



PRODUCTION REPORT FOR MARCH 19 AND DRILLING UPDATE

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

PRODUCTION REPORT FOR MARCH 2019 AND DRILLING UPDATE

Volga Gas plc, the oil and gas exploration and production group operating in the Volga Region of Russia, is pleased to provide the following update on its average production volumes for March 2019.

Production Report

The average production in March 2019 was 6,332 barrels of oil equivalent per day (0.9% lower than February 2019).

Average production comprised:

| | March 2019 Average | February 2019 Average | Jan-Mar 2019 Average |
|--------------|-------------------------------|----------------------------------|---------------------------------|
| Gas: | 22.8 mmcf/d | 23.1 mmcf/d | 22.5 mmcf/d |
| Condensate | 1,746 bpd | 1,629 bpd | 1,595 bpd |
| Oil | 347 bpd | 484 bpd | 429 bpd |
| LPG | 447 bpd | 430 bpd | 407 bpd |
| Total | 6,332 boepd | 6,389 boepd | 6,177 boepd |

Management's expectation for 2019 for production to average 5,900 boe per day including LPG volumes remains unchanged.

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

Drilling Update

Further to the drilling update provided on 4 March 2019, flow testing at the Vostochny Makarovskoye field on the sidetrack well at VM#2 has been conducted. The well testing conducted recently resulted in gas flow but with high water cut. As the well logging indicated gas pay in the well, management believes the water is flowing from an aquifer below the reservoir through a local fault. A further workover to install a cement plug to cut off this water influx is planned. Results of this further intervention will be announced in due course. Management believes there would be no current impact on reserve estimates.

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/d | Millions of standard cubic feet per day |

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