



Financial Results for the period ended 30 June 2023

August 2023

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H1 2023 Results Summary

Strategic

- Successful completion of Bond restructuring
- New Board of Directors, CFO and Corporate Broker appointments
- Launch of mixed-asset energy strategy
- Acquisition of the Stepnoy Leopard fields and commencement of an appraisal programme in July 2023

Financial

- H1 2023 revenues of US\$52.8m (H1 2022: US\$107.8m)
- EBITDA¹ of US\$15.5m with EBITDA margin of 29.4% (H1 2022: US\$68.8m and 63.8%, respectively)
- Free cashflow for the period US\$41.6m negative (H1 2022: US\$43.4m positive)
- Unrestricted cash balances of US\$192.0m (H1 2022: US\$208.7m)

Operational

- Average daily production volumes of 10,048 boepd (H1 2022: 14,167 boepd)
- Average daily sales volumes of 9,020 boepd (H1 2022: 13,102 boepd)
- Gas lift system capacity successfully doubled helping slow down production decline from Q3 2023
- Ural OG tie-back project progressing with expected costs of c.US\$5m and first gas expected in Q4 2023
- Two-well drilling programme approved for 2023-2024 with total cost of US\$26m

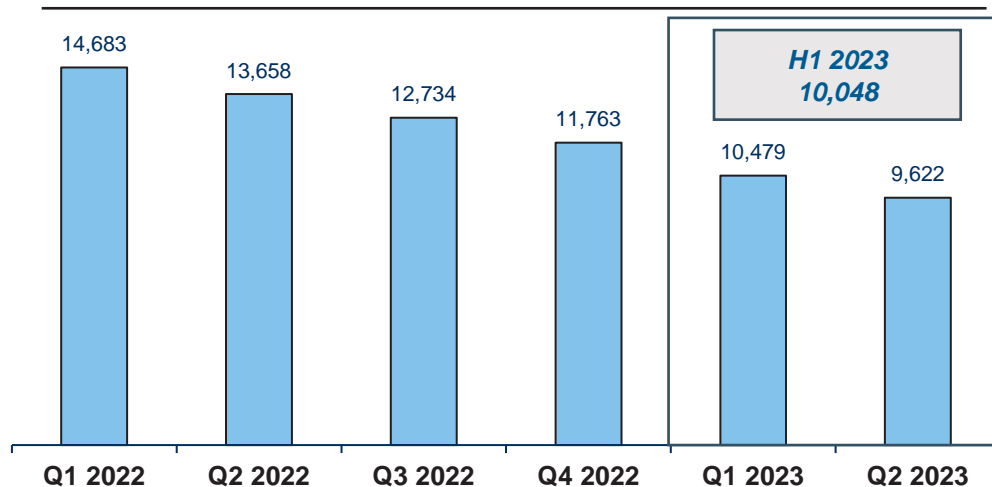
HSE

- Zero fatalities among employees and contractors during operations in H1 2023 (H1 2022: zero)
- Zero Lost Time Injury (“LTI”) in H1 2023 (H1 2022: zero)
- One Total Recordable Incidents (“TRI”) in H1 2023 (H1 2022: two)
- 2,277 tonnes of air emissions emitted in H1 2023 against 6,309 tonnes permitted for 2023 under the Kazakhstan Environmental Code.

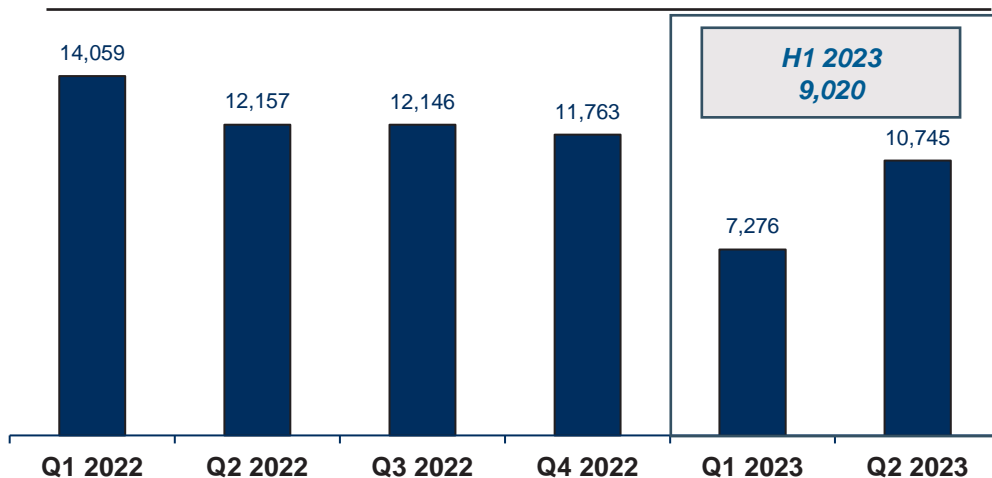
¹ EBITDA is defined as the results of operating activities before depreciation and amortisation, share-based compensation, fair value gains and losses on derivative instruments, foreign exchange losses, finance costs, finance income, non-core income or expenses and taxes, and includes any cash proceeds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

Q1 2023 Operational Review

Production and Sales volumes (boepd)¹



Sales volumes (boepd)



- H1 2023 average production volumes available for sales 10,048 boepd
 - Crude & condensate: 4,621 boepd
 - LPG: 1,258 boepd
 - Dry gas: 4,169 boepd
- Production decline continues from the mature Chinarevskoye field
- Continuation of targeted workover and well intervention programme in 2023
- H1 2023 average sales volumes 9,020 boepd
- Crude & condensate inventory amounted to approximately 157,405 boe.

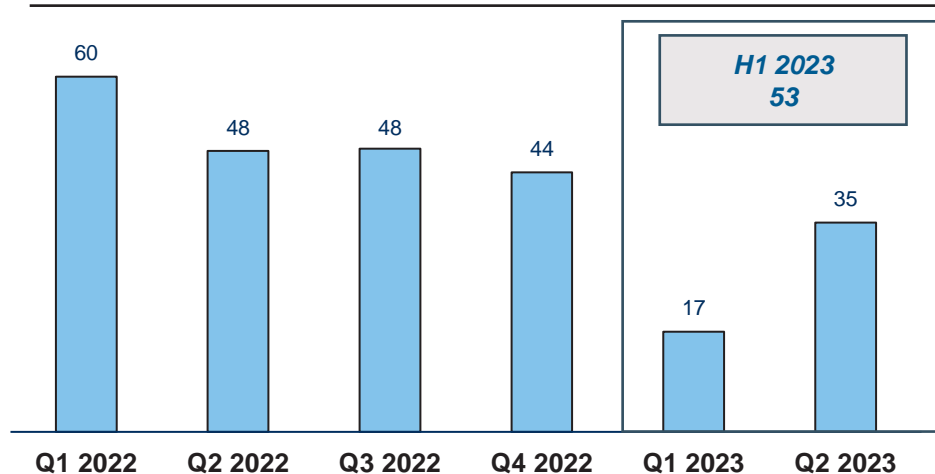
2023 guidance

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

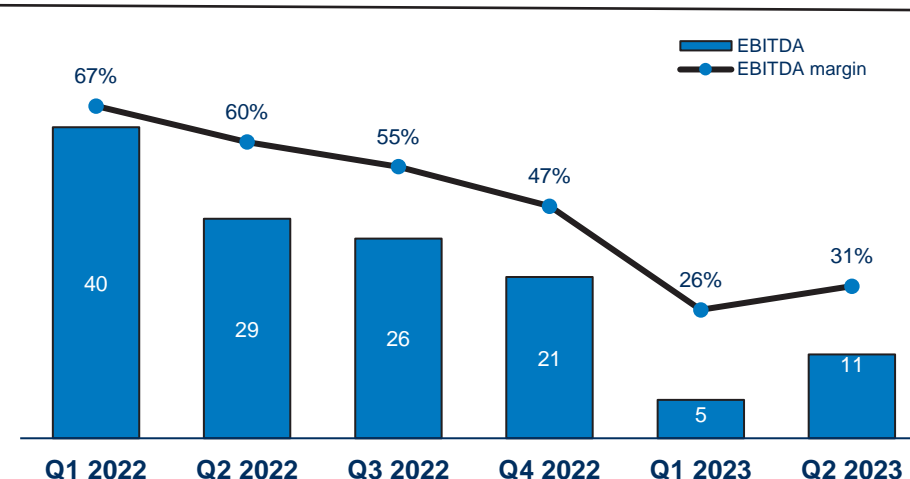
¹ The delta between production and sales volumes fluctuates annually depending on the timing of condensate shipments. The average delta between production and sales volumes adjusting for condensate shipments is 1,000-1,500 boepd - this represents own use gas required to power certain field facilities.

H1 2023 Financial Review

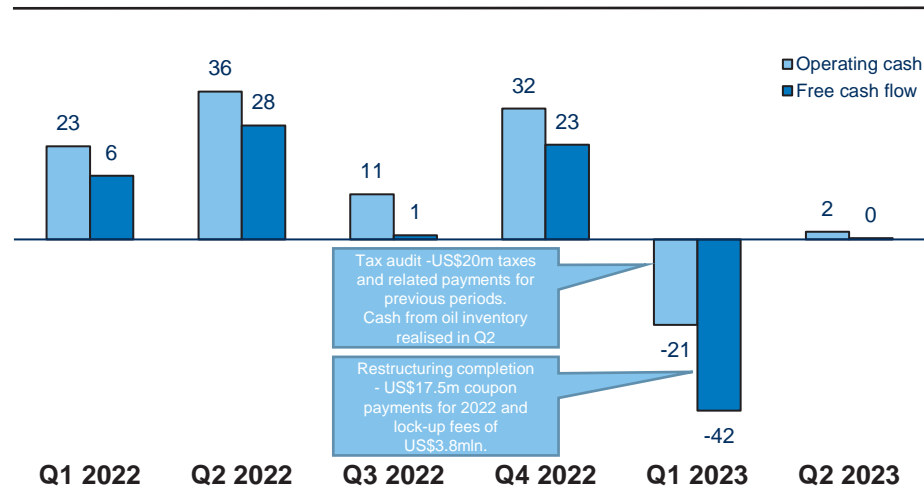
Revenue (US\$m)



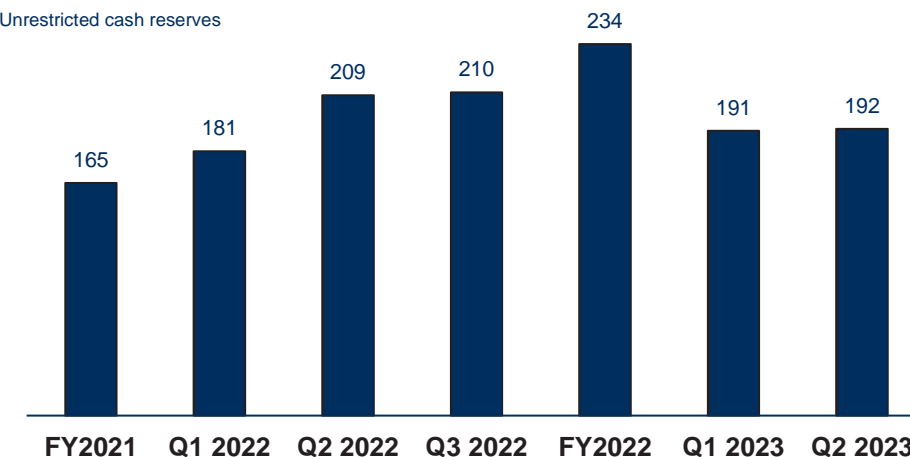
EBITDA¹ (US\$m)



Cash generation (US\$m)



Unrestricted cash reserves



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.



Supporting materials

H1 2023 Financial Results

Interim Consolidated Statement of Financial Position

Consolidated statement of financial position

<i>In thousands of US Dollars</i>	<i>Notes</i>	30 June 2023 (unaudited)	31 December 2022 (audited)
Assets			
Non-current assets			
Property, plant and equipment	4	262,581	276,023
Advances for non-current assets	5	1,948	2,114
Restricted cash	9	16,287	31,022
		280,816	309,159
Current assets			
Inventories	6	29,817	30,196
Prepayments and other current assets	7	6,698	4,688
Income tax prepayment		86	95
Trade receivables	8	12,407	12,395
Cash and cash equivalents	9	192,006	233,584
		241,014	280,958
TOTAL ASSETS		521,830	590,117
Equity and liabilities			
Share capital and reserves			
Share capital	10	2,151	3,203
Treasury capital		(166)	(1,660)
Retained deficit and reserves		(41,907)	(941,769)
		(39,922)	(940,226)
Non-current liabilities			
Borrowings, net at amortised cost, including:	11	454,855	—
<i>Principal amount</i>		<i>595,078</i>	—
<i>Accrued interest</i>		<i>17,695</i>	—
<i>Fair value adjustments and arrangement fees*</i>		<i>(157,918)</i>	—
Abandonment and site restoration provision		21,045	20,073
Due to Government of Kazakhstan		3,813	4,002
Deferred tax liability		47,226	49,899
		526,939	73,974
Current liabilities			
Current portion of notes payable and accumulated interest	12	—	1,396,517
<i>Principal amount</i>		—	<i>1,125,000</i>
<i>Accrued interest</i>		—	<i>275,197</i>
<i>Fair value adjustments and arrangement fees</i>		—	<i>(3,680)</i>
Trade payables	13	9,929	9,929
Advances received		50	52
Current portion of due to Government of Kazakhstan		1,031	1,031
Other current liabilities	14	24,838	48,840
		34,813	1,456,369
TOTAL EQUITY AND LIABILITIES		521,830	590,117

** In accordance with IFRS 9 requirements, the borrowings are recognised at fair value calculated through discounting future cashflows at applicable effective interest rates on the date of recognition with applicable adjustments for the arrangement fees.*

H1 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 30 June		For the six months ended 30 June	
		2023 (unaudited)	2022 (unaudited)	2023 (unaudited)	2022 (unaudited)
Revenue					
Revenue from export sales		32,316	42,603	43,770	97,558
Revenue from domestic sales		3,181	5,033	9,065	10,274
	15	35,497	47,636	52,835	107,832
Cost of sales	16	(22,938)	(20,052)	(39,324)	(41,146)
Gross profit		12,559	27,584	13,511	66,686
General and administrative expenses	17	(2,977)	(3,183)	(6,059)	(5,957)
Selling and transportation expenses	18	(3,575)	(4,835)	(5,907)	(9,534)
Taxes other than income tax	19	(5,180)	(4,442)	(6,359)	(9,654)
Finance costs	20	(31,857)	(32,739)	(67,063)	(64,068)
Gain on debt-to-equity exchange	10	–	–	769,611	–
Fair value adjustment on recognition of debt instruments	10	–	–	163,506	–
Foreign exchange loss, net		(79)	359	(803)	98
Interest income		831	27	899	97
Other income		852	1,079	1,145	2,381
Other expenses	21	(1,462)	(1,467)	(4,237)	(2,190)
(Loss)/income before income tax		(30,888)	(17,617)	858,244	(22,141)
Current income tax expense		(2,800)	(132)	(3,033)	(281)
Deferred income tax (expense) / benefit		(897)	(3,602)	2,673	(12,355)
Income tax expense	22	(3,697)	(3,734)	(360)	(12,636)
(Loss)/income for the period		(34,585)	(21,351)	857,884	(34,777)
Other comprehensive income that could be reclassified to the income statement in subsequent periods					
Currency translation difference		(123)	(161)	(5)	(82)
Other comprehensive loss		(123)	(161)	(5)	(82)
Total comprehensive (loss)/income for the period		(34,708)	(21,512)	857,879	(34,859)
Income/(loss) for the period attributable to the shareholders (in thousands of US dollars)				857,884	(34,777)
Weighted average number of shares ¹				169,381,600	169,381,600
Basic and diluted earnings per share (in US dollars)	10			5.06	(0.21)

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.

H1 2023 Financial Results

Interim Consolidated Statement of Cash Flows

Consolidated statement of cash flows

Notes	For the six months ended 30 June	
	2023 (unaudited)	2022 (unaudited)
<i>In thousands of US Dollars</i>		
Cash flow from operating activities:		
Income/(loss) before income tax	858,244	(22,141)
<i>Adjustments for:</i>		
Depreciation, depletion and amortisation	16,17,18 20,315	27,281
Finance costs	20 67,063	64,068
Interest income	(899)	(97)
Foreign exchange loss on investing and financing activities	4	544
Loss on disposal of property, plant and equipment	685	—
Fair value adjustment on recognition of debt instruments	(163,506)	—
Gain on debt-to-equity exchange	(769,611)	—
Operating profit before working capital changes	12,295	69,655
<i>Changes in working capital:</i>		
Change in inventories	380	(1,497)
Change in trade receivables	(13)	(4,250)
Change in prepayments and other current assets	(2,010)	(4,150)
Change in trade payables	(2,087)	2,505
Change in advances received	(1)	82
Change in due to Government of Kazakhstan	(515)	(515)
Change in other current liabilities	(12,561)	(2,484)
Cash used in operations	(4,512)	59,346
Income tax paid	(14,466)	(555)
Net cash flows used in operating activities	(18,978)	58,791
Cash flow from investing activities:		
Interest received	899	97
Purchase of property, plant and equipment	(5,568)	(5,460)
Advances for non-current assets	167	(1,442)
Transfer from restricted cash	14,735	—
Net cash from / (used in) investing activities	10,233	(6,805)
Cash flow from financing activities:		
Finance costs paid	(27,631)	—
Other finance costs	(5,262)	(7,941)
Net cash used in financing activities	(32,893)	(7,941)
Effects of exchange rate changes on cash and cash equivalents	60	(626)
Net (decrease)/increase in cash and cash equivalents	(41,578)	43,419
Cash and cash equivalents at the beginning of the period	9 233,584	165,246
Cash and cash equivalents at the end of the period	9 192,006	208,665

"Other finance costs" included advisor fees of US\$5,124 thousand (six months ended 30 June 2022: US\$ 7,886 thousand) paid by the Group in relation to the forbearance agreements and ongoing process of restructuring of the Group's outstanding bonds. For more details see Note 1.

H1 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 (audited)		3,203	(1,660)	262,385	(1,087,181)	(823,253)
Loss for the period		–	–	–	(34,777)	(34,777)
Other comprehensive income		–	–	(82)	–	(82)
Total comprehensive loss for the period		–	–	(82)	(34,777)	(34,859)
As at 30 June 2022 (unaudited)		3,203	(1,660)	262,303	(1,121,958)	(858,112)
Loss for the period		–	–	–	(81,668)	(81,668)
Other comprehensive loss		–	–	(408)	–	(408)
Total comprehensive loss for the period		–	–	(408)	(81,668)	(82,076)
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		–	–	–	857,884	857,884
Other comprehensive loss		–	–	(5)	–	(5)
Total comprehensive income for the period		–	–	(5)	857,884	857,879
Share issue and consolidation		(1,052)	1,494	41,684	–	42,126
Issue of warrants		–	–	299	–	299
As at 30 June 2023 (unaudited)		2,151	(166)	303,835	(345,742)	(39,922)

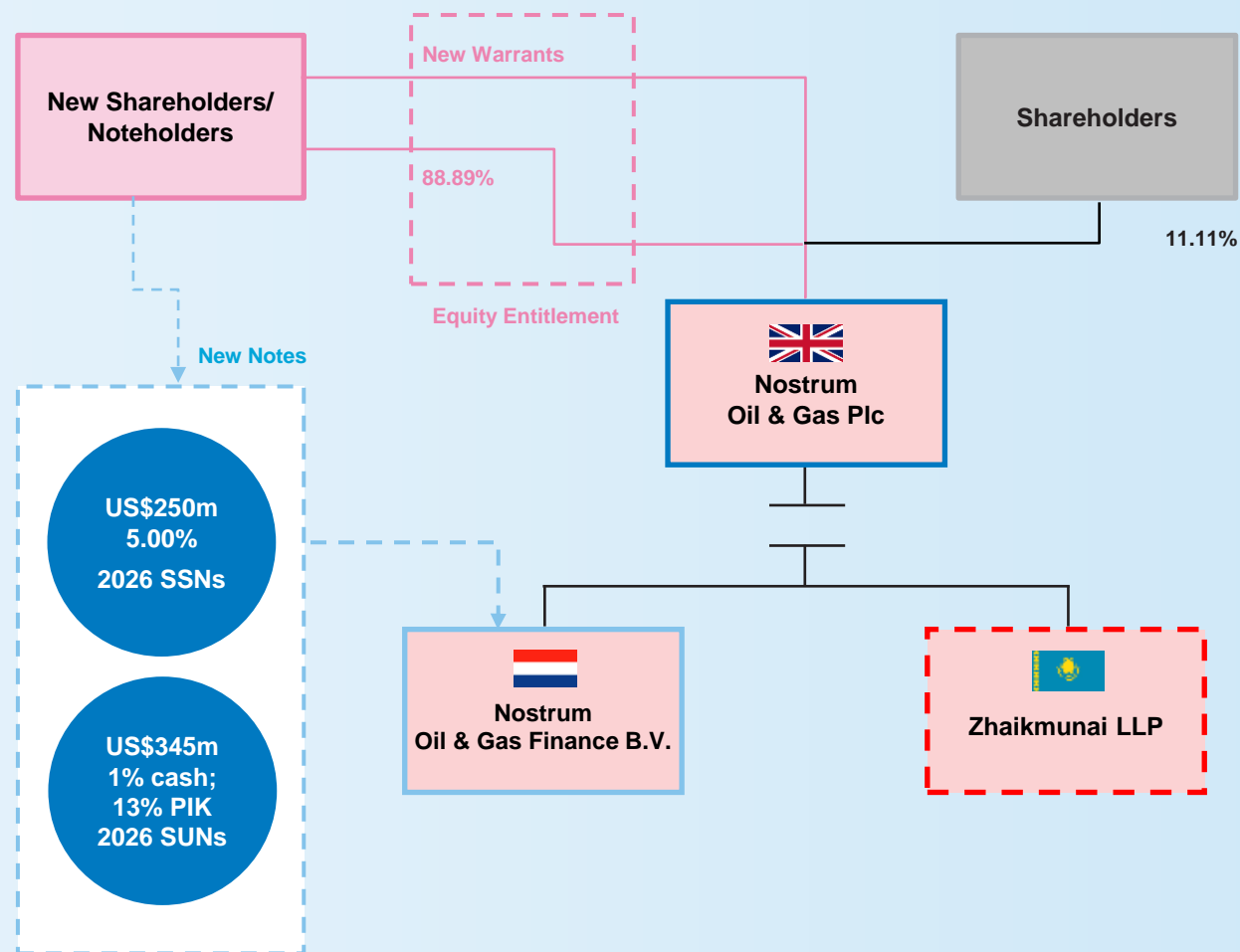
* Long-Term Incentive Plan ("LTIP")

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



Thank you