



Production Report For March 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 MARCH 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 March 2018.

In March 2018, average gas processing capacity utilisation increased by 31% compared to February 2018, while test production continued using exclusively the new Redox gas sweetening process.

In the coming months, implementation of the Redox gas sweetening process will continue. We are also currently experiencing higher water production rates at Vostocny Makarovskoye and are investigating this. For prudent reservoir management and production guidance purposes during this period our revised average daily production of gas and condensate will remain in the region of 3,800 boepd resulting in Group production of approximately 4,500 boe per day. This excludes incremental volumes from the LPG project once the LPG facility is fully commissioned.

Construction of the LPG project is near completion and pressure testing is currently on-going as part of the commissioning process. The facility should be completed and in production during Q2 2018.

The average production in March 2018 was 4,184 barrels of oil equivalent per day (7% higher than February 2018).

Average production comprised:

	March 2018 Average	February 2018 Average	Jan-Mar 2018 Average
Gas:	14.8 mmcfd	12.5 mmcfd	13.7 mmcfd
Condensate	994 bpd	1,036 bpd	1,002 bpd
Oil	728 bpd	809 bpd	804 bpd
Total	4,184 boepd	3,924 boepd	4,084 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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