



## PRODUCTION REPORT FOR JUNE 2018

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Volga Gas PLC  
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**4 July 2018**

**Volga Gas plc**  
**("Volga Gas", the "Company" or the "Group")**

### PRODUCTION REPORT FOR JUNE 2018

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 2018.

In June 2018, average gas processing capacity utilisation increased by 20% compared to May 2018 as LPG production testing continues. There was also effectively full uptime at the gas plant during the month.

The average production in June 2018 was 6,628 barrels of oil equivalent per day (18% higher than May 2018).

Average production comprised:

	<b>June 2018 Average</b>	<b>May 2018 Average</b>	<b>Jan-June 2018 Average</b>
Gas:	24.8 mmcf/d	20.8 mmcf/d	16.8 mmcf/d
Condensate	1,502 bpd	1,371 bpd	1,114 bpd
Oil	646 bpd	631 bpd	729 bpd
LPG	352 bpd	142 bpd	245 bpd
<b>Total</b>	<b>6,628 boepd</b>	<b>5,614 boepd</b>	<b>4,881 boepd</b>

Although during both May and June 2018, actual production significantly exceeded management guidance, with normal levels of operational downtime, management continues to expect production to average 3,800 boepd of gas and condensate, resulting in Group production of approximately 4,500 boe per day for the next few months. This excludes incremental volumes from the LPG project, which are expected to add a further 400 boepd once the LPG facility is fully commissioned.

LPG production testing is expected to be completed by end of June 2018.

Production data is based on preliminary monthly production reports prepared for the purposes of submissions to tax authorities for Mineral Extraction Tax purposes. The gas production numbers for May 2018, as announced on 5 June 2018, have been revised downwards from 22.6 mmcf/d to 20.8 mmcf/d, and oil production numbers from 636 bpd to 631 bpd in line with the final official submissions. Condensate and LPG volumes are unchanged. The total production number for May 2018 is consequently revised from 5,919 to 5,614 boepd.

#### Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

**For further information, please contact:**

**Volga Gas plc**

Andrey Zozulya, Chief Executive Officer  
Vadim Son, Chief Financial Officer  
Tony Alves, Investor Relations Consultant

+7 (903) 385 9889  
+7 (905) 381 4377  
+44 (0) 7824 884  
342

**S.P. Angel Corporate Finance LLP**

Richard Redmayne, Richard Morrison, Richard Hail

+44 (0) 20 3470  
0470

**FTI Consulting**

Edward Westropp, Alex Beagley

+44 (0) 20 3727  
1000

**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.

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 and 11.735 barrels per tonne for LPG. Gas volumes are translated using 35.3 cubic feet per cubic meter and 6,000 cubic feet per barrel of oil equivalent.

**Glossary**

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

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