



Financial Results for the year ended 31 December, 2020

27 April 2021

Financial

- Revenue of US\$175.9m (2019: US\$322.1m)
- EBITDA¹ US\$80.4m (2019: US\$199.6m)
- Closing cash US\$78.6m² with net debt of US\$1,107.7m³
- Cash position as of 31st March 2021 in excess of US\$85m. We continue to take active steps to manage liquidity

Operational

- COVID 19 remains of the utmost concern. Actions continue to be taken to protect the safety of all staff and contractors and mitigate any impact on operations. To date, no production has been lost because of COVID 19
- 2020 average sales volumes 21,514 boepd versus full year 2020 average sales volumes guidance of 20,000 boepd.
- Successful workover and well intervention activity in 2020 reduced the rate of decline previously expected in the field.
- 2P reserves downgraded to 39 mmboe
- Darinskoye and Yuzhno-Gremyachenskoye licences disposed of in October 2020

Strategic

- Continued focus on ways to monetise spare capacity in the gas treatment facility utilising third party volumes, including UOG.
- Engaged with advisers to an informal ad-hoc committee of noteholders to agree a restructuring agreement.
- New CEO appointed 26 January 2021.

¹ Profit before tax net of finance costs, foreign exchange loss/gain, ESOP, depreciation, interest income, other income and expenses

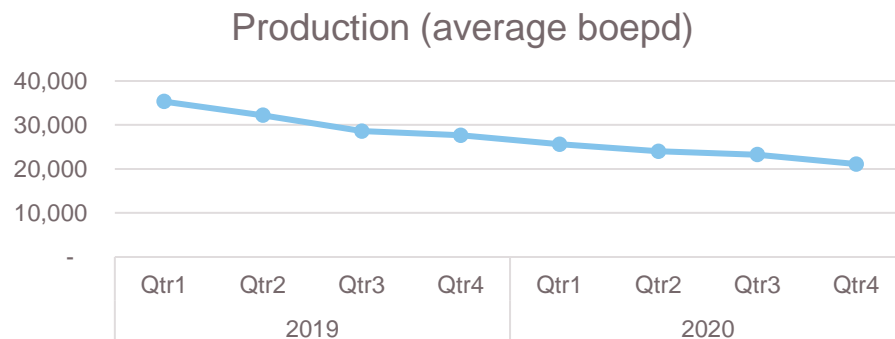
² Cash and cash equivalents including current and non-current investments and excluding restricted cash

³ For 2020 being IFRS short term borrowings less cash and cash equivalents. For 2019 being IFRS long-term borrowings plus current portion of long-term borrowings less cash and cash equivalents

⁴ As of 31 March 2020

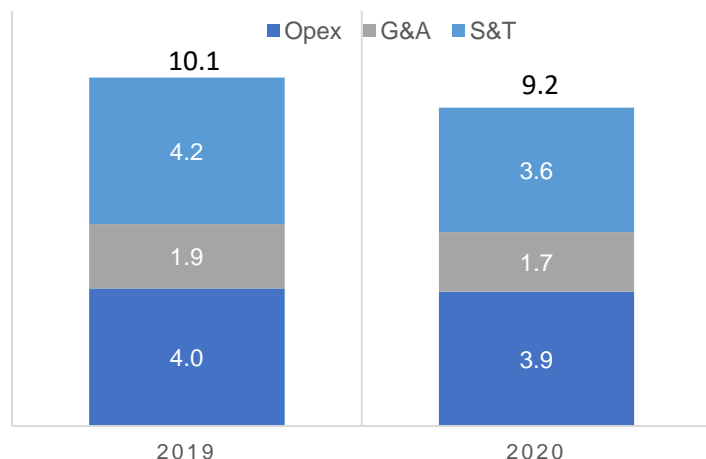
Snapshot of key figures

Production decline less than expected



- Production still declining but successful work-over and intervention programme in 2020 has reduced the rate of decline.
- Similar campaign already started in 2021.

Costs under control [US\$ / boe]



- Positive impact of cost-reduction initiatives taken earlier in 2020 now manifesting.
- Continued emphasis on proactively managing costs.
- FY 2020 targets of cash operating cost below US\$45m and G&A below US\$17m (excluding costs of restructuring) achieved.

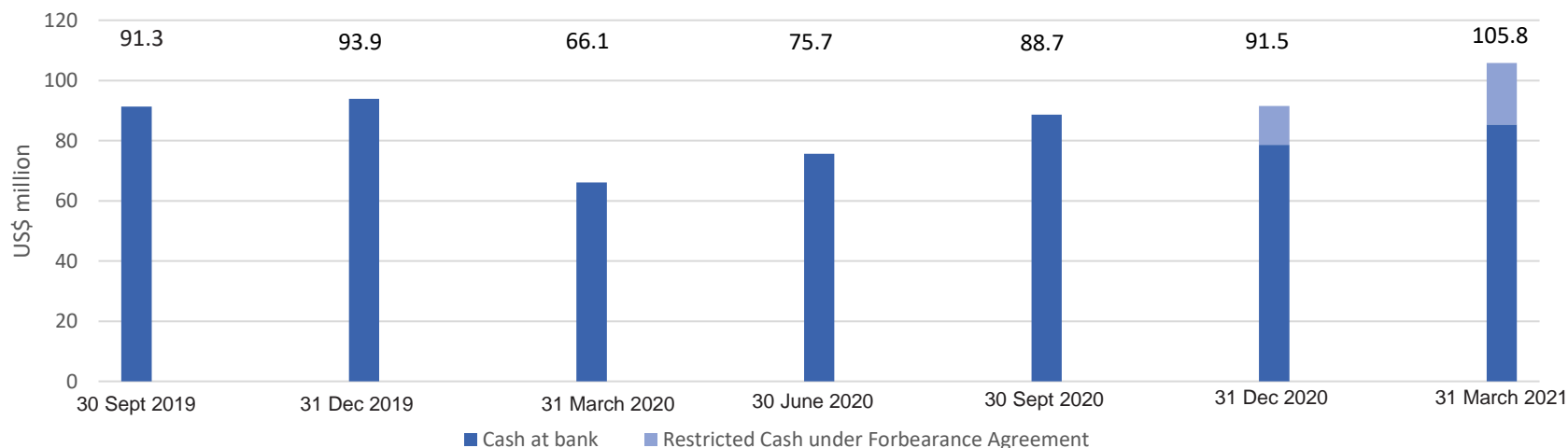
Note: Operating and G&A per barrel equivalent metrics based on production volume. Selling & marketing based on sales volumes

¹ General & administrative costs less depreciation and amortisation

² Cost of sales less depreciation, depletion and amortisation and non-cash inventory adjustment

Focus on Liquidity Management

Cash Balances, including restricted cash under the Forbearance Agreement



- US\$85.4m¹ cash and cash equivalents as at 31 March 2021 plus US\$20.4m in restricted cash under the Forbearance Agreement.
- Cash position, including cash transferred to restricted cash, has grown in the year even with production decline.
- Continuing to focus on cash management.

¹ Cash and cash equivalents including current and non-current investments and excluding restricted cash required for restoration costs

Debt Restructuring

Capex reduction



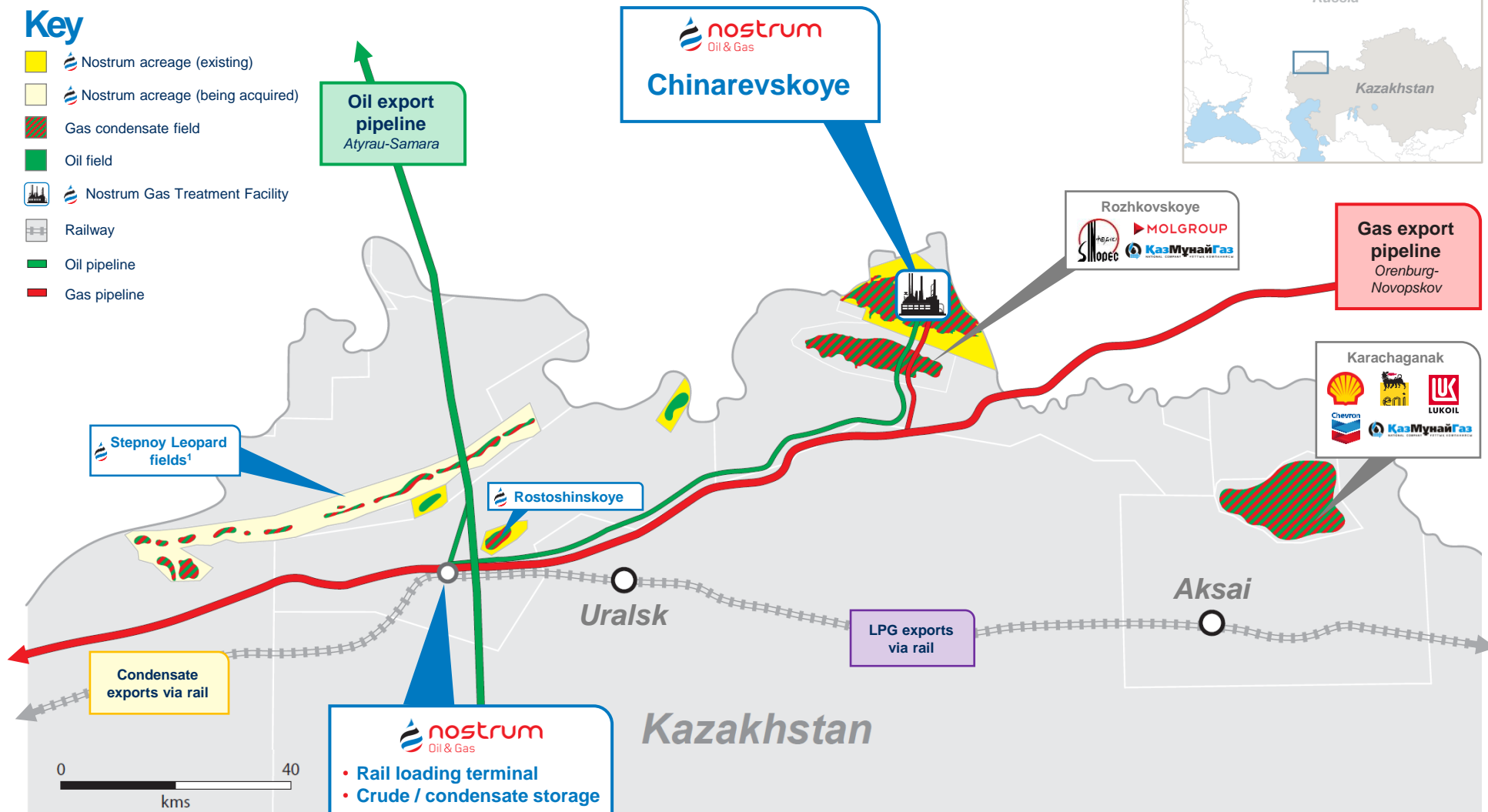
- Forbearance Agreement signed on 23 October 2020.
- Current forbearance period ends on 20 May 2021.
- Discussions over restructuring of the Group's Loan Notes continue.

¹ Cash and cash equivalents including current and non-current investments and excluding restricted cash

² IFRS Long-term borrowings plus current portion of long-term borrowings less cash and cash equivalents

³ Net cash flows from operating activities

An infrastructure hub in North-western Kazakhstan



Note: Map used for illustrative purposes only

¹ Nostrum signed an SPA to acquire 50% of Positive Invest LLP, which holds the subsoil use rights to the Stepnoy Leopard licences in Kazakhstan, on 24 June 2019. Nostrum has the right to buy the remaining 50%, subject to the satisfaction of certain additional conditions, at a price of US\$0.27 cent per boe of proven and probable reserves. Transaction currently on hold pending revision to deal terms

Key Focus Areas for 2021

Delivering

- Continued focus on HSE and COVID risk management
- Advance ongoing discussions with third parties to monetise the gas processing facilities

Optimising

- Successful restructuring of the Group's debt
- Continue to manage costs and liquidity, with the target of keeping the total of opex and G&A below US\$43 million

Maximising

- Targeted well workover and intervention programme to optimise existing production decline in a cost-effective way
- Achieve average production volumes of 17,000 boepd corresponding to average sales volumes of 16,000 boepd
- Continue studies to identify economic ways to bring contingent resources back into 2P

¹ Profit before tax net of finance costs, foreign exchange loss/gain, ESOP, depreciation, interest income, other income and expenses

² Cash and cash equivalents including current and non-current investments and excluding restricted cash

³ For 2020 being IFRS short term borrowings less cash and cash equivalents. For 2019 being IFRS long-term borrowings plus current portion of long-term borrowings less cash and cash equivalents

⁴ As of 31 March 2020



Supporting materials

Consolidated Statement of Financial Position

<i>In thousands of US Dollars</i>	<i>Notes</i>	31 December 2020	31 December 2019
Assets			
Non-current assets			
Property, plant and equipment	6	339,406	650,229
Right-of-use assets	7	2,755	6,875
Advances for non-current assets	8	9,034	8,412
Restricted cash	12	20,613	7,620
		371,808	673,136
Current assets			
Inventories	9	28,805	35,849
Prepayments and other current assets	10	12,303	12,040
Income tax prepayment		379	90
Trade receivables	11	13,540	31,239
Cash and cash equivalents	12	78,583	93,940
		133,610	173,158
TOTAL ASSETS		505,418	846,294
Equity and liabilities			
Share capital and reserves	13		
Share capital		3,203	3,203
Treasury capital		(1,660)	(1,660)
Retained deficit and reserves		(761,294)	(433,627)
		(759,751)	(432,084)
Non-current liabilities			
Long-term borrowings	15	–	1,100,453
Long-term lease liabilities	16	35	641
Abandonment and site restoration provision	17	28,936	27,502
Due to Government of Kazakhstan	18	4,832	5,070
Deferred tax liability	29	8,505	42,787
		42,308	1,176,453
Current liabilities			
Current portion of long-term borrowings	15	1,186,269	35,633
Current portion of lease liabilities	16	2,790	6,735
Employee share option plan liability		3	4
Trade payables	19	8,502	27,638
Advances received		186	335
Current portion of due to Government of Kazakhstan	18	1,031	1,031
Other current liabilities	20	24,080	30,549
		1,222,861	101,925
TOTAL EQUITY AND LIABILITIES		505,418	846,294

Consolidated Statement of Comprehensive Income

In thousands of US Dollars	Notes	For the year ended 31 December	
		2020	2019
Revenue			
Revenue from export sales		140,843	218,511
Revenue from domestic sales		35,096	103,617
	21	175,939	322,128
Cost of sales	22	(125,392)	(172,002)
Gross profit		50,547	150,126
General and administrative expenses	23	(14,671)	(21,399)
Selling and transportation expenses	24	(31,037)	(45,875)
Taxes other than income tax	25	(14,113)	(22,886)
Finance costs	26	(102,067)	(43,047)
Employee share options - fair value adjustment	27	496	(584)
Impairment charge	4	(244,923)	(1,354,651)
Foreign exchange (loss) / gain, net		(1,827)	361
Interest income		253	86
Other income	28	4,757	7,210
Other expenses	28	(7,606)	(12,490)
Loss before income tax		(360,191)	(1,343,149)
Current income tax expense		(1,516)	(4,972)
Deferred income tax benefit		34,282	358,194
Income tax benefit	29	32,766	353,222
Loss for the year		(327,425)	(989,927)
Other comprehensive income that could be reclassified to the income statement in subsequent periods			
Currency translation difference		253	211
Other comprehensive income		253	211
Total comprehensive loss for the year		(327,172)	(989,716)
Loss for the period attributable to the shareholders (in thousands of US dollars)		(327,425)	(989,927)
Weighted average number of shares		185,234,079	185,234,079
Basic and diluted earnings per share (in US dollars)	14	(1.77)	(5.34)

Consolidated Statement of Cash Flows

In thousands of US Dollars	Notes	For the year ended 31 December	
		2020	2019*
Cash flow from operating activities:			
Loss before income tax		(360,191)	(1,343,149)
<i>Adjustments for:</i>			
Depreciation, depletion and amortisation	22,23,24	89,777	143,291
Impairment charge	4	244,923	1,354,651
Finance costs	26	102,067	43,047
Employee share option plan fair value adjustment		(496)	584
Interest income		(253)	(86)
Foreign exchange (gain)/loss on investing and financing activities		(129)	160
Loss on disposal of property, plant and equipment		737	96
Payments under derivative financial instruments		–	(3,741)
Accrued expenses		–	(5,096)
Operating profit before working capital changes		76,435	189,757
<i>Changes in working capital:</i>			
Change in inventories		7,043	(6,266)
Change in trade receivables		17,699	4,493
Change in prepayments and other current assets		(132)	5,494
Change in trade payables		(9,171)	3,949
Change in advances received		(150)	(59)
Change in due to Government of Kazakhstan		(1,031)	(1,031)
Change in other current liabilities		(5,951)	5,977
Cash generated from operations		84,742	202,314
Income tax paid		(1,996)	(5,477)
Net cash flows from operating activities		82,746	196,837
Cash flow from investing activities:			
Interest received		253	86
Purchase of property, plant and equipment		(25,797)	(114,762)
Exploration and evaluation works		(483)	(984)
Advances for non-current assets		(622)	(4,731)
Transfer to restricted cash		(13,452)	(599)
Net cash used in investing activities		(40,101)	(120,990)
Cash flow from financing activities:			
Finance costs paid		(43,000)	(86,000)
Other finance costs		(10,013)	–
Payment of principal portion of lease liabilities		(5,064)	(14,856)
Finance charges on lease liabilities		(354)	(2,853)
Net cash used in financing activities		(58,431)	(103,709)
Effects of exchange rate changes on cash and cash equivalents		429	49
Net decrease in cash and cash equivalents		(15,357)	(27,813)
Cash and cash equivalents at the beginning of the year	12	93,940	121,753
Cash and cash equivalents at the end of the year	12	78,583	93,940

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