



ЖАН-ЖАҚТЫ ҚОЛДАУ!



nostrum
Oil & Gas



1

2013 Full Year Results – At a Glance

- **Nostrum continues to deliver record results and meet its targets in 2013**

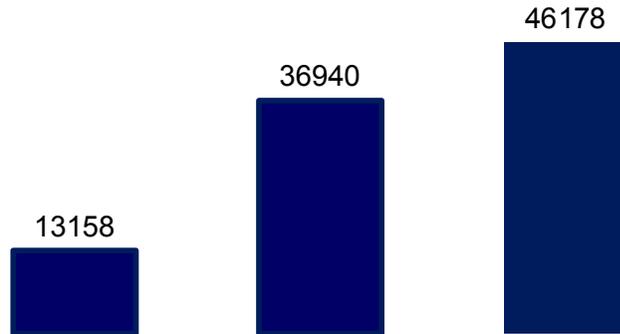
- 1 25% increase increase in production – to 46,178 boepd in 2013
- 2 2P Reserves now stand at 582m (20% increase over FY '12)
- 3 Record EBITDA of US\$551m (21% increase over FY'12) margins maintained above 60%
- 4 Increased operational cash flow – US\$360m in FY '13 (23% increase over FY '12)
- 5 Strong overall cash position – US\$244m¹ in FY '13
- 6 Acquired 3 new fields for US\$16m, adding 98m of 2P reserves

- **A year of delivery and laying the foundations for further growth**

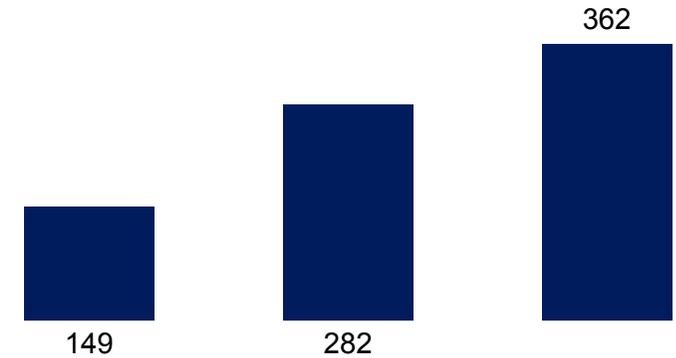
(1) Defined as Cash & Cash Equivalents + Restricted Cash + Short-Term Investments + Non-Current Investments

Progress – Snapshot

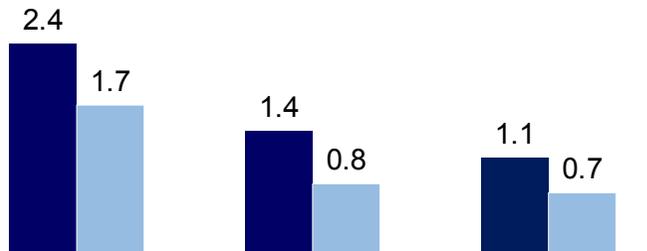
- Production: + 25%



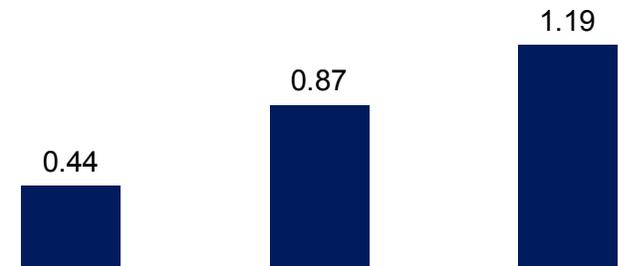
- Operating profit (1): + 28%



- Robust Credit Metrics:
- Net debt / EBITDA at 0.7x



- Earnings per share: + 37%

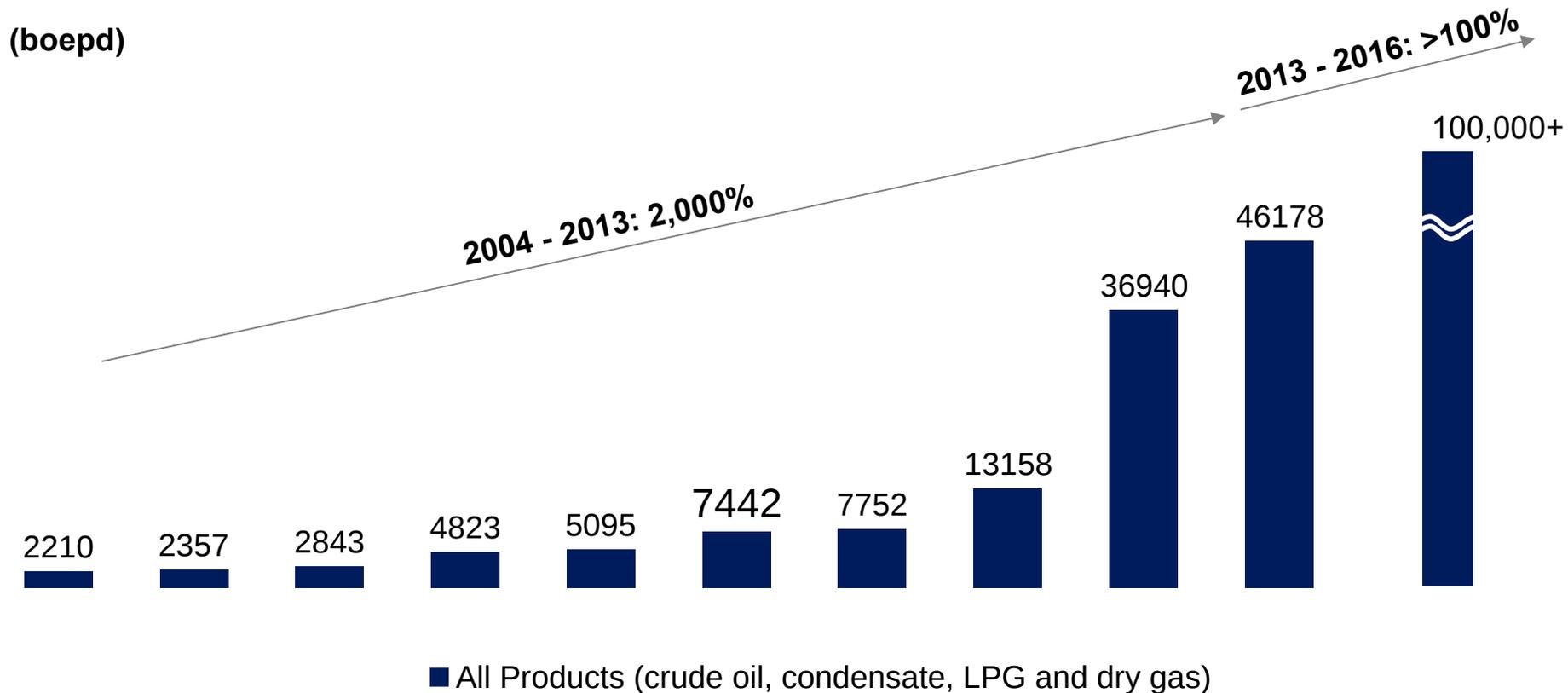


■ Gross Debt / EBITDA ■ Net Debt / EBITDA

• Increased production leads to greater profit. Healthy credit metrics maintained with the diligent capex programme

(1) Defined as Profit before Income Tax

• Nostrum Oil & Gas - Historical & Projected Production



Chinarevskoye provides scalable near term production

2

2013 Full Year Financial Results

Financial Overview – FY 2013 vs. FY 2012

US\$m (unless otherwise stated)	FY 2011	FY 2012	FY 2013	Change from FY 12 to FY 13 (%)
Revenue	343	737	895	21%
Operating Profit	149	282	362	28%
EBITDA(1)	188	457	551	21%
Net income	82	162	220	35%
Earnings per share (US\$)(2)	0.44	0.87	1.19	37%
Dividend per share (US\$)	-	0.32	0.34	7%
Net cash used in investing activities	(104)	(270)	(239)	(11%)
Net cash flows from operating activities	132	292	359	23%
Gross debt	448	623	628	1%
Cash & cash equivalents (4)	128	251	244	(3%)
Net debt(5)	319	372	384	3%
Net debt / EBITDA	1.7x	0.8x	0.7x	(14%)

- **Substantial growth in profit and operating cashflow combined with a capital structure that facilitates a balanced approach to investing in growth and shareholder return**

(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 an average of 187m GDR's across 2011, 12 and 13

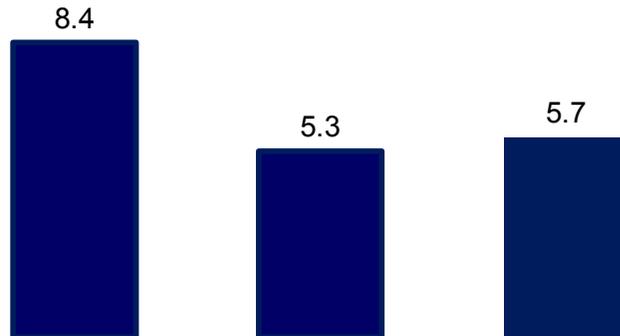
(3) Dividend approved on June 28, 2013 with a record date of July 19, 2013 and paid on July 26, 2013

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

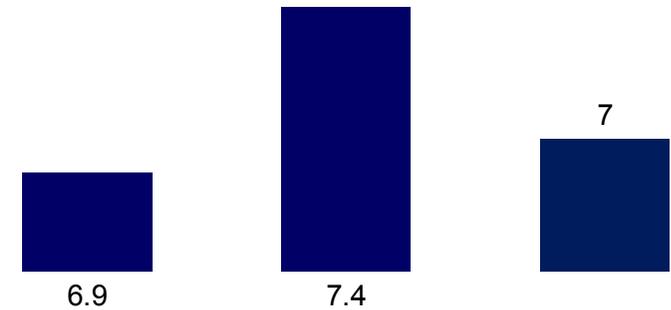
(5) Defined as Total Debt - Cash & Cash Equivalents - Restricted Cash - Short-Term Investments - Non-Current Investments

Key performance indicators

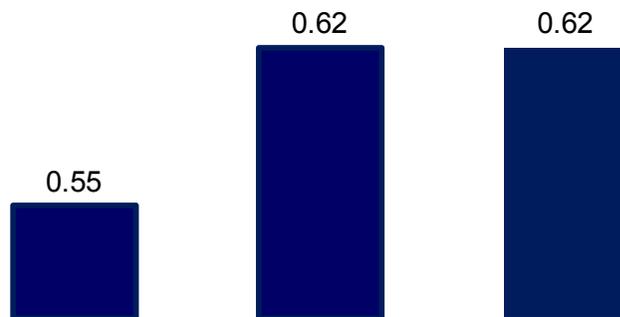
- Opex/boe(1)



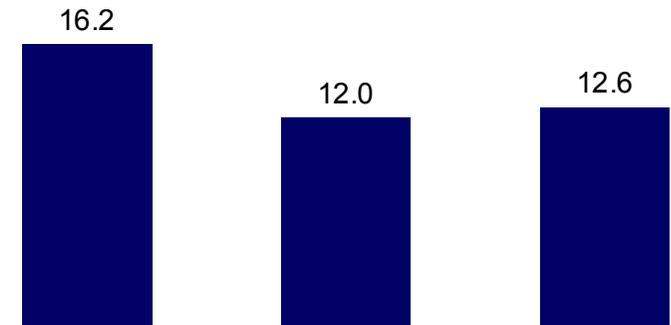
- Transport costs/boe



- EBITDA margin



- Tax/boe(2)



- Operating metrics improve as production increases

(1) Opex defined as Cost of Sales – Depreciation – Road Maintenance Expenses – PSA Expenses
(2) Tax includes royalties, government share and income tax expenses

Strong Balance Sheet and Enhanced Credit Metrics

Highlights

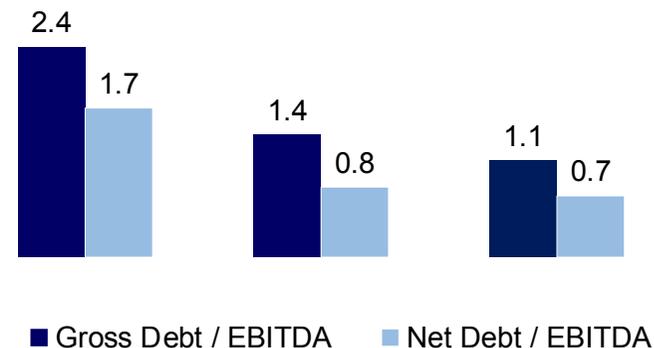
- Net Debt/TTM EBITDA kept below 1x at 0.7x
- Maintenance of EBITDA margins despite lower oil prices
- Closing cash of US\$244m for FY '13

FY 2013 Net Debt – US\$383m

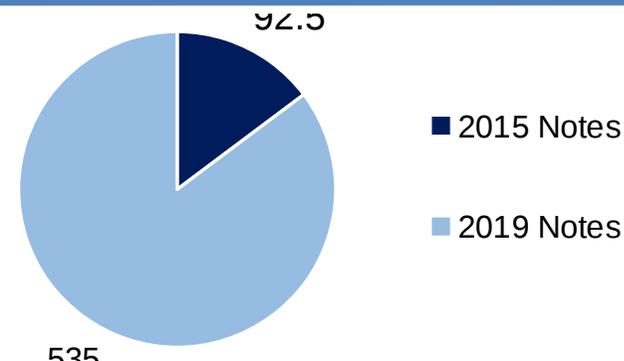
US\$m

Total debt, including:	628
2015 Notes	93
2019 Notes	535
Cash & cash equivalents(1)	244
Net Debt	384

Credit Metrics – Net debt / EBITDA < 1.0x



Maturity Profile – 85% > 5 years



- Robust capital structure ensures significant financial flexibility is retained

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

4

2013 Full Year Results – Detailed

Consolidated Statement of Financial Position

<i>In thousands of US Dollars</i>	December 31, 2013 (audited)	December 31, 2012 (audited)	December 31, 2011 (audited)
ASSETS			
Exploration and evaluation assets	20,434	-	
Goodwill	30,386	-	
Property, plant and equipment	1,330,903	1,222,665	1,120,453
Restricted cash	4,217	3,652	3,076
Non-current investments	30,000	-	
Advances for non-current assets	10,037	25,278	3,368
Non-current assets	1,425,977	1,251,595	1,126,897
Inventories	22,085	24,964	14,518
Trade receivables	66,565	54,004	12,640
Prepayments and other current assets	31,192	24,369	23,279
Income tax prepayment	5,042	-	3,453
Short-term investments	25,000	50,000	-
Cash and cash equivalents	184,914	197,730	125,393
Current assets	334,798	351,067	179,283
TOTAL ASSETS	1,760,775	1,602,662	1,306,180
EQUITY AND LIABILITIES			
Partnership capital	350,123	371,147	368,203
Additional paid-in capital	8,126	6,095	1,677
Retained earnings and translation reserve	474,202	317,862	215,351
Partnership capital and reserves	832,451	695,104	585,231
Long-term borrowings	621,160	615,742	438,082
Abandonment and site restoration liabilities	13,874	11,064	8,713
Due to Government of Kazakhstan	6,021	6,122	6,211
Deferred tax liability	152,545	148,932	146,674
Non-current liabilities	793,600	781,860	599,680
Current portion of long term borrowings	7,263	7,152	9,450
Employee share option plan	12,016	9,788	11,734
Trade payables	58,518	58,390	81,914
Advances received	-	60	3,154
Income tax payable	1,232	11,762	-
Current portion of Due to Government	1,031	1,031	1,031

Source: IFRS Financial Statements.

Consolidated Statement of Comprehensive Income

In thousands of US Dollars

Full year ended December 31,

	2013 (audited)	2012 (audited)	2011 (audited)
Revenue			
Revenue from export sales	765,029	630,412	284,548
Revenue from domestic sales	129,985	106,653	16,289
	895,014	737,065	300,837
Cost of sales	(286,222)	(238,224)	(70,805)
Gross profit	608,792	498,841	230,032
General and administrative expenses	(60,449)	(64,882)	(36,405)
Selling and transportation expenses	(121,674)	(103,604)	(35,395)
Finance costs	(43,615)	(46,785)	(4,717)
FX (loss) / gain, net	(636)	776	(389)
Interest income	764	698	336
Other expenses	(25,593)	(6,612)	(7,855)
Other income	4,426	3,940	3,365
Profit before income tax	362,015	282,372	148,972
Income tax expense	(142,496)	(120,363)	(67,348)
Profit for the period	219,519	162,009	81,624

Source: IFRS Financial Statements.

Consolidated Statement of Cash Flows

In thousands of US Dollars

Full year ended December 31,

	2013 (audited)	2012 (audited)	2011 (audited)
Cash flow from operating activities:			
Profit before income tax	362,015	282,372	148,972
Adjustments for:			
Depreciation, depletion and amortization	120,370	102,711	19,843
Employee share option plan	4,430	2,470	3,545
Finance costs	43,615	46,458	4,717
Interest income	(764)	(698)	(336)
Reversal of tax provision	-	-	(728)
FX (gain)/loss	(48)	(745)	202
Operating profit before working capital changes	529,714	432,568	176,215
Changes in working capital	(14,503)	(42,154)	(28,867)
Cash generated from operations	515,211	390,414	147,348
Income tax paid	(154,455)	(94,173)	(13,210)
Payments under Employee Share Option Plan	(2,202)	(4,416)	(1,915)
Net cash flow from operating activities	358,554	291,825	132,223

Cash flow from investing activities:

Interest received	764	698	336
Purchases of PP&E	(201,306)	(210,283)	(104,017)
Acquisition of Probel	(28,433)	-	-
Placement of non-current bank deposits	(30,000)	-	-
Placement of current bank deposits	25,000	(50,000)	-
Prepayments for licenses	(5,045)	(10,089)	-

Source: IFRS Financial Statements.

This presentation is strictly confidential to the recipient, may not be distributed to the press or any other person, and may not be reproduced in any form in whole or in part for any purpose. Failure to comply with this restriction may constitute a violation of applicable securities laws.

This presentation does not constitute or form part of and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire interests or securities of Nostrum Oil & Gas (Nostrum Oil & Gas) or any of its subsidiaries in any jurisdiction or an inducement to enter into investment activity. No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

The information in this presentation has not been independently verified. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the presentation and the information contained herein and no reliance should be placed on such information. None of Nostrum Oil & Gas, their advisers, connected persons or any other person accepts any liability for any loss howsoever arising, directly or indirectly, from this presentation or its contents.

This presentation is only for persons having professional experience in matters relating to investments and must not be acted upon or relied on by persons who are not Relevant Persons (as defined below). Solicitations resulting from this presentation will only be responded to if the person concerned is a Relevant Person.

This presentation is not for distribution in, nor does it constitute an offer of securities for sale in, Canada, Australia, Japan or in any jurisdiction where such distribution or offer is unlawful. Neither the presentation nor any copy of it may be taken or transmitted into the United States of America, its territories or possessions, or distributed, directly or indirectly, in the United States of America, its territories or possessions except in reliance upon applicable exemptions or exceptions under the US Securities Act of 1933, as amended (the "US Securities Act"). Any failure to comply with this restriction may constitute a violation of United States of America securities laws. The presentation is not an offer of securities for sale in the United States of America.

Nostrum Oil & Gas does not intend to register any offering in the United States or conduct any public offering of securities in the United States of America. This document and its contents may not be viewed by persons within the United States of America (within the meaning of Regulation S under the Securities Act) other than "qualified institutional buyers" ("QIBs") as defined in Rule 144A under the Securities Act ("Rule 144A"). Any securities may not be offered or sold in the United States of America except to QIBs in reliance on Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the Securities Act.

This presentation is made to and directed only at (i) persons outside the United Kingdom and (ii) persons in the United Kingdom having professional experience in matters relating to investments who fall within the definition of 'investment professionals' in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the 'Order') (such persons being referred to as 'Relevant Persons').

Matters discussed in this presentation may constitute forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words 'believe', 'expect', 'anticipate', 'intends', 'estimate', 'forecast', 'project', 'will', 'may', 'should' and similar expressions identify forward-looking statements. Forward-looking statements include statements regarding: strategies, outlook and growth prospects; future plans and potential for future growth; liquidity, capital resources and capital expenditures; growth in demand for Nostrum Oil & Gas or its subsidiaries' products; economic outlook and industry trends; developments of the markets; the impact of regulatory initiatives; and the strength of Nostrum Oil & Gas and its subsidiaries' competitors.

The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in Nostrum Oil & Gas records and other data available from third parties. Although Nostrum Oil & Gas believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond Nostrum Oil & Gas's control and Nostrum Oil & Gas may not achieve or accomplish these expectations, beliefs or projections. In addition, important factors that, in its view, could cause actual results to differ materially from those discussed in the forward-looking statements include the achievement of the anticipated levels of profitability, growth, cost and synergy of its recent acquisitions, the timely development and acceptance of new products, the impact of competitive pricing, the ability to obtain necessary regulatory approvals, the condition of the economy and political stability in Kazakhstan and the other markets of operations and the impact of general business and global economic conditions.

Neither Nostrum Oil & Gas, Nostrum Oil & Gas Group Limited nor any of their respective agents, employees or advisors intend or have any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in this presentation.

The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice.

All information not separately sourced is from Nostrum Oil & Gas