

30 September 2013

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

Interim results for the six months ended 30 June 2013

Nostra Terra (AIM:NTOG), the oil and gas producer with a growing portfolio of horizontal and vertical drilling projects in the USA, is pleased to announce its unaudited interim results for the six months ended 30 June 2013.

Highlights:

Operational:

- Two Chisholm Trail wells drilled during the period, Five drilled post period, initial production exceeded original expectations
- Acquisition of High Plains Prospect with stacked-pay zones in Texas
- Increased interest in High Plains Prospect to 20% from 5% following positive test results
- Seventh Chisholm Trail well targets a new formation in the prospect (post period-end)
- Working interest in third Colorado well increased to 17.54% from 16.25% (post period-end)
- Third Colorado well reaches total depth, completion underway (post period-end)

Corporate:

- Surpassed break-even on an operational basis
- Richfield Judgement awarded in excess of \$1.5m, imminent collection expected
- Revenues more than doubled, 156% increase in revenue to £415k (2011: £162k)
- £750,000 raised via placing in June 2013
- Interim loss before taxation: £312,000 (2012 £356,000)

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

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Chief Executive's report

Our focus remains in Mid-Continent USA, applying advanced exploration and production technologies in order to target and win "new oil from old fields". Opportunities exist outside the USA as well, but currently our focus remains on this region, where plays are evolving at a rapid pace.

We started off the year on a positive note. As the first wells from the Chisholm Trail Prospect came into production, we surpassed break-even on an operational basis for the first time in the Company's history. Since then we've expanded our portfolio further as we continue to build the foundation of the Company from which to grow.

In March we acquired a small working interest in the High Plains Prospect, which the board viewed as offering optionality over a larger prospective area. The prospect had leases in a smaller area (450 acres) with an existing wellbore that could provide a low cost re-entry in order to test a proof of concept. If we were wrong then it was a relatively low cost as the acreage and wellbore were already included. If we were right, however, then we had gained control of 3D seismic data over a large and very prospective area (42,000 acres). As it turned out the test results were favourable. The original plan called for a new well being drilled shortly after. In light of the results (the large prospect area and the stacked-pay in the area) the group opted to set its sights on the bigger prize. At the same time we used the opportunity to increase our working interest significantly to 20% in the entire prospect. This continues to progress according to plan where the 3D seismic data is now being evaluated as we identify various opportunities which could each become different prospect areas.

Through the first half of the year we have seen the activity around the Chisholm Trail Prospect evolve. All reported wells have been successful. With the continuing and repeatable success in the wells more operators are acquiring leases and drilling in the play. We are also beginning to see horizontal wells testing a different formation. The added dimension has the ability to increase the number of potential drilling locations within our leasehold. On 25 February 2013 we stated that we felt that our net working interest from producing wells in the prospect for 2013 would be larger than that of 2012. We still feel confident that this will be the case.

Funding growth is always a delicate balance for a small E&P company, fortunately revenues from our production is helping fund the growth of the Company going forward. Earlier this year a judgment was awarded in favour of Nostra Terra in excess of US\$1,500,000. Collection began immediately thereafter and earlier this month funds were deposited in the Court for the benefit of Nostra Terra. We are happy to now be in a stronger position with more funding options available to us. An independent 3rd party engineering firm has been preparing a reserve report on a portion of our existing production. We plan to use this to coincide with raising additional funds via a Reserve-Based Lending (RBL) facility. This would provide additional funds from which to grow without further dilution to shareholders.

We have been very careful with our choice of projects and selective on a risk-reward basis. We have not risked the company on a single well or single operator. The majority of our portfolio is made up of non-operated working interests, but this is just the beginning. While we've been carefully building our foundation, we have quietly been working in the background to build up our operational capabilities as we get ready to transition towards more operated prospects, thus giving us control of our own destiny. From this point we expect to take larger steps in growing the production and reserves of the company. I look forward to the remainder of 2013 and beyond.

Matt Lofgran
Chief Executive Officer

30 September 2013

Chief Operating Officer's Report

Investment strategies in the oil and gas industry of the United States are entering a tectonic shift between risk and reward. Many large, unproven concept plays remain unsold. The previously successful models are being revamped and the rewards of success are being captured by companies willing to de-risk the technical concepts. It is my view that the great majority of the United States companies that invested in Shale Gas with rampant enthusiasm fuelled their expansion through a spiralling combination of debt and stock offerings. The easy plays in the well-known geologic provinces have largely now been leased and the reserves identified. Concurrently, however, natural gas prices have fallen by more than 75% from the brief unit price high of about US\$15 in 2006 to the current unit price of around US\$3.50. Companies that led the revolution in shale-gas are now facing this new reality.

Today, NTOG has rising revenues, increasing operating profits and is positioned to capitalize on the major market shift from gas to oil. We have endured a long process of litigation but are expecting to emerge with a large cash infusion. We have developed the capability to expand rapidly into these emerging plays by engaging and maintaining relationships with world-class experts in multiple specialized fields ranging from Reservoir Engineering to Drilling Technology to Horizontal Steering and to Well Stimulation.

We have deliberately avoided early leasing in the larger plays that are now piling up. Instead, we have concentrated our attention on prospects that are drill-bit ready. Many of the originators of the large plays no longer expect to sell their large blocks out-right and have concluded that the geologic ideas need to be de-risked before they will be able to exit. Therefore, opportunities to "earn-by-drilling" are becoming more and more prevalent. In return for drilling exploratory wells, NTOG will earn an option to purchase acreage after the concept has been tested. The approach can work very well for both parties; the originators can realize a profitable exit while we only risk the cost of drilling the initial wells.

We are actively searching for the right opportunity. Over the last several months, we have evaluated multiple large plays that are also drill-bit ready. When the right combination is before us, we are prepared.

Alden McCall

Chief Operating Officer

30 September 2013

Nostra Terra Oil and Gas Company plc

Statement of comprehensive income for the six months ended 30 June 2013

	Note	Six months to 30 June 2013 Unaudited £'000s	Six months to 30 June 2012 Unaudited £'000s	Year to 31 December 2012 Audited £'000s
Revenue		415	162	352
Cost of sales	3	<u>(546)</u>	<u>(105)</u>	<u>(262)</u>
Gross profit/(loss)		(131)	57	90
Share based payment				(115)
Administrative expenses		<u>(431)</u>	<u>(458)</u>	<u>(876)</u>
Operating loss		(562)	(401)	(901)
Finance income		49		89
Finance expense		<u>(16)</u>	<u>45</u>	<u>(28)</u>
Loss before tax		(529)	(356)	(840)
Income tax (charges)/recovery		<u>-</u>	<u>-</u>	<u>-</u>
Loss for the financial period		<u>(529)</u>	<u>(356)</u>	<u>(840)</u>
Other comprehensive income/(cost)				
Translation difference		<u>267</u>	<u>(37)</u>	<u>-</u>
Total comprehensive deficit for the financial period		<u><u>(262)</u></u>	<u><u>(393)</u></u>	<u><u>(840)</u></u>
Loss per share				
Attributed to:				
Equity holders of the company		Pence	Pence	Pence
Basic and diluted	4	<u>(0.010p)</u>	<u>(0.018p)</u>	<u>(0.039p)</u>

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

Statement of financial position as at 30 June 2013

	As at 30 June 2013 Unaudited £'000s	As at 30 June 2012 Unaudited £'000s	As at 31 December 2012 Audited £'000s
Note			
Assets			
<i>Non-current assets</i>			
Other intangibles	3,632	2,421	3,393
Property, plant and equipment	486	385	468
	<u>4,118</u>	<u>2,806</u>	<u>3,861</u>
<i>Current assets</i>			
Trade and other receivables	1,870	984	1,089
Deposits and prepayments	179	16	65
Inventory	12		
Cash and cash equivalents	87	744	309
	<u>2,148</u>	<u>1,744</u>	<u>1,463</u>
<i>Current liabilities</i>			
Trade and other payables	1,056	262	815
Financial liabilities - borrowings	368		598
	<u>1,424</u>	<u>262</u>	<u>1,413</u>
Net current assets	<u>724</u>	<u>1,482</u>	<u>50</u>
<i>Non-current liabilities</i>			
Other loans	5	1,005	-
	<u>4,842</u>	<u>3,283</u>	<u>3,911</u>
Net assets			
Equity			
<i>Capital and reserves</i>			
Share capital	6	2,776	2,168
Share premium account		9,986	8,401
Translation reserve		267	12
Share option reserve		115	(28)
Accumulative deficit		(8,302)	(7,298)
		<u>4,842</u>	<u>3,283</u>
Total equity		<u>4,842</u>	<u>3,911</u>

Nostra Terra Oil and Gas Company plc

Cash flow statement for the six months ended 30 June 2013

	Six months to 30 June 2013 Unaudited	Six months to 30 June 2012 Unaudited	Year to 31 December 2012 Audited
Note	£'000	£'000	£'000
Cash flows from operating activities	7		
Cash generated/(consumed) by operations	(636)	(174)	68
Net cash outflow from operating activities	<u>(636)</u>	<u>(174)</u>	<u>68</u>
Cash flows from investing activities			
Sale/(purchases) of plant and equipment	(69)	(184)	(308)
Purchase of intangibles - new oil properties	(529)	(1,210)	(2,215)
Interest received	49		89
Net cash from investing activities	<u>(549)</u>	<u>(1,394)</u>	<u>(2,434)</u>
Cash flows from financing activities			
Proceeds on issue of shares	1,193	218	1,218
Payoff of loans	<u>(230)</u>	<u>637</u>	<u>-</u>
Net cash from financing activities	963	855	1,218
Increase/(decrease) in cash and cash equivalents	<u>(222)</u>	<u>(713)</u>	<u>(1,148)</u>
Cash and cash equivalents at the beginning of the period	<u>309</u>	<u>1,457</u>	<u>1,457</u>
Bank balances and cash	<u>87</u>	<u>744</u>	<u>309</u>

Nostra Terra Oil and Gas Company plc

Consolidated statement of changes in equity for the six months ended 30 June 2013

	As at 30 June 2013 £'000	As at 30 June 2012 £'000	As at 31 December 2012 £'000
As at beginning of period	3,899	3,458	3,458
Foreign exchange translation	267		(52)
Deficit for the period	(262)	(393)	(840)
Share based payments	115		115
Issue of share capital net of expenses	1,193	218	1,218
As at end of period	<u>5,212</u>	<u>3,283</u>	<u>3,899</u>

Nostra Terra Oil and Gas Company plc

Notes to the interim report for the six months ended 30 June 2013

1. General Information

Nostra Terra Oil and Gas Company plc is a public limited company incorporated in England with a company number **05338258** and quoted on the AIM market of the London Stock Exchange Plc.

2. Basis of Preparation

This interim report, which incorporates the financial information of the company, has been prepared using the historical cost convention, on a going concern basis and in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, using accounting policies which are consistent with those set out in the financial statement for the year ended 31 December 2012. This interim financial information for the six months ended 30 June 2013 was approved by the Board on 27 September 2013.

The unaudited results for period ended 30 June 2013 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 2012 are extracted from the statutory financial statements which have been filed with the Registrar of Companies and which contain an unqualified audit 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. Cost of Sales

Cost of sales includes £386,801 in respect of depletion costs (30 June 2012: nil; 31 December 2012; nil)

4. Loss per share

	Six months to 30 June 2013 Unaudited	Six months to 30 June 2012 Unaudited	Year to 31 December 2012 Audited
Loss per ordinary share			
Basic and diluted	<u>(0.010p)</u>	<u>(0.020p)</u>	<u>(0.039p)</u>

The loss per ordinary share is based on the Company's loss for the period of £262,000 (30 June 2012 - £393,000; 31 December 2012 - £840,000) and basic weighted average number of shares in issue of 2,516,546,055 (30 June 2012- 1,951,297,522; 31 December 2012- 2,158,226,692).

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

5. Loan notes issued by Nostra Terra (Overseas) Limited

The long-term creditors represent unsecured and interest-free loan notes issued by Nostra Terra (Overseas) Limited ("NTOL") on 25 May 2007 with no contingency based on the cash flow from NTOL's Ukrainian assets.

6. Share Capital

The issued share capital as at 30 June 2013 was 2,776,211,610 ordinary shares of 1p each and as at 30 June 12 was 2,167,943,091 and 31 Dec 2012 was 2,465,165,314 ordinary shares of 1p each respectively.

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

	Six months to 30 June 2013 Unaudited £'000s	Six months to 30 June 2012 Unaudited £'000s	Year to 31 December 2012 Audited £'000s
Loss for the period	(262)	(393)	(840)
Adjustments for:			
Depreciation of property, plant and equipment	44	19	62
Amortisation of intangibles	387	10	41
(Increase)/decrease in receivables	(898)	(10)	(170)
Finance income	(49)		(89)
Share based payment			115
Inventory	(12)		
(Decrease)/increase in payables	241	205	989
(Increase) in deposits and prepayments	(96)	(5)	
Foreign exchange losses	9	0	(40)
Net cash from operating activities	<u>(636)</u>	<u>(174)</u>	<u>68</u>

8. 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.