nostrum
Oil & Gas

Capitalising on growth catalysts

Annual Report & Accounts 2024

CONTENTS

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2024 HIGHLIGHTS

Financial

Revenue
US$m
137.1
(2023: 119.6)

Opex + G&A costs[1]
US$ per boe
7.7
(2023: 13.5)

Opex + G&A costs[2]
US$m
56.0
(2023: 50.2)

EBITDA
US$m
48.9
(2023: 42.1)

Unrestricted cash at year end
US$m
150.4
(2023: 161.7)

Non-financial

Total processed volumes
boepd
19,831
(2023: 10,216)

Titled production volumes
boepd
14,935
(2023: 10,091)

Employees
605
(2023: 571)

LTIR
Incidents per million man-hours
Zero
(2023: 0.37)

Total greenhouse gas emissions[3]
ktCO_2e

97 (2023: 180)
Chinarevskoye

124 (2023: 0)
Third-party processing

1. Opex and G&A costs per boe of processed hydrocarbons.
2. Opex excluding DD&A, inventory adjustment and cost of raw gas purchased. G&A costs excluding DD&A. See page 51 for details.
3. 2024: Surplus of GHG emissions as a result of third-party processing (2023: GTU 3 re-start).

Implementing our mixed-asset strategy and realising value for our shareholders.

Ural Oil & Gas processing

Operating as a reliable third-party gas processor with an extension of our partnership to 2031

See pages 16-17

Stepnoy Leopard fields

Building our multi-asset portfolio and increasing 2P reserves

See pages 14-15

Safeguarding our assets and operations

Maintaining safe operations and drilling programme on time and within budget

See pages 18-19

Executing our catalyst projects

"The last year has been transformational for Nostrum, accreting material value with both our Stepnoy Leopard and Ural O&G projects. The next couple of years will be focussed on executing and monetising these projects, as well as developing further collaborations."

Stephen Whyte
Chairman and Non-Executive Director

Total assets increase

16.7%

Fixed assets impairment reversal of US$86.7m resulting from value added by SL fields and Ural O&G extension

Stepnoy Leopard CPR NPV10

US$220m

after-tax net (80% working interest)

Ural O&G processing agreement extension on new terms until

May 2031

Expecting 0.51bcm gas in 2025

Decrease in GHG emissions intensity by

28%

2024 was another pivotal and very positive year for Nostrum as we advanced our mixed-asset energy strategy and growth catalysts. We demonstrated our operational capabilities as a reliable and safe processor of third-party hydrocarbons which allowed us to secure an extension of the agreement with Ural O&G until 2031. We also made significant progress on Stepnoy Leopard, a major new upstream asset in our portfolio. I am particularly pleased to report that we strengthened our safety culture and operating standards, achieving a zero-fatality record and zero lost time injury incidents. We also strengthened our financial position and delivered a healthy year end cash balance, whilst investing in our growth catalysts.

Core Operational and Financial Excellence

At Chinarevskoye, we mitigated the extent of natural production decline of the mature field through a limited but effective drilling campaign, which was completed on time and within budget.

Our investment in the gas-lift expansion in 2023 continued to reduce the impact of production decline, and continuous operation of GTU-3 not only demonstrated its reliability but also improved our facilities uptime to 98% and benefit from 26% higher LPG recovery.

We continued to strengthen our financial position during 2024 through tight cost discipline and increase in revenues, which helped to generate US$33.1m of net operating cashflows, which contributed to preservation of cash reserves at US$150.4m.

Furthermore, a US$86.7m fixed assets impairment reversal, boosting our total assets by 16.7%, demonstrating the importance of our growth catalysts such as third-party processing from Ural O&G and confirmation of additional 110mmboe of working interest 2P reserves at SL fields.

Executing Our Growth Catalysts

We made substantial progress on our growth catalysts, that will shape Nostrum's future.

Our belief in the future value of Stepnoy Leopard was affirmed by the independent Competent Person's Report (the "SL CPR") prepared by Xodus Group Limited in July 2024, which confirmed 138 mmboe (including approximately 25% liquids) of proved plus probable gross reserves, increasing Nostrum's reserves base over fivefold (from 23 mmboe to 128 mmboe working interest reserves) and representing material value creation of approximately US$220m of after-tax net (80% working interest) Nostrum NPV10 at 34% IRR, and a substantial driver for increasing shareholder and investor returns.

Furthermore, post year end, in April 2025 the Ministry of Energy of the Republic of Kazakhstan approved a phased, full-field development plan extending until 2044. This allows the Group to proceed with confidence towards field development and production start targeted for late 2026 at the earliest. Early cash generation will strengthen the project's self-financing capacity.

Our midstream operations involving the tie-back of Ural O&G's Rozhkovskoye field have enhanced our infrastructure utilization and reinforced our reputation in Kazakhstan as a leading gas processor. Due to Ural O&G our total processed volumes increased by 97% year-on-year, and this continued success resulted in the signing post year end in March 2025, of the Ural O&G processing agreement extension on new terms until May 2031. The agreement extension is value-accretive and mutually beneficial for both parties. It provides for a fixed process fee structure across all the products that gives rise to sustainable cash-flows and plant operations. More importantly, we are humbled by the trust and confidence our partner Ural O&G and its shareholders place in us and take great responsibility in supporting the further cost-effective development of their Rozhkovskoye field. According to KazMunayGas, 0.53 bcm of raw gas feed is expected from Ural O&G in 2025.

Our progress this year reinforces our commitment to becoming a key player in Kazakhstan's energy sector driving forward the nation's gasification efforts and supporting the transition to a more sustainable energy future.

Strengthening Governance

Governance remains a cornerstone of Nostrum's strategy. In August 2024, we welcomed Viktor Gladun to the Board as a non-executive director. His extensive experience in energy operations, finance, and corporate strategy will contribute to our long-term growth.

Following Christopher Cox's departure from the Board in 2024, we appointed Martin Gudgeon as Acting Chair of the Nomination and Governance Committee, ensuring continuity in oversight and governance best practices.

The Company has commenced a search for an additional independent non-executive director to replace Christopher Cox. In such search the Company is focusing on female candidates in furtherance of the Company's diversity goals and is seeking to add a second woman to the Board by the end of 2025.

Commitment to ESG and Responsible Operations

At Nostrum, we recognize that operational success must go hand in hand with responsibility and sustainability. In 2024, we reinforced our commitment to safety, environmental stewardship, and strong governance.

Safety remains our top priority, and we have continued to enhance workplace safety measures and risk management protocols, maintaining a zero-fatality record across our workforce and contractor network. The lessons learned from past challenges drive our ongoing efforts to strengthen operational safety and build a culture of accountability.

Beyond safety, we made further progress in ESG performance, with Nostrum ranking in the 11th percentile among oil and gas producers in Sustainalytics' ESG Risk Ratings. This underscores our commitment to sustainability, responsible governance, and risk management.

As we move forward, minimizing our environmental footprint remains a priority. We are implementing energy efficiency measures, emissions monitoring, and operational improvements to drive sustainable long-term performance.

These measures together with increase in our throughput volumes resulted in decrease in GHG emissions intensity by over 25%. Nostrum remains committed to delivering value while upholding the highest ESG standards.

Reflections and Looking Ahead

Having set the foundation for the major growth catalysts in 2023, in 2024 we delivered the Stepnoy Leopard fields development CPR, we demonstrated the processing of increasing volumes of Ural O&G raw gas, we entered into negotiations for the extension of the Ural O&G processing agreement, and we continue to actively search for additional opportunities to profitably fill the capacity of our processing facilities.

We have had a particularly successful year in developing and gaining government FDP approval for our Stepnoy Leopard fields development, as well as negotiating a very material and accretive processing agreement to 2031 with Ural O&G. The coming few years will be focussed on continued execution and monetisation of those projects, which are truly transformational for the company.

Last but not least, we continue to monitor and manage the impact of the various risks and uncertainties the Company continues to face. Geopolitical uncertainties, product price volatility, financial and tax risks, and other principal risks and uncertainties as described on pages 36-42, may have a significant impact on the future of the company.

Conclusion

I would like to thank our Board, management team, employees, and stakeholders for their commitment and support throughout the year. Nostrum remains focused on operational excellence, financial strength, and responsible energy development, and I am confident in our ability to create lasting value in the years ahead.

Stephen Whyte
Chairman and Non-Executive Director

Market trends and our response

Since its independence in 1991, Kazakhstan has established itself as one of the world's most prolific hydrocarbon centres.

Key macro economic trends

Oil prices

Brent crude oil prices averaged US$80.6 per barrel in 2024, reflecting a 2% decrease from the previous year. Oil prices are subject to periodic volatilities such as macroeconomic and geopolitical risks, global supply and demand shifts.

In 2024, Brent crude oil prices experienced volatility, peaking at US$91/b in April due to heightened geopolitical risks. However, prices declined through the rest of the year, and by September, prices hit a yearly low of US$69/b, marking the narrowest trading range in over 20 years.

What it means for us
Despite the slightly lower oil prices, the Group's annual revenues grew by 14.6% compared to 2023 due to increased third party processing, production and sales volumes. The tolling arrangements bring in the revenue component, which is not directly dependent on the commodity prices, and hence provides an optimal balance of revenue mix.

At the end of 2024 we had unrestricted cash of US$150.4m (31 December 2023: US$161.7m) excluding US$16.8m DSRA funds and US$9.1m of liquidation fund deposits, for abandonment and site restoration liabilities.

Kazakhstan's economy

Kazakhstan's economy experienced steady growth, registering a 4.8% GDP increase in 2024, according to the Bureau of National Statistics of Kazakhstan. Economic growth was primarily driven by the non-resource sector. Key contributors included agriculture, manufacturing industry, construction, trade, transportation and storage. Although the overall trend for the 2024 was downward, annual inflation in Kazakhstan led to an increase in prices by 8.6%. Regional military conflicts, global energy market volatility and a decline in oil production continue to impact economic conditions. Inflation risks stem from rising prices in key trading partners and global food costs, while domestic pressures include higher utility tariffs, strong demand from fiscal stimulus, and unanchored inflation expectations.

The Kazakhstani Tenge (KZT) experienced a devaluation relative to the US dollar, declining by 15.2% in 2024, closing the year at 523.54 KZT per US dollar.

What it means for us
Cost optimisation continues to be a critical focus for our company, aimed at preserving and enhancing our cash reserves. Despite our G&A expenses maintaining fairly consistent levels, we are dedicated to minimising any necessary cost increases associated with the development of new projects, such as Stepnoy Leopard and Ural O&G. Payroll indexation/overall inflationary pressure offset by KZT devaluation.

Kazakhstan annual GDP growth

4.8%

(2023: 5.0%)

Kazakhstan annual inflation rate

8.6%

(2023: 9.8%)

Competitive environment

Kazakhstan and Azerbaijan are the two main oil-producing countries in the Caspian region whilst Turkmenistan and Uzbekistan are the predominant gas producers. Russia plays an important role in the region by providing a transportation corridor between the Caspian Sea and the Black Sea.

As the world's largest landlocked country, Kazakhstan depends on an extended network of pipelines and railways to deliver its products to export markets. Pipeline exports are primarily delivered via Russia (Atyrau-Samara and the Caspian Pipeline Consortium pipelines); via Azerbaijan and Turkey (the Baku- Tbilisi-Ceyhan pipeline); and one via China (Atasu-Alashankou). Rail exports utilise Kazakhstan's extensive rail network, reaching markets throughout the FSU and beyond (please see page 5 where we discuss the impact of Russian sanctions resulting from the Russia-Ukraine conflict on our business).

What it means for us
Vast distances between Central Asian markets, long-established trading relationships and in-place infrastructure promote co-dependency between FSU exporters. Kazakhstan naturally benefits from its geo-strategic position between Russia and China. Nostrum is situated at the heart of the export corridor that exists between Russia and multiple markets to the west of the Caspian.

Nostrum's assets are located in the Pre-Caspian Basin close to the Russian border and in close proximity to some of the most significant hydrocarbon resources in the FSU. This advantageous position means that the Company has access to multiple export markets for its products, as well as labour and specialist equipment providers. In addition, Nostrum has a substantial amount of spare gas processing capacity in a region where there is a significant amount of stranded gas with a growing need for gas processing.

Geopolitical uncertainty

In 2024, global oil markets remained highly volatile, shaped by escalating geopolitical tensions in the Middle East and the ongoing conflict between Russia and Ukraine. These developments have continued to fuel market uncertainty, contributing to fluctuations in crude oil prices. Concerns over potential supply disruptions have persisted, with the International Monetary Fund (IMF) cautioning that geopolitical-driven commodity price spikes could pose risks to global disinflation efforts.

In late 2022 the Group of Seven countries – the United States, Canada, Britain, Italy, France, Germany and Japan – together with the European Union and Australia imposed a cap of $60-per-barrel on the sale of Russian oil on a free-on-board basis, seeking to reduce Russia's revenue from seaborne oil exports as part of sanctions.

In 2024, Brent crude averaged US$80.6 per barrel, while Urals crude traded at an average of US$69 per barrel, resulting in a price differential of US$12 per barrel. This gap has narrowed significantly compared to US$35-40 per barrel in 2022 and US$20.8 per barrel in 2023. The spread would have had substantial negative impact on the Company's revenues, if not addressed actively by management to mitigate these risks related to the secondary effects of the Russian invasion of Ukraine.

What it means for us

During 2023 Nostrum considered and constantly analysed alternative export routes where export prices are not linked to Urals quotation for oil and gas condensate supplies.

As a result of this exercise, in 2024 the Company managed to achieve improved pricing with lower than average discounts for crude oil and gas condensate.

Kazakhstan's energy transition strategy

As stated in Presidential Decree No. 121 dated February 2, 2023, the Republic of Kazakhstan is committed to achieving carbon neutrality by 2060. Attaining this ambitious target requires a fundamental transformation of the national energy system, centered on three key areas: decarbonising the primary energy supply, transitioning to cleaner electricity and heat production, and enhancing energy efficiency across multiple sectors.

The transition to natural gas is a pivotal step in Kazakhstan's low-carbon development strategy. As a cleaner fossil fuel, natural gas serves as a bridge toward a more sustainable energy mix, offering lower emissions than coal and oil while aligning with the global shift toward cleaner energy solutions.

Furthermore, natural gas utilisation can improve energy efficiency and minimise methane emissions within the oil and gas sector.

What it means for us

Utilising existing infrastructure, such as the Nostrum GTF, is key to addressing Kazakhstan's gas supply deficit. Nostrum alone could reduce the shortfall by 4 bcm annually, significantly supporting the country's energy needs. To ensure a stable and sustainable gas supply, strategic investments and initiatives are essential. Additionally, Nostrum has a technically verified, self-funded project to receive and process raw gas from the nearby Karachaganak field, which is currently re-injected or exported for processing.

In 2023, Nostrum successfully restarted GTU-3, located at the Chinarevskoye field, north of Uralsk. Proximity to both international and domestic pipelines ensures the safe and efficient transportation of all processed products from the company's infrastructure hub.

Nostrum's processing capacity

4.2 bcma

Marketable gas shortage in Kazakhstan forecasted for 2030

9 bcm

Creating value for our stakeholders

Nostrum is ideally positioned to contribute to Kazakhstan's transition to a cleaner energy strategy and to strengthen its energy security.

Our resources and relationships

Asset & Operations

Upstream

Total 2P reserves
mmboe
128

Owned & operated fields
2

Facilities

GTF processing capacity
bcma
4.2

Liquids storage capacity
thousand m^3
40

Power generation capacity
mWh
41

Local partners

QazagGaz JSC NC relationship
15 years

Ural O&G gas relationship
7 years

KazTransOil JSC relationship
8 years

Citibank and Halyk Bank relationships
15 years

Financial

Total assets
US$m
617

Cash at 31 December 2024
US$m
150

People

Employees
605

Our value creation model

Upstream

Nostrum owned & operated and potential third-party sources of upstream gas fields.

Major opportunities in the region to secure long-term supply of raw gas.

Nostrum assets

Chinarevskoye field 2P reserves
mmboe
18

Stepnoy Leopard fields 80% Nostrum working interest: 2P reserves
mmboe
110

Third-party assets

Rozhkovskoye field targeted reserves[1]
mmboe
159[1]

Karachaganak field
Possible processing tie-back opportunities. Estimated gross reserves of **over 2.4 billion barrels of condensate and 16 tcf of gas**

1. GTU 3: 2.5 bcma
2. LPG Storage and loading
3. Power plant: 26mwh
4. GTU 1&2: 1.7 bcma
5. Oil/Cond. storage
6. Oil Treatment unit (OTU)

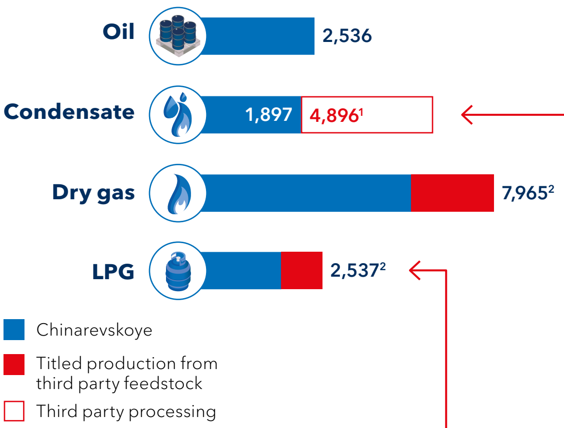
1. Source: MOL Group announcement 22 December 2023.

Processing

Proven third-party gas processor with an export hub and well-positioned to expand midstream operations.

State-of-the-art 4.2bcma gas processing facilities. Strategic location, attractive access to multiple transportation routes.

2024 titled production and processed volumes (boepd)



Titled production: 14,935 boepd
Processed volumes: 19,831 boepd

1. Nostrum receives a tolling fee for third-party condensate processing.
2. Dry gas and LPG are owned and sold by Nostrum.

Stakeholder value creation

Our people

- Nostrum is one of the leading employers in north-western Kazakhstan. 91% of all employees are Kazakhstani.
- In 2024, our employees received a total of 59,480 hours of training, averaging 110 hours per employee.
- In 2024 we invested US$606,739 in training programmes for Kazakhstani specialists and local communities.
- In 2024, our strong dedication to workplace safety resulted in zero LTIR and 0.6 TRIR incidents per million man-hours, reflecting a 16% decrease compared to 2023.
- Key programmes such as Diversity & Inclusion in Recruitment, Mental Health & Wellness, and the Global Employee Handbook are designed to foster a more inclusive and supportive workplace while ensuring consistency across our business.

Our host communities

- Since 1997, Nostrum has invested over US$2.5bn into Kazakhstan.
- We contributed US$27.93m of taxes in 2024, bringing our total tax and other payments to government in Kazakhstan to over US$1bn since 1997.
- Throughout 2024, we remained committed to supporting local communities through ongoing social and charitable initiatives.
- In 2024, we allocated US$0.1m (KZT 25 million) in social projects, focusing on regional development, education and sports promotion.
- Following the devastating floods in West Kazakhstan, which severely impacted the region where we operate, we provided critical relief efforts, including US$1.2m contribution to construct 20 new homes for displaced residents.
- Nostrum remains a key partner for local suppliers. In 2024, 88% of our procurement spending went to Kazakhstani companies (up from 75% in 2023).

Our shareholders and bondholders

- Five-fold increase in Nostrum 2P reserves to 128 mmboe in 2024.
- Ural O&G contract has been extended on new terms until May 2031.
- EBITDA increased 16.2% Y-o-Y to US$48.9m.
- Cash coupon payments of US$16.5m in FY 2024.

Moving from value creation to realisation

In 2024 and early 2025, we continued driving value realisation by executing our mixed-asset energy strategy, achieving key milestones in upstream production growth, infrastructure utilisation, and financial stability."

Arfan Khan
Chief Executive Officer

Reliable and efficient operator and partner

98%

processing facilities uptime for FY 2024

Stepnoy Leopard fields (Nostrum)

138 mmboe

gross 2P reserves according to Xodus CPR

We achieved significant improvements in processed volumes, revenues and profitability, due to the continuing success of the Ural O&G tie-back to our processing facilities, additional production from our limited-scale Chinarevskoye drilling programme, as well as continuing realisation of the production benefits from our 2023 gas lift expansion project. This, together with strong financial discipline, resulted in a healthy cash position at the end of the year.

Safety remains our top priority at Nostrum. In 2024, we strengthened our safety culture and operating standards, achieving a zero-fatality record. We also advanced our ESG commitments and remain committed to improving energy efficiency, reducing emissions, and optimizing operations to build a more sustainable future.

Upstream Achievements:

In 2024, Nostrum saw significant growth in titled production, which contributed to a 48% year-over-year increase in product volumes, bringing our average daily production to 14,935 boepd. This growth was contributed both by additional gas and LPG from Ural O&G processing, and by additional production from the limited-scale drilling programme together with efficient well workover and intervention programmes. We also achieved a substantial increase in our 2P reserves thanks to the successful two-well appraisal progamme at the Stepnoy Leopard fields, followed by a CPR confirming an estimated 138 mmboe 2P reserves gross.

Stepnoy Leopard fields development

Following Nostrum's strategic acquisition of an 80% stake in Positiv Invest LLP in 2023, which holds the subsoil use rights to the Stepnoy Leopard Fields in the West Kazakhstan, Nostrum achieved significant project milestones during 2024 and early 2025.

Located just 100 km from our world-class processing infrastructure, Stepnoy Leopard fields offer an attractive upstream tie-back opportunity. Production from the SL fields will further improve materially the utilization of our world class 4.2 bcma gas processing facilities and the resulting cashflows, helping to offset natural production decline at Chinarevskoye.

In April 2024, after successfully completing well appraisal operations, we took a final investment decision for the first phase of the field's development, with a gross capital budget in the range of US$100 to US$130 million. In July 2024, this was followed by an independent, third-party Competent Person's Report supporting the commercial viability of the scalable full-field development targeting the key reservoirs starting with the Eastern fields with subsequent expansion to the Western fields.

The Stepnoy Leopard Competent Person's Report supported an estimated 138 mmboe of gross 2P reserves and US$220 million in after-tax NPV10 at a 34% IRR. In addition to 2P reserves, the field contains 67 mmboe of contingent resources, offering further commercial upside.

In April 2025, we achieved another key project milestone in the Company's mixed-asset strategy by securing approval from the Ministry of Energy of the Republic of Kazakhstan for a phased, full-field development plan extending until 2044, allowing the Company to deploy optimum capital allocation, whilst meeting its target production start-up date between late 2026 and early 2027.

Chinarevskoye limited-scale drilling programme

Our Chinarevskoye field continues to experience natural production decline, typical of mature reservoirs. To mitigate this, and to protect our licence commitments, we have focused on targeted drilling, well interventions, and production optimization.

In 2024, we successfully drilled well No.301 on time and within budget, reaching a total depth of 4,980 meters. The well targeted multiple in-fill zones across the Carboniferous and Devonian reservoirs and encountered hydrocarbons (oil, gas-condensate) in all three key intervals. The well was perforated in the lowest of these reservoirs and put into production in May 2024, with initial flow rates in line with the our expectations. We also drilled well No.41 for an appraisal sidetrack to the upper Devonian gas-condensate horizon. The well was targeted downdip of the currently producing No. 40 well with a goal to test the areal extent of the reservoir as indicated by the in-place volumes reliably estimated from material balance of the historical production. However, the spatial orientation and geometry of the reservoir remained the primary uncertainties. The targeting was guided by the seismic amplitude attributes that did not have much calibration due to absence of key data such as velocity & density and as such the target location was considered highly risky. The well missed the reservoir by a few hundred meters based on the revised calibrations to the seismic amplitude with key data acquired from this well. With significantly improved certainty of the reservoir spatial architecture, a future well can now be planned with high confidence. The well did encounter secondary intervals that were hydrocarbon-bearing, however, they proved to be marginal. The well has been suspended for the time being.

In 2025, we expect to continue with the limited-scale drilling campaigns targeting high-value subsurface opportunities where possible whilst ensuring compliance with our licence to operate commitments.

Chinarevskoye field (Nostrum)

18 mmboe

2P reserves of oil and gas condensate

Rozhkovskoye field (Ural O&G)

158.8 mmboe

expected to be recoverable volumes of gas and condensate according to the MOL group

Midstream Achievements:

We continue to firm up our position as a reliable third-party gas processor operating a world-class infrastructure, which is demonstrated by nearly doubling of our total processed volumes in 2024 compared to 2023. Processing facilities availability averaged at approximately 98% for the year, with increased efficiency resulting from GTU-3 following its re-start in 2023 that is delivering improved LPG yields of approximately 26%.

Ural O&G tie-back (Rozhkovskoye Field)

Our collaboration with Ural O&G has led to a very successful tie-back project for its shareholders and we expect this to continue accreting significant value with further development of the Rozhkovskoye field. This project also serves as a proof-of-concept for commercialisation of the area-wide stranded gas fields that can take advantage of our gas processing hub. Further, increasing the utilisation of our world-class 4.2 bcma gas treatment facilities provides the lowest cost and fastest path to meeting the rapidly rising demand for commercial gas in RoK.

According to the MOL group (a 27.5% shareholder in Ural O&G) 158.8 mmboe of gas and condensate are expected to be recoverable from the Rozhkovskoye field; this includes 101.5 mmboe of gas and 57.3 mmboe of condensate, based on the Kazakhstan State Balance Reserves Report. In 2024, production at Rozhkovskoye reached 0.3 bcm of gas.

In March 2025, we entered into a binding agreement with Ural O&G to extend the processing of the hydrocarbons, on new terms, until May 2031. The agreement extension is value-accretive and mutually beneficial for both parties. It provides for a fixed process fee structure across all the products that gives rise to sustainable cash-flows and plant operations and demonstrates the continuing success of Nostrum's mixed-asset strategy and its capabilities as a reliable and efficient operator and partner. Securing additional third-party hydrocarbon feedstock through to 2031, together with Nostrum's plans to develop the upstream Stepnoy Leopard fields as a tie-back, represent important steps towards meaningfully increasing the utilisation of Nostrum's world class processing facilities that will help shape a robust growth-oriented business plan for the next decade.

At the same time, we recognize that the extended agreement is mutually beneficial for Ural O&G enabling further field development of the Rozhkovskoye field to the fullest extent.

HSE

Safety continues to be our foremost priority. In 2024, we reinforced our commitment to a strong safety culture and rigorous operating standards, achieving a record of zero fatalities and no lost time injury incidents. We continue to enhance safety systems, leadership engagement, and risk management, making our operations safer and more reliable.

We also advanced our ESG commitments, integrating sustainability into our business and maintaining strong governance. Nostrum ranked in the 11th percentile among oil and gas producers in Sustainalytics' ESG Risk Ratings, reflecting our focus on responsible operations. Supporting local employment remains a priority, with over 92% of our workforce being Kazakh nationals.

We continue working to reduce our environmental impact. In 2024, GHG emissions in CO_2 equivalent 256,089 tonnes, and increase of 42% primarily due to the processing of third-party feedstock from Ural O&G, as increase in processed volumes requires more energy, contributing to such rise in emissions. However, we made our operations more efficient, lowering emission intensity by 28% to 35,282 tCO_2/mmboe of processed volumes. We remain committed to improving energy efficiency, reducing emissions, and optimizing operations to build a more sustainable future.

Beyond our operations, we stepped up to support the West Kazakhstan region after devastating floods. We contributed US$1.2m in relief efforts, funding the construction of 20 new homes for displaced families.

Operating efficiency

US$5.8 per boe

Operating expenses per boe of processed volumes in 2024

Unrestricted cash

US$150.4m

Cash reserves maintained through 2024

Financial Performance

The Group delivered strong financial performance in 2024, resulting from a combination of increased third-party processing volumes, efficiently managing our upstream and processing operations as well as tight cost control. However, continuing production decline from the mature Chinarevskoye field and a weaker average Brent price (US$80.6/bbl in 2024 vs US$82.2/bbl in 2023) have partially offset the improvement in financial results.

Processed volumes increased year-on-year by 94% to 19,831 boepd and sales volumes by 47% to 13,038 boped. These volume increases delivered a year-on-year 14.6% increase in revenues to US$137.1m and a 16.2% increase in EBITDA to US$48.9m. The increased processed volumes also demonstrated the benefits of increased utilisation of the processing facilities with a largely fixed operating cost base, improving economies of scale, as reflected in the reduction of operating expenses down to US$5.8 per boe in 2024 from US$9.8 per boe in 2023, and general and administrative expenses US$1.9 per boe in 2024 compared to US$3.7 per boe in 2023.

A material fixed assets impairment reversal not only improved our balance sheet but also demonstrates the improved future prospects and value from our GTUs, the extended Ural O&G agreement and the future potential of SL supported by the CPR.

We maintained a strong liquidity position, with unrestricted cash at year end of US$150.4m, which would be US$178.1m before one-off cashflow items (please see page 49). Capital expenditures related to Chinarevskoye and Stepnoy Leopard fields, as well as bond coupon payments, led to a reduction of US$11.3m in unrestricted cash, but we continued to generate healthy operating cash flow of US$33.1m. Our restricted cash balance at year end was US$25.9m.

Cost control remains a critical focus to preserve our cash reserves for the growth-oriented programmes. We are also committed to minimising cost increases necessary for the development of new projects such as Stepnoy Leopard, by reallocating and efficiently utilising our existing resources.

Conclusion

I would like to express my sincere gratitude to the Nostrum Board for strategy and timely support and to our entire team for their hard work and dedication during the past year. In 2024 and early 2025 we continued driving value realisation by executing our mixed-asset energy strategy, achieving key milestones in production growth, infrastructure optimization, and financial stability.

As we move forward, we remain well-positioned to advance our strategic catalysts and growth opportunities, drive sustainable performance, and create long-term value for all our stakeholders. I appreciate the trust and support from our investors, the Board, employees, and partners. Together, we will continue building on this momentum and solidify our industry-leading position as a mid-size independent operator in Kazakhstan's energy sector.

Arfan Khan
Chief Executive Officer

Strategy for the future

The Company is now capitalising on growth catalysts, focusing on unlocking the full potential and value of its existing world-class gas processing infrastructure.

Strategic pillars

Developing upstream potential	Pursuing new gas processing opportunities
We remain confident in our long-term growth strategy, while broadening our opportunities with investments in future growth and continuous improvement of our portfolio in the industry.	**We have developed multiple strategies to commercialise the spare capacity in our world-class gas processing facilities. Well-positioned to become a major gas processor in the region.**
2025 priorities	
• Complete drilling programme at Chinarevskoye field. • Continue maintenance and workovers programme at Chinarevskoye field. • Start of the Stepnoy Leopard fields development.	• Advance ongoing discussions with third parties interested in supplying raw gas to take advantage of the Group's gas processing capacity. • Continue processing of Ural O&G volumes. Ural O&G to install a fiscal metering unit during 2025.
KPIs	
• Complete drilling of wells Ch-116_1 and Ch-725_1 on time and budget. • Maximise uptime of existing wells and production facilities.	• Operational readiness for increased raw-gas supplies from Ural O&G. • Conclude commercial processing contracts.
Risks	
• Significant subsurface uncertainties and risks could negatively impact drilling and appraisal campaigns. • Impact of equipment failure. • At low production levels, unexpected sub-surface events could severely impact the Group's operating cash flow.	• Ural O&G project execution delays with installation of fiscal metering. • Ongoing negotiations with various counter-parties are complex and commercially sensitive, and there can be no certainty that agreement will be reached.
Forecasts, objectives and prospects for 2025-2026	
• Successful and timely completion of drilling programme at Chinarevskoye field. • Start of the Stepnoy Leopard fields development. • Reduce decline rates in existing production wells.	• Installation of fiscal metering by Ural O&G. • Execute binding commercial contracts to fill the Group's spare gas processing capacity with third-party volumes.

Our purpose

To unlock the value of our full potential for all our shareholders through securing our business by working as a fully integrated team across all disciplines.

Our vision

To profitably and materially contribute to the total marketable commercial gas supply in Kazakhstan whilst strengthening a cleaner energy mix.

Our values

We are trustworthy and reliable, take our corporate, social and ecological responsibilities seriously, and are dedicated to the health, safety and wellbeing of our employees.

Managing our capital allocation

We are building a cost-conscious culture to support our growth ambitions, striving to improve our balance sheet, and focusing on cash flow growth through disciplined capital and cost management.

- Continue to challenge costs whilst pivoting towards growth and transitioning into a multi-asset energy company.
- Evaluate all sales routes for sustainability and profitability.
- Assessment of the opportunities and their ranking for most efficient allocation of capital to maximise stakeholder returns.

- Control Opex and G&A.
- Balance sales mix and maximise netbacks.

- Challenges in attracting additional capital for execution of prospective opportunities.
- Sustained higher commodity prices can lead to cost inflation in Kazakhstan.
- Further spend on Chinarevskoye reservoir development will likely be needed to satisfy regulatory and licence-to-operate requirements.

- Manage "operational" liquidity and cash reserves to ensure continuity of operations whilst unlocking the future growth opportunities.

Focusing on ESG performance

Strong ESG performance focus: contributing to the transition to cleaner energy. Strengthening of corporate governance with new, highly experienced Board of Directors.

- Safe operations and care for the environment.
- Fulfilling social responsibility.
- Transparency with all stakeholders by enhancing ESG Reporting.
- Board actively involved in the transformation/transition.

See KPIs section on pages 22-23

- Total recordable injury frequency.
- Lost time injury frequency.
- Road traffic incidents.
- Greenhouse gas emissions.
- Focus on improvements across ESG and ultimate upgrade in rating.
- To further improve overall ESG risk rating.

See Risk Management section on pages 34-35

- Legal framework for environmental protection and operational safety still being developed in Kazakhstan.

- Execution of the ESG plan.
- Achieve objectives set in the HSE plan (HSE Leadership, Incident management, Personal Safety, Contractor management, Process safety/Asset integrity).

Ural Oil and Gas

Nostrum Oil & Gas successfully completed its first year of processing third-party volumes from Ural O&G, nearly doubling total throughput year-on-year. In March 2025, the Group signed a new agreement to extend the partnership through May 2031.

August 2018

Commercial agreements signed

Nostrum enters into binding agreements with Ural O&G for condensate tolling and purchase of raw gas.

See more details on pages 26-27

December 2023

0.3 mcm/day

of raw gas marked the initial production rate when Ural O&G's first well tied-back in December 2023.

See more details on pages 26-27

2024

0.3 bcm

of raw gas from Ural O&G[1]

See more details on pages 24-25

1. Source: https://www.kmg.kz/ru/press-center/press-releases/mols/
2. As per announcement by MOL Group in December 2023.

158.8 mmboe

expected recoverable volumes from the Rozhkovskoye field, including 101.5 mmboe of gas and 57.3 mmboe of condensate (based on the Kazakhstan State Balance Reserves Report)[2].

March 2025

Processing Agreement extension to 2031

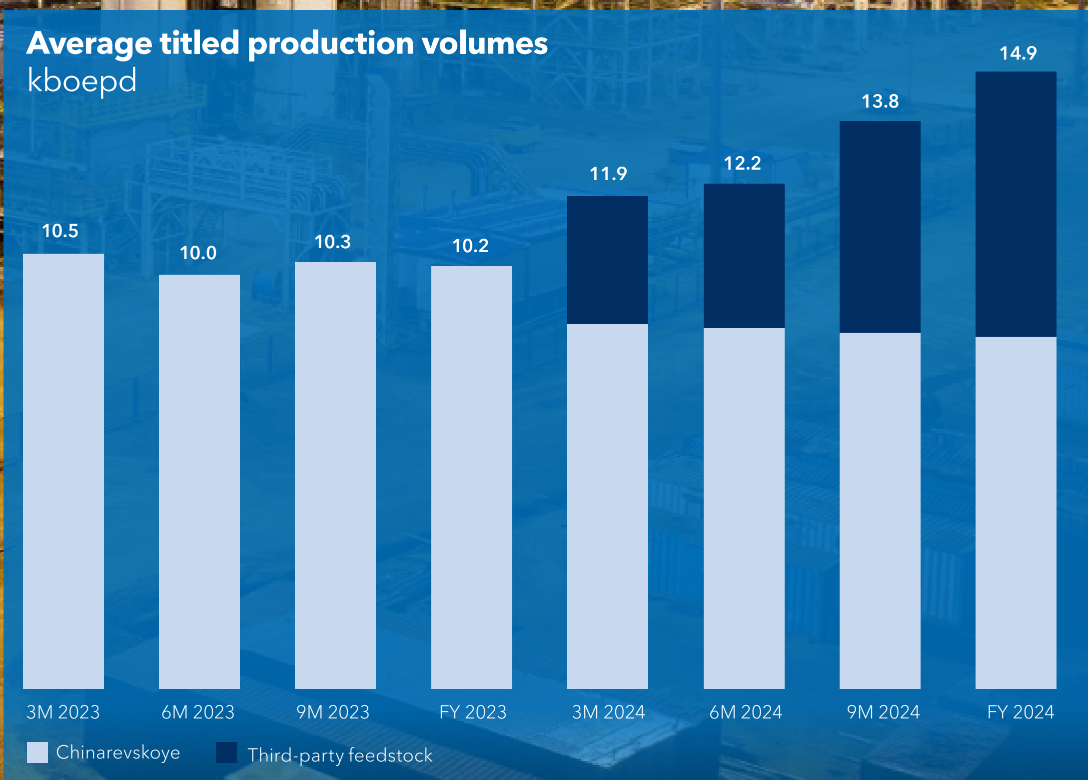
In March 2025 the agreement for the processing hydrocarbons from Ural O&G was extended on new terms until May 2031.

See more details on pages 26-27

2025

0.53 bcm

of raw gas is expected from Ural O&G[1].



Stepnoy Leopard fields

In 2024, Nostrum Oil & Gas made significant progress on the Stepnoy Leopard fields, with a successful two-well appraisal programme confirming their commercial potential, followed by a CPR that increased the Group's reserves fivefold. A tie-back project of this scale will significantly boost utilisation of Nostrum's 4.2 bcma processing facilities.

July 2023

US$20m

80%

interest in Stepnoy Leopard fields acquired

See more details on pages 30-31

Sep 2023 – Mar 2024

US$8m

2 well appraisal

successfully completed at Stepnoy Leopard fields

See more details on pages 26-27

March 2024

FID

Final investment decision approved by Nostrum Board

See more details on pages 26-27

late 2026 / early 2027

First gas

expected from SL fields

April 2025

FDP

Field Development Plan approved by the Ministry of Energy of the RoK

See more details on pages 26-27

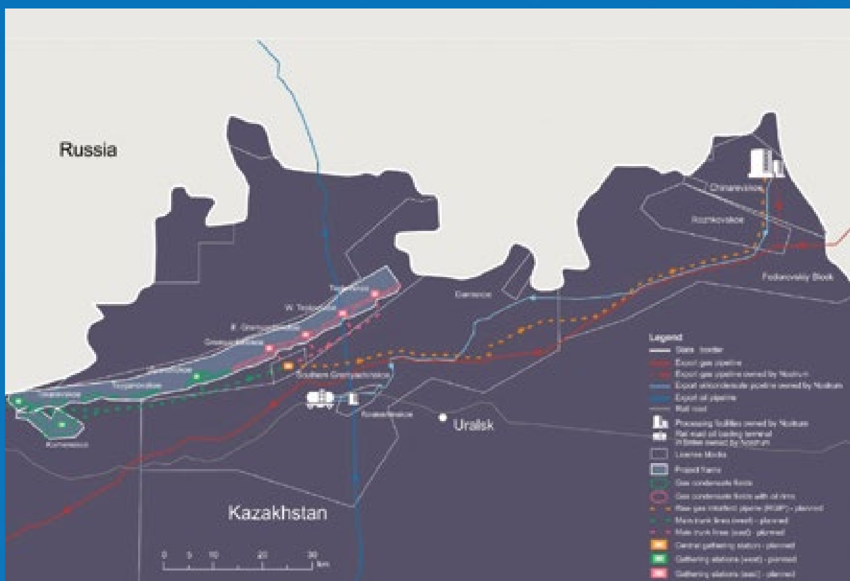
July 2024

138 mmboe

CPR 2P reserves gross

110 mmboe – 80% Nostrum working interest

See more details on pages 30-31



	Unit	Gross: Proved (1P)	Gross: Proved & Probable (2P)	Gross: Proved, Probable & Possible (3P)	Working interest (80%): Proved (1P)	Working interest (80%): Proved & Probable (2P)	Working interest (80%): Proved, Probable & Possible (3P)
Condensate & Oil	mm barrels	16.96	26.62	34.27	13.58	21.30	27.42
LPG	ktonnes	414.47	629.93	790.66	331.58	503.94	632.53
Sales Gas	bcf	408.54	620.93	779.36	326.83	496.74	623.49
Total Gross[1]	**mmboe**	**90**	**138**	**174**	**72**	**110**	**139**

1. Total Gross includes Condensate & Oil (barrels), LPG (boe) and Sales Gas (boe).

Safeguarding our assets and operations

In 2024, Nostrum maintained a strong focus on safe and efficient operations while advancing key drilling and production activities. The Chinarevskoye drilling programme progressed as planned, leveraging existing wellbores to optimise costs and minimise risks. Through disciplined execution and operational excellence, we continued to enhance production efficiency while maintaining the highest safety standards.

98%

uptime of the gas processing facilities during 2024

GTU-3

successful operation throughout 2024 with additional 26% LPG yield

2

well drilling programme

US$22m

Completed on time and within budget. Well No. 301 producing since May 2024. Well No.41 provided insights to enhance future well planning.

See more details on page 27

Safety metrics

Zero
fatalities among employees and contractors during operations in 2024.
(2023: One fatality)

Zero
Lost Time Injury Rate in 2024 (incidents per million man-hours).
(2023: 0.37)

0.63
TRIR (per million man-hours).
(2023: 0.75)

7,435
days of training were received by employees
(2023: 5,702 days)

0.5
Road Traffic incidents in 2024 (incidents per million man-hours).
(2023: Zero)

31.0
ESG risk rating by Sustainalytics based on the 2024 annual review.
(2023: 30.1)

Understanding our stakeholders

Regular interaction is an essential part of our strategy, ensuring alignment toward common objectives that contribute to long-term business success. We address stakeholder interests, priorities and concerns.

Key stakeholders

Our people

As of 31 December 2024, The Group employed a total of 605 personnel, with the majority based in Kazakhstan, where 91% of our workforce comprises Kazakhstan nationals.

Investors

Shareholders and bondholders have provided some of the financing required for drilling and the construction of the Group's infrastructure.

Local communities

Nostrum operates alongside local communities in Kazakhstan and is committed to fostering strong community engagement while supporting sustainable long-term development in the regions surrounding our operations.

Suppliers and contractors

We are dedicated to fostering long-term, sustainable partnerships with our suppliers, contractors, and customers.

Governments and regulators

Governments and regulators establish the framework within which we conduct our business. Policy, regulatory, legislative, and personnel changes can significantly impact the Group's operations.

Section 172(1) statement

The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act and to have regard for the interests of the Company's employees and other stakeholders, including the impact of the Company's activities on the community and the environment, when making decisions at Board level. The Directors, acting in good faith, consider what is most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so balance the sometimes competing interests of various stakeholders including investors, employees, customers, suppliers and the communities in which the Company operates.

Read more about our governance on pages 88-129

Read more about delivering our responsible business practices on pages 52-86

Why we engage	How we engage, key developments and decisions
• Ensuring the physical and mental well being of our employees is vital to maintaining the safe and efficient operations of our Group.	• Strengthening engagement between management and the workforce through enhanced collaboration, including regular town hall meetings and cooperative discussions. • Annual wage indexation to help alleviate effects of inflation including indexation with effect from 1 January 2024.
• Maximising stakeholder value, while fulfilling our financial commitments and adhering to bond covenants remains a top priority for Nostrum. Active engagement with our stakeholders, including minority shareholders, is essential to ensuring transparency and alignment with our strategy to monetise our infrastructure. To successfully execute these plans, additional capital investment may be required.	• In February 2023 Nostrum completed the implementation of the restructuring after obtaining all required licences and approvals. As a result, US$1.125bn of existing notes have been replaced with US$250m Senior Secured and US$345m Senior Unsecured notes due in 2026. The remaining portion of existing notes were converted into the Company's equity and the existing ordinary shareholders were diluted to 11.11%, subject to further dilution if the warrants held by existing note-holders are exercised. • Regular update and disclosure around results including conference calls and press releases as and when required. • Nostrum directors and management meet with shareholders and other investors regularly during the year to exchange views and share insights. • Financial reports and extensive other shareholder information are available on our website. • Our Annual General Meeting provides an opportunity for all shareholders, including minority shareholders, to ask questions of the Board.
• To foster a strong and sustainable relationship with the communities in which Nostrum operates, we strive to understand their priorities and identify meaningful ways to contribute to their well-being and development.	• Throughout 2024, the Company maintained active engagement with the local community demonstrating its commitment through sponsorships and charitable contributions to various public organisations and local initiatives. The Company's support in 2024 was reflected in the following efforts: • Nostrum responded to severe flooding in West Kazakhstan by supporting displaced residents and building 20 houses across three villages. • Providing funds for repair and improvement of facilities of general educational schools of the region and pre-school institutions, purchase of school articles for children from large and low-income families. • Providing financial assistance to young athletes and winners of various intellectual Olympiads to participate in international competitions and contests. • Financial support of medical treatment outside the Republic of Kazakhstan. • Financial support of labor veterans and improvement of cultural institutions facilities in villages. • Providing support on an as-needed basis to the region we operate in, such as preventing natural disasters during severe weather conditions (blizzards, snowfalls, floods) by providing special machinery and equipment.
• We expect our suppliers to uphold stringent safety, legal and ethical standards. • As a key contributor to the local and national economy, we remain committed to engaging local suppliers to support our operational requirements.	• Where commercially beneficial, contracts were extended to maintain strong relationships while further enhancing HSE and operational standards. • In certain cases, contract scopes were split to preserve relationships with the service providers, particularly in relation to new construction projects.
• Several of the Board's decisions necessitate thorough evaluation of governmental and/or considerations. • We make significant contributions through taxes and social payments.	• Formal and informal discussions are held on a regular basis with local and national government, regulatory and tax officials and ministers across a variety of levels within Nostrum. This proactive approach allows us to stay informed about potential legislative changes and evolving regulatory interpretations, ensuring timely and effective responses. • With the successful restructuring behind us, Nostrum is now strategically positioned to accelerate the full utilisation of its world-class gas processing infrastructure. Our focus remains on delivering value for investors and other stakeholders while enhancing the region's energy security.

Economies of scale, cash discipline and safe operations

Our key performance indicators provide a balanced set of metrics that measure both financial and non-financial performance. These assist the Board in evaluating our Company's overall performance.

Financial KPIs

In 2024 the Group reinforced its cash discipline to maintain liquidity. Also substantial economies of scale were achieved due to increased throughput volumes while the management continued to optimise the Opex and G&A expenses.

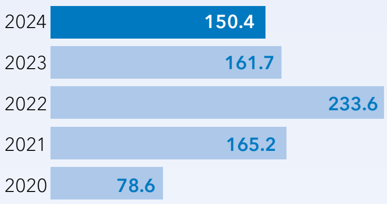
Cash and cash equivalents decreased in 2024 mainly due to investment activities, including the purchase of PPE, significant drilling expenditures, and exploration activities at the Stepnoy Leopard fields.

The Opex decline was mainly due to lower depreciation from shifting certain gas processing assets to the straight-line method. This was partly offset by higher material, supply, and maintenance costs from increased operations. G&A expenses fell due to partial resource reallocation to the Stepnoy Leopard project where the Group owns less than 100%.

Selling and transportation costs decreased on a per barrel basis due to higher sales volumes.

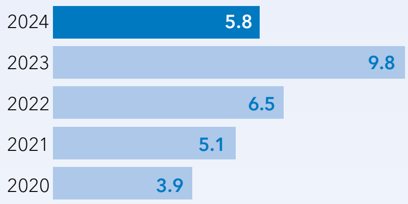
Cash at the year end
(US$m)

150.4



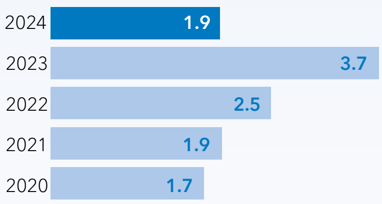
Operating costs[1]
(US$/boe)

5.8



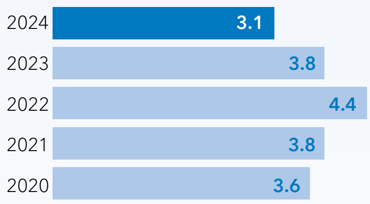
G&A costs[1]
(US$/boe)

1.9



Selling and transportation costs
(US$/boe)

3.1



1. Opex and G&A costs per boe of processed volumes.
Opex excluding DD&A, inventory adjustment and cost of raw gas purchased. G&A costs excluding DD&A.

Non-financial KPIs

Performing responsibly and safely is integral to our strategy and to the sustainability of our business. We believe that long- term value comes from seeing success as a part of a bigger picture, encompassing people and the environment. We have set ourselves specific non- financial KPIs to track our progress, as we believe this to be the best way to monitor our achievements in relation to environmental, social and governance matters.

In 2024, Nostrum ESG KPI targets were:

- Not to exceed GHG emissions target set by the National GHG allocation plan (203,562 tons of CO_2).
- HSE KPIs: Achievement of the approved 2024 HSE Plan (provided that there have been no fatalities, in the case of a fatality 10% additional will be deducted from the overall weighting).

Sales volumes
(boepd)

13,038

2024	13,038
2023	8,874
2022	12,524
2021	15,330
2020	21,514

Road traffic incidents (RTI)
(frequency[1])

0.5

2024	0.50
2023	0
2022	0
2021	1.46
2020	0.72

Lost time injury incidents (LTIs)
(frequency[2])

Zero

2024	0
2023	0.37
2022	0
2021	0.81
2020	0.84

Total greenhouse gas emissions[2]
(tCO_2e)

256

2024	256
2023	180
2022	170
2021	187
2020	188

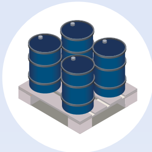
Total recordable incidents (TRIs)
(rate[2])

0.63

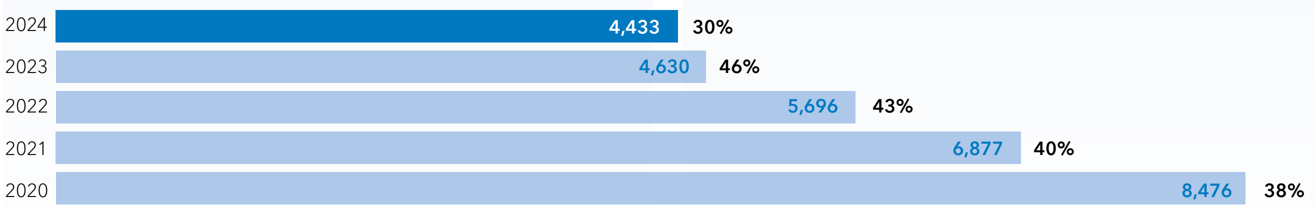
2024	0.63
2023	0.75
2022	1.56
2021	2.42
2020	3.80

2. 2024: Surplus of GHG emissions as a result of Ural O&G processing (2023: GTU 3 re-start).

Our products

Crude oil 	Stabilised condensate 
Quality	
• Density – 0.834g/cm³ • API – 38.2 degrees • Average sulphur – 0.55%	• Density – 0.785g/cm³ • API – 53.5 degrees • Average sulphur – <0.12%
Sales	
• The PSA requires 15% to be sold domestically with remaining available for export • In 2024, 25.2% was sold domestically and the remaining volumes exported, which is in line with the expectations based on practice over the past few years	• 100% exported • Destinations include the Kazakhstan port of Aktau with further shipment to Baku and BTC pipeline to Mediterranean
Pricing	
• Brent and Urals based pricing for pipeline exports • Domestic sales at over 50% discount • Prices negotiated directly with the purchaser	• Brent based pricing, negotiated directly with the purchaser
Transportation	
• During 2024, all exported crude oil volumes were sold through the KazTransOil (KTO) pipeline • Crude exports are delivered to the KTO pipeline through an extension to our own 120 km pipeline from the field site. From here the crude is delivered via trunk pipelines	• Sent through our own 120 km pipeline from the field site to our own rail loading terminal in Uralsk • From here it is loaded onto railcars and sent to Aktau by rail for further transshipment

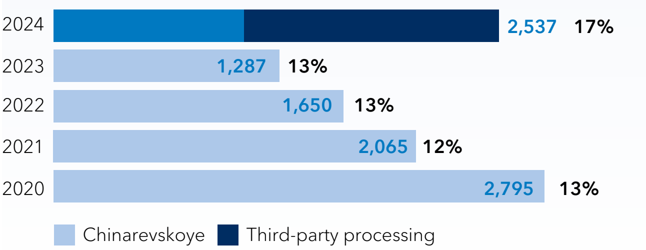
Crude Oil and stabilised condensate production (boepd) **and product split** (%)



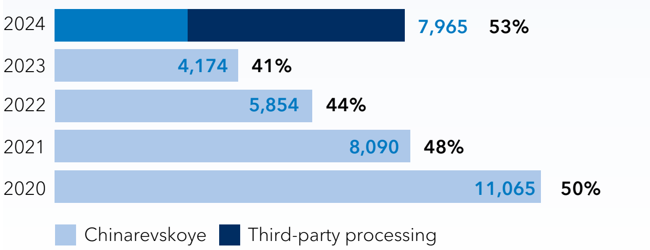
Nostrum's production portfolio comprises crude oil, stabilised condensate, LPG, and dry gas. In addition, starting from December 2023 the Group launched processing of third-party hydrocarbons. Further details about our products are provided in the table below.[1]

LPG	Dry gas
• Field-grade quality • No olefins	
• 100% exported • Destinations include Poland, Latvia, Uzbekistan and Tajikistan	• 100% sold to NC QazaqGaz
• Argus quotations for specified destinations (Poland, Tajikistan, Uzbekistan and Latvia)	• Brent based price formula agreed until the end of 2024
• Loaded onto LPG trucks at the field site and trucked to the third-party rail loading terminal located in Zhelaevo • From here, the LPG is loaded onto railcars and sold to third parties	• Sent through our own 17km pipeline from the field site to the connection point with the Intergas Central Asia gas pipeline • Sold at the connection point

LPG production (boepd) **and product split** (%)



Dry gas production (boepd) **and product split** (%)



1. The details refer to Chinarevskoye products.

2024 developments

In 2024 Nostrum almost doubled its total processed volumes year-on-year, thanks to the operational excellence in handling and processing of raw gas from Ural O&G, new production from well No.301, and further enhancements to our facilities.

Processed volumes
(kboepd)

+94%

2P reserves as at 2024 end
(mmboe)

Production in 2024

In 2024 Nostrum's average daily titled production volumes (i.e. final products owned by Nostrum) increased by 48% to 14,935 boepd (10,091 boepd in 2023). Total processed volumes increased by 94% (including third party condensate tolling volumes) In 2024, compared to 2023. These increases in production and processed volumes were mainly due to:

- Processing of raw gas received from Ural O&G, commencing from December 2023;
- Production from well No.301 which was completed and put into production in May 2024;
- Full year contribution from: Gas-lift system expansion, which was successfully launched in July 2023 doubling its capacity and continued to perform above management expectations;
- Additional 26% LPG yield from GTU-3, which has been in operation since September 2023.

Chinarevskoye Field production in 2024 was 8,544 boepd, which represents a 15.3% decline compared to 2023. The production was slightly higher than anticipated. This was due to a well intervention programme that proved successful, as well as the implementation of additional gas lift and the introduction of a new oil producer. Chinarevskoye field average daily production for 2025 is forecast to be in the range of 5,500-6,500 boepd.

Drilling and workover operations at the Chinarevskoye Field

Most of the scope planned under the drilling programme was executed on time and within budget in 2024. Two wells were drilled in 2024, one deepening well (No.301) and one sidetrack well (Ch-41_1_1). Well No.301 drilling was completed in April 2024 and put in production in May 2024, producing from the lower target interval (Devonian). The upper target interval will be perforated in Q2 2025 (Carboniferous). Production from the lower target interval has been slightly above the P50 expectations.

Well 41_1_1 appraisal sidetrack work carried a significant level of uncertainty and risk due to the multiple exploration, appraisal, and development objectives. The well was completed in September 2024, but the initial test did not encounter the primary Devonian target horizon. While secondary intervals with hydrocarbons were encountered, they were deemed marginal. As a result, the well has been temporarily suspended. However, the key (sonic) data gathered during drilling has greatly enhanced understanding of the reservoir's spatial architecture, enabling more confident planning for a future well.

In 2025, The Company expects to continue with the limited-scale drilling campaigns targeting high-value subsurface opportunities where possible whilst ensuring compliance with its licence to operate commitments.

The programme will leverage existing wellbores to reduce costs and carries a level of uncertainties and risks as the planned subsurface targets contain multiple exploration, appraisal, and development objectives.

The total rig workover campaign in 2024 was concentrated on ESP failures. More workover activities are planned for 2025 for increased production and potential repair work.

The strategy applied in 2023 was continued in 2024 with regards rigless re-completions, additional perforations and acid stimulations. These were carried out on a number of oil, gas-condensate and water-injection wells. Further gaslift was successfully introduced in gas condensate wells allowing continuation of production and additional candidates will be targeted in 2025 (two more candidate wells).

As noted in the Reserves section, extraction of 2P volumes will require further interventions (side-tracks, new drilling and workovers) in the years to come. As in previous years, the focus is on identifying low-risk drilling projects in order to extract the 2P reserves.

The seismic and further de-risking will therefore be continued.
In addition to the geological risks, the generally expected low production rates from horizons of limited reservoir quality make potential drilling projects economically challenging and jeopardise the development of the remaining proven and probable reserves.

In 2024 the uptime of the processing facilities was 98.25% for oil and 97.75% for gas processing units. Planned downtime of the plant was in line with expectations, with maintenance of the oil treatment plant causing a six-day shut down and 17 K boe of deferred production, while the maintenance of the gas processing plant causing a seven-day shut down and 32 K boe of deferred production. Unplanned plant downtime was 0.15% for oil treatment plant and 0.35% for gas processing facility, which happened on five occasions, primarily due to power outages in the first half of the year, with deferment totaling 14 K boe. Mitigation measures to tackle power outages were implemented and those resulted in no power interruptions in the second half of the year. The spring and autumn compressor maintenance campaign incurred only a 12 K boe production deferment with no plant shut down.

As of 31 December 2024, the Company had 44 production (28 oil and 16 gas condensate) wells in operation in the Chinarevskoye field.

Full year operating of GTU 3

In September 2023, Nostrum announced the successful completion of the re-start of its c.US$750m state-of-the-art GTU-3 gas plant, with 2.5 billion cubic metres per annum gas processing capacity. The Company completed the modifications and other works on GTU-3 subsequent to its commissioning and start-up in 2019. GTU-3 successfully processed both ZKM and Ural O&G raw gas streams. The Turbo Expander proved to be very efficient in terms of LPG extraction, exceeding expectations (actual efficiency of up to 95%).

Stepnoy Leopard fields development

Several key milestones were achieved in relation to the Stepnoy Leopard Fields in 2024. The appraisal campaign started in 2023 with the re-entry of two wells was successfully completed in spring 2024 and significant fluid, pressure and test data was collected.

A seismic and geological reprocessing of all available data made it possible to create static and dynamic reservoir models, which formed the basis for an externally conducted Competent Person Report that was able to prove Proven, Probable and Possible Reserves according to the PRMS-SPE standard for the first time.

The field development project was consistently pursued and necessary key government project documents were approved by the Kazakhstan authorities.

In July 2024 the Company completed the full SL CPR on the Stepnoy Leopard Fields. The SL CPR, an independent third-party evaluation of the reserves and resources of the Stepnoy Leopard Fields as at 1 January 2024, was prepared by Xodus Group Limited. The full-field development SL CPR follows Nostrum's final investment decision for the initial field development phase of the SL fields, supporting the commercial viability of the scalable full-field development targeting the key reservoirs starting with the Eastern fields with subsequent expansion to the Western fields. The full CPR report is available on Company's website www.nog.co.uk

Additional third-party volumes

The core strategy for Nostrum to create value for its stakeholders is to commercialise the investment made in its gas processing infrastructure, the focus being on filling the spare capacity with third-party hydrocarbons. A significant milestone in this strategy was reached in 2023 with the initiation of the Ural O&G tie-back project.

Throughout 2024, the Company continued processing Ural O&G raw gas. As announced by KazMunayGas on 1 March 2025, Ural O&G production in 2024 reached 222 thousand tonnes of condensate and 301 mcm of gas. In 2025 Ural O&G plans to produce 527 mcm of gas and 351 thousand tonnes of condensate.

It is expected that a permanent fiscal metering unit will be installed by Ural O&G by midyear 2025.

Nostrum is also focused on entering into additional agreements which can fill all the remaining capacity at its GTF.

Chinarevskoye reserves

The Chinarevskoye field (Chinarevskoye) is the Group's only producing field, governed by a PSA since 1997, with the licence valid until 2031. Since 2004, 105 wells and side-tracks have been drilled under the PSA. The field features 17 reservoirs and 53 compartments spread over three areas, with commercial hydrocarbons identified in formations such as the Lower Permian, Bashkirian, Bobrikovski, Tournaisian, Frasnian, Mullinski, Ardatovski, and Biyski-Afoninski reservoirs. The licence is 100% owned by Zhaikmunai, the Group's principal Kazakhstan operating company.

As of 31 December 2024, total 2P (Proven plus Probable) reserves are 18 mmboe, reflecting a net reduction of 2 mmboe due to increased water ingress. The 1P (Proven) reserves amount to 12.9 mmboe, a 3.4 mmboe decline year-on-year, primarily due to 2024 production and the reclassification of smaller reserves beyond the licence expiry.

The Proven and Probable reserves volume requires 13 CAPEX interventions, with an additional 10 OPEX well interventions for production maintenance (2023: 23.2 mmboe requiring14 CAPEX interventions).

Management's estimates of reserves of 31 December 2024 and a comparison with the reserves of 31 December 2023 are summarized in Table 1. Please refer to page 147 for more details on estimation uncertainties.

The current Probable Undeveloped case assumes 10 rig-assisted interventions including five workover recompletions, side-tracking of three existing wells, and our new vertical well in the Bashkirian reservoir. After drilling 2 wells in 2023-2024 the company plans to continue its drilling activities and drill two more sidetracks in 2025.

In 2025, Nostrum plans to continue this workover and well intervention programme by targeting a limited number of reserves development wells along with production maintenance, and continue the drilling programme. This programme, together with the 45 existing producers, cover the estimated 2P reserves as at 31 December 2024. It should also be noted that there has been some decrease in volumes in undeveloped reservoirs associated with shifting of the drilling campaign.

Possible reserves of 5.1 mmboe as at 31 December 2024 (2023: 8.2 mmboe) are attributed to lower declines than the Proven and Probable cases in existing producers and 9 well interventions (4 WO, 2 sidetracks, 3 new wells).

Table 2 shows the breakdown of each reserves category by products.

Reserves by reservoir

The breakdown by reservoir is given in Table 3.

Biyski-Afoninski North-East

2P reserves are estimated at 4.91 mmboe, down 2.24 mmboe compared to 2023-year end (7.15 mmboe) which includes 1.14 mmboe of production in 2024 and a 1.1 mmboe negative revision due to further progressing of water encroachment .

Gas lift was introduced into the 2 last wells, predominantly through low cost rigless interventions and using the expanded Gas lift system commissioned in July 2023.

Probable and Possible Developed volumes are attributed to existing producing wells, with lower declines interpreted respectively. Infill well Ch-20 is planned to be temporary transferred to Fillippovski for the period 2028-2030. The idle Well Ch-222 is planned to be put back in operations in 2025 after recompletion to GL and water shut-off.

Tournaisian North-East, West and South

The Tournaisian North-East has a total 2P of 6.76 mmboe at 2024-year end, representing a 1.75 mmboe decline year-on year, including 1.1 mmboe production and a 0.65 mmboe negative revision to reflect recent well performance.

Proven Undeveloped volumes are associated with the planned sidetrack of well (Ch-725) which replaces the formerly planned Ch-201_2 and perforation of Tournaisian in well No.301, currently producing Mullinski, to be done in Q2 2025. Whilst Probable Undeveloped Reserves are associated with a sidetrack of well Ch- 225_2, recompletion of Ch-220 (from waterised Biyski) and continuing development of the Waterflood with one WO conversion and a sidetrack injection well (Ch-52_2). Production maintenance workovers are planned in the reservoir in the years up to and including 2027.

Tournaisian West 2P is 0.56 mmboe despite 0.15 mmboe production. The increase of reserves associated with Ch-33 and Ch-204 was achieved by successful stimulation of T2 layer in Ch-33. New P3 drilling target (+0.29 mmboe) was identified NE of Ch-204 and this attic oil meant to be produced from a sidetrack well Ch-204_1 starting 2027.

In the Tournaisian South, there are limited PDP volumes associated with the three remaining producers and Possible reserves associated with one new well planned for 2027.

Ardatovski North-East and South

Proven Producing volumes are associated with three current producers. One Probable Undeveloped side-track well is planned for the Ardatovski North-East reservoir in 2026. No further reserves development is planned for the Ardatovski South reservoir, beyond the current producer.

Frasnian North

2P reserves are estimated at 0.36 mmboe at year end 2024, despite 0.1 mmboe of production in 2024.

The development plan now foresees only one additional Possible Undeveloped side- track planned for 2025-2026.

Mullinski North-East, North and South

Proven Developed Producing reserves now associated with four wells, three in the North- East and one in the North respectively. Additional 4th well is the successfully drilled well No.301, which is producing from Mullinski NE since May 2024. Proven Undeveloped volumes are attributed to one new well in the North-East block and planned for drilling in 2025.

One Possible Undeveloped category well locations have been identified in the North-East block and is a side-track of an existing well, while one new Possible well is planned for drilling in the Mullinski South. These two wells are planned for 2026-2027.

Bashkirian North-East & West

PDP reserves remain for two wells produced via Electric Submersible Pumps (ESPs). One Probable Undeveloped new vertical well is proposed in the Bashkirian North-East from 2026.

Filippovski

Six low-cost workover recompletions (two Probable and four Possible) have been identified for the Filippovski reservoir.

These are planned, subject to further technical and economic evaluation, to be carried out in 2025-2028.

Table 1 – Nostrum Reserves, mmboe

	2024	2023	Change
Total PDP	12.0	15.1	-3.1
Total PUD/PDNP	0.8	1.2	-0.4
Total 1P	**12.9**	**16.3**	**-3.4**
Total Probable	5.1	6.9	-1.8
Total 2P	**18.0**	**23.2**	**-5.2**
Possible	5.1	8.2	-3.1
Total 3P	**23.1**	**31.4**	**-8.3**

Note: Barrel of oil equivalent (boe) totals are management estimates using a conversion factor of 5.327 mcf/boe.

Table 2 – Nostrum Reserves, by product and by reserves category

Fluid	Unit	Proven Producing (PDP)	Proven Non-Producing & Undeveloped (PDNP & PUD)	Total Proven (1P)	Probable (P2)	Total Proven plus Probable (2P)	Possible (P3)	Total Proven, Probable and Possible (3P)
Oil/condensate	barrels	6,533,902	693,119	**7,227,021**	2,561,129	**9,788,151**	2,814,201	**12,602,352**
Plant products (LPG)	barrels	1,204,340	44,010	**1,248,350**	457,096	**1,705,446**	468,095	**2,173,541**
Gas (after shrink)[1]	mmcf	22,882	473	**23,355**	11,200	**34,555**	9,600	**44,155**
Gas (after shrink)	boe	4,295,874	88,761	**4,384,635**	2,102,650	**6,487,285**	1,802,250	**8,289,534**
Total	**boe**	**12,034,117**	**825,890**	**12,860,006**	**5,120,875**	**17,980,882**	**5,084,546**	**23,065,428**

Table 3[2] – Comparison of reserves by reservoir 2024 versus 2023

	31 December 2024				31 December 2023				Change			
Reservoir	Proven, mmboe	Probable mmboe	Possible, mmboe	3P, mmboe	Proven, mmboe	Probable mmboe	Possible, mmboe	3P, mmboe	Proven, mmboe	Probable mmboe	Possible, mmboe	3P, mmboe
Biyski/Afoninski NE	**4.3**	**0.6**	**0.8**	**5.7**	6.1	1.0	0.8	7.9	-1.8	-0.4	0.0	-2.2
Tournaisian NE	**4.9**	**1.9**	**0.6**	**7.4**	6.1	2.4	1.3	9.8	-1.2	-0.6	-0.7	-2.5
Frasnian N	**0.3**	**0.1**	**0.8**	**1.2**	0.4	1.1	2.5	4.0	-0.1	-1.0	-1.7	-2.8
Ardatovski NE	**0.8**	**1.6**	**0.1**	**2.5**	1.5	1.6	0.1	3.2	-0.7	0.0	0.0	-0.7
Filippovski	**0.3**	**0.4**	**0.7**	**1.4**	0.2	0.2	0.8	1.2	0.1	0.1	-0.1	0.2
Tournaisian South	**0.3**	**0.1**	**0.7**	**1.1**	0.3	0.1	0.7	1.2	0.0	0.0	0.0	-0.1
Mullinski NE	**0.7**	**0.1**	**0.3**	**1.2**	0.6	0.0	1.1	1.8	0.1	0.1	-0.8	-0.6
Bashkirian NE & W	**0.5**	**0.2**	**0.0**	**0.8**	0.5	0.2	0.0	0.7	0.0	0.0	0.0	0.0
Tournaisian West	**0.5**	**0.1**	**0.3**	**0.9**	0.3	0.1	0.0	0.4	0.2	0.0	0.2	0.5
Mullinski South	**0.0**	**0.0**	**0.6**	**0.6**	0.0	0.0	0.7	0.7	0.0	0.0	-0.1	-0.1
Bobrikovski South	**0.1**	**0.1**	**0.0**	**0.2**	0.1	0.1	0.0	0.2	0.0	0.0	0.0	0.0
Ardatovski S	**0.1**	**0.0**	**0.0**	**0.2**	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Mullinski North	**0.0**	**0.0**	**0.0**	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**12.9**	**5.1**	**5.1**	**23.1**	**16.3**	**6.9**	**8.2**	**31.4**	**-3.4**	**-1.8**	**-3.1**	**-8.3**

1. Not included in the total.
2. Some differences due to rounding.

Stepnoy Leopard reserves

The Stepnoy Leopard fields, located in the West Kazakhstan region, form part of Nostrum Oil & Gas PLC's portfolio, with an 80% working interest under the current licence terms. The fields, covering multiple hydrocarbon-bearing reservoirs, were historically explored during the Soviet era, with over 100 wells drilled. Nostrum acquired the asset in 2023 and has since conducted appraisal activities to refine the development plan, leveraging its existing infrastructure at Chinarevskoye. The asset comprises multiple discovered hydrocarbon accumulations across the Permian Artinskian, Filippovski, and Kalinovski reservoirs in the West Kazakhstan Region. The governing licence remains valid until December 2044.

The Stepnoy Leopard CPR, an independent third-party evaluation of the reserves and resources of the SL fields as at 1 January 2024, was prepared by Xodus Group Limited.

A summary of the Reserves associated with Stepnoy Leopard, on a gross and working interest basis, is shown in Tables 1 and 2. The reserves are an arithmetic summation of the economically recoverable resources for five different fields in Stepnoy Leopard, including the four eastern Artinskian fields and the Kamenskoye field in the west of the area.

Reserves by Reservoir

Artinskian Reservoir: Contains the majority of the Petroleum Initially-In-Place (PIIP).

Massive stromatolitic reefal carbonates (dolomites and limestones) were deposited in the final stage of Moscovian-Artinskian carbonate cycle, which built a broad shelf along the northern part of the Pre-Caspian basin. These carbonates build a long chain of barrier reefs, separated by perpendicular passages to the shoreline acted as current channels, forming a rim along the shelf edge. Shelf rims rises from 150 m to almost 300 m above shelf table. Reservoir rocks are fractured, which greatly contribute to their permeability. In general, vugs and fractures are unevenly distributed and are controlled by the primary reefal macro-structure.

Filippovski Reservoir: Holds a subordinate volume of PIIP. Dolomite formations within occasionally dolomitic limestones above Artinskian and partially onlapping. Gradually thickens away from the Artinskian shelf rim to the North-West and reaches 250 m within the boundary of the licences block. It was deposited within a broad shelf lagoon in the North-West of the Artinskian barrier rim.

Kalinovski Reservoir: This overpressured reservoir, which occurs only in the Kamenskoye field, has a proven hydrocarbon accumulation in a thick, salt-entrapped carbonate-clastic sequence (Lower Permian Kungur), which is influenced by salt tectonics. The subordinated clastic horizon is thin and located at the bottom of the sequence.

Table 1 – Reserves summary (Gross)

Category	Sales Gas (bcf)	Condensate & Oil (mm barrels)	LPG (ktonnes)	Total Gross (mmboe)
Proven 1P	408.54	16.96	414.47	**90**
Proven and Probable 2P	620.93	26.62	629.93	**138**
Proven, Probable and Possible 3P	779.36	34.27	790.66	**174**

Table 2 – Reserves summary (80% Working Interest)

Category	Sales Gas (bcf)	Condensate & Oil (mm barrels)	LPG (ktonnes)	Total Gross (mmboe)
Proven 1P	326.83	13.58	331.58	**72**
Proven and Probable 2P	496.74	21.30	503.94	**110**
Proven, Probable and Possible 3P	623.49	27.42	632.53	**139**

Note: Gross and Working Interest to Nostrum as of 1 January 2024

Economic Evaluation

The Net Present Value (NPV) at a 10% discount rate for the Stepnoy Leopard reserves is summarised below:

Category	NPV10 (US$m)	IRR (Net)
Proven 1P	120.3	**26.8%**
Proven and Probable 2P	220.4	**33.8%**
Proven, Probable and Possible 3P	267.9	**34.3%**

The project economics are based on Brent Oil Forward Curve pricing (as of May 2024) for oil and condensate, with domestic pricing for gas and LPG set by Kazakhstan's Ministry of Energy. The reserves estimates reflect an economic cut-off, ensuring commercial viability under the current fiscal regime.

Field Geology & Development Potential

The Stepnoy Leopard fields consists of eight hydrocarbon-bearing structures in which the Artinskian, Filippovski and Kalinovski reservoirs may be formed. Reserves have been identified for only 5 structures (4 eastern – Artinskian reservoir and Kamenskoye – Kalinovski reservoir), while the 3 western structures only hold resources. The primary reservoirs are carbonate formations, characterised by a high degree of reservoir properties heterogeneity and partially high fracture permeability. Initial geological studies and dynamic modeling indicate strong reservoir continuity, supporting long-term production potential.

A phased drilling campaign is planned, focusing first on the eastern Artinskian fields and the Kamenskoye field. Infrastructure development includes well tie-ins to existing processing facilities at Chinarevskoye, which will enable efficient hydrocarbon extraction and transportation.

Contingent Resources & Long-Term Outlook

In addition to booked reserves, Contingent Resources in the western Artinskian fields and post-licence production opportunities amount to 361.76 BCF of raw gas (2C) and 7.05 MMSTB of condensate & oil (2C). These volumes represent future development potential, subject to additional appraisal activities and regulatory approvals.

Future Work & Strategic Focus

- **Drilling & Appraisal:** Drilling of new wells with well data acquisition and continuous geological work to optimise reserve estimates.
- **Infrastructure Optimisation:** Expanding processing capacity and integrating Stepnoy Leopard production with existing Nostrum assets.
- **Regulatory Compliance & Sustainability:** Ensuring all operations align with Kazakhstan's environmental and fiscal frameworks.
- **Reserves Growth Strategy:** Continuous assessment of new drilling targets (deep potential) and enhanced recovery techniques to maximise field output.

Showcasing our infrastructure

1 GTU 3: 2.5 BCMA
2 LPG Storage and loading
3 Power plant: 26mwh
4 GTU 1&2: 1.7 BCMA
5 Oil/Cond. storage
6 Oil Treatment unit (OTU)

With the re-start of GTU 3, complementing the previous gas processing trains, we have built a world-class infrastructure processing hub that is currently under-utilised but with the potential to support the production and sale of billions of cubic meters of gas in north-western Kazakhstan for years to come.

Oil Treatment Facility

The oil treatment facility (OTF) has a maximum throughput capacity of 400,000 tons per annum. The OTF associated infrastructure includes a gas-lift facility that was commissioned in 2015 and a liquid hydrocarbons pumping station transferring crude oil and stabilised condensate via the liquids pipeline to the rail loading terminal.

In 2024, 0.99mmboe of crude oil and 2.56mmboe of stabilised condensate (including third-party volumes) were transferred through the pipeline from Field to Terminal.

Raw Gas Treatment Facility

The gas treatment facility (GTF) is designed to treat raw gas from gas condensate reservoirs (and the associated gas coming from the OTF) into condensate, LPG and dry gas with a by-product of granulated Sulphur. The gas treatment facility includes three gas treatment units GTU 1,2 & 3 which have the capacity to treat 4.2 billion cubic meters of raw gas per annum.

Low-pressure system

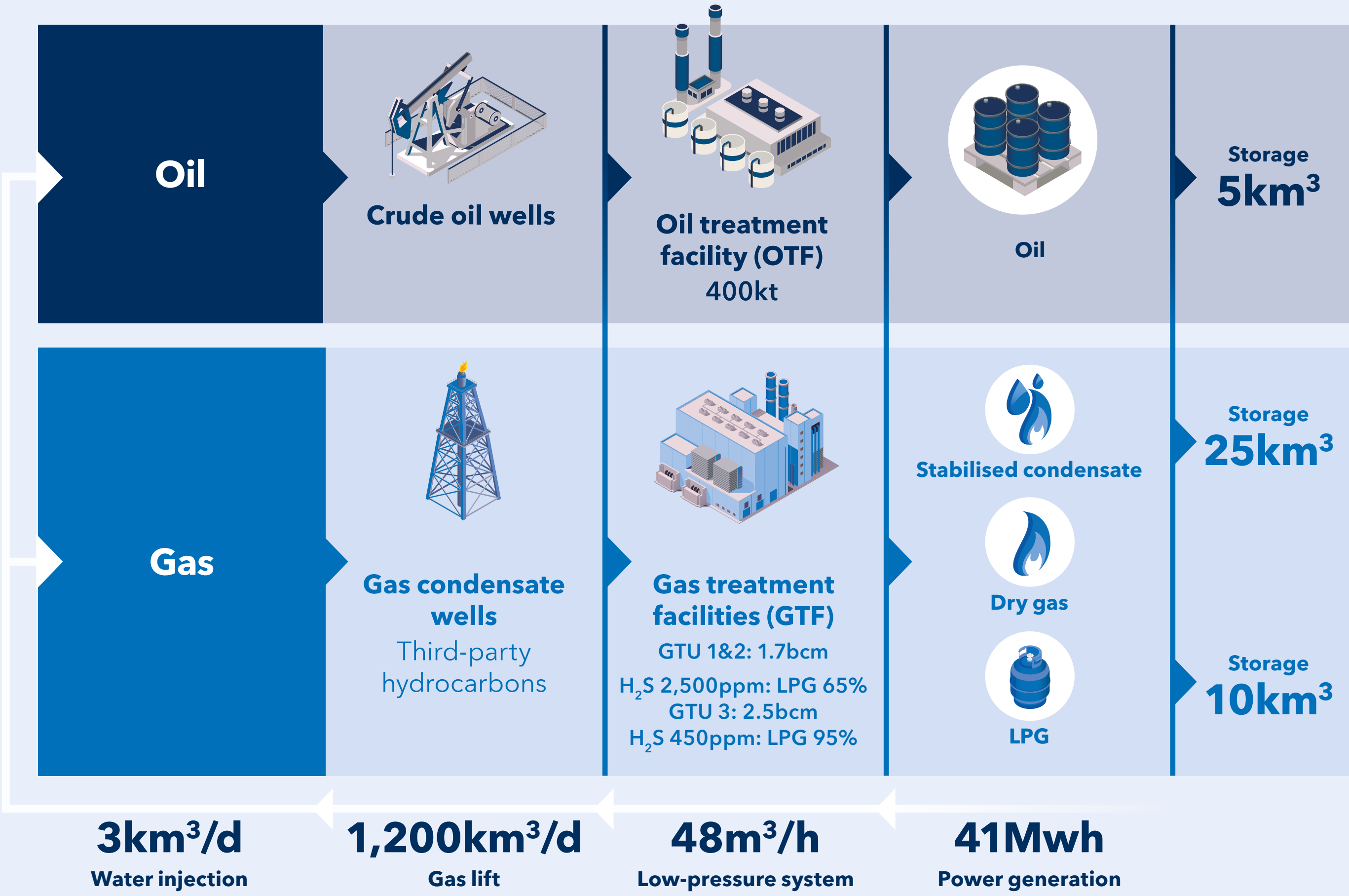
A low-pressure system has been installed to facilitate the reduction of the GTF inlet pressure from 42 to 8 bar, to prolong the run-life of wells, primarily gas-condensate. Installed capacity of gas compression is 48,000 standard cubic meters per hour and all gas-condensate 10 wells are flowing through the low-pressure system as of the end of 2024.

In 2024 a new project (LPS3) to increase low pressure system was initiated with an additional capacity of 10,400 standard cubic meters per hour. Project completion is expected in Q3 2025.

Gas lift system

The gas-lift system is designed to enhance oil and gas-condensate production. The system consists of three gas-lift compressors with a total capacity of 54,000 standard cubic meters per hour.

Currently, the compressors are running at ca. 44,000 standard cubic meters per hour. Total capacity (54k SM3PH will be realised by implementing the Low Pressure capacity upgrade. There were 31 active wells running with gas lift (22 oil wells, 9 gas-condensate wells).



Power generation plant

The gas-fired power generation plant is linked to the GTF and has an electrical power output capacity of 26 MW. The generated capacity of the plant is sufficient to meet the existing and the maximum future need. Backup generation capacity of up to 15 MW is available at the processing facilities.

Storage facilities

Nostrum has over 35,000 cubic meters of storage capacity for liquids at its field site and rail loading terminal.

Gas pipeline

Nostrum has its own 17 km dry gas pipeline which is linked to the Orenburg-Novopskov gas pipeline. The pipeline has sufficient capacity to export the entire GTF maximum production capacity dry gas volumes.

Liquids pipeline

Nostrum has its own 120 km liquids pipeline that runs from the field to the Company's rail loading terminal in Beles (near Uralsk). The pipeline has a maximum daily throughput capacity of 3,500 t/d.

Rail Loading Terminal

Nostrum has its own automated rail loading terminal at Beles, located near the city of Uralsk, that receives all produced crude oil and condensate and has a daily capacity of 5,000 t/d.

KTO pipeline connection

Nostrum has constructed a secondary crude oil pipeline to enable export sales from its rail loading terminal via the Atyrau-Samara export pipeline operated by KazTransOil (KTO). The connection to the KTO pipeline has enhanced the Company's ability to maximise crude oil netbacks through the commodity cycle.

Sulphur Recovery Unit and Incinerator

In 2024, modifications on the Sulphur Recovery Unit to handle higher H2S levels, necessary for processing third-party gas like Ural O&G have been completed. This enables H2S processing using either the direct oxidation or Claus process.

In parallel cracks at various heights of the 62-meter incinerator chimney identified in 2023 by drone inspection were repaired.

Risk management

The Group has a system of internal controls consisting of its governance framework, segregation of authorities and duties, various policies and procedures, training, supervision and internal communications as well as monitoring by senior management and the Board of the planning and decision-making processes. The risk management system is embedded in these components of the system of internal controls in order to identify, manage and report on the relevant risks that may impact achievement of the Group's strategic objectives,and ensure compliance with applicable regulatory requirements.

Risk management framework

The Board, supported by the Audit Committee and senior management, has ultimate responsibility for risk management and internal control, including responsibility for the determination of the nature and extent of the principal risks it is willing to accept to achieve its strategic objectives, and for ensuring that an appropriate risk-awareness culture has been embedded throughout the Group.

Operational day-to-day risks are inherent in the various business functions and processes of the Group. These are categorised as business function risks and are identified and managed by the relevant staff and managers in the course of their activities to ensure safety, compliance, and efficiency. The members of the Senior Management Team have overall responsibility for managing such business function risks aggregated at the level of their functional responsibility, but can delegate such responsibilities to their direct reports. At the highest level the identified risks are aggregated and categorised into the following categories of principal risks and uncertainties: strategic, operational, financial, compliance and other, which are respectively managed and monitored at Board level.

Based on risk registers, related analysis and discussions, senior management and the Board periodically review previously identified significant risks, update their understanding of the likelihood of occurrence and potential impact, and identify potential new significant risks.

These significant risks are discussed in more detail below in the Principal Risks and Uncertainties section.

In 2024, the processes related to risk management and internal control systems were consistent with the UK Corporate Governance Code and FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued in September 2014. The Board and Audit Committee are aware of the additional requirements related to the risk management and internal control framework as set out in the UK Corporate Governance Code 2024.

During 2024 the Group did not have a dedicated internal audit function, and relied instead on third-party financial and technical audits and ad-hoc audits/process reviews performed by employees and overseen by management with results reported into the relevant Board committee. The Board and Audit Committee obtain assurance on the effectiveness of the internal control framework through: (a) upholding a regular, detailed and timely system of internal operational and financial reporting against key performance targets, historical trends and industry norms and the investigation of any material deviations or failures, (b) obtaining independent expert opinions on matters of importance, including any changes or disputes in the legal or regulatory environment, (c) visits to the company's place of operations in Kazakhstan and enquiries of local staff and management, (d) reinforcement of the internal system of Whistleblowing, (e) evaluating all material investment policies and proposals, and (f) seeking external professional advice on the company's risk register and Board assurance framework.

Following the end of 2024, the Board continues to monitor closely internal control over financial reporting and the related party identification and disclosure processes. More detailed information can be found in the Risk management and internal controls section of the Audit Committee report on page 104.

Environmental, social and governance (ESG) matters

ESG matters form an integral part of the areas covered by the Group's systems of risk management and internal controls, and the Board recognises their significance and importance. Identified ESG risks and related responses can be seen within Operational, Climate Change and Other risks in the "Principal risks and uncertainties" disclosure on pages 36-42.

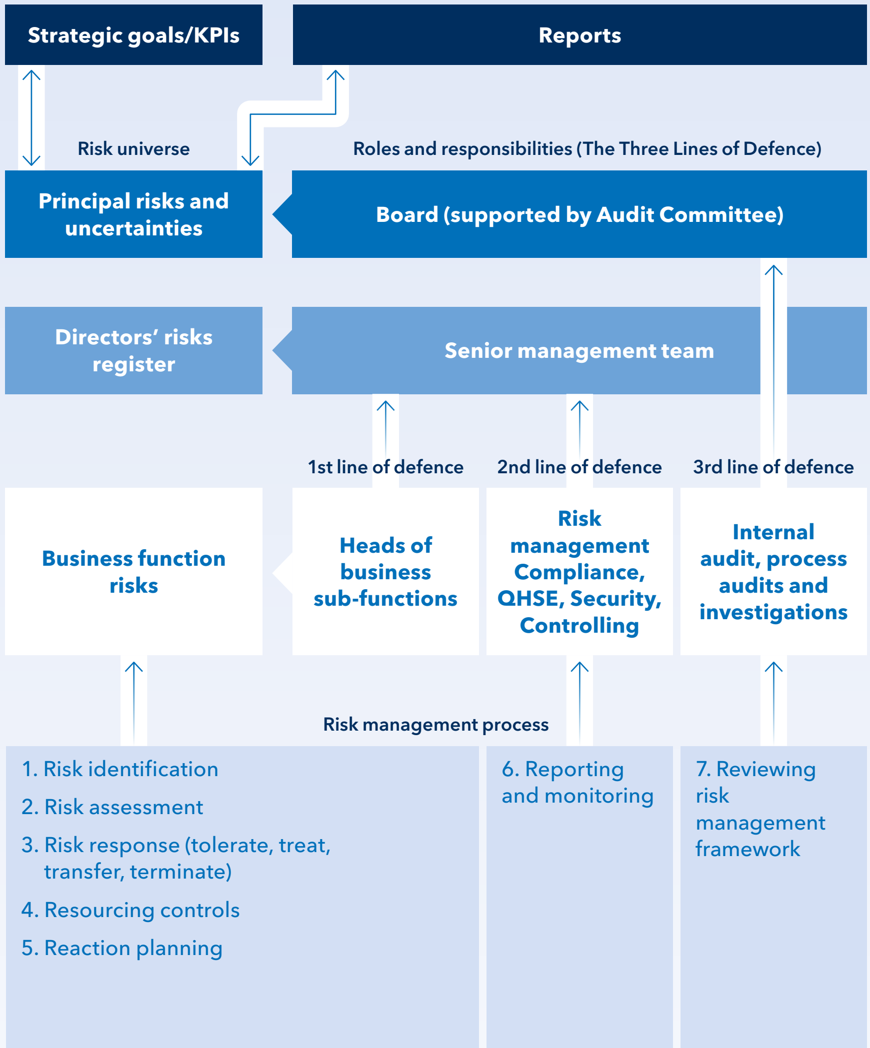
The Board receives appropriate information for managing such risks. Management is responsible for ensuring that systems of risk management and internal control are in place to effectively manage and monitor energy risks and other ESG matters. More detailed disclosure on the established policies and procedures in these areas can be found on pages 52-86.

Changes from prior-year risk assessment

In 2024, the principal risks and uncertainties managed and monitored by the Board and senior management included most of the risks for 2023 and for which the related risk assessments did not change significantly.

The Board has carried out a review of the effectiveness of the Company's risk management and internal controls systems, covering all material controls including financial, operational and compliance controls. The Board has carried out a robust assessment of the Company's emerging and principal risks.

Risk management framework



The Board oversees the design and implementation of systems of risk management and internal control and manages and reports on principal risks.

The Senior Management Team supports the Board in its oversight and monitoring role and perform management and reporting on the level of Director's risks.

Heads of business functions, being the 1st line of defence, own and manage operational risks related to their respective area of activity.

2nd line of defence has a general oversight function to ensure that the risk management practices followed are effective.

Internal audit, acting as the 3rd line of defence, provides independent assurance over the effectiveness of the systems of risk management and internal control.

Principal risks and uncertainties

Description of risk	Risk management

Strategic risks

Geopolitical factors

Description of risk	Risk management
The Group's operations are exposed to risks associated with the political and business environment in Kazakhstan, being the Group's sole country of commercial operations, as well as its neighbouring countries. Nostrum has historically benefited from its geo-strategic position in the heart of an export corridor between Russia and markets to the west of the Caspian, however, the Group remains exposed to the risks of the ongoing economic and political impact on Russia of its actions in Ukraine, being reliant on its transport routes and ports. Ongoing severe sanctions and trade restrictions imposed by, among others, the US, UK and EU on Russia, have increased the economic and political uncertainty and may have a material adverse impact on the Group's business, results of operations, financial condition and prospects.	Nostrum's Senior Management Team is pro-actively engaged with key stakeholders among state authorities to address and resolve any potential issues at early stages. In addition, the Group endeavours to identify legislative changes at early stages before their introduction and to the extent possible participate in the relevant working groups engaged in development of such changes. To mitigate geopolitical, regional and customer risks, the Group continues to strengthen customer relationships through establishing long-term off-take agreements whilst also looking at possibilities to geographically diversify its customer portfolio. The Group has implemented robust internal controls and procedures to ensure compliance with international sanctions on Russian and Belarus individuals, organisations and supplies of goods and services, including the evaluation of counterparties and their banks, contract procedures, and liaising with external legal advisers. The Group regularly updates lists of all persons/entities and products sanctioned in order to ensure Nostrum does not enter into transactions which violate applicable sanctions.

Product price volatilities

Description of risk	Risk management
The Group's operations and financial performance are exposed to changes in the market prices for its products driven by external business and political factors, which are outside the Group's control. Oil and gas prices are subject to volatility due to a variety of factors beyond the Group's control. Factors affecting crude oil prices include supply and demand fundamentals, global geopolitical events, production quotas set by OPEC and non-OPEC producers. Since the domestic selling price of dry gas is directly dependent on the price of crude oil and the price of oil is volatile, the Company could also face volatility in the price of dry gas. Also, the Group could be compelled by governmental authorities, to sell its oil, condensate, LPG and gas domestically at prices determined by the RoK Government, which could be significantly lower than prices which the Group could otherwise achieve. Lower oil and gas prices may reduce the economic viability of the Group's operations and proposed operations and materially adversely affect its business, results of operations, financial condition and prospects. In particular, the Group's ability to produce economically from the Chinarevskoye Field or any prospective fields will be determined, in large part, by the difference between the revenue received for its products and the operating costs, taxation costs, royalties and costs incurred in transporting and selling those products.	The Group quarterly revisits the product price assumptions used in its short-term, medium-term and long-term financial models, and performs stress testing of such forecasts to fluctuations in product prices and these are monitored by senior management and the Board. The Group continues to take prudent actions to protect liquidity, including identifying reductions in operating costs, general and administrative, and selling and transportation costs that could be implemented without having a negative impact on production or operations in the going concern period. Senior management constantly monitors the Group's exposure to foreign currency exchange rate changes and makes plans for necessary measures. In addition, the Group maintains its relationships with multiple financial institutions should it need to implement commodity price hedging contracts. No such contracts were entered into in 2024.

Description of risk	Risk management

Strategic risks continued

Filling the spare gas processing capacity

Description of risk	Risk management
The Chinarevskoye field is a mature declining asset with a proved and probable reserves base at a level that will produce volumes of hydrocarbons including raw gas sufficient to utilise less than 15 percent of capacity available at the Group's gas treatment facilities, which have a combined 4.2 billion cubic meters capacity per annum. The Company is therefore reliant on acquiring and developing nearby assets with significant resource potential and/or processing third party gas through its processing facilities to continue to produce free cash flows and build sufficient cash reserves to repay future indebtedness. The ability to negotiate and secure these strategic acquisitions is highly uncertain and the ability to fund the development of such projects, the costs of which may be substantial and require external funding, may not materialise. Oil and gas exploration and production activities are capital intensive and subject to financing limitations and inherent uncertainty in their outcome. Further, significant expenditure is required to establish the extent of oil and gas reserves through seismic re-processing and mapping, other surveys as well as drilling. Therefore, there can be no certainty that further commercial quantities of oil and gas will be discovered at Chinarevskoye or acquired by the Group to enable it to utilise the spare capacity in its treatment facilities.	The Group's mixed-asset strategy is aimed at diversification of its sources of feed stock to the processing facilities, which is expected to provide the Group with an opportunity to gain from expanding the use of available capacities, technological resources and human capital, and ultimately benefit from its under utilised infrastructure. The GTU-3 plant was upgraded and prepared to receive future gas supplies. Throughout 2024, GTU 1-2-3 gas processing facilities operated simultaneously, processing inlet gas from the Chinarevskoe field and Ural O&G gas from the Rozhkovskoe field. By implementing GTU-3's deep gas treatment process (utilising a Turbo Expander), LPG recovery was substantially increased. The flexibility to switch operations between GTU 1-2-3 units improved the overall uptime of the processing facility. Yearly maintenance was conducted without the need for a full production shutdown. The Sulphur Recovery Unit upgrade was completed in June 2024. With this enhancement, the Sulphur recovery facility can operate allowing for the treatment of inlet gases with varying H2S concentrations. The extension of the granulated Sulphur storage area is in progress and will be completed in 2025. The two-well appraisal operations were completed at Stepnoy Leopard Fields, and significant data had been collected. Based on these results the Company made a FID for the initial field development phase of the fields and issued the CPR, according to which the Group estimated 138 mmboe proved plus probable (2P) gross reserves as at 1 January 2024. Also, the Group has several additional area-wide opportunities under review that may serve to strengthen the Group's upstream and midstream portfolio in the coming years.

Principal risks and uncertainties continued

Description of risk	Risk management

Operational risks

Oil and gas reserves and production

Description of risk	Risk management
Estimating the value and quantity of economically recoverable oil and natural gas reserves and resources, and consequently the rates of production, necessarily depend upon a number of variables and assumptions, such as ultimate reserves recovery, interpretation of geological and geophysical data, marketability of oil and gas, future product prices, operating costs, development and production costs and workover and remedial costs, all of which may vary from actual results, which would affect the Group's financial performance and achievement of strategic objectives. The re-classifications of significant amounts of reserves from 2P to contingent resources in 2020-2021 were the result of crystallising of such risks. Even if the Group is able to discover or acquire commercial quantities of oil and gas in the future, there can be no assurance that these will be commercially developed. Appraisal and development activities involving the drilling of wells across a field may be unpredictable and may not result in the outcome planned, targeted or predicted, as only by extensive testing can the properties of an entire field be more fully understood. Finally, given that the Chinarevskoye reservoir is a mature and declining asset, the Group has been actively performing well workovers and interventions to reduce the rate of decline of the reservoirs. Most of the scope planned under the drilling programme was executed on time and within budget in 2024. Well No.301 drilling was completed in April 2024 and put in production in May 2024, producing from the lower target interval (Devonian). The upper target interval (Carboniferous) is planned to be perforated in 2025. Such activities, as well as construction, operation and maintenance of surface facilities, are subject to various risks, including the availability of adequate services, technologies and expertise, which may adversely affect the fulfilment of the Group's strategic objectives.	The Group has a department of geologists and reservoir engineers who perform periodic assessments of its oil and gas reserves in accordance with international standards on reserve estimations and prepare production forecasting using advanced exploration risk and resource assessment systems. The results of the assessments are audited periodically by the Group's independent reserves consultants. For drilling and well workover activities, the Group engages skilled personnel and leading service suppliers, as well as employing internationally accredited operations and cost monitoring systems, based on which management oversees the work progress. The Group continued its well workover and intervention programme in 2024 to minimise the production decline and this will be continued in 2025 as the field gets older and equipment requiring more regular maintenance. For 2025, the Company's Board of Directors have approved further drilling in the Chinarevskoye field, in line with the licence commitments and field development plan of the Company's subsidiary Zhaikmunai LLP. The gas lift expansion project, completed during 2023, continues to show its effectiveness as two more wells were connected to the gas lift system in 2024. Maintenance of wells and surface facilities is scheduled in advance, in accordance with technical requirements, and all necessary preparations are performed in a timely manner ensuring a high quality of work. In addition, the Group has emergency response and disaster recovery plans in place and periodically conducts necessary training and testing procedures.

Cybersecurity risks

Description of risk	Risk management
Nostrum may be vulnerable to the unauthorised or inappropriate access to data, or the unlawful use, disclosure, disruption, deletion, corruption, modification, inspection, recording, or devaluation of information. Such cybersecurity failures may significantly adversely affect the Group's operations and financial results through disruptions, shutdowns and delays in production and other activities.	The Group uses several dashboards such as MS Secure and MS Compliance, which monitor security and compliance, and also help to identify areas where security might be enhanced. At the start of employment each new employee is briefed on the Group's Information Security Policy and signs a confidentiality agreement. All mailboxes and data are placed on Microsoft servers with appropriate levels of protection. Passwords have complexity requirement and double authorisation has been introduced for most users. All data traffic, servers and computers are subject to scanning and protection by anti-virus software. Physical access to data storage is restricted to authorised personnel.

Environmental, Social and Governance risks

Risks of incidents, including risk of explosion

The Group's operations are subject to hazards and risks common in its industry, including encountering unusual or unexpected rock formations or geological pressures, fires, explosions or power shortages, equipment failures or accidents, premature declines in reservoirs, blowouts, uncontrollable flows of oil, gas or well fluids, or water cut levels, pollution and other environmental risks.

Failure to prevent or adequately mitigate these hazards can have a broad range of results, including, but not limited to, injury of employees or local residents, a partial or total shutdown of operations, significant damage to equipment, suspension or withdrawal of licences and relevant sanctions. Any of the above could materially and adversely affect the Group's business, results of operations, financial condition and prospects.

It should also be noted that the legal framework for operational safety is not yet fully developed in Kazakhstan and given the changing nature of environmental regulations, there is a risk that the Group will not be in full compliance with all such regulations at all times.

The Group's QHSE policies are periodically revised to ensure compliance with changes and new requirements in this area. Periodic training on the requirements of policies and regulations is held for employees. Nostrum's operations are based on the five QHSE pillars: HSE leadership; rigorous incident investigation; process safety-critical elements identified and maintained; contractor HSE management; and environment and climate change.

Monthly QHSE reports are issued to communicate HSE performance. Management KPIs include lost time injury frequency, road traffic injury frequency, total recordable injury frequency and numbers of Hazard Observation Cards submitted as well as managing reduction of GHG emissions from our operations.

Through the system of Hazard Observation Cards, employees and contractors report any unsafe conditions observed in the workplace, which helps to ensure their awareness of safe working conditions at all times. All incidents are investigated, their causes identified and corrective action plans developed.

There is a classification of equipment as critical or non-critical. Safety critical elements are devices, equipment or systems that are required to ensure process conditions are maintained within safe operating limits, or the purpose of which is to prevent malfunctioning. For example, devices are installed at well-sites to automatically close the wells in the case of shutdown, preventing blow-down by flaring.

Contractor HSE performance is managed by identifying and mitigating risks, setting HSE performance criteria, monitoring, auditing and reporting HSE performance, and subsequently using this information for continuous development and feedback into the process of contractor selection.

Governance risks

Nostrum adheres to UK corporate governance and reporting requirements. Governance risk factors are usually related to board composition and structure, executive remuneration, internal controls and risk management framework, corporate policies and procedures, risks of corruption and bribery, and others.

Lack of adequate controls and policies, or a failure of those to operate effectively, could lead to loss of company resources, non-compliance with regulations, and respective significant fines, penalties, as well as reputational damage.

As described on pages 96-98, the Group has established a robust governance framework which covers all aspects of the Group's activities through respective Board committees and functional teams under senior management. Although Nostrum generally complies with the "comply or explain" provisions of the UK corporate governance code, during the reporting period the composition of the Board and its committees did not comply with certain provisions of the code, primarily due to the resignation of an independent non-executive director from the Board in 2024. As a result, Nostrum is engaged in an active search to recruit another independent director onto the Board, and another director has stepped in as Acting Chair of the Nomination & Governance Committee to ensure continuity of leadership of such committee and distribute the committee workload during the transition period. Nostrum's other independent non-executive directors remain active in various Board committees.

The corporate governance framework is supported by an extensive range of policies and procedures covering numerous areas including delegation of authority, inside information disclosure, related party transactions, anti-corruption and bribery, anti-facilitation of tax evasion and whistle-blowing, as described on page 98 and various other policies and practices related to social and environmental matters described across other sections of the report. Such policies and procedures are designed and implemented to ensure that all required compliance obligations are met.

Environmental risks

i) Emissions, effluents, and waste management risks

The Group's operations are subject to environmental risks inherent in oil and gas exploration and production industries. Examples of environmental risks include risks stemming from more intense extreme weather events, rising energy intensity in the oil and gas industry, the changing regulatory landscape, the risk of fugitive emissions and climate change policies driving down demand. Compliance with environmental regulations may make it necessary for the Group, at substantial cost, to undertake measures in connection with the storage, handling, transportation, treatment or disposal of hazardous materials and waste and the remediation of contamination.

In addition, the legal framework for environmental protection and operational safety is not yet fully developed in Kazakhstan. Stricter environmental requirements may be adopted in the near future, and the environmental authorities may move towards a stricter interpretation of existing legislation. The costs associated with compliance with such regulations could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Nostrum actively manages emissions, effluents, and waste-related risks through related policies, targeted initiatives, and established governance framework. Oversight is provided by the CEO through the HSE and ESG committees, with regular reporting to the Board. GHG emissions management is one of the KPIs, with efforts focused on improving energy efficiency, minimising flaring and leaks, and monitoring emissions.

The company reports Scope 1, 2, and disaggregated Scope 3 emissions for transparency. Key initiatives include energy efficiency improvements, waste management, GHG emissions, renewable energy integration, methane mitigation, and an oil spill response plan.

The Sulphur recovery unit reduces harmful emissions turning waste into a saleable by-product.

Environmental management is further strengthened by emergency response plans, an energy policy, and strict permit compliance. Nostrum annually reports to the CDP Climate Questionnaire, and earned a score of "B" in February 2025, demonstrating its commitment to environmental responsibility.

Principal risks and uncertainties continued

Description of risk	Risk management
Environmental, Social and Governance risks continued	
Environmental risks continued	
ii) Water source management risks Nostrum as an Oil & Gas Exploration and Production company requires significant water use, with activities like hydraulic fracturing and enhanced hydrocarbon recovery permanently removing water from the cycle. Growing water scarcity, climate change, and competing demands increase risks, potentially leading to business disruptions, regulatory restrictions, and higher costs. Companies must adopt best practices such as water recycling, alternative sourcing, and treatment technologies to enhance sustainability, compliance, and resilience.	Nostrum takes a proactive approach to managing water-related risks, ensuring sustainable water use and compliance with regulations through a structured environmental and water stewardship framework. The company has a well-established Health Safety and Environment Policy that emphasises stakeholder engagement, raising environmental awareness, and continuous improvement through an Environmental Management System. Water management is a key focus, with a dedicated Water Management Policy in place. Effluent management is regularly monitored, with initiatives aimed at reducing, reusing, and recycling wastewater. Any incidents are thoroughly investigated, and corrective measures are implemented as needed. Responsibility for managing water-related risks is assigned at both the senior management and executive levels, reinforcing the company's commitment to responsible water management and ensuring that risk assessment outcomes are integrated into business strategy. The company recognises the physical, regulatory, and reputational risks linked to water use and takes them into account when making strategic decisions. Nostrum also participates in the annual CDP Water questionnaire and received a B score in February 2025, reflecting strong environmental management. Key initiatives include assessing the quality of injection water, improving water treatment processes, and maintaining Emergency Response Plans to mitigate potential risks.
iii) Climate-related risks Nostrum faces climate-related transition and physical risks, including regulatory, technological, market, and reputational challenges. Stricter emissions regulations, carbon pricing, and evolving policies may increase costs and compliance burdens, impacting competitiveness and financing. Technological shifts require high investment, with risks of stranded assets, while reputational pressures could affect stakeholder trust. Kazakhstan's carbon market seeks to systematically transition businesses to low-carbon technologies by gradually reducing free GHG emission quotas and advancing the emissions trading system. Kazakhstan aims to achieve carbon neutrality by 2060 and acknowledges the importance of transitioning from fossil fuels to alternative fuels and energy sources. However, significant uncertainty remains regarding the rate of quota reductions, carbon pricing, and other regulatory mechanisms, making it challenging to establish reliable assumptions for project planning and investment decisions. Additionally, acute and chronic physical risks such as floods, extreme temperatures, and severe weather may disrupt operations, damage infrastructure, and raise costs. Failure to adapt could lead to financial penalties, operational constraints, and reduced long-term viability.	Nostrum manages climate risks through strategic planning, compliance, and operational resilience. To address physical risks, the company integrates climate considerations into risk assessments and strengthens emergency response measures. For policy and legal risks, it ensures compliance through regular monitoring and legal oversight. To mitigate market risks, Nostrum diversifies into gas processing and optimises operations for efficiency. For technology risks, it invests in digitalisation, automation, and emission management. To manage reputational risks, the company maintains transparent climate disclosures and engages with stakeholders to align with regulatory and social expectations. For a more detailed description of the climate-related risks and the company's strategy in this regard, please see the section of the Annual Report on Climate-related Financial Disclosures.
iv) Land use and biodiversity impact risks Nostrum's operations, like much of the oil and gas industry, can impact biodiversity through habitat disruption, land use, and infrastructure development. While individual well sites may be small, the combined effect of multiple sites, roads, and pipelines can put pressure on local ecosystems and wildlife. In some areas, this could contribute to species population declines, leading to tighter regulations and higher compliance costs. Additionally, improper handling of hazardous materials, even in small amounts, can harm wildlife, attract media attention, and result in fines. As environmental expectations grow, Nostrum must actively manage land use and biodiversity risks to minimise its impact and ensure long-term sustainability.	Nostrum actively manages land use and biodiversity risks through structured policies, environmental programmes, and responsible operational practices. Biodiversity considerations are integrated into the company's Environmental Management System, Health, Safety, and Environment Policy, and Waste Management practices to minimise environmental impact. Sustainable site closure and rehabilitation ensure that land affected by operations is responsibly restored. The company has biodiversity policies and programmes in place, with management plans designed for priority areas, following best practices to mitigate environmental impact. Nostrum engages with local communities, biodiversity experts, and stakeholders to assess and manage risks effectively. There is a formal commitment to minimising biodiversity impact, with initiatives aimed at achieving no net loss in operational areas. Biodiversity management is overseen at the managerial level to ensure accountability and alignment with sustainability goals. The company regularly identifies biodiversity priority areas and reports on initiatives, mitigation efforts, and environmental performance to maintain transparency and drive continuous improvement.

Description of risk	Risk management

Compliance risks

Subsoil use agreements

Description of risk	Risk management
As the Group performs exploration, development and production activities in accordance with related licences for the oil and gas fields, there are related risks that the Group might not be able to obtain extensions or agree amendments to the field development plan, when necessary, risks of non-compliance with the licence requirements owing to ambiguities, risks of alteration of the licence terms by the authorities and others. These risks may result in the Group's inability to fulfil scheduled activities; fines, penalties, suspension or termination of licences by authorities; and, respectively, significant and adverse impact on the Group's business, financial performance and prospects.	The Group has procedures and processes in place for the timely application for extension of licence periods or for amendments to field development plans, when it is considered appropriate. However, uncertainty remains in relation to timing and results of decisions of authorities. The Group maintains an open dialogue with RoK governmental authorities regarding its subsoil use agreement. The Group is in material compliance with such agreements but in the event of non-compliance with an obligation under such agreements, the Group endeavours to have such terms modified or pays any penalties and fines that may apply.

Compliance with laws and regulations

Description of risk	Risk management
The Group carries out its activities in a number of jurisdictions and, therefore, must comply with a range of laws and regulations, which exposes the Group to the respective risks of non-compliance. In addition, the Group must comply with the Listing Rules, the Disclosure Guidance and Transparency Rules, FRC guidance and requirements, as well as requirements in connection with its restructured debt, in light of its publicly traded shares and notes. Hence, there are non-compliance risks, including reputational, litigation and government sanction risks, to which the Group is exposed. The impact of these risks may vary in magnitude and include regulatory actions, fines and penalties by authorities, diversion of management time, and may have an overall adverse effect on the Group's performance and activities towards achieving its strategic objectives.	For the purpose of effective corporate governance and compliance with laws, regulations and rules, the Group has adopted a number of policies and procedures, as mentioned above. The Group also performs periodic updates based on the changes in regulatory requirements and carries out related communications and training for employees. Necessary communication lines are established with authorities to ensure timely and adequate inbound and outbound flow of information. Management and the Board monitor significant matters related to legal and compliance matters in order to act promptly in response to any actions. In addition, management maintains an open dialogue with its sponsors in relation to any matter related to non-compliance with Listing Rules and other regulatory requirements.

Financial risks

Liquidity risks

Description of risk	Risk management
Forecasting to maintain an adequate liquidity position is subject to the risk that inaccurate information or assumptions are used for forecasts, and to risks of counter-party delay or a counter-party's failure to meet their contractual obligations owing to severe market conditions. Moreover, the Group's current and planned expenditures are subject to unexpected problems, costs and delays, and the economic results and actual costs may differ significantly from the Group's current estimates. Prices for the materials and services the Group depends on to conduct and expand its business may increase to levels that no longer enable the Group to operate profitably. All the above factors in combination with a significant negative movement in world energy prices could result in the Group's liquidity position becoming more strained than the severe but plausible downside scenario in the Going Concern assessment.	Management and the Board constantly monitor the Group's actual and forecast liquidity position to ensure that sufficient funds are available to meet any commitments as they arise. In addition, management and the Board assess key financial ratios, sensitivity tests of its liquidity position for changes in crude oil price, production volumes and timing of completion of various ongoing projects, to understand the resilience of the business and to be prepared for taking necessary remedies. Further efforts are made on cost optimisation to reduce capital expenditures, operating costs and general and administration costs.

Refinancing risks

Description of risk	Risk management
The Group's Notes will mature in June 2026 and, there is a risk that the Group will require partial or full refinancing of SSNs, and repay SUNs in specie through the issuance of new shares (further diluting the existing ordinary shareholders at the time) or have their maturity extended through another refinancing or restructuring exercise.	The Board notes that uncertainty remains related to the Group's ability to repay/meet its liabilities, including the repayment of its Notes due in 2026 and the risk that the Group may require refinancing by the bond maturity date. Relevant considerations were made as part of the viability assessment as described on pages 43-44.

Principal risks and uncertainties continued

Description of risk	Risk management

Financial risks continued

Tax risks and uncertainties

Description of risk	Risk management
The uncertainty of application, including retroactive application, of tax laws and the evolution of tax laws in Kazakhstan create risks related to additional tax liabilities from assessments and risks related to the recoverability of tax assets. Kazakhstan's tax legislation and regulations are subject to ongoing changes and varying interpretations. Instances of inconsistent opinions between local, regional, and national tax authorities are not unusual. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan's tax laws are severe and where the tax authorities disagree with the positions taken by the Group the financial outcomes could be material. Fiscal periods remain open to review by tax authorities for five calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods. Tax risks and uncertainties may adversely affect the Group's profitability, liquidity and planned growth.	The Group has policies and procedures related to various tax assessments and positions, as well as other control activities to ensure the timely assessment and filing of tax returns, payment of tax obligations and recovery of tax assets. The Group regularly challenges, either with the RoK tax authorities or through the RoK courts, tax assessments that it believes are inapplicable to it, pursuant to the terms of either its subsoil use agreements or applicable law.

Other risks

Other significant risks, including emerging risks

Description of risk	Risk management
Other risks are those that are not specifically identified within any of the principal risks and uncertainties but may be related to several such areas or be organisation wide. These include risks related to: • Fraudulent activities; • The Group's supply chains; • Accounting and reporting management systems; or • The availability of human resources. They may also significantly impact the Group's financial performance, reputation and achievement of its strategic objectives.	The Group has an Anti-Bribery and Corruption Policy, and provisions relating to the same are also included in the Group's Code of Conduct. Related training and updates are periodically provided for employees in relation to their obligations in this area. The Group has a wide range of internal controls over its supply chains and accounting and reporting processes, including policies, procedures, segregation of duties for authorisation of matters, periodic training for employees and so on. The Contracts Board was established to meet weekly to review and approve the placement of contracts or expenditures. Senior management and the Board stay alert to emerging challenges related to various management systems and related governance matters and, when necessary, initiate change initiatives to ensure enhancement and integration of certain management systems.

The risks listed above do not comprise all those associated with the Group's business and are not set out in any order of priority. Additional risks and uncertainties not presently known to management, or currently deemed to be less material, may also have an adverse effect on the Group's business. The risks listed above are continuously monitored by the management team and assessed when making business decisions.

Viability statement

The Group's prospects over the future medium-term were assessed by the Directors in accordance with provision 31 of the UK Corporate Governance Code 2018. The viability assessment is performed by stress-testing a medium-term financial model to the principal risks and uncertainties (described on pages 36–42) and their combinations. The key features of the financial model include the following elements of corporate planning and modelling process:

- Medium-term development planning based on three-to-four-year financial projections, using management's internal estimate of forecast production from the Chinarevskoye field, processing hydrocarbons from Ural O&G and development of Stepnoy Leopard fields. No other third-party volumes or strategic initiative projects have been included in the viability assessment as there is currently no certainty that they will arrive within the assessment period; and
- Annual budgeting and forecasting process incorporating preparation of an annual budget for the following year, which is reviewed and approved by the Board, and followed up with quarterly forecasts, which are monitored by senior management and the Board.

Viability time horizon

Considering the uncertainties inherent to the Group's operations as well as the medium-term development planning mentioned above, the Board concluded that a viability assessment over a three-year period to 30 June 2028 provides a robust and realistic evaluation of the Group's future performance.

With this approach the Board continues to believe that the assessment:

- maintains an optimal balance between a reasonable degree of confidence and an appropriate longer-term outlook;
- is aligned with medium-term development planning mentioned above;
- is consistent with other current and/or recent communications (e.g. production forecasts etc.); and
- is appropriate for the current stage of development of the Group and gives an opportunity to reasonably assess sensitivity of the Group's performance to principal risks during the period where the Group looks to work on implementing its major strategic objectives (described on pages 12–13).

Viability assessment

The three-year financial model used as a base-case scenario for viability assessment assumed the following:

- Production forecasts reflecting management's internal view of Chinarevskoye production, which is similar to the proved-developed producing (PDP) reserves and considered more relevant given the medium-term nature of the assessment;
- Inclusion of throughput processing volumes of hydrocarbons from Ural O&G based on management's internal view, and
- Capital expenditures over 2025-2026 on development of Stepnoy Leopard fields, with initial flow of hydrocarbons and revenue streams in late 2026;
- No additional utilization of the spare capacity of Gas Treatment Facilities despite being a key strategic focus of management for the medium-term horizon; and
- Product price assumptions based on a Brent oil price of $70/bbl throughout the assessment horizon. This is within the range of average broker consensus forecasts as at 31 December 2024.

For the purpose of sensitivity testing, several principal risks and uncertainties were selected (from those described on pages 36–42), which were deemed to have the highest potential financial impact on the Group's future performance, taking into account prior period assessments. The effect of those principal risks and uncertainties on the base-case scenario were analysed with the assumptions as described in the table below.

The Directors also considered severe but plausible scenarios where a combination of two or three of the risks shown in the table below occur together.

The scenarios took into account the mitigating actions that might be required if the Group was exposed in the medium-term to negative impacts. Such mitigating actions are in place or could be implemented to avoid or reduce the impact or occurrence of the underlying risks. In considering the likely effectiveness of such actions, the conclusions of the Board's regular monitoring and review of risk and internal control systems were taken into account.

Principal risk and uncertainty	Description	Viability assessment
Strategic risks	Deterioration in the business and market environment and geopolitical risks	10% reduction in oil, LPG and gas prices over the period of assessment
Operational risks	Production issues from the field and/or transportation issues along the sales routes	10% reduction in forecast production and sales volumes over the period of assessment
Liquidity risks	Cost pressures in the ordinary course of business supply chain and with Group personnel	10% increase in capital expenditures and operating cost over the period of assessment
Compliance risks	Unexpected and unbudgeted fines and penalties for various non-compliance issues	US$5m per annum regulator fines; and US$10m per annum legal claim over the period of assessment
Climate-related risks	Implementation of carbon emission taxes in RoK	$10/mt of CO_2 tax rate in 2026 gradually increasing to $30/mt of CO_2 in 2030

Viability statement continued

Climate-related financial disclosure

As part of the viability assessment the Directors also performed resilience analysis as per the requirements of the Taskforce on Climate-related Financial Disclosure ("TCFD"). TCFD requires the Directors to describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario (TCFD Strategy (c)).

The Directors chose the Net Zero Emission by 2050 Scenario ("NZE Scenario") developed by the International Energy Agency as the reference point in performing the resilience test and also took into account Kazakhstan's Strategy on Achieving Carbon Neutrality by 2060. NZE Scenario is aimed at an emissions trajectory consistent with keeping the temperature rise in 2100 below 1.5 °C (with at least a 50% probability).

Two key assumptions were taken from NZE Scenario for the purpose of severe but plausible development scenario for stress-testing the company's resilience: 1) oil prices projections decreasing to US$42 per barrel by 2030; and 2) carbon price forecasted at US$90 per tonne of CO_2 by 2030. Please refer to pages 83-84 for further details.

The Group maintains sufficient cash reserves at the end of the viability period when sensitizing the base case for the above climate-related assumptions. Following the assessment, the Directors confirm the future strategy and future viability remain resilient against the chosen climate-related scenario.

Longer term viability

The Directors also considered the viability of the business beyond the medium term. The Notes issued by the Group will mature

in June 2026 and, under the base case scenario in the current viability assessment model, the Directors have a reasonable expectation that the Group will be able to partially repay and/or refinance these notes SSNs, and SUNs are expected to be either repaid in specie through the issuance of new shares (further diluting the existing ordinary shareholders at the time), be restructured or have their maturity extended.

The implementation of the major strategic initiatives described on pages 6-7 and 14-19 will inevitably support future long-term viability of the Group, and the Directors note that this may improve the terms of refinancing in 2026.

Viability statement conclusion

Considering the above, the following conclusions can be drawn from the viability assessment:

- the Group's viability conclusion is not exposed to plausible downside risks arising in isolation relating to the Group's strategy, operations, liquidity or compliance;
- in the event that a combination of any three of the five considered plausible downside scenarios arise, the Group's may require additional funding to cover the capital expenditures required for development of Stepnoy Leopard fields;
- It is not plausible that four or five risks would arise together, since, in the event of the strategic, operational and compliance risks manifesting, the Group would take further mitigating actions to reduce costs and manage liquidity and so the likelihood of an increase in costs occurring concurrently with the other three scenarios is considered remote; and

Based on these assessments and other matters considered by the Board, the Directors confirm that they have a reasonable expectation that the Group will continue in operation and meet its liabilities as they fall due through the three-year viability assessment period ending 30 June 2028, subject to refinancing or restructuring of its debt.

Financial review

Results of operations for the years ended 31 December 2024 and 2023

The table below sets forth the line items of the Group's consolidated statement of income for the years ended 31 December 2024 and 2023 in US Dollars and as a percentage of revenue.

	For the year ended 31 December			
In thousands of US Dollars	2024	% of revenue	2023	% of revenue
Revenue	**137,076**	100.0%	119,629	100.0%
Cost of sales	**(72,002)**	52.5%	(77,628)	64.9%
Gross profit	**65,074**	47.5%	42,001	35.1%
General and administrative expenses	**(13,952)**	10.2%	(13,807)	11.5%
Selling and transportation expenses	**(14,556)**	10.6%	(12,403)	10.4%
Taxes other than income tax	**(13,181)**	9.6%	(14,187)	11.9%
Finance costs	**(117,229)**	85.5%	(102,826)	86.0%
Employee share options – fair value adjustment	**–**	0.0%	25	0.0%
Impairment reversal	**86,668**	63.2%	–	0.0%
Fair value adjustment on recognition of debt instruments	**–**	0.0%	174,426	145.8%
Foreign exchange gain / (loss), net	**843**	0.6%	(954)	0.8%
Gain on debt-to-equity exchange	**–**	0.0%	769,611	643.3%
Interest income	**7,139**	5.2%	2,691	2.2%
Other income	**13,425**	9.8%	6,430	5.4%
Other expenses	**(12,404)**	9.0%	(14,675)	12.3%
Income before income tax	**1,827**	1.3%	836,332	699.1%
Income tax expense	**(28,404)**	20.7%	(4,674)	3.9%
(Loss) / income for the period	**(26,577)**	19.4%	831,658	695.2%
Currency translation difference	**(231)**	0.2%	62	0.1%
Total comprehensive (loss) / income for the period	**(26,808)**	19.6%	831,720	695.2%

General note

For the year ended 31 December 2024, the Group recorded a total comprehensive loss of US$26.8 million, as opposed to US$831.7 million total comprehensive income in 2023. This substantial change is mainly due to:

One-off items:

- 2024: a US$86.7 million impairment reversal, which is primarily driven by the value attributed to both processing of Ural O&G volumes and development of Stepnoy Leopard fields.
- 2023: a US$769.6 million gain on debt-to-equity exchange upon completion of the restructuring and US$174.4 million fair value adjustment on the recognition of SSNs and SUNs.

Year-on-year changes:

- A 14.6% increase in revenues, which is a combination of 47.3% increase in product sales volumes, new revenues from third-party hydrocarbon processing and a 2% decrease in the average Brent crude oil price.
- A US$5.6 million reduction in cost of sales, mainly due to a lower depreciation expense following the switch to a straight-line depreciation method for surface facilities primarily engaged in gas processing.
- A US$4.4 million increase in interest income from placement of available cash reserves in money market funds.
- A US$7.0 million increase in other income, mainly attributable to the reversal of provisions accrued in prior periods.

Further detailed analysis of the current financial performance is provided below.

Financial review continued

Revenue

The following table shows details of the Group's revenues by products with relevant variances:

In thousands of US Dollars	For the year ended 31 December 2024	2023	Variance	Variance, %
Revenue from oil and gas condensate sales	**89,335**	101,463	(12,128)	(12.0%)
Revenue from gas and LPG sales	**33,405**	18,009	15,396	85.5%
Revenue from third-party hydrocarbon processing	**14,336**	156	14,180	100.0%
Revenue from sulphur sales	**–**	1	(1)	(100.0%)
Total revenue	**137,076**	119,629	17,447	14.6%

The following table shows the Group's revenue breakdown by export and domestic sales:

In thousands of US Dollars	For the year ended 31 December 2024	2023	Variance	Variance, %
Revenue from export sales	**94,582**	105,170	(10,588)	(10.1%)
Revenue from domestic sales	**42,494**	14,459	28,035	193.9%
Total revenue	**137,076**	119,629	17,447	14.6%

The Group's sales volumes by product categories as well as total production volumes are presented as follows:

In boe	For the year ended 31 December 2024	2023	Variance	Variance, %
Oil and gas condensate sales volumes	**1,555,288**	1,704,773	(149,485)	(8.8%)
Gas and LPG sales volumes	**3,216,629**	1,534,256	1,682,373	109.7%
Total sales volumes	**4,771,917**	3,239,029	1,532,887	47.3%
Production volumes	**5,466,229**	3,683,152	1,783,077	48.4%

The Group's revenue increased by US$17.5 million to US$137.1 million compared to US$119.6 million in 2023.

The increase in domestic revenues was largely due to:

- Additional sales volumes of dry gas and LPG from processing of Ural O&G raw gas , commencing from December 2023.
- a US$14.3 million new revenues from processing Ural O&G's condensate.

Export revenues decreased due to the continuing natural decline in production from the Chinarevskoye field. The rate of decline was reduced by additional volumes from:

- Well No.301 which was completed and put into production in May 2024.
- Doubling of the gas-lift expansion capacity in July 2023.
- GTU-3, which has been operational since September 2023, providing an additional 26% LPG yield.

Pricing of the Group's products is, directly or indirectly, related to the price of Brent crude oil. The average Brent crude oil price for 2024 was US$80.6/bbl (2023: US$82.5/bbl).

Cost of sales

In thousands of US Dollars	For the year ended 31 December 2024	2023	Variance	Variance, %
Depreciation, depletion and amortisation	**25,489**	40,321	(14,832)	(36.8%)
Payroll and related taxes	**18,647**	16,741	1,906	11.4%
Repair, maintenance and other services	**8,476**	6,558	1,918	29.2%
Materials and supplies	**9,918**	4,922	4,996	101.5%
Transportation services	**3,568**	2,505	1,063	42.4%
Well repair and maintenance costs	**4,667**	5,027	(360)	(7.2%)
Environmental levies	**163**	138	25	18.1%
Change in stock	**292**	691	(399)	(57.7%)
Other	**782**	725	57	7.9%
Total	**72,002**	77,628	(5,626)	(7.2%)

Cost of sales for the reporting period decreased by 7.2% to US$72.0 million (2023: US$77.6 million).

Similarly, on a per barrel of oil equivalent (boe) basis, cost of sales decreased to US$15.1 from US$24.0 in 2023, and excluding depreciation, the cost per barrel decreased to US$9.7 from US$11.5.

The following main components cost of sales changed materially:

Depreciation, depletion, and amortisation (DD&A) costs decreased by 36.8% to US$25.5 million (2023: US$40.3 million). The reduction in DD&A was primarily due to the change in the depreciation method for the surface facilities engaged in gas processing. Effective 1 January 2024, the method was changed from unit of production to straight-line depreciation. The straight-line method, based on the technical remaining useful lives of the assets, better reflects their current usage pattern, which is expected to continue for the foreseeable future.

Well repair and maintenance costs decreased by 7.2% to US$4.7 million (2023: US$5.0 million), reflecting the Group's optimised maintenance efforts to sustain productivity of wells.

Materials and supplies expenses increased by 101.5% to US$9.9 million (2023: US$4.9 million). This increase is primarily due to the purchase of raw gas from Ural O&G as well as the periodic nature of certain planned maintenance of the facilities.

Repair, maintenance, and other services increased by 29.2% to US$8.5 million (2023: US$6.6 million), which primarily includes costs associated with the running and upkeep of the facilities.

Payroll and related taxes increased by 11.4% to US$18.6 million (2023: US$16.7 million), influenced primarily by salary indexation as well as foreign exchange rate changes.

Transportation services increased by 42.4% to US$3.6 million (2023: US$2.5 million), corresponding to additional scope of work resulting from processing third-party hydrocarbons as well as impact of inflation and foreign exchange rate changes.

Change in stock had a positive adjustment of US$0.3 million, reflecting the inventory changes for the year, in contrast to a larger positive adjustment in the prior period.

General and administrative expenses

In thousands of US Dollars	For the year ended 31 December 2024	2023	Variance	Variance, %
Payroll and related taxes	**8,550**	7,622	928	12.2%
Professional services	**3,556**	4,182	(626)	(15.0%)
Insurance fees	**457**	427	30	7.0%
Business travel	**497**	568	(71)	(12.5%)
Short-term leases	**129**	109	20	18.3%
Communication	**160**	159	1	0.6%
Depreciation and amortisation	**66**	188	(122)	(64.9%)
Materials and supplies	**147**	166	(19)	(11.4%)
Bank charges	**28**	29	(1)	(3.4%)
Other	**362**	357	5	1.4%
Total	**13,952**	13,807	145	1.1%

General and administrative expenses slightly increased to US$14.0 million in 2024 (2023: US$13.8 million). Within this category, professional services costs decreased by 15.0% from US$4.2 million to US$3.6 million. This reduction was largely offset by a 12.2% increase in payroll and related taxes from US$7.6 million to US$8.6 million, driven mainly by salary indexation and fluctuations in foreign exchange rates.

Selling and transportation expenses

In thousands of US Dollars	For the year ended 31 December 2024	2023	Variance	Variance, %
Transportation costs	**6,268**	4,914	1,354	27.6%
Loading and storage costs	**4,520**	4,091	429	10.5%
Payroll and related taxes	**1,844**	1,501	343	22.9%
Other	**1,924**	1,897	27	1.4%
Total	**14,556**	12,403	2,153	17.4%

Selling and transportation expenses for the year ended 31 December 2024 increased by 17.4% to US$14.6 million (2023: US$12.4 million). This increase was primarily driven by transportation costs, which rose by 27.6% from US$4.9 million to US$6.3 million, and loading and storage costs, which increased by 10.5% from US$4.1 million to US$4.5 million. These changes were largely attributable to higher sales volumes and inflation impact. Additionally, payroll and related taxes grew by 22.9% from US$1.5 million to US$1.8 million, stemming mainly from salary indexation and fluctuations in foreign exchange rates.

Financial review continued

Taxes other than income tax

In thousands of US Dollars	For the year ended 31 December 2024	2023	Variance	Variance, %
Export customs duty	**7,069**	8,154	(1,085)	(13.3%)
Royalties	**4,464**	4,841	(377)	(7.8%)
Government profit share	**1,106**	1,169	(63)	(5.4%)
Other taxes	**542**	23	519	2,256.5%
Total	**13,181**	14,187	(1,006)	(7.1%)

Export customs duty decreased by 13.3% to US$7.1 million (2023: US$8.2 million). This reduction was driven by the combined effects of lower market prices and decreased production volumes from the Chinarevskoye field.

Royalties and Government profit share followed this downward trend, with royalties decreasing by 7.8% to US$4.5 million (2023: US$4.8 million) and government profit share falling by 5.4% to US$1.1 million (2023: US$1.2 million).

The overall effect of these factors resulted in a total tax expense, excluding income tax, of US$13.2 million, representing a 7.1% decrease from US$14.2 million in 2023.

Finance costs

In thousands of US Dollars	For the year ended 31 December 2024	2023	Variance	Variance, %
Interest expense on borrowings	**114,391**	95,226	19,165	20.1%
Other finance costs	**1,226**	5,973	(4,747)	(79.5%)
Unwinding of discount on amounts due to Government of Kazakhstan	**606**	654	(48)	(7.3%)
Unwinding of discount on abandonment and site restoration provision	**1,006**	973	33	3.4%
Total	**117,229**	102,826	14,403	14.0%

Finance costs for the year ended 31 December 2024 increased by 14.0% to US$117.2 million (2023: US$102.8). The increase was primarily driven by a 20.1% higher interest expense on borrowings amounting to US$114.4 million in 2024 (2023: US$95.2 million). The lower amount of interest in 2023 was due to substantially lower effective interest rates (approximately 7-8%) on the Old Notes (2022 Notes and 2025 Notes), which were restructured on 9 February 2023, while the effective interest rates on SSNs and SUNs are 13.25% and 31.04%, respectively (refer to Note 14 of the accompanying financial statements).

This rise in interest expense was partially offset by reduction in other finance costs to US$1.2 million in 2024 from US$6.0 million in 2023, which primarily included one-off restructuring advisory fees.

Other expenses

Other expenses for the year ended 31 December 2024 decreased by 15.6 % to US$12.4 million, compared to US$14.7 million in 2023. This reduction was primarily driven by one-off tax penalties and fines, which fell significantly from US$9.9 million in 2023 to US$1.6 million in 2024. The decrease was partially offset by a US$3.8 million rise in business development costs, increasing from US$1.6 million in 2023 to US$5.4 million in 2024, and the recognition of US$1.2 million in social contribution expenses, which were not incurred in the previous year. These social contributions included aid provided to victims of flooding in Western Kazakhstan.

Income tax

Income tax expense for the year ended 31 December 2024 increased to US$28.4 million, compared to US$4.7 million in 2023. An increase of US$23.7 million was driven by deferred tax liability recognized from widening of the difference between the tax base of property, plant, and equipment and its IFRS base. Such an increase in the difference was influenced primarily by impairment reversal and different depreciation rates / methodologies, as well as the devaluation of the tenge against the US dollar.

Liquidity and capital resources

During the period under review, Nostrum primarily relied on cash generated from operations, and a limited use of existing cash reserves. As the Group continues implementing its new mixed-asset energy strategy which is based on diversification of both upstream and midstream business, Nostrum evaluates the right risk/reward for each of the opportunities, before making decisions on capital allocation and requirements for external debt financing. Further details on the short-term and medium-term liquidity analysis are described in the Going concern statement (page 50) and Viability statement (pages 43-44).

Cash Flows

The following table sets forth the Group's consolidated cash flow statement data for 2024 and the prior year:

	FY 2024			FY 2023		
In thousands of US Dollars	**Before one-off items**	**One-off items**	**Total**	**Before one-off items**	**One-off items**	**Total**
Net cash from operating activities	**33,076**	**–**	**33,076**	22,669	(24,890)	(2,221)
Net cash from / used in investing activities	**1,241**	**(27,710)**	**(26,469)**	(7,193)	(20,889)	(28,082)
Net cash used in financing activities	**(17,713)**	**–**	**(17,713)**	(16,104)	(25,518)	(41,622)
Effects of exchange rate changes on cash	**(186)**	**–**	**(186)**	52	–	52
Net cashflows for the year	**16,418**	**(27,710)**	**(11,292)**	(576)	(71,297)	(71,873)
Cash and cash equivalents at the beginning of the year[1]			**161,711**			233,584
Cash and cash equivalents at the end of the year[1]			**150,419**			161,711

1. Unrestricted cash balance (excludes DSRA and liquidation account funds).

Net cash flows from operating activities before one-off items

Net cash from operating activities before one-off items amounted to US$33.1 million for the reporting period (2023: US$22.7 million). This increase was driven by higher revenues and related cash proceeds, as well as effective cost control despite inflation and indexation adjustments.

Net cash used in investing activities before one-off items

Net cash from investing activities before one-off items for the reporting period amounted to US$1.2 million (2023: US$7.2 million net cash outflow) and was mainly due to:

- US$5.6 million (2023: US$9.9 million) expenditure on various capital repairs, upgrades of facilities and capital expenditure related to well workover & intervention programme.
- US$6.8 million interest received from term deposits and money market funds (2023: US$2.7 million interest received on current accounts).

Net cash used in financing activities before one-off items

Net cash used in financing activities before one-off items for the reporting period amounted to US$17.7 million (2023: US$16.1 million) and was mainly represented by US$16.5 million coupon payment on SSNs and SUNs (2023: US$16.1 million).

Net cash used for one-off items in 2024

- US$27.7 million net cash used in investing activities for the reporting period was mainly due to drilling programmes, with US$21.2 million spent on the Chinarevskoye field and US$5.8 million spent on the Stepnoy Leopard fields.

Net cash used for one-off items in 2023

- US$24.9 million net cash used in operating activities reflects taxes, fines and penalties paid following the comprehensive tax audit covering years 2016-2021.
- US$20.9 million net cash used in investing activities reflects the payment of US$19.3 million for the acquisition of an 80% interest in Positiv Invest LLP, which holds rights to Stepnoy Leopard fields, further US$3.6 million spent on the Stepnoy Leopard fields two-well appraisal programme, and US$3.8 million capital expenditures on Chinarevskoye gas-lift expansion. These cash outflows were partially offset by net proceeds of US$5.8 million from restricted cash released upon completion the bond restructuring (comprising a US$22.8 million refund from the escrow account, less a US$16.5 million deposit on the DSRA account).
- US$25.5 million net cash used in financing activities reflects the payments made upon completion of the bond restructuring and included, a US$15.7 million for coupon on SSNs and SUNs related to 2022, and a US$9.8 million for lock-up fees and advisor fees.

Commitments

Liquidity risk is the risk that the Group will encounter difficulty raising funds to meet commitments associated with its financial liabilities. Liquidity requirements are monitored on a regular basis and management seeks to ensure that sufficient funds are available to meet any commitments as they arise. The table below summarizes the maturity profile of the Group's financial liabilities as at 31 December 2024 based on contractual undiscounted payments (as audited):

In thousands of US Dollars	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
As at 31 December 2024						
Borrowings	–	–	17,023	787,890	–	804,913
Trade payables	8,016	–	222	–	–	8,238
Other current liabilities	11,821	–	–	–	–	11,821
Due to Government of Kazakhstan	–	258	773	4,124	1,288	6,443
	19,837	**258**	**18,018**	**792,014**	**1,288**	**831,415**

Financial review continued

Capital commitments

During the reporting period, Nostrum's cash used in capital expenditures for a two-well drilling programme, infrastructure development projects and well workover and intervention works at the Chinarevskoye field, amounted to US$26.4 million. These works enhanced production capacities over 2024 and beyond.

Dividend policy

The Group currently pays no dividend and has not done so since 2015, as the Board determined it was not in the Company's best interests to do so. This will be reviewed annually by the Board.

Going concern

The Group monitors on an ongoing basis its liquidity position, near-term forecasts, and key financial ratios to ensure that sufficient funds are available to meet its commitments as they arise and liabilities as they fall due. The Group reforecasts its rolling 3-year cashflows on a quarterly basis and stress tests its future liquidity position for changes in product prices, production volumes, costs and other significant events.

The Directors are focused on a range of potential opportunities and actions aimed at improving the liquidity outlook in the near-term and creating value from long-term growth catalysts. These actions include, amongst other things, the ongoing base case scenario efforts to further optimize capital expenditures, operating costs and general and administration cost, improving netbacks realized from product sales, and increasing utilisation of the Group's processing infrastructure.

The Directors' going concern assessment is supported by the future cash flow forecasts for the going concern period to 30 April 2026. The Group had unrestricted cash balances of US$150.4 million as at 31 December 2024, (including liquid current investments of US$82 million), and US$16.8 million in the DSRA. The base case going concern assessment reflects production forecasts consistent with the Board approved plans and assumes a flat Brent oil price of US$70/bbl. Under the base case going concern assessment for the period to 30 April 2026, the Group forecasts to have a closing cash balance of over US$117 million, including over US$18.3 million in the DSRA.

The base case scenario assumes commencement of the capital expenditures required for development of the Stepnoy Leopard fields. The base case scenario has also been tested for sensitivity against the key assumptions over the period of assessment, including US$10/boe reduction in Brent prices, 10% reduction in forecast production and third-party processing volumes, 10% increase in operating and G&A costs, addition of contingent capital expenditures and possible fines and penalties in the event of any non-compliance issues. As a result of such sensitivity analysis, the Directors concluded that the Group would be financially capable of withstanding downside volatility of these key assumptions individually or in aggregate.

After careful consideration, the Directors have a reasonable expectation that the Group and the Company have sufficient financial resources to continue in operation for the going concern period to 30 April 2026.

Notwithstanding that the going concern period has been defined as the period to 30 April 2026, the Directors have also considered events and conditions beyond the going concern period of assessment which may cast doubt on the Group's ability to continue as a going concern. The Directors draw attention to the Viability Statement on pages 43-44 of the 2024 Annual Report which highlights the potential necessity in the future for a partial or full restructuring of the Group's SSNs and SUNs (together "the Notes").

In forming an assessment of the Group's ability to continue as a going concern post 30 April 2026, the Board has considered the fact that the Notes are due to mature on 30 June 2026 and has made a material assumption about the Group's ability to successfully restructure the Notes.

As at the date of publication of these consolidated financial statements, although the Directors believe, to the best of their knowledge, that the Notes could be successfully restructured, the ability to restructure and the precise timing and terms of such restructuring of the Notes represent a material uncertainty about the Company's ability to continue as a going concern and to realise its assets and discharge its liabilities in the normal course of business beyond the assessment period ending 30 April 2026.

In accordance with provision 30 of the UK Corporate Governance Code 2018, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements. If the Group is unable to successfully restructure or extend the maturity of the Notes and continue to realise assets and discharge liabilities in the normal course of business, it would be necessary to adjust the amounts in the statement of financial position in the future to reflect these circumstances, which may materially change the measurement and classification of certain figures contained in these consolidated financial statements.

Alternative performance measures

In the discussion of the Group's reported operating results, alternative performance measures (APMs) are presented to provide readers with additional financial information that is regularly reviewed by management to assess the financial performance or financial health of the Group or is useful to investors and stakeholders to assess the Group's performance and position.

However, this additional information presented is not uniformly defined by all companies, including those in the Group's industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies.

Certain information presented is derived from amounts calculated in accordance with IFRS but is not itself an expressly permitted IFRS measure. Such measures should not be viewed in isolation or as an alternative to the equivalent IFRS measure.

EBITDA

EBITDA is defined as the results of operating activities before depreciation and amortization, 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. This metric is relevant as it allows management to assess the operating performance of the Group in the absence of one-off and non-cash items.

Operating costs

Operating costs are the cost of sales excluding depreciation and change in stock. This metric is relevant as it allows management to see the cost base of the Company on a cash basis.

Five-year summary

In millions of US$ (unless mentioned otherwise)	2024	2023	2022	2021	2020
EBITDA reconciliation					
Profit/(loss) before income tax	**1.8**	836.3	(81.8)	5.6	(401.8)
Add back / (deduct):					
Finance costs	**117.2**	102.8	123.1	116.7	102.1
Impairment (reversal) / charge	**(86.7)**	–	–	(74.2)	286.6
Gain on debt-to-equity exchange	**–**	(769.6)	–	–	–
Fair value adjustment on recognition of debt instruments	**–**	(174.4)	–	–	–
Employee share options-fair value adjustment	**–**	–	–	(0.2)	(0.5)
Foreign exchange (gain) / loss, net	**(0.9)**	1.0	(0.3)	0.3	1.8
Interest income	**(7.1)**	(2.7)	(0.3)	(0.3)	(0.3)
Other expenses	**12.4**	14.7	29.8	13.2	7.6
Other income	**(13.4)**	(6.4)	(6.8)	(5.9)	(4.8)
Depreciation, depletion and amortisation	**25.6**	40.5	51.8	57.3	89.8
EBITDA	**48.9**	**42.1**	**115.7**	**112.5**	**80.5**
Operating costs reconciliation					
Cost of sales	**72.0**	77.6	84.1	87.8	125.4
Less:					
Depreciation, depletion and amortisation	**(25.5)**	(40.3)	(40.3)	(55.6)	(86.3)
Cost of raw materials purchased	**(4.1)**	–	–	–	–
Change in stock	**(0.3)**	(0.7)	(1.2)	(0.4)	(7.3)
Operating costs	**42.1**	**36.6**	**42.6**	**31.8**	**31.8**
G&A reconciliation					
General and administrative expenses	**14.0**	13.8	12.1	12.1	14.7
Adjusted for:					
Depreciation and amortisation	**(0.1)**	(0.2)	(0.2)	(0.2)	(0.6)
G&A	**13.9**	**13.6**	**11.9**	**11.9**	**14.1**
Net debt reconciliation					
Long-term borrowings	**571.4**	471.7	–	–	–
Current portion of long-term borrowings	**0.2**	0.2	1,396.5	1,289.6	1,186.3
Less:					
Cash and cash equivalents	**150.4**	161.7	233.6	165.2	78.6
Net debt	**421.2**	**310.2**	**1,162.9**	**1,124.4**	**1,107.7**
Net cash flows from operating activities	**33.1**	(2.2)	102.2	117.4	82.7
Net cash used in investing activities	**(26.5)**	(28.1)	(15.8)	(19.8)	(40.1)
Net cash used in financing activities	**(17.7)**	(41.6)	(17.5)	(10.9)	(58.4)
EBITDA margin[1]	**35.7%**	**35.2%**	**57.9%**	**57.6%**	**45.7%**
Share price at end of year (US$)	**0.09**	0.09	0.03	0.07	0.10
Shares outstanding (`000s)	**169,382**	169,382	188,183	188,183	188,183
Share options outstanding (`000s)	**2,948.9**	2,948.9	3,432	3,432	3,432

1. EBITDA margin is calculated as EBITDA divided by total revenue.

Our ESG strategy and targets

Transitioning to cleaner energy, empowering people, and upholding transparency and ethics.

Our commitments	Material ESG topics	Alignment with the UN SDGs
Environment		
Our focus: Environmental protection and climate action		
Contribute to the shift toward cleaner energy while minimising the environmental impact of our operations	Climate action/GHG emissions/ Energy efficiency/ Emissions, effluents, waste and resource use/ Land Use and Biodiversity	6 Clean water and sanitation; 7 Affordable and clean energy; 9 Industry, innovation and infrastructure; 12 Responsible consumption and production; 13 Climate action; 15 Life on land
Social		
Our focus: Safe Operations		
Ensure the safety of our employees, contractors, and communities, adhere to the highest industry standards and continuously improve our safety culture	Occupational Health and Safety	3 Good health and well-being
Our focus: Empowering people and communities		
Foster an inclusive, and diverse workplace while supporting local economic growth and advancing social development	Community Relations/ Human Capital	4 Quality education; 5 Gender equality; 8 Decent work and economic growth; 10 Reduced inequalities; 11 Sustainable cities and communities
Governance		
Our focus: Business Ethics		
Maintain strong corporate governance, uphold strict compliance standards, and foster a culture rooted in ethics and integrity	Bribery and Corruption	16 Peace, justice and strong institutions; 17 Partnerships for the goals

Nostrum ranks in the 11th percentile among Oil & Gas Producers in Sustainalytics' 2024 ESG Risk Ratings, with a high-risk score of 31.0 (on a scale from 100 to 0). The company's overall exposure to ESG risks is high, aligning with the subindustry average. Key material ESG issues identified include: Emissions, Effluents, and Waste, Carbon – Own Operations, Occupational Health and Safety. Despite these challenges, Nostrum's ESG Risk Management is rated as strong, reflecting our commitment to sustainability and responsible business practices.
In 2024, we continued our participation in CDP, the global independent environmental disclosure system. Our responses on Climate and Water were assessed, resulting in a "B" score for each (on a scale from F to A).

This year's report was prepared using the Global Reporting initiative (GRI) Standards in accordance, following the 2021 Sector Guide 11 for Oil and Gas. and the Task Force for Climate-related Financial Disclosures (TCFD) recommendations.

Our reporting framework

TCFD GRI

Current ESG rating

SUSTAINALYTICS
31.0
(on a scale from 100 to 0)

CDP Climate Change
B
(on a scale from A to D-)

CDP Water Security
B

Our medium-term goals	What we did in 2024	What we plan to do in 2025
Environmental stewardship		
• Maintain strong Environmental leadership to ensure safe operations and minimise environmental impacts. • Ensure full compliance with emissions, effluents and wastes regulations and limits, adhering to the highest environmental standards.	• **256,089** tons of CO_2 with our actual GHG emissions in CO_2 equivalent • **6.3%** actual air emissions decrease • **99.96%** total water recycled • **B score** for the climate change module and for water security module as well	• Not to exceed forecast target of 290,209 tons of CO_2 (or equivalent level).
Safe Operations		
• Enhance Health and Safety practices to safeguard employees, contractors, and neighboring communities	• **0.6 TRIR** (per million man-hours) • **Zero LTIR** (incidents per million man-hours) • **0.5 RTI** (incidents per million man-hours) • **Zero** fatalities among employees and contractors	• Less than 1.9 TRIR • Less than 1.05 LTIR • Less than 0.75 RTI
Shared Prosperity		
• Support local development through funding, employment, and sustainable partnerships • Advance diversity and talent development with inclusive initiatives and skill-building programmes	• **88.2%** of our supplier budget was spent on local suppliers – an increase of 13.3% compared to 2023. • **US$1.2m** provided support for flood victims • **20** houses built to people affected by the flooding in West Kazakhstan Region	
Equality and transparency		
• Align Senior Management Team incentives with ESG performance targets. • Strengthen ESG and climate reporting to enhance transparency. • Maintain a zero-tolerance approach to ethical breaches and human rights violations.	• **31.0** ESG Risk rating from the international agency Sustainalytics (in 2023: 30.1) • **US$1.2bn** taxes paid since inception • **US$27.93m** paid to governments and its subsidiaries. • **31%** women in senior management.	

Material ESG topics

Management of Material Topics

To ensure our ESG reporting addresses the issues most critical to our stakeholders, we conduct regular materiality assessments. These assessments provide valuable insights that form the foundation of our ESG reporting and strategy.

Through this process, we have identified seven key ESG material topics that are fundamental to achieving our strategic objectives. These topics have been prioritised based on their relevance to our business operations and their significance to stakeholders, aligning with the principle of double materiality.

Double materiality reflects both the impact of sustainable development on our organisation and the impact of our operations on sustainable development. These material topics represent areas with the potential to significantly influence our financial and operational performance, as well as the societies and ecosystems in the regions where we operate. Each material ESG topic also represents a potential ESG risk for our business, reinforcing their importance in shaping our management approach and long-term resilience.

In 2024, we conducted a reassessment of our material ESG issues to ensure their continued relevance and alignment with our stakeholders' priorities. This review included a context analysis of global agendas, reporting frameworks, rankings, and good practices from sector peers, confirming that our previously identified material topics remain unchanged.

Assessing material ESG topics

STEP 1: Analyse the internal and external environment

Regulatory and Industry Analysis

- Oil and gas industry associations (IPIECA, API, IOGP)
- Environmental, labour laws, safety standards, national reporting requirements

Internal Data Collection

- Environmental reports, records
- Safety records
- Governance practices

Analysis of international standards and ESG rating agencies

- Rating agencies (Sustainalytics, MSCI, Refinitiv, EcoVadis, ISS)
- Global reporting initiatives (GRI, SDGs, CDP, SASB, IFRS)

Engagement with stakeholders

- Regular direct engagement with stakeholders
- Membership in industry associations (KazEnergy, ESG-Club)

Benchmarking

- Global leading Oil and Gas companies

Analysis of media, research, consulting, audit companies

- Articles
- Researchers, consultants, auditors (McKinsey, KPMG, EY, PWC, BCG, S&P, etc.)

STEP 2: Identify actual and potential impact

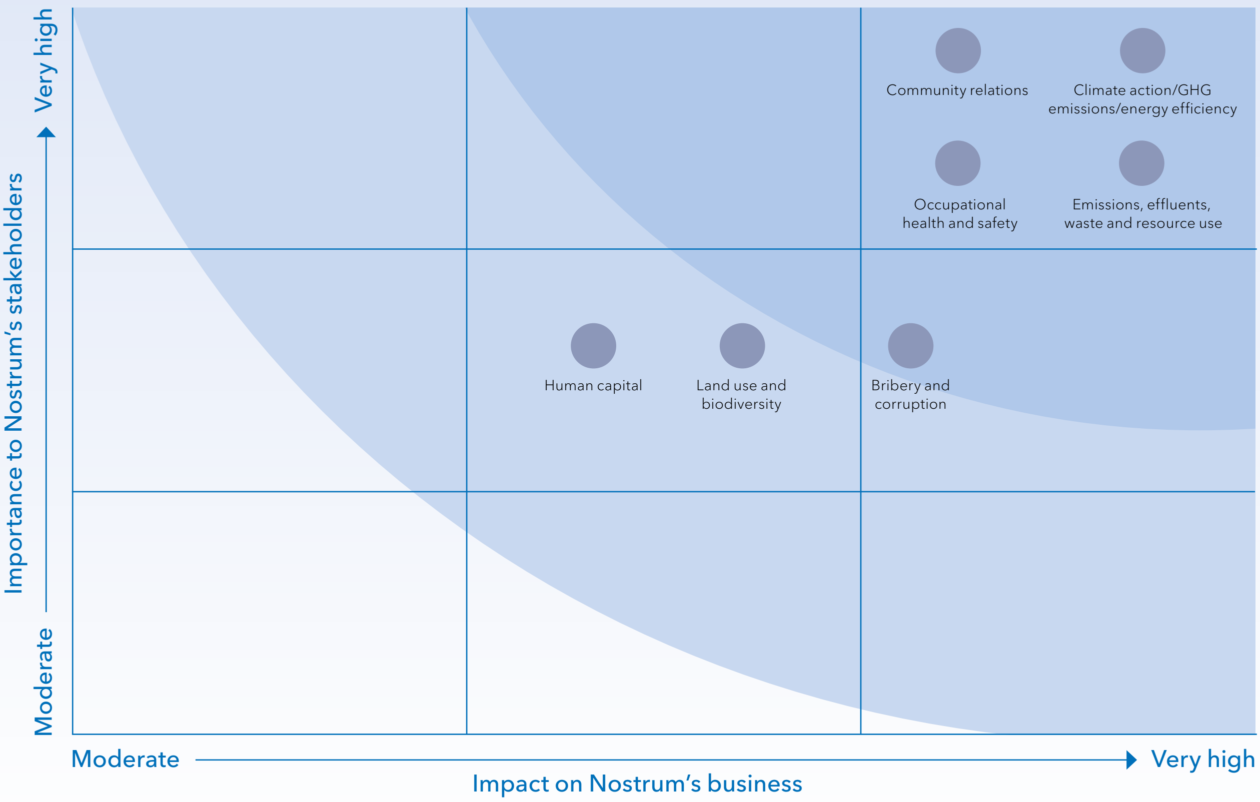
Forming a pool of topics that reflect the industry's characteristics

STEP 3: Assess the significance of the impact

STEP 4: Select material issues for reporting

STEP 5: Performance, reporting, periodic updates of the materiality analysis

Material ESG issues



ESG Management

At Nostrum, we have implemented robust corporate governance practices to effectively oversee and execute our ESG strategy. Our governance structure ensures that the impacts, risks, and opportunities associated with ESG are seamlessly integrated into decision-making processes across all levels of the Company. This is achieved through clearly defined roles, responsibilities, processes, and controls tailored to ESG objectives.

Our ESG governance structure adheres to international best practices, emphasising independence, transparency, inclusivity, and accountability. It is fully aligned with the Company's purpose, strategies, and values, ensuring the effective and efficient management of ESG objectives, plans, initiatives, and actions.

In order to enact the principle of senior management engagement in sustainable development management issues, key performance indicators (KPIs) were sanctioned specifically pertaining to

ESG and Health & Safety performance. See page 23.

Safe operations

The safety of our employees and contractors is a top priority for Nostrum, and we are dedicated to upholding the highest international health and safety regulations. We delivered a year of positive safety performance in 2024.

2024 highlights

Fatalities
Zero

Lost Time Incidents Frequency
Zero

Road Traffic Incidents
0.5

Total Recordable Incidents Frequency
0.6

Number of employees that took advanced HSE training
1,102

What we did in 2024

- Developed and implemented an ESG assessment framework for suppliers of goods and services and conducted the inaugural assessment of suppliers against ESG criteria
- Held workshops with suppliers and trained the Contract&Procurement department on sustainable procurement practices
- Continued raising awareness among employees on ESG, providing training, and conducted the Corporate Sustainability Innovation Game
- Developed a Green Procurement Policy to support sustainability initiatives

What we plan to do in 2025

- Expand the ESG Supplier Assessment project by involving more suppliers and integrating comprehensive HSE and ESG screening procedures prior to contract signing

Our company goal is Zero incidents which can cause any harm to company and contractors' personnel, the environment and as a result to operational process and reputation of our company.

Safety Culture

GRI 403-9

Nostrum prioritises safety and compliance with established standards. Its approach is guided by the shared beliefs, perceptions and values of employees regarding risks within the organisation, workplace or community.

At Nostrum, fostering a strong safety culture is essential for the well-being of our employees, the efficiency of our operations, and the integrity of our brand. Prioritising safety underscores our dedication to ensuring a secure and healthy workplace for all stakeholders. This commitment not only minimises workplace accidents and injuries but also builds trust and confidence within our team. Moreover, adopting a safety culture contributes to increased productivity, reduced operational expenses, and a boost in overall morale. In essence, cultivating and upholding a comprehensive safety culture signifies our unwavering commitment to employee welfare and business sustainability.

At Nostrum, our safety and environmental practices are based on four key pillars: HSE leadership, incident management, process safety and asset integrity, and contractor HSE management.

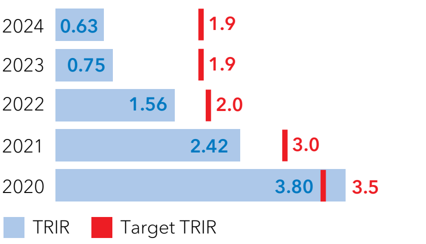
Each pillar is fundamental to maintaining a safe, secure, and environmentally aware workplace. HSE leadership blends safety into every level of our company, while rigorous incident investigation enables us to learn from past experiences and continuously improve our processes.

Process safety keeps our operations safe, while effective contractor HSE management aligns everyone with our safety values.

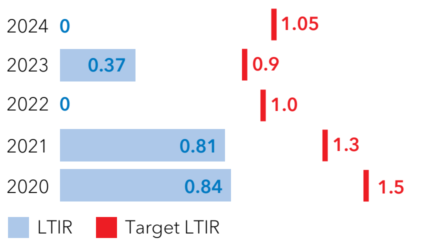
Beyond these, we enforce "Golden Rules", provide extensive straining on safety practices and apply a comprehensive Governance framework as outlined in the TCFD Governance recommendations on pages 79-80.

HSE Management System standards and procedures are regularly updated and implemented.

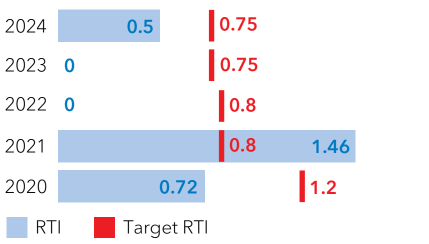
Total recordable incidents (TRIs)
(incidents per million man-hours)



Lost time injury incidents (LTIs)
(incidents per million man-hours)



Total road traffic incidents (RTIs)
(incidents per million km driven)



In 2024 the following procedures have been developed, updated and issued:

- Water Policy
- Rational Use of Water
- Elimination of pollutants spills
- GHG monitoring procedure
- HSE Audit procedure
- PTW procedure
- Industrial Control Charter
- Extreme weather procedure
- Scaffolding procedure
- Journey Management

Risk Management

GRI 403-2

In 2024 Workplace Hazard Observation programme continued to be used to maintain the campaign launched in 2019. The main purpose of the campaign was to train all employees how to intervene and report when they observe unsafe situation or hazardous behaviour. The Workplace Hazard Procedure was rolled out and workshops were conducted for all staff.

When any hazard is identified every worker can fill the Hazard Observation Card which allows to report unsafe conditions they observe at the workplace, any safe or unsafe behaviour of personnel while they perform activities and to make suggestions on HSE improvement.

HSE Incentive Scheme is in place and HSE awards are conducted to grant different promo items to those employees who raised the best Hazard Observation.

A comprehensive Stop Work Policy is established to give a right to every employee to stop any task or job assignment if they believe it poses an immediate danger to their personal safety or that of others. This obligation extends to all levels of our organisation, from top management to individual contributors. In case of disagreement between the intervention party and his direct manager, the matter shall be escalated immediate to the next level of the organisation. The Stop Work Policy helps to identify any unsafe conditions as they are encouraged to be vigilant and proactive in identifying any unsafe conditions or hazards in the workplace. Whether it is an equipment malfunction, inadequate training, or an environmental concern the employees are able to recognise potential risks.

To control certain types of work that are identified as potentially or highly hazardous a PTW system is in place. For every hazardous task a Job Safety Analysis is completed by Performing Authority to identify hazards, assess associated risks and identify control measures, as well as the personnel actions in case of emergency.

Incidence rates and investigation

In 2024, our Total Recordable Incidents Frequency rate dropped to 0.63 per million-man hours, a 16% decrease from 2023.

There was no one Lost Time Incident in 2024.

We experienced two Road Traffic Incidents in 2024 for contractor's operations and nobody got injured in these incidents with minor damage to vehicles. We undertook comprehensive investigation and implemented measures to avoid such incidents in the future.

Nostrum notes that its activities are potentially hazardous. The Group's management, employees and contractors are trained to understand that no accidents are inevitable as we strive to inculcate an environment in which safety consciousness and mitigating actions are such that zero incidents are possible and achievable.

For all incidents, we follow our incident investigation procedure based on the "five whys" and "why tree" methodology to determine the root causes and apply SMART principles to mitigate future risks.

Contractors

GRI 2-8

We require our contractors and suppliers to work to the same high standards as our employees, therefore effective contractor selection, communication and training in our safety culture and practices as well as strong monitoring are essential to maintain the high level of safety embraced by Nostrum.

Manhours worked in 2024	Percentage of total
Nostrum employees: 1,095,119	34%
Contractors: 2,089,930	66%

In 2024, four main Contractors were audited against Contract HSE requirements to test compliance with our HSE management system.

Nostrum seeks to promote safe behaviour among its contractors and has established a wide range of methods to ensure that operations at facilities are carried out in full compliance with local legislation as well as Nostrum rules and regulations.

In October 2024 regular annual Contractor HSE Forum was conducted with CEOs and HSE representatives from every Contractor to share HSE performance results and communicate any lessons learned.

Department Managers as Contract Owners conduct Contractor Kick off, Progress and Performance Review Meetings with Contractors to ensure Contractors HSE Performance.

We are committed to ongoing dialogue and support to improve our HSE practices and achieve the highest standards of safety for all individuals involved in our operations.

In order to effectively manage the "Golden Rules", Nostrum applies rigorous consequence management which means that we take a risk-based approach to guide people and leaders through the processes required when they witness or have reported to them inappropriate behaviour in the workplace. For serious violations of safety rules, staff and contractors risk immediate dismissal. For that purpose, consequence management is split into two categories. The more serious category which results in immediate dismissal is applied in case of alcohol/drug abuse.

Less severe cases, such as safety belt violation, result initially in a warning followed by dismissal if a repeat violation is observed.

Promoting a safer workplace

GRI 403-2

In 2024 **Workplace Hazard Observation programme** continued to be used to maintain the campaign launched in 2019. The main purpose of the campaign was to train all employees how to intervene and report when they observe unsafe situation or hazardous behavior. The Workplace Hazard Procedure was rolled out and workshops were conducted for all staff.

When any hazard is identified every worker can fill the Hazard Observation Card which allows to report unsafe conditions they observe at the workplace, any safe or unsafe behaviour of personnel while they perform activities and to make suggestions on HSE improvement.

HSE Incentive Scheme is in place and HSE awards are conducted to grant different promo items to those employees who raised the best Hazard Observation.

Golden Rules

GRI 403-3

1. Seatbelts must always be worn by the driver and all passengers.
2. Do not exceed the speed limit and reduce speed for impaired road conditions.
3. Do not use phones or operate devices while operating a motor vehicle
4. Alcohol and drugs of any kind (excluding approved medicines) are forbidden.
5. Where required, work with a valid permit
6. Obtain authorisation before entering a confined space.
7. Confirm that hazardous energy sources have been isolated, enclosed and tagged.
8. Obtain authorisation before overriding or disabling safety controls.
9. Never walk under a suspended load
10. Protect yourself against a fall when working at heights.

For every service contract in the Company at the time a purchase requisition is raised, a Contract HSE Risk Assessment relevant to the work is performed and documented by the Contract Holder. This process is more fully described below:

Stage 1 – Vendor Qualification

To be a qualified bidder, vendors must meet our qualification standards. This process is meant to help us select those vendors that both adhere to and support our basic HSE culture. The Vendor Assessment stage helps to assess the corporate capability of the vendor to deliver the required HSE Performance

Stage 2 – Contract HSE requirements

HSE requirements are specified in Appendix to Contract which is part of all contracts. Two types of Appendices with HSE requirements are developed: for high risk level and for works/services with low risk level.

Stage 3 – Contractor Engagement

After Tender stage is over and when contract is awarded, prior to the commencement of work, a Contractor Kick-off Meeting is held, The objectives of the meeting is to provide foundations for good performance including HSE from the start of the contract.

For all high risk contracts the Pre-mobilisation HSE Audit is conducted.

Stage 4 – Contract execution

Contractor HSE Performance is monitored during contract execution. Worksite HSE Inspections and HSE Management System Audits are conducted to ensure compliance with Contract HSE Requirements.

The regular meeting to communicate with Contractors are conducted to discuss their HSE performance and to provide any support to achieve the HSE goals.

One of the tools to evaluate and monitor Contractor HSE Performance is Monthly scorecard. The Monthly Scorecard comprises of minimum leading and lagging HSE indicators. The data are used to identify areas for continuous improvements in Contractor HSE Management System and to review the effectiveness of Contractor HSE Management processes against the other Contractors.

Stage 5 – Contract Close-out

Upon delivery of the contract a HSE performance review is conducted to identify both positive and negative lessons learned that may be used for a variety of purposes including pre-qualification and identifying areas for improvements

Within one month following contract expiry the Contract close-out meetings are conducted to discuss and reflect on Contractor's HSE performance during the execution of the work.

Contract HSE Performance feedback is documented and saved on vendor's database. The results of the feedback evaluation are considered while contract prolongation or for any new tenders.

Road Safety

In 2024, Nostrum continued to implement the following activities carried out over the years:

- Planned /unplanned inspections of the technical conditions of the vehicles at Nostrum facilities by our employees and Contractor representatives
- Road safety inductions, training and safety stand-downs are being held on a permanent basis with Contractor personnel
- Ad-hoc inspections on road safety compliance (speeding, safety belt use, etc.) are held regularly
- Nostrum ensures compliance with Road safety procedure, Journey management plan and procedure for organising and carrying out transportation of oversized cargo in order to ensure road safety compliance to the Company rules
- The Routes for the transportation of oversized cargo are coordinated (accompanied if necessary) to ensure road safety along the route of movement of oversized cargo on the territory of Nostrum facilities
- The passage of a medical pre-trip inspection by drivers of the Company and contractors is systematically controlled
- Checks are being made of the safe condition for traffic of the carriageways of public roads, bridges, railway crossings and road structures on the territory of the facilities and along the route to Nostrum production facilities and back

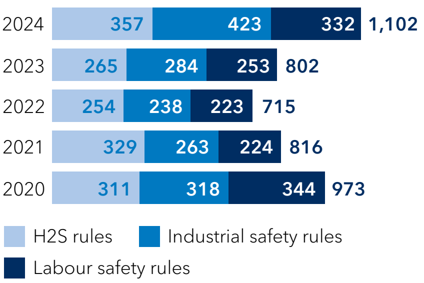
In-house HSE training and examination process

GRI 403-5

Nostrum provides in-house HSE training and examination designed to improve the HSE competencies of both Nostrum and contract personnel performing safety-critical activities.

During 2024, 1,102 employees took advanced HSE training.

In-house HSE training



HSE communication and awareness

GRI 403-3

In 2024, HSE Workshops were carried out for field personnel to promote awareness on the following topics:

- Waste Management
- First Aid
- Working on heights
- Permit to Work System
- Water Use
- Fire Safety
- Working in extreme weather
- Food Safety
- PPE Standard
- Golden Rules
- Extreme weather
- Abnormal Load Transportation

To ensure HSE Awareness the following communication tools were used in 2024:

- Monthly QHSE Reports
- A pop-up window messages appeared on the screens when logging in every day with a safety reminder from the QHSE department
- HSE Posters printed and displayed in prominent locations
- HSE Alerts
- HSE Advisories

Process safety

GRI 403-3, 403-7

In 2024, no Tier 1 or Tier 2 process safety incidents were recorded at Nostrum's production sites. According to the American Petroleum Institute's definition, a Tier 1 and Tier 2 safety incident is an unplanned or uncontrolled release of any substances, including non-toxic and non-flammable materials, from a process that results in one or more of the following consequences:

- An employee, contractor or subcontractor incurs days away from work, injury and/or fatality
- A hospital admission and/or fatality of a third party
- An officially declared community evacuation or community shelter put in place, including precautionary community evacuation or community shelter in place
- Fire or explosion damage of at least US$100,000

The selection of appropriate maintenance strategies and the classification of equipment as safety critical or non- critical, is based on the impact that such equipment failure has on safety. Nostrum employs scenarios at all hazardous production facilities.

Nostrum employs a specific safety critical equipment maintenance programme whereby resources are allocated in order of priority with critical systems taking precedence.

Vessel and Flow-line inspection programme

In 2024, inspection of vessels and flow lines continued as per Field Operation maintenance programme, in accordance with RoK regulations. In this subject, NDT testing methods are widely used to satisfy RoK regulation requirements with the aim of minimising the time when vessel is out of operation. For this reason, a special method called 'Corrosion Mapping' is being implemented. Per this method, the entire metal surface area is 'scanned' and a more accurate image is generated regarding metal wall thickness and corrosion status of vessel itself. Application of this method revealed poor conditions of the 1st stage oil separator at the Oil Treatment Unit (OTU), identifying the necessity to replace the vessel in 2025. In 2025, the "Corrosion Mapping" method will be implemented for inspection of some important processing vessels that are most exposed to corrosion at the Gas Treatment Units (GTUs). By it, the time needed for shut down of the facility for yearly turnaround will be minimised.

In 2024, at the OTU about half of the intake manifold pipes and valves with reduced wall thickness & identified pipe thinning were replaced. The rest of the manifold pipes and valves are planned to be replaced in 2025.

Emergency response, Civil Protection Planning and Prevention

GRI 2-25

In 2024, no industrial accidents were recorded at Nostrum's operations.

The Company has established and successfully exercises an emergency response system and undertakes measures to prevent oil and oil product spills.

Emergency response and accidents preparatory activities

The Company has emergency response plans to improve our capacity to swiftly address unexpected occurrences, thus preserving operational continuity and mitigating adverse effects on individuals, the environment, our physical infrastructure, and our reputation. These plans are effectively communicated to our workforce, and those involved in emergency response undergo training to ensure proficiency in fulfilling their emergency responsibilities.

We remain committed to upholding asset integrity and managing operations to effectively mitigate all significant risks throughout every phase of our activities.

As scheduled in 2024 emergency training of personnel has been conducted on a quarterly basis in order to prevent accidents and emergencies as well as to Emergency Response Plans emergency scenarios at all hazardous production facilities. In 2024, we maintained emergency response training and exercises involving credible emergency ERP scenarios at all hazardous production facilities.

Hazardous production facilities at Nostrum include:

- Oil Terminal and Transfer Point in Beles
- CF-Rostoshi Oil Trunk Pipeline
- CF-ICA Gas Trunk Pipeline (GTP Orenburg-Novopskov)
- OTU and gaslift system
- CGTU-1,2 and LPG -1,2
- Well Operations and gathering system
- GTU-26
- MTS and RPMS
- Waste disposal area
- GTU-3 and LPG-3

During training drills at every facility, the emergency operations center organised and coordinated possible emergency prevention and responses to accidents, as well as to ensure fire safety. During quarterly drills held at the facilities – EOS, the whole range of issues related to accidents and emergency prevention and elimination procedures was considered.

Overall control of all emergency drills was overseen by the Field Director, who is responsible for the implementation of industrial and fire safety measures.

We believe that these actions help maintain the proper level of skills and competencies among employees and executives and ensure compliance with legal process safety requirements and corporate standards.

Oil spill prevention

GRI 2-25, 206-3

The Group strives to have zero operational spills. Nostrum continues to undertake initiatives to prevent and reduce spills that include drills and training teams, timely maintenance, repair and replacement of equipment, monitoring of problem oilpipeline areas, etc.

Oil Spill Response Plan

We continue to enhance our spill response capabilities in accordance with the Oil Spill Response Plan ("OSRP") within the Company's production facilities.

This plan sets our response strategies and techniques, available equipment, and trained personnel and contracts and includes the following measures:

- signal receiving action and notification scheme for rescue services
- notification procedure for the Company's contractors, state bodies and local authorities
- responsibility allocation for rescue units organisation and management, and;
- measures to be taken to ensure people's safety and other actions.

The OSRP has been annually reviewed and updated to consider the regulatory requirements, availability of resources to be involved. The OSRP gives substantiation of a possible emergency level, analyses scenarios of their occurrence and development, and also makes a forecast of possible consequences for production facilities associated with accidental oil spills.

Introduction of emergency response plans and OSRP for Nostrum's production and engineering personnel is documented in the briefing log at the workplace. In accordance with Industrial Control Charter the Facilities Manager and Field Director are responsible for the due and correct preparation of ERPs, and ensure compliance with safety requirements is controlled on a regular basis. If non-compliance is identified, corrective and preventive action plans are developed and implemented.

Boosting readiness of emergency rescue teams

To respond to emergencies, Nostrum established civil defence teams, whereby 6 members of the Emergency Rescue Team was trained in the National Center for Scientific Research, Training, and Education in Emergency Response Department (Almaty). In 2024, 100 employees on a voluntary basis (50 per shift) were engaged to ensure the safety of the production facility. They are fully equipped and have completed practical training during the quarterly emergency response drills. 16 members of the volunteer civil protection teams at the Field were trained in 2024 at the facility of Akberen blow out elimination service in Uralsk.

To maintain and conduct emergency rescue operations, the Company has long-term contracts with professional ERT – Ak-Beren LLP (gas rescue service) and Ansar-S-Group LLP (firefighters-rescuers). Ak-Beren, a professional blowout elimination service, is responsible for accident prevention at oil and gas wells, which is fully compliant with the requirements for oil, petroleum product, and other hydrocarbon spill response.

Materials and equipment available to the emergency response and rescue teams are certified and compliant with all requirements.

A high degree of readiness for the ERT is supported by regular drills and training, as well as theoretical knowledge. Drills and training are held on a quarterly basis at all facilities. Special attention during the ongoing emergency drills was given to those facilities where gas and oil contain hydrogen sulfide. All Emergency Response Plans were reviewed, updated and

Contained and non-contained oil spills

In 2024 there was one oil spill. A table below shows data for 2020-2024:

Period	Contained oil spills	Non-contained oil spills	Volume of the oil spills in cubic meters	Note
2020	1	0	0.05	There was an oil spill inside the pump station of the Terminal without any leak to the open ground surface.
2021	0	0		
2022	0	0		
2023	0	0		
2024	1	0	0.03	The boiler of the Uniserv Trans Contractor company was loaded with hydrocarbons for transportation to the OTU. After leaving GTP 1/2, a leak of hydrocarbon raw materials was detected through the fill neck.
Total				

approved with Ak-Beren emergency response service and Ansar-S Group.

Commanders of voluntary rescue and fire teams were additionally trained under the training programme for unit commanders to maintain levels of skills and competence, particularly in relation to safety-critical roles.

The non-government fire service of Ansar-S-Group LLP, which has had a service agreement with Nostrum since 2022, was also involved several times (under our contract) in providing emergency responses in Baiterek during the elimination of the consequences of spring floods and summer steppe fires at the request of local executive bodies. Thus, Nostrum provides assistance to the administration and residents of Baiterek on an ongoing basis.

Organisation of communication with contractors on emergency response and prevention of possible emergencies

A significant part of preventive and emergency organisation is performed by contractors for Nostrum. In order to ensure a high level of preparedness for emergency response, all drills and training were made with the participation of the following organisations:

- Ansar-S-Group LLP – fire prevention.
- Ak-Beren LLP – blowout prevention, gas rescue.
- Nysan-Korgau – the organisation of access control and protection of an accident zone from unauthorised individuals.

HSE personnel assigned to each hazardous facility perform permanent control over work plans implementation by contractors as well as requirements of industrial safety standards. To achieve this, the Company uses checklists containing the entire range of issues under consideration – starting from document maintenance to work quality and safety. The HSE Department organises regular control field inspections at production facilities.

The control teams include representatives responsible for occupational health, safety and emergency response.

- The most pressing issues are discussed with all contractors and facilities. Joint work on quality improvement of safety methods is organised on a permanent basis.
- Representatives of contracting organisations participating in all emergency drills regularly held by Nostrum, have an opportunity to master up-to-date methods of emergency rescue operations and develop common rules for solving emerging problems taking into account available information on best practices in the oil and gas industry.

Alert system for employees and communities located near the Chinarevskoye Field

The Company is constantly improving internal procedures aimed at alerting and preventing emergency response cases, and in 2024 the Company maintained alert systems at Nostrum production facilities.

The duty dispatch service promptly transmits information about the occurrence of accidents and emergencies to EOS-1 and EOS-2 to notify the management of the Company and government agencies.

In the event of an emergency, at the first level of emergency response, regular employees and contractor personnel located at Nostrum production facilities, as well as emergency response teams involved in the accident response are notified. High priority rescue and evacuation activities are performed to protect them. Territorial executive authorities (akimats) are notified of an accident in accordance with the notification scheme in case of a threat of the spread of adverse factors.

In the event of major accidents, operational teams of the second level are organised at the Company's office in Uralsk. If necessary, the evacuation of personnel and communities is organised.

Firefighting activities arrangement

The Company systematically arranges operational control over compliance with industrial safety requirements, internal audits of the management system, conducts analyses of and processes the results of incidents and inspections, develops and monitors the implementation of corrective and preventive actions.

All Nostrum facilities at Chinarevskoye Field and Terminal are fire and explosion hazardous. Therefore, fire safety rules were developed for all facilities and controls over compliance with the rules are in place.

These activities include:

- obligatory preventive inductions, fire safety training, control by line supervisors and responsible persons over the performance of work,
- inspection of Ansar-S-group by a governmental authorised body and fire inspectors,
- project expertise as to compliance with fire safety requirements during the reconstruction and technical upgrade of production facilities,
- timely maintenance and function control of systems and fire protection means of facilities (by contractor – Batys Energon LLP), and;
- continuous control of serviceability of fire- and explosion-hazardous process equipment and compliance with process flow charts.

Civil defense and emergency prevention measures

In 2024, in accordance with the requirements of RoK legislation the Civil Defense Plan annexes were revised. The scheduled annual training for personnel was conducted. At the operational facilities quarterly emergency response drills were held. First Aid Training and Fire Safety Training was conducted for office personnel PPE is provided for all staff (civilian GP-7 gas masks with "Breeze" filters, which protect against all hazardous substances).

In Spring of 2024, the West Kazakhstan Region was in a critical situation due to flooding, including many houses that were inundated with flood waters.

Nostrum Oil & Gas did not stand aback from this natural disaster, but made every possible effort to prevent flooding, provide support to nearby villages and communities, and the city of Uralsk.
Our assistance included:

- Supply of five light all-terrain vehicles with crews, working round-the-clock in the areas of flooding of facilities, including the vicinities of nearby villages
- Supply of three items of heavy machinery to Yanvartsevo Akimat for the construction of fill dams in the area of flooding
- Provision of cash, materials and equipment to the Yanvartsevo Akimat (prior to the flood) which allowed them to build a culvert in advance and save the Chinarevo village from flood waters
- Supply of six units of heavy machinery by Nostrum contractors
- With the help of machinery provided by Nostrum and Contractors, dams were erected in Yanvartsevo village (5.7 km long) and Spartak village (700 m long). The dams were erected along the floodplain of the Ural River, in the areas of possible flooding of Yanvartsevo and Spartak villages
- At own cost of about US$1.2m, the Group constructed 20 houses for flood victims.

Empowering our people

Promoting diversity and inclusion is both a responsibility and an opportunity in today's world. Businesses have a unique role to play as active contributors to a more inclusive society. By building a diverse workplace, our company can drive meaningful change, set an example, and create an environment where individuals thrive.

2024 highlights

Employees
605

Average number of training hours per employee
110

Training costs
US$0.6m

Female employees at Group level
21%

Group employees hired locally
98%

Represented among Nostrum's employees
15 countries

What we did in 2024

- Promoted well-being and mental health of employees by supporting office yoga sessions and encouraging participation in football and running competitions
- Implemented several targeted initiatives to strengthen our corporate culture, fostering a more inclusive, collaborative, and values-driven workplace
- Launched a Diversity & Inclusion training programme covering topics such as cognitive biases, discrimination, and microaggressions
- Enhanced employee engagement through the Buddy Program, ensuring a smoother onboarding experience for new hires

What we plan to do in 2025

- Develop and roll out a programme focused on mental health and well-being of our employees, including more accessible mental health resources, stress management workshops, and employee well-being assessments
- Continue strengthening our corporate culture by introducing feedback mechanisms to measure employee satisfaction and inclusion, and ensure that these values are consistently applied across all teams

For our Group, diversity and inclusion are essential to our strength and success. We believe that different perspectives drive innovation, enhance collaboration, and encourage more resilient organisations. By cultivating an inclusive culture where every employee feels valued and empowered, we are creating the conditions for sustainable growth and long-term excellence.

Fundamentally, this effort revolves around recognising, respecting, and appreciating our unique differences. It transcends mere tolerance, delving into a profound understanding of each individual and an exploration of the factors that set us apart. Inclusive societies cultivate a profound sense of meaningful belonging, fostering support and value for individuals – integral elements crucial for the success of our organisational structure at Nostrum. We take pride in cultivating a diverse and inclusive workforce, providing a home for individuals from various backgrounds.

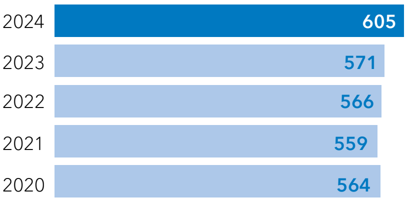
Undoubtedly, our people constitute the cornerstone of our success. Actively engaging with individuals possessing diverse assessments and perceptions leads to superior decision-making, increased innovation, and a more profound commitment in the workplace. This is why we dedicate special attention to the ongoing enhancement of diversity and inclusion within our Company.

Strength through diversity

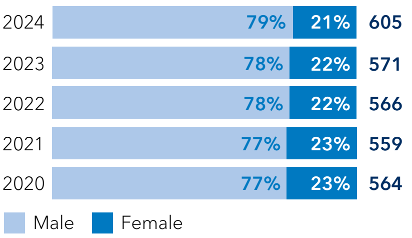
GRI 401-3, 405-1

As of 31 December 2024, the total workforce size has increased to 605 employees by the end of 2024, (2023: 571 employees), reflecting a growth of 34 employees over the year, with 79% being male and 21% female (2023: 78% male and 22% female employees). As part of our ongoing commitment to fostering an inclusive workplace, our Diversity & Inclusion strategy for 2024 has been to establish a structured and systematic approach to supporting HR development. In 2024, progress in advancing female representation has been reinforced through data-driven tracking and visibility efforts. A new HR dashboard now provides monthly updates to the SMT, detailing the portion of women in the workforce and per department, significantly improving transparency and monitoring.

Number of employees
As at 31 December 2024



Gender Diversity
As at 31 December 2024

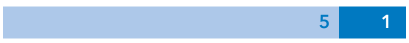


Gender Diversity

As at 31 December 2024

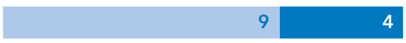
Male Female

Board



17%
(2023: 17%)

Senior Management



31%
(2023: 27%)

Employees

20%
(2023: 21%)

Alongside this, we have actively promoted gender diversity initiatives, including LinkedIn communication for Women in Engineering Day, highlighting female talent in technical roles. These efforts, combined with continuous monitoring, help drive meaningful progress beyond the 21% female representation in 2024.

Nostrum has consistently upheld a corporate Equality and Diversity Policy for several years, underscoring our unwavering dedication to these principles. At the end of 2024, 20% of Group employees based in Kazakhstan were female (2023: 21%). Furthermore, in the UK, 40% of employees were female (2023: 67%).

As of the end of 2024, our Senior Management consists of 31% females (2023: 27%).

We actively advocate for female promotions in cases of parity in competencies and capacities. However, swift progress is impeded by the shortage of qualified female candidates willing to work in field-based roles, where a majority of our positions are situated, involving rotational shifts. And whilst we are encouraged by our diversity at Board level, we do recognise that diversity remains an ongoing issue in the oil and gas industry, particularly with regard to gender diversity. The Company has commenced a search for an additional independent non-executive director to replace Christopher Cox (who left the Board in 2024). In such search the Company is focusing on female candidates in furtherance of the Company's diversity goals and is seeking to add a second woman to the Board by the end of 2025.

We are targeting to further increase female representation at the senior management and at the department head level as possible.

We take pride in our unwavering commitment to cultivating a workplace that celebrates diversity and fosters inclusiveness. Our core belief is anchored in recognising and appreciating the unique contributions of every team member, irrespective of their background or identity.

Acknowledging the continuous need for progress, the Board continues to prioritise diversity in upcoming appointments, with a specific focus on ensuring robust representation of Kazakh nationals in senior roles.

Our Human Resources department actively promoted internal growth and worked to develop a diverse workforce at all levels of our organisation. In 2024, 20% of Group recruitment was female (2023: 25%).

In 2024, three employees took parental leave and three employees returned from parental leave, all females.

The Company prioritises diversity in terms of nationalities, maintaining a diverse management team with representation from six different nationalities. Among the eleven members of the Senior Management Team, five are Kazakh nationals as at 31 December 2024.

Furthermore, there were no reported incidents of discrimination raised by any Group employees in 2024.

Our HR strategy is driven by a strong commitment to ESG principles, diversity and inclusion, employee well-being, and operational efficiency. As we continue to strengthen collaboration with ESG, our focus is on aligning HR initiatives with sustainability and corporate responsibility goals. Key programmes such as Diversity & Inclusion in Recruitment, Mental Health & Wellness, and the Global Employee Handbook are designed to foster a more inclusive and supportive workplace while ensuring consistency across our global operations.

HR Diversity Strategy and key initiatives

This year once again, we have endeavoured to enhance and progress in our promotion of diversity and inclusion within our organisation. Several initiatives have been improved, and others have been implemented.

To address underrepresentation, we have advanced the Targeted Recruitment Initiative, focusing on hiring individuals from diverse backgrounds, including women, minorities, and individuals with disabilities. We have implemented concrete measures such as creating inclusive job advertisements, participating in diversity hiring webinars, and start researches in collaborating with the several recruitment agencies dedicating specific attention to consider underrepresented segments of population. These initiatives reflect our dedication to expanding our talent pool and fostering equal opportunities. While some limitations exist due to objective criteria in the field, we are actively working to refine inclusive hiring practices and expand opportunities.

Our D&I Training Strategy has evolved to incorporate interactive methodologies, including video content, workshops, remote learning with interactive scenarios, and on-site training with external providers. By leveraging digital tools for analytics and reporting, we are ensuring measurable progress in awareness and engagement.

The D&I training sessions in 2024 covered key topics such as:

- Diversity & Inclusion;
- Equity & Equality;
- Cognitive Biases & Stereotypes;
- Discrimination & Prejudices;
- Disabilities at Work;
- Sexism at Work;
- Understanding Culture,
- Microaggressions.

Through our endeavours, we have observed a significant rise in the interest regarding diversity within our workforce, evidenced by an increased number of employees actively participating in our surveys and e-learnings and engaging in discussions with the Human Resources Department.

Participant feedback has been overwhelmingly positive, with high engagement and valuable takeaways. Employees reported increased awareness of biases, a better understanding of the impact of inclusive behaviors, and greater ability to apply D&I principles in their daily work.

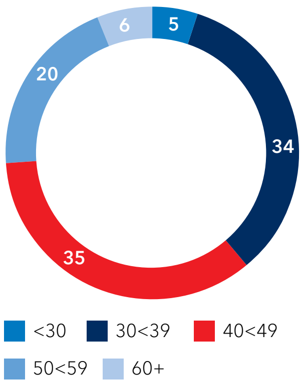
The Buddy Programme in 2024 has significantly improved new hire integration, engagement, and productivity. 100% of new hires provided positive feedback and participated in surveys, with all reporting faster understanding of company processes. The programme also strengthened workplace relationships, with 100% of Buddies finding the experience rewarding and reporting stronger team connections.

One of the key improvements in 2024 was the integration of real workplace scenarios, which made the sessions more interactive and relevant. The structured feedback process also provided valuable insights, helping to refine and enhance future sessions, ensuring D&I remains an ongoing journey of learning.

To further encourage engagement, we held a reward ceremony recognising those with the highest participation rates, reinforcing the importance of continuous involvement in our D&I initiatives. The ceremony included written surveys, all of which were extremely positive, with many participants expressing that they felt heard and appreciated for their contributions.

We have proposed the institution of a zero-tolerance approach to discrimination, women, minorities, and individuals with disabilities. We have implemented concrete measures such as creating inclusive job advertisements, participating in diversity hiring webinars, and start researches in collaborating with the several recruitment agencies dedicating specific attention to consider underrepresented population.

Breakdown of employees and top management by age
(%)



These initiatives reflect our dedication to expanding our talent pool and fostering equal opportunities. While some limitations exist due to objective criteria in the field, we are actively working to refine inclusive hiring practices and expand opportunities.

We plan to enhance Employee well-being and engagement in the year ahead.

As part of our commitment to fostering a supportive and engaging workplace, we are implementing a comprehensive plan to enhance employee well-being and workplace culture in the coming year. A key initiative is the Employee Engagement Program, which will introduce a structured approach to gathering employee feedback through regular surveys, pulse checks, and focus groups. By leveraging digital tools and leadership involvement, we aim to create a transparent, data-driven system that ensures continuous improvement based on employee insights.

Additionally, we are strengthening our support systems through the launch of a comprehensive Employee Assistance Programme (EAP). This initiative will provide free, confidential counseling services to employees facing stress, anxiety, or other mental health challenges. We will ensure easily accessible well-being resources for our workforce.

To further support mental health awareness, we will introduce monthly Mental Health & Well-being Training Programmes, covering key topics such as stress management, mindfulness, and emotional intelligence. Through virtual, interactive sessions featuring gamified learning experiences, employees will have access to engaging and self-paced educational resources via EdApp. These initiatives collectively reinforce our commitment to a healthier, more engaged, and resilient workforce, laying the foundation for long-term organisational success.

Regarding anti-discrimination measures, the Nostrum Code of Conduct safeguards all employees and contractors from unlawful discrimination based on aspects: disability, socio-economic background, age, gender, educational and professional backgrounds.

Employee relations and social guarantees

GRI 401-2

Nostrum prides itself on being an integral community partner and one of the largest employers in western Kazakhstan. In 2024 with 98% of Group employees hired locally and 550 employees from Kazakhstan make up approximately 91% of our workforce.

We hire both directly and occasionally through local recruitment agencies. To ensure alignment with our ESG standards, we've engaged with these agencies, reviewed their hiring policies, and confirmed they comply with our commitment to good practices. As at 31 December 2024, Nostrum had a total of 605 employees from 15 countries.

We offer all staff members competitive benefits and remuneration packages in compliance with all regulatory, guidelines and requirements, which (to the extent applicable) are also applied to those hired as temporary or part-time employees.

In an effort to promote gender equality, we continued to monitor gender pay discrepancies. Emphasis has been placed on supporting female advancement, resulting in promoting seven females for their competences. In 2024, we continued to conduct our own gender pay discrepancy review with a grouping of employees based on their job function, seniority, location and other factors. As a result of this analysis, the following observations were drawn:

1. Roles with higher pay are male-dominated (C-suite)
2. We have seen that the gender pay gap has further narrowed in 2024 as compared to 2023, the average employee salary in Kazakhstan was 1.32% higher for males (2023: 2.6% higher for males) and the median employee salary in Kazakhstan was 2.29% higher for females (2023: 5.3% higher for females). At certain levels female pay exceeds their male counterparts (Office), while in the Field the remuneration is higher for males than females.

Despite short-term variations, our commitment remains steadfast towards fair and balanced recruitment and promotion practices along with consistent skills evaluation. We aim to increase the presence of women in senior roles and areas of our businesses where they are currently under-represented, with the long-term goal of eliminating the gender pay gap. The Board will continue to monitor any gender pay discrepancy by defining targets and activities to address any inequalities discovered.

Succession Planning Policy

The Company has implemented Succession Planning Policy that aims to identify future staffing needs and employees with the skills and potential to be developed for carrying out future management roles.

Employee well-being, education and training

GRI 404-2

In 2024, we introduced several measures to enhance employee well-being, focusing on both physical and mental health. Our internal newsletters highlighted positive company news, celebrated employees' achievements, such as those excelling in sports, and recognised long-serving staff like our chefs in the field and our director who recently retired. We also shared inspiring messages from our CEO to foster a positive atmosphere.

Looking ahead to 2025, we are working on a comprehensive mental health and wellness programme, which will include employee engagement surveys, updated remote work policies, and other initiatives aimed at further supporting our employees' well-being.

Investing in the development of our people is crucial for fostering economic self-sufficiency within the local communities where we operate. Under the terms of the PSA, we are required to spend 1% of our annual Chinarevskoye field development costs towards education and training.

In 2024, the training budget was fully allocated across various departments to address the evolving needs of our workforce, with a focus on skills development and transition assistance. Additionally, we used the EdApp digital platform to deliver training on all our D&I initiatives. This platform allowed us to provide flexible and tailored training, ensuring our employees received the necessary resources to engage with and apply our diversity and inclusion efforts effectively.

We believe investing in our people is key to economic self-empowerment in the communities in which we operate. Under the terms of the PSA, we are required to accrue 1% of our annual Chinarevskoye field development costs and spend this amount on education and training.

In 2024, 538 employees benefited from education and training programmes (2023: 500 employees). Our total Group training costs in 2024 were US$0.6m (2023: US$0.6m) and the total number of training days in 2024 was 7,435 days (2023: 5,702 days).

In 2024, Nostrum supported numerous educational programmes, including Executive Certificate in Strategising Sustainable Business Transformation at HEC School, MBA, MBA in Finance, Managing Performance with OKR (Objectives and Key Results), ROI (Return of Investments) seminar for Learning and Development professionals, NEBOSH, ESG reporting training, Diversity and Inclusion trainings, Setting goals and objectives for managers, Petrel Fundamentals, Petrel Geological Interpretation, Implementing and Operating Cisco Enterprise Network Core Technologies, CCNA Implementing and Administering Cisco Solutions v2.0, Installation and programming of Danfoss frequency converters, RUS2001 Factory Talk View ME Design, Operation and maintenance of VEGA equipment, Main changes in the tax legislation of the Republic of Kazakhstan, Practical issues on the procedure for accounting for CIT course training was undertaken by operational and head office teams, department heads, specialist engineers and other technicians at different levels across the organisation.

HSE training (including fire safety) is carried out at least annually in accordance with our operating practices and as required by the PSA.

Looking ahead to 2025, a key initiative will be the implementation of a remote working policy, aimed at providing greater flexibility while maintaining productivity and collaboration. This policy is part of our broader commitment to improving work-life balance and supporting employee well-being.

Promoted well-being and mental health of employees by supporting office yoga

Inside our Mental Health & Wellness Program, workplace yoga has become a valued initiative for mental and physical well-being. Held several times per week, these sessions provide employees with a structured way to manage stress, improve focus, and maintain physical balance.

With classes led by local instructors and a guest teacher from India, employees can participate during lunch breaks or after work. In warmer months, sessions take place on the Uralsk office rooftop, offering a space for relaxation and movement in fresh air.

In colder seasons, they continue in a dedicated indoor area, ensuring year-round access.

Participation has steadily grown, reflecting the importance of well-being in the workplace and proving the actual benefits of this initiative.

While logistical constraints have made expansion to field sites challenging, the company remains committed to exploring ways to support employee health across all locations.

Hiring and staff turnover

GRI 401-1

As part of the Company's costs optimisation plan, in 2024, 31 employees (of which 24 males and 7 females) were released or agreed to voluntarily resign, and their positions were not filled (2023: 48 employees). This was the main cause of staff turnover. The number and percentage of new employees hired in 2024 was 49 (of which 8 were females and 41 were males).

As of 2024, employee retention rates have remained stable, with a continued focus on fostering a supportive work environment and career development opportunities. While turnover trends are consistent with previous years, we are actively addressing potential areas for improvement by conducting regular employee feedback surveys and implementing targeted initiatives to enhance employee engagement.

Workforce representation

GRI 2-26

The Company remains committed to ensuring that the views of its workforce are effectively represented at the Board level. In 2018, the Company established collective agreements to facilitate workforce representation. In 2023, Chris Hopkinson was appointed as the Company's Non-Executive Director responsible for gathering employee perspectives and integrating them into the Board's decision-making processes. He continued to serve in this role in 2024 and the Board continues to welcome employee input and take employees' perspectives into consideration in its decision-making.

The Board of Directors strives to adopt best practices in corporate governance, including engagement with the Group's workforce. In particular, the Board wishes to understand the views of the Group's workforce and to take such views into consideration in Board discussions and decision-making.

Communication between the workforce and the Board is often referred to as the "employee voice", and it is hoped that a wide selection of views from the workforce can be gathered through a range of formal and informal channels. Such channels are intended to help the workforce share ideas and concerns with senior management and the Board. This communication provides useful feedback about business practices from those delivering them and can help empower colleagues. The Board encourages individuals to raise any concerns they may have. Doing so acts as an early warning system for actual or potential problems and helps to manage risk. The Board actively listens to workforce concerns and subsequently provides feedback on how the matter raised has been considered, including any action taken. The Board emphasised that the workforce should feel safe to raise concerns.

Nostrum Code of Conduct

Nostrum is committed to maintaining a Group-wide culture that recognises international standards of human rights and this is incorporated in the Group's Code of Conduct.

Human Rights Policy

GRI 2-23

The Group has a Human Rights Policy which reflects the desire to comply with industry best practice and the HR department has raised awareness of the numerous benefits and interests that our Human Rights Policy provide to our organisation.

First and foremost, the Human Rights Policy demonstrates our commitment to upholding fundamental principles of human dignity, respect, and equality. By establishing a framework that promotes fair treatment of employees, stakeholders, and communities, we can enhance our position as a responsible and ethical business that contributes positively to the social and economic development of the regions where we operate.

In addition to these ethical considerations, there are practical benefits. By promoting diversity, inclusion, and non-discrimination, we can attract and retain a more diverse and talented workforce. Furthermore, a Human Rights Policy can help to mitigate legal, financial, and reputational risks associated with human rights violations.

Moreover, the Human Rights Policy also enhances our relationships with key stakeholders, including customers, investors, regulators, and civil society organisations. By engaging in transparent and constructive dialogue about human rights issues, we can build trust, and credibility.

The Human Rights Policy is in addition to the Nostrum Code of Conduct (Code), which defines the principles that guide business conduct and provides a non-exhaustive outline of what Nostrum considers permissible conduct by its employees. These principles include provisions relating to human rights and diversity in the workplace, insider dealing and insider information.

A copy of the Code is available on the Group's website in both Russian and English and can be downloaded from our website: www.nostrumoilandgas.com.

Modern Slavery Act Statement

GRI 2-23, 408-1, 409-1

There are no areas of activity of the Group (or its vendors) believed to have significant risk of child/forced labour/hazardous work performance by young employees.

Under the Group's standard supply contracts, the Group is entitled to require suppliers to demonstrate compliance with the Code and to hold its suppliers responsible for compliance by their supply chain with equivalent terms.

A copy of our Modern Slavery and Transparency Statement is available on our website: www.nostrumoilandgas.com.

Whistleblowing Policy

GRI 2-23

We have a Whistleblowing Policy which takes into account the Whistleblowing Arrangements Code of Practice issued by the British Standards Institute and Public Concern at Work, and which applies to all individuals working for the Group at all levels and grades.

The Whistleblowing Policy sets out details of two compliance liaison officers who speak a variety of languages for the purposes of reporting any concerns. The Whistleblowing Policy is also mentioned in the Code, and a person who reports any matter in good faith will be protected against any sanctions. More information on this matter is provided on page 98.

The updated version of the Whistleblowing Policy, revised in August 2023, is available on the Company's website. At the time of writing, we have received no reports under our Whistleblowing Policy of forced/ involuntary labour or human trafficking in relation to our business or supply chains.

For further details, please see our website: www.nostrumoilandgas.com.

Social responsibility

Nostrum takes pride in being a proactive and responsible partner within the community, fostering a culture of transparency, engagement, and social accountability. Our commitment encompasses both social and financial support initiatives aimed at improving the well-being of local residents. This dedication is reflected in our efforts to promote environmental sustainability, uphold ethical standards, support philanthropic endeavors, and demonstrate economic responsibility.

2024 highlights

Taxes paid since inception to the local and federal government authorities of the Republic of Kazakhstan

US$1.2bn +

Investments in the country since 1997

US$2.5bn +

Spent to build 20 houses built in 3 villages for flood victims

US$1.2m

Paid to governments

US$27.93m

What we did in 2024

- Provided support to the community by constructing homes for those affected by the floods in the region
- Continued sponsorship of young talents and regional athletes to support participation in local and international competitions
- A reliable network with local suppliers supported business continuity and sustainable growth, while our investment in local business development fostered their long-term success and resilience
- Awarded with the Certificate of Appreciation for the aid and charity works provided by the Akim of West Kazakhstan Region

What we plan to do in 2025

- Contribute to creating positive impacts in the communities by fostering collaboration and open communication with those affected by our activities.

Philanthropy: 2024 key initiatives

GRI 203-1, 413-1

We acknowledge the importance of managing and mitigating potential risks and impacts arising from our activities to support the communities affected by our operations.

During 2024, Nostrum has been actively involved in continuous charitable activities aimed at supporting local communities, particularly in the areas of its operation.

In 2024, West Kazakhstan and a number of other regions suffered flooding, most significant for the recent decades. Many communities were completely destroyed, including Baiterek district where the company operates. Nostrum has actively engaged in helping local residents who were left homeless, and built 20 houses by investing own funds in the amount of US$1.2m (KZT550m) for 6 houses in “Makhambet” village, 13 – in “Ankaty” village and 1 – in “Terekty” village.

Other social and charitable assistance to local communities included support to culture, sports and educational programmes, as well as social development of new communities in the region. In 2024, social projects and charitable activities to support local communities cost the company US$0.1m (KZT25m). To support local communities in 2024, the company invested the most significant amounts in the following:

Contribution to regional development

- support for nearby communities to prevent natural disasters during difficult weather conditions (blizzards, snowfalls, floods) by providing special machinery and equipment;
- financial support of labor veterans; improvement of cultural institutions facilities in villages.

Supporting schools

- repair and improvement of facilities of general education schools of the region and pre-school institutions, purchase of school articles for children from large and low-income families.

Promotion of sports

- financial support for young athletes and winners of various intellectual Olympiads to participate in international competitions and contests, including financing of teams of the Republic of Kazakhstan participating in the World Karate Championship in Tashkent, which took first place, as well as Robotics Olympiad in the USA "WPI FIRST Championship-2024".

Supporting healthcare

- financing medical treatment outside the Republic of Kazakhstan.

Civil duty: Payment to governments

GRI 207-4

Nostrum is dedicated to maintaining transparency in its business operations and financial transactions with governments. We have established a formal public relations and government relations framework that governs our interactions with local community and with government, outlining the principles and objectives of our engagement with various stakeholder groups.

Recognising the significance of a strong social partnership between business and society, the Company actively contributes to the sustainable development of the regions in which it operates. Through its initiatives, Nostrum strives to foster favorable conditions and enhance the quality of life in the communities surrounding its core business activities.

In 2024, a total of US$27.93m (in 2023: US$59.94m) was paid to governments by Nostrum and its subsidiaries. We will report on 2025 payments to governments in the first half of 2026. For more details, please see the Governance page of our website.

Nostrum upholds its civic responsibility with utmost commitment, recognising that fulfilling its tax obligations appropriately is essential for local economic development and enhances the capacity of local governments to serve their communities effectively.

The Group did not engage in any lobbying or political finance activities in 2024 and had no lobbying or political expenses.

The Group is a member of certain business and sectoral groups for which it pays a standard membership fee, as specified below:

- Atameken (The National Chamber of Commerce of Kazakhstan, which represents the interests of businesses, covering all business areas, and the main task of which is the protection of the rights and interests of the business community in Kazakhstan). Membership Fee paid for 2024: US$24,042.
- KazEnergy (An association including numerous companies operating in the oil and gas industry, as well as in the electric power and the nuclear industries, with the goal of promoting the sustainable and balanced development of the energy industry of the Republic of Kazakhstan). Membership Fee paid for 2024: US$20,875.

Economic responsibility: Spend with local suppliers

GRI 204-1

We are committed to partnering with local companies and in 2024 we spent 88.2% (in 2023: 74.89%) of our supplier budget on RoK national suppliers. The increase in percentage is primarily due to the completion of the restructuring process in 2023, during which advisory fees were paid to service providers outside Kazakhstan. As there were no such restructuring-related expenses in 2024, a larger portion of the budget was allocated to local suppliers.

Environmentally friendly: Liquidation fund contribution

Under the terms of the Chinarevskoye PSA, Nostrum is obliged to accumulate a cash reserve liquidation fund which by the end of the PSA should total US$12.0m earmarked for the elimination of environmental consequences of our operating activities. At the end of 2024, US$9.1m had been accumulated (2023: US$8.6m).

High ethical standards: Anti-Corruption and Bribery Policy

For more information on the Group's Anti-Corruption and Bribery Policy, please see page 98.

Environmental stewardship

Nostrum acknowledges its environmental responsibility and is dedicated to advancing a transition toward a more sustainable energy portfolio. Our approach prioritises responsible operations, with a structured focus on minimising environmental impact across our areas of activity. We comply with the environmental regulations of RoK, which are aligned with international standards, and actively implement initiatives to minimise emissions and waste.

2024 highlights

Total GHG emissions[1]

256,089 tons

2023: 180,136 tons

Processed waste by 3rd party companies

64.6%

Emissions intensity ratios for total GHG emissions

35,282 tCO_2/mmboe

2023: 48,913 tCO_2/mmboe

CDP score

B

2023: B-

What we did in 2024

- Implemented an automated emissions monitoring system for real-time environmental surveillance and regulatory compliance.
- Continued investments in renewable energy, purchasing 1,865 thousand kWh from sustainable sources.
- Expanded the digital infrastructure for emissions tracking, including AI-driven sustainability analysis and blockchain-based verification.
- Upgraded water treatment and injection systems, improving efficiency and reducing environmental impact.

What we plan to do in 2025

- Strengthen sustainability by advancing AI and blockchain for emissions monitoring, expanding renewables, digitalising reporting, enhancing waste heat recovery, optimising water treatment, and cutting GHG emissions per Kazakhstan's carbon neutrality goals.
- In 2025, the Company will continue strengthening its safety culture by running an internal training center for hazardous work training, developing an intervention approach for unsafe conditions and actions, and establishing a passenger intervention policy.

1. Increase in GHG emissions in 2024 due to Ural O&G processing.

In 2024, there were fines and sanctions against the Group for non-compliance with environmental regulations, in the amount of US$200 thousand. Furthermore, we recognise the importance of climate change and are committed to mitigating our greenhouse gas emissions.

Climate change

GRI 305-7

Nostrum recognises the breadth and significance of its operational impacts and is committed to aligning its activities with sustainable resource management principles, environmental stewardship, and climate risk mitigation.

As a producer, our operational activities contribute to greenhouse gas (GHG) emissions, and we recognise the responsibility mitigate our environmental impact in a sustainable and responsible manner. Minimising emissions remains a key strategic priority for the Nostrum.

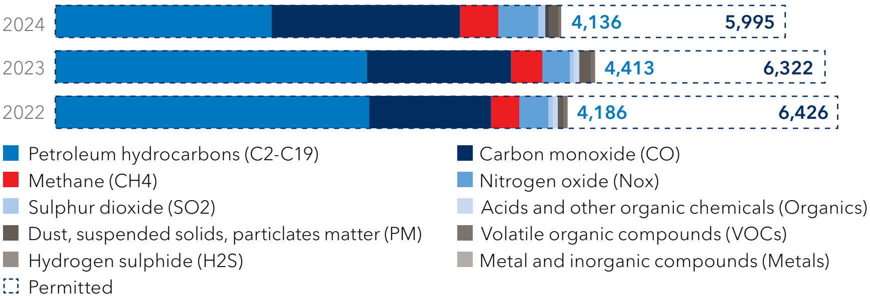
We understand that hydrocarbon exploration and production significantly contribute to GHG emissions, and therefore, we are committed to addressing climate change. In 2024, minimising the environmental impact of our operations was a core corporate social responsibility objective, and this remains a strategic priority for Nostrum moving forward.

Nostrum organises its operations to comply with the emissions limits outlined in the Environmental Emissions Permit issued by Kazakhstan and establishes internal targets that exceed regulatory requirements to further enhance environmental performance.

When applying for an Environmental Emissions Permit, preliminary standards for maximum permitted emissions are determined, based on the analysis of historical data from preceding 2-3 years.

The Board is responsible for ensuring that Nostrum complies fully with Listing Rule 14.3.27R and Listing Rule 9.8.6R(8) in this annual report. Moreover, the Board is also responsible for the governance, strategies, risk assessment, management systems and KPIs relating to climate change and GHG emissions.

Air emissions actual/permitted
(tonnes)



GHG emissions reporting approach

GRI 305-1, 305-2

Nostrum is dedicated to minimising all GHG emissions and continues to invest in innovative technologies to enhance its GHG emissions performance. Nostrum fully complies with GHG emission regulations in the UK and Kazakhstan and has been monitoring and reporting GHG emissions since 2011.

The objective is to improve surveillance, increase transparency, foster a data- driven culture that empowers employees to identify and act on insights. This approach aims to achieve optimal energy efficiency with a minimal carbon footprint through effective monitoring, process digitalisation, and continuous optimisation.

The Company's GHG reporting period is aligned with the period in respect of which the Directors' Report is prepared.

The majority of our emissions originate from the combustion of fuel gas in gas turbine units, boilers, process heaters, and compressors. Additional emissions arise from flaring in cases where no viable alternatives are available. In 2024, greenhouse gas emissions saw an upward trend primarily due to the processing of third-party hydrocarbons at our facilities and drilling operations as well.

According to the new 2022-2025 Kazakhstan National GHG allocation Plan, 206,182[1] tones of CO2e were allocated to Nostrum. Our actual CO2 emissions in 2024 were 222,038 tones and our actual GHG emissions in CO2 equivalent were 256,089 tones, which include three other gas types as provided in Table 5 on page 76.

In 2024, the Company pursued an active energy policy with the implementation of multiple initiatives. However, emissions have been rising since 2023 due to several significant factors. The increase became particularly evident following the expansion of operations and higher fuel consumption requirements.

Throughout 2024 GTU 1/2 and GTU-3 were in operation, and the Company continued processing feedstock from Ural O&G. The integration of this third-party feedstock further contributed to the overall increase in emissions, as additional processing volumes required greater energy input.

More detailed information on GHG emissions in 2024 are presented on pages 75-76.

During 2024, the Company completed launching an automated emissions monitoring system (EMS) for environmental surveillance. The comprehensive EMS equipment is installed at a Gas Turbine Station 26MW and transmits data online to the National Database on Environmental and Natural Resource Conditions. The EMS operates in real-time, allowing for the monitoring of nitrogen oxide and nitrogen dioxide, carbon monoxide, sulfur dioxide, and methane in exhaust gases, as well as measuring flow rate, temperature, pressure, and relative humidity.

Nostrum is committed to meeting the RoK requirements under the Digital Kazakhstan Programme , advancing digital technology adoption and mitigating regulatory risks. Our digital transformation efforts focus on integrating its facilities into key digital systems, including:

- ISUNG (Information System for Accounting of Oil and Gas Condensate and Gas);
- CEMS (Continuous Emissions Monitoring System);
- Automated Reporting System (ARS) for internal Production, Wells & Facilities Operations, and GHG Reporting;
- Government Reporting System maintenance to ensure accuracy and compliance.

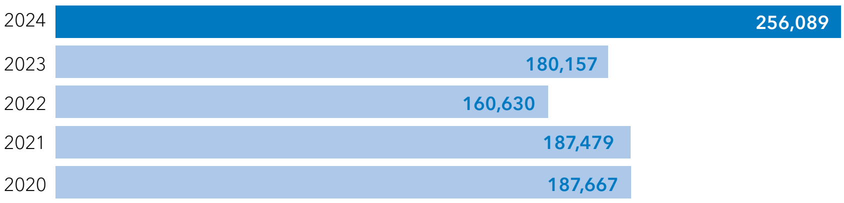
In 2024, ARS expansion improved real-time data integration, emissions monitoring, compliance, and efficiency. A major milestone was integrating Ural O&G feedstock into processing facilities. Despite challenges in phasing in GTU-3 plant data, significant progress was made:

- Real-Time Data Monitoring & Integration:
  - integrated CEMS (78 tags), ISUNG (29 tags), GTU-3 (76 tags), and Ural O&G (276 tags) into ARS, improving real-time emissions tracking and automation;
  - established direct data pipelines between SCADA and ARS for seamless feedstock capture;
  - launched a ZKM Data Pipeline test environment for validation before full-scale deployment.
- Regulatory Compliance & Emission Tracking:
  - achieved compliance with Ministerial Ecology Order, integrating metering devices into the National Emission Monitoring Database;
  - integrated gas turbine exhaust data into CEMS for enhanced emissions monitoring;
  - upgraded metering systems across gas treatment, flare, fuel gas, and reinjection units to meet regulatory requirements.
- Digital Optimisation:
  - ARS infrastructure was optimised, improving data accuracy and system efficiency while streamlining reporting for wells production and field operations. Optimised existing ISUN tag architecture for improved data accuracy, integrity, and efficiency.
- Infrastructure Optimisation & AI-Driven Enhancements:
  - optimised ISUN tag architecture to improve data accuracy and system efficiency;
  - implemented phased digitalisation to manage high data volumes and evolving regulations;
  - automated reconciliation and reporting for Wells Production, Field Operations, and GHG tracking.
- Sustainability & ESG Initiatives:
  - deployed AI-powered predictive analytics for well management and process optimisation;
  - initiated satellite-based methane emissions and biodiversity monitoring;
  - expanded ESG compliance tracking through AI-driven sustainability analysis and blockchain-based verification.

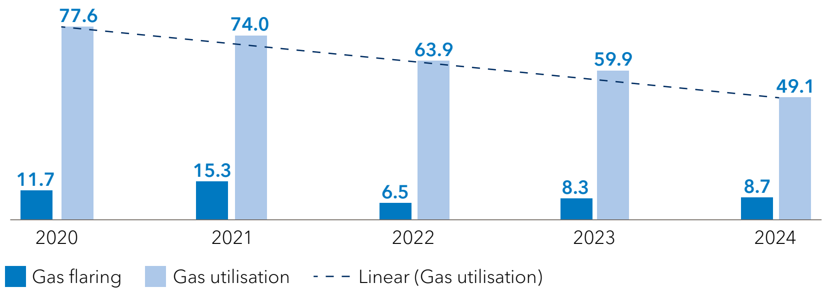
Nostrum will continue to enhance digital capabilities with AI optimisation, automated compliance, and blockchain-based ESG verification for regulatory and operational excellence.

1. In 2022 the National GHG Allocation Plan was approved with a quota set for 2024 at 203,562. In May 2024 amendments were made to the Plan and the quota for 2024 was revised to 206,182.

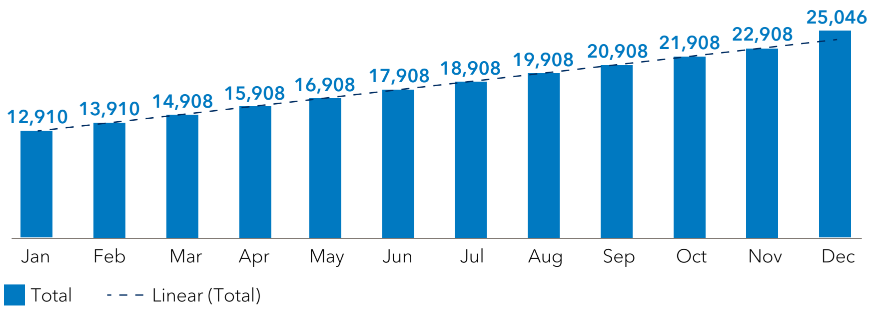
GHG emissions for Scope 1 and Scope 2
(tCO_2e)



Gas utilisation and flaring
(MCM)



Actual GHG emissions 2024
(tCO_2e)



Current and future GHG reduction initiatives

GRI 305-5

Nostrum continues to invest in current and future technological advancements in order to effectively detect, monitor and prevent GHG emissions. The Company has the following technology in place to proactively monitor, limit and reduce its GHG emissions:

- 397 methane detectors to monitor equipment maintenance and pressure valve replacement exercises;
- Mobile methane detectors in gas flowlines;
- Use of cross exchangers in all Gas Treatment Units to pre-heat cold streams entering a heated process system by use of heat from hot streams exiting the system and requiring cooling;
- Waste heat recovery system at CGTU-3 – exhaust gases from the compressor units are used for heating the buildings and preheating the utility fluids in the plant, resulting in reduced fuel gas consumption;
- Vapour Recovery Systems (VRS) installed in oil and condensate tanks to inhibit hydrocarbon evaporation during storage and transfer;
- Hydrocarbon Recovery System (HCRS) installed in LPG loading terminal to prevent hydrocarbon 'bleeding' into the atmosphere;
- 26 MW power station generates electricity for use in the field and therefore limits the use of diesel-powered heaters;
- Fuel switch at Camp 1 for Boilers.
- Well stock has local skids that will automatically shut-in the well bore to prevent full blowdown of the surface lines and resultant GHG emissions;
- The Continuous Emission Monitoring System (CEMS) was successfully integrated into the ARS through the corporate network, and the related Site Integration Test (SIT) was conducted for the government Automated Emission
- Monitoring System (AEMS) in November 2024.

In recent years, the Company has implemented a number of projects which have had a continuous GHG reduction effect, such as:

- Well automation flaring prevention on three wells during processing – 1,983.61 tCO_2e /year;
- Electric driven LPS compressor instead of fuel gas driven – 1,697.76 tCO_2 /year;
- Waste Heat Recovery project at GTU-3 with an annual GHG reduction of 2,072 tonnes of CO_2;
- Flaring reduction to the minimum due to proper production optimisation management, real time production monitoring and by shutting down the wells during any intervention with annual GHG reduction 4,000+ tonnes of CO_2. It should be noted that GTU-3 hot commissioning/re-start and acceptance of Ural O&G third party feedstock have been done seamlessly with almost absence of hydrocarbons flaring and additional carbon footprint thanks to good preparation and execution of subject processes.

The Company is also appraising and investing in the following technologies to assist in the proper identification, accounting, and mitigation/reduction of GHG emissions:

- Full asset digitalisation – Integrated production accounting and GHG emission quantification tools that give a holistic view of the entire hydrocarbon value chain as well as forecasting capabilities. Support digital transformation initiative of our assets;
- Perform digitalisation of all our assets and business processes, data collection and reporting systems by 2026;
- Perform Digital transformation of our company, by 2035;
- Several projects that aim reduction of the fuel gas consumption are being evaluated targeting substantial reduction of GHG Emissions and None GHG Air Emissions: Installation of a Waste Heat Recovery Boiler for amine regeneration heat and technology line requirements;
- To reduce our dependence on fossil fuels by investing in renewable energy, the company is currently investigating the different options like application of thin-film PV (Powerfoil) as solar solution for storage tanks and roofs.

The technology for GHG detection and quantification is constantly evolving, however, the Company continues to explore key technologies that will assist with the objective of GHG emissions reduction.

Nostrum is also considering various additional GHG reduction initiatives for 2025 and future years.

Environmental disclosures

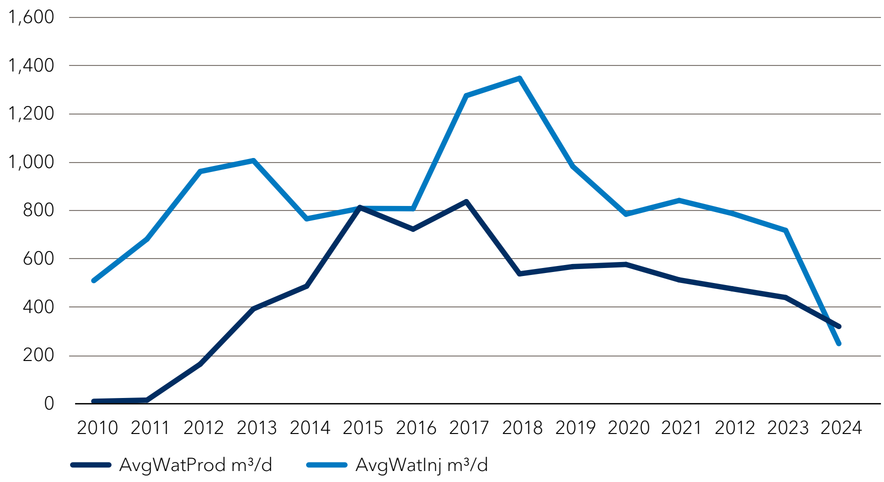
In 2024, we continued our practice of disclosing climate- and water-related information through CDP, the global independent environmental disclosure system. Our submission covered a wide range of topics, including strategy, risks and opportunities, targets, governance, initiatives, environmental policies, and emissions. CDP awarded us a score of B for both Climate and Water, reflecting an improvement from B- in 2023 and placing us at the Management level, which indicates that we are taking coordinated action on environmental issues. Additionally, we voluntarily expanded our disclosure to include biodiversity and plastics, demonstrating our broader commitment to environmental transparency and stewardship.

Decommissioning

According to the regulations on subsoil use, it is required that all production facilities owned by subsoil users and the associated land be brought to a condition that ensures the safety of life, public health, and environmental protection.

Furthermore, the consequences of subsoil users' activities must be resolved as outlined in the legislation of the Republic of Kazakhstan. The closure of subsoil use objects follows the guidelines laid out in a Liquidation Project, which is prepared by a design organisation holding a valid licence for environmental protection services. All necessary decommissioning actions are detailed in the Liquidation Project created by NIPI Neftegas.

Formation water production/water profile (average daily)
(MCM)



GRI 306-3

Year	2021	2022	2023	2024
Waste generated, tonnes	2,876	2,865	2,747	**7,457**
Transferred for processing, tonnes	2,699	2,462	1,262	**4,816**
Transferred for processing, %	93.80%	85.93%	45.95%	**64.6%**

Waste, water and soil management

Nostrum's operations undergo comprehensive environmental monitoring, incorporating robust management systems for waste, water, and soil. The company regularly analyses air, soil, and groundwater to ensure compliance with sanitary and epidemiological standards set by Kazakh legislation.

To uphold its regulatory obligations, Nostrum has established monitoring and reporting systems that facilitate ongoing environmental assessments of waste, water, and soil at the Chinarevskoye field.

Waste management

GRI 306-1, 306-2

Waste management encompasses the daily monitoring of temporary storage sites for industrial and municipal waste, as well as the recording, transportation, and transfer of waste to authorised third-party contractors.

All generated waste is transferred under a contract to the following third-party specialised organisations:

- West Dala LLP
- Green Eco Technology LLP
- TuranPromResurs LLP
- Oral Tazalyk KZ LLP

In 2024, the volume of waste generated at the Company's facilities totaled 7,457 tonnes, consisting of 40 different types of industrial (used filters, cartridges, medical wastes, batteries, etc.) and domestic waste (plastic bottles, used paper), 64.6% of which was transferred for processing by the above mentioned companies.

To reduce waste generation, the company transfers plastic bottles and paper waste to specialised enterprises for recycling. As a result of recycling, these wastes are converted into secondary materials for use in the national economy. Additionally, production waste, such as drilling mud and oil sludge, is processed at a facility, resulting in technogenic soil, which is used in road construction and for filling pits and trenches.

Drilling waste was processed in the Field by GreenEco Technology LLP. Soil and water survey results demonstrated compliance with all applicable environmental legislation.

Waste not sent for disposal (recycling, reuse)

GRI 306-4

80% of the generated waste consists of spent drilling mud (SDM), which is produced during well drilling and workover operations. According to the designated technology, SDM is placed in SDM and BSV(drilling waste water) pits at the Drilling Waste Disposal Preparation Facility (DWDPF) .

In the SDM and BSV (drilling waste water) pits, gravitational settling occurs: the solid fraction settles at the bottom, while the water overflows into the BSV pit. In the BSV pit, further gravitational settling takes place, after which the water is sent for treatment. The treated water is then injected into a disposal site for formation water and industrial effluents. The remaining waste is transferred for disposal.

Water management

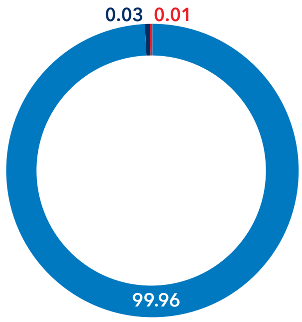
GRI 303-1, 303-2

As part of our environmental commitments, we recognise the critical importance of water resources, particularly in regions with limited availability. Ensuring sustainable access to freshwater is a key priority.

We are committed to efficient water management, striving to implement the most effective techniques to optimise freshwater use and minimise our operational water footprint. Our approach focuses on responsible water consumption, comprehensive impact assessments, targeted reduction measures, continuous monitoring, and corrective actions to protect shared water resources across all our assets.

Water withdrawals – volumes by source (%)

GRI 303-3



Recycled processed water
Dedicated ground water wells
Rainwater harvesting streams

Nostrum's water injection requirements are up to 1,200 m³ per day (average injection approximately 700-800 m³ per day), of which 400-550 m³ per day are injected from formation water production. The deficit is compensated through production from water wells. None of these water wells competes with fresh water supply to nearby communities. Five out of seven injectors are currently in operation with one disposal well used as a backup. The current system has sufficient capacity and flexibility to handle forecast water injection volumes.

The Company has initiated a series of measures to improve formation water treatment and injection processes. These measures include focusing its resources on process improvement in the treatment of water used in upstream operations which will lead to combating corrosion, reducing oil contamination, reducing growth of sulfate, reducing bacteria and the formation of inorganic scale.

A full review was initiated in 2021-2022 on process effectiveness and chemical efficiencies and mitigating actions taken ensure compliance with Kazakhstan's environmental regulations and has the additional benefit of reducing water treatment costs.

Water Treatment & Injection System Upgrade Phase II project pilot stage has been completed in 2024 including modification and adjustment of the existing treatment system (Modification inside existing Oil Treatment Unit – utilisation of condensate storage tank V-32220 as water settlement tank) resulting in confirmed improved injected water quality, less waste (oil sludge) generation and utilisation and less volatile HC evaporation. Currently, we are searching for an alternative (similar solution without using condensate storage V-32220) utilising two existing water tanks and targeting the same results – a pilot project is ongoing.

Wastewater discharges

Reasonable and careful conservation of the ecosystem with clean water and access to water resources is one of the main factors of sustainable development. The Company's main approach to solving the problem of rational water use is to use water recycling and reuse systems, increasing the degree of wastewater treatment and reducing water abstraction from natural sources.

To prevent the negative impact of wastewater on the environment, we process wastewater using special artificial reservoirs such as evaporation ponds, filtration fields and a landfill for formation water and industrial wastewater.

We have the following artificial ponds:

- Evaporation ponds GTP-1,2,3 "conditionally clean" storm wastewater;
- Polygon for formation water and industrial wastewater disposal;
- Filtration fields, domestic wastewater after treatment at the liquid mud plant.

Recycled at own production

Year	2022	2023	2024
Facility, tonnes	1,609.2	750	**4,941**

Waste designated for landfill

GRI 306-5

Year	2022	2023	2024
Disposed of at third-party landfills,tonnes	296.415	313.567	**291.28**

Disposal of Domestic and Sanitary Wastewater in 2020-2024

GRI 303-4

	2020		2021		2022		2023		2024	
Disposal indices	Permitted	Actual	Permitted	Actual	Permitted	Actual	Permitted	Actual	Permitted	Actual
Disposed Sanitary Wastewater, m^3	85,775	25,090	85,775	26,188	85,775	26,191	58,100	26,820	**58,100**	**29,805**
Discharges to ponds evaporators, m^3 GTU-1,2,3	84,810	21,398	84,810	22,338	84,810	44,748	84,810	43,059	**84,810**	**43,389**
Drilling wastewater and associated water, m^3	45,900	1,740	45,900	4,573	35,000	2,757	4,572	2,787	**10,487**	**4,220**

For more detailed information, please visit our website at **www.nostrumoilandgas.com**.

	2022	2023	2024
Water Intake	137.3494	129.842	**121.344**
Water Discharges	361.277	334.603	**327.674**
Total water consumption	266.86855	246.344	**320.314**

Energy and resource efficiency policy and methane emissions management policy

The Company strives to use energy in the most efficient, cost effective, and environmentally responsible manner possible. Nostrum committed to consider energy efficiency as a factor in production operations development, in process and facility design and in the procurement of goods and services, whether it is further development of existing assets, appraisal of new upstream assets or midstream tiebacks.

As mentioned in the Climate Change paragraph, the greatest efforts in 2024 were made in the smooth and energy-efficient addition of Ural O&G third-party sour feedstock to our process facilities. By proper operational preparatory works and the establishment of a set of basic rules and measures, Nostrum has succeeded in minimising its carbon footprint during the extensive and complex Ural O&G feedstock pilot delivery process. Regarding the Chinarevskoye asset, considering ongoing challenges related to assets aging and potential facility integrity deterioration, the Company has paid attention to strengthening its flow assurance process by the development and implementation of Flow Assurance Process Guideline aiming to ensure the uninterrupted flow of hydrocarbon streams from the reservoir to the point of sale according to the production plan, including integrity preservation, product specs assurance, HSE regulations, and all other FA-related processes.

Based on 2024 approved project list and production forecast:	2021	2022	2023	2024	2025	2026
Projected specific GHG emissions (Sc1+Sc2) tCO_2e per kboe of production feed-stock	29.5	34.6	47.2	**35.2**	30.0	30.0
Projected specific Air emissions t per kboe of production feed-stock	0.7	0.9	1.2	**0.8**	0.7	0.7
Projected specific waste generation t per kboe of production feed-stock	0.5	0.6	0.7	**1.0**	0.5	0.5

Renewable energy use

GRI 302-1

In 2024, in accordance with the Rules of Determination of Rate for Support of Renewable Energy Resources (RES), Nostrum purchased 1,865 thousand kWh of electricity from environmentally safe RES for own needs, representing 1.93% of Nostrum's total electricity consumption. The RES are provided by "Settlement and Financial Center to Support Renewable Energy Sources" LLP.

Table 1: Volume and % of renewable energy use

Year	Total energy use, kWh	Renewable energy use, kWh	% of renewable energy use
2018	155,938,801	536,242	0.34%
2019	110,007,715	2,122,070	1.93%
2020	97,611,929	2,064,228	2.11%
2021	93,236,708	2,156,969	2.31%
2022	92,702,024	1,580,212	1.70%
2023	88,440,944	1,014,826	1.15%
2024	**96,611,638**	**1,865,888**	**1.93%**

In 2025, we will continue to take action for developing renewable energy sources of energy saving and energy efficiency.

GHG emission results

GRI 305-1, 305-3

Kazakhstan signed the Paris Agreement on August 2, 2016 and ratified it on November 4 of the same year. All Parties to the Paris Agreement have their own commitments to reduce greenhouse gas emissions. Kazakhstan has set itself an ambitious unconditional goal – by 2030 to reduce greenhouse gas emissions by 15% from the 1990 level. In February 2023, Kazakhstan adopted a strategy to achieve carbon neutrality by 2060, which outlines a series of essential measures aimed at reducing emissions and achieving de-carbonisation in the economy.

Starting from 2021, quotas are based entirely on the application of the benchmarking method. Greenhouse gas emission quotas in the National GHG allocation plan for 2021 were calculated by multiplying the benchmarks by the average value of production for 2017-2019.

In the National GHG allocation plan for 2022-2025 quotas to companies were also calculated entirely by applying the benchmarking method. Carbon credits in the National GHG allocation for 2022-2025 were calculated by multiplying the benchmarks by the average value of production for 2017-2019.

The following GHG quotas have been set for Nostrum in a National GHG allocation plan for 2022-2025.

2022	2023	2024	2025
209,803	206,650	**206,182**[1]	201,283[2]

Direct GHG emissions (Scope 1) sources are flares, heaters, incinerators, boilers, gas turbine plants, electric power stations and compressors.

Total direct GHG emissions (Scope 1) subdivided by gas types and by sources are summarised below in Tables 2 and 4. No further ecological data is available for publication. Consequently, additional disclosures in relation to materials used, products and services, waste management, water consumption, energy consumption and energy efficiency, emergency and intermittent pollution episodes, wastewater discharges, atmospheric emissions of greenhouse gases and other pollutants, environmental protection and biodiversity are not possible.

The Company carried out works on preparing an analysis and calculations for Scope 3 GHG emissions for three categories "Waste generated in operations" – 1,313 tons of CO_2, "Capital goods" – 184 tons of CO_2 and "Goods and Services" – 1,304 tons of CO_2. (1,430 tons of CO_2 for one category in 2023). In total Scope 3 emissions were in amount of 2,617 tons of CO_2. This is the Company's third step in disclosing Scope 3 emissions. Detailed results of Scope 3 calculations will be covered in CDP submission for 2024.

Table 2: Scope 1 GHG emissions subdivided by gas type (tCO_2e)

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Carbon dioxide	195,453	242,276	244,379	213,520	180,527	180,922	165,995	176,277	**222,080**
Methane	10,817	10,723	8,436	8,429	6,133	5,614	3,600	3,824	**33,964**
Nitrous oxide	1,046	1,305	1,304	1,034	917	903	7	11	**15**
Hydrofluorocarbons	34	28	37	25	28	28	23	23	**23**
Total	207,350	254,332	254,156	223,008	187,599	187,467	169,625	180,136	**256,082**

A breakdown of GHG emissions by gas type is shown in Table 2. The GHG emissions predominantly consisted of carbon dioxide and methane. Scope 1 emissions are generated directly by equipment owned and operated by the Group. The equipment includes boilers, heaters, diesel stations, gas turbine units and compressors. Scope 1 emissions also include flaring and hydrofluorocarbons emitted by refrigeration units and climate control systems, such as air conditioners.

Table 3: Scope 3 GHG emissions subdivided by categories (tCO_2e)

	2022	2023	2024
Waste generated in operations	352	289	**1,313**
Capital goods	n/a	150	**184**
Goods and services	n/a	1,430	**1,304**
Total	352	1,869	**2,801**

Table 4: Scope 1 GHG emissions subdivided by source types (tCO_2e)

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Stationary combustion	195,576	243,001	245,362	214,536	181,403	181,765	166,284	176,954	**237,899**
Mobile combustion	758	435	105	89	66	86	112	48	**41**
Fugitive sources	11,016	10,896	8,536	8,359	6,130	5,616	3,229	3,134	**18,141**
Total	207,350	254,332	254,003	223,008	187,599	187,467	169,625	180,136	**256,082**

Stationary combustion sources formed the majority of emitted GHGs.

1. In 2022 the National GHG Allocation Plan was approved with a quota set for 2024 at 203,562. In May 2024 amendments were made to the Plan and the quota for 2024 was revised to 206,182.
2. The GHG quota for 2025 was set in 2022 only based on production from Chinarevskoye field (without Ural O&G processing volumes). In H1 2025, the Company plans to apply for an additional 2025 quota from the free state reserve, which will cover the forecasted GHG emissions for 2025 (while the Group's KPI is not to exceed 290,209 tons of CO_2).

Indirect GHG emissions (Scope 2)

GRI 305-2

Nostrum does not rely on purchased steam, heating or cooling. The only source of purchased energy contributing to indirect GHG emissions is electricity, which is supplied to Nostrum facilities through the Zelenovskaya distribution network (ZapKazREK JSC) via its subsidiary, Batys Energoresursy LLC. The regional emission factor (0.27086 tCO_2/MWh) was determined based on the Methodological Guidelines for Calculating GHG Emissions from Electrical Power Stations and Boilers. Total direct and indirect GHG emissions (Scope 1 and Scope 2) and total GHG emissions are summarised in Table 5.

Table 5: Scope 1, Scope 2 and total GHG emissions (tCO_2e)

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Direct energy (Scope 1)	207,350	254,332	254,156	223,008	187,599	187,467	169,625	180,136	**256,082**
Indirect energy (Scope 2)	2,263	640	559	297	68	12	5	21	**7**
Total	209,613	254,972	254,715	223,305	187,667	187,479	169,630	180,157	**256,089**

Emissions intensity ratio

GRI 305-4

Tonnes of CO_2 per tonne of output is a recommended intensity ratio for the oil and gas sector, as per Appendix F of the UK Government's Defra Environmental Reporting Guidelines (2013). Taking into account the variety of products of Nostrum – crude oil, stabilised condensate, LPG and dry gas – the chosen intensity ratio is expressed in metric tonnes of CO_2e ($mtCO_2e$) per tonne of oil equivalent (mmboe). Table 6 shows intensity ratios for total (Scope 1 and Scope 2) emissions in the period 2016-2024.

Table 6: Emissions intensity ratios for total GHG emissions

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Production, tonnes of oil equivalent (toe)	2,156,171	2,088,917	1,878,026	1,520,928	1,186,383	907,648	703,430	537,740	**1,059,7**
tCO_2/toe	0.097	0.122	0.136	0.1	0.2	0.2	0.2	0.3	**0.2**
Production, mmboe	14.8	14.3	12.9	10.0	8.1	6.2	4.8	3.6	**7.2**
tCO_2/mmboe	14,193	17,820	19,801	21,434	23,094.8	30,157	35,207	48,913	**35,282**

	2019	2020	2021	2022	2023	2024
Gross emissions of air pollutants into atmosphere	0.0037	0.0035	0.0048	0.0060	0.0082	**0.0039**

Table 7: Global GHG emissions and energy use data

	Current reporting year 2024		Comparison reporting year 2023	
	UK and offshore[1]	**Global (excluding UK and offshore)**	**UK and offshore[1]**	**Global (excluding UK and offshore)**
Emissions from activities which the Company owns or controls, including combustion of fuel & operation of facilities (Scope 1) tCO_2e[2]	**No data collection**	**256,082.85**	No data collection	180,136.0
Emissions from purchase of electricity, heat, steam and cooling purchased for own use (Scope 2, location-based) tCO_2e	**No data collection**	**6.6**	No data collection	20.7
Total gross Scope 1 + Scope 2 emissions tCO_2e	**No data collection**	**256,089.5**	No data collection	180,157.0
Energy consumption used to calculate Scope 1 emissions: kWh	**No data collection**	**No data collection**	No data collection	No data collection
Energy consumption used to calculate Scope 2 emissions: kWh	**No data collection**	**No data collection**	No data collection	No data collection
Total energy consumption used to calculate Scope 1 and Scope 2 emissions: kWh	**No data collection**	**377,043,905.4**	No data collection	377,095,765.4
Intensity ratio: tCO_2e (gross Scope 1 + 2)/ mmboe	**No data collection**	**35,282.7**	No data collection	47,616.0
Methodology	**No data collection**	**Kazakhstan methodical guidelines. KwH calculated based on 1.36E+15 J own generated energy plus purchased electricity.**	No data collection	Kazakhstan methodical guidelines. KwH calculated based on 1.36E+15 J own generated energy plus purchased electricity.
Principal measures taken for the purpose of increasing the Company's energy efficiency.	**None**	**None**	None	Nostrum replaced oil heaters with heaters powered by gas; installed devices at well-sites to automatically close the wells in the case of shutdown, preventing blowdown by flaring; and installed measuring devices in flowlines and other devices allowing for future optimisation. Following an energy efficiency audit, Nostrum replaced 115 fluorescent lamps with LED lamps.

1. In Belgium, the Netherlands and the UK, the Group rents serviced office space but the owner does not collect the data required to be reported.
2. The period for which this information is prepared is identical to the period in respect of which the Directors' report is prepared.

In-process control, monitoring and health protection

The primary focus of the Company is to adhere to all legal regulations in the Republic of Kazakhstan concerning environmental protection, labour conditions at production facilities, and health protection. In this respect, Nostrum conducts ongoing monitoring and control across various areas.

Industrial environmental monitoring (IEM) and control

IEM has been performed under the Industrial Environmental Monitoring Programme developed based on requirements of RoK Environmental Code and other environmental regulatory & procedural documents and instructions. The programme provides for environmental emissions monitoring and environmental medium impact monitoring of Nostrum operations.

Ambient air sampling Industrial emissions measurements

Ambient air quality study was made in Beles, Sulukol, Chinarevo villages at Chinarevskoye Field sanitary protection zone (hereinafter "CF"), Camp-3, transfer point at Terminal and sanitary protection zone of Oil Loading Terminal.

Water samples were taken from Yembulatovka River, evaporation ponds at GTU-1/2 and GTU-3 and from sewage treatment plant of Camp-3. Soil samples were taken once a year at sanitary protection zone: CF, Oil Terminal, transfer point, Camp-3.

In-process control in canteens

Quarterly inspections are carried out in Nostrum canteens, during which samples of prepared meals, salads, wash water, and water are collected for bacteriological and chemical analysis. Additionally, assessments of lighting, workplace microclimate, noise levels, and ventilation system operations are conducted. Any instances of non-compliance are addressed through corrective actions, such as replacing lighting equipment, repairing air conditioners, and installing a new bactericidal lamp in the water treatment system.

In-process control of labour conditions at production facilities

To detect any workplace discrepancies, evaluations were carried out to assess air quality, lighting, microclimate conditions, noise levels, vibrations, electromagnetic fields, and power stations. These essential measurements and inspections at Nostrum facilities were performed by specialised contractor companies holding the necessary permits and accreditation certificates. The findings from the in-process monitoring are submitted to the relevant regulatory bodies, and an industrial environmental control report is uploaded to the electronic environmental portal.

Non-financial and Sustainability information statement

This section of the strategic report constitutes the Company's Non-financial and Sustainability Information Statement, produced to comply with sections 414CA and 414CB of the Companies Act. The information is incorporated by cross reference.

Reporting requirements	Policies and standards which govern our approach	Information necessary to understand our business and its impact, policy due diligence and outcomes
Environmental matters	Annual environmental objectives	Environmental stewardship, pages 69-77
	Liquidation fund contribution in accordance with the PSA	Communities and social review, pages 67-68
Employees	Group Code of Conduct and Human Rights	Empowering our people, pages 62-66
	Whistleblowing policy	Safe operations, pages 56-61
	Health and Safety policy	Total Recordable Injury Frequency, page 57
Respect for human rights	Modern Slavery Statement	Empowering our people, pages 62-66
	Equality and Diversity Policy	
Social matters	Sponsorship of community events	Communities and social review, pages 67-68
Anti-corruption and anti-bribery	Anti-corruption and bribery policy	Communities and social review, pages 67-68
	Anti-facilitation of tax evasion policy	Our Governance Framework, pages 96-98
	Payments to governments	
Description of principal risks	Principal risks and uncertainties, pages 36-42	
Description of the business model	Business model, pages 6-7	
Non-financial key performance indicators	Key performance indicators, pages 22-23	
	Our strategic priorities, pages 12-13	

TCFD Recommendation	TCFD Recommended Disclosure	Where reported
Governance Disclose the organisation's governance around climate related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	Pages 79-80
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Pages 79-80
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Pages 81-82
	b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.	Page 82
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Pages 83-84
Risk management Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	Pages 84-85
	b) Describe the organisation's processes for managing climate-related risks.	Pages 84-85
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Pages 84-85
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with risk management process.	Page 85
	b) Disclose Scope 1, Scope 2 and if appropriate, Scope 3 GHG emissions, and the related risks.	Page 85
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Page 86
	d) Describe the KPIs used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and the calculations on which those KPIs are based.	Page 86

Climate-related Financial Disclosures

We have continued improving our disclosures and reporting to maintain adherence to TCFD recommendations, reflecting Nostrum's operations and strategies.

TCFD Statement

Climate change presents significant challenges and opportunities that impact our business operations, financial performance, and long-term strategy. We make climate-related financial disclosures in line with the FCA Listing Rule 14.3.27R and LR 9.8.6(8) ensuring consistency with the TCFD Recommendations and Recommended Disclosures as well as and UK Climate-Related Financial Disclosures (CFD) for the financial year ending 31 December 2024. This report is structured around the four core elements of the TCFD framework: Governance, Strategy, Risk Management, and Metrics and Targets. These core elements are complemented by the 11 supporting recommended disclosures, which provide detailed guidance on how to comprehensively disclose climate-related risks and opportunities.

We acknowledge that the landscape of climate-related risks and opportunities is continually evolving. As such, we are dedicated to regularly updating our assessments and strategies to ensure resilience and adaptability in a changing environment. This initiative aims to enhance our transparency and provide stakeholders with clear insights into how we manage climate-related risks and opportunities, while continuing to respond to their guidance.

When making assessments and preparing disclosures we have considered whether particular issues and related information may influence the economic decisions of the stakeholders. Such approach is in line with guidance and recommendations provided by TCFD in relation to materiality of information. Furthermore, the risk assessment process and its potential financial impact involved use judgements and estimates, which are consistent with the TCFD Recommendations and Recommended Disclosures. This report reflects our current understanding and ongoing efforts to integrate climate considerations into our corporate decision-making processes.

Governance

TCFD recommendation:

Disclose the organisation's governance around climate related risks and opportunities.

Read more about our strategy on pages 12-13

a) Describe the board's oversight of climate-related risks and opportunities.

b) Describe management's role in assessing and managing climate-related risks and opportunities.

Board of Directors

The Board of Directors retains ultimate responsibility for overseeing climate-related risks and opportunities within its governance framework, ensuring their integration into strategic and operational decision-making to align with the Company's long-term objectives. Through internal control and risk management, including regular reports, periodic reviews, and an annual assessment, the Board systematically identifies, manages, and discloses climate-related risks, embedding climate considerations into strategy, risk management, and stakeholder engagement to reinforce its commitment to long-term resilience and sustainable value creation.

Key elements of the Board's oversight include:

Strategic alignment
The Board approves the Group's strategic aims, objectives, and commercial strategy, budgets, and business plans which incorporate climate-related considerations such as transitioning to cleaner energy business practices.

Policy approval
The Board retains responsibility for approving policies that underpin the Company's commitment to sustainability, environmental stewardship, and broader ESG (Environmental, Social, and Governance) principles.

Risk management
The Board oversees the internal control and risk management framework, which includes identifying, assessing, and mitigating climate-related risks. Further details on the identified risks and related responses are disclosed within "Principal risks and uncertainties" section on pages 36-42.

Reporting and accountability
The Board approves the annual report and accounts, which include disclosures on climate-related risks, opportunities, and performance metrics aligned with TCFD recommendations.

Progress against climate goals (e.g., emissions reductions, sustainability targets) is monitored through Board reviews of operational performance. See pages 22-23 for Company KPIs and pages 111 and 117, where CEO KPIs include GHG emissions-related targets.

Stakeholder engagement
The Board ensures a satisfactory dialogue with all the stakeholders, including transparency in communications about the Company's sustainability commitments.

Audit Committee

The Audit Committee ensures comprehensive oversight of Environmental, Social, and Governance (ESG) risks, with a particular focus on climate-related financial disclosures, regulatory compliance, and risk management. Its key responsibilities in this area include:

Financial reporting
The Committee reviews the Company's climate-related disclosures in the annual report, ensuring alignment with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and monitoring emerging climate-related risks. Additionally, the Committee tracks performance against defined ESG KPIs, ensuring transparency and accuracy in climate-related financial reporting, and seek independent assurance on behalf of the Board where appropriate.

Internal controls and risk management systems
The Committee oversees management's process for identifying and managing ESG and climate-related risks, ensuring that internal controls effectively support the accuracy, completeness, and integrity of ESG-related information.

Compliance
The Committee monitors compliance with ESG and climate-related legal and regulatory requirements, ensuring alignment with FCA Listing Rules, UK Corporate Governance Code.

Read more on pages 99-105

Governance continued

Strategy Committee

The Strategy Committee is responsible for advising the Board on short-term, medium-term and long-term strategic decisions of the Company (horizons defined on page 82), including following activities relevant for addressing climate-related risk and other ESG matters:

- Supporting the Board and Senior Management in formulating the overall strategy for the Company, with particular emphasis on horizon scanning, priorities, activities and outcomes.
- Considering reports on overall performance in respect of the achievement of the objectives and outcomes contained within the Corporate Strategy.
- Reviewing determined KPIs to assess performance with respect to the Group's strategy.

Read more on page 93

Remuneration Committee

Annual KPIs relating to climate change and emissions targets are approved by reviewed by the Remuneration Committee and upon its recommendation approved by the Board. The progress against those KPIs monitored and reported to the Remuneration Committee and the Board. See pages 109-111 for more details.

Read more on pages 107-124

ESG and HSE Committees

The ESG Committee and HSE Committee, comprised of Senior Management Team members across all company functions, play a central role in overseeing sustainability impacts, risks, and opportunities, with a particular focus on climate-related risks and strategic initiatives. These committees provide specialised guidance on Environmental, Social, and Governance (ESG) and Health, Safety, and Environmental (HSE) matters, ensuring effective supervision and execution of sustainability and climate-related initiatives across the organisation.

These committees are responsible for developing, implementing, and continuously improving the Company's ESG, HSE, and climate-related strategies, ensuring that strategic objectives and operational plans align with corporate sustainability goals.

The ESG Committee, led by the Head of ESG, and the HSE Committee, led by the Group Head of HSE, operate under the direct oversight of the CEO.

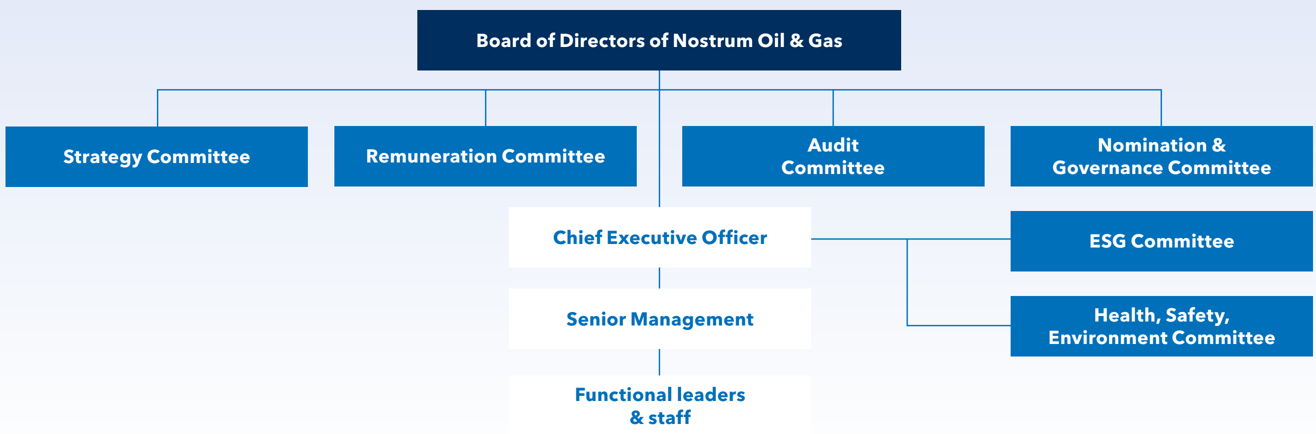
They convene before each Board meeting to provide updates on ESG, HSE, and climate-related matters.

As the key liaison between the executive team and the Board, the CEO is accountable for the effective execution of ESG, HSE, and climate-related strategies. This includes ensuring that the Board and its committees receive timely updates on progress, achievements, and key initiatives. The CEO also facilitates feedback loops between the Board and these committees, ensuring that annual operational objectives and strategies align with ESG, climate, and HSE priorities.

The Head of ESG and Group Head of HSE, alongside business function leaders, assess and update climate-related and broader sustainability risks and opportunities, integrating them into the Company's strategic planning and decision-making processes. They oversee the development and implementation of ESG, HSE, and climate strategies, propose new initiatives, and collaborate with business units to drive execution.

Additionally, these leaders monitor ESG, HSE, and climate-related performance, ensuring compliance with regulatory requirements, global reporting frameworks, and stakeholder expectations. They also lead engagement efforts with internal and external stakeholders, reinforcing transparency and accountability.

Management of climate-related matters – organisational structure



Strategy

TCFD recommendation:

Disclose the actual and potential impacts of climate- related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

Read more about our strategy on pages 12-13

a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

The Company's principal risks and uncertainties are outlined in the risk management process on pages 34-42. Within this framework, key climate-related risks, along with relevant opportunities, have been identified for Nostrum. As there have been no significant changes in the Company's principal risks and uncertainties, the climate-related risks have also remained largely consistent with the previous reporting period.

Transition risks

Policy and Legal
(short, medium and long term)

Kazakhstan's commitment to carbon neutrality by 2060 has driven the strengthening of emissions regulations, which may impact the Company's operations and financial performance. Strategic measures such as enhancing the Emissions Trading System (ETS), introducing carbon taxation, and reinforcing climate governance are expected to increase compliance obligations. The evolving environmental legislation, including stricter permitting requirements and heightened regulatory oversight, could escalate operational costs and introduce risks such as delays or denials in obtaining environmental permits from Kazakh authorities, critical to maintaining or expanding operations.

The oil and gas industry, a significant contributor to global GHG emissions, remains exposed to carbon pricing risks, regulatory scrutiny, and rising compliance costs. Global efforts under the COP21 agreement to accelerate decarbonisation, coupled with national policies to reduce fossil fuel dependency, may intensify pressure on the sector.

Beyond regulatory and permitting risks, Nostrum's operations carry inherent environmental liabilities, including potential gas leaks, oil spills, and emissions from flaring, venting, and processing. Such incidents could result in fines, cleanup costs, litigation, community opposition, operational disruptions, and reputational harm. Failure to secure necessary environmental permits, address compliance gaps, or proactively adapt to regulatory and market shifts could lead to financial penalties, operational constraints, and diminished competitiveness in an energy sector transitioning toward sustainability.

Technology
(medium and long term)

Nostrum faces technology transition risks as it moves towards lower-emission operations. High capital expenditures for R&D, the adoption of alternative technologies, and the deployment of new processes could strain financial resources, especially if advancements do not deliver expected efficiencies.

Additionally, the risk of stranded assets looms large, as existing fossil fuel infrastructure may become obsolete due to evolving regulations and cleaner energy alternatives.

Failure to integrate energy-efficient improvements or cybersecurity protections in digital transformation efforts could also expose the company to regulatory penalties and operational disruptions.

Market
(short and medium term)

Includes risk of shifting consumer preferences as growing climate concerns drive demand away from fossil fuels toward alternative energy sources, potentially impacting sales and margins.

Additionally, the company may encounter difficulties in securing financing, as ESG factors and evolving market perceptions could lower its rating and restrict access to capital.

The energy transition has also intensified competition, with new entrants and established players pivoting towards low-carbon solutions, increasing pressure on Nostrum to adapt its market positioning.

Reputation
(medium and long term)

Nostrum recognises the increasing reputational challenges associated with the energy transition and the evolving expectations of stakeholders. The oil and gas sector faces growing stigmatisation, as public and investor sentiment shifts toward sustainable energy solutions.

Negative perceptions of fossil fuel activities may impact the company's ability to attract investment, secure financing, and maintain strong stakeholder relationships.

Additionally, there is a risk of failure to fulfill commitments related to sustainability targets, emissions reductions, or reporting transparency. Any perceived shortcomings in meeting climate-related goals or misalignment with industry best practices could result in reputational damage, regulatory scrutiny, and loss of investor confidence. Companies that do not present a credible transition strategy may face divestment pressure, litigation risks, and competitive disadvantages, ultimately affecting long-term shareholder value and market positioning. Physical risks

Physical risks

Acute physical
(short and medium term)

The physical risks that may affect Nostrum include flood events caused by overflowing riverbanks, which could disrupt LPG transportation and reduce revenues. Additionally, sudden extreme temperature changes due to climate change could impact equipment productivity, increase fire hazards, and cause thermal expansion or contraction in pipelines and critical systems, leading to operational inefficiencies.

Chronic physical
(medium and long term)

Long-term climate risks that may impact the company include severe rainfall and snow conditions, which could become more frequent and pose logistical and infrastructure challenges. While Kazakhstan's continental climate has historically exhibited gradual temperature shifts, future climate change could result in more extreme fluctuations, placing additional stress on equipment and facilities. Furthermore, higher summer temperatures could reduce operational efficiency, increase cooling costs, and create additional risks for personnel and assets.

Opportunities

The energy transition presents several opportunities for Nostrum to enhance efficiency, reduce emissions, and maintain competitiveness in a changing regulatory and market environment. Investing in energy efficiency measures will help ensure compliance with evolving legislation, reduce operational costs, and prevent potential overage charges. Optimising resource usage will also enhance long-term sustainability and financial resilience.

Strategy continued

Implementing advanced emissions monitoring systems will improve tracking, strengthen regulatory reporting, and help prevent unintended environmental releases, supporting both compliance and reputation management. Shifting toward greater gas usage and reducing reliance on oil aligns with global decarbonisation efforts and positions the company for long-term sustainability. Investing in new technologies can drive operational efficiency, reduce environmental impact, and enhance Nostrum's ability to adapt to a low-carbon economy. By capitalising on these opportunities, Nostrum Oil & Gas can strengthen its market position, improve regulatory compliance, and contribute to the broader energy transition.

The Board and Senior Management continuously monitor planning and decision-making processes over short-term, medium-term and long-term horizons, which also cover relevant climate-related risks and opportunities as described below.

Short term: three-year period to the end of 2026 over which the management and the Board monitor the Company's liquidity and viability. The Company has a detailed financial plan which is actively managed and adapted according to changes in external circumstances. The climate-related risks are deemed to affect the Company in the short-term but are not as prevalent as they would be in the medium and long term.

Medium term: eight-year period to the end of 2031, which covers the full term of the PSA and used in relevant valuation models. Climate-related risks are factored into these models, and scenario analysis are performed using various hydrocarbon prices and off-take demand scenarios to support the Board in decision-making for field investment proposals in line with the Group's strategy.

Long term: period covering beyond 2031. This is defined by opportunities identified in line with the Group's strategic initiatives, which are mostly affected by climate-related risks. These include risks associated with access to financial and capital markets as well as the ability obtain insurance, which may leave the Company exposed to extreme negative events. These other risks are further described below.

b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

We recognise that the transition to a lower-carbon economy presents both risks and opportunities for Nostrum. In the short term, our strategy and financial planning remain flexible, allowing us to adapt as risks evolve. For medium- and long-term planning, we remain aware of climate-related risks and their potential impact on project execution. To ensure resilience in our strategic planning, we incorporate stressed hydrocarbon price scenarios and energy demand projections into our decision-making processes. With respect to physical risks, we have factored these into our strategic planning to account for potential operational disruptions and revenue losses. To enhance resilience, we have integrated infrastructure reinforcement and adaptive planning into our operations, ensuring assets are better equipped to withstand extreme weather conditions.

Additionally, we have developed emergency response protocols and contingency measures to minimise the impact of climate-related events on production, safeguarding both operational stability and financial performance. Our risk management processes include infrastructure improvements and operational adjustments, allowing us to adapt proactively to evolving climate risks.

We have also embedded climate resilience into operational procedures, ensuring that key facilities are reinforced and critical functions can continue with minimal disruption. These measures collectively ensure that the Company remains agile and well-prepared to navigate the challenges posed by climate-related physical risks. We consider all transition risks – policy and legal, technological, market, and reputational to be material to our strategic and financial planning. These risks impact multiple aspects of our business, including revenue, expenditures, and assets, as outlined below.

Revenue – changing market demand for our products due to climate-related risks and opportunities, including shifts in customer preferences, may lead to reduced demand and lower pricing, ultimately impacting future revenues.

Operating expenditures – increased costs associated with climate-related risk mitigation and adaptation, including regulatory compliance, rising supply/material costs as suppliers shift away from servicing the oil and gas industry, and operational downtime due to extreme weather events. Additional expenditures are also expected for improving energy and water conservation efficiency.

Research & development – higher investment in climate-related research & development to develop and integrate new technologies aimed at reducing emissions and improving operational efficiency.

Capital expenditures – increased investment in equipment and new technologies to manage transition risks, improve adaptation capabilities, and enhance conservation and efficiency efforts. Additional capital spending may be required for physical risk mitigation, including facility reinforcement and increasing asset resilience to climate impacts.

We apply equal weighting to all transition risks in our business strategy and financial planning. While physical risks remain important from a governance perspective, we assign them slightly lower financial weighting, as we currently operate successfully in extreme weather conditions and expect to continue doing so.

We take a conservative approach in our forward planning and do not factor in potential opportunities that may arise in the short, medium, or long term due to climate change.

We have strengthened our climate governance framework by allocating additional resources to risk assessment and reporting. This framework evaluates climate-related risks and opportunities across different time horizons and determines their direct financial impact, ensuring that they are embedded into our strategic and financial planning. In addition, we continue reporting under CDP, providing an accurate and transparent assessment of our environmental impact and progress. This demonstrates our commitment to climate action and communicates our achievements to customers, investors, and other stakeholders. By doing so, we not only enhance our reputation but also identify areas for improvement in our environmental strategy, allowing us to reduce climate risks and further align with sustainability goals.

c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Nostrum's strategy is designed with flexibility to adapt to evolving conditions, ensuring resilience in a dynamic energy landscape. The current context has led to increased focus on energy security, industrial competitiveness, and a fair transition. In response, Nostrum establishes its strategic foundations and assumptions—including price projections, demand forecasts, and regulatory frameworks—based on references such as analyst and institutional consensus, country-specific regulations, and our own vision of the energy transition. These assumptions remain consistent with those used in other Group-wide projections, reinforcing alignment across our business planning.

For this year's climate risk analysis and reporting, we examined various scenarios proposed by international organisations and agencies. We based our assessment primarily on the Net Zero Emissions by 2050 Scenario (NZE Scenario) developed by the International Energy Agency (IEA), the scenario was originally published in 2021, with an update issued in October 2022, and incorporated Kazakhstan's Strategy on Achieving Carbon Neutrality by 2060, which aligns with the country's commitments under the Paris Agreement.

Our approach remains consistent with previous years, as we continue to utilise the same climate scenarios and analytical methods annually, making adjustments only for significant changes in external factors or internal operations.

Nostrum also considered the UK government's commitment to a net-zero economy, given that Nostrum is headquartered there. However, we determined that this commitment is not directly relevant, as the vast majority of Nostrum's emissions do not contribute to the UK's national emissions.

The Net Zero Emissions by 2050 (NZE) Scenario is a normative framework designed to achieve specific targets, including net-zero emissions from the energy sector by 2050 without relying on offsets from other sectors. It sets an emissions trajectory aimed at limiting global temperature rise to below 1.5°C by 2100. This scenario outlines a pathway to achieving this goal.

To reach net zero by 2050, the NZE Scenario envisions a transformation of the global energy system, driven by three key shifts: widespread electrification across industries, major advancements in energy efficiency and intensity, and stronger global policy coordination and collaboration. Under this scenario, the global economy transitions away from a fossil fuel-dominated model toward one primarily powered by renewable energy. As a result, the decline in demand for oil and gas exerts downward pressure on prices.

Kazakhstan's Strategy on Achieving Carbon Neutrality by 2060 aims to increase the share of renewable energy in the country's total energy balance to 15% by 2030 and reduce GHG emissions by 15% by December 2030 compared to 1990 levels. It also includes strengthening the Kazakhstan Emissions Trading System (ETS) to align with international carbon pricing standards, the introduction of stricter carbon tax policies to incentivise emission reductions, and strengthening environmental policies to align with international climate commitments. Additionally, the strategy emphasises the integration of sustainability principles into Kazakhstan's economic and industrial policies to support long-term decarbonisation efforts.

Considering the short-, medium-, and long-term horizons, the company recognises the need for flexibility in its strategic plans and the ability to adjust operations as conditions evolve. To assess its resilience under different climate-related scenarios, the company applied both a base-case scenario and a severe but plausible scenario:

Base-case scenario (high-carbon climate scenario – more than 4°C) – assumes a gradual transition toward carbon neutrality, reflecting a moderate pace of economic decarbonisation. This scenario aligns with the base-case scenario used in the viability assessment (see pages 43-44).

Severe but plausible scenario – envisions extreme shifts in the global economy and the implementation of drastic measures to accelerate Kazakhstan's progress toward net-zero emissions (very low-carbon climate scenario – less than 1.5°C).

The base-case scenario includes the implementation of energy efficiency measures aimed at reducing greenhouse gas emissions by 5% annually compared to the previous year. This scenario encompasses various initiatives, such as asset digitalisation, the deployment of an Automated Reporting System, the installation of an automated emission monitoring system, and water and energy efficiency projects to enhance overall sustainability and operational performance.

For the severe but plausible development scenario, designed to stress-test the company's resilience, we applied two key assumptions:

1. Oil price decline – according to the NZE Scenario, oil prices are projected to fall to $42 per barrel by 2030 and continue declining, reaching $25 per barrel by 2050.
2. Rising carbon prices – based on the NZE Scenario for emerging markets and developing economies (without net-zero emissions pledges), carbon prices are expected to reach $25 per tonne of CO_2 by 2030, $85 per tonne by 2040, and $180 per tonne by 2050.

We have analysed various carbon price forecasts to stress-test our strategy. While our primary focus has been on the NZE Scenario, we also considered Kazakhstan's carbon neutrality goals. Under the NZE Scenario for emerging markets and developing economies with net-zero emissions pledges, carbon prices are expected to rise significantly, reaching an average of $90 per tonne of CO_2 by 2030. However, according to the World Bank, Kazakhstan's current carbon price remains low, with projections suggesting that a carbon price of $20 per tonne by 2030 would only be sufficient to achieve just over half of the abatement target.

Given the wide range of carbon price projections, from very high to relatively low, we have chosen to apply a mid-point approach in our modeling. As a result, we have adopted the carbon price forecasts from the NZE Scenario for emerging markets and developing economies without net-zero emissions pledges.

Strategy continued

These assumptions have been incorporated into the three-year financial model to assess Nostrum's strategic resilience amid the challenges and opportunities posed by climate change in the short term, in line with the NZE Scenario and Kazakhstan's Strategy on Achieving Carbon Neutrality by 2060.

As part of this assessment, we have identified Zhaikmunai and Chinarevskoye fields as the assets most exposed to transition risks. These fields, given their reliance on oil and gas production, face potential financial and operational impacts due to carbon pricing policies, shifts in global demand, and regulatory pressures. The evolving economic and environmental landscape may require adjustments in operational strategies to mitigate financial risks associated with stricter emissions regulations and declining hydrocarbon demand.

Building on this evaluation, we also refer to the Viability Statement (pages 43-44), which considers the company's resilience against key risks and uncertainties.

Stress-testing our financial projections under these conservative policy assumptions confirms that the company remains resilient under a 1.5°C climate scenario. Furthermore, we believe that Nostrum has a solid financial foundation and sufficient flexibility in its business plan to effectively adapt to extreme climate-related impacts.

Our strategy undergoes annual validation by the Board of Directors to ensure its continued relevance and resilience. Please refer to the Governance section for further details. Adjustments will be made as necessary if there are significant shifts in the global environment.

Risk Management

TCFD recommendation:

Disclose how the organisation identifies, assesses, and manages climate-related risks.

Read more about our risk management on pages 34-35

a) Describe the organisation's processes for identifying and assessing climate-related risks;

b) Describe the organisation's processes for managing climate-related risks;

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Nostrum employs a structured approach to identifying and assessing climate-related risks, integrating them into the company's overall risk management framework. These risks are embedded into our overall Group Risk Management framework and form an integral part of Nostrum's risk management and internal controls system. We include "climate change risks" as a principal risk and uncertainty on our Company risk register (see page 40).

Climate-related risk management is overseen by Nostrum's Board of Directors, supported by the Audit Committee, ESG Committee, and HSE Committee. These governance structures ensure climate risks are effectively identified, assessed, and managed. The ESG Committee, led by the Head of ESG, evaluates climate-related risks and integrates them into corporate strategy. The HSE Committee, overseen by the Group Head of HSE, monitors operational risks related to environmental and safety issues. These committees meet regularly to assess emerging risks, regulatory developments, and stakeholder expectations, ensuring climate-related considerations are embedded in strategic decision-making.

Nostrum categorises climate-related risks into transition and physical risks. Transition risks include policy and legal changes such as carbon taxation and stricter regulations, technological risks from high investment needs and asset obsolescence, market risks due to shifting consumer demand and ESG-driven financing restrictions, and reputational risks from stakeholder scrutiny and sustainability commitments. Physical risks include acute risks like extreme weather events affecting transportation and operations, and chronic risks such as long-term temperature shifts impacting infrastructure and efficiency. Nostrum integrates climate risk assessments into strategic planning, regulatory monitoring, and scenario analysis to ensure long-term resilience.

We conduct horizon scanning to stay ahead of emerging risks through regular reviews of global climate policies, engagement with stakeholders, and participation in industry forums. Risk assessment tools include climate scenario analysis aligned with IPCC pathways and materiality assessments to prioritise key risks.

Climate-related risks assessment is based on likelihood, financial impact, and time horizon. Materiality assessments rank climate risks alongside operational, financial, and geopolitical risks. Quantitative analysis includes financial modeling to evaluate project viability. Qualitative analysis involves workshops with operational teams to assess supply chain and operational vulnerabilities.

For policy and market trend evaluation we adopt industry best practices, using TCFD for risk classification, IPCC scenarios for long-term impact assessment, and the IEA Net Zero Roadmap.

Physical risks management: Recognising the physical risks associated with climate change, the company has incorporated climate risk considerations into its routine risk assessments and overall business strategy. Nostrum has established robust measures to manage risks associated with extreme weather events, helping to mitigate potential climate-related impacts and enhance infrastructure resilience. Key initiatives include adaptation measures and the implementation of comprehensive emergency response and disaster recovery programmes, featuring regular training, testing procedures, and dedicated emergency rescue teams at its production facilities.

Metrics and Targets

Policy and legal risks management: Nostrum recognises the policy and legal risks associated with climate change and actively integrates climate-related considerations into its strategic planning, risk management, and investment decision-making processes, allowing for proactive adaptation to regulatory developments. The company ensures compliance with evolving regulations through regular assessments. The company's legal team plays a critical role in providing analysis and advice to mitigate potential regulatory risks.

Market risks management: Nostrum mitigates climate-related market risks by diversifying into gas processing, optimising infrastructure use, and reducing reliance on oil. The company integrates climate considerations into strategic planning and risk management to align with the energy transition. Cost efficiency improvements and operational flexibility help navigate price volatility and regulatory changes. Maintaining a strong balance sheet and prudent liquidity supports long-term resilience and growth in a lower-carbon economy.

Technology risks management: Nostrum's operations team actively mitigates risks and identifies opportunities associated with emerging technologies in the evolving global energy landscape. The team conducts technology assessments and disruptive technology evaluations, providing recommendations that inform strategic decisions. We are investing in digitalisation, automation, and methane emission management solutions to enhance operational efficiency, manage risks, and support our transition to a lower-carbon future.

Reputation risks management: Nostrum actively mitigates reputation-related climate risks by ensuring accurate data reporting and strong environmental risk management practices. We align corporate policies and public positions on climate change to regulatory expectations and stakeholder concerns, minimising potential reputational risks. Our transparent climate disclosures through TCFD, CDP, and ESG reporting reinforce accountability and demonstrate progress in climate action. We engage regularly with investors, local communities, and stakeholders to assess and address climate-related social, political, and regulatory risks.

TCFD recommendation:

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Read more about our risk management on pages 34-35

a) Disclose the metrics used by the organisation to assess climate- related risks and opportunities in line with its strategy and risk management process.

Nostrum employs a range of defined metrics and targets to ensure that business objectives related to climate change and the energy transition are achieved. Our key risk indicators focus on carbon emissions, air quality, flaring frequency, water use, and waste management, all of which are measured, managed, and reported to both the Board and regulatory authorities. A specific KPI is tied to GHG reduction (see (c) below). The above metrics are monitored by regulatory authorities and undergo regular review to ensure compliance with environmental regulations. In addition to these KPIs, we have implemented various initiatives and projects aimed at reducing emissions (please see pages 70-72 of the Environment section).

Management of climate-related risks and opportunities is embedded into the company's overall approach, including its executive remuneration framework. Please refer to the Remuneration Committee Report for further details on climate-related KPIs.

Each year, an independent provider prepares for us the Greenhouse Gas Emissions Inventory Report (covering carbon dioxide, methane, nitrous oxide, and perfluorocarbons), with independent verification of the report.

The methodology for calculating greenhouse gas emissions and absorption is based on the Order of the Minister of Ecology and Natural Resources of the Republic of Kazakhstan, in accordance with the Environmental Code of the Republic of Kazakhstan, the Law of the Republic of Kazakhstan On State Statistics", the Rules for State Regulation in the Sphere of Greenhouse Gas Emissions and Absorption, as well as the IPCC Guidelines for National Greenhouse Gas Inventories.

Looking ahead, Nostrum plans to integrate carbon pricing into the economic evaluation of future investment opportunities, both within Chinarevskoye and other assets. Through benchmarking against industry peers, leading companies in the sector, and regional carbon pricing developments, we will apply an internal carbon price in investment decisions, effectively raising the hurdle rate for project approvals. For more details, please see pages 71-76.

b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

In the Environment (GHG Emissions Results) section of this report, we provide a comprehensive disclosure of our Scope 1, Scope 2, and Scope 3 GHG emissions. These emissions have been reported on an annual basis in our Annual Report and on the Company website, in line with our commitment to transparency and compliance with the GHG Protocol, as mandated by the Republic of Kazakhstan's legislative requirements.

Summary of GHG Emissions (in tCO_2e):

	2023	2024
Scope 1	180,136	**256,082**
Scope 2	21	**7**
Scope 3	1,869	**2,801**
Waste generated in operations	289	**1,313**
Capital goods	150	**184**
Goods and services	1,430	**1,304**

Detailed results of Scope 3 calculations will be covered in CDP submission for 2024. For a detailed information on GHG emissions, please see page 75 of the Strategic Report.

The Company remains committed to reducing emissions from business and commuting travel, strengthening collaboration with suppliers to implement sustainable practices, and further expanding the Scope 3 emissions analysis in future reporting.

Metrics and Targets continued

c) Describe the targets used by the organisation to manage climate- related risks and opportunities and performance against targets.

Nostrum uses key performance indicators (KPIs) to manage climate-related risks and to realize climate-related opportunities in line with its ESG strategy and regulatory requirements. These KPIs provide measurable benchmarks to monitor performance, guide strategic decisions, and promote continuous improvement.

Furthermore, as required by the section 414CB(2A)(h) of the UK Companies Act 2006, Nostrum describes the KPIs used to manage climate-related risks and realise climate-related opportunities and the calculations on which those KPIs are based.

Climate-Related KPIs and Calculations

1. Greenhouse Gas (GHG) Emissions

- **Purpose:** Reduce the company's carbon footprint and ensure compliance with the national GHG allocation plan (203,562 tons of CO_2 for 2024)[1].
- **Calculation:** Measured in tons of CO_2 equivalent, with reduction efforts focused on energy efficiency, minimizing flaring, and leak prevention.

2. Health, Safety, and Environmental (HSE) KPIs

- **Total Recordable Injury Frequency (TRIF)** – Measures workplace injuries per million hours worked.
- **Lost Time Injury Frequency (LTIF)** – Tracks incidents resulting in lost workdays.
- **Road Traffic Incidents (RTIs)** – Monitors transportation safety.

3. ESG Performance and Ratings

- **Purpose:** Maintain current ESG rating levels while aiming for gradual improvement, especially in light of tightening regulation and rating agencies requirements, and ensure alignment with the Annual ESG Plan.
- **Calculation:** Tracked through external ESG ratings and internal assigned ESG initiatives, with the following reporting structure.

4. Management and Reporting

- Emissions, waste, and HSE performance are managed through structured policies and initiatives.
- Monthly QHSE reports track KPIs, ensuring accountability.
- The Board oversees climate governance, risk assessment, and emissions management.

These KPIs help Nostrum enhance efficiency, mitigate climate risks, and strengthen sustainability commitments, capture opportunities in low-emission technologies and ESG investment trends

For more details, please refer to the Environment section on pages 69-77. We recognize that achieving net-zero emissions is a long-term journey for the Group, and we remain committed to tracking progress through interim targets in the coming years.

Nostrum aims to play an active role in supporting Kazakhstan's transition to cleaner energy and its goal of carbon neutrality by 2060, aligning our strategy with national and global decarbonization efforts. This strategic report is approved by the Board.

Arfan Khan
Chief Executive Officer

22 April 2025

1. In 2022 the National GHG Allocation Plan was approved with a quota set for 2024 at 203,562. In May 2024 amendments were made to the Plan and the quota for 2024 was revised to 206,182. The Company's KPIs were approved before these amendments.

CORPORATE GOVERNANCE

Introduction to corporate governance

Section 1: Board leadership and company purpose

A successful company is led by an effective and entrepreneurial Board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.

See pages 90-91.

The Board establishes the company's purpose, values and strategy, and satisfies itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.

See pages 62-66, 12-13.

The Board ensures that the necessary resources are in place for the company to meet its objectives and measures performance against them. The Board also establishes a framework of prudent and effective controls, which enable risk to be assessed and managed.

See pages 34-35.

In order for the company to meet its responsibilities to shareholders and stakeholders, the Board ensures effective engagement with, and encourages participation from, these parties.

See pages 20-21 and 92.

The Board ensures that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce is able to raise any matters of concern with the Board.

See pages 62-66.

Section 2: Division of responsibilities

The chair leads the Board and is responsible for its overall effectiveness in directing the company. The chair demonstrates objective judgement and promotes a culture of openness and debate. In addition, the chair facilitates constructive Board relations and the effective contribution of all non- executive directors, and ensures that directors receive accurate, timely and clear information.

See pages 96-98.

The Board includes an appropriate combination of executive and non- executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the Board's decision-making. There is a clear division of responsibilities between the leadership of the Board and the executive leadership of the company's business.

See page 96-98.

Non-executive directors should have sufficient time to meet their Board responsibilities. They provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.

See page 96-98.

The Board, supported by the company secretary, ensures that the company has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.

See page 96-98.

Section 3: Composition, succession and evaluation

Appointments to the Board are subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for Board and senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

See pages 96-98.

The Board and its committees have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the Board as a whole and membership regularly refreshed.

See pages 90-91 and committee reports.

Annual evaluation of the Board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.

See page 92.

Section 4: Audit, risk and internal control

The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements.

See pages 99-105.

The Board presents a fair, balanced and understandable assessment of the company's position and prospects.

See page 129.

The Board establishes procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term objectives.

See pages 34-35.

Section 5: Remuneration

Remuneration policies and practices are designed to support strategy and promote long-term sustainable success. Executive remuneration is aligned to company purpose and values, and clearly linked to the successful delivery of the company's long-term strategy.

See pages 107-124.

A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director is involved in deciding their own remuneration outcome.

See pages 107-124.

Directors exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.

See pages 107-124.

Compliance with the Code

The UK Corporate Governance Code issued by the Financial Reporting Council in July 2018 (the "Code") sets out the governance principles and provisions that applied to the Company until 31 May 2022, when the Company's listing category was transferred from "Premium Listing (commercial company)" to "Standard Listing (shares)". Following the FCA's reforms implemented on 29 July 2024, the Company's listing category is now Equity Shares (transition). A copy of the Code is available from the Financial Reporting Council's website at www.frc.org.uk. The aim of the corporate governance report is to demonstrate how the principles of the Code have been considered and applied by the Company. The UK Financial Reporting Council promotes high-quality corporate governance and reporting through the Code with which all companies with "Equity Shares (Commercial Companies)" listing on the London Stock Exchange are required to either comply in full, or explain why, and to what extent, they do not comply. The Company intends to continue to comply with the Code or explain any non-compliance as it would if it were in the "Equity Shares (Commercial Companies)" listing category. This statement should be read in conjunction with the Corporate Governance section of this report as a whole. The headings on this page and the following page correspond to the headings in the Code. In our commitment to maintaining high standards of corporate governance, we acknowledge the recent revisions to the UK Corporate Governance Code published by the Financial Reporting Council (FRC) in January 2024. These changes, effective for accounting periods beginning on or after 1 January 2025, introduce several key updates to enhance transparency, accountability, and effective governance.

The main revisions include:

- A new focus on outcomes-based governance reporting, emphasising board decisions and their impacts in the context of company strategy and objectives.
- Enhanced requirements for internal control reporting, including a board declaration on the effectiveness of material internal controls (effective from 1 January 2026).
- Strengthened provisions for assessing and monitoring how the company's desired culture has been embedded.
- Revised approach to diversity and inclusion reporting, removing references to specific characteristics and focusing on broader initiatives.
- Enhanced disclosure requirements for malus and clawback provisions in remuneration reports.
- Incorporation of the Minimum Standard for audit committees into the Code.
- Emphasis on clear explanations for any departures from the Code's provisions.

We intend to implement these revisions as they become effective, ensuring our governance framework remains robust, transparent, and supportive of our long-term success and stakeholder confidence.

Statement of compliance

Nostrum fully complied throughout 2024 with the provisions of the 2018 version of the UK Corporate Governance Code except in the following respects:

Provision 10

Provision 10 of the Code states that **"Circumstances which are likely to impair, or could appear to impair, a non-executive director's independence include, but are not limited to, whether a director… has received or receives additional remuneration from the company apart from a director's fee, participates in the company's share option or a performance-related pay scheme, or is a member of the company's pension scheme.**" Provision 10 further states that where any of these or other relevant circumstances apply, and the board nonetheless considers that the non-executive director is independent, a clear explanation should be provided.

The Board notes that each of the Chair and the Non-Executive Directors were appointed in February 2023 as part of the plan to support the executive team following the Restructuring and enable the Company to create significant stakeholder value by pursuing new strategic goals. Such appointments were not made in the expectation or anticipation of any performance-related remuneration for such directors. Mr Cox resigned as an Independent Non-Executive Director on 31 May 2024. Each of Stephen Whyte (as Chair), Christopher Hopkinson and Fiona Paulus (as Independent Non-Executive Directors) are considered by the Board to be independent (for the purposes of the Code) notwithstanding their participation in the Management Incentive Plan implemented in 2024.

In particular, the Board considers that such Directors are independent in judgment and character and that such independence is not compromised by any participation in the MIP. In coming to such determination on independence, the Board has also consulted with shareholders.

Provision 11

Following the departure of Mr. Cox from the Board and the appointment of Mr. Gladun as a director in 2024, less than half the Board excluding the chair, are non-executive directors whom the Board considers to be Independent (i.e. 2 of 5). The Board intends to recruit an independent director to replace Mr. Cox.

Provision 12

The Board has not to date appointed one of the independent non-executive directors to act as the senior independent director, to provide a sounding board for the chair and serve as an intermediary for the other directors and shareholders. The Board believes that there are currently effective arrangements in place for communication between the chair and other directors and shareholders without such appointment.

Provision 17

Following the departure of Mr. Cox from the Board, less than a majority (i.e. 2 of 4) of the members of the Nomination and Governance Committee are Independent Non-Executive Directors. The Board intends to recruit an independent director to replace Mr Cox.

Provision 21

No external evaluation of the Board or any of its committees took place in 2024. However, an informal/internal evaluation of the Board and its committees took place in 2024.

Provision 32

The Remuneration Committee includes one member, Martin Gudgeon, who is not an independent director. Mr. Gudgeon's membership in the committee was an agreed term of the Company's 2023 debt restructuring.

Provision 34

Provision 34 of the Code states that "Remuneration for all non-executive directors should not include share options or other performance-related elements".

The Board considers that the Company will be best placed to deliver value creating catalysts where all directors are incentivised to deliver such milestones. The Company's shareholders in 2024 approved amendments to the Directors' Remuneration Policy to allow for adoption of the MIP. The Board also notes that the participation of non-executive directors in the MIP is limited to a cash payment calculated by reference to the respective director's fees. In this manner, the non-executive directors are aligned with senior management in looking to unlock the value of the group's world-class gas processing infrastructure in Kazakhstan for the benefit of all stakeholders whilst guiding the executive team in safeguarding the base business.

Provision 36

The Company's LTIP has a total holding and vesting period of no more than three years and therefore does not comply with the requirements of Code Provision 36, which requires share awards to be released for sale on a phased basis and be subject to a total vesting and holding period of five years or more. As explained in the press release released by the Company on 28 August 2019, a copy of which has also been published on the Public Register maintained by the Investment Association, the Board and the Remuneration Committee believe that the current provisions of the LTIP relating to the performance period and vesting period are appropriate and aligned with the interests of shareholders, so that modifying such provisions of the LTIP at this time would not be the right course of action. The full text of the announcement is available to read on the Company's website.

Board of Directors

S N

Stephen Whyte

Chairman and Non-Executive Director

Date of appointment: 14 February 2023

Other current appointments:
- None.

Skills and experience:
- 35 years of total industry experience at Shell, BG and Galp.
- Seasoned FTSE and AIM Chairman and Non-Executive Director in the global energy sector with direct experience in Kazakhstan.
- Chairman at Genel Energy (2017-2019).
- Chairman at Sound Energy.
- Non-Executive Director at Echo Energy.
- Non-Executive Director at JSC National Company KazMunaiGas.

Viktor Gladun

Non-Executive Director

Date of appointment: 15 August 2024

Other current appointments:
- Non-Executive Director of Bank Avangard JSC in Ukraine.

Skills and experience:
- Executive professional with extensive experience in the energy sector.
- CEO and executive director on the board of directors of JKX Oil and Gas plc, a UK-headquartered hydrocarbon exploration company, from 2019 through 2022, acting CEO of JKX during 2017-2018, CEO of JKX's Ukrainian subsidiary Poltava Petroleum Company JV from 2016-2022.
- Executive financial roles at DTEK & NIKO, a senior auditor position at TNK-BP and a tax consultant position at Arthur Andersen.

A N R

Fiona Paulus

Independent Non-Executive Director

Date of appointment: 14 February 2023

Other current appointments:
- Senior Adviser in the Metals & Mining business at Gleacher Shacklock LLP.
- Non-Executive Director at Interpipe Group and JSW Steel Limited.

Skills and experience:
- 37 years of investment banking experience.
- She has held senior roles at leading international investment banks. These include Head of International Investment Banking at CIBC, EMEA Head of Private Equity & Infrastructure Funds at Royal Bank of Scotland, Global Head of Energy and Resources at ABN AMRO Bank, and various senior roles at Societe Generale, JPMorgan & Citigroup in the UK, Europe, Australia, and Latin America.

Board committees

A Audit Committee

N Nomination and Governance Committee

S Strategy Committee

R Remuneration Committee

Chairman/Chairwoman

Former members of the Board of Directors

Chris Cox

Independent Non-Executive Director

Term of service: from 14 February 2023 to 31 May 2024

Other current appointments: Director and the interim CEO of Capricorn Energy PLC

Skills and experience:
- 40 years of experience in the global oil and gas upstream sector.
- Having held various senior roles with BG Group, Amerada Hess, and Chevron throughout his career, Chris served most recently as CEO of Spirit Energy and Managing Director of Centrica Plc.

R A N

Chris Hopkinson

Independent Non-Executive Director

Date of appointment: 14 February 2023

Other current appointments:
- Non-executive Chairman of Enwell Energy.
- Interim Executive Chairman of IGas Energy.
- Founder of Astra Resources Management and Antelopus Energy.

Skills and experience:
- 35 years of experience in the global oil and gas and energy sectors.
- Technical and management roles with Yukos and Lukoil Overseas.
- Chief Executive Officer of Imperial Energy Group.
- Vice-President Western Siberia for TNK-BP.
- Senior Vice-President North Africa for BG Group.
- Chief Executive Officer of International Petroleum Limited.
- Chief Operating Officer for JSC National Company KazMunaiGas.

N R S

Martin Gudgeon

Non-Executive Warrant Director

Date of appointment: 14 February 2023

Other current appointments:
- Partner and Chairman of the EMEA & Asia Restructuring and Special Situations Group ("RSSG") at PJT Partners.
- Member of the firm's RSSG Operating Committee.

Skills and experience:
- 35 years of industry experience.
- Senior Managing Director at Blackstone for eight years.
- Chief Executive and Head of Restructuring at Close Brothers Corporate Finance.
- Non-Executive Director at Genel Energy.

S

Arfan Khan

Chief Executive Officer

Date of appointment: 26 January 2021

Other current appointments: None

Skills and experience:
- 35 years of total industry experience.
- From January 2020 until joining the Company, President of Stratum Energy Group (Romania).
- From April 2014 to December 2019, COO of Amni International Petroleum (Nigeria).
- From April 2012 to March 2014, Petroleum Engineering Director at Maersk Oil (Angola).
- From August 2002 to March 2012, Chief Production Engineer at Shell (Nigeria & Kazakhstan).
- Pre-2002: 12 years with ExxonMobil Gulf-of-Mexico Reservoir Development (US).
- Member of the Society of Petroleum Engineers.
- Holds a Bachelor of Science degree from Texas A&M University and an MBA from Tulane University.

Board of Directors continued

Board activities and achievements during 2024

During the financial year, the Board held 9 meetings. The Board and Committee agendas were shaped to ensure that discussion was focused on the Group's key strategies and monitoring activities, as well as reviews of significant issues arising during the year. The Group's ongoing financial and strategic performance is reviewed at every meeting, and the Chief Executive Officer and the Chief Financial Officer comment on production, share price performance, the market and shareholder feedback.

The table below gives the highlights of how the Board and its committees spent their time during the 2024 financial year but should not be regarded as an exhaustive list. More information regarding the Group's strategic objectives and focus during 2024 can be found in the Strategic Report on pages 1-86 and the more detailed activities of each Board committee are located in their relevant report.

Strategy and business focus	• Discussions around the strategic options available to the Group to monetise the infrastructure through processing third-party volumes and acquisition of nearby, stranded assets such as Stepnoy Leopard. • Approved a targeted well workover and intervention programme.
Risk	• Review of all interim financial results announcements and the 2023 Annual Report and Accounts. • Consideration of the Group's going concern assessment, viability statement and risk appetite for the coming year. • Reviewed the Group's liquidity forecast at each board meeting.
Governance	• Received reports from Board committees. • Consideration of the UK Corporate Governance Code and other regulatory requirements for the Annual Report. • Review of the Notice of AGM and matters proposed for shareholder approval. • Reviewed and approved new and updated Group policies.
People and culture	• Performance assessment • Individual KPIs

Board evaluation

An internal/informal board self-evaluation was carried out in 2024.

Director induction and training

Each individual joining the Board receives a full, formal induction package with materials on the Group's business and operational, financial and legal matters. They also meet with members of the Board in order to obtain a good understanding of the challenges and opportunities faced by the Group. The Directors are given the opportunity to discuss their training and professional development needs at every Board meeting and on an ad-hoc basis as required, and to make recommendations to the Chairman regarding topics on which they would like to receive training. In addition to training organised by the Company, the Directors regularly attend training events organised by third parties and the Company actively encourages Directors to attend such events.

Attendance at meetings of the Board and its Committees in 2024

The following table illustrates the attendance of Directors at Board and committee meetings (as relevant) throughout the year.

	Board		Audit Committee		Remuneration Committee		Nomination and Governance Committee		Strategy Committee[1]	
	A	B	A	B	A	B	A	B	A	B
Executive Directors										
Arfan Khan	9	9							4	4
Non-Executive Directors										
Stephen Whyte	9	9							4	4
Chris Cox	6	6	4	4	2	2	3	3		
Chris Hopkinson	9	8	7	5	2	2	3	3		
Martin Gudgeon	9	9			2	1	3	3	4	4
Fiona Paulus	9	7	7	7	2	1	3	3		
Viktor Gladun	2	2								

A = Total number of meetings the Director was eligible to attend.

B = Total number of meetings the Director did attend.

The key responsibilities of the Strategy Committee during 2024 were to:

- Assess the corporate and strategic performance of the Company and its subsidiaries (the "Group") in its broadest sense, and forming a wide view on the adequacy of progress made in achieving strategic objectives and outcomes, and of the systems to measure, monitor and deliver on them;
- Support the Board and Senior Management in formulating the overall strategy for the Company, with particular emphasis on horizon scanning, priorities, activities and outcomes;
- Consider the strategic development opportunities for the Group, including by way of acquisitions, disposals, joint ventures, commercial co-operations or otherwise;
- Consider options for shareholder investment or exit.

More details on key responsibilities can be found in the Committee's terms of reference, which are available on the Group's website at www.nog.co.uk. The terms of reference of the Committee were approved at a meeting of the Board on 26 April 2023.

Membership from 24 February 2023

Name	Membership start date	Membership end date
Stephen Whyte (Committee Chair from 24 February 2023)	24 February 2023	
Martin Gudgeon	24 February 2023	
Arfan Khan	24 February 2023	

Committee meetings

The Strategy Committee met four times during 2024. The attendance of each Committee member at Committee meetings held during 2024 is shown on page 93. As a separate agenda item, the Committee reports to the Board at each Board meeting on any activities of the Committee since the last Board meeting.

The principal agenda items were as follows:

- Investor relations.
- Financing.
- Business development.

Only members of the Committee have the right to attend Committee meetings.

However, other individuals may be invited to attend all or part of any meeting, as and when appropriate.

1. The Strategy Committee also met on each date when there was a scheduled Board meeting with strategy as an agenda point.

Senior management team

Arfan Khan
Chief Executive Officer

- (See biography of Arfan Khan on page 91).

Petro Mychalkiw
Chief Financial Officer

Skills and experience:

- Appointed as Chief Financial Officer of the Nostrum Group on 21 August 2023.
- 30 years of post-qualification experience, with almost 20 years of senior finance experience within the natural resources industry, including both oil and gas businesses and mining/metals companies.
- Extensive public company experience and first-hand experience of E&P operations in the Republic of Kazakhstan.
- Previous roles in O&G and emerging markets include serving as Group CFO at I-Pulse Inc, High Power Petroleum LLC, Equus Petroleum Plc and Orsu Metals Corporation and serving as Regional Finance Director and Group Head of Corporate Finance at Oriel Resources Plc.
- Holds a Bachelor of Arts degree in Economics from the University of Manchester.
- Member of the Institute of Chartered Accountants in England & Wales.

Thomas Hartnett
Chief Legal Officer & Company Secretary and Acting Head of Human Resources

Skills and experience:

- Appointed as General Counsel of the Nostrum Group on 5 September 2008, as Company Secretary of Nostrum Oil & Gas PLC on 3 October 2013 and as Acting Head of Human Resources on 13 January 2020.
- More than 30 years of post-qualification experience, including 16 years with the law firm White & Case LLP, where he was a Partner and specialised in cross- border corporate and M&A transactions based in the firm's New York, Istanbul, London, Brussels and Bangkok offices.
- Served as Senior Corporate Counsel in the EMEA headquarters of Intercontinental Hotels Group from 1996-1998.
- Holds a Bachelor of Arts degree in Comparative and Developmental Politics from the University of Pennsylvania and a Juris Doctor degree from New York University School of Law.
- Member of the New York Bar and the Association of International Energy Negotiators.

Robert Tinkhof
Chief Operating Officer

Skills and experience:

- Appointed as Chief Operating Officer of the Group on 12 February 2019.
- •36 years of experience in the oil and gas industry, mainly Royal Dutch Shell with assignments in the Netherlands, UK, Syria, Iran, Egypt, Dubai, Iraq and Russia.
- Before taking the position as Chief Operating Officer, held several senior management positions since 2000 as General Manager Wells in Shell and Managing Director at the Scientific Research Institute of KMG for Production and Technology in Kazakhstan.

Abi Zivs[1]
Director of Marketing

Skills and experience:

- Appointed as Head of Marketing on 4 February 2022.
- 2017-2022 held position of LPG and sulphur sales manager with Zhaikmunai LLP.
- More than 29 years' experience in shipping and selling hydrocarbons in Latvia, Kazakhstan and Turkey.
- Graduate of Latvian State University, Faculty of Physics and Mathematics.

Askhat Seitkazin
General Director of Zhaikmunai LLP

Skills and experience:

- Appointed as General Director of Zhaikmunai LLP on 14 November 2024.
- Appointed as Deputy General Director of Zhaikmunai LLP in March 2022.
- 2013-2015 held position of PR manager at Zhaikmunai LLP.
- 2015-2022 Head of PR department Zhaikmunai LLP.
- Graduate of the Institute of International Law&Economics (Moscow) with a specialisation in Financial and Enterprise Management

1. Abi Zivs's tenure with the company concluded effective March 2, 2025.

Daulet Tulegenov

Group Head of QHSE

Skills and experience:

- Appointed as Group head of QHSE in October 2018.
- 2017-2018 HSE Transformation team leader at KazMunaiGas JSC.
- 2010-2016 HSE manager at Lukoil.
- 2009-2010 Senior HSE expert at KazMunaiTeniz JSC.
- 2006-2009 Senior HSE specialist at LUKOIL.
- 2003-2006 Safety specialist at Tengizchevroil.
- Over 20 years' experience in E&P oil and gas assets (onshore and offshore).
- Took part in major international projects at Chevron, Shell, Lukoil, Tengizchevroil and CNPC companies in Kazakhstan.
- Graduate of the Tyumen State Oil & Gas University, Russian Federation.

Gulnara Shadeyeva

Head of HR in the RoK

Skills and experience:

- Appointed as Head of HR of Zhaikmunai LLP in October 2013.
- 23 years of experience in the oil and gas industry in several senior positions in Human Resources in KIOS, Baker Hughes Services Inc., AMEC, Exterran, Bolashak- Atyrau.
- Holds Bachelor's degrees in Automatics Engineering from the Gubkin Russian State University of Oil & Gas (Moscow), in Accounting from the West Kazakhstan State University and Master's degrees in Human Resources Management from the RANEPA (Moscow) and in International Human Resource Management from Kingston University in the UK.

Natalya Dibe

Head of ESG

Skills and experience:

- Head of Budgeting and Control at Zhaikmunai LLP.
- More than 19 years of post-qualification experience, including 9 years with one of the largest banks in CIS – Kazkom (currently Halyk).
- Holds an Executive Master's degree, and an MBA degree from the Russian Presidential Academy; a Bachelor's degree in Accounting and Audit, and a Bachelor's degree in Oriental Studies from the Eurasian Academy.
- Certified in Project Management; and in ESG from Global Reporting Academy (GRI), University of Pennsylvania, and the London Reporting Academy.
- Participant and semifinalist of the management competition Leaders of Russia in international track in 2020-2023.

Zhomart Darkeyev

Adviser to the CEO

Skills and experience:

- Appointed as General Director of Zhaikmunai LLP on 14 November 2016.
- At Zhaikmunai LLP, Mr Darkeyev has also held the positions of Administrative Director, Assistant General Director, Chief Administrative Manager, Engineer Manager and Deputy General Manager.
- Before Zhaikmunai LLP, Mr Darkeyev worked for Derkl Oil & Gas drilling as assistant driller and for Kazakhgas State Holding Company as a leading reservoir engineer.
- Graduate of Furmanov Secondary School with further education completed at the Ivano-Frankivsk Institute of Oil & Gas with a specialisation in drilling of oil and gas wells.

Melody Pinet

Head of HR outside the RoK

Skills and experience:

- Appointed as Nostrum's Head of HR outside the RoK in May 2018.
- 2016-2018 HR Manager at Bee Engineering in Belgium.
- 2015-2016 HR consultant at Tempo-Team' Randstad company in Belgium.
- 2013-2014 Fieldworker at Terres Rouges in Senegal.
- Holds two Bachelor's degrees from the Université catholique de Louvain (one in Political Science and Government and one in Psychology).
- Holds Master's degree from the Université catholique de Louvain in International relations and the management of diplomatic conflicts.

Our governance framework

as at 31 December 2024

The Board

The Board is chaired by Stephen Whyte as from 14 February 2023. The Board is collectively responsible to stakeholders for the long-term success of the Group. This is achieved by reviewing trading performance, budgets and funding, setting and monitoring the Group's strategic objectives, reviewing acquisition opportunities and engaging with stakeholders. The Board is supported by a number of committees whose terms of reference (TORs) are available on our website.

Chairman
Responsible for leadership of the Board and for ensuring its effectiveness in all aspects of its role.

Chief Executive Officer
Responsible for the successful planning and execution of the objectives and strategies agreed by the Board.

Independent Non-Executive Directors[1]
Responsible for bringing an external perspective, sound judgement and objectivity to the Board's decision-making. Scrutinise management performance and constructively challenge strategy.

Non-Executive Warrant Director
Responsible for giving or withholding approval to certain matters set out in the warrant instrument.

Audit Committee
Responsible for oversight of the Group's financial reporting processes. Scrutinises the work of the external auditor and regularly reviews the risk management framework and the work of internal audit.

Chairwoman: Fiona Paulus
See page 99 for Committee Report.

Nomination and Governance Committee
Governance Committee Reviews the structure, size and composition of the Board and its committees and makes recommendations to the Board accordingly, and leads the process for new Board appointments.

Acting Chairman: Martin Gudgeon
See page 106 for Committee Report.

Remuneration Committee
Reviews and recommends to the Board the executive Remuneration Policy and determines the remuneration packages of the Directors.

Chairman: Chris Hopkinson
See page 107 for Committee Report.

Strategy Committee
Assists the Board to fulfil its responsibilities in relation to strategy.

Chairman: Stephen Whyte

Company Secretary
Responsible for advising the Board, through the Chairman, on all governance matters and for ensuring that Board procedures are complied with and there is a good flow of information between the Board and its committees. The appointment of the Company Secretary is a matter reserved to the Board as a whole.

Company Secretary: Thomas Hartnett

Senior Management Team

The Senior management team supports the Chief Executive Officer in making important decisions regarding the overall management of the Group in respect of all Group matters that are not reserved for the Board and in ensuring that operational activities and performance are aligned with the overarching strategy of the Group. Each member of the team reports directly to the Chief Executive Officer, who then directly reports to the Board. The functional responsibilities of the senior management team members in their respective areas include but are not limited to implementing Chief Executive Officer and Board decisions, allocating resources, managing risk, maximising efficiencies, guiding and developing employees, reviewing performance and supporting cross-functional integration.

Finance
Responsible for supporting the Group and the Board in matters relating to: (i) corporate finance (ii) investor relations (iii) economic analysis (iv) public relations (v) external communications (vi) accounting and reporting (vii) tax (viii) budgeting and control (ix) insurance (x) treasury and cash management (xi) liaison with internal audit (xii) risk management (xiii) ICT (xiv) company administration (accounting and tax matters) and (xv) capital markets analysis.

Head: Petro Mychalkiw

Operations
Responsible for supporting the Group and the Board in matters relating to: (i) production engineering and reservoir management (ii) drilling and workover management production (iii) production (iv) engineering and construction field operations (v) relations with governmental authorities (vi) procurement (vii) security and (viii) administration.

Head: Robert Tinkhof

Legal
Responsible for supporting the Group and the Board in matters relating to: (i) all legal matters (ii) compliance (iii) corporate governance (iv) company administration (legal and governance matters).

Head: Thomas Hartnett

Sales and marketing
Responsible for supporting the Group and the Board in matters relating to: (i) sales of oil and gas products (ii) marketing and (iii) logistics and transportation.

Head: Abi Zivs

QHSE
Responsible for supporting the Group and the Board in matters relating to: (i) product quality (ii) personnel and community health and safety and (iii) environmental protection.

Head: Daulet Tulegenov

Human resources
Responsible for supporting the Group and the Board in matters relating to: (i) personnel and workforce matters generally (ii) training and (iii) remuneration.

Acting Head: Thomas Hartnett

1. Since 24 February 2023, no Director has been appointed as Senior Independent Director.

Board policies and governance arrangements

GRI 2-23

Nostrum recognises the important role that good corporate governance plays in the success of the Company. As a result, the Board promotes high standards of corporate governance as a key component of its activities. Clearly defined roles and responsibilities, non-executive independence, boardroom and workplace diversity, an open and transparent culture and the work of our committees in implementing the Company's values and policies throughout the Group are all vital ingredients to get this right for our stakeholders.

In order to ensure that it is involved in making important decisions for the Group and to ensure a clear division of responsibilities between the Board and executive management, the Board has identified certain "reserved matters" that are subject to its approval. Other matters, responsibilities and authorities have been delegated to its committees and the senior management team, as set out in the governance framework on pages 96-98.

The schedule of matters reserved for the Board is reviewed annually and is available on our website.

Division of responsibilities

The Company's Chairman as from 14 February 2023, Stephen Whyte, is a non-executive director who also chairs the Company's Strategy Committee.

The Chief Executive Officer is also a member of the Strategy Committee and his strategic capabilities are strengthened by the Senior management team.

Independence

Robust oversight is crucial for strong corporate governance and the Board is committed to securing this through an appropriate balance of independent Non-Executive Directors.

At the date of this Annual Report, the Board considers all of its Non-Executive Directors other than the Chairman, Martin Gudgeon and Viktor Gladun to be independent within the meaning of this term as defined in the Code.

Equality and diversity

GRI 405-1

The Board has due regard for the importance of, and benefits from, diversity in its membership, including gender diversity, and strives to maintain an appropriate balance on the Board. The Board is composed of individuals with diverse sectoral experience, ages, geographic and ethnic origin, and gender.

As at 31 December 2024 the Company has 17% female representation on its Board. As at 2024 year-end, the Audit Committee comprises 50% females, the Nomination and Governance Committee has 25% female representation and 33% are females in the Remuneration Committee. The Nomination and Governance Committee remains satisfied that the Board has the right mix of skills and experience to operate effectively. However, the skills and experience mix are under continuous review, and in furtherance of the Company's diversity goals the Company is seeking to add a second woman to the Board by the end of 2025. The Nomination and Governance Committee remains committed to monitoring diversity closely as part of future succession planning.

On 7 December 2017, the Board approved its Equality and Diversity Policy. Clarificatory amendments were made to the Company's Equality and Diversity Policy on 14 September 2022, to which the Company continued to adhere throughout 2024.

In accordance with the policy, the Group is committed to eliminating discrimination and encouraging equality and diversity in all of our business activities, including the provision of employment. The policy applies to all who work for the Group, including Directors, together with the managerial, supervisory and administrative bodies of all entities within the Group.

The policy also applies equally to the treatment of our supply chain, applicants and visitors by our staff and the treatment of our staff by these third parties. The objective of the policy is to promote equality of opportunity and to ensure that no individual suffers unlawful discrimination, directly or indirectly, on the grounds of race, colour, ethnicity, religion, sex, gender identity or expression, gender reassignment, national origin, age, marital status, disability or sexual orientation.

The Group aims to ensure the objective of the policy is met by:

- Ensuring all recruitment advertising and publicity aims to encourage applications from any individual who has appropriate qualifications and/or experience;
- Not offering discriminatory conditions of employment;
- Ensuring all promotions are made strictly on the basis of the ability to do the job and no such decision is made on a discriminatory basis;
- Considering requests for part-time work or job-sharing opportunities wherever appropriate and practicable, and aiming to ensure that part-time employees receive fair treatment;
- Ensuring that the demands of religion (e.g. prayer time and religious holidays), culture (e.g. traditional dress) and special dietary needs are accommodated where possible; and
- Taking reasonable steps to assist employees with domestic responsibilities (e.g. young children and dependent elderly relatives).

Throughout the year, our commitment to advancing diversity and inclusion within our organisation has remained a priority. We have enhanced and implemented several initiatives, notably the 'Targeted Recruitment Program', focusing on underrepresented groups such as women, minorities, and individuals with disabilities. Concrete measures as collaborating with external organisations, taking training for inclusive recruitment, and creating inclusive job advert have been taken. For more information on the Diversity Action Plan of the Group please see pages 63-64.

As at 31 December 2024, we did not comply with the following targets in the Listing Rules on board diversity:

- 40% of individuals on the board to be women.
- At least one senior position (chair, chief executive, senior independent director or chief financial officer) to be held by a woman.

As at 31 December 2024, we complied with the target in the Listing Rules on board diversity that at least one individual on the board be from a minority ethnic background.

Diversity data is collated by our HR function who request colleagues to self-report against drafts of this Annual Report. These targets were not met due to the appointment processes which concluded on 14 February 2023 having failed to identify sufficient female candidates.

Our governance framework continued

Table for reporting on gender identity or sex as at 31 December 2024

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	5	83%	2	7	70%
Women	1	17%	0	3	30%
Other categories					
Not specified, prefer not to say					

Table for reporting on ethnic background as at 31 December 2024

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	4	67%	1	5	50%
Mixed/Multiple Ethnic Groups					
Asian/Asian British	1	17%	1	4	40%
Black/African/Caribbean/Black British					
Other ethnic group, including Arab	1	17%		1	10%
Not specified, prefer not to say					

Conflicts of interest

GRI 2-15

Directors have a duty to avoid a situation in which they have, or may have, a direct or indirect interest that conflicts or may conflict with the interests of the Company.

Formal procedures are in place to ensure that the Board's powers of authorisation of conflicts or potential conflicts of interest of Directors are operated effectively.

The Board is satisfied that during 2024 these procedures were enforced and adhered to appropriately.

Appointment and tenure

All Executive Directors have service agreements with the Company. All Non-Executive Directors have letters of appointment with the Company. For all Executive Directors engaged through service agreements, there is no term limit on their services, as the Company proposes all Executive Directors for annual re- election at each subsequent Annual General Meeting of the Company.

Each Non-Executive Director appointment is for an initial term of three years, subject to being re-elected at each subsequent Annual General Meeting.

Bribery, corruption and whistleblowing

GRI 2-23, 205-1, 205-2, 205-3

Bribery and corruption are significant risks in the oil and gas industry and, as such, the Company operates a Group-wide Anti-Corruption and Bribery Policy, which applies to all Group employees and contractor staff. The policy requires: annual bribery and corruption risk assessments; risk-based due diligence on all parties with whom the Company does business; appropriate anti-bribery and corruption clauses in contracts; and the training of personnel in anti-bribery and corruption measures. In addition, the Company's Code of Conduct requires that employees or others working on behalf of the Company do not engage in bribery or corruption in any form. Corruption-related risks are evaluated on a Group-wide basis (not in respect of divisions). No confirmed corruption cases were identified in 2024.

No live anti-bribery training was conducted in 2024, however a video was created of the anti-bribery training session led by the CLO in November 2023 and that video was made available in 2024 for training Nostrum personnel on anti-bribery matters.

The Company has also adopted a Whistleblowing Policy that takes account of the Whistleblowing Arrangements Code of Practice issued by the British Standards Institute and Public Concern at Work.

Further information can be found on page 66.

No whistleblowing disclosures were reported in 2024.

Anti-facilitation of tax evasion

Further to the new rules under the Criminal Finances Act 2017 (CFA) in the UK, in 2018 the Board approved an Anti-Facilitation of Tax Evasion Policy applicable to the Group and its associated persons. In connection with the preparation of this policy, the Company commissioned an independent bespoke risk assessment and incorporated findings from the assessment into the policy.

Audit Committee report

Role and responsibilities of the Audit Committee

The key areas of responsibility of the Committee during 2024 were as follows:

- Review the Group's audited annual report and interim unaudited consolidated financial statements;
- Review the formal announcement of the financial results, investor presentations and any other related announcements;
- Review the effectiveness of any investigations or internal audits performed;
- Monitor compliance with applicable regulatory and legal requirements and the Group's Code of Conduct;
- Monitor and review the effectiveness of the Group's internal audit function;
- Maintain the relationship with the Company's external auditor and oversee its appointment, remuneration and terms of engagement whilst continually assessing its independence and objectivity; and
- Review audit findings and assess the standard and effectiveness of the external audit.

More detail on these and other key areas of responsibility can be found in the Committee's terms of reference, which are available on the Group's website www.nog.co.uk. The terms of reference of the Committee were approved at a meeting of the Board on 26 April 2023.

Membership

The members of the Committee during 2024 were:

Name	Membership start date	Membership end date
Fiona Paulus (Chairwoman)	24 February 2023	
Chris Cox	24 February 2023	31 May 2024
Chris Hopkinson	24 February 2023	

All members of the Audit Committee during 2024 were considered to be independent Non-Executive Directors.

The qualifications presented in the biographies of the members of the Committee on pages 90-91, and their respective contributions to the activities of the Committee, demonstrate that the Committee has the necessary levels of competence in oil & gas upstream and downstream operations and in accounting and auditing, as well as recent and relevant financial experience.

Meetings in 2024

Committee meets normally a few days in advance of each board meeting. The Group's Chief Financial Officer, the Chief Legal Officer and the Company Secretary are invited to all meetings with the external auditor being invited when appropriate.

The Committee held seven formal meetings during 2024 and the attendance of each Committee member at meetings of the Committee is shown on page 93.

The principal agenda items at the formal meetings were as follows:

Meetings	Agenda item
8 February	Audit planning
19 March	Audit status
17 April	Audit status
28 May	Recommend Q1 financial results to Board
13 August	Recommend H1 financial results to Board
12 November	Recommend Q3 financial results to Board
5 December	Audit planning

Financial Reporting Council (FRC) disclosure expectations

In October 2023, the Corporate Reporting Review ('CRR') team of the FRC highlighted a number of key matters for the 2022-2023 financial reporting season. Top ten most common topics on which CRR team raised substantive questions with companies in their 2022/23 monitoring cycle were aligned to the following key areas of disclosure expectations for 2023/2024 reporting cycle:

- ensuring disclosures about uncertainty are sufficient to meet the relevant requirements and for users to understand the positions taken in the financial statements.
- giving a clear description in the strategic report of risks facing the business, their impact on strategy, business model, going concern and viability, cross- referenced to relevant detail in the reports and accounts.
- providing transparent disclosure of the nature and extent of material risks arising from financial instruments.
- providing a clear statement of consistency with TCFD which explains, unambiguously, whether management considers they have given sufficient information to comply with the framework in the current year.
- performing sufficient critical review of the annual report and accounts, including: taking a step back to consider whether the report as a whole is clear, concise and understandable, omits immaterial information and whether additional information, beyond the requirements of specific standards, is required to understand particular transactions, events or circumstances; and a robust pre-issuance review to consider issues we commonly challenge including: internal consistency; whether accounting policies address all significant transactions; and presentational matters, such as cash flow and current/non-current classification.

Audit Committee report continued

The Committee considered the above- mentioned expectations when reviewing the annual report and accounts, and addressed these while reviewing the annual report and accounts, as further described below in the next sections.

Self-assessment

No formal review of the Committee's performance and effectiveness was made in 2024. An internal/informal performance review took place.

Activities during the year

In accordance with its responsibilities outlined above, the Committee's activities fall into the following four main areas, each of which is explained in more detail in the following sections 1 to 4:

1. Financial reporting

2. Risk management and internal controls

3. Compliance with laws and regulations

4. External audit

1. Financial reporting

The key areas of the Committee's activities related to financial reporting can be summarised as follows:

- Review of and discussions on the quarterly unaudited and annual audited financial statements and recommendation to the Board for approval;
- Review of and discussions on the matters of liquidity and going concern analysis, as well as impairment considerations;
- Review of annual budgets and quarterly performance and forecasts, and the status of key initiatives; and
- Discussion of various ad-hoc matters related to financial accounting, reporting, treasury and tax, and other finance matters.

The Committee's review of the quarterly results and half-yearly financial statements was done with an emphasis on ensuring the following:

- Appropriateness of critical judgements and estimates applied by management (described in more detail below) and completeness of related disclosures;
- Consistency of the adopted accounting policies with those used in prior periods;
- Completeness of disclosures for compliance with financial reporting standards and relevant corporate governance requirements;
- Assessment whether the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the stakeholders to assess the Group's performance, business model and strategy; and
- Discussions on any significant matters with management and the external auditor and providing feedback to management on ways to improve the effectiveness and clarity of the Group's corporate reporting.

The Committee reviewed this Annual Report with the same emphasis as noted above together with the specific areas noted by the FRC and outlined above.

Significant judgements, estimates and assumptions

Significant judgements, estimates and assumptions applied by management when preparing the financial statements are closely related to the principal risks and uncertainties faced by the Group, which are subject to constant monitoring by the Board and the Committee.

The other significant judgements, estimates and assumptions applied by management when preparing the financial statements, and the Committee's responses, are noted in the following table:

Significant judgements	Significant estimates	Significant assumptions	Impact on financial statement accounts
Viability and going concern assessments			
One of the key judgements made by the management when preparing 2024 Annual Report and Accounts was related to the Group's continued viability and going concern. Various risks and uncertainties may threaten the Company's future performance and results.	Management uses internal estimates to forecast future volumes of oil and gas production, as well as opex, G&A, and capital expenditure for future periods, which are subject to various uncertainties.	Management uses product price assumptions for crude oil, LPG, dry gas and stabilised condensate in order to estimate cash inflows from future product sales.	Conclusions based on the going concern and viability assessment affect the basis of preparation of the financial statements, and may lead to differing valuation and presentation of the items on the statement of financials.
Committee actions During 2024, the Committee continued to critically evaluate management's assessment of the Company's and Group's ability to operate as a going concern for at least 12 months from the release date of the financial statements. Additionally, the Committee examined the Company's and Group's long-term viability beyond this 12-month period.	The Committee reviewed the Management's analysis of the Group's cash flows for the 12-36 months, and monitoring of the Group's liquidity position, sensitivity tests of its liquidity position for changes in crude oil price, production volumes and timing of completion of various ongoing projects.	The Committee reviewed the Management's analysis of the Group's cash flows for the 12-36 months, and monitoring of the Group's liquidity position, sensitivity tests of its liquidity position for changes in crude oil price, production volumes and timing of completion of various ongoing projects.	After careful consideration, the Committee is satisfied that the Group has sufficient resources to continue in operation for the going concern period to 30 June 2025, and agrees with management's conclusions in relation to the going concern (see page 50) and viability of the Group over a period of longer than 12 months (see pages 43-44).
Geopolitical factors			
The Group's operations are exposed to risks associated with the political and business environment in Kazakhstan, being the Group's primary location of oil & gas operations, as well as its neighbouring countries. Severe sanctions and trade restrictions imposed by, among others, the US, UK and EU on Russia at various stages have increased the economic and political uncertainty and may have a material adverse impact on the Group's business, results of operations, financial condition and prospects.	Estimations of the future prices for oil, oil products and dry gas along with projected production from the Chinarevskoye field impact the calculation of future cash flows. These factors, in turn, impact the assessment of the Company's and Group's continued viability as well as the determination of appropriate impairment provision levels.	In estimating recoverable amounts of the Group's non-current assets the Management uses assumptions such future commodity prices, oil and gas reserves, future production profiles, operating expenses and capital expenditure estimates, fiscal regimes, and discount rates.	Changes in the significant estimates and key assumptions may impact the Group's ability to continue as a going concern, or the level of impairment required against the CGU.
Committee actions During 2024, the Committee continued to critically evaluate management's assessment of the geopolitical factors and their impact on the Group's operations.	As part of the regular Board meetings, the Committee reviewed the monthly liquidity position prepared by management and agreed the estimations of product prices, costs and production profiles were appropriate.	As part of the regular Board meetings, members of the Committee considered and challenged the assumption that sanctions were not affecting the Group's operations and marketing the products.	The Committee simultaneously evaluated the impact of sanctions on the financial statements while scrutinising the application of the going concern basis for preparing the quarterly, half-yearly, and annual financial statements. This comprehensive approach ensured a thorough assessment of the company's financial position and reporting practices in light of external pressures and regulatory requirements.

Audit Committee report continued

Significant judgements	Significant estimates	Significant assumptions	Impact on financial statement accounts
Non-current assets' carrying values			
In conducting the impairment analysis, management exercised professional judgment and determined a single cash generating unit (CGU) within the Group's non-current assets. This CGU encompasses all assets related to the Chinarevskoye field, Stepnoy Leopard Fields, gas treatment facilities, and hydrocarbon processing from Ural O&G. Furthermore, management applied judgment in determining the fair value less costs of disposal (FVLCD) of the CGU. This process involved making assumptions about how market participants would view the value-creating components of the CGU.	Management prepared estimations of the CGU's recoverable amount using a discounted cash flow model. This model incorporated significant assumptions and took into account the overall enterprise value. The process involved careful consideration of various factors to determine the most accurate valuation of the CGU's potential future economic benefits.	Assumptions used in estimating recoverable amounts included future commodity prices, oil and gas reserves, future production profiles, operating expenses and capital expenditure estimates, fiscal regimes, and discount rates. Enterprise valuation considered the market value of the Group's bonds and the Company's shares.	Changes in the key assumptions and market valuations may significantly affect the estimation of the recoverable amount of non-current assets, and consequently may result in impairment of non-current assets.
Committee actions The Committee agreed with management's decision to designate a single CGU for most the Group's non-current assets. Additionally, the Committee concurred with management's determinations regarding the value-creating components of this CGU.	The Committee thoroughly examined management's detailed reports on impairment testing. After careful review, the Committee endorsed the approach of using a combination of a discounted cash flow model and enterprise value for conducting the impairment tests.	The Committee reviewed the assumed product prices, discount rates, production profiles, and forecast capital and operating expenditures, and their consistency with other areas of future cashflow forecasts.	After reviewing management's analysis, with particular attention to the sensitivity analysis, the Committee agreed with management's findings and conclusions on impairment testing. The Committee also carefully examined the relevant disclosures included in this report to ensure they accurately reflected calculation process and results.
Oil and gas reserves			
Management exercised significant judgment in determining the volume of future production used in the unit-of-production method for the depletion of the certain oil and gas asset. This assessment was based on the estimated oil and gas reserves, requiring careful evaluation to ensure accurate and reliable calculations.	Management uses internal estimates to perform an annual assessment of the oil and gas reserves. The reserves estimation is made in accordance with the methodology of the Society of Petroleum Engineers (SPE).	Considering the most recent available information, the Committee reviewed various key assumptions used by management in estimating the oil and gas reserves and was satisfied with the reasonableness of such assumptions.	The Committee remained comfortable with the updated reserves estimations prepared by the management, recognising them as a critical factor in the calculation of depreciation, depletion, and impairment.
Committee actions The Committee concurred with the continued application of the unit-of-production method for the depletion of the oil & gas assets, as this method reflects the expected pattern of consumption of future economic benefits by the Group.	The Committee found assurance in the outcomes of the oil and gas reserve estimations, noting that the key assumptions used were consistent with those applied in the previous year's estimations.	The Committee reviewed the assumed product prices, discount rates, production profiles, and forecast capital and operating expenditures, and their consistency with other areas of future cashflow forecasts.	After reviewing management's analysis, with particular attention to the sensitivity analysis, the Committee agreed with management's findings and conclusions on impairment testing. The Committee also carefully examined the relevant disclosures included in this report to ensure they accurately reflected the impairment testing process and results.

Significant judgements	Significant estimates	Significant assumptions	Impact on financial statement accounts
Taxation			
Given the ongoing changes and varying interpretations of Kazakhstan's tax legislation and regulations, management must exercise significant judgment in assessing potential exposures. This includes estimating the ultimate amount of any future taxes, penalties, and interest that could arise from disagreements by tax authorities with the positions adopted by the Group.	The Group undergoes routine tax audits, which involve discussions of tax computations with tax authorities. While the final outcome of these audits and discussions cannot be determined with absolute certainty, management estimates the amounts of tax accruals and provides appropriate disclosures.	The assumptions used in estimating potential tax liabilities are based on professional advice and a careful consideration of the nature of ongoing discussions with tax authorities.	Due to the inherent uncertainties in Kazakhstan's tax systems, there is a possibility that the ultimate amount of taxes, penalties, and interest, if any, may exceed the amount expensed to date and accrued as of 31 December 2024.
Committee actions The Committee received regular updates from management regarding any uncertainties surrounding the Group's tax position. These updates were subsequently discussed in depth during both Committee and Board meetings, ensuring that all relevant parties were informed and involved in addressing potential tax-related challenges.	The Committee carefully reviews the details of any significant matters under discussion with tax authorities and assesses the likelihood of taxes becoming payable.	Areas of focus were the nature of current discussions with the tax authorities, the outcomes of previous similar discussions and the views of tax specialists.	The Committee paid particular attention to the disclosure of any significant uncertainties in estimating tax liabilities.

Other significant judgements and estimates

The decommissioning of oil and gas assets at the end of their economic lives, the provisioning for contingent and other liabilities, current and deferred income tax, depreciation of the certain gas processing assets, and fair value of financial instruments are all areas that require management to use judgement and estimates. The Committee examined each of these issues and sought clarifications, as and when necessary, including discussions with the Company's auditors.

Significant matters communicated by the external auditors

In addition to the significant judgments, estimates, and assumptions outlined above, the external auditors identified revenue risk as an area of focus, noting the inherent risk of fraud through management override of controls. The Committee, however, is confident that the Group's policies and robust internal controls are effective in mitigating these risks. These measures are designed to minimise the potential for management to manipulate accounting records or misappropriate assets, ensuring the integrity of the Group's financial reporting.

Audit Committee report continued

2. Risk management and internal controls

The Committee continuously monitored the Group's risk management systems, further information on which can be found in the Risk Management section on pages 34-35.

In accordance with requirements of the 2018 Code relating to the viability statement, the Committee reviewed the impact and sensitivity analysis of such risks on the Group's long-term viability. The principal areas of risk management assessed by the Committee are described in the table below.

Key areas of the Committee's focus in relation to principal risks:

Geopolitical Risk	The Committee continued to oversee the management's assessments and responses to the impact of worldwide sanctions on the operations the Group. Such responses included continued collating and regular updates of the lists of all persons/entities sanctioned in order to ensure Nostrum does not enter into transactions with any of the persons/entities on these lists.
Liquidity and financial reporting	Throughout the year, and as explained in more detail elsewhere in this report, the Committee has been focused on reviews of the viability of the Group and the application of the going concern basis for preparing the financial statements.
Oil and gas production rates	The Committee recognises the oil and gas production volumes are subject to significant risks and uncertainties, and hence continued constant monitoring of the forecast production rates against actual rates. Periodic updates were reported by the management at the Committee meetings and Board meetings, and any material variances were discussed in details with the management.
Cyber security	The Committee continued to review the Company's and Group's exposure to cyber-attacks and discussed with management the effectiveness of proposed actions to address such exposure
Financial reporting	The Committee seeks to ensure the accurate maintenance of accounting records and related transactions, and relevant disclosures, with particular attention to areas of significant judgements, estimations and assumptions which are inherently subject to significant risks and uncertainties. Such areas of focus included viability and going concern assessments, impairment, oil and gas reserves and production forecasts, taxation as described in the previous section.

Internal control system

The Group's internal control system is aimed at mitigating risks and improving efficiency. These include:

- Segregation of authorities and duties at various levels;
- Policies and procedures covering Directors' remuneration, compliance, accounting and reporting and health, safety and environment as described in the relevant sections of the Annual Report;
- Training and internal communications; and
- Continuous monitoring of short-term, medium-term and long-term planning, forecasting and decision-making processes.

In the Committee's view, the Group continued to maintain a robust and defensible systems of risk management and internal control, and the Committee made recommendations to senior management on further improvements as and when considered necessary.

Details of the procedures related to compliance control are set out below (including compliance liaison equivalent to a hotline). No instructions for any conflict of interest settlement or compliance control forms were in use in 2024. No sanctions or disciplinary actions were applied in respect of internal control in 2024.

Internal Audit

The primary role of the internal audit function is to assist the Board and senior management to protect the assets, reputation and sustainability of the organisation. This is achieved through:

- Building strong and effective risk awareness within the Group;
- Continuously improving risk management and control processes to ensure they operate effectively and efficiently, while reflecting leading industry practices; and
- Sharing best practice in risk management and assurance across the Group.

The Group does not at this time have a dedicated internal audit function. Instead, the Group outsources this work to specialists in relevant areas or engages internal resources on a case-by-case basis.

Also, one of the compensating measures is the Contracts Board comprised of the Chief Executive Officer, the Chief Financial Officer and the Chief Operating Officer.

The Contracts Board meets weekly and reviews and approves all significant expenditure commitments.

Also, in the Committee's view, the Group has sufficient internal processes providing assurance to the management, Audit Committee and the Board about the effectiveness of systems of internal control and risk management: for instance quarterly reports to the Board on operations, financial performance, liquidity, and legal issues and assurance provided by Quality, Health, Safety and the Environment ("QHSE") Department.

3. Compliance with laws and regulations

The Chief Legal Officer and Company Secretary attends the Committee's meetings, which allows the Committee to raise any concerns related to legal, compliance or whistleblowing matters and the status of any ongoing litigation.

UK Corporate Governance Code

The Committee was in compliance with the Code throughout 2024, except that (in breach of provision 21 of the Code) no formal review of the Committee's performance and effectiveness was made in 2024. An internal/informal performance review took place.

Whistleblowing arrangements

Nostrum has a Group Whistleblowing Policy and, to ensure that all Group employees have access to someone who can provide them with support and guidance, the Group has two compliance liaison officers: one English, Kazakh and Russian-speaking officer based in Uralsk and another Dutch and English-speaking officer based in Brussels. The Audit Committee maintained close contact with the compliance liaison officers. No whistleblowing disclosures were reported in 2024.

4. External audit

Appointment of external auditor

Since 2023, MHA and Ernst & Young Kazakhstan have been auditors of the Group and Zhaikmunai LLP, respectively. On the recommendation of the Committee and subsequent approval by the Company's shareholders, MHA was first appointed as auditors of the Group on 30 June 2023. The re-appointment of MHA was approved by the shareholders at the Annual General Meeting on 5 June 2024.

Non-audit services

The main principle of the Group's policy on the provision of non-audit services by the external auditor is that non-audit services may only be provided by the external auditor where the external auditor maintains the necessary degree of independence and objectivity, and that standard supplier selection procedures are carried out.

Committee pre-approval is required before the external auditor is engaged to provide any permitted non-audit services (as defined in the policy) in addition to any other approvals required by the Board and management pursuant to powers delegated by the Board or Nostrum's internal approvals policies.

The Committee monitors the external auditor to ensure that it does not provide non-audit services that are prohibited by the FRC and limits such services to due diligence services and other assurance services. The revised policy is available on the Group's website at www.nog.co.uk and will be reviewed and amended as and when required.

Audit fees for 2024 totaled US$1,237 thousand (2023: US$1,116 thousand).

A detailed breakdown of audit and non-audit fees for 2024 can be found in Note 30 to the consolidated financial statements of the Group on page 161.

By operating in accordance with the above policy and other practices established within the Group, the Committee was satisfied that adequate safeguards were in place to ensure the objectivity and independence of the external auditor.

Nomination and Governance Committee report

Key responsibilities of the Nomination and Governance Committee

The key responsibilities of the Committee in 2024 were to:

- Lead the process for Board appointments and make recommendations to the Board regarding candidates for appointment or reappointment as Directors;
- Monitor and make recommendations to the Board on Board governance and corporate governance issues, to enable the Board to operate effectively and efficiently;
- Regularly review the structure, size and composition (including skills, knowledge and experience) of the Board;
- Ensure that an annual review of the effectiveness of the Board, and each committee of the Board, and the contribution of each director is conducted every year, with an independent external review at least every three years;
- Keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;
- Review annually the time required from Non-Executive Directors.
- Review and approve changes to the Board's governance guidelines, monitor the compliance with such guidelines and with applicable legal, regulatory and listing requirements and recommend to the Board such changes or additional action as it deems necessary;
- Require Directors to obtain approval from the Board before undertaking additional external appointments.

More details on key responsibilities can be found in the Committee's terms of reference, which are available on the Group's website at www.nog.co.uk. The terms of reference of the Committee were approved at a meeting of the Board on 26 April 2023.

Membership

The members of the Committee during 2024 were:

Name	Membership start date	Membership end date
Chris Cox (Chairman until 31 May 2024)	24 February 2023	31 May 2024
Chris Hopkinson	24 February 2023	
Fiona Paulus	24 February 2023	
Martin Gudgeon (acting Chairman from 1 June 2024)	24 February 2023	
Stephen Whyte	24 February 2023	

Committee meetings

There were three formal meetings of the Nomination and Governance Committee during 2024. The attendance of each Committee member at Committee meetings held during 2024 is shown on page 93.

The principal agenda items at the formal meetings were as follows:

Meetings	Agenda item
March	Consideration of potential new NED
April	Consideration of potential new NED
May	Consideration of potential new NED

Only members of the Committee have the right to attend Committee meetings.

However, other individuals may be invited to attend all or part of any meeting, as and when appropriate.

The process used in relation to appointments, its approach to succession planning and how both support developing a diverse pipeline.

Please refer to the Committee's terms of reference. All Directors will stand for re-election at the 2025 Annual General Meeting with the full support of the Board.

How the board evaluation has been conducted, the nature and extent of an external evaluator's contact with the board and individual directors, the outcomes and actions taken, and how it has or will influence board composition.

An informal (internal) Board evaluation took place during 2024.

The policy on diversity and inclusion, its objectives and linkage to Company strategy, how it has been implemented and progress on achieving the objectives.

Please see pages 62-66.

The gender balance of those in the senior management and their direct reports.

Please see pages 62-63.

Statement from the Remuneration Committee Chairman

Dear shareholder,

I am pleased to introduce the Directors' Remuneration Report, which has been approved by both the Remuneration Committee and the Board for the year ended 31 December 2024.

Remuneration Policy

The aim of our Directors' Remuneration Policy, amongst other things, is to align the remuneration of non-executive and executive directors with the interests of the Company's shareholders and to ensure that rewards are justified by performance.

As noted elsewhere in this Annual Report, in accordance with the Companies Act 2006 a resolution to approve an amended Directors' Remuneration Policy was submitted to shareholders for a binding vote at the General Meeting held on 11 July 2024 and was approved by 99.77% of votes cast. The principal changes approved were:

- the adoption of a new Management Incentive Plan (the "MIP"); and
- to permit all Directors (including the Chairman and Non-executive Directors) to participate in the MIP.

Remuneration for 2024

The 2024 Directors' Remuneration Report will also be subject to an advisory vote at our 2025 Annual General Meeting. Further details of Executive Director performance against the 2024 KPIs can be found on pages 109-124. In setting these targets, the Committee focused on areas critical for the Company, which were:

- Minimising annual decline of average sales volumes;
- Reducing operational and G&A cash costs;
- Pursuing strategic objectives to monetise the spare capacity within our world-class processing facilities;
- Ensuring all of our operations are carried out as safely as possible; and
- Actively managing our greenhouse gas emissions.

Our strategic targets all remain commercially sensitive and, therefore, have not been disclosed.

Mr Khan is the only person who served as an Executive Director during 2024 who has been assessed for a bonus against achievement of these KPIs. The assessment was prepared by the Remuneration Committee and was considered and agreed by the Committee on 25 March 2025. It was determined that 100% of the 2024 KPIs had been achieved over the year 2024 (GBP 450,000).

The 2025 key performance indicators for the CEO and senior managers were initially proposed by the CEO and then developed in consultation with the Remuneration Committee and were agreed by the Committee on 25 March 2025. Such KPIs are set out on page 117.

Senior management, including the CEO and the CFO, are assessed for bonuses based on these KPIs. Certain KPIs relating to strategic objectives are considered to be commercially sensitive and so have not been disclosed. It is our intention to publish these, together with the bonus outcome, as required in the first Directors' Remuneration Report following their achievement and when the relevant information is no longer commercially sensitive.

The first awards under MIP were released in July 2024 following achievement of the performance conditions for these awards.

As regards the Group's personnel as a whole, the collective agreement with employees of the Company's subsidiary Zhaikmunai LLP working in the RoK provides for annual indexation of salaries. Effective 1 January 2024 an increase of 10% was granted to employees who are paid in Kazakh Tenge to cover the increase in the cost of living there during 2023.

Mr Khan did not receive any salary increase in 2024. Any increase set out in the single total remuneration table in relation to Arfan Khan relates to deterioration of USD (in which reporting is made) relative to GBP (in which Mr Khan is paid), his annual bonus or payments under the MIP.

Since 14 February 2023, fees payable to the independent non-executive Directors have been set at US$100,000 per annum, plus US$10,000 per annum for committee chairmanship.

UK Corporate Governance Code

Information on compliance with the Code can be found on pages 88-89.

The Committee has addressed the factors in Provision 40 of the Code as to clarity, simplicity, risk and predictability by refining the CEO's KPIs applying in 2025 relative to those which applied in 2024 to (a) reduce ambiguity; and (b) increase the level of granularity.

Compliance statement

This report has been prepared in accordance with the UK's regulations on remuneration reporting. The Companies Act 2006 requires the Company's auditor to report to shareholders on certain parts of the Directors' Remuneration Report and to state whether, in the auditor's opinion, those parts of the report have been properly prepared in accordance with the above regulations. This Annual Statement and the Policy Report are not subject to audit. The sections of the Directors' Remuneration Report that are subject to audit are indicated accordingly.

On behalf of the Committee, I would like to thank shareholders for their continuing support.

Chris Hopkinson
Chairman, Remuneration Committee
Independent Non-Executive Director

22 April 2025

2024 annual report on remuneration

Key responsibilities of the Remuneration Committee

The Committee's key responsibilities include ensuring that:

- Remuneration policy and practices of the Company are designed to support strategy and promote long-term sustainable success, reward fairly and responsibly, with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements; and
- Executive remuneration is aligned to company purpose and values and linked to delivery of the Company's long-term strategy.

Membership

The members of the Committee during 2024 were:

Name	Membership start date	Membership end date
Chris Hopkinson (Chairman)	24 February 2023	
Fiona Paulus	24 February 2023	
Chris Cox	24 February 2023	31 May 2024
Martin Gudgeon	24 February 2023	

Their biographies are given on pages 90-91. The Company Secretary acts as secretary to the Committee.

Remuneration Committee

The remuneration of the Chairman, the CEO, the CFO, the Company Secretary and all other senior members of executive management is determined by the Committee under delegated powers from the Board and in accordance with the Committee's terms of reference. The Chairman and the executive members of the Board determine the remuneration of all Non-Executive Directors, including members of the Committees.

In accordance with the terms of reference, members of the Committee shall be appointed by the Board on the recommendation of the Nomination and Governance Committee in consultation with the Chair of the Committee. The Committee shall comprise at least three members, the majority of whom shall be INEDs and one of whom shall be the Warrant Director.

From 1 January 2024 to 31 May 2024 the Committee was comprised of three INEDs and the Warrant Director. From 1 June 2024 to 31 December 2024 the Committee was comprised of two INEDs and the Warrant Director.

The primary responsibilities of the Committee are set out in its terms of reference which are reviewed and updated annually, and which are available to download from the Company's website. Alternatively, copies can be obtained on request from the Company Secretary.

When making recommendations to the Board regarding Executive Directors' remuneration the Committee is able to consider corporate performance on environmental, social and governance issues and ensures that any incentive structures do not raise any environmental, social or governance risks by inadvertently motivating irresponsible behaviour.

The Committee held two meetings in 2024 and the attendance of each committee member at such meeting is shown on page 93.

The principal agenda items at the meetings were as follows:

Meetings	Agenda item
February	Performance against 2023 KPIs
March	Approval of 2024 KPIs

No other Directors participated in meetings of the Committee during 2024.

During the year, the Committee received advice internally from Arfan Khan, Petro Mychalkiw and Thomas Hartnett (Company Secretary).

Mr Khan and Mr Mychalkiw were consulted on the remuneration of the other senior members of executive management and on matters relating to the performance of the Company. The Company Secretary was consulted on regulatory requirements.

None of Mr Khan, Mr Mychalkiw and Mr Hartnett participated in decisions on his own remuneration.

Members of the Group's human resources team may attend relevant portions of Committee meetings to ensure appropriate input on matters related to the remuneration of senior members of the executive management team below Board level.

Voting on remuneration matters

The resolution put to shareholders at the 2024 Annual General Meeting relating to Directors' remuneration was a resolution to approve the Directors' annual report on remuneration which, in accordance with the Companies Act 2006, was subject to an advisory vote. The votes received are set out in the table below.

Resolution	Votes FOR	% of votes cast	Votes AGAINST	% of votes cast	Votes WITHHELD
To approve the Directors' Remuneration Report, other than the part containing the Directors' Remuneration Policy, in the form set out in the Company's Annual Report and Accounts for the year ended 31 December 2023.	87,364,363	99.90	89,081	0.10	87,453,444

The resolution put to shareholders at the General Meeting held on 11 July 2024 was a resolution to approve a new remuneration policy which, in accordance with the Companies Act 2006, was submitted to shareholders for a binding vote. The votes received are set out in the table below.

Resolution	Votes FOR	% of votes cast	Votes AGAINST	% of votes cast	Votes WITHHELD
To approve the amendments to the current Company's Directors' Remuneration Policy as set out in the Notice of GM, and to authorise the Company to make any remuneration payment pursuant to any such amended provisions and to do all acts and things it may consider necessary or desirable in connection with the same.	89,560,151	99.77	209,315	0.23	89,769,466

At the 2025 Annual General Meeting, the Directors' remuneration report will be put to shareholders for approval by way of an advisory vote.

2024 annual report on remuneration continued

Single total figure of remuneration

The table below shows the single total figure of remuneration for the year ended 31 December 2024 for each Director that served at any time during the year. The information contained in the table is as prescribed by the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and contains a single total figure of remuneration for each Director.

Directors are remunerated in either GBP, US$ or KZT. All figures in relation to Director remuneration are reported in USD throughout this report.

All amounts in US Dollars

Director[1]	Period	Salary and fees	Taxable benefits*	Annual bonus[2]	MIP3	LTIP4	Pension[5]	Total (audited)	Total fixed remun-eration	Total variable remun-eration
Stephen Whyte[6]	**2024**	**303,515**	**–**	**–**	**137,148**	**–**	**–**	**440,662**	**303,515**	**137,148**
(Chairman, Non-Executive Director)	2023	259,038	–	–	–	–	–	259,038	259,038	–
Atul Gupta[7]	**2024**	**37,500**	**130**	**–**	**–**	**–**	**–**	**37,630**	**37,630**	**–**
(Executive Chairman)	2023	538,748	3,967	–	–	–	–	542,715	542,715	–
Arfan Khan[8]	**2024**	**573,043**	**29,306**	**583,556**	**233,169**	**–**	**56,159**	**1,475,233**	**658,508**	**816,725**
(Chief Executive Officer)	2023	608,516	28,183	858,434	–	–	40,378	1,535,511	755,116	858,434
Fiona Paulus[6]	**2024**	**110,000**	**–**	**–**	**48,823**	**–**	**–**	**158,823**	**110,000**	**48,823**
(Non-Executive Director)	2023	95,897	–	–	–	–	–	95,897	95,897	–
Chris Cox[6]	**2024**	**75,833**	**–**	**–**	**–**	**–**	**–**	**75,833**	**75,833**	**–**
(Non-Executive Director)	2023	95,897	–	–	–	–	–	95,897	95,897	–
Chris Hopkinson[6]	**2024**	**110,000**	**–**	**–**	**48,823**	**–**	**–**	**158,823**	**110,000**	**48,823**
(Non-Executive Director)	2023	95,897	–	–	–	–	–	95,897	95,897	–
Martin Gudgeon[6]	**2024**	**104,167**	**–**	**–**	**48,823**	**–**	**–**	**152,989**	**104,167**	**48,823**
(Non-Executive Director)	2023	91,667	–	–	–	–	–	91,667	91,667	–
Viktor Gladun[9]	**2024**	**37,366**	**–**	**–**	**–**	**–**	**–**	**37,366**	**37,366**	**–**
(Non-Executive Director)	2023	–	–	–	–	–	–	–	–	–
Martin Cocker[10]	**2024**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(Non-Executive Director)	2023	24,615	–	–	–	–	–	24,615	24,615	–
Sir Christopher Codrington, Bt.[10]	**2024**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(Non-Executive Director)	2023	24,615	–	–	–	–	–	24,615	24,615	–
Kaat Van Hecke[10]	**2024**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(Non-Executive Director)	2023	24,615	–	–	–	–	–	24,615	24,615	–

1. Stephen Whyte was remunerated in GBP and US$, Fiona Paulus, Chris Cox, Chris Hopkinson, Martin Gudgeon, Viktor Gladun, Atul Gupta and Martin Cocker were remunerated in US$, Arfan Khan was remunerated in GBP and KZT and Kaat van Hecke was remunerated in EUR. For the purposes of this table, the following exchange rates have been used:
   2024: GBP: EUR 1.179; EUR: US$1.085; US$: KZT 503.82
   2023: GBP: EUR 1.149; EUR: US$1.082; US$: KZT 456.13
2. Arfan Khan received a bonus for his contribution to the operating, commercial, strategic and environmental objectives of the Group in 2024 and 2023. None of the bonus awarded to Arfan Khan was in relation to the appreciation or depreciation of the Company's share price. No other Executive Directors received bonuses in respect of 2024 or 2023.
3. Awards were released under the Management Incentive Plan (MIP) in 2024 following the satisfaction of the performance conditions for such awards.
4. Awards made under the LTIP in 2017 have vested but no awards have been exercised by the Executive Directors in respect of such awards. No awards made under the LTIP in 2018 are capable of vesting as the performance conditions were not met in 2018. No awards were made under the LTIP in 2023 or 2022.
5. The Company did not operate a pension scheme for Executive Directors in 2024 or 2023 but may make a pension contribution or a payment in lieu of pension contributions to Executive Directors under their employment contracts as executives of the Group as opposed to under their service agreements as Directors of the Company. The total amount paid to Executive Directors in 2024 in lieu of pension contributions was US$ 56,159 (2023: US$ 40,378). Executive Directors are not entitled to any additional benefit if they retire early.
6. 2023 amounts shown for Stephen Whyte, Fiona Paulus, Chris Cox, Chris Hopkinson and Martin Gudgeon represent their remuneration received from the date of their appointment as Directors of the Company on 14 February 2023.
7. Atul Gupta received remuneration for his term of service until 14 February 2023 and monthly payments in lieu of 12 months' notice subsequent to 14 February 2023 and a payment of $3,462 in lieu of all accrued but unused holidays entitlement.
8. The presentation of the remuneration of Arfan Khan for 2023 was amended from previous years disclosure, to correctly classify the payroll taxes attributable to annual bonus (US$78,039), which were previously included in salary and fees category.
9. Viktor Gladun received remuneration from the date of his appointment as a Director of the Company on 15 August 2024.
10. Martin Cocker, Sir Christopher Codrington and Kaat van Hecke were paid fees of $120,000 per annum. No additional amounts were payable for being Chair of any of the Board's committees nor the Senior Independent Non-Executive Director.

* Taxable benefits include travel, medical, disability insurances and other benefits.

Notes on the single total figure of remuneration table

Base salaries

Executive Directors' salaries were considered by the Committee at the time of appointment to post in 2020 and 2021. When reviewing salaries, the Committee considered the provisions of the Remuneration Policy and the situation of the Company.

Annual bonus

In 2024, Mr Khan was the only Executive Director eligible for a bonus. He and the Non-executive Directors were also eligible for awards under the MIP.

In accordance with the Remuneration Policy approved on 11 July 2024, the maximum annual bonus opportunity for Mr Khan in respect of 2024 was 240% of base compensation. The maximum annual bonus opportunity of the CEO for achievement against key performance indicators in 2024 under his service agreement was 100% of the base compensation.

All bonuses are discretionary and can be reduced from the maximum annual bonus opportunity level for reasons such as poor performance by the employee or due to disappointing financial performance of the Group as a whole.

The key performance indicators for annual cash bonuses for the CEO were as follows:

2024 bonus performance measures	Weight
NFA[1] Operations and Costs	50%
Achieve annual Chinarevskoye field No-Further-Activity PDP volume available for sales from P90 of 6,195 boepd (0%) to P50 of 6,698 boepd (100%). Sliding scale.	20%
Sulphur Recovery Unit: Mechanical completion of the Sulphur Recovery unit upgrade without any major HSE incident (LTI). 100% by May 1st and 100% to 0% by July 1st, sliding scale.	5%
NFA Cost Focus. Opex ($38.0mln) & G&A ($11.3mln). 0% if any increases, 30% if flat, and 100% if lower by 1 $mln. Sliding Scale	10%
Drill, Complete and Deliver wells Ch-301 and Ch-41_1_1 to planned mechanical objectives and within the approved budget (100%) sliding scale to 0% in case of 10% over budget. To be split 7.5% on budget achievement and 7.5% on well success.	15%
Strategic Objectives	40%
A commercially sensitive strategic target, therefore not disclosed[2]	10%
A commercially sensitive strategic target, therefore not disclosed[2]	10%
A commercially sensitive strategic target, therefore not disclosed[2]	20%
HSE Achievement of the approved 2024 HSE Plan (provided that there have been no fatalities. In the case of a fatality 10% additional will be deducted from the overall weighting.).	10%
KPIs: • GHG emissions not to exceed target set by the National GHG Allocation of 203,562 CO_2. or equivalent level;	
• Safety KPIs: LTI < 1.05 ; RTI < 0.75 ; TRIF < 1.9	10%
Total	100%

1. NFA refers to core operating activities, excluding any growth opportunities and/or one-off items.
2. In certain cases information on performance measures or targets has been omitted because it is commercially sensitive and disclosure of such information may not be in the Company's interest. Such information may be reported in the subsequent annual report if the performance measure or target has been met and the Company considers that disclosure of such information at such time would not be contrary to the Company's interest.

The Committee considered the performance of the CEO in the period 1 January to 31 December 2024. Production and cost KPIs were fully satisfied (40% out of a possible 40%), the strategic KPIs were entirely met (50% out of a possible 50%) and HSE KPIs were met (10% out of a possible 10%), resulting in conclusion that 100% of the 2024 KPIs had been achieved over the year 2024 (GBP 450,000).

The Company may provide for clawback or withholding provisions regarding annual bonuses. Clawback and withholding provisions do apply to the MIP and LTIP awards for which performance conditions have been satisfied. Except as stated in relation to the Phantom Share Option Scheme and the LTIP, there are no deferral periods, vesting periods or holding periods. Other than under the MIP, there are no performance targets or measures relating to more than one financial year.

2024 annual report on remuneration continued

Management Incentive Plan (MIP)

Over the entire duration of the MIP aggregate MIP payments to the CEO may not exceed 16 times his current maximum base salary. Over the entire duration of the MIP aggregate MIP payments: (a) to the Chairman may not exceed 19 times his current annual director's fees, and (b) to each of the other non-executive directors may not exceed 19 times the current level of annual director's fees payable to non-executive directors other than the Chairman.

Pension entitlements

The Company did not operate a pension scheme for Executive Directors in 2024 but may make a contribution to a private pension fund or a payment in lieu of pension contributions to Executive Directors, under their employment contracts as executives of the Group as opposed to under their service agreements as Directors of the Company.

Payments to past Directors

Following the end of his term of service on 14 February 2023, Atul Gupta was paid 12 monthly equal instalments in lieu of 12 months' notice and a payment of $3,462.00 in lieu of all accrued but unused holiday entitlement. Following the resignation of Chris Cox as a Non-executive Director of the Company effective 31 May 2024, he received a payment of USD 27,500, being an amount equal to his annual remuneration fee on a pro-rata basis for the three month period following the date of his resignation.

No other payments were made to past directors of the Company during the year ended 31 December 2024.

Payments for loss of office

No payments were made to Directors in 2024 for loss of office.

Non-executive Director fees

Since 14 February 2023, Non- executive Director fees have been as follows:

Chris Cox	100K USD per annum, plus 10K USD per annum for chairmanship of Nomination and Governance Committee, all until 31 May 2024
Martin Gudgeon	100K USD per annum, plus 10K USD per annum for chairmanship of Nomination and Governance Committee as from 22 July 2024
Chris Hopkinson	100K USD per annum, plus 10K USD per annum for chairmanship of Remuneration Committee
Fiona Paulus	100K USD per annum, plus 10K USD per annum for chairmanship of Audit Committee
Stephen Whyte	230K GBP per annum, plus 10K USD per annum for chairmanship of Strategy Committee
Viktor Gladun	100K USD per annum

Directors' shareholdings

The beneficial interests of the Directors in the share capital of the Company as at 31 December 2024 were as follows:

Director	Total (audited)
Martin Gudgeon	
Chris Hopkinson	
Arfan Khan	
Fiona Paulus	
Stephen Whyte	
Viktor Gladun	

The Company has not been notified of any change in Directors' shareholdings since 31 December 2024.

Please refer to the text in the Remuneration Policy table on page 120 in relation to shareholding guidelines applicable to Directors.

No shares have been granted to Directors so there was no requirement on any Director to hold them in accordance with the guidelines. The Company's sole Executive Director Arfan Khan did not hold any shares in 2024 as encouraged by the guidelines.

Phantom share option plan

The Company operates one non- performance-related phantom share option plan (the Plan). There are no outstanding options to Directors. No awards were made under the Plan in 2024 (2023: nil). It is not currently envisaged to make any further awards under the Plan.

Long-term incentive plan

On 24 August 2017, the Board approved the making of certain initial grants under the Company's long-term incentive plan (LTIP). Awards under the LTIP were made in 2017 and 2018 but no further awards were made thereafter or are currently envisaged under the LTIP.

In accordance with the LTIP rules, all outstanding options that had been issued to two Executive Directors, Mr Kessel and Mr Richardson, who left the Company on 16 December 2019 and 31 March 2020, respectively, lapsed as of 16 December 2019 and 30 March 2021, respectively.

All Non-Executive Directors who had been granted awards under the LTIP (including Atul Gupta) have formally renounced such awards and the Company has amended the terms of its LTIP to make Non-Executive Directors ineligible to participate in the LTIP.

Management Incentive Plan (MIP)

Following the completion of the restructuring of the group's US$725 million Senior Notes due July 2022 and the US$400 million Senior Notes due February 2025 (the "Restructuring"), the board of directors of the Company was re-constituted on 14 February 2023. The previous executive chair and non-executive directors stepped down from the Board (with the CEO Arfan Khan remaining in place), while:

- Stephen Whyte was appointed as Independent Chair and a Non-Executive Director;

- Martin Gudgeon was nominated by the trustee of the warrants issued in connection with the Restructuring as the Warrant Director and appointed as a Non-Executive Director; and
- Chris Cox, Christopher Hopkinson and Fiona Paulus were appointed as Independent Non-Executive Directors.

At the 2023 AGM, the Board was required to seek approval for a new directors' remuneration policy, as the previous policy had been approved by shareholders at the Company's AGM in 2020. Given the short period that the current Board had been in place prior to the 2023 AGM, the Board determined to continue with the previous remuneration policy until such time as the new Board was able to consult with shareholders on any appropriate revisions to reflect the revised financial position of the Company following the completion of the Restructuring. Accordingly, at the 2023 AGM, shareholders approved a new directors' remuneration policy (the "Policy") identical to the previous remuneration policy except to the extent required to enable the payment of a maximum annual bonus of 100% of base compensation to the Company's chief financial officer (if appointed to the Board). That policy was set out on pages 109 to 115 of the 2023 Annual Report.

Following the 2023 AGM, the Board consulted with shareholders and consider the terms of a new management incentive plan. In connection with such deliberations, the Board noted that no awards had been made under either the LTIP or the previous Phantom Share Option Plan since 2018, and that there is no intention to grant new awards in the future under either the LTIP or the Phantom Share Option Plan. The Board noted that this would have the practical effect of preventing senior management, including the CEO, from participating in any management incentive plan of the Company.

The Board also reflected on the impact of the Restructuring and the Company's strategy for the future, which is focused on unlocking the full potential and value of its existing world-class gas processing infrastructure. In this respect, the Board considered that aligning a new management incentive plan which aims to incentivise executive and non-executive directors, senior management and key staff of the Company to achieve the Company's strategic goals, defined as certain key commercial milestones (being value creation catalysts), would be in the best interests of all stakeholders.

The Remuneration Committee therefore considered it appropriate to undertake a review of the executive remuneration structure and, subsequent to the review, a number of changes to the remuneration structure are proposed. The principal changes proposed (the "Proposals") were:

- the adoption of a new Management Incentive Plan (the "MIP"); and
- to permit all Directors (including the Chairman and Non-Executive Directors) to participate in the MIP.

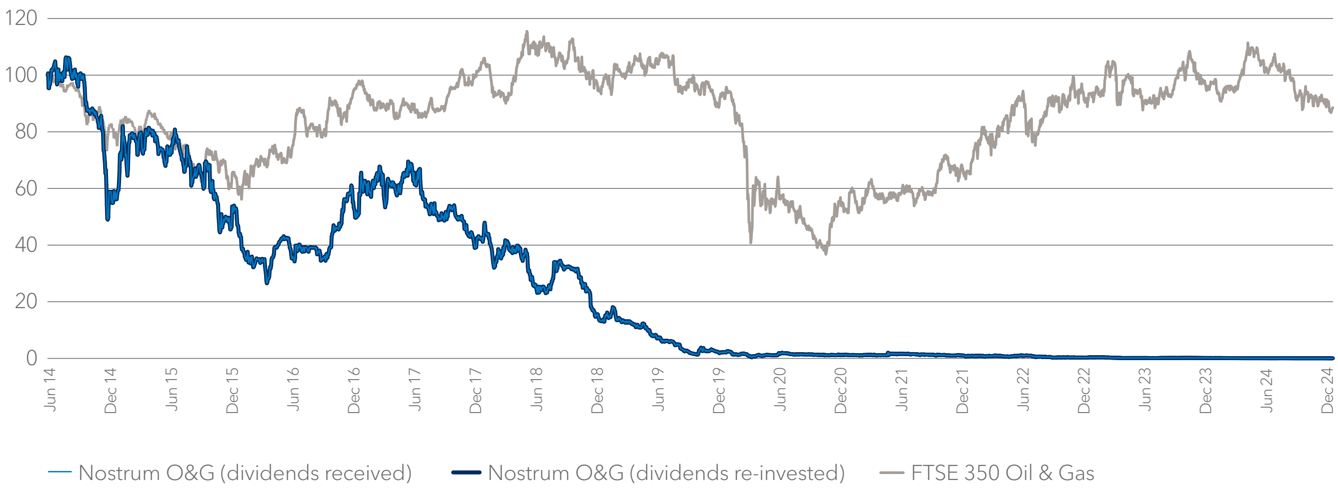
The Remuneration Committee strongly considered that the Proposals ensure that the directors and members of senior management are incentivised to deliver value creating catalysts for the Company to help achieve the Company's strategic goals and therefore enhanced value for shareholders.

Details of the proposed amendments to the Policy to reflect the Proposals (together with certain other non-material amendments) were set out on pages 8 to 18 of the notice of general meeting dated 24 June 2024. The Proposals were approved by General Meeting on 11 July 2024.

Remuneration statistics and comparisons

The following performance graph shows the growth in value of a notional £100 invested in the Company since the premium listing of the Company compared with the growth in the FTSE 350 Oil & Gas Index over the same period. The Committee selected the FTSE 350 Oil & Gas Index as the most appropriate comparator as it feels that it is a broad-based index which includes many of the Company's competitors.

Total share return



Source: Refinitiv

2024 annual report on remuneration continued

History of Chief Executive Officer remuneration

The total remuneration figures compared with a respective maximum opportunity for the CEO during each of the last ten financial years are shown in the table below. Kai-Uwe Kessel was in the position for the period 1 January 2014 to 16 December 2019, Kaat Van Hecke was the CEO from 16 December 2019 to 31 August 2020 and Atul Gupta from 1 September to 25 January 2021.

The total CEO remuneration figure for 2020 therefore includes all amounts paid to Kaat van Hecke for the period

1 January 2020 to 31 August 2020 and Atul Gupta for the period 1 September 2020 to 31 December 2020 for CEO services provided to the Group. Mr Gupta remained as Executive Chairman throughout the period 1 September 2020 to 25 January 2021. Therefore, the amount attributed to his role as CEO is the incremental value in his remuneration only, which was the pension contribution.

Please refer to the single total figure of remuneration table on page 110 for more information.

Year	(USD)	Annual bonus as % of maximum opportunity
2015	1,078,059	80.00%[1]
2016	1,013,718	75.00%
2017	1,004,305	31.25%
2018	732,271	0.00%
2019[2]	1,577,014	0.00%
2020[3]	1,284,577	60.33%
2021[4]	948,525	12.61%
2022	1,453,649	53.13%
2023	1,535,511	58.14%
2024	**1,475,233**	**58.73%**

1. These figures include a bonus amount of EUR 236,262 paid in 2015 in respect of 2014 performance. No bonuses were paid for 2015 performance.
2. The amounts published in 2021 in respect of payments to Kaat Van Hecke in 2019 have been corrected to include the amount of EUR 32,006 paid to her spouse in 2019.
3. The amounts published in 2021 in respect of payments to Kaat Van Hecke in 2020 have been corrected to include amount of EUR 423,031 paid to her spouse in 2020.
4. Kaat Van Hecke was CEO from 16 December 2019 to 31 August 2020. Atul Gupta discharged the role of CEO from 1 September 2020 to 25 January 2021 but received no increment in salary, benefits or annual bonus as a result of assuming this role as well as that of Executive Chairman. Therefore, the figures for the remuneration of the CEO in 2019, 2020 and 2021 reflect only the amounts paid to Kaat Van Hecke (and her spouse) and Arfan Khan.

Annual percentage change in Director and average employee remuneration

The table below shows the percentage changes in the salary, benefits and annual bonus of the Directors compared to the percentage increases of the workforce as a whole for each financial year beginning on or after 10 June 2019.

	2024 USD	2024 to 2023 % change	2023 USD	2023 to 2022 % change	2022 USD	2022 to 2021 % change	2021 USD
Executive Directors (USD)							
Executive Chairman[1]							
Salaries	**37,500**	-93,0%	538,748	3.9%	518,575	1.2%	512,203
Taxable benefits	**130**	-96.7%	3,967	2.0%	3,888	(7.6%)	4,209
Annual bonus	**–**	–	–	–	–	–	–
Chief Executive Officer[2]							
Salaries	**573,043**	-16.5%	686,555	0.4%	683,814	0.1%	683,330
Taxable benefits	**29,306**	4.0%	28,183	104.8%	13,763	(70.2%)	46,124
Annual bonus	**583,556**	-70.9%	780,395	8.9%	716,919	309.7%	175,000
Chief Financial Officer[3,4]							
Salaries	**–**	–	–	–	–	–	446,338
Taxable benefits	**–**	–	–	–	–	–	–
Annual bonus	**–**	–	–	–	–	–	–

	2024 USD	2024 to 2023 % change	2023 USD	2023 to 2022 % change	2022 USD	2022 to 2021 % change	2021 USD
Non-Executive Directors (USD)							
Stephen Whyte							
Salaries	**303,515**	17.2%	259,038	100%	–	–	–
Taxable benefits	**–**	–	–	–	–	–	–
Annual bonus	**–**	–	–	–	–	–	–
Chris Cox							
Salaries	**75,833**	-20.9%	95,897	–	–	–	–
Taxable benefits	**–**	–	–	–	–	–	–
Annual bonus	**–**	–	–	–	–	–	–
Chris Hopkinson							
Salaries	**110,000**	14.7%	95,897	–	–	–	–
Taxable benefits	**–**	–	–	–	–	–	–
Annual bonus	**–**	–	–	–	–	–	–
Martin Gudgeon							
Salaries	**104,167**	13.6%	91,667	–	–	–	–
Taxable benefits	**–**	–	–	–	–	–	–
Annual bonus	**–**	–	–	–	–	–	–
Fiona Paulus							
Salaries	**110,000**	14.7%	95,897	–	–	–	–
Taxable benefits	**–**	–	–	–	–	–	–
Annual bonus	**–**	–	–	–	–	–	–
Viktor Gladun							
Salaries	**37,366**	–	–	–	–	–	–
Taxable benefits	**–**	–	–	–	–	–	–
Annual bonus	**–**	–	–	–	–	–	–
Sir Christopher Codrington Bt							
Salaries	**–**	–	–	–	120,000	–	120,000
Taxable benefits	**–**	–	–	–	–	–	–
Annual bonus	**–**	–	–	–	–	–	–
Kaat Van Hecke							
Salaries	**–**	–	–	–	120,000	–	120,000
Taxable benefits	**–**	–	–	–	–	–	–
Annual bonus	**–**	–	–	–	–	–	–
Martin Cocker							
Salaries	**–**	–	–	–	120,000	200%	40,000
Taxable benefits	**–**	–	–	–	–	–	–
Annual bonus	**–**	–	–	–	–	–	–
Employees of the Group on an FTE basis							
Salaries	**32,144**	23.2%	26,082	16.4%	22,412	0.8%	22,242
Taxable benefits	**–**	–	–	–	–	–	–
Annual bonus	**–**	–	–	–	–	–	–

1. Amounts paid to the Executive Chairman in 2023 represent remuneration paid to Atul Gupta until 14 February 2023 and payments in lieu of 12 months' notice as monthly equal instalments over 12-month period following the end of his term of service on 14 February 2023.
2. Kaat Van Hecke was CEO from 16 December 2019 to 31 August 2020. Atul Gupta discharged the role of CEO from 1 September 2020 to 25 January 2021 but received no increment in salary, benefits or annual bonus as a result of assuming this role as well as that of Executive Chairman. Therefore, the figures for the remuneration of the CEO in 2019, 2020 and 2021 reflect only the amounts paid to Kaat Van Hecke (and her spouse) and Arfan Khan.
3. The CFO was not a Director in 2022, 2023 and 2024.
4. The amounts published in 2021 in respect of payments to Mr Richardson in 2020 have been corrected to include amounts paid to his spouse in 2020. The amounts for 2021 only include Chief Financial Officer's compensation up until 30 August 2021, at which time the position was removed as an Executive Director.

2024 annual report on remuneration continued

Relative importance of spend on pay

The table below shows the Group's actual spend on pay (for all employees) relative to dividends.

Key expenditure areas in thousands of US$	2024	2023	% change
Remuneration paid to all employees[1]	**32,144**	26,082	23.2%
Dividends to shareholders (total)	**0**	0	0%
Dividends	**0**	0	0%
Share buy-back	**0**	0	0%

1. Total remuneration reflects overall payroll and related taxes. Refer to the consolidated financial statements for further information.

For further information on dividends and expenditure on remuneration for all employees, please see the notes to the consolidated financial statements.

Service contracts

Details of the Executive Directors' service agreements' and the Non-Executive Directors' letters of appointment can be found in the Company's Remuneration Policy on pages 119-124 of this Annual Report. All Directors are subject to annual reappointment and accordingly all executive and Non-Executive Directors will stand for election or re-election (as appropriate) at the Annual General Meeting.

Statement of Remuneration Policy implementation

The Company's Remuneration Policy was put to a shareholder vote at the General Meeting on 11 July 2024 and was approved by 99.77% of votes cast.

Salaries and bonuses of the Executive Directors are reviewed and determined annually to ensure they remain appropriate. The Company's bonus year runs from 1 January to 31 December each year, with bonus amounts being determined between December and March and becoming payable between March and April of each year.

Remuneration in respect of 2025 will be consistent with the current policy described on pages 119-124.

Salaries and service fees

The Group appointed a new CEO on 26 January 2021. As part of that process, the level of remuneration to be paid was agreed by the Committee and approved by the Board.

Annual bonus

In accordance with the remuneration policy approved at the General Meeting on 11 July 2024, the maximum Executive Director annual bonus opportunity in respect of 2024 was up to 40% of base compensation, subject to a maximum opportunity for the Company's CEO, of an annual bonus of up to 240% of base compensation and a maximum opportunity of 100% of base compensation for the Company's Chief Financial Officer (if a Director).

Annual performance will be assessed against a performance scorecard of which a portion is based on operational and financial measures, a portion on strategic objectives and a portion on HSE, social and governance objectives.

The Committee has compiled a list of suitable key performance indicators against which the performance of the Executive Directors will be measured at the end of 2025 to determine the annual bonus amounts payable to Executive Directors in 2026. Details of any non-commercially sensitive KPIs are set out below. 2025 performance will be measured against these key performance indicators and the Committee will consider such performance together with the Company's financial position, in deciding whether and at what level to award.

2025 bonus performance measures	Weight
NFA Operations and Costs	**50%**
Achieve annual CHN No-Further-Activity PDP volume available for sales from low-side of 5,652 boepd (0%) to high-side of 6,229 boepd (100 %), sliding scale.	20%
Low Pressure System 3 project: Mechanical completion and operationalize the two spare Gas Compressors in GTU/3 through interconnecting pipelines with an incident free start-up, no HSE incidents (LTI) & within budget.	5%
NFA Cost Focus. Opex $37.9mln & G&A $10.8m total US$48.7m. 0% if any increases, 30% if flat, and 100% if lower by $0.25mln, sliding scale.	10%
Drill, Complete and Deliver wells CH-116_1 and CH-725_1 to planned mechanical objectives and within the approved budget. Weighting split 7.5% for budget target and 7.5% for at least one well success. Sliding scale from 100% (under/on budget) to 0% (10% or more over budget).	15%

2025 bonus performance measures	Weight
Strategic Objectives	**40%**
A commercially sensitive strategic target, therefore not disclosed[1]	10%
A commercially sensitive strategic target, therefore not disclosed[1]	10%
A commercially sensitive strategic target, therefore not disclosed[1]	20%
HSE	10%
Target: Achievement of the GHG emissions & safety KPIs provided that there have been no fatalities. In the case of a fatality, 10% additional will be deducted from the overall weighting.	
KPIs:	
• GHG emissions: not to exceed forecast target of 290,209 tons of CO_2 (or equivalent level)	
• Safety KPIs: LTI < 1.15; RTI < 1.0; TRIF < 2.0	10%
Total	**100%**

1. In certain cases information on performance measures or targets has been omitted because it is commercially sensitive and disclosure of such information may not be in the Company's interest. Such information may be reported in the subsequent annual report if the performance measure or target has been met and the Company considers that disclosure of such information at such time would not be contrary to the Company's interest.

The percentage result (from the above table of key performance indicator out of 100%) will be applied to 100% of the CEO's base compensation and may also be applied to a percentage up to the Chief Financial Officer's maximum opportunity of 100% (if he is appointed as a Director). Currently, no other director is eligible for any bonus payment relating to 2024 performance based on these performance measures.

The CEO's maximum possible total bonus opportunity for 2024 is 240% of base compensation and his bonus opportunity based on the performance measures in the table above is 100% of base compensation. If appointed to the Board, the CFO's maximum possible total bonus opportunity for 2024 will be 100% of base compensation.

MIP

Over the entire duration of the MIP aggregate MIP payments to the CEO may not exceed 16 times his current base salary. Over the entire duration of the MIP aggregate MIP payments: (a) to the Chairman may not exceed 19 times his current annual director's fees, and (b) to each of the other non-executive directors may not exceed 19 times the current level of annual director's fees payable to non-executive directors other than the Chairman.

Phantom share option plan

The Committee does not envisage the award of any additional phantom share options to Executive Directors in 2025.

Long-term incentive plan

The Committee does not envisage any awards under the Company's existing long-term incentive plan in 2025. Therefore, no performance conditions have been set for 2025.

Non-Executive Directors

From 14 February 2023, Non-executive Director fees have been as follows:

Chris Cox	100K USD per annum, plus 10K USD per annum for chairmanship of Nomination and Governance Committee, all until 31 May 2024
Martin Gudgeon	100K USD per annum, plus 10K USD per annum for chairmanship of Nomination and Governance Committee as from 22 July 2024
Chris Hopkinson	100K USD per annum, plus 10K USD per annum for chairmanship of Remuneration Committee
Fiona Paulus	100K USD per annum, plus 10K USD per annum for chairmanship of Audit Committee
Stephen Whyte	230K GBP per annum, plus 10K USD per annum for chairmanship of Strategy Committee
Viktor Gladun	100K USD per annum

2024 annual report on remuneration continued

Remuneration Policy

This part of the Directors' remuneration report sets out the Remuneration Policy for the Company and has been prepared in accordance with the Companies Act 2006, the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, the UK Corporate Governance Code and the Listing Rules of the UK Listing Authority.

The Company's current remuneration policy was approved by shareholders at the Company's EGM on 11 July 2024.

Policy coverage

This Policy applies to all payments to Directors of the Company from 11 July 2024 until the approval of a revised Remuneration Policy.

Policy objectives

This policy is designed to:

- Provide a structure and level of pay that attracts and retains high-calibre directors capable of delivering the Company's strategic objectives.
- Provide clear and transparent performance incentives in a manner that is consistent with best practice and aligned with the interests of the Company's shareholders.
- Align the remuneration of executives with the interests of the Company's shareholders, and ensure that rewards are justified by performance.
- Ensure that the pay of the Executive Directors takes into account: (i) pay and conditions throughout the Company; and (ii) corporate governance best practice, including health and safety, environmental, social and governance risks.
- Allow for future bonuses to be paid in whole or part in deferred shares.
- Allow for pension contributions to Executive Directors for their services under service contracts up to a 10% maximum opportunity, or higher if required by applicable law.
- Allow all Directors (including the Chairman & Non-Executive Directors) to participate in the management incentive plan ("MIP").

Peer group

For the purposes of benchmarking appropriate compensation, the Committee currently regards the following companies as the most relevant peer group for Nostrum:

- FTSE 350 companies of a similar size to Nostrum;
- Oil and gas E&P companies globally which compete for scarce skills within the industry; and
- Companies operating predominantly in the FSU which compete for expatriate and local staff.

Risk management

The Committee will review incentive arrangements regularly to ensure that they comply with the Group's risk management systems, and that controls are operating effectively. The Committee also ensures that inappropriate operational or financial risk-taking is neither encouraged nor rewarded through the Company's remuneration policies. Instead, a sensible balance will be struck between fixed and variable pay, short- and long-term incentives and cash and equity.

The Committee has access to the Audit Committee and senior executive management as and when required to discuss any matters of risk assessment.

Nostrum operates in an industry that is inherently subject to operational risks. Particular emphasis is therefore placed on ensuring that health and safety best practice is reinforced by this Policy.

The Committee consults regularly to ensure that this is the case.

Ongoing review of Policy

The Committee will periodically review whether this Policy is operating appropriately. Any actions arising from this review will be assigned to an appropriate person with a deadline to report back to the Committee. The level and structure of the compensation system will also be reviewed annually by the Committee.

Remuneration Policy tables

Executive Directors' Remuneration Policy table setting out the key components of the reward package for Executive Directors.

Purpose and link to strategy	Maximum opportunity	Operation	Performance criteria
Base pay			
To provide market-competitive base salaries.	There is no prescribed maximum annual increase. The Committee takes into account remuneration levels at peer group companies together with the performance of the Company and each individual's personal contribution.	Base salary is reviewed annually and fixed for 12 months.	None
Benefits			
To reflect market practice and provided in line with peer companies.	The aggregate value of such benefits should not constitute a significant proportion of any employee's compensation.	Benefits include: • Medical insurance; • Life insurance; • Permanent health insurance (long-term disability or income protection insurance); and • A Company car may be provided for the Chief Executive Officer. • The Company may make payments to Directors in lieu of benefits and may also make separate benefit arrangements for Executive Directors in connection with their service as Executives of Group.	None
Annual bonus			
Executive Directors may be eligible for an annual bonus in cash and/or deferred shares for good performance (as determined at the Board's discretion).	Maximum opportunity of 240% of base compensation for the Chief Executive Officer. Maximum opportunity of 100% of base compensation for the Company's Chief Financial Officer (if a Director). In all other cases, maximum opportunity of 40% of base salary.	The annual bonus is generally determined by reference to performance in the prior calendar year. Annual bonuses are generally paid sometime between April and August of each year. Malus and clawback provisions apply to the award of annual bonuses such that Executive Directors may be liable to repay some or all of their annual bonus if there is a material misstatement of results, or error in calculation of any KPI, or serious misconduct. The discovery period is one year commencing on the date on which the bonus is determined.	Key performance indicators against which the performance of the Executive Directors will be measured in the following year are determined at the end of each year and all non-commercially-sensitive key performance indicators are disclosed in the Directors' Remuneration Report. Any commercially sensitive performance measures will be disclosed retrospectively following completion of the relevant financial year. Performance against key performance indicators for the previous year is also disclosed in the Directors' Remuneration Report to show how the Board has determined Executive Director performance against the relevant key performance indicators for that year, and consequently the levels of annual bonus payable to the Executive Directors.
Management incentive plan (MIP)			
To incentivise executive and non-executive directors, senior management and key staff of the Company and its subsidiaries to achieve the Company's strategic goals, defined as certain key commercial milestones (Qualifying Events). To help retain executives and other key employees, and align their interests with shareholders through achievement by the Company of value creation catalysts.	Payments depend on actual Awards made and Qualifying Events achieved, but over the entire duration of the MIP aggregate MIP payments to the Chief Executive Officer may not exceed 16 times his current base salary.	Awards are made at the sole discretion of the Committee (in consultation with the Chief Executive Officer). Awards are made in cash. Payments to participants under the MIP may be made if the Company achieves interim milestones and upon occurrence of a value accretive event meeting defined criteria. Any amounts payable due to achievement of an interim milestone would not be subject to clawback based on the terms of a subsequent value accretive event.	Qualifying Events to be determined at the discretion of the Committee (in consultation with the Chairman and Chief Executive Officer) based on certain key commercial milestones (being value creation catalysts). Share price performance is not used as a Qualifying Event. Any commercially sensitive performance measures will be disclosed retrospectively following completion of the relevant financial year in which the milestone is achieved.

2024 annual report on remuneration continued

Purpose and link to strategy	Maximum opportunity	Operation	Performance criteria
Nostrum Oil & Gas plc 2017 Long-Term Incentive Plan (LTIP)			
To incentivise Executive Directors and employees over a longer timeframe, and to increase their interest in the Company's long-term business goals and performance through share ownership. To help retain executives and other key employees, and align their interests with shareholders through building a shareholding in the Company. The LTIP has effectively been replaced by the MIP and no awards were made under the LTIP in 2019, 2020, 2021, 2022 2023 and 2024.	200% of base salary in any financial year.	Awards of nominal-cost options are made at the sole discretion of the Committee. It was anticipated that awards would be granted annually in the period 2017 to 2019 subject to annual performance conditions. Generally, awards have a one-year performance period attached to them and will not vest for an additional two years following the date on which the Committee determines whether or not a performance condition has been wholly or partly satisfied, such that no award may vest before the third anniversary of the date of grant. The Committee has the discretion to decide, on or before the grant of an award, that a participant shall be entitled to receive dividend equivalents arising over the period between the grant date and the vesting date, with such amounts being payable in cash or shares in respect of shares which vest. Malus and clawback provisions apply to the LTIP such that participants are liable to repay/ forfeit some or all of their shares if there is a material misstatement of results, or error in calculation, or if there is serious misconduct. The discovery period is three years commencing on the date on which the award vests, which can be extended by the Committee for an additional two years if an event occurs which the Committee determines could result in the operation of recovery or withholding provisions.	Performance measures are generally measured over one year though the Committee has the discretion to apply a longer performance period to awards. The Committee has the discretion to set any performance condition attaching to awards granted under the LTIP. Vesting of awards would ordinarily be based: • In part on average accrued sales volumes measured in barrels of oil equivalent per day; and • In part on reserves measurement on the basis of 2P barrels of oil per share.
Phantom share option plan (the Plan)			
The Board places great importance on minimising dilution of existing shareholders' equity. Share awards will therefore only be made to senior management who are able to make a material contribution to shareholder value that substantially exceeds the value of any share awards made. The Plan has effectively been replaced by the MIP and no awards were made under the Plan in 2019, 2020, 2021, 2022 2023 and 2024.	Share awards will only be made on the basis of achieving concrete long-term objectives defined in advance by the Committee. Share awards will vest over several years. In accordance with the Plan rules, the total number of shares that may be granted pursuant to the Plan is five million.	Intertrust Employee Benefit Trustee Limited administers the Plan and is responsible for granting rights under the Plan. Each right entitles holders to receive, on exercise, a cash amount equal to the excess of the market value on the exercise date of the Ordinary Shares of the Company to which it relates over a base value set at the date of grant. All Executive Directors of the Company are eligible to participate in the Plan at the discretion of the Board. Awards vest on the basis described below. Long-term objectives are to be reviewed at every Committee meeting to ensure that they are appropriate, relevant and rigorous. Share awards made in future may be reduced at any time prior to vesting, at the discretion of the Committee, following events such as (but not restricted to) a material misstatement of results, failure of risk management, breach of health and safety regulations or serious reputational damage to the Company.	None

Purpose and link to strategy	Maximum opportunity	Operation	Performance criteria
Pensions			
To remain competitive in the marketplace and provide income in retirement.	10% or, if higher, any minimum pension contribution which may be required under applicable law.	There are ordinarily no pension contributions or provisions for Directors, although there may be pension arrangements made for Executive Directors in connection with their service as executives of Group companies.	None
Shareholding guideline			
Aligns interests of executive directors with those of shareholders.	Executive Directors are encouraged to maintain a holding in the Company to align their interests with shareholders.	If the Company grants shares to Directors outside the LTIP by way of bonus or otherwise, they will be required to hold 50% of such shares for a three-year period. The Committee monitors the holdings of all Directors.	None

Non-Executive Directors' Remuneration Policy table setting out the key components of the reward package for Non-Executive Directors.

Purpose and link to strategy	Maximum opportunity	Operation	Performance criteria
Fees for Non-Executive Directors and Chairman			
Attract and retain high-performing individuals.	No prescribed maximum annual increase in fees.	Any fee increases are usually considered at the end of each year and the Board and, where applicable, the Committee considers pay data at comparable companies of a similar scale. The chairs of the Committees receive additional fees. Limited benefits may be delivered (e.g. provision of iPad and travel-related expenses). Non-Executive Directors and the Chairman are not eligible to participate in the Plan or the LTIP, but are eligible to participate in the MIP. No other eligibility for participation in bonuses.	None
Management Incentive Plan (MIP)			
To incentivise non-executive directors of the Company to achieve the Company's strategic goals, defined as certain key commercial milestones (Qualifying Events).	Payments depend on actual Awards made and Qualifying Events achieved, but over the entire duration of the MIP aggregate MIP payments: (a) to the Chairman may not exceed 19 times his current annual director's fees, and (b) to each of the other non-executive directors may not exceed 19 times the current level of annual director's fees payable to non-executive directors other than the Chairman.	Awards are made with the approval of (a) the members of the Committee and the Chief Executive Officer in relation to the Chairman, and (b) the Chairman and the Chief Executive Officer in relation to the other non-executive directors. Awards are made in cash. Payments to participants under the MIP may be made if the Company achieves interim milestones and upon occurrence of a value accretive event meeting defined criteria. Any amounts payable due to achievement of an interim milestone would not be subject to clawback based on the terms of a subsequent value accretive event.	Qualifying Events to be determined at the discretion of the Committee (in consultation with the Chairman and Chief Executive Officer) based on certain key commercial milestones (being value creation catalysts). Share price performance is not used as a Qualifying Event. Any commercially sensitive performance measures will be disclosed retrospectively following completion of the relevant financial year in which the milestone is achieved.

2024 annual report on remuneration continued

Phantom share option plan

The Company operates the Plan in accordance with the Plan rules, the Listing Rules, the Disclosure and Transparency rules and other applicable rules. In order to retain talent, options are generally granted in tranches exercisable at the following times:

- As to 20% of the Ordinary Shares in respect of which an option is granted, from the first anniversary of the date of grant;
- As to a further 20% of the Ordinary Shares in respect of which an option is granted, from the second anniversary of the date of grant;
- As to a further 20% of the Ordinary Shares in respect of which an option is granted, from the third anniversary of the date of grant;
- As to a further 20% of the Ordinary Shares in respect of which an option is granted, from the fourth anniversary of the date of grant; and
- As to the remaining 20% of the Ordinary Shares in respect of which an option is granted, from the fifth anniversary of the date of grant.

The Board retains discretion over a number of areas relating to the operation and administration of the Plan, which include, but are not limited to: (i) who participates; (ii) the timing of the grant of an award; and (iii) the size of the award.

Dividend waiver

The trustee has agreed to waive any dividends on shares held under the Plan and the LTIP.

Treatment of existing arrangements

For the avoidance of doubt, authority is given to the Company to honour any commitments entered into with current or former Directors notwithstanding the approval of the Policy. This will last until the existing incentives vest (or lapse) or the benefits of any contractual arrangements no longer apply.

Remuneration scenarios for Executive Directors

The bar charts below provide estimates of the potential remuneration of the executive directors for 2025.

Three scenarios are presented for each executive director which are based on the following assumptions:

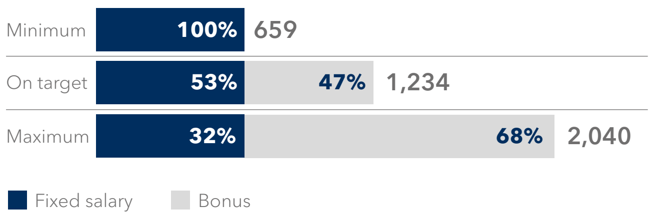
The "minimum" columns are intended to show the fixed level of remuneration to which executive directors are entitled in 2025 irrespective of performance levels, namely base salary, benefits (which includes any payments made in lieu of benefits made under the executive directors employment contracts for their roles as executives of the Group and not under their service contracts as executive directors) and any payments made in lieu of the provision of a pension scheme (which are paid under the executive directors employment contracts for their roles as executives of the Group and not under their service contracts as executive directors). No bonus payments are assumed for minimum performance.

The "on target" scenario seeks to illustrate the remuneration the executive directors would receive if performance was in line with expectation.

The "maximum" columns illustrate total remuneration levels in circumstances where the variable elements pay out in full.

As stated above, no Executive Director participated in the LTIP or the Phantom Share Option Scheme in 2024 and the Board will not award any shares under the Phantom Share Option Scheme in 2025. The Committee does not envisage any awards under the Company's existing long-term incentive plan in 2025. Therefore, no performance conditions have been set for 2025.

Arfan Khan – Chief Executive Officer
(amounts in USD thousand)



Recruitment

The Committee expects any new Executive Directors to be engaged on terms that are consistent with this Policy, but the Committee acknowledges that it cannot always predict the circumstances under which any new Executive Director may be recruited and so, accordingly, in each case, the Committee will consider:

- The objective of attracting, motivating and retaining the highest calibre directors in a manner that is consistent with best practice and aligned with the interests of the Company's shareholders;
- Salary, benefits, annual bonus and long-term incentives will be determined within the framework of the Executive Directors' Remuneration Policy table setting out the key components of the reward package for Executive Directors;
- Where an individual would be forfeiting valuable remuneration in order to join the Company, the need to retain flexibility should be considered in order for the Committee to be able to set base salaries at a level necessary to facilitate the hiring of the highest calibre candidates, including awards or payments to compensate for remuneration arrangements forfeited on leaving a previous employer. The Committee would require reasonable evidence of the nature and value of any forfeited compensation and would, to the extent practicable, ensure any compensation awarded was no more valuable than the forfeited award;
- Judgement will be exercised to determine the appropriate measure of compensation for any forfeited award by taking account of relevant factors such as the value of any lost award, performance conditions and the time over which they would have vested or been paid;
- Where an existing employee of the Company is promoted to the Board, the Company will honour any commitment to remuneration made in respect of a prior role, including any outstanding awards of options under the Plan;
- The need, in order to recruit the best candidates, for the Company to offer sign-on remuneration, the necessity and level of which will depend on circumstances; and
- Where an individual is relocating in order to take up a role, the Company may provide certain one-off benefits including, but not limited to, reasonable relocation expenses, accommodation, housing allowance and assistance with visa applications.

In making any decisions on remuneration for new joiners (including NEDs), the Committee will endeavour to balance the expectations of shareholders with current market and corporate governance best practice and the requirements of any new joiner, and would strive to pay no more than is necessary to attract the right talent to the role.

Service agreements

As at 31 December 2024, summary details of each Director's service agreement were as follows:

	Director's service agreement date	As most recently amended (USD)
Arfan Khan	26 January 2021	530,505

1. The remuneration of Arfan Khan is denominated in GBP. 2024: GBP/USD: 1,279.
2. Annual salary and fees represents the total salary and fees (excluding benefits/pension, and discretionary remuneration) from the Group for both the Director's executive and director service roles.

The appointment of each of the Executive Directors continues until the Company's Annual General Meeting and their ongoing appointment is subject to being re-elected as a director at each subsequent Annual General Meeting. Each Executive Director may be required to resign at any time in accordance with the Company's Articles or for any regulatory reason such as the revocation of any approvals required from the Financial Conduct Authority (FCA).

The Company may lawfully terminate any Executive Director's employment in the following ways:

- At any time upon 6 months' written notice (Mr Khan); and
- Without notice in circumstances where the Company is entitled to terminate for cause.

The lawful termination mechanisms described above are without prejudice to the employer's ability in appropriate circumstances to terminate in breach of the notice period referred to above, and thereby to be liable for damages to the Executive Director.

The Executive Directors are not permitted to take up any office or employment with, or have any direct or indirect interest in, any firm or company which is in direct or indirect competition with the Company or any other member of the Group, or any company in which any member of the Group has an interest, without the consent of the Board.

In addition, the Chief Executive Officer is subject to non-solicitation covenants in relation to Group companies for 12 months from the date of termination of his service contract.

Copies of the Executive Directors' service agreements and the Non-Executive Directors' letters of appointment are available for inspection at the Company's registered office during normal business hours and at the Annual General Meeting.

Payments for departing Executive Directors

Provision	Policy
Notice period and compensation for loss of office in service contracts	6 months' notice from the Company to Mr Khan. Base salary is paid in line with the notice period. Notice period payments will either be made as normal (if the Executive Director continues to work during the notice period or is on gardening leave) or they will be made as monthly payments in lieu of notice (subject to mitigation if alternative employment is found).
Treatment of annual bonus on termination	No entitlement.
Treatment of unvested share option awards under the Plan	An Executive Director's awards will generally lapse to the extent they have not vested on the date of voluntary cessation of employment and any portion that remains outstanding but unexercised after 12 months following such cessation will lapse. Mr Khan did not participate in the Plan in 2024.
Treatment of unvested awards under the LTIP	For a Director considered to be a "good leaver" before the original vesting date (including leaving the Company on retirement, redundancy, ill health, as a result of death in service or in other circumstances determined by the Committee), outstanding awards will be pro-rated for time and vest subject to performance on the original vesting date. For a director who is considered a "good leaver" after the original vesting date, any awards will remain exercisable for a period of 12 months commencing on the date of cessation. For a Director whose employment is terminated for any other reason, the award will lapse in full. Mr Khan did not participate in the LTIP in 2024.

In particular circumstances, an arrangement may be agreed to facilitate the exit of a particular individual. Any such arrangement would be made bearing in mind the desire to minimise costs for the Group and only in circumstances where it is considered in the best interests of shareholders.

2024 annual report on remuneration continued

Change of control

In accordance with the LTIP rules and the terms of the awards granted in 2017 and 2018 under the LTIP, if there is a sale of all or substantially all of the Company or the Company's business in circumstances where such sale has been approved by a majority of shareholders and is at a price of $10 per share or more, then all awards granted will vest in full regardless of the achievement or otherwise of applicable performance conditions on the date of such event if they have not already vested, and all awards will remain exercisable for one month from such date. To the extent that any option is not exercised in such period, it shall lapse at the end of that period.

Non-Executive Directors

The Chairman and Executive Directors set the remuneration package for Non-Executive Directors in line with the Non-Executive Directors' Remuneration Policy table and subject to the Company's Articles of Association (the Articles).

Non-Executive Director appointment letters

The following table provides details of Non-Executive Director appointment letters as at 31 December 2024 (Mr Cox resigned on 31 May 2024):

Name	Position	Date of letter of appointment	Expiry of current term	Notice period
Chris Cox	Independent Non-Executive Director	14 February 2023	14 February 2026	3 months
Viktor Gladun	Non-Executive Director	15 August 2024	15 August 2027	3 months
Chris Hopkinson	Independent Non-Executive Director	14 February 2023	14 February 2026	3 months
Martin Gudgeon	Non-Executive Director	14 February 2023	14 February 2026	3 months
Fiona Paulus	Independent Non-Executive Director	14 February 2023	14 February 2026	3 months
Stephen Whyte	Chairman	14 February 2023	14 February 2026	9 months

Each appointment is for an initial term of three years, subject to being re-elected at each Annual General Meeting, save that a Non-Executive Director or the Company may terminate the appointment at any time upon one month's written notice, or that a Non-Executive Director may be required to resign at any time in accordance with the Articles of the Company, the UK Corporate Governance Code or for any regulatory reason such as the revocation of approvals required from the FCA.

Each of the Non-Executive Directors is entitled to an annual fee paid in twelve equal instalments and to reimbursement of reasonable expenses. There is no entitlement for Non-Executive Directors to participate in the Plan or the LTIP. Non-Executive Directors are entitled to participate in the MIP.

The Non-Executive Directors are not permitted to take up any office or employment with, or have any direct or indirect interest in, any firm or company that was in direct or indirect competition with the Company without the consent of the Board.

Upon termination of the appointment and where such termination is for any reason other than due to the Non-Executive Director's gross misconduct, material breach of the terms of the appointment, act of fraud or dishonesty or wilful neglect of the Non-Executive Director's duties, the Non- Executive Director is entitled to be paid a pro-rated amount of their fees in respect of the period between the beginning of the quarter in which termination took place and the termination date.

Otherwise, none of the Non-Executive Directors is entitled to any damages for loss of office and no fee is payable in respect of any unexpired portion of the term of the appointment.

The Company intends to comply with Provision 18 of the UK Corporate Governance Code and accordingly all Directors will stand for re-election by shareholders at future Annual General Meetings until the Board determines otherwise.

Statement of consideration of employment conditions elsewhere in the Company

We have not consulted with employees on the executive Remuneration Policy. However, when determining the Policy for Executive Directors we have been mindful of the pay and employment conditions of employees across the Group as a whole.

Statement of consideration of shareholder views

Senior executive management of the Company regularly meet with shareholders and solicit their views on the Company's policies in relation to Director and Executive remuneration, and take such views into account when formulating remuneration policies and remuneration levels in specific cases.

Approval of the Directors' remuneration report

The Directors' remuneration report was approved by the Board on 22 April 2025.

On behalf of the Board

Arfan Khan
Chief Executive Officer

22 April 2025

Directors' report

The Directors submit their report and the consolidated audited financial statements of the Group and the audited parent financial statements of the Company for the year ended 31 December 2024.

This report has been prepared in accordance with the Large and Medium- sized Companies and Groups (Accounts and Reports) Regulations 2008.

The following are incorporated by reference and shall be deemed to form part of this Directors' Report:

- The Strategic Report on pages 1-86;
- The Board and Governance report (which includes the Board, the Corporate Governance Report and the Directors' Remuneration Report) on pages 88-124; and
- The energy and global greenhouse gas emissions disclosure on pages 75-76.

In addition, the following information is also incorporated into this Directors' Report by reference:

Subject matter	Page
Likely future developments within the Group	43-44
Related party transactions	105
Going concern statement	50
Financial position and performance of the Group	45-51
Greenhouse gas emissions	75-76
Directors' share interests	112
Corporate governance statement	88-89
Diversity	62-66

Directors

Full biographical details of all current Directors of the Company and the Board Committees of which they are members are set out on pages 90-91of this Annual Report.

Dividends

No dividends were paid during the year ended 31 December 2024.

No dividend is proposed to be paid in 2025 in respect of the year ended 31 December 2024.

Auditor

In accordance with section 418(2) of the Companies Act 2006, each Director in office at the date of this Directors' Report confirms that (a) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware and (b) t he Director has taken all the steps that he/she ought to have taken as a Director to make him/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

On 6 March 2023, the Company announced that it had appointed MHA as auditors to the Group and Ernst & Young Kazakhstan as auditors of Zhaikmunai LLP.

The appointment of MHA as auditors to the Group was approved by shareholders at the Company's 2023 AGM and at the Company's 2024 AGM.

The appointment of MHA as auditors to the Group will be put to shareholders for approval at the 2025 AGM.

Directors' liabilities and indemnities

The Company maintains liability insurance for its Directors. All Directors are also in receipt of an indemnity from the Company under the Company's Articles of Association (the Articles) in respect of (a) liability incurred by any Director due to negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, or any subsidiary undertaking or (b) any liability incurred by any Director in connection with the activities of the Company, or any subsidiary undertaking, in its capacity as a trustee of an occupational pension scheme; in both instances to the extent permitted under the Companies Act 2006. Copies of the Company's Articles are available on the Company's website or at the Company's registered office during normal business hours and will be available for inspection at the Annual General Meeting.

In May 2015, the Board approved a policy for the indemnification of Directors, officers and other designated beneficiaries and the entry by the Company into an accompanying deed of indemnity.

The policy clarifies that the Company will seek to provide the maximum indemnification and protection to Group Directors and officers permissible under applicable law, except in cases of fraud or wilful default, including but not limited to:

i. providing compensation for losses suffered in the course of acting as a Director or officer in the interests of the Group,

ii. providing Directors and officers with quality external legal representation and external professional advisers,

iii. assisting Directors or officers with repatriation following a third-party claim,

iv. continuing to make payment of a Director's or officer's remuneration and benefits while such Director or officer is under suspension, investigation or detention by order of a third party,

v. taking reasonable steps to place any such Director or officer in a similar position working in another location or elsewhere in the Group which would allow his/her employment to continue and to compensate for any adverse financial consequences they incur as a result of their loss of office, or (vi) maintaining customary Directors' and officers' liability insurance policies.

The deed of indemnity is intended to cover any insufficiency in the protection granted to Directors and officers under the Articles which could expose such persons to substantial liability to third parties, including governmental authorities, in particular in jurisdictions where significant uncertainty exists in relation to the interpretation and application of the law. The deed of indemnity allows Directors, officers and other designated beneficiaries to enforce the protection provided for under the Articles without any further action by the Company being required.

The above provisions were in force during the financial year 2024.

Political donations

GRI 415-1

The Group made no political donations during the year 2024.

Directors' report continued

Contributions to non-UK political parties

No contributions to non-UK political parties were made during the year 2024.

Research and development

The Group is not involved in any activities in the field of research and development.

Branches

The Company is registered in England and Wales and during 2018 moved its place of effective management and tax residence from the Netherlands to the United Kingdom. As the Group is a global business, our interests and activities are held or operated through subsidiaries and branches and subject to the laws and regulations of many different jurisdictions.

Share capital

On 2 December 2024, 15,244,344,036 deferred shares with a nominal value of £0.001 each) were acquired by the Company for nil consideration and subsequently cancelled.

As at 31 December 2024, the Company's issued share capital was £1,693,815.61 divided into 169,381,561 Ordinary Shares[1] each having a nominal value of £0.01. All of the Company's issued Ordinary Shares were fully paid up and rank equally in all respects. The rights attached to the Ordinary Shares, in addition to those conferred on their holders by law, are set out in the Articles. The ordinary shareholders prior to the restructuring in 2023 were diluted to 11.1% subject to further dilution to 10% if the warrants held by noteholders are exercised.

Intertrust Employee Benefit Trustee Limited (the Trust) holds shares in the Company in trust for the purposes of the Company's phantom share option plan, and the rights attaching to these shares are exercised by independent trustees. As at 31 December 2024, the Trust held 294,887 Ordinary Shares in the Company.

Share rights

Without prejudice to any rights attached to any existing shares, the Company may issue shares with rights or restrictions as determined by either the shareholders by ordinary resolution or, subject to and in default of such determination, the Board.

Voting rights

There are no restrictions on voting rights of shares in the Articles and at a general meeting every shareholder present in person or by proxy has one vote for every share held by him or her. No shareholder shall be entitled to vote either personally or by proxy or to exercise any other right in relation to general meetings if any sum due from him or her to the Company in respect of that share remains unpaid.

Transfer of shares and warrants

The Articles provide that transfers of certificated shares must be effected in writing duly signed by or on behalf of the transferor and, except in the case of fully paid shares, by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered on the Register of Members in respect of those shares. Transfers of uncertificated shares may be effected by means of the relevant electronic system unless the Uncertificated Securities Regulations 2001 provide otherwise.

The Directors may refuse to register a transfer of shares in favour of more than four persons jointly.

The warrants issued on 9 February 2023 are not transferable. There are no other agreements between holders of securities that are known to the Company and may restrict transfer of securities or voting rights.

Directors, Articles and purchase of shares

The Articles were adopted on 29 April 2022 and may only be amended by special resolution at a general meeting of the shareholders (and where required, with the consent of the Warrant Trustee).

The Directors' powers are conferred on them by UK legislation and by the Articles. In accordance with the Articles, the Board has the power at any time to elect any person to be a Director. Any person so appointed by the Directors will retire at the next Annual General Meeting in accordance with the Articles; retiring Directors may be eligible for annual re-election.

On 2 December 2024, 15,244,344,036 deferred shares with a nominal value of £0.001 each were acquired by the Company for nil consideration and subsequently cancelled. The Company did not acquire any of its own Ordinary Shares during 2024 either itself or through a person acting in his own name but on the Company's behalf.

None of the circumstances referred to in paragraphs 8 and 9 of Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 applies.

Paragraph 10 Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 The Company's policy is to:

- Give full and fair consideration to applications for employment made by disabled persons.
- Continue the employment of, and arrange training for, employees who have become disabled when they were employed by the Company.
- Eliminate bias in relation to the training, career development and promotion of disabled persons employed by the Company.

1. 4,136,578 Ordinary Shares were cancelled on 4 April 2025 leaving a balance of 165,244,983 Ordinary Shares.

Paragraph 11 and 11A Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 Action taken to introduce, maintain or develop arrangements aimed at the following is described on pages 64-66:

- Providing employees with information on matters of concern to them as employees.
- Consulting employees or their representatives on a regular basis so that the employees' views can be taken into account in making decisions which are likely to affect their interests.
- Encouraging employee involvement in the Company's performance by an employees' share scheme or other means.
- Achieving common employee awareness of the financial and economic factors affecting the Company's performance.

Paragraph 11B and 11C Schedule 7

A summary of the following is described on pages 20-21.

- How Directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others.
- The effect of that regard on the principal decisions taken by the Company during the financial year.

Shareholders holding 3% or more of the Company's issued share capital

As of 31 December 2024, the following significant shareholdings of voting rights in the share capital of the Company had been disclosed to the Company under Disclosure Guidance and Transparency Rule (DTR) 5.

Name	Number of Ordinary Shares	% of issued Ordinary Shares	Nature of Holding
ICU Trading Ltd. and Westal Holdings Ltd.	42,144,784	24.88	Direct
RD Energy Caspian Holdings Limited	31,975,192	18.88	Direct
Amundi (UK) Limited and Amundi Asset Management	16,489,360	9.74	Direct
Armstrong Investments Limited	10,210,000	6.03	Indirect

Details of all information provided to the Company pursuant to Financial Conduct Authority's (FCA) DTRs is publicly available to view via the regulatory information service on the Company's website.

Since 31 December 2024, disclosures have been made to the Company under DTRs such that as at 10 April 2025, the following significant shareholdings of voting rights in the share capital of the Company had been disclosed to the Company under Disclosure Guidance and Transparency Rule (DTR) 5.

Name	Number of Ordinary Shares	% of issued Ordinary Shares	Nature of Holding
ICU Trading Ltd. and Westal Holdings Ltd.	42,144,784	24.88	Direct
RD Energy Caspian Holdings Limited	31,975,192	18.88	Direct
Amundi (UK) Limited and Amundi Asset Management	16,489,360	9.74	Direct
Armstrong Investments Limited	11,389,000	6.89	Indirect

Financial risk management

The Company's financial risk management objectives and policies, including its use of financial instruments, can be found in Note 32 on pages 162-164 to the financial statements.

Directors' report continued

Change of control

The following are significant agreements the Company has entered into which would be affected on a change of control of the Company following a takeover:

- In the event of a takeover of the Company, all options under the Company's phantom share option plan shall be deemed to have vested and the Board shall direct Intertrust Employee Benefit Trustee Limited to allow each option-holder to exercise his or her options at any time from the date of the change of control up to the 10th anniversary of the date of grant (the Period). Any options that have not been exercised will lapse at the end of the Period; and
- In the event of a takeover of the Company, all options under the Company's employee long-term incentive plan shall be deemed to have vested and the Board shall direct Intertrust Employee Benefit Trustee Limited to allow each option-holder to exercise his or her options during the one-month period following the change of control event. Any options that have not been exercised will lapse at the end of this period.

As at 31 December 2024, the 2012 Bonds, 2014 Bonds, SUNs and SSNs contained change of control provisions. If a change of control occurs, the Company was required to offer to repurchase the 2012 Bonds, 2014 Bonds, SSNs and SUNs at 101% of their principal amount, plus accrued and unpaid interest to the date of the purchase.

There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment or otherwise that occurs specifically because of a takeover.

Corporate governance statement

Pursuant to Disclosure Guidance and Transparency Rule 7, certain parts of the Corporate Governance statement are required to be outlined in the Directors' Report. This information is laid out in the corporate governance section of this Annual Report. Information regarding the main features of the Company's internal control and risk management arrangements in relation to the financial reporting process can be found in the Strategic Report and the report of the Audit Committee.

Important events since the end of the financial year

Major events after 31 December 2024 are disclosed in Note 32 to the consolidated audited financial statements. This report was approved by the Board on 22 April 2025.

On behalf of the Board

Arfan Khan
Chief Executive Officer

22 April 2025

Nostrum Oil & Gas PLC, registered number 8717287

Responsibility statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare such financial statements for each financial year that give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year, and of the profit or loss of the Group for the financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with UK adopted International Accounting Standards. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Parent Company and of their profit or loss for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes and Accounting Estimates and Errors and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- State that the Group and the Company have complied with the UK adopted International Accounting Standards, subject to any material departures disclosed and explained in the financial statements;
- Provide additional disclosures when compliance with specific requirements of IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's and Company's financial position and performance; and
- Prepare the Group's and Company's financial statements on a going concern basis, unless it is inappropriate to do so.

Having taken all the matters considered by the Board and brought to the attention of the Board during the year into account, and having reviewed the Annual Report (including the Strategic Report), the Directors consider the Annual Report and Accounts, taken as a whole, to be fair, balanced and understandable, providing the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

The Directors have responsibility for:

- Ensuring that the Company and the Group keep accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and which enable them to ensure that its financial statements and Directors' Remuneration Report comply with the Companies Act 2006;
- Taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities; and
- The maintenance and integrity of the corporate and financial information on the Company's website.

Each of the Directors whose names and functions are listed on pages 90-91 confirms, that to the best of their knowledge:

- The Company and Group financial statements, which have been prepared in accordance with the UK adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- The Strategic Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- The Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

By order of the Board

Arfan Khan
Chief Executive Officer

22 April 2025

Independent auditor's report

For the purpose of this report, the terms "we" and "our" denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Nostrum Oil & Gas plc. For the purposes of the table on pages 4 to 7 that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA. The Group financial statements, as defined below, consolidate the accounts of Nostrum Oil & Gas plc and its subsidiaries (the "Group"). The "Parent Company" is defined as Nostrum Oil & Gas plc, as an individual entity. The relevant legislation governing the Parent Company is the United Kingdom Companies Act 2006 ("Companies Act 2006").

Opinion

We have audited the financial statements of Nostrum Oil & Gas plc for the year ended 31 December 2024.

The financial statements that we have audited comprise:

- the Consolidated Statement of Financial Position
- the Consolidated Statement of Comprehensive Income
- the Consolidated Statement of Cash Flows
- the Consolidated Statement of Changes in Equity
- Notes 1 to 33 of the consolidated financial statements, including significant accounting policies.
- the Parent Company Statement of Financial Position
- the Parent Company Statement of Cash Flows
- the Parent Company Statement of Changes in Equity and
- Notes 1 to 16 of the company financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom International Accounting Standards ("UK adopted IFRS").

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK adopted IFRS; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Group's Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw your attention to the Group's Viability Statement on page 43, Note 2 to the Group financial statements on page 144 and Note 2 to the Parent Company financial statements on page 170 which describe the Directors' assessment of the Group's ability to continue as a going concern. The Group's Senior Secured Notes (SSNs) and Senior Unsecured Notes (SUNs) (together, "the Notes") are due to mature on 30 June 2026. In forming their going concern assessment, the Directors have identified a material uncertainty about the ability of the Group to successfully restructure the Notes.

These circumstances indicate the existence of a material uncertainty that may cast significant doubt upon the Group and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Consideration of inherent risks to the Group's and the Parent Company's operations and specifically their business model;
- Confirming our understanding of the directors' going concern assessment process, including obtaining an understanding of relevant controls over management's model;
- Obtaining the directors' going concern assessment, including the cash flow forecast for the going concern period. The directors have modelled a number of adverse scenarios in order to incorporate unexpected changes to the forecast liquidity of the Group. We evaluated the sufficiency of the sensitivities performed, in particular whether the adverse scenarios met the severe but plausible test;

- Auditing the key inputs and assumptions adopted in the assessment of going concern and the cash flow model, including considering whether management had exercised any bias in selecting their assumptions, by comparing against past performance and available market data;
- Consideration of management's ability to forecast by reviewing historical accuracy of forecasts prepared by management;
- Testing the mathematical accuracy and appropriateness of the method used to prepare the cash flow forecast. We tested the methodology and calculations;
- Checking the consistency of the factors and assumptions adopted in the going concern assessment with other areas of our audit, including the oil and gas asset impairment test;
- Considering the results of the reverse stress test in order to identify what factors would lead to the Group utilising all liquidity during the going concern period. We assessed the likelihood of these factors in the context of the outlook for commodity prices and against historic market lows as well as our own industry experience;
- Held discussions with management in relation to the anticipated debt restructuring expected in June 2026 and evaluating the impact on the going concern assessment, and;
- Considering whether management's disclosures in the Annual Report and Accounts were appropriate, including those in relation to the material uncertainty in respect of the going concern conclusion, through consideration of the relevant disclosure standards and our understanding of the bond restructuring process as anticipated by management.

In relation to the Group's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Scope	Our audit was scoped by obtaining an understanding of the Group, including the Parent Company, and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement. We, and our component auditors acting on specific group instructions, undertook full scope audits on the complete financial information of 2 components; Zhaikmunai LLP and Nostrum Oil & Gas plc (Parent Company), specified audit procedures on particular aspects and balances on another 5 components in Kazakhstan, the Netherlands and Belgium.		
Materiality See full materiality section below.	**2024**	**2023**	
Group	US$925k	US$949k	1.45% of EBITDA (2023: 2.25% of EBITDA)
Parent Company	US$1,942k	US$1,920k	0.8% of net assets (2023: 1% of net assets). Component materiality for group purposes set at US $307k (2023: US$500k)
Key audit matters			
Recurring	• Estimation of oil and gas reserves and its impact on impairment testing, depreciation, depletion and amortisation (DD&A) and the abandonment and site restoration provision; • Impairment of oil & gas development and production fixed assets;		

Independent auditor's report continued

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Estimation of oil and gas reserves and its impact on impairment testing, depreciation, depletion and amortisation (DD&A) and the abandonment and site restoration provision

Key audit matter description	The estimation of oil and gas reserves is critical to several areas of the financial statements, particularly the computation of depreciation, depletion and amortisation ("DD&A"), the impairment assessment of oil and gas properties, and the calculation of the abandonment and site restoration provision. As of 31 December 2024, the Group recognised oil and gas properties with a carrying amount of US$363.0 million (2023: US$245.3 million) as disclosed in Note 5, a depreciation and depletion charge of US$25.0 million as disclosed in Note 5, and an abandonment provision of US$27.3 million (2023: US$22.1 million), as disclosed in Note 15. The estimation process involves significant judgement and is based on technical assessments using both internal and external data. The assumptions used, such as production profiles, hydrocarbon prices, and development plans, are inherently uncertain and susceptible to management bias, particularly given the forward-looking nature of such inputs. Changes in these assumptions can significantly impact reported asset values, DD&A charges, and provision estimates. As such, we considered this to be an area of significant auditor attention.
How the scope of our audit responded to the key audit matter	We have performed, in conjunction with the component auditor, the following procedures in respect of the oil and gas reserve estimation: • Performed walkthrough procedures (including the control design and implementation testing) and updated our understanding of the Group's internal processes and key controls relevant to the estimation of oil and gas reserves. • Assessed the competence, capabilities, and objectivity of management's internal specialists responsible for reserve estimation, to determine whether they were appropriately qualified. • Tested the completeness and accuracy of source data used in the reserves estimation process. • Corroborated management's commercial assumptions by comparing them to publicly available industry benchmarks and third party data, where available. • Compared management's internal assumptions with the latest approved operational plans and budgets to assess consistency. • Challenged the feasibility of these assumptions by reference to historical operational performance and realised results. • With the assistance of valuation experts, assessed whether the updated reserve estimates were appropriately reflected in the Group's impairment testing, DD&A calculations, and the abandonment and site restoration provision. • Reviewed the adequacy and clarity of the reserves and resource disclosures in the Annual Report for consistency with audit evidence obtained. • Obtained and independently recalculated the abandonment and site restoration provision, assessing the reasonableness of key assumptions and inputs used by management. • Critically assessed key inputs, and challenged management's assumptions and judgements for reasonableness and potential indicators of management bias.
Key observations communicated to the Group's Audit Committee	No material issues have been identified from the audit procedures performed.

Impairment of oil & gas development and production fixed assets

Key audit matter description	The Group's oil and gas properties with a carrying amount of US$363.0 million (2023: US$245.3 million) as disclosed in Note 5 to the financial statements, are reviewed annually for indicators of impairment. If such indicators are identified, management estimate the asset's recoverable amount. There is significant judgement in management's assessment of the recoverable amount of these assets, which are sensitive to changes in key assumptions such as estimation of future prices of oil, natural gas and related products, the discount rate applied to future cash flow forecasts and the assumptions relevant to production volumes. Additionally, the Group's use of a single cash-generating unit (CGU) for impairment testing purposes, encompassing all assets of the Chinarevskoye field and related facilities, requires careful consideration given the potential for independent cash flows from certain assets. There is a risk that inappropriate judgements or assumptions may be applied, which could materially misstate the recoverable amount and result in an overstatement of asset values or understatement of an impairment charge.
How the scope of our audit responded to the key audit matter	We have performed, in conjunction with the component auditor, the following procedures in respect of the impairment and production fixed assets: • Evaluated management's assessment of cash-generating units (CGUs) to determine whether the use of a single CGU and corresponding impairment model was appropriate based on the integration of cash flows across the Group's assets. • Evaluated management's assessment for indicators of impairment or impairment reversal, considering both internal and external sources of information. • Performed walkthrough procedures to understand and evaluate the design and implementation of controls relevant to the Group's impairment assessment of oil and gas properties. • Assessed whether the value in use (VIU) or the fair value less costs of disposal (FVLCD) represented the higher recoverable amount in line with IFRS requirements. • With the assistance of valuation experts, reviewed the integrity and mathematical accuracy of the discounted cash flow models supporting the recoverable amount calculations, including the appropriateness of the weighted average cost of capital (WACC) applied. • Evaluated oil and gas price assumptions by comparing forecast prices to current market data, including forward price curves, broker estimates, and other long-term forecasts. • Benchmarked discount rate assumptions to reflect the Group's specific risk profile. • Considered potential contradictory evidence in relation to the recoverable amount determined, including analysis of the discounted cash flow model and comparison to the Group's enterprise value. • Assessed the appropriateness of management's oil and gas reserves and resource estimates. • Evaluated the risking factors applied in the valuation of contingent resources. • Challenged the valuation methodology used to estimate the recoverable amount, focusing on the value attributed to the expected utilisation of spare GTU processing capacity, including the associated risking judgements. • Tested forecast cash flows by comparing the assumptions used within the impairment models to the approved budgets, business plans and other evidence of future intentions. • Assessed the historical accuracy of management's budgets and forecasts by comparing them to actual performance. • Compared inflation rate and the foreign exchange rate assumptions to externally available market data to assess reasonableness. • Evaluated management's sensitivity analyses, considering the potential impact of reasonably possible changes to key assumptions including discount rate, commodity prices, production volumes, operating expenditure, and capital expenditure. • Reviewed disclosures in respect of impairment considerations, including those surrounding the completeness and accuracy over key sensitivities affecting management's assessment.
Key observations communicated to the Group's Audit Committee	No material issues have been identified from the audit procedures performed.

Independent auditor's report continued

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.

Based on our professional judgement, we determined materiality for the financial statements as follows:

	Group financial statements	Parent Company financial statements
Overall materiality	Materiality in respect of the Group was set at US$925,000 (2023: US$949,000).	Materiality in respect of the Parent Company was set at US$1,942,000 (2023: US$1,920,000). Component materiality for group purposes was set at US$307,000 (2023: US$500,000) The materiality set for the Parent Company is higher than that of the Group, reflecting the presence of a significant guaranteed liability in the Parent's financial statements which is eliminated on consolidation. While this balance is material at the Parent level, it does not impact the consolidated financial statements and is therefore not relevant to the Group accounts. However, for the purposes of obtaining audit evidence to support the Group audit opinion, we applied a lower component materiality to the Parent Company. This lower threshold ensures sufficient coverage over balances and transactions which are included in the consolidation.
Performance materiality	Performance materiality for the Group was set at US$555,000 (2023: US$570,000) which represents 60% (2023: 60%) of the above materiality levels.	Performance materiality for the Parent Company was set at US$1,165,000 (2022: US$1,152,000) for the which represents 60% (2023: 60%) of the above materiality levels.
How we determined it	We initially determined Group materiality based upon a benchmark of 2% of the Group's EBITDA (2023: 2.25%) with performance materiality determined as detailed above. Following a number of adjustments during the course of the audit, which resulted changes to the Group's EBITDA, the initial determination of US$925,000 was maintained being 1.45% (2023: 2.25%) of the Group's EBITDA (as defined on page 50) as this was the materiality level used as a basis for reporting our findings the Audit Committee.	We initially determined Parent Company's materiality based upon a benchmark of 1% of the Parent Company's net assets (2023: 1%) with performance materiality determined as detailed above. Following a number of adjustments during the course of the audit, which resulted changes to the Parent Company's net assets, the initial determination of US$1,942,000 was maintained being 0.8% (2023: 1%) of the Parent Company's net assets as this was the materiality level used as a basis for reporting our findings the Audit Committee.
Rationale for the benchmark applied	EBITDA was deemed to be the appropriate benchmark for the calculation of Group materiality as this is a KPI for the Group in the assessment of the performance of management, and market and analyst commentary also uses EBITDA to comment on the performance of the Group. In our opinion this is therefore the benchmark with which the users of the financial statements are principally concerned.	There are no specific KPIs relating to the Parent Entity. The entity does not trade, it acts as a holding company for the Group and the only 'material' balance on the statement of Financial Position is the financial guarantee. This benchmark aligns with the focus of key stakeholders. In our opinion this is therefore the benchmark with which the users of the financial statements are principally concerned.

We agreed to report any corrected or uncorrected adjustments exceeding US$46,000 (2023: US$47,450) to the Group Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

Overview of the scope of the Group and Parent Company audits

Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment considers the size, risk profile, organisation / distribution and effectiveness of group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the consolidated financial statements, and to ensure we had adequate quantitative and qualitative coverage of significant accounts in the consolidated financial statements, of the 13 reporting components of the group including the Parent Company, we identified 2 components in Kazakhstan and the UK which represent the principal business units within the Group.

Full scope audits – Of the 13 components selected, full scope audits of the complete financial information of 2 components; Zhaikmunai LLP Chinarevkoye field and Nostrum Oil & Gas plc were undertaken, these entities were selected based upon their size or risk characteristics.

Specified procedures – Specific procedures were undertaken on 5 components; Nostrum Oil & Gas Coöperatief UA, Nostrum Oil & Gas Finance B.V., Nostrum Services N.V., Nostrum Services N.V. - KZ Branch and Postiv Invest. Our audit work was executed at group component materialities.

Our audit scoping coverage for the key balances is summarised in the charts below.

The coverage achieved by our audit procedures was:

Name	Full scope	Specified audit procedures	Total
Revenue	100%	0%	100%
Profit before tax	41%	59%	100%
Gross assets	52%	48%	100%

The group audit team led and directed the audit work performed by the component auditors in Kazakhstan and Belgium through a combination of group planning meetings and calls, provision of group instructions (including detailed supplemental procedures), review and challenge of related component interoffice reporting and of findings from their working papers and interaction on audit and accounting matters which arose, this included assessing the appropriateness of conclusions and consistency between reported findings and work performed.

The control environment

We evaluated the design and implementation of those internal controls of the Group, including the Parent Company, which are relevant to our audit, such as those relating to the financial reporting cycle.

We deployed our internal IT audit specialists to get an understanding of the general IT environment and test general IT controls and these were found to be operating effectively.

Climate-related risks

In planning our audit and gaining an understanding of the Group and Parent Company, we considered the potential impact of climate-related risks on the business and its financial statements. We obtained management's climate-related risk assessment, along with relevant documentation relating to management's assessment and held discussions with management to understand their process for identifying and assessing those risks.

We engaged internal specialists to assess, amongst other factors, the benchmarks used by management, the nature of the group's business activities, its processes and the geographic distribution of its activities.

We designed audit procedures to specifically consider those assets and liabilities where we anticipated, based on the work performed, that the highest impact arising from climate change might fall. We have reviewed the information received by management and have not identified any additional climate related risks to be disclosed within the financial statements.

Reporting on other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Strategic report and directors report

In our opinion, based on the work undertaken during the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Directors' remuneration report

Those aspects of the director's remuneration report which are required to be audited have been prepared in accordance with applicable legal requirements.

Independent auditor's report continued

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the entity's compliance with the provisions of the UK Corporate Governance Code.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified.
- Directors' explanation as to its assessment of the group's prospects, the period this assessment covers and why the period is appropriate.
- Director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities.
- Directors' statement on fair, balanced and understandable.
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out.
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems ; and
- Section describing the work of the Group Audit Committee

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the Group and Parent Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in:

- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received by branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities . This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector the control environment, business performance including remuneration policies and the Group's, including the Parent Company's, own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements.
- We enquired of the directors and management and the Audit Committee concerning the Group's and the Parent Company's policies and procedures relating to:
  - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls.
- Component auditors were briefed on fraud risks and regulatory environment relevant to their jurisdictions and received confirmation that there were no additional local fraud risks identified by them which would impact the overall group risk assessment.

As a result of these procedures we determined that the principal risks were management bias in accounting estimates, particularly in determining impairment of oil and gas reserves, and the potential for fraud in revenue recognition.

Audit response to risks identified

In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Group's and the Parent Company's board meetings;
- the component auditors visited the operations in Kazakhstan observing operations and carrying out a physical verification of inventory;
- audit procedures performed by the engagement team in connection with the risks identified included:
  - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements;
  - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;
  - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
  - enquiry of management around actual and potential litigation and claims;
  - challenging the assumptions and judgements made by management in its significant accounting estimates and challenging management on any changes in estimation techniques made during the year and assessing their impact; and
  - obtaining confirmations from third parties to confirm existence of certain balances.
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and the component auditors and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Other requirements

We were re-appointed at the Annual General Meeting on 5 June 2024. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 3 years.

We did not provide any non-audit services which are prohibited by the FRC's Ethical Standard to the Group or the Parent Company, and we remain independent of the Group and the Parent Company in conducting our audit.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.14R, these financial statements form part of the European Single Electronic Format (ESEF) prepared Annual Financial Report filed on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard (('ESEF RTS'). This auditor's report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Andrew Moyser

Andrew Moyser FCA FCCA
(Senior Statutory Auditor) for and on behalf of MHA, Statutory Auditor London, United Kingdom

22 April 2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position

In thousands of US Dollars	Notes	31 December 2024	31 December 2023
Assets			
Non-current assets			
Property, plant and equipment	5	**372,883**	252,621
Exploration and evaluation assets	6	**–**	23,935
Advances and other non-current assets	7	**4,388**	1,118
Restricted cash	11	**25,924**	25,215
		403,195	302,889
Current assets			
Inventories	8	**30,637**	29,852
Other current assets	9	**9,515**	9,417
Income tax prepayment	28	**3,028**	–
Trade receivables	10	**9,204**	15,472
Cash and cash equivalents	11	**150,419**	161,711
		202,803	216,452
TOTAL ASSETS		**605,998**	519,341
Equity and liabilities			
Share capital and reserves	12		
Share capital		**2,152**	2,152
Treasury capital		**(166)**	(166)
Deferred shares		**–**	18,551
Share premium		**792,744**	792,744
Retained deficit and reserves		**(887,266)**	(879,456)
Attributable to owners of Nostrum Oil & Gas PLC		**(92,536)**	(66,175)
Non-controlling interest		**55**	502
		(92,481)	(65,673)
Non-current liabilities			
Notes payable and accumulated interest	14	**571,194**	471,572
Principal		*688,061*	*636,222*
Arrangement fees and fair value adjustments		*(116,867)*	*(164,650)*
Abandonment and site restoration provision	15	**27,344**	22,147
Amounts due to Government of Kazakhstan	16	**3,200**	3,625
Deferred tax liability	28	**69,064**	44,523
		670,802	541,867
Current liabilities			
Notes payable and accumulated interest	14	**177**	175
Trade payables	17	**8,238**	10,632
Advances received	18	**1,569**	254
Current tax payable		**49**	545
Current portion of amounts due to Government of Kazakhstan	16	**1,031**	1,031
Other current liabilities	19	**16,613**	30,510
		27,677	43,147
TOTAL EQUITY AND LIABILITIES		**605,998**	519,341

The consolidated financial statements of Nostrum Oil & Gas PLC, registered number 8717287, were authorised for issue by the Board of Directors on 22 April 2025.

Signed on behalf of the Board:

Arfan Khan
Chief Executive Officer
22 April 2025

The accounting policies and explanatory notes on pages 142 through 161 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

In thousands of US Dollars	Notes	For the year ended 31 December 2024	2023
Revenue			
Revenue from export sales		**94,582**	105,170
Revenue from domestic sales and tolling fees		**42,494**	14,459
	20	**137,076**	119,629
Cost of sales	21	**(72,002)**	(77,628)
Gross profit		**65,074**	42,001
General and administrative expenses	22	**(13,952)**	(13,807)
Selling and transportation expenses	23	**(14,556)**	(12,403)
Taxes other than income tax	24	**(13,181)**	(14,187)
Employee share options reversals	26	**–**	25
Finance costs	25	**(117,229)**	(102,826)
Impairment reversal	4	**86,668**	–
Gain on debt-to-equity exchange	12	**–**	769,611
Fair value adjustment on recognition of debt instruments	14	**–**	174,426
Foreign exchange gain / (loss), net		**843**	(954)
Interest income		**7,139**	2,691
Other income		**13,425**	6,430
Other expenses	27	**(12,404)**	(14,675)
Income before income tax		**1,827**	836,332
Current income tax expense		**(3,863)**	(10,050)
Deferred income tax (expense) / benefit		**(24,541)**	5,376
Income tax expense	28	**(28,404)**	(4,674)
(Loss) / income for the year		**(26,577)**	831,658
Currency translation difference		**(231)**	62
Other comprehensive (loss) / income for the year		**(231)**	62
Total comprehensive (loss) / income for the year		**(26,808)**	831,720
Loss for the year attributable to non-controlling interests		**(447)**	–
(Loss) / earnings for the year attributable to the shareholders		**(26,130)**	831,658
Weighted average number of shares (Notes 13)		**169,086,713**	169,086,713
Basic and diluted (loss) / earnings per share (in US dollars)	13	**(0.15)**	4.92

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

The accounting policies and explanatory notes on pages 142 through 161 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

In thousands of US Dollars	Notes	For the year ended 31 December 2024	2023
Cash flow from operating activities:			
Income before income tax		**1,827**	836,332
Adjustments for:			
Depreciation, depletion and amortisation	21, 22	**25,555**	40,509
Impairment reversal	4	**(86,668)**	–
Finance costs	25	**117,229**	102,826
Interest income		**(7,139)**	(2,691)
Foreign exchange loss on investing and financing activities		**447**	199
Loss on disposal of property, plant and equipment		**402**	917
Fair value adjustment on recognition of debt instruments		**–**	(174,426)
Gain on debt-to-equity exchange		**–**	(769,611)
Employee share options reversals		**–**	(25)
Operating profit before working capital changes		**51,653**	34,030
Changes in working capital:			
Change in inventories		**(1,268)**	62
Change in trade receivables		**6,268**	(3,077)
Change in prepayments and other current assets		**252**	(3,608)
Change in trade payables		**(2,842)**	(754)
Change in advances received		**1,315**	202
Change in due to Government of Kazakhstan		**(1,031)**	(1,031)
Change in other current liabilities		**(14,169)**	(3,943)
Cash from operations		**40,178**	21,881
Income tax paid		**(7,102)**	(24,102)
Net cash from / (used in) operating activities		**33,076**	(2,221)
Cash flow from investing activities:			
Interest received		**6,789**	2,691
Purchase of property, plant and equipment		**(26,763)**	(13,711)
Consideration paid for 80% interest in Positiv Invest LLP	6	**–**	(19,338)
Expenditures on exploration and evaluation assets		**(5,778)**	(3,552)
Transfer (to)/from restricted cash		**(717)**	5,828
Net cash used in investing activities		**(26,469)**	(28,082)
Cash flow from financing activities:			
Finance costs paid		**(16,487)**	(31,821)
Other finance costs		**(1,226)**	(9,801)
Net cash used in financing activities		**(17,713)**	(41,622)
Effects of exchange rate changes on cash		**(186)**	52
Net decrease in cash and cash equivalents		**(11,292)**	(71,873)
Cash and cash equivalents at the beginning of the year	11	**161,711**	233,584
Cash and cash equivalents at the end of the year	11	**150,419**	161,711

"Other finance costs" for the year ended 31 December 2023 represent advisor fees 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.

The accounting policies and explanatory notes on pages 142 through 161 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

In thousands of US Dollars	Notes	Share capital	Treasury capital	Deferred shares	Share premium	Other reserves (Note 12)	Retained deficit	Non-controlling interest	Total
As at 1 January 2023		**3,203**	**(1,660)**	**–**	**–**	**261,857**	**(1,203,626)**	**–**	**(940,226)**
Income for the year		–	–	–	–	–	831,658	–	**831,658**
Other comprehensive income		–	–	–	–	62	–	–	**62**
Total comprehensive income for the year		**–**	**–**	**–**	**–**	**62**	**831,658**	**–**	**831,720**
Debt-to-equity exchange*	**12**	(1,051)	1,494	18,551	23,133	229	–	–	**42,356**
Transfer of share premium on debt-to-equity exchange	**12**	–	–	–	769,611	–	(769,611)	–	**–**
Recognition of non-controlling interest on purchase of Positiv Invest LLP		–	–	–	–	–	–	502	**502**
Share based payments under LTIP**		–	–	–	–	(25)	–		**(25)**
As at 31 December 2023		**2,152**	**(166)**	**18,551**	**792,744**	**262,123**	**(1,141,579)**	**502**	**(65,673)**
Loss for the year		–	–	–	–	–	(26,130)	(447)	**(26,577)**
Other comprehensive loss		–	–	–	–	(231)	–	–	**(231)**
Total comprehensive loss for the year		**–**	**–**	**–**	**–**	**(231)**	**(26,130)**	**(447)**	**(26,808)**
Redemption of deferred shares	**12**	–	–	(18,551)	–	18,551	–	–	**–**
As at 31 December 2024		**2,152**	**(166)**	**–**	**792,744**	**280,443**	**(1,167,709)**	**55**	**(92,481)**

** The gain on debt-to-equity exchange is reclassified as share premium in accordance with the requirements of the Companies Act 2006*

*** Long-Term Incentive Plan ("LTIP")*

Notes to the consolidated financial statements

1. General

Overview

Nostrum Oil & Gas PLC ("the Company" or "the Parent") is a public limited company incorporated on 3 October 2013 under the Companies Act 2006 and registered in England and Wales with registered number 8717287. The registered address of Nostrum Oil & Gas PLC is: 20 Eastbourne Terrace, London, W2 6LG, UK.

These consolidated financial statements include the financial position and the results of the operations of Nostrum Oil & Gas PLC and its following subsidiaries:

Company	Registered office	Form of capital	Ownership, %
Nostrum Associated Investments LLP	43B Karev street, 090000 Uralsk, Republic of Kazakhstan	Participatory interests	100
Nostrum Oil & Gas Coöperatief U.A.	Bloemendaalseweg 139, 2061 CH Bloemendaal, The Netherlands	Members' interests	100
Nostrum Oil & Gas B.V.	Bloemendaalseweg 139, 2061 CH Bloemendaal, The Netherlands	Ordinary shares	100
Nostrum Oil & Gas Finance B.V.	Bloemendaalseweg 139, 2061 CH Bloemendaal, The Netherlands	Ordinary shares	100
Nostrum Oil & Gas Holding Ltd.	20 Eastbourne Terrace, London, W2 6LA, United Kingdom	Ordinary shares	100
Nostrum Services Central Asia LLP	Aksai 3a, 75/38, 050031 Almaty, Republic of Kazakhstan	Participatory interests	100
Nostrum Services N.V.	Chaussee de Wavre 20, 1360 Perwez, Belgium	Ordinary shares	100
Positiv Invest LLP	Dostyk 310/15, Almaty, Republic of Kazakhstan	Participatory interests	80
Zhaikmunai LLP	43/1 Karev street, 090000 Uralsk, Republic of Kazakhstan	Participatory interests	100

Nostrum Oil & Gas PLC and its subsidiaries are hereinafter referred to as "the Group".

The Group's operations comprise of a single operating segment including all Group's assets related to its Chinarevskoye field, as well as surface facilities, and are primarily conducted through its oil and gas producing entity Zhaikmunai LLP located in Kazakhstan.

Zhaikmunai LLP carries out its activities in accordance with the Contract for Additional Exploration, Production and Production-Sharing of Crude Hydrocarbons in the Chinarevskoye oil and gas condensate field (the "Contract") dated 31 October 1997 between the State Committee of Investments of the Republic of Kazakhstan and Zhaikmunai LLP in accordance with the license MG No. 253D for the exploration and production of hydrocarbons in Chinarevskoye oil and gas condensate field.

The term of the Chinarevskoye subsoil use rights included a 5-year exploration period followed by a 25-year production period with the Contract being valid until 26 May 2031.

On 17 July 2023, Nostrum Oil & Gas Coöperatief U.A. acquired an 80% interest in Positiv Invest LLP for US$20 million. Positiv Invest LLP holds the rights to the Stepnoy Leopard Fields located in the West Kazakhstan region. The Stepnoy Leopard Fields are in proximity to Nostrum's existing gas treatment facilities and have a subsurface contract valid until December 2044

On August 20, 2024, Nostrum Oil & Gas Coöperatief U.A. transferred its 80% participating interest in Positiv Invest LLP and its 100% participating interest in Zhaikmunai LLP to Nostrum Oil & Gas Finance B.V. This reorganisation consolidates ownership of the Group's primary assets, including the Chinarevskoye field operated by Zhaikmunai LLP and the Stepnoy Leopard Fields managed by Positiv Invest LLP, under a single entity, enhancing operational alignment and strategic focus.

As at 31 December 2024 the Group employed 605 employees (31 December 2023: 571).

Royalty payments

Zhaikmunai LLP is required to make monthly royalty payments during the Contract production period, at the rates specified in the Contract.

Royalty rates depend on hydrocarbons recovery levels and the phase of production and can vary from 3% to 7% of produced crude oil and from 4% to 9% of produced natural gas. Royalty is accounted on a gross basis.

Government profit share

Zhaikmunai LLP makes payments to the Government for the Government's profit share as determined in the Contract. The profit share depends on hydrocarbon production levels and varies from 10% to 40% of production after deducting royalties and reimbursable expenditures. Reimbursable expenditures include operating expenses, costs of additional exploration and development costs. Government profit share is expensed as incurred and paid in cash. Government profit share is accounted on a gross basis.

Group debt restructuring

On 23 December 2021, the Group entered into a lock-up agreement (the "LUA") and agreed with noteholders the terms of a restructuring of the Group's US$725 million 8.0% Senior Notes due July 2022 ("2022 Notes") and its US$400 million 7.0% Senior Notes due February 2025 ("2025 Notes") (together, the "Existing Notes"). The below outlines the key terms of the restructuring as agreed between the Group, acceded noteholders and ICU in the LUAs and also voted in favour of by Nostrum shareholders, and subsequently implemented:

Partial reinstatement of debt:

- In the form of US$250 million Senior Secured Notes (SSNs) maturing on 30 June 2026 and bearing interest at a rate of 5.00% per year payable in cash. The SSNs are not convertible;
- In the form of US$300 million Senior Unsecured Notes (SUNs) maturing on 30 June 2026 and bearing interest at a rate of 1.00% per year payable in cash and 13.00% per year payable in kind. If not repaid in cash at maturity, the SUNs are repayable in specie through the issuance of equity in the Company based on the value of the SUNs outstanding on the issuance date as a percentage of the fair market value of the Company (up to a maximum of 99.99% of the Company's fully diluted equity).

Conversion to equity:

- Conversion of the remainder of the Existing Notes and accrued interest into equity by way of a UK scheme of arrangement:
- Existing noteholders own 88.89% of the expanded ordinary share capital of the Company on closing of the restructuring. Existing noteholders also own warrants (to be held by trustee) allowing them to subscribe for an additional 1.11% of the ordinary share capital of the Company upon exercise;
- The existing ordinary shareholders hold 11.11% upon closing of the restructuring.

New corporate governance arrangements:

- In respect of the Group and certain arrangements, which includes a cash sweep mechanism requiring that cash above US$30 million is swept into a debt service retention account (to fund the next two cash interest payments due) and a restricted cash account which the Company can access with approval of the majority of Independent Non-Executive Directors of the Company; and
- Transfer the Company's listing to the Standard Listing segment of the London Stock Exchange.

Restructuring completion

On 9 February 2023, the Restructuring was implemented on the key terms as agreed under the LUA, and pursuant to the terms of the Scheme sanctioned by the Court on 26 August 2022. This led to the sub-division and consolidation of the Company's share capital, which resulted in a reduction of shares from approximately 1,693.8 million to 169.4 million following a 10:1 consolidation. By 10 February 2023, 150,563,304 new shares were listed on the London Stock Exchange (ticker symbol NOG.L), and by 13 February, also on the Astana International Exchange. The new notes and warrants were listed on The International Stock Exchange from 9 February 2023, while no new securities were listed on Euronext Dublin. On 14 March 2023, the Company's ordinary shares were delisted from the official list of the Kazakhstan Stock Exchange (KASE). (

Notes to the consolidated financial statements continued

2. Basis of preparation and consolidation

Basis of preparation

These consolidated financial statements for the year ended 31 December 2024 have been prepared in accordance with the UK adopted International Accounting Standards and those parts of the Companies Act 2006 that are relevant to companies which report in accordance with UK adopted IFRS. The consolidated financial statements have been prepared based on a historical cost basis (Note 4).

The consolidated financial statements are presented in US dollars and all values are rounded to the nearest thousand, except when otherwise indicated. The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires from management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4. The Group recognises that there may be potential financial implications in the future from changes in legislation and regulation implemented to address climate change risk. Over time these changes may have an impact across a number of areas of accounting including asset impairment, increased costs, provisions, onerous contracts and contingent liabilities. However, as at the reporting date, the Group believes there is no material impact on the balance sheet carrying values of assets or liabilities. This is not considered a significant estimate.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements;
- the Group's voting rights and potential voting rights.
- The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Going concern

The Group monitors on an ongoing basis its liquidity position, near-term forecasts, and key financial ratios to ensure that sufficient funds are available to meet its commitments as they arise and liabilities as they fall due. The Group reforecasts its rolling 3-year cashflows on a quarterly basis and stress tests its future liquidity position for changes in product prices, production volumes, costs and other significant events.

The Directors are focused on a range of potential opportunities and actions aimed at improving the liquidity outlook in the near-term and creating value from long-term growth catalysts. These actions include, amongst other things, the ongoing base case scenario efforts to further optimize capital expenditures, operating costs and general and administration cost, improving netbacks realized from product sales, and increasing utilisation of the Group's processing infrastructure.

The Directors' going concern assessment is supported by the future cash flow forecasts for the going concern period to 30 April 2026. The Group had unrestricted cash balances of US$150.4 million as at 31 December 2024, (including liquid current investments of US$82 million), and US$16.8 million in the DSRA. The base case going concern assessment reflects production forecasts consistent with the Board approved plans and assumes a flat Brent oil price of US$70/bbl. Under the base case going concern assessment for the period to 30 April 2026, the Group forecasts to have a closing cash balance of over US$117 million, including over US$18.3 million in the DSRA.

The base case scenario assumes commencement of the capital expenditures required for development of the Stepnoy Leopard fields. The base case scenario has also been tested for sensitivity against the key assumptions over the period of assessment, including US$10/boe reduction in Brent prices, 10% reduction in forecast production and third-party processing volumes, 10% increase in operating and G&A costs, addition of contingent capital expenditures and possible fines and penalties in the event of any non-compliance issues. As a result of such sensitivity analysis, the Directors concluded that the Group would be financially capable of withstanding downside volatility of these key assumptions individually or in aggregate.

After careful consideration, the Directors have a reasonable expectation that the Group and the Company have sufficient financial resources to continue in operation for the going concern period to 30 April 2026.

Notwithstanding that the going concern period has been defined as the period to 30 April 2026, the Directors have also considered events and conditions beyond the going concern period of assessment which may cast doubt on the Group's ability to continue as a going concern. The Directors draw attention to the Viability Statement on pages 43-44 of the 2024 Annual Report which highlights the potential necessity in the future for a partial or full restructuring of the Group's SSNs and SUNs (together "the Notes").

In forming an assessment of the Group's ability to continue as a going concern post 30 April 2026, the Board has considered the fact that the Notes are due to mature on 30 June 2026 and has made a material assumption about the Group's ability to successfully restructure the Notes.

As at the date of publication of these consolidated financial statements, although the Directors believe, to the best of their knowledge, that the Notes could be successfully restructured, the ability to restructure and the precise timing and terms of such restructuring of the Notes represent a material uncertainty about the Company's ability to continue as a going concern and to realise its assets and discharge its liabilities in the normal course of business beyond the assessment period ending 30 April 2026.

In accordance with provision 30 of the UK Corporate Governance Code 2018, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements. If the Group is unable to successfully restructure or extend the maturity of the Notes and continue to realise assets and discharge liabilities in the normal course of business, it would be necessary to adjust the amounts in the statement of financial position in the future to reflect these circumstances, which may materially change the measurement and classification of certain figures contained in these consolidated financial statements.

3. Changes in accounting policies and disclosures

Change in depreciation method

In accordance with IAS 16 Property, plant and equipment par. 61, the depreciation method should be reviewed at least annually and, if the pattern of consumption of benefits has changed, the depreciation method should be changed prospectively as a change in estimate under IAS 8.

In the view of the recent changes in the Company's strategy and its repositioning as a mixed-asset energy company, and commencement of the processing of third-party hydrocarbons from late December 2023, the management has reviewed the depreciation method applied to assets engaged in such processing of third-party hydrocarbons, and came to conclusion that application of straight-line depreciation method is more appropriate in line with the expected useful life of individually identified item of property, plant and equipment, as opposed to depletion using the unit-of-production method based on estimated proved developed reserves of the Chinarevskoye field. Hence this represents a change in estimate which is recognised prospectively in accordance with IAS 8.36. The change in estimate resulted in approximately US$11.3 million lower depreciation expenses for the year ended 31 December 2024.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as at 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024, but do not have an impact on the consolidated financial statements of the Group.

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's consolidated financial statements.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The

amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's consolidated financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements.

The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The Group has assessed the impact of these amendments and confirms that it does not have any supplier finance arrangements in place. As a result, these amendments have no impact on the Group's consolidated financial statements.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

Notes to the consolidated financial statements continued

4. Summary of material accounting policies

Exploration expenditure

Costs directly associated with the aquisition of Positiv Invest LLP and the subsequent well appraisal costs are capitalised within exploration and evaluation assets until the reserves appraisal phase is completed and the commercial viability of field development has been proven.

These costs include employee remuneration, materials, fuel used, rig costs, payments made to contractors, and asset retirement obligation fees.

If hydrocarbons are discovered and, subject to further appraisal activity (e.g., the drilling of additional wells), it is probable that they can be commercially developed, the costs continue to be carried as an asset while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons.

All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the discovery, which is subject to estimation uncertainties. When this is no longer the case, the costs are written off. Subsoil use rights acquisition costs are initially capitalised in exploration and evaluation assets. Subsoil use rights acquisition costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is under way to determine that the discovery is economically viable based on a range of technical and commercial considerations and sufficient progress is being made on establishing development plans and timing. If no future activity is planned or the subsoil use rights have been relinquished or have expired, the carrying value of the subsoil use rights acquisition costs is written off through profit or loss.

Significant accounting judgment: asset purchase and fair value of non-controlling interest

The Management used judgment when considering the purchase of Positiv Invest LLP on 17 July 2023, as an asset acquisition rather than a business acquisition and applied related accounting treatment when preparing the consolidated financial statements for the year ended 31 December 2023. Management applied the concentration test, introduced within IFRS 3, which offers a simplifying procedure to ascertain if an acquisition is of a business or merely assets. If a substantial majority of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets, then the set isn't deemed a business. Taking into account that the most significant assets of the Positiv Invest LLP are the licenses to the Stepnoy Leopard's fields, which are geographically co-located, and most of the balance sheet items are attributable to these fields, the management concluded that transactions represents an asset purchase rather than a business combination. The difference between the purchase price of $19.3 million and the net book value of the assets and liabilities acquired was considered as the price paid for the subsoil use license for development and production at the Stepnoy Leopard Fields. This distinction ensures proper allocation of the purchase price and reflects the underlying value attributed to exploration and valuation assets within the transaction. In addition, the fair value of the minority interest representing 20% ownership retained by the previous partners of Positiv Invest LLP was recognized at the proportion of the net assets of Positiv Invest at the transaction date. Management believes that this recognition aligns with the principle of reflecting the true economic value of the minority interest within the financial statements.

For more detailed information regarding exploration and evaluation assets, please see Note 6 in the financial statements.

Property, plant and equipment

Oil and gas properties

Expenditure on the construction, installation or completion of infrastructure facilities such as treatment facilities, pipelines and the drilling of development wells, is capitalised within property, plant and equipment as oil and gas properties. The initial cost of an asset comprises of its purchase price or construction cost, any costs directly attributable to bringing the asset into operation and the initial estimate of decommissioning obligations, if any.

The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. When a development project moves into the production stage, the capitalisation of certain construction/development costs ceases, and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to oil and gas property asset additions, improvements or new developments.

All capitalised costs of oil and gas properties are depleted using the unit-of-production method based on estimated proved developed reserves of the field, except the Group depreciates its oil pipeline and oil loading terminal on a straight-line basis over the life of the relevant subsoil use rights. In the case of assets that have a useful life shorter than the lifetime of the field the straight-line method is applied.

Assets in development

Expenditure is transferred from “exploration and evaluation assets” to “assets in development” which is a subcategory of “oil and gas properties” once the work completed to date supports the future development of the asset and such development receives appropriate approvals.

After transfer of the exploration and evaluation assets, all subsequent expenditure on the construction, installation or completion of infrastructure facilities such as pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalised within “assets in development”.

When a development project moves into the production stage, all assets included in “assets in development” are then transferred to “producing assets” which is also a sub-category of “oil and gas properties”. The capitalisation of certain construction / development costs ceases, and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to “oil and gas properties” asset additions, improvements or new developments.

Significant accounting judgment: transfer of expenditures from exploration and evaluation assets to assets in development

Management used judgment when considering the transfer of exploration and evaluation assets associated with Stepnoy Leopard Ffields to assets in the development category within oil & gas assets. When making concludingsion on such a transfer of assets, the management considered the following factors in line with accounting policies and IFRS requirements:

- Technical Feasibility and Future Economic Benefits - this is based on the Competent Person's Report of the Stepnoy Leopard Fields (the "SL CPR"), an independent third-party evaluation of the reserves and resources as at 1 January 2024. The report was released in July 2024 and confirmed 138 mmboe of proved plus probable (2P) gross reserves and US$220 million of after-tax net NPV10 at 34% IRR. The SL CPR provides evidence that the exploration and appraisal activities have identified reserves that are technically feasible and commercially viable for extraction, and it is probable that future economic benefits associated with the asset will flow to the entity.
- Intention to Develop and Availability of Funding - prior to the SL CPR, in March 2024, the Group made a final investment decision (the "FID") for the initial field development phase of the Stepnoy Leopard Fields. The FID provides evidence for the approvals and intention to proceed with the development of the identified reserves and there is a reasonable expectation that the necessary funding to develop the reserves will be available.

Other properties

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditures that are directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the year in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Years
Buildings and constructions	7-50
Vehicles	8
Machinery and equipment	3-13
Other	3-10

Land is a non-depreciable asset and therefore is not subject to depreciation. It is the company's policy to maintain the original cost of land on the balance sheet. However, the land's value may be reviewed periodically to determine if there is any impairment in value.

For more detailed information in relation to property plant and equipment, please refer to Note 5.

Significant accounting judgment: oil and gas reserves

Oil and gas reserves are a material factor in the Group's computation of depreciation, depletion and amortisation (the "DD&A"). Management used significant accounting judgement in selecting proved developed hydrocarbon reserves for calculating the unit-of-production depletion rate, as it reflects the expected pattern of consumption of future economic benefits by the Group.

Significant estimates and assumptions: oil and gas reserves

The Group uses internal estimates to assess the oil and gas reserves of its fields. The reserves estimates are made in accordance with the methodology of the Society of Petroleum Engineers (the "SPE") and are confirmed or audited by independent reserve engineers. All reserve estimates involve some degree of uncertainty, which depends mainly on the amount of reliable geological and engineering data available at the time of the estimate and the interpretation of this data, as well as long-term hydrocarbon pricing, which may affect classification of reserves.

The relative degree of uncertainty can be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Proved reserves are more certain to be recovered than unproved reserves and may be further sub classified as developed and undeveloped to denote progressively increasing uncertainty in their recoverability.

Reserves estimates are reviewed and revised annually. Revisions occur due to the evaluation or re-evaluation of already available geological, reservoir or production data; availability of new data; or changes to underlying price assumptions. Reserve estimates may also be revised due to improved recovery projects, changes in production capacity or changes in development strategy.

Management's estimates of the Chinarevskoye 2P (Proved plus Probable) volume as at 31 December 2024 was 18.0 mmboe requiring 13 capital interventions (2023: 23.2 mmboe requiring 14 interventions). The reduction was primarily due to 2024 production of 3.2 mmboe and downwards revision of probable undeveloped reserves by 2 mmboe mainly due to reduced expectations resulting from increased water ingress and and the reclassification of smaller reserves beyond the licence expiry.

Downward revision of the proved developed reserves estimates by 5% would lead to additional DD&A expense of $705 thousand in 2024.

Estimates of economically recoverable oil and gas reserves and related future net cash flows also impact the impairment assessment of the Group (see Impairment related significant judgements, estimates and assumptions for further details).

Details on carrying values of oil and gas properties and related depreciation, depletion and amortization are shown in Note 5.

In addition, provisions for decommissioning may require revision — where changes to reserves estimates affect expectations about when such activities will occur and the associated cost of these activities (see Decommissioning related significant judgements, estimates and assumptions for further details).

Impairment of property, plant and equipment, exploration and evaluation assets

At the end of each reporting period the Group assesses whether events or changes in circumstances indicate that the carrying amount of an asset or CGU may not be recoverable; for example, changes in the Group's business plans, significant decreases in the market commodity prices, low plant utilisation, evidence of physical damage or, for oil and gas assets, significant downward revisions of estimated reserves or increases in estimated future development expenditure or decommissioning costs. If any such indication of impairment exists, the Group makes an estimate of the asset's recoverable amount.

Individual assets are grouped into a CGU for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. A CGU's recoverable amount is the higher of its fair value less costs of disposal and its value in use. Where the carrying amount of a CGU exceeds its recoverable amount, the CGU is considered impaired, and an impairment loss is recognised for the excess of carrying amount over recoverable amount.

The business internal cash flow model, which is approved on an annual basis by senior management, is the primary source of information for the determination of the recoverable amount. It contains forecasts for oil and gas production, sales volumes for various types of products, revenues, costs and capital expenditure. As an initial step in the preparation of this model, various assumptions are set by senior management. These assumptions take account of commodity prices, global supply-demand equilibrium for oil and natural gas, other macroeconomic factors and historical trends and variability. In assessing the recoverable amount, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a discount rate.

Notes to the consolidated financial statements continued

Significant accounting judgment: identification of cash-generating unit

Judgement is required to identify cash-generating units for the purpose of testing the assets for impairment. Management has determined that a single cash-generating unit within the Group's non-current assets consists of all Group's assets related to its Chinarevskoye field and facilities. This is mainly based on the fact that hydrocarbons extracted from the Chinarevskoye field are processed and passed through a combination of various facilities.

Significant estimates and assumptions: impairment of property, plant and equipment, exploration and evaluation assets

Determination as to whether, and by how much, the CGU is impaired involves management's best estimates on highly uncertain matters such as future commodity prices, operating expenses and capital expenditures estimates, discount rate, fiscal regimes, proved and probable reserves, contingent resources and respective future production profiles.

Based on the management assessment the recoverable amount was determined by the fair value less costs of disposal (FVLCD) of the CGU, which was higher than its value-in-use. FVLCD was based on the discounted cash flow model as no recent third-party transactions existed on which a reliable market-based fair value could be established.

The discounted cash flow model takes into consideration cash flows, which are expected to arise until 2031, i.e. during the licence term of the Chinarevskoye field, and is considered a level 3 valuation under the fair value hierarchy, because the valuation methods is represented by discounted cash flow model using mix of observable and unobservable inputs. The period exceeding five years is believed to be appropriate based on the proved and probable reserves audited by independent engineers. The model also takes into account risked-value cash flows from contingent resources on the basis a market participant would place value on these resources.

The key assumptions used in the Group's discounted cash flow model reflecting past experience historic data and taking into account external factors are subject to periodic review. These assumptions are:

- Oil prices (in real terms): US$70/bbl throughout 2025-2031 (2023: US$75/bbl for 2024 and US$70/bbl throughout 2025-2031);
- Proved and probable hydrocarbon reserves as well as production profiles based on Group's internal estimates prepared by management;
- All cash flows are projected in real terms on the basis of stable prices;
- Cost profiles for the development of the fields and subsequent operating costs consistent with reserves estimates and production profiles; and
- Ural O&G processing – new terms under extended the processing agreement until 2031
- Stepnoy Leopard fields – risk-weighted value consistent with the CPR valuation;
- Gas treatment unit (GTU) spare capacity utilisation – risk-weighted option value from processing fee structure consistent with Ural O&G processing agreement;
- Post-tax discount rate of 10.53%, estimated to be equivalent to pre-tax discount rate of 15.1% (2023: 10.3% and 14.0%, respectively).

The impairment testing carried out by the Group has resulted in the recoverable amount exceeding the carrying amount of the Group's property, plant and equipment as at 31 December 2024. This was primarily due to an combination of additional value from the extension of Ural O&G processing agreement and Stepnoy Leopard opportunity. Consequently, the Group recognised a reversal of the previously recorded impairment in the amount of US$86,668 thousand for the year ended 31 December 2024.

The impairment testing carried out by the Group as at 31 December 2023 has resulted in the recoverable amount approximating the carrying amount of the Group's property, plant and equipment as at 31 December 2023. Hence no impairment charge or reversal was recognised.

As at 31 December 2020, the Group recorded an impairment charge on oil and gas assets in the amount of US$286,569 thousand (restated), in addition to the US$1,301,640 thousand and US$150,000 thousand impairment charges recognised in 2019 and 2018, respectively. A reversal of US$74,186 thousand was recognised in 2021.

The impairment reversal as at 31 December 2024 has been allocated as follows:

In thousands of US Dollars	**31 December 2024**
Working oil and gas assets	62,628
Construction in progress	21,740
Other property, plant and equipment	2,300
Total impairment reversal	**86,668**

More detailed information on carrying values of oil and gas properties and related depreciation, depletion, amortisation and impairment are shown in Note 5.

The following table summarizes sensitivity of the recoverable amount and respective potential impairment charges that would result from changes in the key assumptions:

Key assumption	Change	Sensitivity (US$)
Oil price decrease by	$10/bbl	40,475
Reserves downgrade by	10.0%	39,335
Post-tax discount rate increase by	4.0%	45,877
Operating costs increase by	10.0%	5,850

On the other hand, certain positive development like successful mitigation of reservoir risks in the future and respective changes in the drilling plans and results, with the relevant increase in 2P reserves, or increase in utilisation of the Group's processing facilities, could have the effect of reversing the impairment. Any reversal would be limited so that the carrying amount of the CGU does not exceed the lower of its recoverable amount, or the carrying amount that would have been determined, net of depreciation, had no impairment charge been recognised for the CGU in prior years.

Leases

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Separation of lease and non-lease components

When contracts for a lease (such as like lease of drilling rigs and rail-tank cars) include various additional services like personnel cost, maintenance, drilling related activities, and other items, the Group splits such non-lease components and recognises them separately. Where the additional services are not separately priced, the consideration paid is allocated based on the relative stand-alone prices of the lease and non-lease components.

Distinguishing fixed and variable lease payment elements

Certain lease contracts include fixed rates for when the asset is in operation, and various alternative rates (like "cold-stack rates" for leases of drilling rigs) for periods where the asset is engaged in specified activities or idle, but still under contract. In general, variability in lease payments under these contracts has its basis in different use and activity levels, and the variable elements have been determined to relate to non-lease components only. Consequently, the lease components of these contractual payments are considered fixed for the purposes of IFRS 16.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below US$ 5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest ("NCI") in the acquiree. For each business combination, the Group elects whether to measure NCI in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. Those acquired petroleum reserves and resources that can be reliably measured are recognised separately in the assessment of fair values on acquisition. Other potential reserves, resources and rights are included in goodwill.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for NCI over the fair value of the identifiable net assets acquired and liabilities assumed. If the fair value of the identifiable net assets acquired is in excess of the aggregate consideration transferred (bargain purchase), before recognising a gain, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the statement of profit or loss and other comprehensive income. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a Cash Generating Unit ("CGU") and part of the operation in that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

Taxation

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax bases of income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the Group and the responsible tax authority. Such differences in interpretation may arise for a wide variety of issues depending on the conditions prevailing in the respective domicile of the Group companies.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. The tax rates and tax laws used to compute the amount are those that apply to the relevant taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred tax assets and liabilities are calculated in respect of temporary differences using the liability method. Deferred income taxes are provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, except where the deferred income tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

A deferred tax asset is recorded only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Notes to the consolidated financial statements continued

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

For more detailed information in current and deferred income tax disclosure as at 31 December 2024 and 2023, please see Notes 27 and 30.

Significant accounting judgment: taxation

Kazakhstan's tax legislation and regulations are subject to ongoing changes and varying interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual. Because of the uncertainties associated with Kazakhstan's tax system, the ultimate amount of taxes, penalties and interest, if any, may be in excess of the amount expensed to date and accrued at 31 December 2024.

The Group is regularly subject to tax audits and engages in ongoing discussions with tax authorities to agree on tax computations. Whilst the ultimate outcome of such tax audits and discussions cannot be determined with certainty, and hence requires management judgement, the level of provisions are estimated by management as required for taxes for which it is considered probable will be payable, based on professional advice and consideration of the nature of current discussions with the tax authority.

As at 31 December 2024 management believes that its interpretation of the relevant legislation is appropriate and that it is probable that the Group's tax position will be sustained. To the extent that actual outcomes differ from management's estimates, income tax charges or credits, and changes in current and deferred tax assets or liabilities, may arise in future periods. For more information, see Notes 27 and 30.

Foreign currency translation

The functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. The functional currency of the Company is the United States dollar (the "US dollar" or "US$"). The functional currencies of the Group's subsidiaries are as follows:

Company	Functional currency
Nostrum Associated Investments LLP	Tenge
Nostrum Oil & Gas Coöperatief U.A.	US dollar
Nostrum Oil & Gas BV	US dollar
Nostrum Oil & Gas Finance BV	US dollar
Nostrum Oil & Gas Holding Ltd	US dollar
Nostrum Oil & Gas UK Ltd.	British Pound
Nostrum Services Central Asia LLP	Tenge
Nostrum Services N.V.	Euro
Zhaikmunai LLP	US dollar

Transactions in foreign currencies are initially recorded by the Group's subsidiaries at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. All differences are taken to the profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

In the consolidated financial statements, the assets and liabilities of non-US dollar functional currency subsidiaries are translated into US dollars at the spot exchange rate on the balance sheet date. The results and cash flows of non-US dollar functional currency subsidiaries are translated into US dollars using average rates of exchange, and resulting exchange differences are accumulated foreign currency translation reserve within equity, and are reclassified to the profit or loss on the disposal of the subsidiary. In the consolidated financial statements, exchange adjustments arising when the opening net assets and the profits for the year retained by non-US dollar functional currency subsidiaries are translated into US dollars are reported in the other comprehensive income.

Borrowing costs

The Group capitalises borrowing costs on qualifying assets. Assets qualifying for borrowing costs capitalisation include all assets under construction that are not being depreciated, depleted, or amortised, provided that work is in progress at that time. Qualifying assets mostly include wells and other operations field infrastructure under construction. Capitalised borrowing costs are calculated by applying the capitalisation rate to the expenditures on qualifying assets. The capitalisation rate is the weighted average of the borrowing costs applicable to the Group's borrowings that are outstanding during the period. All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

For more detailed information in relation to capitalisation of borrowing costs, please refer to Note 5.

Advances for non-current assets

Advances paid for capital investments/acquisition of non-current assets are qualified as advances for non-current assets regardless of the period of supplies of relevant assets or the supply of work or services to close advances. Advances paid for the purchase of non-current assets are recognised by the Group as non-current assets and are not discounted.

For more detailed information in relation to advances for non-current assets, please refer to Note 7.

Inventories

Inventories are stated at the lower of cost or net realisable value ("NRV"). Cost of oil, gas condensate and liquefied petroleum gas ("LPG") is determined on the weighted-average method based on the production cost including the relevant expenses on depreciation, depletion and impairment and overhead costs based on production volume. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

For more information in relation to the breakdown of inventories as at 31 December 2024 and 2023, please see Note 8.

Other current liabilities

The Group makes accruals for liabilities related to the underperformance and/or adjustments of work programs under subsoil use agreements (SUA) on a regular basis. When evaluating the adequacy of an accrual, management bases its estimates on the latest work program included in the SUA, and relevant signed supplements and potential future changes in payment terms (including the currency in which these liabilities are to be settled).

Future changes in the work programs may require adjustments to the accrual recorded in the consolidated financial statements.

Provisions and contingencies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed by the Group at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

The Group classifies as contingent liabilities those possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise and the present obligations that arise from past events but are not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The Group does not recognise contingent liabilities but discloses contingent liabilities in Note 30, unless the possibility of an outflow of resources embodying economic benefits is remote.

Significant accounting judgment: provisions and contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

Significant management judgment is required to evaluate any claims and actions to determine whether a provision relating to a specific litigation should be recognized or revised, or a contingent liability is required to be disclosed, since the outcome of litigation is difficult to predict.

For more detail on provisions and contingencies, please refer to Note 30.

Decommissioning

Provision for decommissioning is recognised in full, when the Group has an obligation to dismantle and remove a facility or an item of plant and to restore the site on which it is located, and when a reasonable estimate of that provision can be made.

The Group estimates future dismantlement and site restoration costs for oil and gas properties with reference to the estimates provided from either internal or external engineers after taking into consideration the anticipated method of dismantlement and the extent of site restoration required in accordance with current legislation and industry practice. The amount of the provision is the present value of the estimated expenditures expected to be required to settle the obligation at current year prices discounted at pre-tax rate that reflects current market assessment of the time value of money and the risks specific to liability.

The unwinding of the discount related to the obligation is recorded in finance costs. A corresponding amount equivalent to the provision is also recognised as part of the cost of the related oil and gas properties. This asset is subsequently depreciated as part of the capital costs of the oil and gas properties on a unit-of-production basis.

The Group reviews site restoration provisions at each financial reporting date and adjusts them to reflect current best estimates in accordance with IFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities.

Changes in the measurement of an existing decommissioning liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or changes to the discount rate:

- are added to, or deducted from, the cost of the related asset in the current period. If deducted from the cost of the asset the amount deducted shall not exceed its carrying amount. If a decrease in the provision exceeds the carrying amount of the asset, the excess is recognised immediately in the profit or loss; and
- if the adjustment results in an addition to the cost of an asset, the Group considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the Group tests the asset for impairment by estimating its recoverable amount, and accounts for any impairment loss in accordance with IAS 36.

Movements in the abandonment and site restoration provision are disclosed in Note 15.

Significant estimates and assumptions: provisions and contingencies

The Group holds provisions for the future decommissioning of oil and gas properties and site restoration. The estimation of the future dismantlement and site restoration costs involves use of significant estimates and assumptions by management, specifically for determining the timing of the future cash outflows and discount rate.

Management made its estimates based on the assumption that cash flow will take place at the expected end of the subsoil use rights. Therefore, most decommissioning events are many years in the future and the precise date of wells abandonment and site restoration may change with the relative impact on the cash outflows.

Management of the Group believes that the long-term US Treasury real yield curve rates adjusted for country risk premium of Kazakhstan provides the best estimates of applicable real discount rate.

Any changes in the expected future costs are reflected in both the provision and the asset. Moreover, actual decommissioning costs can differ from estimates because of constantly changing decommissioning technologies as well as changes in environmental laws and regulations and public expectations.

As a result, there could be significant adjustments to the provisions established which would affect future financial results. For example, 10% increase in the cost of decommissioning may lead to additional US$2,670 thousand liability.

For more details on abandonment and site restoration provision please refer to Note 15.

Notes to the consolidated financial statements continued

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss. The Group determines the classification of its financial assets at initial recognition.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition;
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include cash, long-term and short-term deposits, trade and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Financial liabilities

Initial recognition, measurement and derecognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, long-term borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of long-term borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, long-term borrowings, and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing borrowings. For more information, refer to Note 14.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and at hand and short-term deposits with an original maturity of three months or less at inception.

Restricted cash and cash equivalent balances are those which meet the definition of cash and cash equivalents but are not available for use by the Group and therefore is not considered highly liquid – for example, cash set aside to cover decommissioning obligations or as required by the forbearance agreement.

Money Market Funds (MMFs) are included within cash and cash equivalents if they are short-term in nature, highly liquid, and readily convertible to known amounts of cash, and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts.

For more detailed information in relation to cash and cash equivalents as at 31 December 2024 and 2023, please see Note 11.

Revenue recognition

The Group sells crude oil, gas condensate and LPG under agreements priced by reference to Platt's and/or Argus' index quotations and adjusted for freight, insurance and quality differentials where applicable. The Group sells gas under agreements at fixed prices.

Revenue from contracts with customers is recognised when control of the goods is transferred to the customer. For sales of crude oil, gas condensate and LPG, this generally occurs when the product is physically transferred into a vessel, pipe, railcar, trucks or other delivery mechanism; for sales of gas, it is when the product is physically transferred into a pipe. The Group's LPG are sales are mostly on advance payment basis, while payment terms for gas, oil and condensate are normally 15-45 days after delivery.

The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium. Voting rights related to treasury shares are nullified for the Group and no distributions are accepted in relation to them. Share options exercised during the reporting period can be satisfied with treasury shares.

Share-based payments

The cost of equity-settled transactions is measured at fair value at the grant date. This fair value is expensed over the period until vesting with the recognition of a corresponding equity element, which is not remeasured subsequently until the settlement date.

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and distribution yield and making assumptions about them.

Notes to the consolidated financial statements continued

5. Property, plant and equipment

As at 31 December 2024 and 31 December 2023 property, plant and equipment comprised the following:

In thousands of US Dollars	31 December 2024	31 December 2023
Oil and gas properties	**363,002**	245,346
Other property, plant and equipment	**9,881**	7,275
	372,883	252,621

Oil and gas properties

The category "Oil and gas properties" represents mainly wells, oil and gas treatment facilities, oil transportation and other related assets. The movement of oil and gas properties for the years ended 31 December 2024 and 2023 was as follows:

In thousands of US Dollars	Working assets	Construction in progress	Assets in develop-ment	Total
Balance at 1 January 2023, net*	**215,544**	**53,446**	**–**	**268,990**
Additions	727	17,217	–	17,944
Transfers	18,466	(18,433)	–	33
Disposals	(5,555)	(917)	–	(6,472)
Disposals depreciation	4,464	–	–	4,464
Depreciation and depletion charge	(39,606)	–	–	(39,606)
Impairment transfer	(2,801)	2,794	–	(7)
Balance at 31 December 2023, net*	**191,239**	**54,107**	**–**	**245,346**
Additions	4,296	27,644	2,485	34,425
Transfers from exploration and evaluation assets	–	–	26,155	26,155
Transfers	18,893	(18,367)	–	526
Disposals	(3,039)	(918)	–	(3,957)
Disposals depreciation	2,647	–	–	2,647
Depreciation and depletion charge	(25,045)	–	–	(25,045)
Impairment reversal	62,628	21,740	–	84,368
Impairment transfer	(2,303)	2,303	–	–
Translation difference	–	–	(1,463)	(1,463)
Balance at 31 December 2024, net*	**249,316**	**86,509**	**27,177**	**363,002**
As at 31 December 2022				
Cost	2,970,783	100,019	–	3,070,802
Accumulated depreciation**	(2,755,239)	(46,573)	–	(2,801,812)
Balance*	**215,544**	**53,446**	**–**	**268,990**
As at 31 December 2023				
Cost	2,984,421	97,886	–	3,082,307
Accumulated depreciation	(2,793,182)	(43,779)	–	(2,836,961)
Balance	**191,239**	**54,107**	**–**	**245,346**
As at 31 December 2024				
Cost	3,004,571	106,245	27,177	3,137,993
Accumulated depreciation**	(2,755,255)	(19,736)	–	(2,774,991)
Balance*	**249,316**	**86,509**	**27,177**	**363,002**

* *Balances, net of accumulated depreciation, depletion and impairment*
** *Accumulated depreciation, depletion and impairment*

The category "Construction in progress" is represented by employee remuneration, materials and fuel used, rig costs, payments made to contractors, and asset retirement obligation fees directly associated with development of wells until the drilling of the well is complete and results have been evaluated.

The category "Assets in development" represents exploration and evaluation assets associated with Stepnoy Leopard fields (see Note 3).

The depletion rate for oil and gas working assets was 22.79% and 21.52% in 2024 and 2023, respectively. In 2024, the Group applied consistent approach in the estimation of oil & gas reserves adopting the same methodology with previous periods, however, the Group decided not to engage independent reserve auditors taking into account immaterial changes in the reserves estimates, which were in line with expectations (see pages 30-31 of the Annual Report).

The change in the discount rate used to determine the abandonment and site restoration provision (Note 15) in the year ended 31 December 2024 resulted in the increase of the oil and gas properties by US$ 4,191 thousand (31 December 2023: an increase of US$630 thousand).

The Group incurred borrowing costs including amortisation of arrangement fees. Capitalisation rate and capitalised borrowing costs were as follows as at 31 December 2024 and 31 December 2023:

In thousands of US Dollars	31 December 2024	31 December 2023
Borrowing costs including amortisation of arrangement fee	**116,111**	96,730
Capitalisation rate	**5.78%**	8.44%
Capitalised borrowing costs	**1,720**	1,504

Other property, plant and equipment

In thousands of US Dollars	Buildings	Machinery & equipment	Vehicles	Others	Total
Balance at 1 January 2023	**1,929**	**2,606**	**33**	**2,465**	**7,033**
Additions		47		1,154	1,201
Transfers	(5)	83		(111)	(33)
Disposals		(551)		(189)	(740)
Disposals depreciation		548		169	717
Depreciation	(213)	(263)	(3)	(424)	(903)
Impairment transfer					–
Balance at 31 December 2023	**1,711**	**2,470**	**30**	**3,064**	**7,275**
Additions	–	562	22	510	1,094
Transfers	48	157	–	(731)	(526)
Disposals	(1)	(98)	–	(139)	(238)
Disposals depreciation	–	94	–	97	192
Depreciation	(215)	(149)	(12)	(262)	(638)
Impairment reversal	541	781	9	969	2,299
Transfers from exploration and evaluation assets	–	–	–	423	423
Impairment transfer	(23)	–	–	23	–
Balance at 31 December 2024	**2,061**	**3,817**	**49**	**3,954**	**9,881**
As at 31 December 2022					
Cost	49,498	22,317	1,505	18,010	91,330
Accumulated depreciation**	(47,569)	(19,711)	(1,472)	(15,545)	(84,297)
Balance*	**1,929**	**2,606**	**33**	**2,465**	**7,033**
As at 31 December 2023					
Cost	49,493	21,896	1,505	18,864	91,758
Accumulated depreciation**	(47,782)	(19,426)	(1,475)	(15,800)	(84,483)
Balance*	**1,711**	**2,470**	**30**	**3,064**	**7,275**
As at 31 December 2024					
Cost	49,540	22,517	1,527	18,927	92,511
Accumulated depreciation**	(47,479)	(18,700)	(1,478)	(14,973)	(82,630)
Balance*	**2,061**	**3,817**	**49**	**3,954**	**9,881**

* *Balances, net of accumulated depreciation, amortisation and impairment*
** *Accumulated depreciation, amortisation and impairment*

6. Exploration and evaluation assets

On 17 July 2023, Nostrum Oil & Gas PLC completed the acquisition of an 80% interest in Positiv Invest LLP. Positiv Invest LLP holds the rights to the Stepnoy Leopard Fields situated in the West Kazakhstan region, which has been classified as being in the evaluation and appraisal phase.

As at 31 December 2023 and 2024 exploration and evaluation assets comprised the following:

In thousands of US Dollars	
Balance at 1 January 2023	**–**
Net purchase consideration on acquisition of Positiv Invest LLP	17,330
Expenditures on Exploration and evaluation assets subsequent to acquisition	5,045
Exploration and evaluation assets on the date of acquisition	1,560
Balance at 31 December 2023	**23,935**
Additions	2,643
Transfers to Assets in Development and working assets	(26,578)
Balance at 31 December 2024	**–**

Additions during the period ended 17 July 2024 in the amount of US$2,643 thousand. These additions were mostly associated with the two-well appraisal programme. As at 17 July 2024 the Group reclassified the balance of Stepnoy Leopard exploration and evaluation assets in the amount of US$26,578 thousand to Assets in development (see Note 5).

7. Non-current advances and other assets

As at 31 December 2024 and 2023 non-current advances and other assets comprised the following:

In thousands of US Dollars	**31 December 2024**	31 December 2023
Advances for construction materials	**2,991**	6
VAT receivable	**1,115**	–
Advances for construction services	**193**	790
Advances for other non-current assets	**89**	322
	4,388	1,118

8. Inventories

As at 31 December 2024 and 2023 inventories comprised the following:

In thousands of US Dollars	**31 December 2024**	31 December 2023
Spare parts and other inventories	**28,182**	27,067
Gas condensate	**1,381**	1,072
Crude oil	**960**	1,217
LPG	**86**	462
Dry gas	**16**	30
Sulphur	**12**	4
	30,637	29,852

As at 31 December 2024 and 31 December 2023 inventories are carried at cost.

9. Other current assets

As at 31 December 2024 and 2023 other current assets comprised the following:

In thousands of US Dollars	**31 December 2024**	31 December 2023
VAT receivable	**5,680**	5,872
Advances paid	**2,131**	2,123
Other taxes receivable	**974**	1,142
Interest receivable	**350**	–
Other	**380**	280
	9,515	**9,417**

Advances paid consist primarily of prepayments made to service providers. As at 31 December 2024 the impaired VAT receivable amounted to US$555 thousand (31 December 2023: the impaired VAT receivable: US$567).

There were no other movements in the provision for impairment of advances paid during the years ended 31 December 2024 and 2023.

10. Trade receivables

As at 31 December 2024 and 31 December 2023 trade receivables were not interest-bearing and were mainly denominated in US dollars and Tenge. Their average collection period is not more than 45 days.

As at 31 December 2024 there were no past due but not impaired trade receivables (31 December 2023: there were past due but not impaired trade receivables). Based on the assessments made, the Group concluded that no provision for expected credit losses should be recognized as at 31 December 2024 and 31 December 2023.

11. Cash and cash equivalents

As at 31 December 2024 and 31 December 2023 cash and cash equivalents comprised the following:

In thousands of US Dollars	**31 December 2024**	31 December 2023
Investments in Money Market Funds in US Dollars	**82,000**	–
Current accounts in US Dollars	**67,006**	160,646
Current accounts in Tenge	**1,215**	395
Current accounts in Euro	**125**	66
Current accounts in other currencies	**66**	601
Petty cash	**7**	3
	150,419	161,711

In addition to the cash and cash equivalents, including: in the table above, as at 31 December 2024 the Group had restricted cash accounts comprimising a liquidation fund deposit of US$9,115 thousand with Halyk bank, and US$16 thousand with Jusan bank (31 December 2023: US$8,662 thousand with Halyk bank, and US$20 thousand with Jusan bank), which are maintained as required by the subsoil use rights for abandonment and site restoration liabilities of the Group.

The Group maintains a debt service retention account (DSRA) funded to meet the forthcoming two interest instalments on SUNs and SSNs. As at 31 December 2024, the DSRA contained US$16,792 thousand, (31 December 2023: US$16,533 thousand on in the escrow account established per the FBA terms).

Notes to the consolidated financial statements continued

12. Share capital and reserves

As at 31 December 2024 the ordinary share capital of the Parent consists of 169,381,561 issued and fully paid ordinary shares, which are listed on the London Stock Exchange. The ordinary shares have a nominal value of GB£ 0.01. The table below represents movements in the number of ordinary shares during the year ended 31 December 2024. The movements in the number of shares during the year ended 31 December 2023 was as follows:

Number of shares	In circulation	Treasury capital	Deferred shares	Total
As at 1 January 2023	**185,234,079**	**2,948,879**	**–**	**188,182,958**
Shares issued	1,505,633,046	–	–	1,505,633,046
Share sub-division	–	–	15,244,344,036	15,244,344,036
Share consolidation	(1,521,780,412)	(2,654,031)	–	(1,524,434,443)
As at 31 December 2023	**169,086,713**	**294,848**	**15,244,344,036**	**15,413,725,597**
Acquisition and cancellation of deferred shares	–	–	(15,244,344,036)	(15,244,344,036)
As at 31 December 2024	**169,086,713**	**294,848**	**–**	**169,381,561**

As part of the Restructuring, on 9 February 2023 the Company issued 1,505,633,046 new shares in connection with the repayment of the remaining face value of the Existing Notes following the issue of the New Notes (see Note 14 below), together with accrued but unpaid interest (the "Debt for Equity Swap"). Given the number of new shares issued, at the close of business on 9 February 2023 the Company also performed a share consolidation, so as to achieve an appropriate share price following closing of the Restructuring (Note 1). As a result, the number of ordinary shares in issue was reduced from 1,693,816,004 (following the issue of the new shares) to 169,381,561 ordinary shares, on the basis of a 10:1 consolidation (the "Share Consolidation"). In order to give effect to the Share Consolidation, the Company initially reduced the nominal value of the ordinary shares (the "Sub-Division") after the issue of the new shares, through sub-division of each ordinary share at a ratio of 1:10 into one ordinary share of nominal value of £0.001 each together with nine deferred shares of nominal value £0.001 each (the "Deferred Shares"). The resulting 15,244,344,036 Deferred Shares carried no economic or voting rights in the capital of the Company and were subsequently aquired by the Company for nil consideration and cancelled on 2 December 2024, and the related amount of US$18,551 was transferred to Capital redemption reserve within Other reserves.

The nominal value of the ordinary shares following the Share Consolidation was £0.01 each. Fractions of new ordinary shares were not issued in connection with the Share Consolidation and any fractional entitlements were rounded down to the nearest whole ordinary share.

In 2023, Debt for Equity swap was recorded by the Company in accordance with the requirements of IFRS 9 Financial Instruments and IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments, i.e.:

- Derecognition of the outstanding amount of Existing Notes (after issue of the New Notes) as shown in the table below:

In thousands of US Dollars	Amount
2022 Notes principal amount	336,976
2025 Notes principal amount	192,946
2025 Notes accrued but unpaid interest of	195,216
2025 Notes accrued but unpaid interest of	91,056
Unamortised transaction costs	(2,013)
	814,181

- Recognition of the shares issued at their fair value at the time of issue of US$42,356 thousand, which was estimated at the trading share price of £0.2375 and converted into US dollars using the prevailing exchange rate of 1.2169 GBP/USD. Relevant adjustments were made in the nominal amount of the share capital in accordance with the share issue, subdivision and consolidation described above, which resulted in the following allocations between various components of equity:

In thousands of US Dollars	Amount
Net reduction in share capital	(1,051)
Reduction in treasury capital	1,494
Deferred shares	18,551
Share premium	23,133
Other reserves (warrants)	229
	42,356

- The difference between Existing Notes balance of US$814,181 thousand and the total equity additions of US$42,356 thousand as described above after deduction of the relevant proportion of lock-up fees of US$2,213 thousand, amounted to US$769,611 thousand and was recognised as a separate item in the income statement.

Treasury shares were issued to support the Group's obligations to employees under the Employee Share Option Plan ("ESOP") and the Long-Term Incentive Plan ("LTIP") and are held by Intertrust Employee Benefit Trustee Limited as trustee for the Nostrum Oil & Gas Benefit Trust.

The movements in the Group's other reserves is presented as follows:

In thousands of US Dollars	Group reorgani-sation reserve	Capital redemption reserve	Foreign currency translation reserves	Share-option reserves	Total
As at 1 January 2023	**255,459**	**–**	**2,612**	**3,786**	**261,857**
Currency translation difference	–	–	62	–	62
Debt-to-equity exchange	229	–			229
Share based payments under LTIP	–	–	–	(25)	(25)
As at 31 December 2023	**255,688**	**–**	**2,674**	**3,761**	**262,123**
Currency translation difference	–	–	(231)	–	(231)
Repurchase and cancellation of deferred shares	–	18,551	–	–	18,551
As at 31 December 2024	**255,688**	**18,551**	**2,443**	**3,761**	**280,443**

Reorganisation and resructuring reserve in the amount of US$255,688 thousand as at 1 January 2023 represents the difference between the partnership capital, treasury capital and additional paid-in capital of Nostrum Oil & Gas LP, the share capital of Nostrum Oil & Gas PLC, that arose during the reorganisation of the Group in 2014.

The movements in reorganisation and resructuring reserve during the year ended 31 December 2023 and 2024 result from the Restructuring and represent recognition of the warrants and cancellation of the deferred shares, respectively.

There were no distributions made during the year ended 31 December 2024 and year ended 31 December 2023.

13. Earnings per share

As at 31 December 2024 the ordinary share capital of the Parent consists of 169,381,561 issued and fully paid ordinary shares, which are listed on the London Stock Exchange. The ordinary shares have a nominal value of GB£0.01. For the purpose of calculations of earnings per share the number of shares for the year ended 31 December 2024:

	For the year ended 31 December	
(Loss) / earnings for the year attributable to the shareholders	**(26,130)**	831,658
Weighted average number of shares	**169,086,713**	169,086,713
Basic and diluted earnings per share (in US dollars)	**(0.15)**	4.92

The weighted average number of ordinary shares is 169,086,713, based on all issued shares excluding treasury shares.

14. Notes payable and accumulated interest

Notes payable and accumulated interest are comprised of the following as at 31 December 2024 and 2023:

In thousands of US Dollars	**31 December 2024**	31 December 2023
Senior Unsecured Notes	348,599	264,443
Senior Secured Notes	222,772	207,304
	571,371	**471,747**
Less amounts due within 12 months	(177)	(175)
	571,194	**471,572**

Senior Secured Notes (SSNs)

Following the Restructuring of the 2025 and 2022 Notes, Nostrum Oil & Gas Finance BV, issued US$250,000,000 senior secured notes due 30 June 2026. The SSNs bear cash-pay interest at a rate of 5.0% per year, payable semi-annually. Pursuant to the Lock-up Agreement, the Group has agreed that the 5.0% cash interest will accrue from 1 January 2022 and such accrued amount was paid in cash after the issue of the SSNs. For more information, please refer to Note 1.

Senior Unsecured Notes (SUNs)

Following the Restructuring of the 2025 and 2022 Notes, Nostrum Oil & Gas Finance BV issued US$300,000,000 senior notes due 30 June 2026. The SUNs bear interest at a rate of 1.0% cash-pay and 13.0% payment-in-kind (PIK) per year, payable semi-annually. Pursuant to the Lock-up Agreement, the Company agreed that the 1.0% cash interest and 13.0% PIK interest would accrue from 1 January 2022. Accordingly, Nostrum Oil & Gas Finance issued a principal amount of US$45,078,172 additional SUNs representing the PIK interest which has been agreed to be payable with effect from 1 January 2022 until 9 February 2022 upon the issue of the SUNs. For more information, please refer to Note 1 for Restructuring terms.

2022 Notes

On 25 July 2017, a newly incorporated entity, Nostrum Oil & Gas Finance B.V. (the "2022 Issuer") issued US$725,000 thousand notes with maturity on 25 July 2022. The 2022 Notes bore interest at a rate of 8.00% per year, payable on 25 January and 25 July of each year.

The 2022 Notes were jointly and severally guaranteed (the "2022 Guarantees") on a senior basis by Nostrum Oil & Gas PLC, Nostrum Oil & Gas Coöperatief U.A., Zhaikmunai LLP and Nostrum Oil & Gas B.V. (the "2022 Guarantors"). The 2022 Notes were the 2022 Issuer's and the 2022 Guarantors' senior obligations and ranked equally with all of the 2022 Issuer's and the 2022 Guarantors' other senior indebtedness.

The issue of the 2022 Notes was used primarily to fund the refinancing of part of the Group's Notes issued in 2012 and 2014.

2025 Notes

On 16 February 2018, Nostrum Oil & Gas Finance B.V. (the "2025 Issuer") issued US$400,000 thousand notes with maturity on 16 February 2025. The 2025 Notes bore interest at a rate of 7.00% per year, payable on 16 August and 16 February of each year.

The 2025 Notes were jointly and severally guaranteed (the "2025 Guarantees") on a senior basis by Nostrum Oil & Gas PLC, Nostrum Oil & Gas Coöperatief U.A., Zhaikmunai LLP and Nostrum Oil & Gas B.V. (the "2025 Guarantors"). The 2025 Notes were the 2025 Issuer's and the 2025 Guarantors' senior obligations and ranked equally with all of the 2025 Issuer's and the 2025 Guarantors' other senior indebtedness.

The issue of the 2025 Notes was used primarily to fund the refinancing of the remaining Group's Notes issued in 2012 and 2014.

Exchange of debt instruments

Taking into account significant differences in the terms of the Existing Notes and the terms of SSNs and SUNs issued in exchange, the Group accounted for the exchange transaction in accordance with the requirements of IFRS 9 Financial Instruments for a substantial modification, i.e. extinguishment of the Existing Notes and recognition of the New Notes at their fair value.

Such fair values have been determined by discounting future cash flows at the relevant implied yields of the instruments on issue date (13.25% for SSNs and 31.04% for SUNs). The resulting gains on initial recognition of SSNs and SUNs in the amount of $40.294 thousand and $134.132 thousand, respectively, were recorded in the income statements under separate line item. These adjustments will be amortised over the life of the instruments and reflected as part of finance costs in the income statement.

More detailed information for restructuring is disclosed in the Note 1.

Covenants contained in the SSNs and SUNs

The SSNs and SUNs contained consistent covenants that, among other things, sets following requirements, subject to certain exceptions and qualifications, the Issuer, the Guarantors, and certain other members of the Group:

- Produce reports to holders, including quarterly and annual financial statements and certain other reports and documents upon request from bondholders;
- Limitations on Indebtedness;
- Limitations on restricted payments;
- Limitations on restrictions on distributions from Group entities;
- Limitations on sales of assets and equity interests in Group subsidiaries;
- Limitations on affiliate transactions;
- Limitation on line of business;
- Listing of the bonds on international stock exchange;
- Change of Control;
- Limitation on Liens;
- Limitation on issuances of guarantees of Indebtedness;
- Payments for Consents;
- Additional Amounts;
- Compliance Certificates; Default Notices;
- Registration with the National Bank of Kazakhstan;
- Merger and Consolidation;
- Cash flow Arrangements.

In addition, the indentures imposed certain requirements as to future subsidiary guarantors, and certain customary information covenants and events of default.

Changes in liabilities arising from financing activities

In thousands of US Dollars	**1 January**	Cash outflows	Borrowing costs including amortisation of arrangement fees	Gain on debt-to-equity exchange	Fair value adjustment on recognition of debt instruments	**31 December**
2024						
Notes payable and accumulated interest	**471,747**	(16,487)	116,111	–	–	**571,371**
2023						
Notes payable and accumulated interest	**1,396,517**	(35,649)	97,288	(811,983)	(174,426)	**471,747**

STRATEGIC REPORT CORPORATE GOVERNANCE FINANCIAL REPORT REGULATORY INFORMATION ADDITIONAL DISCLOSURES

Notes to the consolidated financial statements continued

15. Abandonment and site restoration provision

The summary of changes in abandonment and site restoration provision during years ended 31 December 2024 and 2023 is as follows:

In thousands of US Dollars	2024	2023
Provision as at 1 January	**22,147**	**20,073**
Unwinding of discount	1,006	973
Additional provision	–	472
Change in estimates	4,191	629
Provision as at 31 December	**27,344**	**22,147**

Management's estimation is predicated on the expectation that cash flow will occur at the termination of the subsoil use rights, projected for 2032 for the Chinarevskoye field and 2044 for the Stepnoy Leopard fields. There are uncertainties in estimation of future costs as Kazakh laws and regulations concerning site restoration evolve.

The real discount rate used to determine the abandonment and site restoration provision at 31 December 2024 was 4.32% (31 December 2023: 4.52%). The change in the discount rate and cost of the liquidation during the year ended 31 December 2024 resulted in the increase of the abandonment and site restoration provision by US$4,191 thousand (31 December 2023: an increase US$629 thousand).

Additional provision in 2023 is resulted from recognition liability for Stepnoy Leopard fields of 3 wells.

16. Due to Government of Kazakhstan

The amount due to the Government of the Republic of Kazakhstan reflects the present value of a liability in relation to the expenditures made by the Government in the time period prior to signing the Contract that were related to exploration of the Contract territory and the construction of surface facilities in fields discovered therein and that are reimbursable by the Group to the Government during the production period. The total liability amount due to the Government as stipulated by the Contract is US$ 25,000 thousand.

Repayment of this liability commenced in 2008 with the first payment of US$1,030 thousand in March 2008 and with further payments by equal quarterly instalments of US$258 thousand until 26 May 2031. The liability was discounted at 13%.

The summary of the changes in the amounts due to the Government of Kazakhstan during the years ended 31 December 2024 and 2023 is as follows:

In thousands of US Dollars	2024	2023
Balance as at 1 January	**4,656**	**5,033**
Unwinding of discount	606	654
Paid during the year	(1,031)	(1,031)
Balance as at 31 December	**4,231**	**4,656**
Less: current portion	(1,031)	(1,031)
Non-current portion	**3,200**	**3,625**

17. Trade payables

Trade payables comprise the following as at 31 December 2024 and 2023:

In thousands of US Dollars	31 December 2024	31 December 2023
Tenge denominated trade payables	**6,771**	8,246
US Dollar denominated trade payables	**1,165**	1,684
Euro denominated trade payables	**211**	466
Russian Rouble denominated trade payables	**–**	44
Trade payables denominated in other currencies	**91**	192
	8,238	10,632

18. Advances received

The advances received as at 31 December 2024 include prepayments of US$1,135 thousand for crude oil (2023: US$181 thousand), US$407 thousand for LPG (2023: US$45 thousand), and US$27 thousand for other advances (2023: US$28 thousand).

19. Other current liabilities

Other current liabilities comprise the following as at 31 December 2024 and 2023:

In thousands of US Dollars	31 December 2024	31 December 2023
Training obligations accrual	**5,598**	6,317
Other accruals	**3,751**	16,867
Due to employees	**3,820**	4,019
Taxes payable, including corporate income tax	**2,403**	2,600
Other current liabilities	**1,041**	707
	16,613	30,510

Other accruals include various amounts accrued according to management best estimates and assessment of probabilities of cash outflows, such as penalties related to tax audit payments and other similar items.

20. Revenue

In thousands of US Dollars	For the year ended 31 December 2024	2023
Revenue from oil and gas condensate sales	89,335	101,463
Revenue from gas and LPG sales	33,405	18,009
Revenue from third-party hydrocarbon processing	14,336	156
Revenue from sulphur sales	–	1
	137,076	**119,629**

The pricing for all of the Group's crude oil, condensate and LPG sales is, directly or indirectly, related to the price of Brent crude oil. The average Brent crude oil price the year ended 31 December 2024 was US$80.6/bbl (year ended 31 December 2023: US$82.2/bbl).

The operations of the Group are located in only one geographic location, Kazakhstan.

During the year ended 31 December 2024 the revenue from sales to three major customers amounted to US$43,137 thousand, US$38,797 thousand and US$16,210 thousand respectively (year ended 31 December 2023: US$52,190 thousand, US$42,979 thousand and US$8,008 thousand respectively). The Group's exports were mainly represented by deliveries to Azerbaijan and to the Baltic ports of Russia.

21. Cost of sales

In thousands of US Dollars	For the year ended 31 December 2024	2023
Depreciation, depletion and amortisation	25,489	40,321
Payroll and related taxes	18,647	16,741
Materials and supplies	9,918	4,922
Repair, maintenance and other services	8,476	6,558
Well repair and maintenance costs	4,667	5,027
Transportation services	3,568	2,505
Change in stock	292	691
Environmental levies	163	138
Other	782	725
	72,002	**77,628**

22. General and administrative expenses

In thousands of US Dollars	For the year ended 31 December 2024	2023
Payroll and related taxes	8,550	7,622
Professional services	3,556	4,182
Business travel	497	568
Insurance fees	457	427
Communication	160	159
Materials and supplies	147	166
Short-term leases	129	109
Depreciation and amortisation	66	188
Bank charges	28	29
Other	362	357
	13,952	**13,807**

23. Selling and transportation expenses

In thousands of US Dollars	For the year ended 31 December 2024	2023
Transportation costs	6,268	4,914
Loading and storage costs	4,520	4,091
Payroll and related taxes	1,844	1,501
Other	1,924	1,897
	14,556	**12,403**

24. Taxes other than income tax

In thousands of US Dollars	For the year ended 31 December 2024	2023
Export customs duty	7,069	8,154
Royalties	4,464	4,841
Government profit share	1,106	1,169
Other taxes	542	23
	13,181	**14,187**

Export customs duty is comprised of customs duties for export of crude oil and customs fees for services such as processing of declarations and temporary warehousing.

25. Finance costs

In thousands of US Dollars	For the year ended 31 December 2024	2023
Interest expense on borrowings	114,391	95,226
Other finance costs	1,226	5,973
Unwinding of discount on amounts due to Government of Kazakhstan	606	654
Unwinding of discount on abandonment and site restoration provision	1,006	973
	117,229	**102,826**

Other finance costs represent advisor fees incurred by the Group in relation to the FBAs, Lock-up Agreement and process of restructuring of the Group's outstanding bonds. For more details on the restructuring see Note 1.

26. Employees' remuneration

The average monthly number of employees (including Executive Directors) employed was as follows:

In thousands of US Dollars	For the year ended 31 December 2024	2023
Management and administrative	166	145
Technical and operational	439	412
	605	**557**

Their aggregate remuneration comprised:

In thousands of US Dollars	For the year ended 31 December 2024	2023
Wages and salaries	27,331	22,155
Social security costs	4,813	3,952
Share-based payments	–	(25)
	32,144	**26,082**

The amount reflected in the income statement was US$31,794 thousand (2022: US$22,150 thousand).

Notes to the consolidated financial statements continued

Key management personnel remuneration

In thousands of US Dollars	For the year ended 31 December 2024	2023
Short-term employee benefits	4,926	4,203
Share-based payments	–	–
	4,926	**4,203**

Directors' remuneration

In thousands of US Dollars	For the year ended 31 December 2024	2023
Short-term employee benefits	1,724	1,960
Share-based payments	–	–
	1,724	**1,960**

As at 31 December 2024 the amount payable to key management personnel was US$978 thousand (31 December 2023: US$1,369 thousand).

Employee share option plan (ESOP)

The Group's Phantom Option Plan was adopted by the board of directors of the Company on 20 June 2014 to allow for the continuation of the option plan previously maintained by Nostrum Oil & Gas LP. The rights and obligations in relation to this option plan were transferred to Nostrum Oil & Gas PLC from Nostrum Oil & Gas LP following the reorganisation.

Employees (including senior executives and executive directors) of members of the Group received remuneration in the form of equity-based payment transactions, whereby employees render services as consideration for share appreciation rights, which can only be settled in cash ("cash-settled transactions").

2017 Long-term incentive plan

In 2017 the Group started operating a Long-term incentive plan ("the LTIP"), that was approved by the shareholders of the Company on 26 June 2017 and adopted by the board of directors of the Company on 24 August 2017. The LTIP is a discretionary benefit offered by the Company for the benefit of selected employees. Its main purpose is to increase the interest of the employees in the Company's long-term business goals and performance through share ownership. The LTIP is an incentive for the employees' future performance and commitment to the goals of the Company. The remuneration committee of the board of the Company has the right to decide, in its sole discretion, whether or not further awards will be granted in the future and to which employees those awards will be granted.

Employees (including senior executives and executive directors) of members of the Group may receive an award, which is a "nominal cost option" over a specified number of ordinary shares in the capital of the Company. The option has an exercise price of 1p per share (but the Company has the discretion to waive this prior to exercise). In addition, under the Rules of the LTIP the Company has discretion to settle awards other than by transfer of shares such as by way of cash settlement. Generally, the awards are classified as equity-settled transactions. The share options are treated as equity-settled since there are no legal limitations expected on issue of shares for these upon vesting, the Group has a choice of settlement and the intention is to settle them in equity. However, in certain jurisdictions due to regulatory requirements the Company may not be able to settle the awards other than by transfer of cash, in which case the awards are classified as cash-settled transactions, and accounted for similar to SARs.

27. Other income and other expenses

For the years ended 31 December 2024 and 2023 other income comprise the following:

In thousands of US Dollars	For the year ended 31 December 2024	2023
Reversals of other accruals	12,481	1,561
Reversals of training accruals	652	10
Currency conversion	120	199
Catering and accommodation	92	75
Insurance compensation	–	3,588
Recovery of bad debt	–	688
Other	80	309
	13,425	**6,430**

For the years ended 31 December 2024 and 2023 other expenses comprise the following:

In thousands of US Dollars	For the year ended 31 December 2024	2023
Business development costs	**5,358**	1,554
Social contribution	**1,298**	–
Other taxes and penalties	**1,614**	9,856
Training accruals	**597**	586
Loss on disposal of property, plant and equipment	**402**	917
Currency conversion	**311**	322
Social program	**307**	310
Sponsorship	**–**	59
Other	**2,517**	1,071
	12,404	**14,675**

Other taxes and penalties mainly include additional taxes and penalties assessed in relation to prior periods considering new information, which was not available at the time of preparation of respective financial information, and relevant interpretations by the management.

28. Income tax

In thousands of US Dollars	For the year ended 31 December 2024	2023
Corporate income tax expense	5,779	5,743
Deferred income tax expense	24,541	(5,376)
Withholding tax	778	614
Adjustment in respect of the deferred income tax for the prior periods	445	–
Adjustment in respect of the current income tax for the prior periods	(3,139)	3,693
	28,404	**4,674**

The Group's profits are assessed for income taxes mainly in the Republic of Kazakhstan. A reconciliation between tax expense and the product of accounting profit multiplied by the Kazakhstani tax rate applicable to the Chinarevskoye subsoil use rights is as follows:

In thousands of US Dollars	For the year ended 31 December 2024	2023
Loss before income tax	1,827	836,332
Tax rate applicable to the subsoil use rights	30%	30%
Expected tax provision	**548**	**250,900**
Non-deductible interest expense on borrowings and other financial expenses	28,929	25,490
Non-deductible taxes and penalties	(3,327)	2,957
Effect of exchange rate on the tax base	6,722	(587)
Adjustments in respect of current income tax of previous years	(3,139)	3,693
Effect of income taxed at different rate[1]	(7,118)	–
Business development costs	1,607	466
Net foreign exchange gain	(253)	286
Reversal of training provisions	(17)	173
Fair value adjustment on recognition of debt instruments	–	(52,328)
Gain on debt-to-equity exchange	–	(230,883)
Non-deductible unwinding of discount	484	488
Other non-deductible expenses	3,968	4,019
Income tax expense	**28,404**	**4,674**

[1] Jurisdictions which contribute significantly to this item are Republic of Kazakhstan with an applicable statutory tax rate of 20% (for activities not related to the Contract), and the Netherlands with an applicable statutory tax rate of 25%.

Certain revisions to previous period tax assessments were made considering new information, which was not available at the time of preparation of respective financial information, and relevant interpretations by the management.

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) addresses the tax challenges arising from the digitalisation of the global economy. The Global Anti-Base Erosion Model Rules (Pillar Two model rules) apply to multinational enterprises (MNEs) with annual revenue in excess of EUR 750 million per their consolidated financial statements. As the Group's consolidated revenues are less than EUR 750 million, it is not in the scope of the Pillar Two model rules.

In management's view, as at 31 December 2024 there were no significant uncertain tax positions requiring disclosure in accordance with IFRIC 23 – Uncertainty over Income Tax Treatments.

The Group's effective tax rate for the year ended 31 December 2023 is negative 875.2% (2023: 0.5%). The Group's effective tax rate, excluding effect of movements in exchange rates, non-deductible interest expense on borrowings, effect of income taxed at different rates and other one-off items, for the year ended 31 December 2024 is 39.6% (2023: 31.4%).

As at 31 December 2024, the corporate income tax prepayment of US$3,028 thousand represents the difference between the preliminary estimates base on which the advance payments have been made and the final assessmen of the income tax by companies.

As at 31 December 2024 the Group has tax losses of US$147,229 thousand (2023: US$145,424 thousand) that are available to offset against future taxable profits in the companies in which the losses arose within 9 years after generation and will expire in the period 2023-2029. On 21 May 2021, a Royal Decree was issued in the Netherlands, which dictates that the tax losses can now be carried forward indefinitely from 1 January 2022, subject to annual limit on carry back loss utilization. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group.

Deferred tax liability is primarily attributable to operations in Kazakhstan, hence calculated by applying the Kazakhstani statutory tax rate applicable to the Chinarevskoye subsoil use rights to the temporary differences between the tax amounts and the amounts reported in the consolidated financial statements and are comprised of the following:

In thousands of US Dollars	31 December 2024	31 December 2023
Deferred tax asset		
Accounts payable and provisions	2,714	3,232
Deferred tax liability		
Property, plant and equipment	(68,369)	(44,943)
Inventories	(3,409)	(2,812)
Net deferred tax liability	**(69,064)**	**(44,523)**

The movements in the deferred tax liability were as follows:

In thousands of US Dollars	2024	2023
Balance as at 1 January	44,523	49,899
Current period charge to statement of comprehensive income	24,541	(5,376)
Balance as at 31 December	**69,064**	**44,523**

29. Related party transactions

For the purpose of these consolidated financial statements transactions with related parties mainly comprise transactions between subsidiaries of the Company and the key management. It should be noted that intercompany balances and transactions are offset on consolidation.

Remuneration (represented by short-term employee benefits) of key management personnel amounted to US$4,926 thousand for the year ended 31 December 2024 (year ended 31 December 2023: US$4,203 thousand).

30. Audit and non-audit fees

During the years ended 31 December 2024 and 2023 audit and non-audit fees comprise the following:

In thousands of US Dollars	For the year ended 31 December 2024	2023
Audit services:		
Ernst & Young	433	420
MHA & Baker Tilly	804	696
	1,237	**1,116**

The audit fees for the year ended 31 December 2024 in the table above include the audit fees of US$10 thousand in relation to the Parent (2023: US$10 thousand).

The audit fees for the year ended 31 December 2024 include US$170 thousand related to the audit of the 2023 financial statements, comprising audit overruns of US$113 thousand and additional audit scope of US$57 thousand (2023: overruns in the amount of US$ 20).

Notes to the consolidated financial statements continued

31. Contingent liabilities and commitments

Taxation

Kazakhstan's tax legislation and regulations are subject to ongoing changes and varying interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan's tax laws are severe and where the tax authorities disagree with the positions taken by the Group the financial outcomes could be material. Administrative fines are generally 80% of the taxes additionally assessed and interest penalty is assessed at the refinancing rate established by the National Bank of Kazakhstan multiplied by 1.25. As a result, penalties and interest can amount to multiples of any assessed taxes. Fiscal periods remain open to review by tax authorities for five calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods. Because of the uncertainties associated with Kazakhstan's tax system, the ultimate amount of taxes, penalties and interest, if any, may be in excess of the amount expensed to date and accrued at 31 December 2024. As at 31 December 2024 management believes that its interpretation of the relevant legislation is appropriate and that it is probable that the Group's tax position will be sustained.

Pending tax disputes

In late 2023 the Kazakhstan tax authorities conducted a withholding tax audit of Zhaikmunai LLP for the financial year 2018, and in January 2024 issued a withholding tax assessment equivalent to US$6.8 million and related fines and penalties equivalent to US$5.1 million. According to the Company's best estimates, the application of similar arguments to the periods 2019-23 could result in additional amounts of taxes and penalties in the amount of circa US$3.0 million. This excludes other items included within the assessment which the Company believes to be a remote risk.

Whilst Zhaikmunai LLP successfully challenged the legality and enforceability of the 2018 withholding tax assessment in January 2024, the Kazakhstan tax authorities subsequently filed an appeal in April 2024, resulting in a court ruling in favour of Zhaikmunai. In June 2024 the tax authorities submitted a final appeal to the Supreme Court of Kazakhstan, which is pending a court hearing.

Kazakhstan's tax legislation and regulations are subject to varying interpretations and instances of inconsistent opinions between local, regional, and national tax authorities and courts are not unusual. Taking this into account, while management believes that it is likely that the ruling in Zhaikmunai's favour will be upheld on appeal, management assesses the risk of an unfavourable outcome for Zhaikmunai in pending and future legal proceedings and resulting payment of the above-mentioned claimed amounts of taxes and penalties as possible.

Abandonment and site restoration (decommissioning)

As Kazakh laws and regulations concerning site restoration and clean-up evolve, the Group may incur future costs, the amount of which is currently indeterminable. Such costs, when known, will be provided for as new information, legislation and estimates evolve.

Environmental obligations

The Group may also be subject to loss contingencies relating to regional environmental claims that may arise from the past operations of the related fields in which it operates. Kazakhstan's environmental legislation and regulations are subject to ongoing changes and varying interpretations. As Kazakh laws and regulations evolve concerning environmental assessments and site restoration, the Group may incur future costs, the amount of which is currently indeterminable due to such factors as the ultimate determination of responsible parties associated with these costs and the Government's assessment of respective parties' ability to pay for the costs related to environmental reclamation. claims or penalties assessed by the Kazakh regulatory agencies, it is possible that the Group's future results of operations or cash flow could be materially affected in a particular period.

Capital commitments

As at 31 December 2024, the Group had contractual capital commitments in the amount of US$ 11,288 thousand (31 December 2023: US$16,039 thousand), mainly in respect to the Group's oil field development activities.

Social and education commitments

As required by the Contract (after its amendment on 2 September 2019), the Group is obliged to:

- spend US$ 300 thousand per annum to finance social infrastructure;
- make an accrual of one percent per annum of the actual investments for the Chinarevskoye field for the purposes of educating Kazakh citizens.

Domestic oil sales

In accordance with Supplement # 7 to the Contract, Zhaikmunai LLP is required to deliver at least 15% of produced oil to the domestic market on a monthly basis for which prices are materially lower than export prices.

32. Financial risk management objectives and policies

The Group's principal financial liabilities comprise borrowings, payables to the Government of Kazakhstan, trade payables and other current liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets consist of trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group is exposed to commodity price risk, foreign currency risk, liquidity risk and credit risk. The Group's senior management oversees the management of these risks. The Group's senior management ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Climate change

Management has considered how the Group's identified climate risks and climate related goals (as discussed in Climate Change and GHG Emissions in the Group's 2024 Annual Report) may impact the estimation of the recoverable value of cash-generating unit tested for impairment. The anticipated extent and nature of the future impact of climate on the Group's operations and future investment depends on the development of new technologies and production processes employed and the level of emissions, energy efficiency and use of renewable energy. The sensitivity of the Group's impairment assessment to these factors is also impacted by the extent that estimated recoverable value exceeds the carrying value of an individual cash-generating unit – where this is lower there is an increased risk of a future impact. The Group is in the process of identifying a range of actions and initiatives to progress towards the Group's goals, including reduction of greenhouse gas emissions, wastewater discharges and increase of waste utilisation. In certain cases, the costs of such actions have been quantified and are included in the Group's forecasts which are used to estimate recoverable value for the Group's cash-generating unit. Other actions and initiatives continue to be explored by the Group but are not sufficiently certain to be reflected in the Group's forecasts of estimated recoverable value.

Commodity price risk

The Group is exposed to the effect of fluctuations in price of crude oil, which is quoted in US dollar on the international markets. The Group prepares annual budgets and periodic forecasts including sensitivity analyses in respect of various levels of crude oil prices in the future.

Interest rate risk

The Group is not exposed to interest rate risk in 2024 and 2023 as the Group had no financial instruments with floating rates as at years ended 31 December 2024 and 2023.

Foreign currency risk

As a significant portion of the Group's operation is Tenge denominated, the Group's statement of financial position can be affected by movements in the US dollar / Tenge exchange rates. The Group mitigates the effect of its structural currency exposure by borrowing in US dollars and denominating sales in US dollars.

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant.

	Change in Tenge to US dollar exchange rate	Effect on profit before tax (In thousands of US Dollars)
2024	21%	1,182
	-21%	(1,810)
2023	21%	6,344
	-21%	9,716

A devaluation of Tenge against US dollar by 21% would lead to decrease in the net Tenge liability position by US$1,182 thousand as at 31 December 2024 and respective reduction of the loss before income tax for the year ended 31 December 2024. The impact on equity is the same as the impact on profit before tax.

The Group's foreign currency denominated monetary assets and liabilities were as follows:

In thousands of US Dollars	**Tenge**	**Russian Roubles**	**Euro**	**Other**	**Total**
As at 31 December 2024					
Cash and cash equivalents	1,215	–	125	73	1,413
Trade receivables	7,847	–	–	–	7,847
Trade payables	(6,771)	–	(211)	(91)	(7,073)
Other current liabilities	(9,100)	–	(1,461)	(147)	(10,708)
	(6,809)	**–**	**(1,547)**	**(165)**	**(8,521)**
As at 31 December 2023					
Cash and cash equivalents	395	–	66	604	1,065
Trade receivables	1,530	–	–	–	1,530
Trade payables	(8,246)	(44)	(466)	(192)	(8,948)
Other current liabilities	(28,920)	–	(2,107)	(27)	(31,054)
	(35,241)	**(44)**	**(2,507)**	**385**	**(37,407)**

Liquidity and funding risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with its financial liabilities. The Group monitors its risk to a shortage of funds using a liquidity planning tool. The tool allows selecting severe stress test scenarios (for more details see Viability statement on pages 43-44 of the Annual Report). To ensure an adequate level of liquidity a minimum cash balance has been defined as a cushion of liquid assets. The Group's objective is to maintain a balance between continuity and diversity of funding and flexibility through the use of notes, export financing and leases.

The successful completion of the 2025 and 2022 Notes restructuring efforts has enhanced the Group's liquidity position and provided a more sustainable debt profile. The Directors confirm their expectation that the Group will continue to operate and meet its obligations as they fall due through the three-year viability assessment period ending 31 December 2025.

For more information on analysis of the Group's ability to meet its liabilities on repayment of the Notes please see "Viability statement" section on the Annual report on pages 43-44.

The table below summarizes the maturity profile of the Group's financial liabilities at 31 December 2024 and 31 December 2023 based on contractual undiscounted payments:

In thousands of US Dollars	**On demand**	**Less than 3 months**	**3-12 months**	**1-5 years**	**More than 5 years**	**Total**
As at 31 December 2024						
Borrowings	–	–	17,023	787,890	–	804,913
Trade payables	8,016	–	222	–	–	8,238
Other current liabilities	11,821	–	–	–	–	11,821
Due to Government of Kazakhstan	–	258	773	4,124	1,288	6,443
	19,837	**258**	**18,018**	**792,014**	**1,288**	**831,415**
As at 31 December 2023						
Borrowings	–	–	16,489	805,097	–	821,586
Trade payables	10,305	–	327	–	–	10,632
Other current liabilities	12,936	–	–	–	–	12,936
Due to Government of Kazakhstan	–	258	773	4,124	2,319	7,474
	23,241	**258**	**17,589**	**809,221**	**2,319**	**852,628**

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and foreign exchange transactions.

The Group places its cash and deposits primarily with Citibank, N.A., and Halyk bank JSC with most recent credit ratings from Moody's rating agency of Aa3 (Stable), and Baa2 (Stable), respectively.

The Group sells its products and makes advance payments only to recognised, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts and recoverability of prepayments made is not significant and thus risk of credit default is low. Also, the Group's policy is to mitigate the payment risk on its off-takers by requiring all purchases to be prepaid or secured by a letter of credit from an international bank.

The Group considers a financial asset in default when contractual payments are 90 days past due, however certain exceptions can be made depending on the particular circumstances and discussions with the counterparty. Also, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Group's maximum exposure to credit risks is represented by its balances of cash and cash equivalents and restricted cash (Note 11).

Notes to the consolidated financial statements continued

Fair values of financial instruments

Management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts at 31 December 2024 and 2023.

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts reasonably approximating their fair values:

	Carrying amount		Fair value	
In thousands of US Dollars	**31 December 2024**	31 December 2023	**31 December 2024**	31 December 2023
Interest bearing borrowings	571,371	471,747	186,660	270,834
Total	**571,371**	471,747	186,660	270,834

The fair value of the financial assets and liabilities represents the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of the quoted notes is based on price quotations at the reporting date and respectively categorised as Level 1 within the fair value hierarchy.

During the years ended 31 December 2024 and 2023 there were no transfers between the levels of fair value hierarchy of the Group's financial instruments.

Capital management

For the purpose of the Group's capital management, capital includes issued capital, additional paid-in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

Since the engagement with the AHG in discussions on potential restructuring of the Notes and signing of the FBAs in 2020 (see Note 1), the Group's focus was on maintaining short-term liquidity and preserving cash. Successful cost optimisation programme, favourable hydrocarbon pricing and successful restructuring enabled the Group to grow its unrestricted cash balances to the level of US$161,711 thousand as at 31 December 2024. After successful implementation of the restructuring, the Group is in the process of revising its capital management policy in line with new requirements of SSN and SUN trust deeds and shareholder expectations.

33. Events after the reporting date

Stepnoy Leopard FDP Approval

On 3 April 2025, the Ministry of Energy of the Republic of Kazakhstan approved the full-field development plan for the Stepnoy Leopard fields, in which the Company holds an 80% working interest. The plan confirms 138 mmboe of gross 2P reserves and supports phased development with first production targeted between late 2026 and early 2027. This milestone is aligned with the Company's strategy to maximise utilisation of its 4.2 bcma gas processing facilities.

Cancellation of SSNs, SUNs and Ordinary Shares

Pursuant to the terms of the restructuring, which was approved by the court on 26 August 2022, the following post-reporting date events occurred:

- On 4 April 2025, the Company cancelled 4,136,578 ordinary shares of £0.01 each. As a result, the issued share capital now comprises 165,244,983 ordinary shares, each carrying one vote. The Company holds no treasury shares.
- On 7 April 2025, the Company cancelled 5,628,000 outstanding Senior Secured Notes (SSNs) and 9 629 836 Senior Unsecured Notes (SUNs).

PARENT COMPANY FINANCIAL STATEMENTS

Parent company statement of financial position

In thousands of US Dollars	Notes	31 December 2024	31 December 2023
Assets			
Non-current assets			
Property, plant and equipment		**5**	7
		5	7
Current assets			
Prepayments and other current assets		**117**	252
Receivables from related parties	6	**2,000**	1,907
Cash and cash equivalents	7	**66**	160
		2,183	2,319
TOTAL ASSETS		**2,188**	2,326
Equity and liabilities			
Share capital and reserves			
Share capital	8	**2,152**	2,152
Deferred shares		**–**	18,551
Share premium		**792,744**	792,744
Retained deficit and reserves		**(1,035,154)**	(1,006,281)
		(240,258)	(192,834)
Non-current liabilities			
Financial guarantees, long-term	9	**241,239**	193,817
		241,239	193,817
Current liabilities			
Payables to related parties	10	**235**	258
Trade payables		**826**	1,011
Income tax payable		**37**	48
Other current liabilities		**109**	26
		1,207	1,343
TOTAL EQUITY AND LIABILITIES		**2,188**	2,326

As permitted by section 408(3) of the Companies Act 2006, the profit and loss account of the Company is not presented in the Company's financial statements.

The Company reported a loss of US$47,424 thousand for the financial year ended 31 December 2024, which includes nil current income tax expense (2023: loss US$103,392 thousand including income tax expense of US$48 thousand). During the reporting periods there were no transactions impacting the statement of other comprehensive income.

The financial statements of Nostrum Oil & Gas PLC, registered number 8717287, were approved by the Board of Directors. The financial statements were authorised for issue on 22 April 2025.

Signed on behalf of the Board:

Arfan Khan

Chief Executive Officer

22 April 2024

The accounting policies and explanatory notes on pages 167 through 174 are an integral part of these financial statements

Parent company statement of cash flows

In thousands of US Dollars	Notes	For the year ended 31 December **2024**	2023
Cash flow from operating activities:			
Loss before income tax		**(47,419)**	(103,344)
Adjustments for:			
Depreciation		**4**	3
Impairment charge		**–**	1,004,290
Financial guarantee loss (income)	9	**47,422**	(900,684)
Operating profit before working capital changes		**7**	265
Changes in working capital:			
Change in other current assets		**135**	(84)
Change in receivables from related parties		**(93)**	(952)
Change in trade payables		**(185)**	164
Change in payables to related parties		**(23)**	(65)
Change in other current liabilities		**83**	(62)
Cash used in operations		**(76)**	(734)
Income tax paid		**(16)**	–
Net cash used in operating activities		**(92)**	(734)
Cash flow from investing activities:			
Purchase of property, plant and equipment		**(2)**	(7)
Net cash used in investing activities		**(2)**	(7)
Net change in cash and cash equivalents		**(94)**	(741)
Cash and cash equivalents at the beginning of the year	7	**160**	901
Cash and cash equivalents at the end of the year	7	**66**	160

The accounting policies and explanatory notes on pages 167 through 174 are an integral part of these financial statements

Parent company statement of changes in equity

In thousands of US Dollars	Notes	Share capital	Deferred shares	Share premium	Other reserves	Retained deficit	Total
As at 1 January 2023		**3,203**	**–**	**–**	**567**	**(903,661)**	**(899,891)**
Loss for the year		–	–	–	–	(103,392)	**(103,392)**
Total comprehensive loss for the year		**–**	**–**	**–**	**–**	**(103,392)**	**(103,392)**
Debt-to-equity exchange		(1,051)	18,551	792,744	229	–	**810,473**
Share based payments under LTIP	13	–	–	–	(24)	–	**(24)**
As at 31 December 2023		**2,152**	**18,551**	**792,744**	**772**	**(1,007,053)**	**(192,834)**
Loss for the year		–	–	–	–	(47,424)	**(47,424)**
Total comprehensive loss for the year		**–**	**–**	**–**	**–**	**(47,424)**	**(47,424)**
Redemption of deferred shares	8	–	(18,551)	–	18,551	–	**–**
As at 31 December 2024		**2,152**	**–**	**792,744**	**19,323**	**(1,054,477)**	**(240,258)**

The accounting policies and explanatory notes on pages 167 through 174 are an integral part of these financial statements

Notes to the parent company financial statements

1. General

Overview

Nostrum Oil & Gas PLC ("the Company") is a public limited company incorporated on 3 October 2013 under the Companies Act 2006 and registered in England and Wales with registered number 8717287. The registered address of Nostrum Oil & Gas PLC is: 20 Eastbourne Terrace, London W2 6LA, United Kingdom.

The subsidiary undertakings of the Company as at 31 December 2024 and the percentage holding of their capital are set out below:

Company	Registered office	Form of capital	Ownership, %
Nostrum Associated Investments LLP	43B Karev street, 090000 Uralsk, Republic of Kazakhstan	Participatory interests	100
Nostrum Oil & Gas Coöperatief U.A.	Bloemendaalseweg 139, 2061 CH Bloemendaal, The Netherlands	Members' interests	100
Nostrum Oil & Gas B.V.	Bloemendaalseweg 139, 2061 CH Bloemendaal, The Netherlands	Ordinary shares	100
Nostrum Oil & Gas Finance B.V.	Bloemendaalseweg 139, 2061 CH Bloemendaal, The Netherlands	Ordinary shares	100
Nostrum Oil & Gas Holding Ltd.	20 Eastbourne Terrace, London, W2 6LA, United Kingdom	Ordinary shares	100
Nostrum Services Central Asia LLP	Aksai 3a, 75/38, 050031 Almaty, Republic of Kazakhstan	Participatory interests	100
Nostrum Services N.V.	Chaussee de Wavre 20, 1360 Perwez, Belgium	Ordinary shares	100
Positiv Invest LLP	Dostyk 310/15, Almaty, Republic of Kazakhstan	Participatory interests	80
Zhaikmunai LLP	43/1 Karev street, 090000 Uralsk, Republic of Kazakhstan	Participatory interests	100

The Company and its wholly-owned subsidiaries are hereinafter referred to as "the Group".

Group debt restructuring

On 23 December 2021, the Group entered into a lock-up agreement (the "LUA") and agreed with noteholders the terms of a restructuring of the Group's US$725 million 8.0% Senior Notes due July 2022 ("2022 Notes") and its US$400 million 7.0% Senior Notes due February 2025 ("2025 Notes") (together, the "Existing Notes"). The below outlines the key terms of the restructuring as agreed between the Group, acceded noteholders and ICU in the LUAs and also voted in favour of by Nostrum shareholders, and subsequently implemented:

Partial reinstatement of debt:

- In the form of US$250 million Senior Secured Notes (SSNs) maturing on 30 June 2026 and bearing interest at a rate of 5.00% per year payable in cash. The SSNs are not convertible;
- In the form of US$300 million Senior Unsecured Notes (SUNs) maturing on 30 June 2026 and bearing interest at a rate of 1.00% per year payable in cash and 13.00% per year payable in kind. If not repaid in cash at maturity, the SUNs are repayable in specie through the issuance of equity in the Company based on the value of the SUNs outstanding on the issuance date as a percentage of the fair market value of the Company (up to a maximum of 99.99% of the Company's fully diluted equity);

Conversion to equity:

- Conversion of the remainder of the Existing Notes and accrued interest into equity by way of a UK scheme of arrangement:
- Existing noteholders own 88.89% of the expanded ordinary share capital of the Company on closing of the restructuring. Existing noteholders also own warrants (to be held by trustee) allowing them to subscribe for an additional 1.11% of the ordinary share capital of the Company upon exercise;
- The existing ordinary shareholders will hold 11.11% upon closing of the restructuring.

Restructuring completion

On 9 February 2023, the Restructuring was implemented on the key terms as agreed under Lockup Agreement, and pursuant to the terms of the Scheme sanctioned by the Court on 26 August 2022. This led to the sub-division and consolidation of the Company's share capital, which resulted in a reduction of shares from approximately 1,693.8 million to 169.4 million following a 10:1 consolidation. By 10 February 2023, 150,563,304 new shares were listed on the London Stock Exchange (ticker symbol NOG.L), and by 13 February, also on the Astana International Exchange. The new notes and warrants were listed on The International Stock Exchange from 9 February 2023, while no new securities were listed on Euronext Dublin. On 14 March 2023, the Company's ordinary shares were delisted from the official list of the Kazakhstan Stock Exchange (KASE).

2. Basis of preparation

Basis of preparation

The Company financial statements for the year ended 31 December 2024 have been prepared on a going concern basis and in accordance with UK Adopted International Accounting Standards and the Companies Act 2006 in so far as it is applicable when reporting under UK adopted IAS.

The Company financial statements have been prepared based on a historical cost basis.

The Company financial statements are presented in US dollars and all values are rounded to the nearest thousands, except when otherwise indicated.

The Company recognises that there may be potential financial implications in the future from changes in legislation and regulation implemented to address climate change risk.

Over time these changes may have an impact across a number of areas of accounting including asset impairment, increased costs, provisions, onerous contracts and contingent liabilities. However, as at the reporting sheet date, the Company believes there is no material impact on the balance sheet carrying values of assets or liabilities. This is not considered a significant estimate.

Notes to the parent company financial statements continued

Going concern

These financial statements have been prepared on a going concern basis. The Company is dependent on liquidity generated by its subsidiaries to continue in operation and its ability to meet its liabilities as they become due for the foreseeable future, a period of not less than 12 months from the date of these financial statements.

Respectively, the Group level going concern matters and analysis are considered directly relevant for the Company, as described on page 50 of the Annual Report, which also highlights a material uncertainty in relation to partial or full restructuring of the Group's debt.

The directors are satisfied that the Group will have sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of these financial statements. In addition, the Group has controls in place over allocation of resources among parent and subsidiaries.

Taking into account the abovementioned considerations the directors are satisfied that the Company has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing these parent company financial statements.

3. Changes in accounting policies and disclosures

New standards, interpretations and amendments adopted by the Company

Several amendments apply for the first time in 2024, but do not have an impact on the consolidated financial statements of the Company. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Company's financial statements.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Company's financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The Company has assessed the impact of these amendments and confirms that it does not have any supplier finance arrangements in place. As a result, these amendments have no impact on the Company's financial statements.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Company's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.
The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The amendments are not expected to have to be applicable to the Company's financial statements.

4. Summary of material accounting policies

Foreign currency translation

The functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

The functional currency of the Company is the United States dollar (the "US dollar" or "US$").

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. All differences are taken to the profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Investments

Investments in subsidiaries are recorded at cost. Subsequently, the Company determines whether it is necessary to recognise an impairment loss on its investment in a subsidiary. At each reporting date, the Company determines whether there is objective evidence that the investment in the subsidiary is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiary and its carrying value, and then recognises the impairment loss in the statement of profit or loss.

Significant estimates and assumptions: impairment of investments in subsidiaries

Determination as to whether, and by how much, the investment in a subsidiary is impaired involves management's best estimates on highly uncertain matters such as future revenues of the subsidiary, operating expenses, discount rate, as well as fiscal regimes.

Since 2019, the Company have been recording impairment for the full amount of the investments (Note 5), which has been recognised in view of the decrease in the net assets of the subsidiaries, and the reduction of the 2P reserves expected to be recovered from the main operating subsidiary of the Group.

Refer to Note 5 for the impairment assessment results as at 31 December 2024 and 2023.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The Company determines the classification of its financial assets at initial recognition.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include cash and receivables from related parties.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Notes to the parent company financial statements continued

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Financial liabilities

Initial recognition, measurement and derecognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, long-term borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of long-term borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, payables related parties and financial guarantee liabilities.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:
Financial liabilities at fair value through profit or loss
Financial liabilities at amortised cost (loans and borrowings)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Financial guarantees

Financial guarantee is initially recognised in the financial statements at fair value at the time the guarantee is issued. The Company estimates the fair value of the financial guarantee contract as the difference between the net present value of the contractual cashflows required under a debt instrument, and the net present value of the net contractual cashflows that would have been required without the guarantee. The present value is calculated using a risk-free interest rate.

Subsequent to initial recognition, the Company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in profit and loss, and the amount of expected credit losses (ECL). Financial guarantee ECL reflect the cash shortfalls adjusted by the risks that are specific to the cashflows. If the ECL exceeds the initially recognised guarantee amount less cumulative amortisation the difference is taken to profit and loss.

A financial guarantee liability is derecognised when the liability underlying the guarantee is discharged or cancelled or expires, or if the guarantee is withdrawn or cancelled. The carrying amount of the financial guarantee is taken to the statement of profit or loss.

Share-based payments

The cost of cash-settled equity-based employee compensation is measured initially at fair value at the grant date. This fair value is expensed over the period until vesting with the recognition of a corresponding liability. The liability is remeasured at each reporting date up to and including the settlement date with changes in fair value recognised in the statement of comprehensive income.

The cost of equity-settled transactions is measured at fair value at the grant date. This fair value is expensed over the period until vesting with the recognition of a corresponding equity element, which is not remeasured subsequently until the settlement date.

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and distribution yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 13.

5. Investments in subsidiaries

As at 31 December 2024 and 31 December 2023 Investments of the Company comprised the following:

In thousands of US Dollars	**31 December 2024**	31 December 2023
Nostrum Oil & Gas Holding Limited	1,111,031	1,111,031
Impairment of investments	(1,111,031)	(1,111,031)
	–	–

In May 2023, the Company performed a corporate reorganisation, namely, in return for the transfer and assignment by the Company of its membership and associated rights in Nostrum Oil & Gas Coöperatief U.A. and Nostrum Oil & Gas B.V., Nostrum Oil & Gas Holding Limited issued 100 new ordinary shares, which were allotted and issued to the Company. As a result of this reorganising the Company reallocated the cost of its investments in Nostrum Oil & Gas Coöperatief U.A. and Nostrum Oil & Gas BV for the total amount of US$106,741 thousand (excluding initial guarantee value of US$9,881 thousand) to investments to Nostrum Oil & Gas Holding Limited.

In addition, the investments in Nostrum Oil & Gas Holding Limited include US$810,473 thousand recognised as an equivalent of the Old Notes of Nostrum Oil & Gas Finance B.V., which were exchanged for the shares issued by the Company during the Restructuring process. Also, the Company acts as a guarantor under the Group's SSNs and SUNs, which are issued in favour of the Company's indirect subsidiaries, hence related costs in the amount of US$193,817 thousand at initial recognition are capitalised into the investments in subsidiaries.

As a result of the impairment testing performed as at 31 December 2023 the Company recognised an impairment charge of US$1,111,031 thousand for the full amount of these investments in the subsidiary.

The Company conducted an impairment assessment as of 31 December 2024 and identified no indicators requiring reversal of the impairment on its investment in Nostrum Oil & Gas Holding Limited.

The reversal of an impairment loss on non-current assets within the Group has not resulted in the reversal of the impairment of the investment recognised in the Company's standalone financial statements. While the subsidiary's financial position has improved due to the impairment reversal, this improvement does not constitute objective evidence that the recoverable amount of the Company's investment in the subsidiary has risen. Furthermore, consolidated balance sheet continues to reflect net liabilities. As such, the impairment for the full amount of investments remained appropriate.

6. Receivables from related parties

Receivables from related parties are comprised of the following as at 31 December 2024 and 31 December 2023:

In thousands of US Dollars	**31 December 2024**	31 December 2023
Receivables from Nostrum Oil & Gas Benefit Trust	23,812	23,812
Receivables from Nostrum Oil & Gas Coöperatief U.A.	1,969	1,853
	25,781	**25,665**
Less: bad debt allowance	(23,781)	(23,758)
	2,000	**1,907**

Receivables from the Nostrum Oil & Gas Benefit Trust ("the Trust") represent the loan provided to support the Company's obligations to employees under the Employee Share Option Plan ("ESOP") and the Long-Term Incentive Plan 2017 ("LTIP") (Note 13). The loan is interest free and unsecured. The loan is repayable in the case of an advance used to acquire securities to satisfy the exercise of options granted pursuant to the rules of ESOP, and unless otherwise agreed in writing between the parties, the earlier of 1) ten years from the Date of Grant, or 2) 30 days after the exercise date, and in all other cases any other date agreed in writing between the parties.

Considering the fact that the loan is repayable to the extent of the assets of the Trust, which are reflected in treasury shares held by the Trust, the Company has recognised a bad debt allowance as at 31 December 2024 in the amount of US$23 thousand (2023: US$65 thousand), representing the difference between the book value of the loan and the recoverable value of the treasury shares as of 31 December 2024.

7. Cash and Cash Equivalents

As at 31 December 2024 cash and cash equivalents comprised US$66 thousand (2023: US$160 thousand) at the current accounts in Pound Sterling.

8. Shareholders' equity

As at 31 December 2024 the ordinary share capital of the Company consists of 169,381,561 issued and fully paid ordinary shares, which are listed on the London Stock Exchange. The ordinary shares have a nominal value of GB£ 0.01. The movements in the number of shares during the year ended 31 December 2024 and 31 December 2023 was as follows:

Number of shares	In circulation	Treasury capital	TOTAL
As at 31 December 2023	**169,086,713**	**294,848**	**169,381,561**
Shares issued	–	–	–
Share consolidation	–	–	–
As at 31 December 2024	**169,086,713**	**294,848**	**169,381,561**

As part of the Restructuring, on 9 February 2023 the Company issued 1,505,633,046 new shares in connection with the repayment of the remaining face value of the Existing Notes following the issue of the New Notes (see Note 14 below), together with accrued but unpaid interest (the "Debt for Equity Swap"). Given the number of new shares issued, at the close of business on 9 February 2023 the Company also performed a share consolidation, so as to achieve an appropriate share price following closing of the Restructuring (Note 1). As a result, the number of ordinary shares in issue was reduced from 1,693,816,004 (following the issue of the new shares) to 169,381,561 ordinary shares, on the basis of a 10:1 consolidation (the "Share Consolidation"). In order to give effect to the Share Consolidation, the Company initially reduced the nominal value of the ordinary shares (the "Sub-Division") after the issue of the new shares, through sub-division of each ordinary share at a ratio of 1:10 into one ordinary share of nominal value of £0.001 each together with nine deferred shares of nominal value £0.001 each (the "Deferred Shares"). The resulting 15,244,344,036 Deferred Shares carried no economic or voting rights in the capital of the Company and were subsequently acquired by the Company for nil consideration and cancelled on 2 December 2024. Related US$18,851 thousand deferred shares balance was transferred to the capital redemption reserve reported within other reserves in the Company's statement of changes in equity.

Treasury shares

Treasury shares were issued to support the Group's obligations to employees under the Employee Share Option Plan ("ESOP") and the Long-Term Incentive Plan ("LTIP") and are held by Intertrust Employee Benefit Trustee Limited as trustee for the Nostrum Oil & Gas Benefit Trust. In the case of the ESOP, upon request from employees to exercise options, the trustee would sell shares on the market and settle respective obligations under the ESOP. In the case of share-settled LTIP awards, the trustee would transfer shares to the relevant LTIP award holder (although no LTIP awards are currently exercisable). The Nostrum Oil & Gas Benefit Trust constitutes a special purpose entity under IFRS and therefore, the shares held in the trust are recorded as treasury capital of the Company.

Group reorganisation reserve in the amount of US$255,459 thousand represents the difference between the partnership capital, treasury capital and additional paid-in capital of Nostrum Oil & Gas LP and the share capital of Nostrum Oil & Gas PLC, that arose during the reorganisation of the Group in 2014. Share-option reserves include amounts related to sale of treasury shares under ESOP as well as share-based payments under LTIP.

Nostrum Oil & Gas PLC became the new holding company for the business of Nostrum Oil & Gas LP based on the resolution passed by its limited partners on 17 June 2014 followed by the Company reorganisation referred to in that resolution.

Notes to the parent company financial statements continued

9. Financial guarantees

Financial guarantees are comprised of the following as at 31 December 2024 and 31 December 2023:

In thousands of US Dollars	2024	2023
Financial guarantee as at 1 January	**193,817**	**900,684**
Financial guarantee loss/(income)	47,422	(706,867)
Financial guarantee as at 31 December	**241,239**	**193,817**

As at 31 December 2024 the Company performed an assessment of the value of the guarantees issued under SSNs and SUNs, taking into account the Group's financial position as at 31 December 2024 and the fact that the Company is the parent entity in the Group and so would ultimately assume the guarantee obligations of its subsidiaries in the event of their inability to meet such obligations. As a result, the Company has recognised the guarantee liabilities for the total amount of US$241,239 thousand (2023: US$193,817 thousand), representing the amount of expected credit losses as of the reporting date. Further details on the Notes are provided below.

Senior Secured Notes and Senior Unsecured Notes

On 8 February 2023, the Group completed restructuring of the Group's US$725 million 8.0% Senior Notes due July 2022 and its US$400 million 7.0% Senior Notes due February 2025. Through the partial reinstatement of debt of US$250 million Senior Secured Notes (SSNs) and US$300 million Senior Unsecured Notes (SUNs).

The SSNs and SUNs are jointly and severally guaranteed (the "2023 Guarantees") on a senior basis by Nostrum Oil & Gas PLC, Nostrum Oil & Gas Coöperatief U.A., Zhaikmunai LLP and Nostrum Oil & Gas B.V. (the "2023 Guarantors"). SUNs and SSNs Issuer's and the 2023 Guarantors' senior obligations and rank equally with all of the 2023 Issuer's and the 2023 Guarantors' other senior indebtedness.

10. Payables to related parties

Payables to related parties are comprised of the following as at 31 December 2024 and 31 December 2023:

In thousands of US Dollars	**31 December 2024**	31 December 2023
Payables to Nostrum Oil & Gas Coöperatief U.A.	**31**	54
Interest payable Nostrum Oil & Gas Finance B.V.	**204**	204
	235	258

As at 31 December 2024 amounts payable to Nostrum Oil & Gas Coöperatief U.A. represent the arrangements in respect of the Nostrum employee benefit trust. For more details, please refer to Note 6. Based on the service agreement, the amounts payable to Nostrum Oil & Gas Coöperatief U.A. in respect to the employee benefit trust, are only repayable to the extent of amounts received (or recovered) from the Trust. Considering the fact that the loan is repayable to the extent of the assets of the Trust, which are reflected in treasury shares held by the Trust, the Company has remeasured and reduced the loan payable as at 31 December 2024 by US$23 thousand (2023: US$65 thousand), representing the difference between the book value of the loan and the recoverable value of the treasury shares as of 31 December 2024.

As at 31 December 2024 and 2023 amounts payable to Nostrum Oil & Gas Finance B.V. represent interest accrued in the amount US$204 thousand on the loan from Nostrum Oil & Gas Finance B.V. The loan on which the above interest amounts were calculated was settled against the receivables due from Nostrum Oil & Gas Coöperatief U.A. in the amount of $3,000 thousand in 2019.

11. Auditors' remuneration

For the year ended 31 December 2024 the fees for the audit of the Company amount to US$10 thousand (2023: US$10 thousand).

12. Employee's remuneration

The average monthly number of employees employed was as follows:

	For the year ended 31 December	
In thousands of US Dollars	**2024**	2023
Executive Directors	0	1
Administrative personnel	4.5	3
	4.5	**4**

Their aggregate remuneration comprised:

	For the year ended 31 December	
In thousands of US Dollars	**2024**	2023
Wages and salaries	**506**	642
Social security costs	**178**	172
Other benefits	**38**	19
	722	833

The directors of the Company are also directors of the Group. The aggregate amount of remuneration paid to or receivable by executive directors in respect of qualifying services for the financial year ended 31 December 2024 was nil (2023: US$1,138 thousand). In addition, US$1,024 thousand (2023: US$939 thousand) was paid by the Company to the non-executive directors. The directors do not believe that it is practicable to apportion these amounts between their services as directors of the Company and their services as directors of the Group.

For the year ended 31 December 2024 the Company employed an average of 5 non-executive directors (2023: 5 non-executive directors).

Full details of individual directors' remuneration are given in the directors' remuneration report on pages 110-115 of the annual report.

13. Long-term incentive plan

2017 Long-term incentive plan

In 2017 the Company started operating a Long-term incentive plan ("the LTIP"), that was approved by the shareholders of the Company on 26 June 2017 and adopted by the board of directors of the Company on 24 August 2017. The LTIP is a discretionary benefit offered by the Company for the benefit of selected employees. Its main purpose is to increase the interest of the employees in the Company's long-term business goals and performance through share ownership. The LTIP is an incentive for the employees' future performance and commitment to the goals of the Company. The remuneration committee of the board of the Company has the right to decide, in its sole discretion, whether or not further awards will be granted in the future and to which employees those awards will be granted.

Employees (including senior executives and executive directors) of members of the Group or their associates may receive an award, which is a "nominal cost option" over a specified number of ordinary shares in the capital of the Company. The option has an exercise price of 1p per share (but the Company has the discretion to waive this prior to exercise). In addition, under the Rules of the LTIP the Company has discretion to settle awards other than by transfer of shares such as by way of cash settlement. Generally, the awards are classified as equity-settled transactions. The share options are treated as equity-settled since there are no legal limitations expected on issue of shares for these upon vesting, the Company has a choice of settlement and the intention is to settle them in equity. However, in certain jurisdictions due to regulatory requirements the Company may not be able to settle the awards other than by transfer of cash, in which case the awards are classified as cash-settled transactions, and accounted for similar to SARs.

The award ordinarily vests and becomes exercisable as from later of the third anniversary of grant or two years after the date on which the Company determines whether the performance condition has been satisfied, subject to employee's continued service and to the extent to which the performance condition is satisfied, until the end of the contractual life. The contractual life of the share options is ten years.

The cost of cash-settled equity-based employee compensation is measured initially at fair value at the grant date using a trinomial lattice valuation model.

This fair value is expensed over the period until vesting with the recognition of a corresponding liability. The liability is remeasured at each reporting date up to and including the settlement date with changes in fair value recognised in the statement of comprehensive income.

The cost of equity-settled transactions is measured at fair value at the grant date using a trinomial lattice valuation model. This fair value is expensed over the period until vesting with the recognition of a corresponding equity element of "shares to be issued under LTIP", which is not remeasured subsequently until the settlement date.

The following table summarises the movement in the number of outstanding share options capable of vesting during the years ended 31 December 2024 and 31 December 2023:

	Equity-settled awards	Cash-settled awards	TOTAL awards
As at 1 January 2023	**147,343**	**–**	**147,343**
Share options forfeited	(7,503)	–	(7,503)
As at 31 December 2023	**139,840**	**–**	**139,840**
Share options forfeited	–	–	–
As at 31 December 2024	**139,840**	**–**	**139,840**

In 2017 the Company granted 1,208,843 share options, of which 308,850 share options remained outstanding as at 31 December 2024 (2023: 308,850 share options). The weighted average remaining contractual life of share options outstanding as at 31 December 2024 was 3 years (2023: 4 years). On 23 March 2018 the remuneration committee of the board of the Company determined the level of performance conditions that were met for the performance conditions set upon issue of the share options granted in 2017. After adjusting for the non-achievement of performance conditions, 139,840 share options are capable of vesting as of 31 December 2024 (2023: 139,840 share options) and all of these share options were vested, in accordance with the management's best estimate, and exercisable as of 31 December 2024.

On 28 November 2018 the Company granted a further 1,163,040 share options, however due to the performance conditions not being met none of these share options are capable of vesting.

The fair value of the equity-settled share options at the valuation dates of 28 November 2018 and 23 March 2018 amounted to US$1.25 and US$2.76 per share option, respectively. Based on these estimations, during the year ended 31 December 2024 the Company recognised nil reduction in the investments in subsidiaries (2023: US$25 thousand).

14. Related party transactions

Related parties of the Company include its direct and indirect subsidiaries, key management personnel and other entities that are under the control or significant influence of the key management personnel.

Accounts receivable from related parties represented by Company's subsidiaries as at 31 December 2024 and 31 December 2023 consisted of the following:

In thousands of US Dollars	**31 December 2024**	31 December 2023
Receivables from Nostrum Oil & Gas Benefit Trust	23,812	23,812
Receivables from Nostrum Oil & Gas Coöperatief U.A.	1,969	1,853
	25,781	**25,665**
Less: bad debt allowance	(23,781)	(23,758)
	2,000	**1,907**

Accounts payable to related parties represented by Company's subsidiaries as at 31 December 2024 and 31 December 2023 consisted of the following:

In thousands of US Dollars	**31 December 2024**	**31 December 2023**
Payables to Nostrum Oil & Gas Coöperatief U.A.	31	54
Interest payable Nostrum Oil & Gas Finance B.V.	204	204
	235	**258**

Financial guarantees are comprised of the following as at 31 December 2024 and 31 December 2023:

In thousands of US Dollars	**2024**	2023
Financial guarantee as at 1 January	**193,871**	**900,684**
Financial guarantee loss/(income)	47,422	(706,867)
Financial guarantee as at 31 December	**241,239**	**193,871**

During the years ended 31 December 2024 and 2023 the Company had the following transactions with related parties represented by Company's subsidiaries:

	For the year ended 31 December	
In thousands of US Dollars	**2024**	2023
Income from provision of services		
Nostrum Oil & Gas Coöperatief U.A.	**5,264**	5,300
Gain/(loss) from financial guarantee		
Nostrum Oil & Gas Finance B.V. (Note 9)	**(47,422)**	706,867

15. Financial risk management objectives and policies

The Company's financial assets consist of receivables from shareholders and cash and cash equivalents. The Company's financial liabilities consist of payables to related parties, trade and other payables and accrued liabilities.

The main risks arising from the Company's financial instruments are foreign exchange risk and credit risk. The Company's management reviews and agrees policies for managing each of these risks, which are summarized below.

Climate change

Management has considered how the Company's identified climate risks and climate related goals (as discussed in Climate Change and GHG Emissions in the Group's 2023 Annual Report) may impact the estimation of the recoverable value of cash-generating unit tested for impairment and therefore of the finance guarantee provision. The anticipated extent and nature of the future impact of climate on the Group's operations and future investment depends on the development of new technologies and production processes employed and the level of emissions, energy efficiency and use of renewable energy. The sensitivity of the Group's impairment assessment to these factors is also impacted by the extent that estimated recoverable value exceeds the carrying value of an individual cash-generating unit – where this is lower there is an increased risk of a future impact. The Group is in the process of identifying a range of actions and initiatives to progress towards the Group's goals, including reduction of greenhouse gas emissions, wastewater discharges and increase of waste utilisation. In certain cases, the costs of such actions have been quantified and are included in the Group's forecasts which are used to estimate recoverable value for the Group's cash-generating unit. Other actions and initiatives continue to be explored by the Group but are not sufficiently certain to be reflected in the Group's forecasts of estimated recoverable value.

Foreign currency risk

Most of the Company's operation is denominated in USD, therefore the Company's statement of financial position is not significantly affected by exchange rate movements.

Interest rate risk

The Company is not exposed to interest rate risk in 2024 and 2023 as the Company had no financial instruments with floating rates as at years ended 31 December 2024 and 2023.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with its financial liabilities. The Company is part of the Group's monitoring process of its risk to a shortage of funds using a liquidity planning tool. The tool allows selecting severe stress test scenarios. To ensure an adequate level of liquidity a minimum cash balance has been defined as a cushion of liquid assets. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of notes, export

Notes to the parent company financial statements continued

financing and leases, and adequately allocating funding among various entities in the Group.

Following successful restructuring of the 2025 Notes and 2022 Notes, the Directors confirm that they have a reasonable expectation that the Company and the Group will continue in operation as they fall due through the three-year viability assessment period ending 30 June 2028. For more information on analysis of the Group's ability to meet its liabilities on repayment of the Notes please see "Viability statement" section on the Annual report on pages 43-44.

As of 31 December 2024, the current amount of the financial liabilities of the Company amounted to US$1,197 thousand (31 December 2023: US$1,343 thousand).

The table below summarizes the maturity profile of the Company's financial liabilities at 31 December 2024 and 2023 based on contractual undiscounted payments:

In thousands of US Dollars	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
As at 31 December 2024						
Finance guarantee	–	–	–	688,061	–	688,061
Trade payables	826	–	–	–	–	826
Other current liabilities	–	146	–	–	–	146
	826	**146**	**–**	**688,061**	**–**	**689,033**
As at 31 December 2023						
Finance guarantee	–	–	–	636,353	–	636,353
Trade payables	1,011	–	–	–	–	1,011
Other current liabilities	–	74	–	–	–	74
	1,011	**74**	**–**	**636,353**	**–**	**637,438**

Credit risk

Financial instruments, which potentially subject the Company to credit risk, consist primarily of receivables and cash in banks. The maximum exposure to credit risk is represented by the carrying amount of each financial asset. The Company considers that its maximum exposure is reflected by the amount of receivables from shareholders and cash and cash equivalents.

The Company places its US Dollar, British Pound and Euro denominated cash with Citibank which has a credit rating of Aa3 (stable) from Moody's rating agency at 31 December 2024.

Receivables are amounts receivable from Group companies, thus risk of credit default is low, except for the loan receivable from the Trust for which loss allowance has been recognised.

In addition to the direct credit exposures outlined above, the Company has also acted as a guarantor under the Group's SSNs and SUNs. Since the guarantees are issued in favor of the Company's indirect subsidiaries, related costs at initial recognition are capitalised into the investments in subsidiaries. The guarantees could potentially expose the Company to significant financial strain in the event of the default of the SSNs and SUNs.

Fair values of financial instruments

The fair value of the financial assets represents the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The management assessed that its assets and liabilities approximate their carrying amounts largely due to their nature or the short-term maturities of these instruments.

Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

16. Events after the reporting

Stepnoy Leopard FDP Approval

On 3 April 2025, the Ministry of Energy of the Republic of Kazakhstan approved the full-field development plan for the Stepnoy Leopard fields, in which the Group holds an 80% working interest. The plan confirms 138 mmboe of gross 2P reserves and supports phased development with first production targeted between late 2026 and early 2027. This milestone is aligned with the Company's strategy to maximise utilisation of its 4.2 bcma gas processing facilities.

Cancellation of SSNs, SUNs and Ordinary Shares

Pursuant to the terms of the restructuring, which was approved by the court on 26 August 2022, the following post-reporting date events occurred:

- On 4 April 2025, the Company cancelled 4,136,578 ordinary shares of £0.01 each. As a result, the issued share capital now comprises 165,244,983 ordinary shares, each carrying one vote. The Company holds no treasury shares in its own name.
- On 7 April 2025, the Company cancelled 5 628 000 outstanding Senior Secured Notes (SSNs) and 9 629 836 Senior Unsecured Notes (SUNs).

Contact information

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Registered office
Nostrum Oil & Gas PLC
20 Eastbourne Terrace
London W2 6LG
United Kingdom
Tel: +44 20 3740 7430
Registered number: 8717287
Place of registration: England and Wales
VAT GB302 9250 35

Zhaikmunai LLP registered office
Zhaikmunai LLP
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Tel: +7 7112 933900
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Auditor
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Barbican, London
EC2Y 5AU
United Kingdom

Registrar
MUFG Corporate Markets
Central Square
29 Wellington Street
Leeds LS1 4DL
United Kingdom
Tel: +44 371 664 0391

Nostrum Oil & Gas BV
Activity: Holding Company
Registered office and principal place of business:
Anna van Buerenplein 41
Unit nr. 4.09A
2595 DA 's-Gravenhage
The Netherlands
Directors:
Thomas Hartnett
Ulugbek Makhmadiyarov

Nostrum Oil & Gas Coöperatief UA
Activity: Holding Company
Registered office and principal place of business:
Anna van Buerenplein 41
Unit nr. 4.09A
2595 DA 's-Gravenhage
The Netherlands
Directors:
Ulugbek Makhmadiyarov
Thomas Hartnett

Nostrum Oil & Gas Finance BV
Activity: Finance Company
Registered office and principal place of business:
Anna van Buerenplein 41
Unit nr. 4.09A
2595 DA 's-Gravenhage
The Netherlands
Directors:
Ulugbek Makhmadiyarov
Thomas Hartnett

Nostrum Services NV
Activity: Service company
Registered office and principal place of business:
Chaussée de Wavre 20
1360 Perwez
Belgium
Directors:
Thomas Hartnett BV
Ulugbek Makhmadiyarov

Nostrum Associated Investments LLP
Activity: Dormant
Registered office and principal place of business:
43B Karev Street
090000 Uralsk
Republic of Kazakhstan
General Director:
Malika Saudasheva

Nostrum Services Central Asia LLP
Activity: Service company
Registered office and principal place of business:
Building 75/38
Microrayon Aksay 3a
050031 Almaty
Republic of Kazakhstan
General Director:
Michael Wagner

Nostrum Oil & Gas Holding Limited
Activity: Holding company
Registered office and principal place of business:
20 Eastbourne Terrace
London W2 6LG
United Kingdom
Directors:
Ulugbek Makhmadiyarov
Thomas Hartnett

Positiv Invest LLP
Activity: Operating company
Registered office and principal place of business:
Dostyk str., 310/15
Almaty, Republic of Kazakhstan
General Director:
Damir Bastaubayev

Website and electronic communications details

Nostrum's website provides information on the activities of the Company, both regulatory and other, as well as the opportunity to sign up to our mailing list to ensure stakeholders are kept up to date with the most recent information. Please see www.nog.co.uk for more information.

In addition, to reduce our impact on the environment, we encourage all shareholders to opt for electronic shareholder communications, including annual reports and notices of meetings.

Share price information

Exchange	London Stock Exchange
Ticker	NOG.LN
Reuters code	NOGN.L
ISIN code	GB00BQVVS097

Capitalisation-weighted index of FTSE 350 E&P.

Earnings per share (as at 31 December 2024): US$(0.15)/share

Book value per share (as at 31 December 2024): US$(0.55) negative per share

Financial calendar 2025

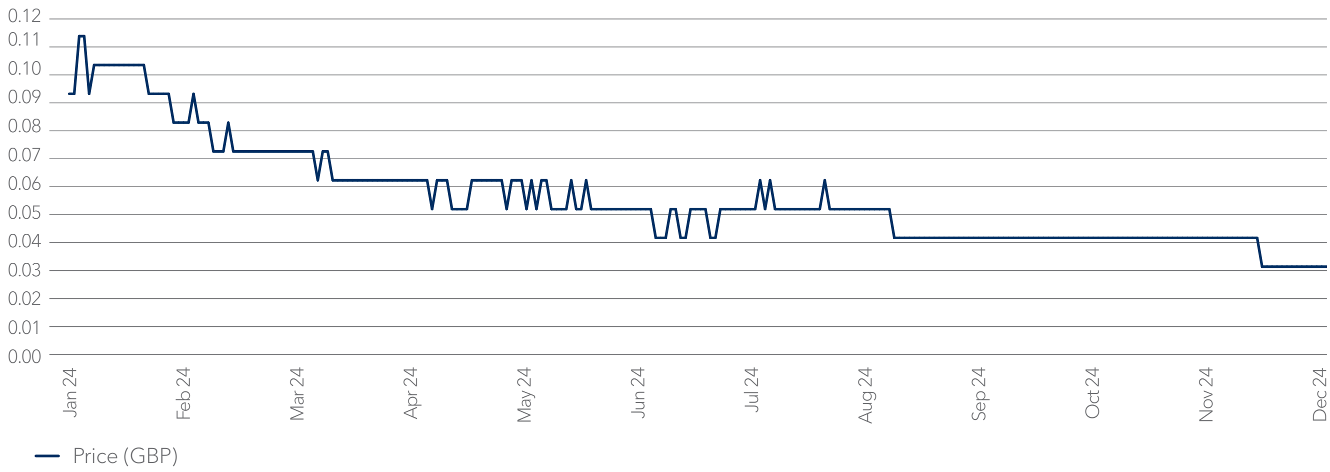
Q1 2025 Operational and Financial results	20 May 2025
H1 2025 Operational and Financial results	19 August 2025
Q3 2025 Operational and Financial results	18 November 2025

Share price performance

Equity financing

Equity raising	Timing	Amount	Lead manager
IPO	March 2008	US$100m	ING Bank NB
Secondary equity issue	September 2009	US$300m	ING Bank NV Mirabaud Securities Renaissance Securities

Nostrum Oil & Gas PLC



Debt financing

Outstanding bond issues as at 31 December 2024 for Nostrum Oil & Gas PLC are detailed in the following table[1]:

Title	Settlement	Maturity	Currency	Amount (m)	Coupon	PIK	Listing		RegS	Rule 144A
SSN	Feb 2023	Jun 2026	US$	250	5.000%	–	TISE	CUSIP	N64884AF1	66978CAF9
								ISIN	USN64884AF16	US66978CAF95
SUN	Feb 2023	Jun 2026	US$	300	1.000%	13.000%	TISE	CUSIP	N64884AE4	66978CAD4
								ISIN	USN64884AE41	US66978CAD48

1. The following cancellations took place on 7 April 2025:

USN64884AF16	5,471,000.00
USN64884AE41	9,354,487.00
US66978CAF95	157,000.00
US66978CAD48	275,349.00

Internally held bond financing of the Nostrum Group

Bond issues wholly owned by Nostrum Oil & Gas Finance BV as at 31 December 2024 are provided in the following table :

Settlement	Maturity	Currency	Amount (m)	Coupon	Listing		RegS	Rule 144A
Feb 2014	Jan 2033	US$	400	9.5%	Dublin/ Almaty	CUSIP	N64884AA2	66978CAA0
						ISIN	USN64884AA29	US66978CAA09
						Common Code	103302323	103302307
Nov 2012	Jun 2033	US$	560	9.5%	Dublin/ Almaty	CUSIP	N97716AA7	98953VAA0
						ISIN	USN97716AA72	US98953VAA08
						Common Code	085313177	085259776

Credit ratings

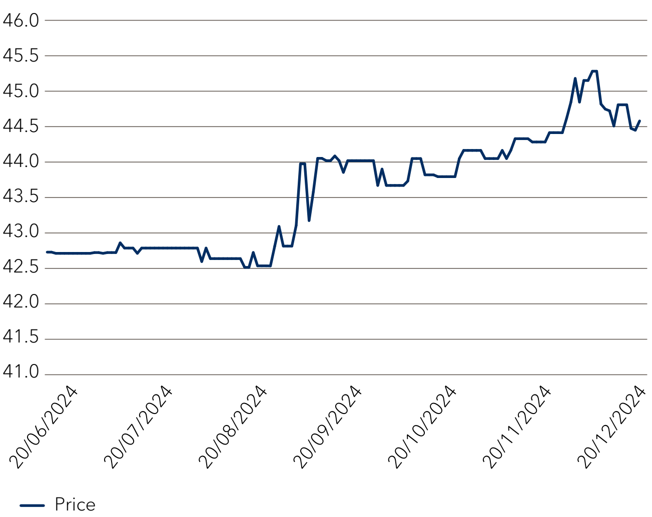
Nostrum Oil & Gas PLC is currently being rated by two credit rating agencies: Standard and Poor's and Moody's Investor Services:

Agency	Rating	Outlook
Standard and Poor's	SD	NM
Moody's	Ca	Negative

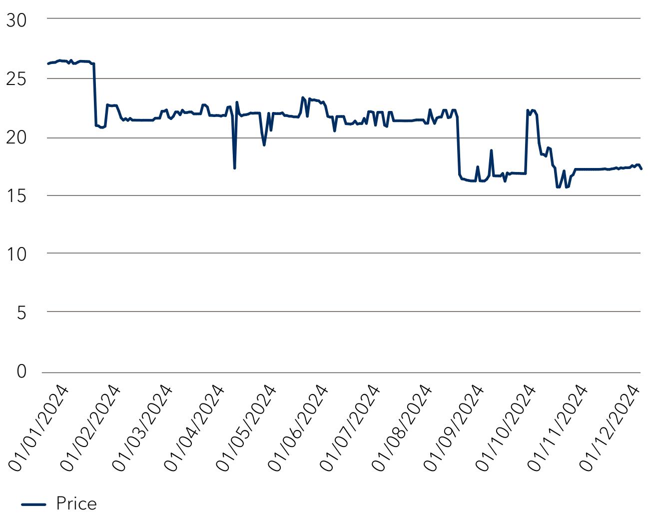
Zhaikmunai LLP is a wholly-owned indirect subsidiary of Nostrum and its equity is not listed, while Nostrum's equity is listed on the standard segment of the London Stock Exchange.

The Group's investor relations programme aims to develop open and transparent communication between the Group (including Zhaikmunai LLP) and its shareholders, providing information about the financial and operational performance of the Company. The Investor Relations department of the Group seeks to ensure all questions received from any of the Group's stakeholders are dealt with in a timely manner based on the underlying principle that the Group is approachable and responsive to any potential queries.

Nostrum Finance BV 5.0% – 30 June 2026



Nostrum Finance BV 14.0% – 30 June 2026



1. The bonds issued in February 2014 were prepaid and delisted in February 2025.

Glossary

2010 Notes	10.500% notes issued in 2010.
2012 Notes	7.125% notes issued in 2012.
2014 Notes	6.375% notes issued in 2014.
2017 Notes	8.000% notes issued in 2017.
2018 Notes	7.000% notes issued in 2018.

A

API	American Petroleum Institute.
API gravity	The industry standard method of expressing specific density of crude oil or other liquid hydrocarbons as recommended by the American Petroleum Institute. Higher API gravities mean lower specific gravity and lighter oils. When the API gravity is greater than 10, the product is lighter and floats on water; when it is less than 10, it is heavier than water and sinks. Generally speaking, oil with an API gravity between 40 and 45 commands the highest prices.
appraisal well	A well or wells drilled to follow up a discovery and evaluate its commercial potential.
associated gas	Gas which occurs in crude oil reservoirs in a gaseous state.

B

barrel/bbl	The standard unit of volume: 1 barrel = 159 litres or 42 US gallons.
basin	A large area holding a thick accumulation of sedimentary rock.
bcm	Billion cubic metres.
Boe	Barrels of (crude) oil equivalent, i.e. the factor used by Nostrum to convert volumes of different hydrocarbon production to barrels of oil equivalent.
Boepd	Barrels of (crude) oil equivalent per day.
Bopd	Barrels of crude oil per day.

C

C1	Methane.
C2	Ethane.
C3	Propane.
C4	Butane.
C5	Pentane.
C6	Hexane.
C7	Heptane.
CAC	A pipeline with two branches originating in Turkmenistan and meeting in Kazakhstan before crossing into Russia and connecting to the Russian pipeline system, with an annual throughput capacity of 60.2 billion cubic metres.
Cash	Cash and cash equivalents, including current and non-current investments.
Casing	Relatively thin-walled, large diameter steel rods that are screwed together to form a casing string, which is run into a core hole or well and cemented in place.
Caspian region	Parts of countries adjacent to the Caspian Sea.
CDP	CDP is an organisation based in the United Kingdom which supports companies in disclosing their environmental impact (formerly known as the Carbon Disclosure Project).
Chinarevskoye field	The Chinarevskoye oil and gas condensate field.
CO_2	Carbon dioxide.
commissioning	Process to assure a facility or plant, such as Nostrum's GTU 3, is tested to verify it functions according to technical objectives and specifications before use.
Competent Authority	The State's central executive agency, designated by the Government to act on behalf of the State to exercise rights relating to the execution and performance of subsoil use contracts, except for contracts for exploration and production of commonly occurring minerals. This is the Ministry of Energy of the Republic of Kazakhstan ("MOE") with respect to the oil and gas industry.
condensate	Hydrocarbons which are gaseous in a reservoir, but which condense to form a liquid as they rise to the surface where the pressure is much less.
contingent resources	Deposits that are estimated, on a given date, to be potentially recoverable from known accumulations but that are not currently considered commercially recoverable.
cost oil	Cost oil denotes an amount of crude oil produced in respect of which the market value is equal to Nostrum's monthly expenses that may be deducted pursuant to the PSA (q.v.) (including all operating costs, exploration costs and development costs up to an annual maximum of 90% of the annual gross realised value of hydrocarbon production).
crude oil	A mixture of liquid hydrocarbons of different molecular weights.

D	
development	During development, engineering teams design the most efficient development options to build wells and associated infrastructure to produce hydrocarbons from a gas field within a proven productive reservoir (as defined by exploration and appraisal activities). The three phases of development are exploration and appraisal, development and production.
downstream	Downstream refers to all petroleum operations occurring after delivery of crude oil or gas to a refinery or fractionation plant.
Development Plans	The development plans approved by the SCFD in March 2009.
Directors or Board	The Directors of the Company.
dry gas	Dry gas is natural gas (methane and ethane) with no significant content of heavier hydrocarbons. It is gaseous at both sub-surface and surface conditions.
E	
E&P	Exploration and production.
EBITDA	Profit before tax + non-recurring expenses + finance costs + foreign exchange loss /(gain) + employee share option adjustments + depreciation – interest income + other expenses / (income).
Environmental Code	The Kazakhstan Environment Code (No. 212, dated 9 January 2007, as amended).
Exploration Permit	The geological allotment (Annex to the Licence) issued by the Competent Authority to Zhaikmunai LLP.
exploration phase	The phase of operations which covers the search for oil or gas by carrying out detailed geological and geophysical surveys, followed up where appropriate by exploratory drilling.
exploration well	Well drilled purely for exploratory (information-gathering) purposes in a particular area.
F	
farm-in	Transfer of a percentage of an oil or gas permit held by the farmor in return for (partial or complete) delivery of the work programme by the farmee(s). Note that this work would normally have had to have been delivered and paid for by the farmor.
farm-out	A contractual agreement with the holder of an oil and gas permit to assign all (or a percentage of) that interest to another party in exchange for delivering the work programme required by the permit, or fulfilling other contractually specified conditions.
FCA	Financial Conduct Authority of the United Kingdom.
FCA Uralsk	Sales made under free carrier terms according to which Nostrum delivers to the terminal in Uralsk and transportation risk and risk of loss are transferred to the buyer after delivery to the carrier.
field	An area consisting of a single reservoir or multiple reservoirs all grouped in or related to the same individual geological structure feature and/or stratigraphic condition.
FOB	Sales made under "free on board" terms.
FSU	Former Soviet Union.
FY 2023	Twelve months ended 31 December 2023.
FY 2024	Twelve months ended 31 December 2024.
G	
G&A	General and administrative expenses.
gas	Petroleum that consists principally of light hydrocarbons. It can be divided into lean gas, primarily methane, but often containing some ethane and smaller quantities of heavier hydrocarbons (also called sales gas), and wet gas, primarily ethane, propane and butane, as well as smaller amounts of heavier hydrocarbons; partially liquid under atmospheric pressure.
gas condensate	The mixture of liquid hydrocarbons that results from condensation of petroleum hydrocarbons existing initially in a gaseous phase in an underground reservoir.
Gas Treatment Facility (GTF)	Facility for the treatment of associated gas and gas condensate resulting in different products (stabilised condensate, LPG and dry gas) for commercial sales. GTU 1 means the first unit of Nostrum's Gas Treatment Facility. GTU 2 means the second unit of Nostrum's Gas Treatment Facility. GTU 3 means the third unit of Nostrum's Gas Treatment Facility.
GDRs	The global depository receipts of Nostrum Oil & Gas LP.
greenhouse gas	A gas that contributes to the greenhouse effect by absorbing infrared radiation, e.g. carbon dioxide.
Group or Company or Nostrum	Nostrum Oil & Gas PLC and, as the context requires, its direct and indirect consolidated subsidiaries.

H

HSE	Health, safety and environment.
hydrocarbons	Compounds formed from the elements hydrogen (H) and carbon (C), which may be in solid, liquid or gaseous form.
hydrocarbon reserves	Hydrocarbon reserves that have been proved, and are referred to as 3P, 2P and 1P depending on the likelihood of commercial production from a given field.

I

IAS	International Accounting Standards.
IFRS	International Financial Reporting Standards.
INED	Independent Non-Executive Director.
IPIECA	International Petroleum Industry Environmental Conservation Association.

J

joint venture	A joint venture is a set of trading entities who have agreed to act in concert to share the cost and rewards of exploring for and producing oil or gas from a permit.
joule	Unit of energy used for measuring gas volumes. megajoules = 106 gigajoules = 109 terrajoules = 1012 petajoules = 1015

K

KASE	Kazakhstan Stock Exchange.
Kazakhstan	The Republic of Kazakhstan.
KazMunaiGas	State-owned oil and gas company of Kazakhstan.
KazMunaiGas Exploration Production ("KMG EP")	Onshore oil and gas exploration production subsidiary of KazMunaiGas.
KazTransOil (KTO) pipeline	A tie-in to the KTO pipeline enables crude oil export sales via the Atyrau-Samara international export pipeline.

L

Licence	Licence series MG No. 253-D (Oil) issued to Zhaikmunai LLP by the Government on 26 May 1997, including amendments.
Licensing Law	The Kazakhstan Law "On Licensing" (No. 214, dated 11 January 2007, as amended, which came into effect on 9 August 2007).
liquids	A sales product in liquid form produced as a result of further processing by the onshore plant; for example, condensate and LPG.
LNG	Liquefied natural gas. Comprises mainly methane.
Listing Rules	The listing rules made by the Financial Services Authority (FSA) under section 73A of the FSMA.
LSE	London Stock Exchange.
LPG	Liquefied petroleum gas, the name given to the mix of propane and butane in its liquid state.
LTIP	Long-term incentive plan.

M

m	Metre(s).
m^3	Cubic metres.
m^3/d	Cubic metres per day.
Man-hour	An hour regarded in terms of the amount of work that can be done by one person within this period.
Mboe	Thousands of barrels of oil equivalent.
Mechanical completion	Final construction or installation phase, after which a facility can undergo commissioning activities.
Mmbbls	Millions of barrels of oil.
Mmboe	Millions of barrels of oil equivalent.
Mmcf	Million cubic feet

N

NBK	National Bank of Kazakhstan.
NED	Non-Executive Director.
Nostrum	Nostrum Oil & Gas PLC, the listed company of the Group.
Nostrum Oil & Gas PLC	Registered Office: 9th Floor 20 Eastbourne Terrace London W2 6LG United Kingdom

O

OPEC	The Organisation of the Petroleum Exporting Countries.
operator	The individual or company responsible for conducting oil and gas exploration, development and production activities on an oil and gas lease or concession on its own behalf and/or if applicable, for other working interest owners, generally pursuant to the terms of a joint operating agreement or comparable agreement.

P

Partnership	Nostrum Oil & Gas LP, which was the holding company of the Group before the reorganisation.
PCR testing	Polymerase chain reaction testing, a test for COVID-19.
petroleum	Hydrocarbons, whether solid, liquid or gaseous. The proportion of different compounds in a petroleum find varies from discovery to discovery. If a reservoir primarily contains light hydrocarbons, it is described as a gas field. If heavier hydrocarbons predominate, it is called an oil field. An oil field may feature free gas above the oil and contain a quantity of light hydrocarbons, also called associated gas.
Possible Reserves (3P)	Possible Reserves are those reserves that, to a low degree of certainty (10% confidence), are recoverable. There is relatively high risk associated with these reserves. Proven, Probable and Possible Reserves are referred to as 3P.
Probable Reserves (2P)	Probable Reserves are those reserves that analysis of geological and engineering data suggests are more likely than not to be recoverable. There is at least a 50% probability that reserves recovered will exceed Probable Reserves. Proven plus Probable Reserves are referred to as 2P.
processing	Processing of saleable product from hydrocarbons sourced from oil wells and gas wells.
Production Permit	The mining allotment (Annex to the Licence), issued by the Competent Authority to Zhaikmunai LLP.
production well	A well that has been drilled for producing oil or gas, or one that is capable of production once the producing structure and characteristics are determined.
Profit oil	Profit oil is the difference between cost oil and the total amount of crude oil produced each month, which is shared between the State and Zhaikmunai LLP.
Prospective resources	Quantities of petroleum which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations.
Proven Reserves (1P)	Proven or Proved Reserves (1P) are those reserves that, to a high degree of certainty (90% confidence), are recoverable. There is relatively little risk associated with these reserves. Proven Developed Reserves are reserves that can be recovered from existing wells with existing infrastructure and operating methods. Proven Undeveloped Reserves require development.
PRMS	2007 Petroleum Resources Management System, which is a set of definitions and guidelines designed to provide a common reference for the international petroleum industry, sponsored by the Society for Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council and the Society for Petroleum Evaluation Engineers.
Production Sharing Agreement (PSA)	The contract for additional exploration, production and production sharing of crude oil hydrocarbons in the Chinarevskoye oil and gas condensate field in the West-Kazakhstan oblast No. 81, dated October 31 1997, as amended, between Zhaikmunai LLP and the Competent Authority (currently MOE), representing the State.
PSA Law	Kazakhstan Law No. 68-III “On Production Sharing Agreements for Constructing Offshore Petroleum Operations”, dated 8 July 2005.

Q

QHSE	Quality, Health, Safety and the Environment.

R

recovery	The second stage of hydrocarbon production during which an external fluid such as water or gas is injected into the reservoir to maintain reservoir pressure and displace hydrocarbons towards the wellbore.
Reservoir	A porous and permeable underground formation containing a natural accumulation of producible oil and/or gas that is confined by impermeable rock or water barriers, and is individual and separate from other reservoirs.
RoK	Republic of Kazakhstan.
Royalty	An interest in an oil and gas property entitling the owner to a share of oil or gas production free of costs of production.

S

sales gas	Natural gas that has been processed by gas plant facilities and meets the required specifications under gas sales agreements.
seismic	The use of shock waves generated by controlled explosions of dynamite or other means to ascertain the nature and contours of underground geological structures.
shut in	Cease production from a well.
side-track well	A well or borehole that runs partly to one side of the original line of drilling.
SL fields	Stepnoy Leopard fields
social infrastructure	Assets that accommodate social services, e.g. hospitals, schools, community housing etc.
spud	The commencement of drilling operations.
stakeholder	A person or entity who may affect, be affected by or perceive themselves to be affected by an entity's decisions or activities.
State	Republic of Kazakhstan.
State share	The share of hydrocarbon production due (in cash or kind) to the Republic of Kazakhstan under the PSA (q.v.).
Suspended well	A suspended well is not currently used for assessment or production and has been shut in. It will either be returned to assessment or production, or will be plugged and abandoned.

T

TCFD	Task Force on Climate-related Financial Disclosures.
TISE	The International Stock Exchange
tenge or KZT	The lawful currency of the Republic of Kazakhstan.
tonne	Metric tonne.
trillion	10 to the power of 12.

U

UNGG	Refers to the Uralsk Oil and Gas Explorations Expedition. The Government of the Kazakh Soviet Socialist Republic decided in March 1960 to create a consortium "Uralskneftegazrazvedka" for conducting oil and gas exploration in the Uralsk region. In the 1960s, the consortium was involved in more than 59 exploration projects. In 1970, the consortium was renamed "Uralsk Enlarged Oil-Gas Exploration Expedition".
UK Corporate Governance Code	Set of principles of good corporate governance for listed companies promulgated by the UK Financial Reporting Council.
Ural O&G	Ural Oil&Gas LLP

W

well	A hole drilled to test an unknown reservoir or to produce from a known reservoir.
wellhead	The wellhead includes the forged or cast steel fitting on top of a well (welded or bolted to the top of the surface casing), as well as casingheads, tubingheads, Christmas tree, stuffing box and pressure gauges.
work programme	A schedule of works agreed between parties (permit holders, farmees and government) contracted to be delivered in a defined timeframe.
workover	Routine maintenance or remedial operations on a producing well in order to maintain, restore or increase production.
WUP or Water Use Permit	The permit granted by the relevant government authority with respect to water use pursuant to the Water Code.

Z

Zhaikmunai LLP	Principal operating entity of the Group Corporate office: 43/1 Karev str. Uralsk, 090000 Republic of Kazakhstan

GRI content index

GRI standard	Disclosure	GRI sector standard ref. No.	Location	Page
GRI 2: General Disclosures	2-1 Organizational details			
	2-2 Entities included in the organization's sustainability reporting			
	2-3 Reporting period, frequency and contact point			
	2-6 Activities, value chain and other business relationships		Strategic report – Creating value for our stakeholders Strategic report – Our products Strategic report – Showcasing our infrastructure	6-7 24-25 32-33
	2-7 Employees		ESG review – Empowering our people	63
	2-8 Workers who are not employees		ESG review – Contractors	57
	2-9 Governance structure and composition		Corporate governance – Board of Directors Corporate Governance – Our Governance framework	90-91 96
	2-10 Nomination and selection of the highest governance body		Corporate governance – Nomination and Governance Committee report	106
	2-11 Chair of the highest governance body		Corporate Governance – Our Governance framework	96
	2-12 Role of the highest governance body in overseeing the management of impacts			
	2-13 Delegation of responsibility for managing impacts		Strategic report – Climate-related Financial Disclosures	79
	2-14 Role of the highest governance body in sustainability reporting		Strategic report – Climate-related Financial Disclosures	79
	2-15 Conflicts of interest		Our governance framework – Conflicts of interest	98
	2-16 Communication of critical concerns			
	2-17 Collective knowledge of the highest governance body			
	2-18 Evaluation of the performance of the highest governance body			
	2-19 Remuneration policies		Remuneration Committee report – Statement from the Remuneration Committee Chairman	107-108
	2-20 Process to determine remuneration			
	2-21 Annual total compensation ratio			
	2-22 Statement on sustainable development strategy			
	2-23 Policy commitments		Corporate Governance – Board policies and governance arrangements; Corporate Governance – Bribery, corruption and whistleblowing; Our people – Human Rights Policy: Our people – Modern Slavery Act Statement	91 98 66 66
	2-24 Embedding policy commitments			
	2-25 Processes to remediate negative impacts		Health and safety – Emergency response and accidents preparatory activities; Health and safety – Oil spill prevention	59 60
	2-26 Mechanisms for seeking advice and raising concerns		Our people – Workforce representation	66
	2-27 Compliance with laws and regulations			
	2-28 Membership associations			
	2-29 Approach to stakeholder engagement		Stakeholder engagement – Understanding our stakeholders	20-21
	2-30 Collective bargaining agreements			

GRI CONTENT INDEX

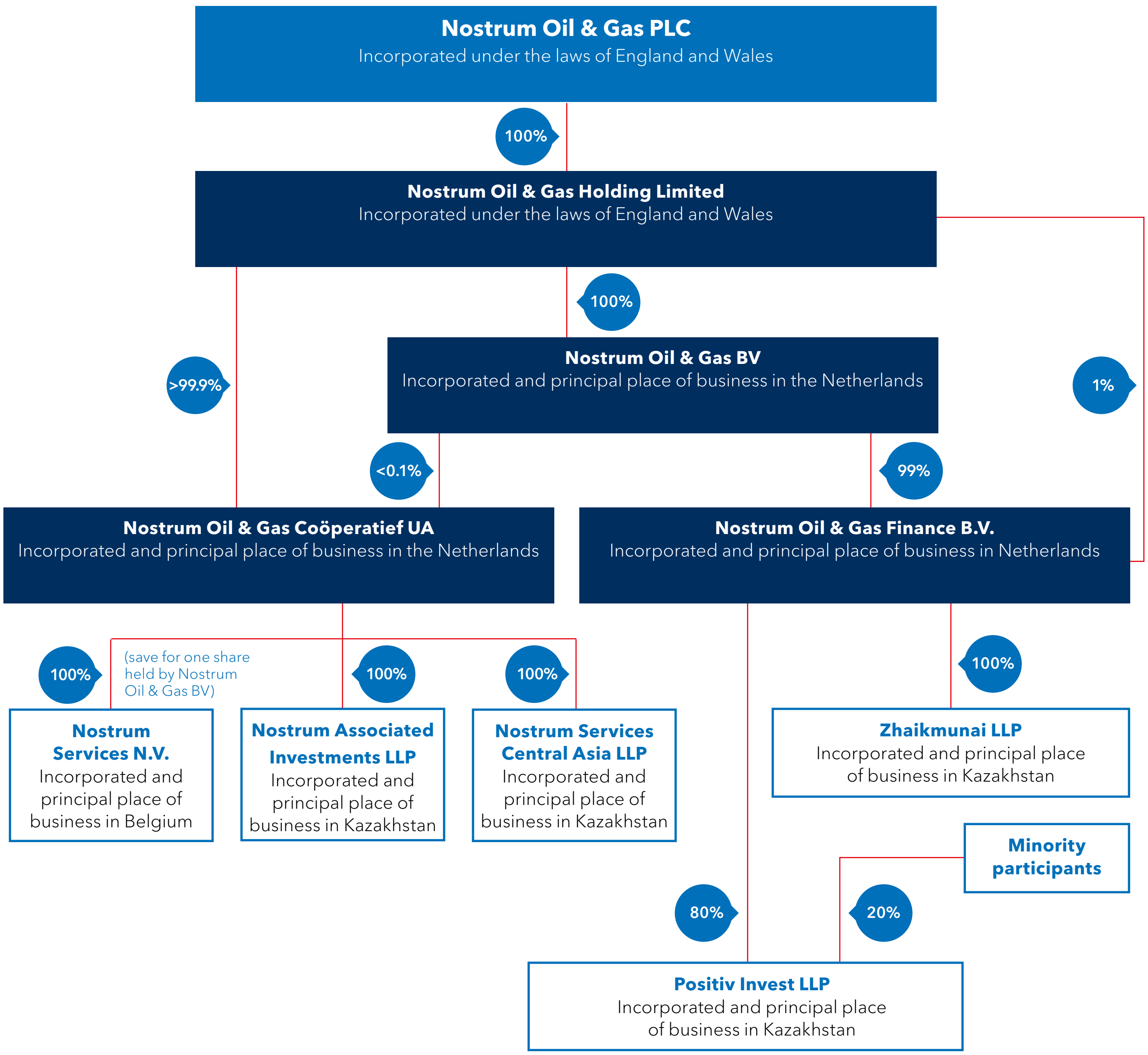
GRI standard	Disclosure	GRI sector standard ref. No.	Location	Page
GRI 3: Material Topics	3-1 Process to determine material topics		ESG review – Material ESG topics	54-55
	3-2 List of material topics			
	3-3 Management of material topics			
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	11.14.2, 11.21.2	Strategic report – Financial review	45-51
	201-2 Financial implications and other risks and opportunities due to climate change	11.2.2	Strategic report – Climate-related Financial Disclosures	79
	201-3 Defined benefit plan obligations and other retirement plans			
	201-4 Financial assistance received from government	11.21.3		
GRI 202: Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage			
	202-2 Proportion of senior management hired from the local community	11.14.3		
GRI 203-1: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	11.14.4	ESG review – Social responsibility	67-68
	203-2 Significant indirect economic impacts	11.14.5	Stakeholder engagement – Understanding our stakeholders	20-21
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	11.14.6	Social Responsibility – Economic responsibility: Spend with local suppliers	68
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	11.20.2	Corporate Governance – Bribery, corruption and whistleblowing Risk management – Principal risks and uncertainties – Other Risks	98 42
	205-2 Communication and training about anti-corruption policies and procedures	11.20.3	Corporate Governance – Bribery, corruption and whistleblowing	98
	205-3 Confirmed incidents of corruption and actions taken	11.20.4	Corporate Governance – Bribery, corruption and whistleblowing	98
GRI 207: Tax	207-4 Country-by-country reporting	11.21.7	Strategic report – Financial review Social Responsibility – Civil duty: Payment to governments	45-51 68
GRI 302: Energy	302-1 Energy consumption within the organization	11.1.2	Environmental stewardship – Renewable energy use	74
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	11.6.2	Environmental stewardship – Waste, water and soil management	73
	303-2 Management of water discharge related impacts	11.6.3	Environmental stewardship – Waste, water and soil management	73
	303-3 Water withdrawal	11.6.4	Environmental stewardship – Waste, water and soil management	73
	303-4 Water discharge	11.6.5	Environmental stewardship – Waste, water and soil management	74
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	11.1.5	Environmental stewardship – GHG emissions reporting approach Environmental stewardship – GHG emission result	70 75-76
	305-2 Energy indirect (Scope 2) GHG emissions	11.1.6	Environmental stewardship – GHG emissions reporting approach Environmental stewardship – GHG emission results	70 75-76
	305-3 Other indirect (Scope 3) GHG emissions	11.1.7	Environmental stewardship – GHG emission results	75-76
	305-4 GHG emissions intensity	11.1.8	Environmental stewardship – GHG emission results	75
	305-5 Reduction of GHG emissions	11.2.3	Environmental stewardship – Current and future GHG reduction initiatives	71-72
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	11.3.2	Environmental stewardship – Climate change	69

GRI standard	Disclosure	GRI sector standard ref. No.	Location	Page
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	11.5.2	Environmental stewardship – Waste, water and soil management	72
	306-2 Management of significant waste related impacts	11.5.3	Environmental stewardship – Waste, water and soil management	72
	306-3 Waste generated	11.5.4	Environmental stewardship – Waste, water and soil management	72
	306-4. Waste diverted from disposal	11.5.5	Environmental stewardship – Waste, water and soil management	73
	306-5 Waste directed to disposal	11.5.6	Environmental stewardship – Waste, water and soil management	73
GRI 401: Employment	401-1 New employee hires and employee turnover	11.10.2	Empowering our people – Hiring and staff turnover	66
	401-2 Benefits provided to full-time employees that are not provided to temporary or part time employees	11.10.3	Empowering our people –Employee relations and social guarantees	64
	401-3 Parental leave	11.10.4, 11.11.3	Empowering our people –Strength through diversity	62
GRI 403: Occupational Health and Safety	403-2 Hazard identification, risk assessment, and incident investigation	11.9.3	Safe operations – Risk Management Safe operations – Incidence rates and investigation	57 58
	403-3 Occupational health services	11.9.4	Safe operations – Golden Rules Safe operations – Process safety	58 59
	403-5 Worker training on occupational health and safety	11.9.6	Safe operations – In-house HSE training and examination process	59
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	11.9.8	Safe operations – Process safety	59
	403-9 Work-related injuries	11.9.10	Safe operations – Safety Culture	56
GRI 404: Training and Education	404-2 Programmes for upgrading employee skills and transition assistance programmes	11.7.3, 11.10.7	Empowering our people – Employee well-being, education and training	65
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	11.11.5	Empowering our people – Strength through diversity Our governance framework – Equality and diversity	62-63 97
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor		Empowering our people – Modern Slavery Act Statement	66
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	11.12.2	Empowering our people – Modern Slavery Act Statement	66
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programmes	11.15.2	ESG review – Social responsibility	67-68
GRI 415: Public Policy	415-1 Political contributions	11.22.2	Directors' report – Political donations	125-126

Additional disclosures				
GRI: Effluents and Waste	206-3 Significant spills	11.8.2	Health and safety – Oil spill prevention	60

Nostrum Group structure chart

as at 31 December 2024



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