29 September 2017

Nostra Terra Oil and Gas Company plc
("Nostra Terra" or the "Company")

Interim Results

Nostra Terra (AIM:NTOG), the oil and gas exploration and production company with a portfolio of assets in the USA and Egypt, is pleased to announce its unaudited results for the six month period ended 30 June 2017.

Highlights:

- Fourfold (313%) increase in revenue for the period to £549,000 (30 June 2016: £133,000)
- Gross profit for operations (before non-cash items of depreciation and amortization) for the period of £163,000 (30 June 2016: £60,000)
- Net proven (1P) oil reserves of 522,000 barrels (at April 2017)
    - 326,000 barrels of oil at Pine Mills
    - 196,000 barrels of oil across Permian Basin assets
- Total NPV10 valuation assigned to the Company's Texas assets of US$5.07million (at April 2017)
    - US$4.03million NPV10 valuation assigned to Nostra Terra's 100% Working Interest in Pine Mills
    - US$1.04million NPV10 valuation assigned to Nostra Terra's Permian Basin assets;
- Pine Mills production over period of 97 barrels of oil per day (gross)
- Nostra Terra is the first operator in the past 3 years to operate the Pine Mills oilfield profitably
- Increased footprint in the Permian Basin for future development
- Acquired further 25% interest in East Ghazalat (now own 50% interest in concession)
- Strengthened the board with the appointment of technical director John Stafford
- Acquired 204,226,748 shares in Magnolia Petroleum Plc (AIM:MAGP) at a 47% discount to the prevailing price

Post-period events:

- Confirmed 100% Working Interest in Pine Mills, effective 01 November 2016
- Secured hedging facility with BP Energy Company, which can help in accessing capital for the Company.

Chairman's report

Our new strategy at Nostra Terra is founded on two key principles. First, we have sought to secure producing oil assets which we can operate and add value to. Second, we have aimed to increase our proven (1P) oil reserves while still in this low oil price environment.

In the first half of 2017, we successfully reached a number of key milestones in delivering these strategic goals. We confirmed the Company's current proven (1P) reserves of 522,000 barrels of oil (US only) through a bankable, independent reserves report, and we increased our footprint in the Permian Basin and Egypt for future development. Nostra Terra also increased stabilised oil production at Pine Mills generating free cash flow and delivering an operating profit of £163,000 for the period (before non-cash items of depreciation and amortization).

For a company in Nostra Terra's position, in this persistently weak market for oil & gas, we have achieved a great deal working with limited resources. Although the market has largely failed to recognise the progress we've made, at the corporate level our improved performance is yielding tangible results. This is represented in the figures we now present, with the highlight being the fourfold increase in revenue (£549,000 for the period).

Further progress for the year came three days before the release of this interim report, when we secured a hedging facility for future oil production with BP Energy Company, part of the BP plc group. This represents a significant step forward for Nostra Terra and takes the Company much closer to accessing non-dilutive working capital to fund future growth.

It is rare for an internationally recognised business such as BP Energy Company to work with a company as small as Nostra Terra. As happy as we are to have received such a strong endorsement for the long-term viability of our strategy, we will use the hedging facility prudently. This facility opens up a great deal of potential for the Company, both to increase production significantly across our portfolio and to assist with future acquisitions. This could mark the beginning of an exciting phase of growth for the Company.

Nostra Terra is now also well positioned to negotiate with additional senior lending facility providers. Our next immediate goal is to secure as favourable a funding package as we are able. We are in discussions with a number of providers and will provide an update when we can.

With respect to our investment in Magnolia Petroleum (AIM:MAGP), we identified an opportunity where we believed our involvement would add significant value both to that company and to Nostra Terra. In response to the requisition for a General Meeting to seek change to Magnolia's board, Magnolia's existing directors chose to complete a highly dilutive deal, which we believe added precious little in terms of value to that company and was unfortunate for Magnolia's shareholders. Our aim is to exit our position, but as we paid significantly less than the current market price for the stock, we are in no particular hurry to sell and our expectation is we should be able to generate a profit for Nostra Terra.

In Egypt we continue to work hard behind the scenes to resolve the legacy issues relating to East Ghazalat. There remains a lot to be excited about in this asset, but the situation is complex. We have had productive dialogue and we hope the recent board visit to our partners in Egypt will lead to a mutually beneficial resolution for all stakeholders.

Finally, I would like to mention our appointment of John Stafford to the board of directors. John joined Nostra Terra in February and brought with him a wealth of technical experience, which has strengthened the Company's management. John has already provided a great deal of support in managing our various assets and I am sure he will play an active role in any future acquisitions we might make.

The future for Nostra Terra now looks brighter than at any point since I joined the Company. The progress we are making is accelerating and I expect this will soon be reflected in our valuation.

Ewen Ainsworth
Chairman
29 September 2017

Chief Executive Officer's report

In tough market conditions we have proved our ability to identify, negotiate for, acquire and improve existing producing oil assets. We set out to restructure the Company so that it makes money below $30 oil prices, while remaining well positioned to profit substantially from any improvement in the market. This has been my most important personal goal for Nostra Terra and I am very happy that this interim report reflects the success we've had this year.

Our increasingly established track record of profitable operations opens up significant additional opportunity for Nostra Terra, including the acquisition of larger assets. I believe we are on the cusp of realizing this ambition.

Since we started our turnaround strategy I've believed in the calibre of our operational team, the quality of our board and our ability to identify the right deals for the Company. The figures we present below are a testament to of all this.

During the first half of 2017 we delivered a fourfold increase in revenue to £549,000 and generated an operating profit of £163,000 (before non-cash items of depreciation and amortization). At the same time we increased Nostra Terra's proven (1P) reserves to 522,000 barrels of oil in the US (April 2017), through pursuing an effective acquisition strategy.

While many companies focus on exploration, our primary focus at Nostra Terra is acquiring and developing existing producing assets with further room for growth. As such we are very driven by cash flow and economics. Industry professionals recognise the value of this, which is why we have recently been able to secure a hedging facility with BP Energy Company.

In order to hedge production not only does a company need to have stable producing assets that generate positive cash flow, they also need a track successful record of performance. At Pine Mills we are the first operator in the past 3 years to have operated the oil field profitably, and have done so every month since taking over ownership and operations. While we focussed on securing the 100% Working Interest in Pine Mills, our operational team continued to make improvements so we could prove our model worked and our production could be relied on.

In addition to this we have been acquiring multiple leases in a shallow, conventional area of the Permian Basin. The primary goal here has been to acquire low-risk reserves that can be exploited once we see fit. We have more than a dozen locations for new wells lined up and ready to exploit. We plan on using the new hedging facility with BP Energy Company alongside a senior facility to unlock further value, and grow our production and reserves in this prolific area. I see great scope for improvement on the US$1.04million NPV10 valuation at April 2017 of our assets here, potentially even surpassing the US$4.03million NPV10 valuation assigned to Pine Mills (April 2017). With the possibility of further acquisitions in the region, I have high expectations for our growth in the Permian Basin as we move into 2018.

During the period we also acquired a further 25% in the East Ghazalat concession in Egypt, increasing our stake to 50%. Our aim here is to create value through solving the legacy issues caused by a former partner, but the situation is complex. Nostra Terra has continued to be restricted in terms of information received and what it has been able to announce but we are hopeful that we will reach a resolution to these issues before the end of the year. While we acquired the additional interest at a very good price, reflecting the current state of the asset, Nostra Terra has done so without any additional capital. Payments to the seller are only made at stages once success is achieved.

There is no denying the last few years have been difficult for Nostra Terra, but this interim report shows in black and white the progress we have made. We could not have done this without the support of our shareholders and I want to thank all those who have supported us and backed the Company. I hope their patience will soon be well rewarded and I look forward to providing further updates as we increase the growth rate further from here.

Matt Lofgran
Chief Executive Officer
29 September 2017

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

For further information, visit www.ntog.co.uk or contact:

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Nostra Terra Oil and Gas Company plc

Consolidated income statement
for the six months ended 30 June 2017

	Note	Six months to 30 June 2017 Unaudited £'000s	Six months to 30 June 2016 Unaudited £'000s	Year to 31 December 2016 Audited £'000s
Revenue		549	133	282
Cost of sales				
Production costs		(386)	(73)	(130)
Abortive acquisition costs		-	-	(618)
Well impairment		-	-	(1,855)
Depletion, depreciation, amortisation		(59)	(316)	(445)
Total cost of sales		(445)	(389)	(3,048)
GROSS PROFIT/(LOSS)		104	(256)	(2,766)
Share based payment		-	-	154
Administrative expenses		(472)	(222)	(760)
Share of results of joint venture		-	(314)	(162)
OPERATING LOSS		(368)	(792)	(3,534)
Other income		10	4	967
Finance expense		(66)	(16)	(324)
LOSS BEFORE TAX		(424)	(804)	(2,891)
Tax (expense) recovery		-	-	-
LOSS FOR THE PERIOD		(424)	(804)	(2,891)
Attributed to:				
Owners of the company		(424)	(804)	(2,891)
Earnings per share expressed in pence per share:				
Continued operations				
Basic and diluted (pence)	3	(0.401p)	(1.079p)	(3.416)

The Company’s operating loss arose from continuing operations.

There were no recognised gains or losses other than those recognised in the income statement above.

Nostra Terra Oil and Gas Company plc

Consolidated statement of comprehensive income
for the six months ended 30 June 2017

	Six months to 30 June 2017 Unaudited £'000s	Six months to 30 June 2016 Unaudited £'000s	Year to 31 December 2016 Audited £'000s
LOSS FOR THE YEAR	(424)	(804)	(2,891)
Other comprehensive income:			
Currency translation differences	(34)	(177)	262
Total comprehensive income for the period	(458)	(627)	(2,629)
Total comprehensive income attributable to:			
Owners of the company	(458)	(627)	(2,629)

Nostra Terra Oil and Gas Company plc

Consolidated statement of financial position as at 30 June 2017

	Note	As at 30 June 2017 Unaudited £'000s	As at 30 June 2016 Unaudited £'000s	As at 31 December 2016 Audited £'000s
ASSETS				
NON-CURRENT ASSETS				
Goodwill		-	-	-
Other intangibles		998	2,012	1,036
Property, plant, and equipment				
- oil and gas assets		248	237	202
Other assets		165	-	41
Investment in joint venture		1	(125)	1
		1,412	2,124	1,280
CURRENT ASSETS				
Assets held for resale		-	1,374	-
Trade and other receivables		421	291	439
Cash and cash equivalents		94	11	172
		515	1,676	611
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables		661	383	791
Borrowings		946	1,282	788
		1,607	1,665	1,579
NET CURRENT LIABILITIES		(1,092)	11	(968)
NON-CURRENT LIABILITIES				
Other loans		-	387	-
NET ASSETS		320	1,748	312
EQUITY AND RESERVES				
Share capital	6	4,149	3,666	4,124
Share premium		11,763	11,060	11,322
Translation reserve		164	113	198
Share option reserve		11	165	11
Retained losses		(15,767)	(13,256)	(15,343)
		320	1,748	312

Nostra Terra Oil and Gas Company plc

Consolidated cash flow statement
For the six months ended 30 June 2017

	Note	Six months to 30 June 2017 Unaudited £'000	Six months to 30 June 2016 Unaudited £'000	Year to31 December 2016 Audited £'000
Cash flows from operating activities				
Cash generated/(consumed) by operations	4	(543)	(300)	(567)
Interest paid		(35)	(11)	(175)
Cash generated/(consumed) by operations		(578)	(311)	(742)
Cash flows from investing activities				
Purchase of intangibles - new oil properties		(39)	(4)	(987)
Sales/(purchases) of plant and equipment		(81)	(1)	(156)
Proceeds from sale of assets		-	-	2,431
Net cash from investing activities		(120)	(5)	1,288
Cash flows from financing activities				
Proceeds on issue of shares		466	306	600
Repayment of borrowings		(108)	(162)	(2,850)
New borrowing		286	-	1,286
Net cash from financing activities		644	144	(964)
Effect of exchange rate changes on cash and cash equivalents		(24)	39	446
Increase/(decrease) in cash and cash equivalents		(78)	(133)	28
Cash and cash equivalents at the beginning of the period		172	144	144
Cash and cash equivalents at the end of the period		94	11	172
Represented by:				
Cash at bank		94	11	172

Nostra Terra Oil and Gas Company plc

Consolidated statement of changes in equity
For the six months ended 30 June 2017

	As at 30 June 2017 £'000	**As at 30 June 2016 £'000**	**As at 31 December 2016 £'000**
As at beginning of period	312	2,069	2,069
Other comprehensive income	(34)	177	262
Loss for the period	(424)	(804)	(2,891)
Share based payments	-	-	(154)
Issue of share capital net of expenses	466	306	1,026
As at end of period	320	1,748	312

Nostra Terra Oil and Gas Company plc

Notes to the interim report
For the six months ended 30 June 2017

1. General Information

Nostra Terra Oil and Gas Company plc (Nostra Terra) is a public limited company incorporated in England and Wales (registration number 05338258) and quoted on the AIM market of the of the London Stock Exchange (ticker: NTOG). The address of the registered office is Finsgate, 5-7 Cranwood Street, London, EC1V 9EE.

The Company's principal activity continues to be that of the exploitation of hydrocarbon resources focusing at present in the USA and Egypt.

2. Basis of Preparation

The financial information in these interim results is that of the Company and all of its subsidiaries (together referred to as the "Group"). It has been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards (IFRSs) as adopted for use in the European Union. The accounting policies applied by the Group in this financial information are the same as those applied by the Group in its financial statements for the year ended 31 December 2016 and which will form the basis of the 2017 financial statements except for a number of new and amended standards which have become effective since the beginning of the previous financial year. These new and amended standards are not expected to have a material effect on the 2017 financial statement of the Group.

The financial information presented herein does not constitute full statutory accounts under Section 434 of the Companies Act 2006 and was not subject to a formal review by the auditors. The financial information in respect of the year ended 31 December 2016 has been extracted from the statutory accounts which have been delivered to the Registrar of Companies. The Group's Independent Auditor's report on those accounts was qualified as a result of the Auditor's inability to obtain sufficient and appropriate audit evidence in relation to the Group's investments in its equity-accounted joint venture, Independent Resources (Egypt) Limited. The report also drew attention to the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern by way of an Emphasis of Matter paragraph. The report did not contain a statement under Section 498 (2) or 498(3) of the Companies Act 2006.

The financial information for the half years ended 30 June 2017 and 30 June 2016 is unaudited and the twelve months to 31 December 2016 is audited. This interim financial report does not fully comply with IAS 34 "Interim Financial Reporting", which is not currently required to be applied by AIM companies.

The financial statements have been prepared under the historical cost convention, are presented in pounds sterling and all values are rounded to the nearest £1,000 except where indicated otherwise.
Copies of this interim report are available from the Company at its registered office at Finsgate, 5-7 Cranwood Street, London EC1V 9EE. The interim report will also be available on the Company's website www.ntog.co.uk in accordance with Rule 26 of the AIM Rules for Companies.

3. Loss per share

The calculation of earnings per ordinary share is based on earnings after tax and the weighted average number of ordinary shares in issue during the period. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The group had two classes of dilutive potential ordinary shares, being those share options granted to employees and suppliers where the exercise price is less than the average market price of the group's ordinary shares during the year, and warrants granted to directors and one former adviser.

	Six months to 30 June 2017 Unaudited	Six months to 30 June 2016 Unaudited	Year to 31 December 2016 Audited
Loss per ordinary shareholders (£000)			
Basic and diluted	(0.401p)	(1.079p)	(3.416p)

The loss per ordinary share is based on the Company's loss for the period of £424,000 (30 June 2016 - £804,000; 31 December 2016 - £2,891,000) and basic weighted average number of ordinary shares in issue of 105,566,771 (30 June 2016 – 74,491,865; 31 December 2016 – 84,623,219).

Given the Company's loss for the period, the diluted loss per share is the same as the basic loss per share.

4. Reconciliation of operating loss to net cash outflow from operating activities.

	Six months to 30 June 2017 Unaudited £'000s	Six months to 30 June 2016 Unaudited £'000s	Year to 31 December 2016 Audited £'000s
Operating loss for the period	(368)	(792)	(3,534)
Adjustments for:			
Depreciation of property, plant, and equipment	25	56	93
Amortization of intangibles	25	260	352
Accretion expense	7	-	-
Well impairment	-	-	1,855
Share based payment	-	-	(154)
Other non-cash movements	19	-	6
Abortive acquisition costs	-	-	426
Share of results from joint venture	-	314	162
Operating cash flows before movements in working capital	(292)	(162)	(794)
(Decrease)/increase in finance charge provision	(20)	-	99
(Increase)/decrease in receivables	3	(77)	(268)
(Increase)/decrease in other assets	(127)	(47)	(41)
(Decrease)/increase in payables	(102)	(16)	418
(Increase)/decrease in deposits and prepayments	(5)	2	5
(Decrease)/increase in translation reserves	-	-	262
Borrowings written off	-	-	(248)
Cash generated/(consumed) by operating activities	(543)	(300)	(567)

5. Segmental analysis

In the opinion of the directors, the Group has one class of business, being the exploitation of hydrocarbon resources.

The Group's primary reporting format is determined by geographical segment according to the location of the hydrocarbon assets.

6. Share Capital

The issued share capital as at 30 June 2017 was 120,566,771 ordinary shares of 1p each following the share capital reorganization completed in May 2016. The issued share capital as at 31 December 2016 and 30 June 2016 was 95,566,771 and 82,206,954 ordinary shares of 1p each, respectively.

7. Events arising after the balance sheet date

On 6 September 2017, the Company acquired full ownership of the Pine Mills asset adding additional reserves, effective date of 1 November 2016.

- As previously announced, Nostra Terra has a non-appealable Court Judgement against Hammerhead Management Partners ("Hammerhead") (the "Court Judgement") from GFP Texas, the previous majority owner of Pine Mills. This Court Judgement stood at $450,246 and was secured by Hammerhead's ownership of a 12.5% working interest in Pine Mills. On 5 September 2017, an auction was held for the sale of the 12.5% stake in Pine Mills. As a result of the auction Nostra Terra now has full ownership of the 100% working interest in Pine Mills.

- Additionally Hammerhead owes Nostra Terra a further US$594,031 (plus accruing interest), which is comprised of the outstanding balance of the original Court Judgement and a second trade payable. Nostra Terra will continue to take action against Hammerhead to recover this amount.

- On 5 April 2017, Nostra Terra published the result of the Company's Texas Assets Independent Reserves Report ("the Reserves Report"). Nostra Terra commissioned the Reserves Report to act as a bankable assessment of the Company's oil-producing assets to enable it to access hedging facilities against future oil production.

- The Reserves Report originally assigned a US$3.53million NPV10 valuation to the Company's then 87.5% stake in Pine Mills and identified 1P Reserves of 285Mbbl attributable to Nostra Terra. As a result of yesterday's auction, Nostra Terra NPV10 valuation is now increased to US$4.03million, based upon its 100% Working Interest in Pine Mills comprising of 326Mbbl of 1P Reserves.

On 6 September 2017, the Company announced the completion of the settlement of the acquisition of Magnolia Shares that was previously announced on 26 May 2017.

On 26 Sep 2017, announce it secured a hedging facility with BP Energy Company ("the hedging facility"), part of the BP plc group.

- Nostra Terra intends to use the hedging facility in conjunction with a senior debt facility to fund development of the Company's assets. The hedging facility can be used for price protection, enabling Nostra Terra to access greater working capital in a non-dilutive manner.

- Nostra Terra currently has a $25,000,000 senior facility, which is in good standing, with Texas Capital Bank. The Company is also currently in discussions with a number of additional providers to ensure it obtains the best lending terms.