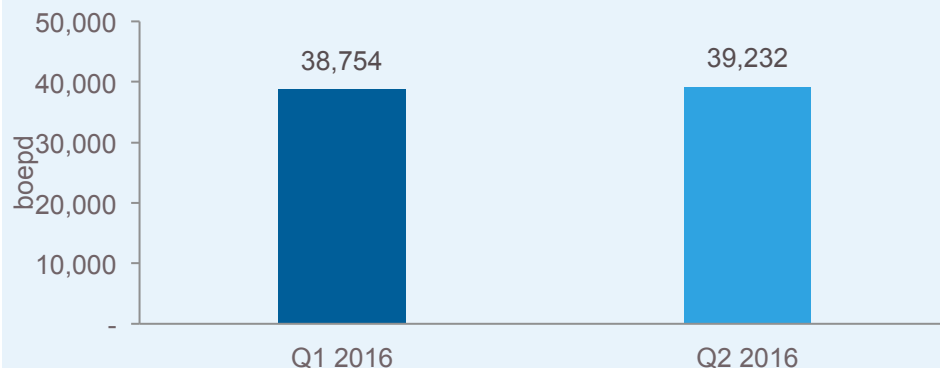
² Opex is defined as COGS less depreciation, less royalties, less government profit share, less stock change

³ Defined as Profit Before Tax + Finance Costs + Foreign Exchange Loss/(Gain) + ESOP + Depreciation – Interest Income + Other Expenses / (Income) + cash received from hedge

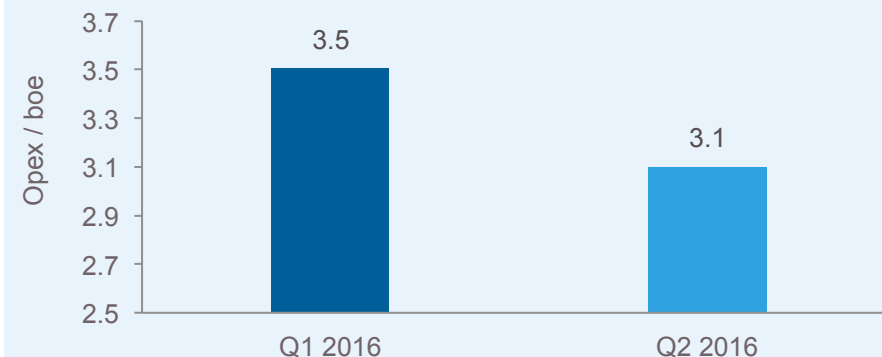
⁴ Defined as Cash & Cash Equivalents + Current Investments + Non-Current Investments

Snapshot of key figures from Q2 2016

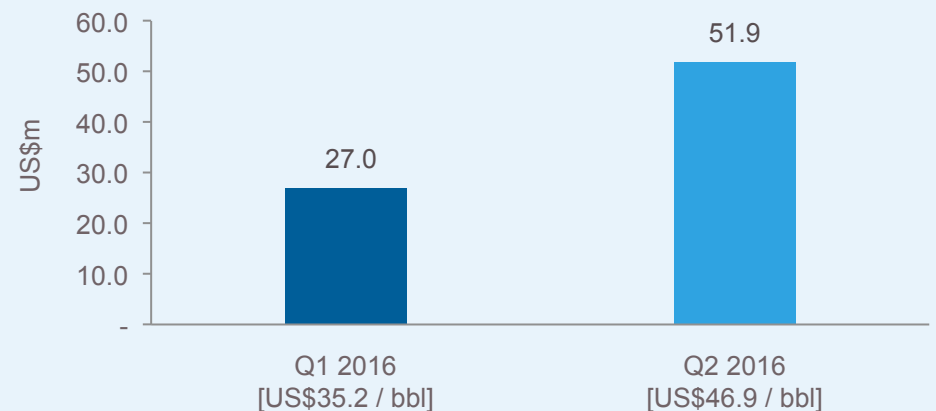
Production



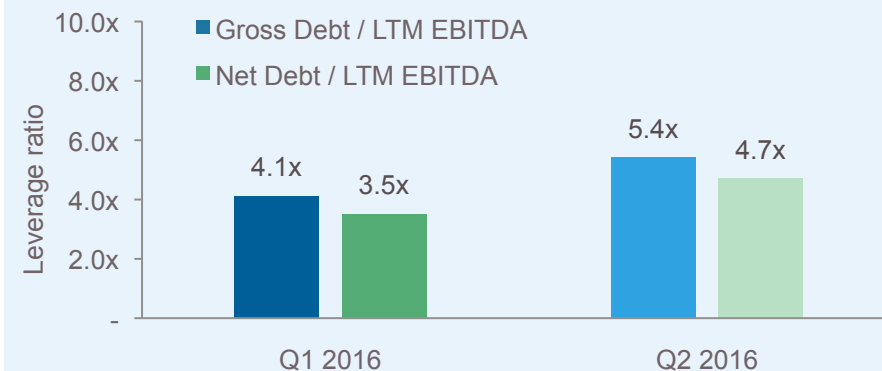
Opex / boe²



Net Operating Cash flows¹



Gross debt / net debt



¹ As reported in the consolidated group cash flow statement

² Opex is defined as COGS less depreciation, less royalties, less government profit share, less change in stock

Capital discipline

Balance sheet

- US\$111.9m cash and cash equivalents¹ on balance sheet
- US\$400.0m 6.375% Notes maturing in 2019 with no maintenance covenants
- US\$560.0m 7.125% Notes maturing in 2019 with no maintenance covenants

Capex flexibility

- Existing financing, hedging arrangements and cash flow from operations ensures GTU III is fully funded under any oil price scenario
- Drilling capex scalable up/down according to prevailing oil price environment and outlook

Hedging programme

- 15,000 bopd hedge entered into on 14 December 2015
- Strike price of US\$49.16
- Settles quarterly for eight quarters (final settlement December 2017)
- Total receipts of US\$24.8m over the first two settlement periods
- Change in fair value of the hedge of US\$(40.7)m over H1 2016 as shown on the income statement – this has no impact on cash received from the hedge

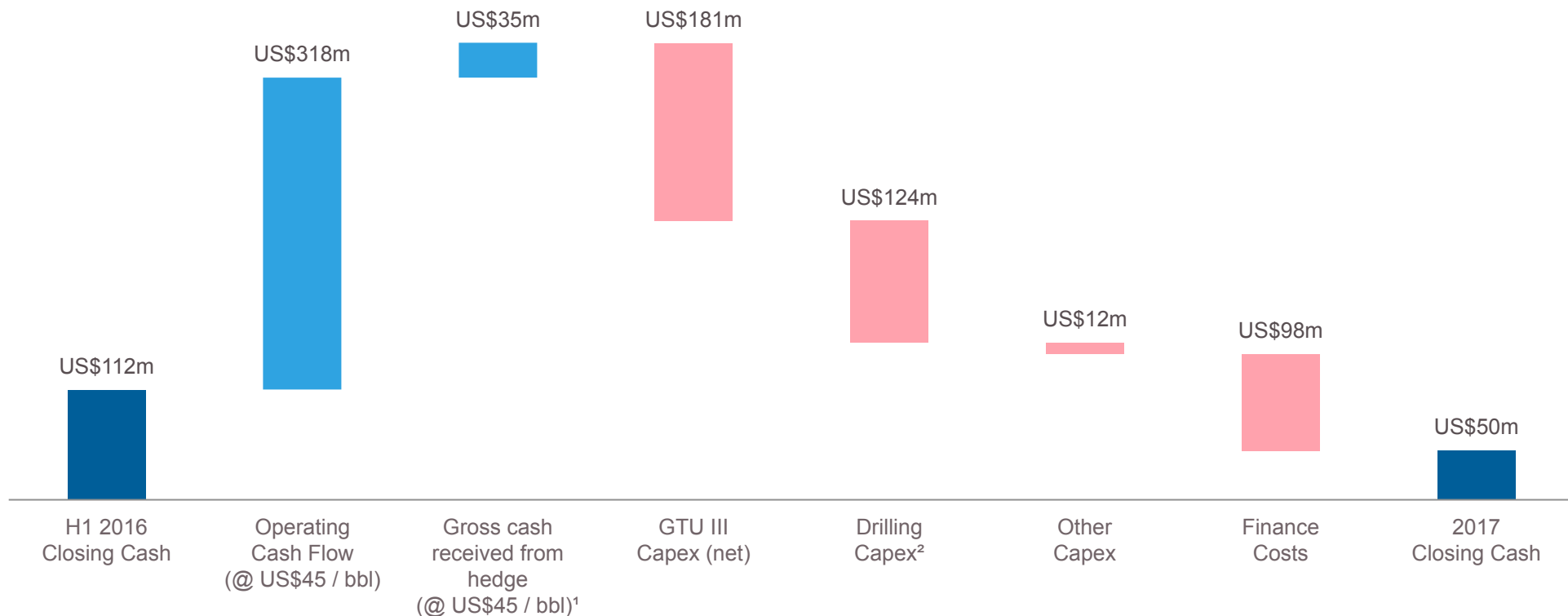
Scalable drilling

- US\$80m of drilling forecast for 2017
 - US\$35m of maintenance drilling
 - US\$45m of discretionary drilling

¹ Defined as Cash & Cash Equivalents + Current Investments

Resilience under low oil prices

– Fully funded to complete GTU III and maintain existing production in 2016 and 2017 under any oil price

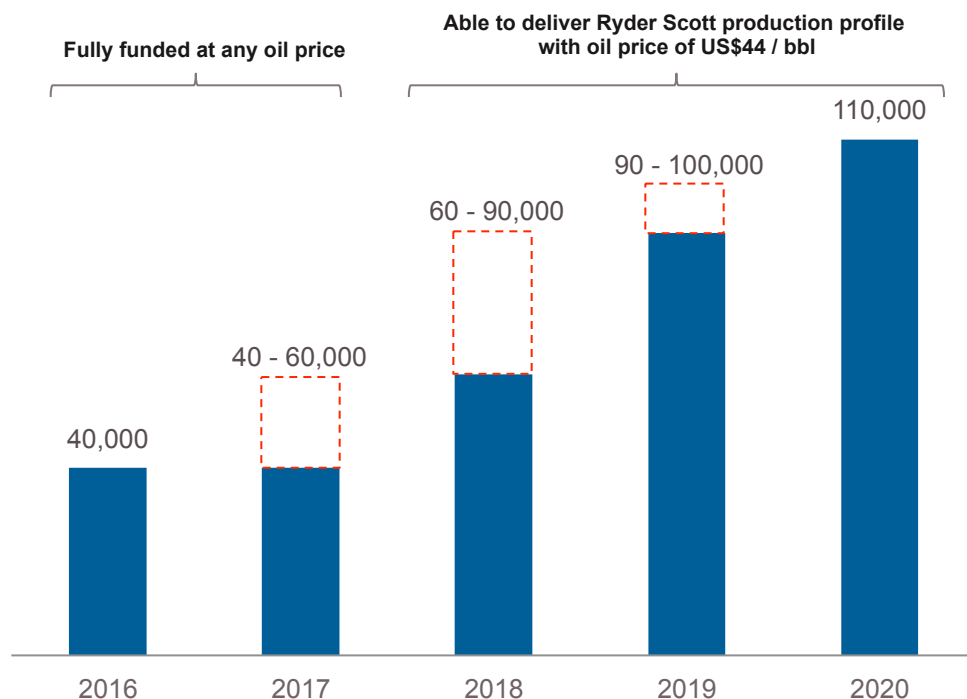


¹ Hedge income taxed at non-contractual rate of 20.0% included in Operating Cash Flow

² Drilling capex is scalable depending on oil price

A clear path to over 100k boepd

– GTU III delivers material near term production growth



| | | | | | |
|---------------|---------|---------|--------------|--------------|--------------|
| Oil price | – | – | US\$44 / bbl | US\$44 / bbl | US\$44 / bbl |
| Drilling cost | US\$50m | US\$80m | US\$225m | US\$230m | US\$275m |

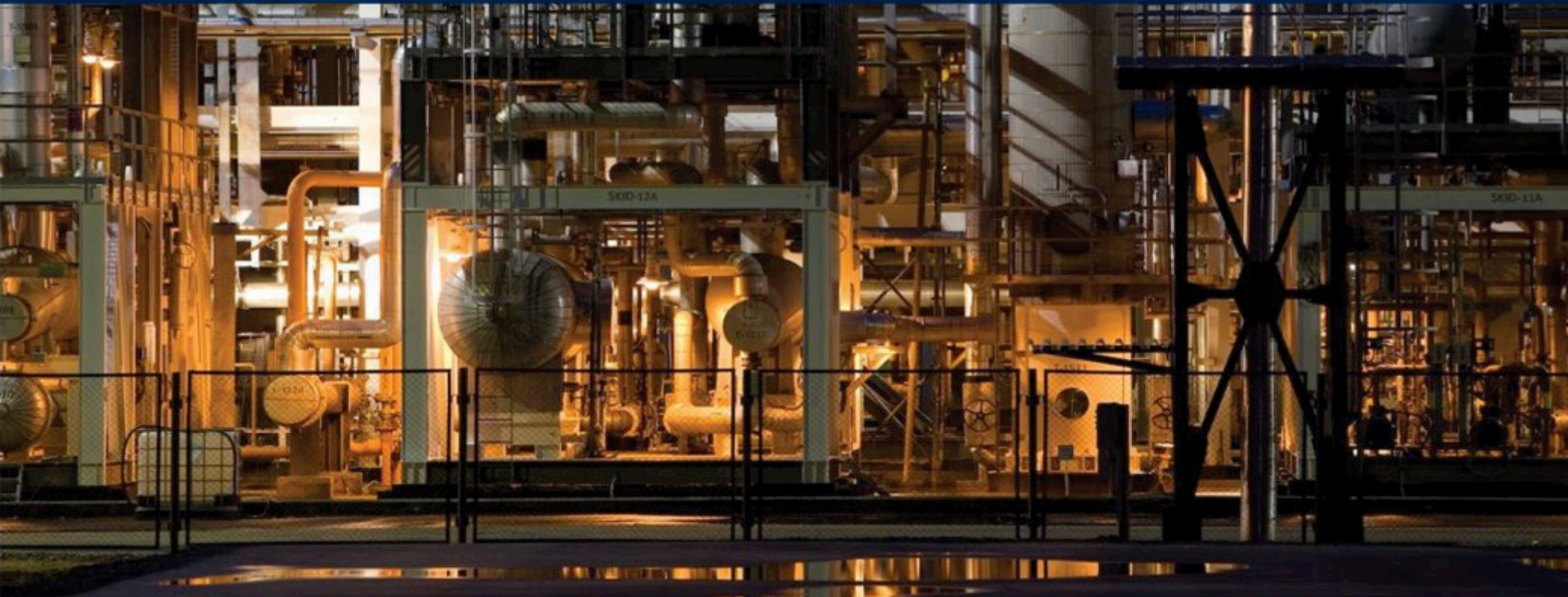
- Fully funded to complete the construction of GTU III during 2017 under any oil price scenario
- Fully funded drilling programme to maintain existing production in 2016 and 2017 under any oil price scenario
- Following the completion of GTU III during 2017, Ryder Scott production profile can be delivered under a US\$44 / bbl oil price environment prior to principal debt repayments due 2019
- Drilling activity remains flexible according to the prevailing oil price environment
- A sustained improvement in the oil price environment could increase drilling activity in 2017 which would increase available feedstock for GTU III in 2018

Nostrum is fully financed to complete the construction of GTU III and has a clear path to delivering 100k boepd peak production by 2020

Source: Ryder Scott 2015 Reserve Report



H1 2016 Financial Results



Financial Overview – H1 2016

| US\$m | H1 2015 | H1 2016 | Change |
|--|---------|---------|----------|
| Revenue | 274.1 | 163.5 | (40.4%) |
| EBITDA ¹ | 152.6 | 100.9 | (33.9%) |
| Change in fair value of the hedge | (3.8) | (40.7) | 978.6% |
| Profit before tax | 51.8 | (56.6) | (209.1%) |
| <i>Current income tax expense</i> | (40.2) | (15.5) | N/M |
| <i>Deferred income tax expense</i> | 3.6 | 16.3 | N/M |
| Net income | 15.2 | (55.7) | N/M |
| Earnings per share (US\$c) ² | 8.0 | (30.0) | N/M |
| Capital expenditure ³ | 135.0 | 99.4 | (26.3%) |
| Net cash flows from operating activities | 55.6 | 78.9 | N/M |
| Gross debt | 948.2 | 956.1 | 0.8% |
| Cash & cash equivalents ⁴ | 238.1 | 111.9 | (53.0%) |
| Net debt ⁵ | 710.1 | 844.3 | 18.9% |
| Net debt / LTM EBITDA | 2.1x | 4.8x | 123.8% |

Non-cash P&L Item

- The change in fair value of the hedge is required under accounting policy "IFRS 9"
- It represents the change in the carrying value of the instrument from FY 2015 to H1 2016 which is dependent on the expected future cash flows from the hedge
- This is purely an accounting policy and does not impact the cash received from the hedge
- Nostrum will receive cash from the hedge if Brent is lower than US\$49.16 / bbl for the settlement period

¹ Defined as Profit Before Tax + Finance Costs + Foreign Exchange Loss/(Gain) + ESOP + Depreciation – Interest Income + Other Expenses / (Income) + cash received from hedge

² Based on a weighted average no. of shares for Q1 2015 of 184.5m and 184.8m for Q2 2016

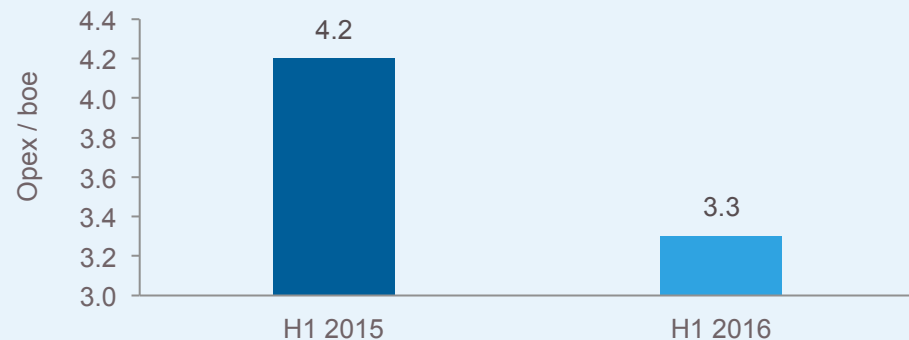
³ Purchases (net of sales) of property, plant and equipment + purchase of exploration and evaluation assets + acquisitions

⁴ Defined as Cash & Cash Equivalents + Current Investments + Non-Current Investments

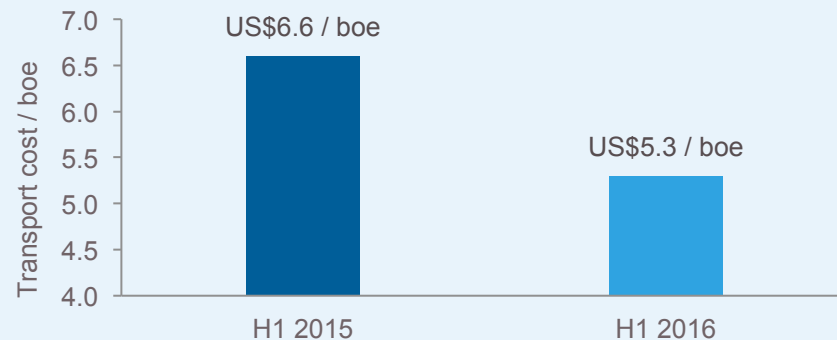
⁵ Defined as Total Debt - Cash & Cash Equivalents - Current Investments - Non-Current Investments

Progress – Snapshot

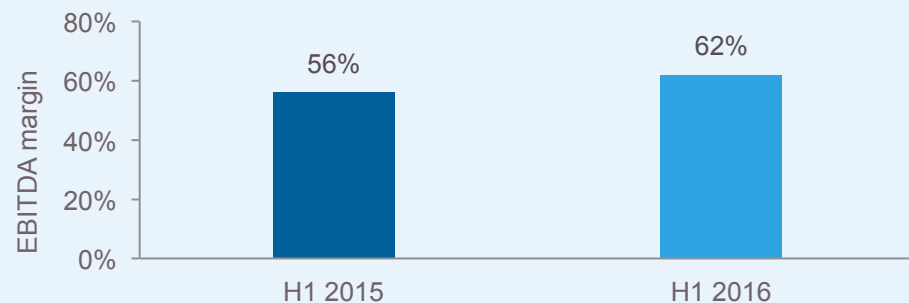
Opex / boe¹



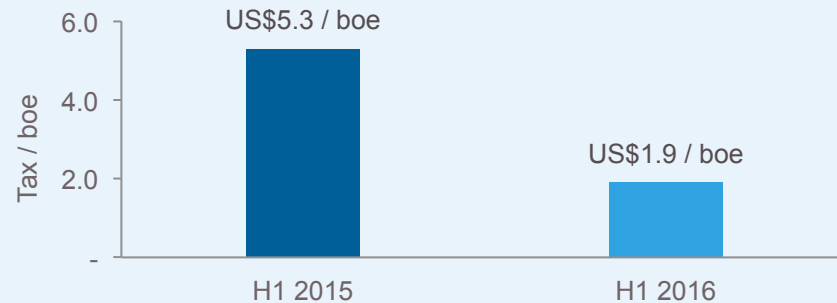
Transport costs / boe



EBITDA margin



Tax / boe²



¹ Opex is defined as COGS less depreciation, less royalties, less government profit share, less change in stock

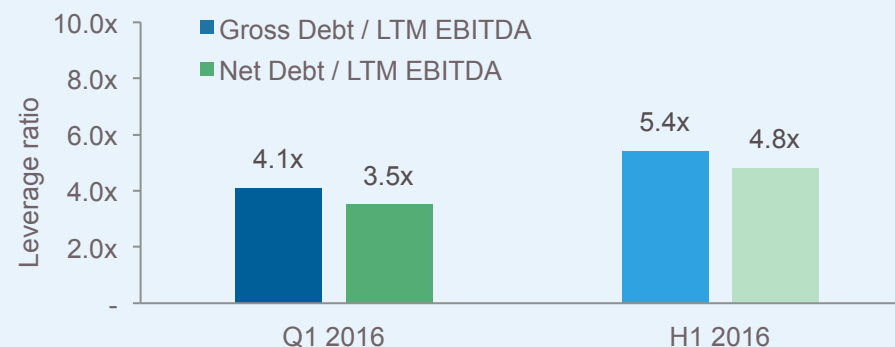
² Total income tax paid (cash flow) plus royalties and government profit share

Balance Sheet Summary

Highlights

- +62% EBITDA¹ margin
- US\$111.9m cash & equivalents²
- 15,000 bopd production hedged at US\$49.16 / bbl for 24 months (remaining value of c.US\$160m @ US\$30.0 / bbl oil price)

Gross debt / net debt



Q2 2016 Net Debt – US\$785.9m

| US\$m | Q2 2016 |
|---|--------------|
| Total debt, including: | 956.1 |
| 2012 Notes (US\$560m, 7.125% annual coupon) | 548.3 |
| 2014 Notes (US\$400m, 6.375% annual coupon) | 406.3 |
| Finance lease | 1.6 |
| Cash & cash equivalents ² | 111.9 |
| Net Debt | 844.3 |

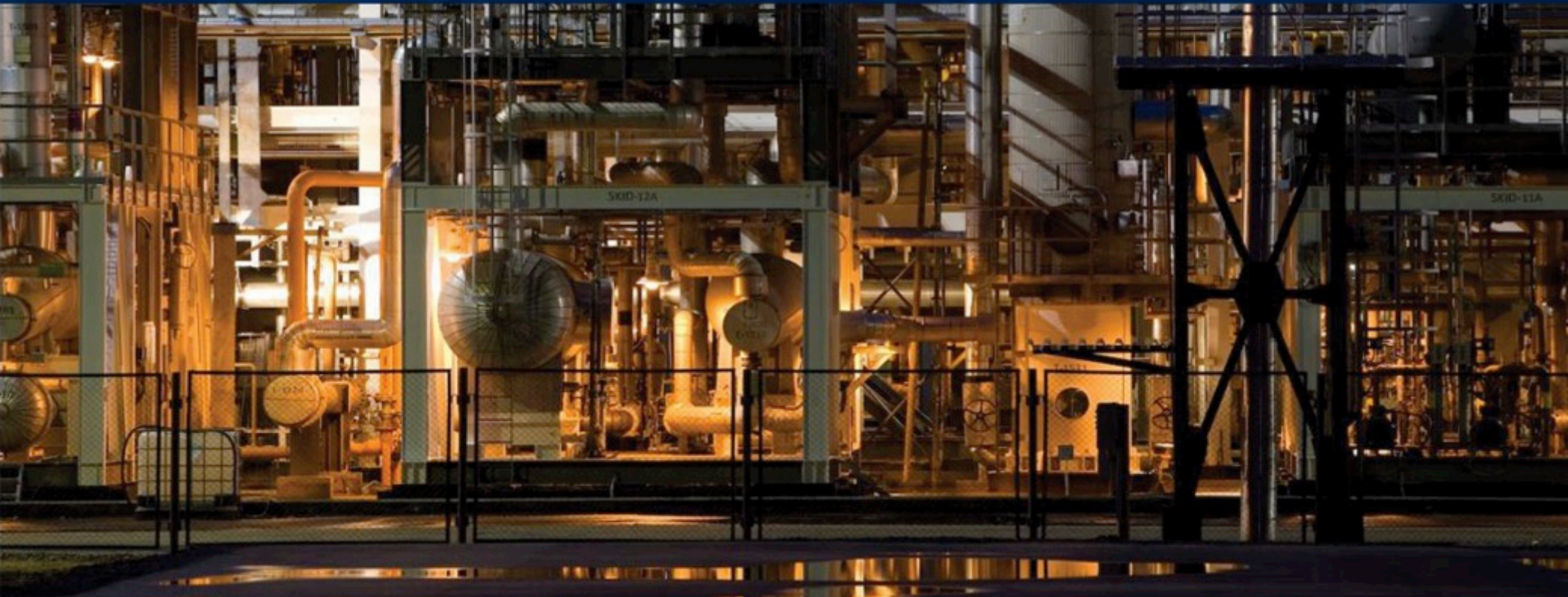
Maturity profile



¹ Defined as Profit Before Tax + Finance Costs + Foreign Exchange Loss/(Gain) + ESOP + Depreciation – Interest Income + Other Expenses / (Income)

² Defined as Cash & Cash Equivalents + Current Investments + Non-Current Investments

Supporting materials



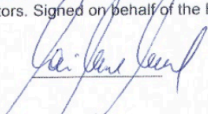
Consolidated Statement of Financial Position

As at 30 June 2016

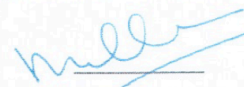
| <i>In thousands of US dollars</i> | <i>Notes</i> | <i>30 June 2016 (unaudited)</i> | <i>31 December 2015 (audited)</i> |
|--|--------------|-------------------------------------|---------------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Exploration and evaluation assets | 3 | 37,496 | 36,917 |
| Goodwill | | 32,425 | 32,425 |
| Property, plant and equipment | 4 | 1,730,189 | 1,605,756 |
| Restricted cash | 8 | 5,761 | 5,375 |
| Advances for non-current assets | 5 | 58,214 | 130,660 |
| Derivative financial instruments | 21 | 13,492 | 43,005 |
| | | 1,877,567 | 1,854,138 |
| Current assets | | | |
| Inventories | | 26,630 | 28,951 |
| Trade receivables | 6 | 39,501 | 31,337 |
| Prepayments and other current assets | 7 | 36,947 | 27,411 |
| Derivative financial instruments | 21 | 18,096 | 54,095 |
| Income tax prepayment | | 5,503 | 26,926 |
| Cash and cash equivalents | 8 | 111,875 | 165,560 |
| | | 238,562 | 334,280 |
| TOTAL ASSETS | | 2,116,119 | 2,188,418 |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Share capital | 9 | 3,203 | 3,203 |
| Treasury capital | | (1,888) | (1,888) |
| Retained earnings and reserves | | 716,701 | 772,441 |
| | | 718,016 | 773,756 |
| Non-current liabilities | | | |
| Long-term borrowings | 11 | 940,726 | 936,470 |
| Abandonment and site restoration provision | | 16,143 | 15,928 |
| Due to Government of Kazakhstan | | 5,631 | 5,777 |
| Deferred tax liability | | 331,502 | 347,769 |
| | | 1,294,002 | 1,305,944 |
| Current liabilities | | | |
| Current portion of long-term borrowings | 11 | 15,421 | 15,024 |
| Employee share option plan liability | 19 | 2,301 | 4,284 |
| Trade payables | 12 | 45,052 | 41,463 |
| Advances received | | 428 | 245 |
| Income tax payable | | 1,119 | 1,692 |
| Current portion of due to Government of Kazakhstan | | 1,031 | 1,031 |
| Other current liabilities | 13 | 38,749 | 44,979 |
| | | 104,101 | 108,718 |
| TOTAL EQUITY AND LIABILITIES | | 2,116,119 | 2,188,418 |

The interim condensed consolidated financial statements of Nostrum Oil & Gas PLC, registered number 8717287, were approved by the Board of Directors. Signed on behalf of the Board:

Kai-Uwe Kessel
Chief Executive Officer



Jan-Ru Muller
Chief Financial Officer



Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2016

| <i>In thousands of US dollars</i> | <i>Notes</i> | Six months ended 30 June | |
|--|--------------|---------------------------------|-------------------------|
| | | 2016 (unaudited) | 2015 (unaudited) |
| Revenue | | | |
| Revenue from export sales | | 136,869 | 259,348 |
| Revenue from domestic sales | | 26,590 | 14,705 |
| | 14 | 163,459 | 274,053 |
| Cost of sales | 15 | (94,494) | (100,766) |
| Gross profit | | 68,965 | 173,287 |
| General and administrative expenses | 16 | (19,462) | (24,952) |
| Selling and transportation expenses | 17 | (37,264) | (52,614) |
| Finance costs | 18 | (21,190) | (24,055) |
| Employee share option plan fair value adjustment | 19 | 1,983 | (2,730) |
| Foreign exchange loss, net | | (6,787) | (1,244) |
| Loss on derivative financial instruments | 21 | (40,729) | (3,776) |
| Interest income | | 241 | 111 |
| Other income | | 4,002 | 2,999 |
| Other expenses | | (6,323) | (14,131) |
| (Loss)/profit before income tax | | (56,564) | 51,842 |
| Current income tax expense | | (15,535) | (40,212) |
| Deferred income tax expense | | 16,281 | 3,603 |
| Income tax expense | 20 | 746 | (36,609) |
| (Loss)/profit for the period | | (55,818) | 15,233 |
| Currency translation difference | | 93 | – |
| Other comprehensive income | | 93 | – |
| Total comprehensive (loss)/income for the period | | (55,725) | 15,233 |
| (Loss)/profit for the period attributable to the shareholders (in thousands of US dollars) | | (55,725) | 15,233 |
| Weighted average number of shares | | 184,828,819 | 184,828,819 |
| Basic and diluted earnings per share (in US dollars) | | (0.30) | 0.08 |

All items in the above statement are derived from continuous operations.

Consolidated Statement of Cash Flows

For the six months ended 30 June 2016

| In thousands of US dollars | Notes | Six months ended 30 June | |
|---|----------|--------------------------|------------------|
| | | 2016 (unaudited) | 2015 (unaudited) |
| Cash flow from operating activities: | | | |
| (Loss)/profit before income tax | | (56,564) | 51,842 |
| <i>Adjustments for:</i> | | | |
| Depreciation, depletion and amortisation | 15,16 | 63,902 | 56,887 |
| Finance costs - reorganisation | | - | 1,053 |
| Finance costs | | 21,190 | 24,055 |
| Employee share option plan fair value adjustment | | (1,983) | 2,730 |
| Interest income | | (241) | (111) |
| Foreign exchange gain on investing and financing activities | | (1,228) | (93) |
| Loss on disposal of property, plant and equipment | | 53 | 7 |
| Proceeds from derivative financial instruments | 21 | 24,783 | - |
| Loss on derivative financial instruments | 21 | 40,729 | 3,776 |
| Accrued expenses | | (1,163) | 625 |
| Operating profit before working capital changes | | 89,478 | 140,771 |
| <i>Changes in working capital:</i> | | | |
| Change in inventories | | 2,322 | (970) |
| Change in trade receivables | | (8,164) | (61,655) |
| Change in prepayments and other current assets | | 5,525 | 4,593 |
| Change in trade payables | | 3,513 | 10,300 |
| Change in advances received | | 184 | (2,425) |
| Change in due to Government of Kazakhstan | | (516) | (515) |
| Change in other current liabilities | | (4,927) | (2,611) |
| Cash generated from operations | | 87,415 | 87,488 |
| Income tax paid | | (8,508) | (31,872) |
| Net cash flows from operating activities | | 78,907 | 55,616 |
| Cash flow from investing activities: | | | |
| Interest received | | 241 | 111 |
| Purchase of property, plant and equipment | | (98,671) | (131,338) |
| Exploration and evaluation works | | (754) | (1,318) |
| Acquisition of subsidiaries | | - | (2,296) |
| Placement of bank deposits | | - | (42,000) |
| Redemption of bank deposits | | - | 25,000 |
| Net cash used in investing activities | | (99,184) | (151,841) |
| Cash flow from financing activities: | | | |
| Finance costs paid | | (32,812) | (32,809) |
| Transfer to restricted cash | | (376) | (264) |
| Distributions paid | | - | (49,060) |
| Finance costs - reorganisation | | - | (987) |
| Payment of finance lease liabilities | | (221) | - |
| Net cash used in financing activities | | (33,409) | (83,120) |
| Effects of exchange rate changes on cash and cash equivalents | | 1 | (38) |
| Net decrease in cash and cash equivalents | | (53,685) | (179,383) |
| Cash and cash equivalents at the beginning of the period | 8 | 165,560 | 375,443 |
| Cash and cash equivalents at the end of the period | 8 | 111,875 | 196,060 |

The accounting policies and explanatory notes on pages 23 through 39 are an integral part of these interim condensed consolidated financial statements

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