



Financial Results for the quarter ended 31 March 2023

June 2023

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Q1 2023 Results Summary

Strategic

- Successful completion of Bond restructuring
- New Board of Directors
- Launch of mixed-asset energy strategy
- Stepnoy Leopard fields acquisition announcement

Financial

- Revenues of US\$17.4m (Q1 2022: US\$60.2m), decreasing due to production decline and lower product prices, both of which are in line with management expectations, while one-off impact of temporary oil inventory build-up is expected to be recovered by end of H1 with sales volumes and revenues remaining on target.
- EBITDA¹ of US\$4.6 m (Q1 2022: US\$40.5m), lower due to temporary oil inventory build-up and expected to recover by end of H1.
- Free cashflow for the period US\$41.8m negative (Q1 2022: US\$15.6m), mainly due to Restructuring completion payments and tax audit payments
- Unrestricted cash balances in excess of US\$191.8m (Q1 2022: US\$180.8m)
- Optimized balance sheet post-restructuring with net assets of US\$5.2m negative (vs US\$940.2m negative YE 2022).

Operational

- Average daily production volumes of 10,479 boepd (Q1 2022: 14,683 boepd)
- Average daily sales volumes of 7,276 boepd (Q1 2022: 14,059 boepd)
- UOG tie-back project initiated with expected costs of c.US\$5m
- No unplanned downtime of field facilities

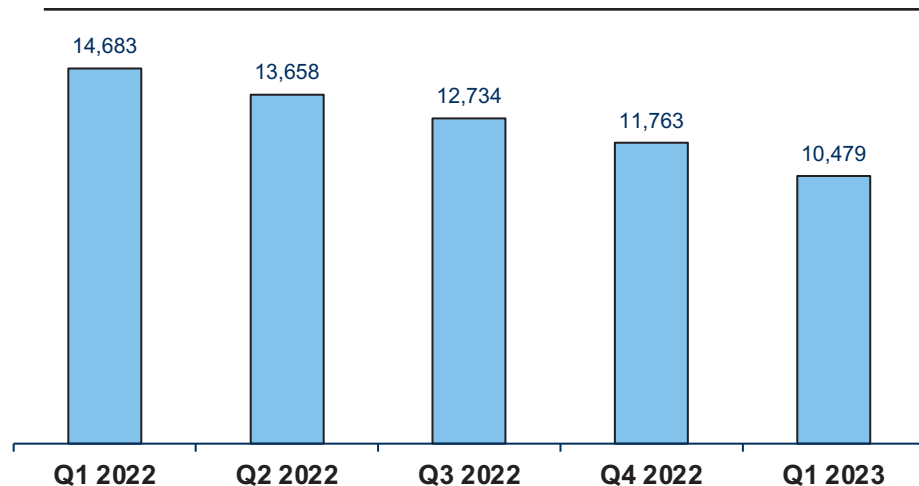
HSE

- Zero fatalities among employees and contractors during operations in Q1 2023 (Q1 2022: zero).
- Zero Lost Time Injury ("LTI") in Q1 2023 (Q1 2022: zero)
- Zero Total Recordable Incidents ("TRI") in Q1 2023 (Q1 2022: one).
- 1,113 tonnes of air emissions emitted in Q1 2023 against 6,309 tonnes permitted

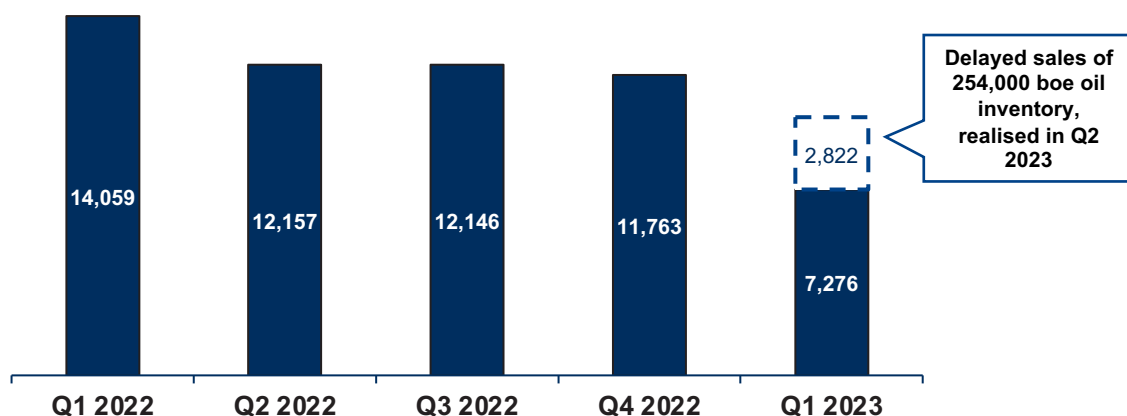
¹ EBITDA is defined as the results of operating activities before depreciation and amortisation, share-based compensation, fair value gains and losses on derivative instruments, foreign exchange losses, finance costs, finance income, non-core income or expenses and taxes, and includes any cash proceeds received or paid out from hedging activity.

Q1 2023 Operational Review

Production and Sales volumes (boepd)¹



Sales volumes (boepd)



- Q1 2023 average production volumes available for sales 10,479 boepd
 - Crude & condensate: 4,902 boepd
 - LPG: 1,318 boepd
 - Dry gas: 4,259 boepd
- Production decline continues from the mature Chinarevskoye field
- Continuation of targeted workover and well intervention programme in 2023
- Q1 2023 average sales volumes 7,276 boepd, which is short of quarter-end oil inventory of 254,000 boe (2,822boepd), sold during Q2 2023, with H1 sales expected to remain on target

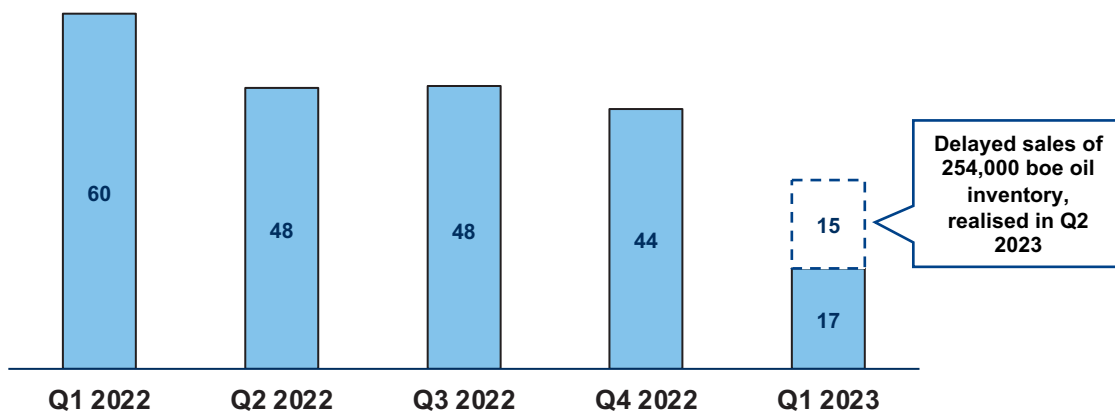
2023 guidance

- Production volumes: 9,000 – 10,000 boepd

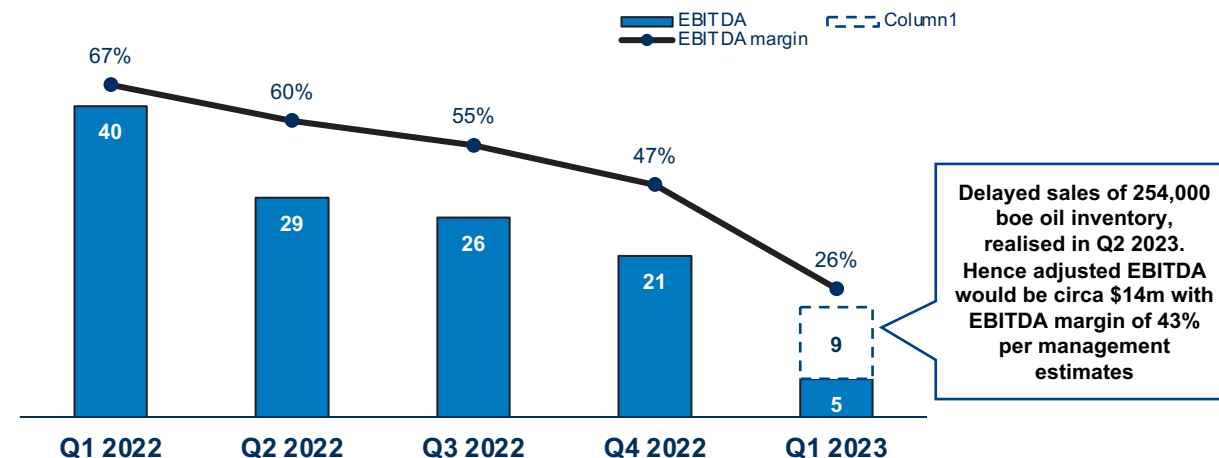
¹ The delta between production and sales volumes fluctuates annually depending on the timing of condensate shipments. The average delta between production and sales volumes adjusting for condensate shipments is 1,000-1,500 boepd - this represents own use gas required to power certain field facilities.

Q1 2023 Financial Review

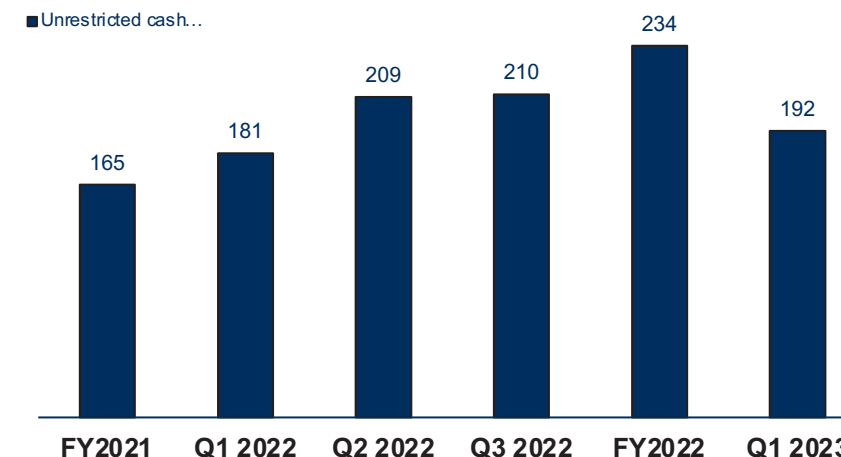
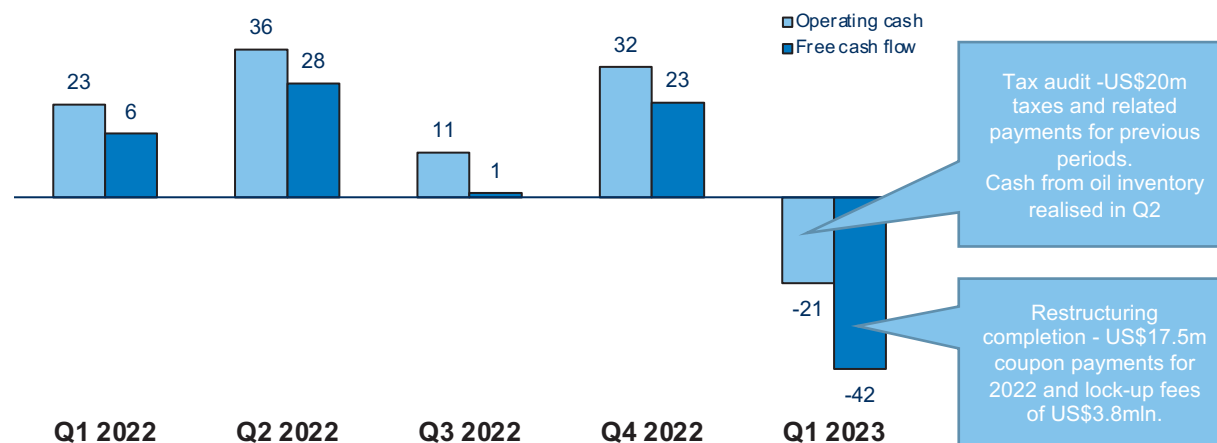
Revenue (US\$m)



EBITDA¹ (US\$m)



Cash generation (US\$m)



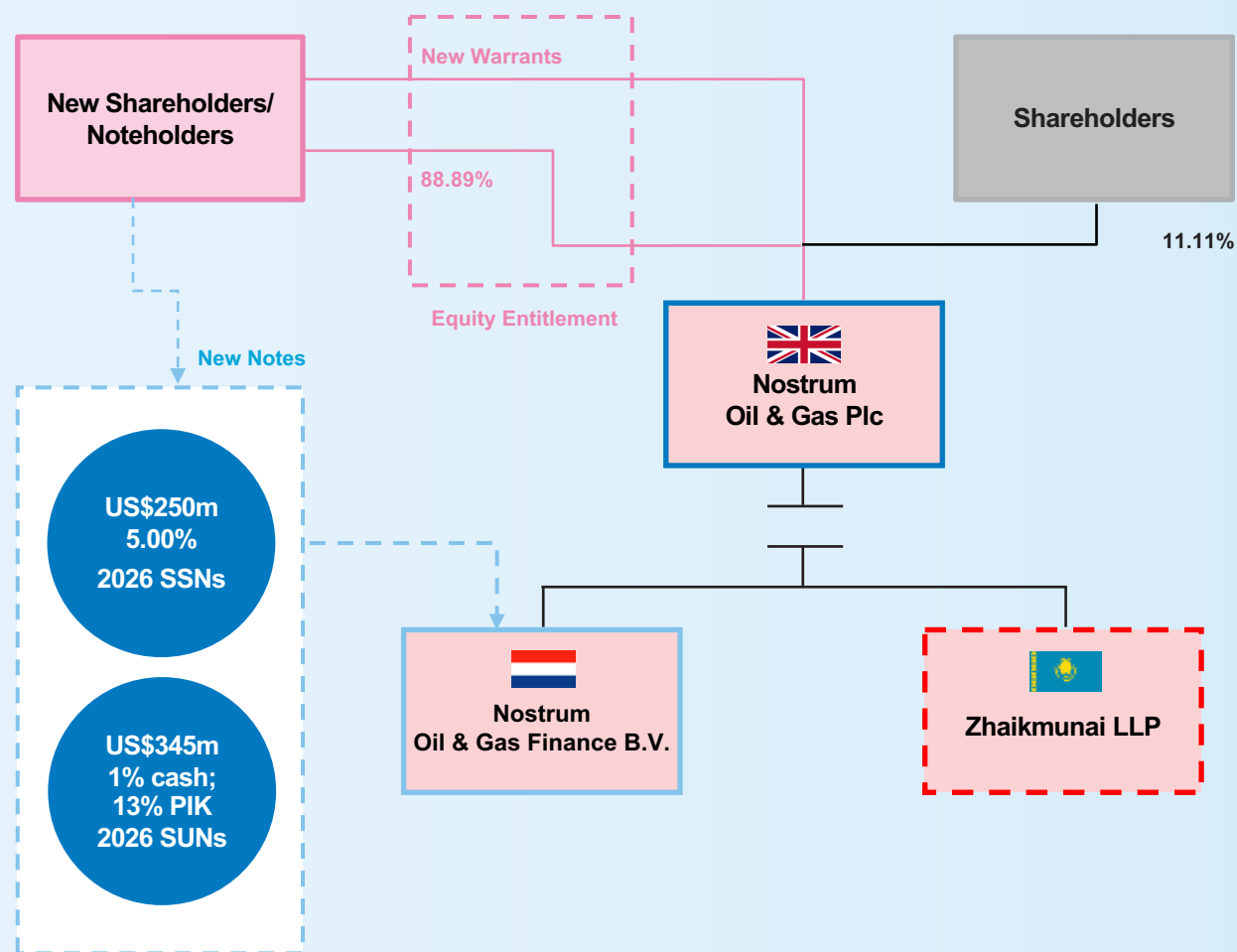
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Simplified Group Structure post Bond Restructuring

(9 February 2023)

Key shareholders¹:

ICU Trading
EMOV
Amundi



 **London**
Stock Exchange
Listed on LSE with symbol: NOG

 **ASTANA**
INTERNATIONAL
EXCHANGE
Listed on AIX with symbol: NOG

¹ Key shareholders list as of 26 May 2023



Supporting materials

Q1 2023 Financial Results

Interim Consolidated Statement of Financial Position

Consolidated statement of financial position

<i>In thousands of US Dollars</i>	<i>Notes</i>	31 March 2023 (unaudited)	31 December 2022 (audited)
Assets			
Non-current assets			
Property, plant and equipment	4	269,898	276,023
Advances for non-current assets	5	1,634	2,114
Restricted cash	9	22,576	31,022
		294,108	309,159
Current assets			
Inventories	6	32,880	30,196
Prepayments and other current assets	7	9,063	4,688
Income tax prepayment		1,557	95
Trade receivables	8	8,074	12,395
Cash and cash equivalents	9	191,764	233,584
		243,338	280,958
TOTAL ASSETS		537,446	590,117
Equity and liabilities			
Share capital and reserves			
Share capital	10	2,152	3,203
Treasury capital		(166)	(1,660)
Retained deficit and reserves		(7,269)	(941,769)
		(5,283)	(940,226)
Non-current liabilities			
Notes payable and accumulated interest	11	427,699	—
Abandonment and site restoration provision		20,138	20,073
Due to Government of Kazakhstan		3,908	4,002
Deferred tax liability		46,329	49,899
		498,074	73,974
Current liabilities			
Current portion of notes payable and accumulated interest	12	2,304	1,396,517
Trade payables	13	10,106	9,929
Advances received		272	52
Current portion of due to Government of Kazakhstan		1,031	1,031
Other current liabilities	14	30,942	48,840
		44,655	1,456,369
TOTAL EQUITY AND LIABILITIES		537,446	590,117

Q1 2023 Financial Results

Interim Consolidated Statement of Comprehensive Income

Consolidated statement of comprehensive income

In thousands of US Dollars	Notes	For the three months ended 31 March	
		2023 (unaudited)	2022 (unaudited)
Revenue			
Revenue from export sales		11,454	54,955
Revenue from domestic sales		5,884	5,241
	15	17,338	60,196
Cost of sales	16	(16,386)	(21,094)
Gross profit		952	39,102
General and administrative expenses	17	(3,082)	(2,774)
Selling and transportation expenses	18	(2,332)	(4,699)
Taxes other than income tax	19	(1,179)	(5,212)
Finance costs	20	(33,738)	(31,329)
Gain on debt-to-equity exchange	10	770,021	–
Fair value adjustment on recognition of debt instruments	10	160,024	–
Foreign exchange loss, net		(724)	(261)
Interest income		68	70
Other income		293	1,302
Other expenses	21	(2,775)	(723)
Income / (loss) before income tax		887,528	(4,524)
Current income tax expense		(233)	(149)
Deferred income tax benefit / (expense)		3,570	(8,753)
Income tax benefit / (expense)	22	3,337	(8,902)
Income/(loss) for the period		890,865	(13,426)
Other comprehensive income that could be reclassified to the income statement in subsequent periods			
Currency translation difference		118	79
Other comprehensive income		118	79
Total comprehensive income / (loss) for the period		890,983	(13,347)
Income / (loss) for the period attributable to the ordinary shareholders (in thousands of US dollars)		890,865	(13,426)
Weighted average number of ordinary shares ¹		169,381,600	169,381,600
Basic and diluted earnings per ordinary share (in US dollars)	10	5.26	(0.08)

¹ The number of shares has been adjusted as required under IAS 33.64 for the effect of the sub-division and consolidation of the ordinary share capital occurred after close of business on 9 February 2023 (Note 31).

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

Q1 2023 Financial Results

Interim Consolidated Statement of Cash Flows

Consolidated statement of cash flows

		For the three months ended 31 March	
		2023	2022
In thousands of US Dollars		(unaudited)	(unaudited)
Notes			
Cash flow from operating activities:			
	Income / (loss) before income tax	887,528	(4,524)
<i>Adjustments for:</i>			
	Depreciation, depletion and amortisation	10,212	14,043
	Finance costs	33,738	31,329
	Interest income	(68)	(70)
	Foreign exchange loss on investing and financing activities	44	(99)
	Fair value adjustment on recognition of debt instruments	(160,025)	–
	Gain on debt-to-equity exchange	(770,021)	–
	Operating profit before working capital changes	1,408	40,679
<i>Changes in working capital:</i>			
	Change in inventories	(2,684)	(351)
	Change in trade receivables	4,320	(16,469)
	Change in prepayments and other current assets	(4,375)	(1,874)
	Change in trade payables	178	2,441
	Change in advances received	221	17
	Change in due to Government of Kazakhstan	(258)	(258)
	Change in other current liabilities	(5,391)	(1,144)
	Cash used in operations	(6,581)	23,041
	Income tax paid	(14,203)	(274)
	Net cash flows (used in) / from operating activities	(20,784)	22,767
Cash flow from investing activities:			
	Interest received	68	70
	Purchase of property, plant and equipment	(3,644)	(2,636)
	Advances for non-current assets	480	(1,417)
	Transfer to restricted cash	8,446	–
	Net cash from / (used in) investing activities	5,350	(3,983)
Cash flow from financing activities:			
	Finance costs paid	(17,510)	(9)
	Other finance costs	(8,952)	(3,376)
	Net cash used in financing activities	(26,462)	(3,385)
	Effects of exchange rate changes on cash and cash equivalents	76	177
	Net decrease in cash and cash equivalents	(41,820)	15,576
	Cash and cash equivalents at the beginning of the period	233,584	165,246
	Cash and cash equivalents at the end of the period	191,764	180,822

“Other finance costs” represent lock-up fees of US\$3,828 thousand (2022: nil) and advisor fees of US\$5,124 thousand (2022: US\$ 3,376 thousand) paid by the Group in relation to the forbearance agreements, lock-up agreements and ongoing process of restructuring of the Group’s outstanding bonds. For more details see Note 1.

Q1 2023 Financial Results

Consolidated Statement of Changes in Equity

Consolidated statement of changes in equity

<i>In thousands of US Dollars</i>	Notes	Share capital	Treasury capital	Other reserves	Retained deficit	Total
As at 1 January 2022		3,203	(1,660)	262,385	(1,087,181)	(823,253)
Loss for the period		–	–	–	(13,426)	(13,426)
Other comprehensive income		–	–	79	–	79
Total comprehensive loss for the period		–	–	79	(13,426)	(13,347)
As at 31 March 2022		3,203	(1,660)	262,464	(1,100,607)	(836,600)
Loss for the period		–	–	–	(103,019)	(103,019)
Other comprehensive loss		–	–	(569)	–	(569)
Total comprehensive loss for the period		–	–	(569)	(103,019)	(103,588)
Share based payments under LTIP*		–	–	(38)	–	(38)
As at 31 December 2022 (audited)		3,203	(1,660)	261,857	(1,203,626)	(940,226)
Income for the period		–	–	–	890,865	890,865
Other comprehensive income		–	–	118	–	118
Total comprehensive income for the period		–	–	118	890,865	890,983
Share issue and consolidation (Note 10)		(1,052)	1,494	43,518	–	43,960
As at 31 March 2023 (unaudited)		2,151	(166)	305,493	(312,761)	(5,283)

* Long-Term Incentive Plan ("LTIP")



Thank you