28 September 2018

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 2018.

Highlights:

- 50% increase in revenue for the period to £823,000 (30 June 2017: £549,000)
- Gross profit for operations (before non-cash items of depreciation and amortization) for the period of £258,000 (30 June 2017: £163,000)
- Average net oil production 101bopd during H1
    - Brought Twin Well into continuous production
    - Drilled G6 Well and brought into continuous production
    - Abandoned C8 drill because of unexpected high-pressure inflow; retained data to guide future drilling
- Entered international arbitration process over Egyptian assets
- Secured US$5million Senior Lending Facility with Washington Federal Bank
    - Initial borrowing base of US$1.2million
    - Initial interest rate of 4.75%
    - Funds can be deployed globally, at Nostra Terra's election
- Final exercise of warrants from April 2017 placement, 98.4% conversion, raising £750,000 for the Company
- Secured additional permit for drilling Permian licence

Post-period events:

- Completed first redetermination of Senior Lending facility, borrowing base increased to US$1.95million
    - Based solely on production at Pine Mills
- Secured additional two permits for Permian drilling
- Continue to evaluate acquisition targets

Chairman's report

Our strategic focus in the first half of 2018 was to deliver on our promise to build oil production across our US portfolio of assets, increase revenue and start generating free cash flow to reinvest in the business. We met our objectives on all fronts. As we move into the second half of the year, confidence is brimming at Nostra Terra.

We funded our first half capital programme through the Washington Federal Senior Lending Facility, which we closed in the opening weeks of the year, and the exercise of 98.4% of the warrants from the April 2017 placing. It was pleasing to receive such strong continued support for the company from existing shareholders, which when combined with the new Facility puts Nostra Terra in the strongest financial position it has been in many years.

The funding facility in particular provides Nostra Terra with long-term, sustainable access to capital, which is non-dilutive to equity holders. We've already experienced great success in deploying this facility, as evidenced by the 50% increase in like for like revenue over the period.

Our operational team is delivering excellent results in the field and our model is nearing self-sufficiency. As we drill more wells on our Permian leases, we expect production will continue to rise and for the company to generate more free cash flow on an annual basis.

Although our Permian Basin footprint is relatively small at the moment, the foothold we've established is highly promising for the company. The Permian Basin is currently the world's hottest oil province. Over the last 12 months in excess of US$50billion has been invested, as several of the largest oil & gas players have invested heavily in the region.

For Nostra Terra this presents a substantial opportunity. Although our company is small, we have on our board and within our operational team an extensive technical and commercial skillset. Under Matt Lofgran's leadership, Nostra Terra has an established pedigree of securing the right assets, in the right areas for the right price. Now that the Company is better capitalised than it has been for many years, the next phase of our growth will be to focus on acquisitions.

Since towards the end of H1 2018, the board has been evaluating a number of potential acquisition targets. While our preferred focus is on producing wells or those that are near to production, with the foundation we have put in place for the Company we are also aware of the potential for introducing some projects with more "blue sky" potential. Our goal for H2 is very much to introduce new projects to Nostra Terra and to expand our Permian presence.

We also continue to seek a resolution to the issues we have faced in Egypt. Our legal team has been tasked with the forthcoming arbitration process and we look forward to providing updates on progress as soon as we are able.

I would like to thank our shareholders for their continued support and I look forward to continued success in the second half of this year.

Ewen Ainsworth

Chairman
27 September 2018

Chief Executive Officer's report

During the first half of 2018 the average WTI spot price was US$65.55 per barrel. This is a marked improvement on recent years and coincided with Nostra Terra delivering significant increases in oil production. As such we have seen like for like revenue for the period increase to £823,000, a 50% improvement. This represents a major milestone for the company and provides us with a strong foundation for future growth.

Our strategy in developing our existing portfolio of oil and gas assets has been funded by the new Senior Lending Facility (the "Facility") that we secured with Washington Federal Bank in January, at the start of the period. Having already secured the Hedging Facility with BP Energy Company in September 2017 we were confident we would secure a new Facility, but to achieve this on the terms we did reflects the underlying strength of our assets and operational team.

The Facility is US$5million and had an initial borrowing base of US$1.2million. The Facility's interest rate is determined by the higher of either the sum of the Wall Street Journal Rate plus 0.25% or a flat 4.25%. The current Wall Street Journal Rate is 4.5%. As such the current interest rate applied to use of the Facility is 4.75%. In addition to this the Facility is scheduled for redetermination twice a year. The first redetermination was carried out in July, post-period, and Washington Federal increased the Facility's borrowing base by US$750,000, to US$1.95million.

One point I'd like to emphasise about the Facility is that the borrowing base has so far only been determined on the Company's production at Pine Mills. Our Permian production has not yet been assessed and we anticipate this will have a positive impact in upcoming redeterminations towards the end of this year and beyond.

For a company of Nostra Terra's size, to have access to such working capital on such favourable terms is both highly unusual and advantageous. It has meant we have been able to grow the business without diluting equity holders and I am extremely pleased with the success we've had in the field.

At Pine Mills we have continued to grow production and make improvements to that field's infrastructure. We have funded this through free cash flow generation. Although this has meant we've shown a greater operating loss in the period, we expect to see the benefit from this investment in the second half, as reflected by the production increase we were able to report in July.

As pleasing as progress at Pine Mills has been, the real excitement for the company has come over at our Permian Basin acreage. Here we completed the Twin Well and brought it into continuous production at the start of the period where flow rates surpassed our expectations. This trend has continued and by August the Twin Well had already repaid approximately 50% of that well's drilling costs.

Following such a positive start to developing our Permian operations, we then initiated a two-well campaign in the spring. Here we had mixed results. Unfortunately we had to plug and abandon the second well (C8) a few days into the drill. The drilling team experienced an unexpected high-pressure inflow of salt water and we quickly took the decision to halt operations. Although this further added to H1's operational loss, the data we gathered from this well will be used for future drilling operations.

The drilling of the G6 well went according to plan, production met expectations, and that well continues to add to our overall Permian production.

Moving forward, Nostra Terra has a number of options open to it to accelerate growth. As reported in the Chairman's report we are currently reviewing a number of exciting acquisition opportunities and we hope to be able to provide further updates of those imminently. Meanwhile we plan to continue growing stable production at Pine Mills and across our Permian assets. Our strategy will be to continue to fund this through free cash flow generation and future redeterminations of the Facility.

We're already encouraged by the start the Company has made to H2 and I look forward to providing further updates in the coming months.

Matt Lofgran

Chief Executive Officer
27 September 2018

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 2018

	Note	Six months to 30 June 2018 Unaudited	Six months to 30 June 2017 Unaudited	Year to 31 December 2017 Audited
		£'000s	£'000s	£'000s
Revenue		823	549	1,128
Cost of sales				
Production costs		(411)	(386)	(964)
Plug and abandonment costs	3	(154)	-	-
Depletion, depreciation, amortisation		(62)	(59)	(127)
Total cost of sales		(627)	(445)	(1,091)
GROSS PROFIT		196	104	37
Share based payment		-	-	(40)
Administrative expenses		(511)	(472)	(891)
OPERATING LOSS		(315)	(368)	(894)
Other income		13	10	52
Finance expense		(64)	(66)	(202)
LOSS BEFORE TAX		(366)	(424)	(1,044)
LOSS FOR THE PERIOD		(366)	(424)	(1,044)
Attributed to:				
Owners of the company		(366)	(424)	(1,044)
Earnings per share expressed				
in pence per share:				
Continued operations				
Basic and diluted (pence)	4	(0.263p)	(0.401p)	(0.918p)

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 2018

	Six months to 30 June 2018 Unaudited	Six months to 30 June 2017 Unaudited	Year to 31 December 2017 Audited
	£'000s	**£'000s**	**£'000s**
LOSS FOR THE YEAR	(366)	(424)	(1,044)
Other comprehensive income:			
Currency translation differences	8	(34)	(127)
Total comprehensive income for the period	(358)	(458)	(1,171)
Total comprehensive income attributable to:			
Owners of the company	(358)	(458)	(1,171)

Nostra Terra Oil and Gas Company plc

Consolidated statement of financial position as at 30 June 2018

	As at 30 June 2018 Unaudited	As at 30 June 2017 Unaudited	As at 31 December 2017 Audited
	£'000s	£'000s	£'000s
ASSETS			
NON-CURRENT ASSETS			
Other intangibles	1,274	998	1,043
Property, plant, and equipment			
- oil and gas assets	422	248	265
Other assets	38	165	37
Investment in joint venture	-	1	-
	1,734	1,412	1,345
CURRENT ASSETS			
Trade and other receivables	610	421	345
Cash and cash equivalents	143	94	102
	753	515	447
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	852	661	732
Borrowings	1,615	946	1,286
	2,467	1,607	2,018
NET CURRENT LIABILITIES	(1,714)	(1,092)	(1,571)
NET ASSETS	20	320	(226)
EQUITY AND RESERVES			
Share capital	4,175	4,149	4,154
Share premium	12,468	11,763	11,885
Translation reserve	79	164	71
Share option reserve	51	11	51
Retained losses	(16,753)	(15,767)	(16,387)
	20	320	(226)

Nostra Terra Oil and Gas Company plc

Consolidated cash flow statement
For the six months ended 30 June 2018

	Six months to 30 June 2018 Unaudited	Six months to 30 June 2017 Unaudited	Year to 31 December 2017 Audited
	£'000	£'000	£'000
Cash flows from operating activities			
Cash generated/(consumed) by operations	(414)	(543)	(818)
Interest paid	(58)	(35)	-
Cash generated/(consumed) by operations	(472)	(578)	(818)
Cash flows from investing activities			
Purchase of intangibles - new oil properties	(234)	(39)	(155)
Purchase of plant and equipment	(173)	(81)	(131)
Proceeds from sale of assets	-	-	168
Joint venture	(7)	-	-
Purchase of investments	-	-	(125)
Net cash from investing activities	(414)	(120)	(243)
Cash flows from financing activities			
Proceeds on issue of shares	604	466	567
Repayment of borrowings	(553)	(108)	(11)
New borrowing	867	286	536
Net cash from financing activities	918	644	1,092
Effect of exchange rate changes on cash and cash equivalents	9	(24)	(101)
Increase/(decrease) in cash and cash equivalents	41	(78)	(70)
Cash and cash equivalents at the beginning of the period	102	172	172
Cash and cash equivalents at the end of the period	143	94	102
Represented by:			
Cash at bank	143	94	102

Nostra Terra Oil and Gas Company plc

Consolidated statement of changes in equity
For the six months ended 30 June 2018

	Share capital £000	Deferred shares £000	Share premium £000	Share Options	Translation reserve	Retained losses	Total £000
As at 1 January 2018	126	4,028	11,885	51	71	(16,387)	(226)
Shares issued	26	—	578	—	—	—	604
Foreign exchange translation	—	—	—	—	8	—	8
Loss after tax for the period	—	—	—	—	—	(366)	(366)
Share-based payments	—	—	—	—	—	—	—
As at 30 June 2018	**152**	**4,028**	**12,463**	**51**	**79**	**(16,753)**	**20**
As at 1 January 2017	96	4,028	11,322	11	198	(15,343)	312
Shares issued	25	—	441	—	—	—	466
Foreign exchange translation	—	—	—	—	(34)	—	(34)
Loss after tax for the period	—	—	—	—	—	(424)	(424)
Share-based payments	—	—	—	—	—	—	—
As at 30 June 2017	**121**	**4,028**	**11,763**	**11**	**164**	**(15,767)**	**320**
As at 1 January 2017	96	4,028	11,322	11	198	(15,343)	312
Shares issued	30	—	563	—	—	—	593
Foreign exchange translation	—	—	—	—	(127)	—	(127)
Loss after tax for the year	—	—	—	—	—	(1,044)	(1,044)
Share-based payments	—	—	—	40	—	—	40
As at 31 December 2017	**126**	**4,028**	**11,885**	**51**	**71**	**(16,387)**	**(226)**

Share capital is the amount subscribed for shares at nominal value.

Retained loss represents the cumulative losses of the Group attributable to owners of the Company.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of those shares net of share issue expenses. Share issue expenses in the year comprise costs incurred in respect of the issue of new shares on the London Stock Exchange's AIM market.

Translation reserves arise on consolidation of the translation of the subsidiary's balance sheet at the closing rate of exchange and its income statement at the average rate.

Notes to the interim report
For the six months ended 30 June 2018

1. General Information

Nostra Terra Oil and Gas Company plc (Nostra Terra) is a company incorporated in England and Wales and quoted on the AIM market of the of the London Stock Exchange (ticker: NTOG). The principal activity of the group is disclosed as described in the directors' report.

2. Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations issued by the International Accounting Standards Board (IASB) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention. This interim financial information for the six months ended 30 June 2018 was approved by the Board on 27 September 2018.

The unaudited results for the six months ended 30 June 2018 do not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. The comparative figures for the 12 months ended 31 December 2017 are extracted from the statutory financial statements which have been filed with 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 did not draw attention to any matters by way of an emphasis of matter paragraph and contained no statement under Section 498 (2) or (3) of the Companies Act 2006.

Copies of this interim statement are available from the Company at its registered office at Finsgate, 5-7 Cranwood Street, London EC1V 9EE. The interim statement 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. Non-recurring Cost

Plug and abandonment costs included in Cost of Sales in the consolidated income statement consist of costs incurred for wells that are expected to be non-productive. The Company incurred non-recurring costs of £154,000 for the plugging and abandonment of the C8 well in Texas.

4. 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 2018 Unaudited	Six months to 30 June 2017 Unaudited	Year to 31 December 2017 Audited
Loss per ordinary shareholders (£000)			
Basic and diluted	(0.263p)	(0.401p)	(0.918p)

The loss per ordinary share is based on the Company's loss for the period of £366,000 (30 June 2017 - £424,000; 31 December 2017 - £1,044,000) and basic weighted average number of ordinary shares in issue of 139,306,025 (30 June 2017 – 105,566,771; 31 December 2017 – 113,850,132).

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

Nostra Terra Oil and Gas Company plc

Notes to the interim report
For the six months ended 30 June 2018

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

	Six months to 30 June 2018 Unaudited £'000s	Six months to 30 June 2017 Unaudited £'000s	Year to 31 December 2017 Audited £'000s
Operating loss for the period	(315)	(368)	(894)
Adjustments for:			
Depreciation of property, plant, and equipment	28	25	52
Amortization of intangibles	28	25	74
Accretion expense	6	7	-
Share based payment	-	-	40
Other non-cash movements	5	19	-
Operating cash flows before movements in working capital	(248)	(292)	(728)
(Decrease)/increase in finance charge provision	-	(20)	(99)
(Increase)/decrease in receivables	88	3	193
(Increase)/decrease in other assets	(8)	(127)	4
(Decrease)/increase in payables	(85)	(102)	(59)
(Increase)/decrease in deposits and prepayments	(169)	(5)	-
(Decrease)/increase in translation reserves	8	-	(127)
Borrowings written off	-	-	(2)
Cash generated/(consumed) by operating activities	(414)	(543)	(818)

6. 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.

As the group only operates in a single business and geographical segment, no segmental information for business segment or geographical segment is required.

7. Share Capital

The issued share capital as at 30 June 2018 was 147,206,221 ordinary shares of 1p each. The issued share capital as at 31 December 2017 and 30 June 2017 was 125,439,017 and 120,566,771 ordinary shares of 1p each, respectively.

As previously announced (04 Jun 2018), the board has approved the grant of an additional 11.500,000 new share options over Ordinary Shares with an exercise price of 5 pence. These share options for the board will only vest once the share price reaches 8 pence per Ordinary Share for 10 consecutive trading days.

8. Events arising after the balance sheet date

On 31 July 2018 the Company announced a significant increase of the borrowing base of its Senior Lending Facility ("the Facility") with Washington Federal Bank.

Nostra Terra has been granted an increase of $750,000 on its borrowing base, immediately available for use. As previously announced (31 Jan 2018), the Facility size is US$5million and the initial borrowing base was US$1.2million, which has now been increased to US$1.95 million.