



PRODUCTION REPORT FOR AUGUST 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 AUGUST 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 August 2018.

In August 2018, average gas processing capacity utilisation increased by 35% compared to July 2018 as July's production was impacted by downtime incurred by Gazprom pipeline maintenance in that month.

The average production in August 2018 was 5,916 barrels of oil equivalent per day (31% higher than July 2018).

Average production comprised:

	August 2018 Average	July 2018 Average	Jan-Aug 2018 Average
Gas:	22.4 mmcfd	16.6 mmcfd	17.5 mmcfd
Condensate	1,357 bpd	1,012 bpd	1,132 bpd
Oil	495 bpd	520 bpd	673 bpd
LPG	339 bpd	212 bpd	260 bpd
Total	5,916 boepd	4,516 boepd	4,980 boepd

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

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 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
mmscf	Millions of standard cubic feet per day

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