



PRODUCTION REPORT FOR JULY 2018

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

PRODUCTION REPORT FOR JULY 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 July 2018.

In July 2018, average gas processing capacity utilisation decreased by 31% compared to June 2018 due to downtime incurred by Gazprom pipeline maintenance.

The average production in July 2018 was 4,516 barrels of oil equivalent per day (32% lower than June 2018).

Average production comprised:

	July 2018 Average	June 2018 Average	Jan-July 2018 Average
Gas:	16.6 mmcf/d	25.1 mmcf/d	16.8 mmcf/d
Condensate	1,1012 bpd	1,502 bpd	1,099 bpd
Oil	520 bpd	646 bpd	699 bpd
LPG	212 bpd	352 bpd	234 bpd
Total	4,516 boepd	6,678 boepd	4,829 boepd

Actual production is in line with management expectations of production at average level of approximately 4,500 boe per day for the year ending 31 December 2018. This excludes volumes from the LPG project, which are expected to increase to 400 boepd once the LPG facility is fully commissioned.

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 June 2018, as announced on 4 July 2018, have been revised upwards from 24.8 mmcf/d to 25.1 mmcf/d in line with the final official submissions. Condensate, Oil and LPG volumes are unchanged. The total production number for June 2018 is consequently revised from 6,628 to 6,678 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.

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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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