



**nostrum**  
Oil & Gas

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## Q1 2014 results

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## Consistently delivering against targets

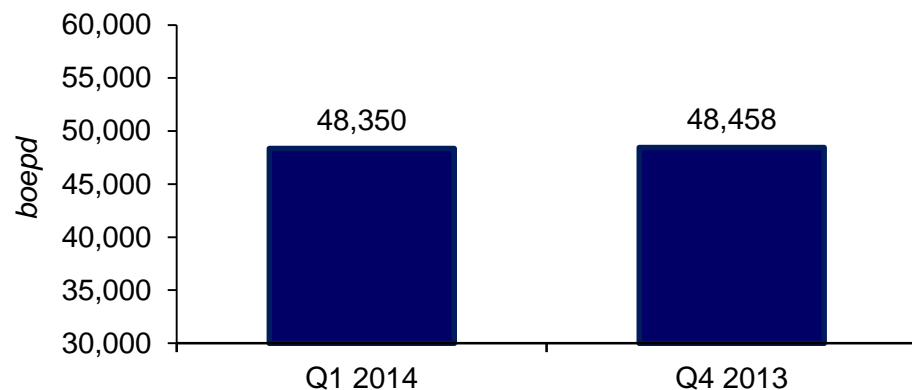
- 1 Continued strong production – average daily production of 48,350 boepd
- 2 Proposed premium listing on the London Stock Exchange
- 3 Strong cash flow generation in Q1 with EBITDA of US\$163m
- 4 Successful US\$400m issuance of senior bonds at a fixed coupon of 6.375%
- 5 Strong cash position with \$643m<sup>(1)</sup> of cash and equivalents at quarter end
- 6 Long-term off-take agreement with Trafigura for 720,000 tonnes of gas condensate

## Strong cash position enhanced during Q1 2014

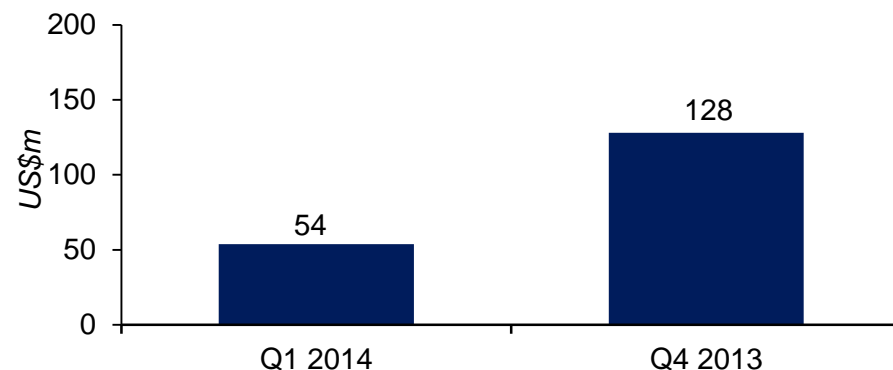
(1) Defined as Cash & Cash Equivalents + Restricted Cash + Short-Term Investments + Non-Current Investments

# Progress – Snapshot<sup>(1)</sup>

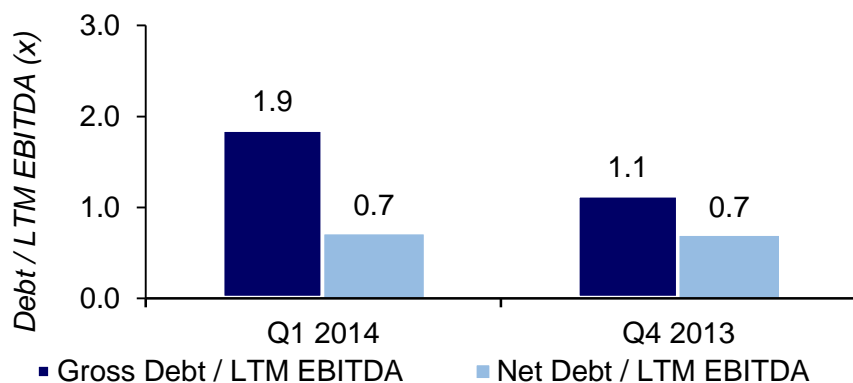
## Production



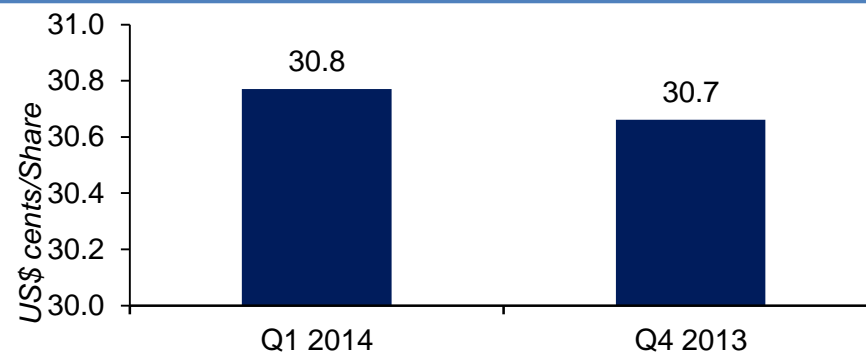
## Net Operating Cash flows<sup>(2)</sup>



## Robust Credit Metrics



## Earnings per share



(1) Q4 results derived by deducting 9M 2013 financials from full year 2013 financials

(2) Calculated as Profit before income tax, and adjusted for D&A, accrual of share option expenses, finance costs, interest income, loss on disposal of PPE, reversal of tax provision, FX gain, changes in working capital, income tax paid and payments under ESOP



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## Q1 2014 Financial results

# Financial Overview – Q1 2014

US\$m (unless otherwise stated)	Q1 2014	Q4 2013	Change
<b>Revenue</b>	227.0	237.8	(4.6)%
Profit before tax	107.7	94.9	13.5%
<b>EBITDA<sup>(1)</sup></b>	<b>163.0</b>	<b>139.4</b>	<b>16.9%</b>
Net income	57.9	57.7	0.3%
Earnings per share (US\$ cents) <sup>(2)</sup>	30.8	30.7	0.3%
Dividend per share (US\$ cents)	–	–	–
Capital expenditure <sup>(3)</sup>	(56.1)	(49.7)	12.7%
Net cash flows from operating activities	53.8	128.2	(58.0)%
Gross debt	1,045.1	628.4	66.3%
Cash & cash equivalents <sup>(4)</sup>	643.0	244.1	163.4%
Net debt <sup>(5)</sup>	402.2	384.3	4.7%
<b>Net debt / LTM EBITDA</b>	<b>0.72x</b>	<b>0.70x</b>	<b>2.7%</b>

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

(2) Based on 188m GDRs

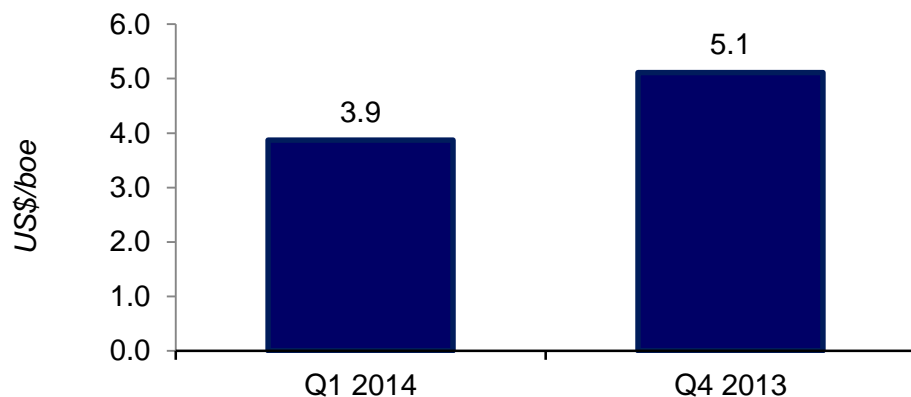
(3) Purchases of property, plant and equipment and purchase of exploration and evaluation assets

(4) Defined as Cash & Cash Equivalents + Restricted Cash + Short-Term Investments + Non-Current Investments

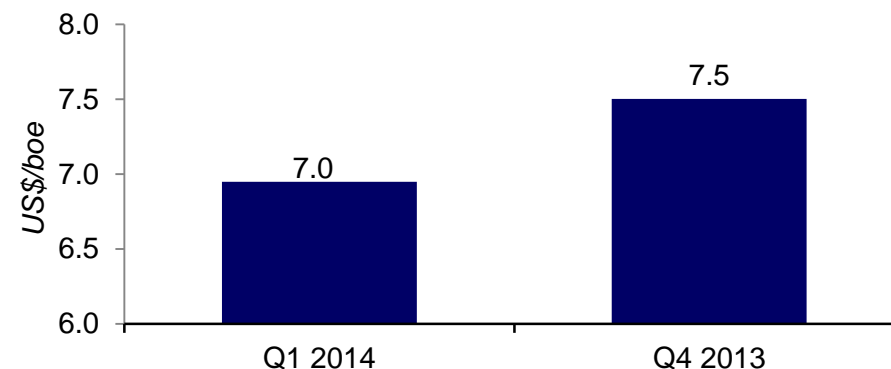
(5) Defined as Total Debt - Cash & Cash Equivalents - Restricted Cash - Short-Term Investments - Non-Current Investments

# Key performance indicators

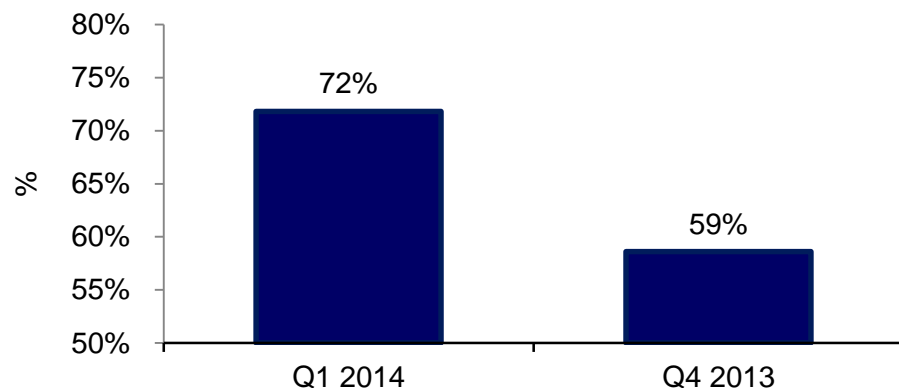
Opex/boe<sup>(1)</sup>



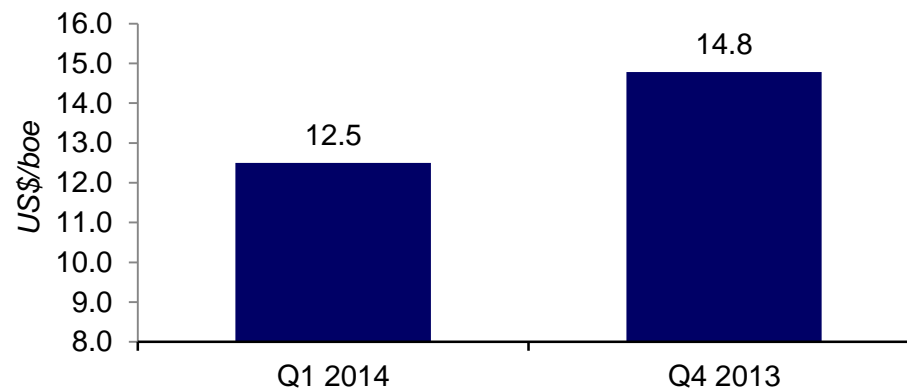
Transport costs/boe



EBITDA margin



Tax/boe<sup>(2)</sup>



Operating metrics remain well controlled

(1) Opex defined as Cost of Sales – Depreciation – Road Maintenance Expenses – PSA Expenses

(2) Total income tax expense including Royalties and Government profit share

# Strong Balance Sheet and Enhanced Credit Metrics

## Highlights

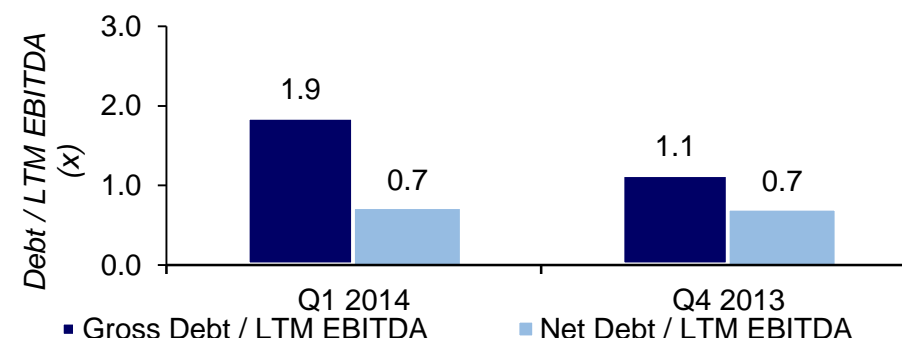
- US\$400m issuance of new senior bonds with a five-year maturity at a fixed coupon of 6.375%
- Continued improvement in EBITDA margin (72%)
- Increased cash position by 163% to US\$643m
- Early repayment of notes issued in 2010 due to take place on 14 April 2014

## Q1 2014 Net Debt – US\$402.2m

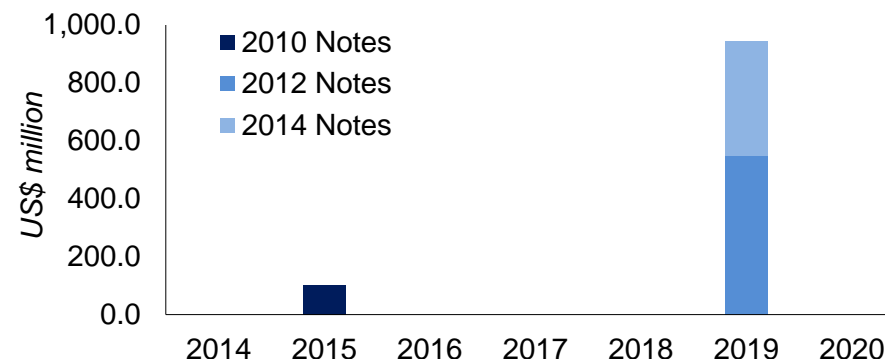
US\$m

<b>Total debt, including:</b>	<b>1,045.1</b>
2010 Notes (US\$450m, 10.50% annual coupon)	101.7
2012 Notes (US\$560m, 7.125% annual coupon)	546.5
2014 Notes (US\$400m, 6.375% annual coupon)	396.9
<b>Cash &amp; cash equivalents<sup>(1)</sup></b>	<b>643.0</b>
<b>Net Debt</b>	<b>402.2</b>

## Credit Metrics



## Maturity Profile



Reduction in total debt in April 2014 due to early repayment of 2010 notes

(1) Defined as Cash & Cash Equivalents + Restricted Cash + Short-Term Investments + Non-Current Investments

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## Supporting materials

# Consolidated Statement of Financial Position

<i>In thousands of US Dollars</i>	<b>Notes</b>	<b>March 31, 2014 (unaudited)</b>	<b>December 31, 2013 (audited)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Exploration and evaluation assets	3	21,002	20,434
Goodwill		30,386	30,386
Property, plant and equipment	4	1,353,372	1,330,903
Restricted cash		4,314	4,217
Advances for non-current assets		6,930	10,037
Non-current investments	5	–	30,000
		<b>1,416,004</b>	<b>1,425,977</b>
<b>Current assets</b>			
Inventories		22,884	22,085
Trade receivables		107,816	66,565
Prepayments and other current assets		34,590	31,192
Income tax prepayment		–	5,042
Current investments	5	30,000	25,000
Cash and cash equivalents		608,643	184,914
		<b>803,933</b>	<b>334,798</b>
<b>TOTAL ASSETS</b>		<b>2,219,937</b>	<b>1,760,775</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Partnership capital and Reserves</b>			
Partnership capital	6	350,463	350,123
Additional paid-in capital		8,792	8,126
Retained earnings and reserves		532,108	474,202
		<b>891,363</b>	<b>832,451</b>
<b>Non-Current Liabilities</b>			
Long-term borrowings	7	924,787	621,160
Abandonment and site restoration provision		13,842	13,874
Due to Government of Kazakhstan		5,906	6,021
Deferred tax liability		162,062	152,545
		<b>1,106,597</b>	<b>793,600</b>
<b>Current liabilities</b>			
Current portion of long-term borrowings	7	120,357	7,263
Employee share option plan liability		9,046	12,016
Trade payables		45,543	58,518
Income tax payable		5,461	1,232
Derivative financial instrument	13	648	–
Current portion of Due to Government of Kazakhstan		1,031	1,031
Other current liabilities		39,891	54,664
		<b>221,977</b>	<b>134,724</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,219,937</b>	<b>1,760,775</b>

Source: IFRS Financial Statements.

# Consolidated Statement of Comprehensive Income

<i>In thousands of US Dollars</i>	<b>Notes</b>	<b>2014 (unaudited)</b>	<b>2013 (unaudited)</b>
<b>Revenue</b>			
Revenue from export sales		197,844	196,712
Revenue from domestic sales		29,108	31,814
	<b>8</b>	<b>226,952</b>	<b>228,526</b>
<b>Cost of sales</b>	<b>9</b>	<b>(49,992)</b>	<b>(72,402)</b>
<b>Gross profit</b>		<b>176,960</b>	<b>156,124</b>
General and administrative expenses	10	(11,212)	(11,101)
Selling and transportation expenses	11	(30,459)	(28,330)
Finance costs	12	(20,197)	(11,571)
Foreign exchange (loss)/gain, net		(1,591)	9
Loss on derivative financial instrument	13	(648)	—
Interest income		551	258
Other expenses		(6,541)	(2,839)
Other income		874	1,005
<b>Profit before income tax</b>		<b>107,737</b>	<b>103,555</b>
Income tax expense	14	(49,831)	(37,650)
<b>Profit for the period</b>		<b>57,906</b>	<b>65,905</b>
<b>Total comprehensive income for the period</b>		<b>57,906</b>	<b>65,905</b>

Source: IFRS Financial Statements.

# Consolidated Statement of Cash Flows

<i>In thousands of US Dollars</i>	<b>Notes</b>	<b>2014 (unaudited)</b>	<b>2013 (unaudited)</b>
<b>Cash flow from operating activities:</b>			
Profit before income tax		107,737	103,555
<i>Adjustments for:</i>			
Depreciation, depletion and amortization	9,10	29,376	36,031
Finance costs	12	20,197	11,571
Interest income		(551)	(258)
Foreign exchange (gain)/loss on investing and financing activities		(371)	4
Loss on disposal of property, plant and equipment		29	—
Loss on derivative financial instrument		648	—
<b>Operating profit before working capital changes</b>		<b>157,064</b>	<b>150,903</b>
<i>Changes in working capital:</i>			
Change in inventories		(799)	1,349
Change in trade receivables		(41,251)	(13,872)
Change in prepayments and other current assets		(3,398)	743
Change in trade payables		(7,682)	(5,553)
Change in advances received		—	951
Change in due to Government of Kazakhstan		(259)	(259)
Change in other current liabilities		(15,187)	(4,670)
Change in employee share option plan liability		(2,970)	(183)
<b>Cash generated from operations</b>		<b>85,519</b>	<b>129,409</b>
Income tax paid		(31,729)	(31,653)
Payments under Employee share option plan		—	—
<b>Net cash flows from operating activities</b>		<b>53,790</b>	<b>97,756</b>
<b>Cash flow from investing activities:</b>			
Interest received		551	258
Purchase of property, plant and equipment		(50,197)	(60,748)
Purchase of exploration and evaluation assets		(5,868)	—
Redemption of bank deposits		25,000	—
<b>Net cash used in investing activities</b>		<b>(30,514)</b>	<b>(60,490)</b>
<b>Cash flow from financing activities:</b>			
Finance costs paid		—	(1,347)
Issue of Notes	8	400,000	—
Transfer to restricted cash		(97)	(114)
Treasury shares reissued		1,006	—
<b>Net cash from / (used in) financing activities</b>		<b>400,909</b>	<b>(1,461)</b>
Effects of exchange rate changes on cash and cash equivalents		(456)	—
<b>Net increase in cash and cash equivalents</b>		<b>423,729</b>	<b>35,805</b>
<b>Cash and equivalents at the beginning of the period</b>		<b>184,914</b>	<b>197,730</b>
<b>Cash and equivalents at the end of the period</b>		<b>608,643</b>	<b>233,535</b>

Source: IFRS Financial Statements.

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