



Production Report For February 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 FEBRUARY 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 February 2018.

Average gas processing capacity utilisation decreased by 8% compared to January 2018, while test production continued using exclusively the new Redox gas sweetening process. The slight decrease was a result of approximately one week of downtime at the gas processing plant for technological maintenance and Redox process set-up during low temperature.

In the coming months, implementation of the new process will continue and production is planned to be maintained at rates similar to the normal levels achieved in December 2017. During this period it is expected that the average daily production of gas and condensate would remain in the region of 4,500 boepd resulting in Group production of approximately 5,300 boe per day, excluding incremental volumes from the LPG project. Construction of the LPG project is still due to complete in Q1 2018 however testing will follow in Q2 2018.

The average production in February 2018 was 3,924 barrels of oil equivalent per day (5% lower than January 2018).

Average production comprised:

	February 2018 Average	January 2018 Average	Jan-Feb 2018 Average
Gas:	12.5 mmcf/d	13.6 mmcf/d	13.1 mmcf/d
Condensate	1,036 bpd	981 bpd	1,007 bpd
Oil	809 bpd	876 bpd	845 bpd
Total	3,924 boepd	4,128 boepd	4,031 boepd

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

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. 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

This information is provided by RNS
The company news service from the London Stock Exchange

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