

4 July 2017

**Volga Gas plc**  
 (“Volga Gas”, the “Company” or the “Group”)

**PRODUCTION REPORT FOR JUNE 2017**

Volga Gas plc, the oil and gas exploration and production group operating in the Volga Region of Russia, is pleased to announce its average production volumes for June 2017.

In June 2017 and in line with expectations, average gas processing capacity utilisation was further reduced, to continue the test production using the new gas sweetening process. During June, the Dobrinskoye gas plant was successfully working exclusively with the Redox based gas sweetening. In the coming months implementation of the new process will continue, with gradual increases in output resulting in Group production returning to full capacity at over 8,000 boe per day. Condensate production was also reduced in line with gas production in June.

Oil production in June 2017 increased by 30% with a full month of normal production from the mature production wells on the Uzen field. The average production in June 2017 was 2,246 barrels of oil equivalent per day (c.59% lower than May 2017).

Average production comprised:

	<b>Jun 2017 Average</b>	<b>May 2017 average</b>	<b>Jan-Jun 2017 Average</b>
Gas:	7.0 mmcfd	22.4 mmcfd	25.2 mmcfd
Condensate	483 bpd	1,232 bpd	1,438 bpd
Oil	597 bpd	460 bpd	524 bpd
<b>Total</b>	<b>2,246 boepd</b>	<b>5,420 boepd</b>	<b>6,168 boepd</b>

Production data is based on preliminary monthly production reports prepared for the purposes of submissions to tax authorities for Mineral Extraction Tax purposes.

The chart below shows the monthly production since January 2015



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**Editors' notes:**

The information contained in this announcement has been reviewed and verified by Mr. Andrey Zozulya, Chief Executive Officer of Volga Gas plc, for the purposes of the Guidance Note for Mining, Oil and Gas companies issued by the London Stock Exchange in June 2009. Mr. Andrey Zozulya holds a degree in Geophysics and Engineering from the Groznensky Oil & Gas Institute and is a member of the Society of Petroleum Engineers.

This announcement contains inside information as defined in EU Regulation No. 596/2014 and is in accordance with the Company's obligations under Article 17 of that Regulation.

The Company records production in metric tonnes (for oil and condensate) and in cubic metres (for gas). Conversions from metric to standard oil field units are used for illustrative purposes only and are based on the Company's estimate of the applicable ratios. The ratios used are 7.833 barrels per tonne for oil and 8.75 barrels per tonne for condensate. Gas volumes are translated using 35.3 cubic feet per cubic metre and 6,000 cubic feet per barrel of oil equivalent.

**Glossary:**

bpd	Barrels per day
boepd	Barrels of oil equivalent per day
mmcfd	Millions of standard cubic feet per day