



PRODUCTION REPORT FOR SEPTEMBER 2018

Released : 05.10.2018

RNS Number : 0404D
Volga Gas PLC
05 October 2018

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

PRODUCTION REPORT FOR SEPTEMBER 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 September 2018.

In September 2018, average gas processing capacity utilisation decreased by 19% compared to August 2018 as the Gazprom pipeline maintenance programme, which started in July, resumed in September after a break in August. The decrease in oil production by 27% compared to the prior month was driven by the workover operations on the Uzen 6bis well. Production from this well is expected to resume imminently.

The average production in September 2018 was 4,988 barrels of oil equivalent per day (16% lower than August 2018).

Average production comprised:

	September 2018 Average	August 2018 Average	Jan-Sep 2018 Average
Gas:	18.8 mmcf/d	22.4 mmcf/d	17.6 mmcf/d
Condensate	1,138 bpd	1,361 bpd	1,133 bpd
Oil	360 bpd	495 bpd	638 bpd
LPG	360 bpd	339 bpd	157 bpd
Total	4,988 boepd	5,921 boepd	4,867 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 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.

The gas condensate production numbers for August 2018, as announced on 6 September 2018, have been revised upwards from 1,357 bpd to 1,361 bpd in line with the final official submissions. Gas, Oil and LPG volumes are unchanged. The total production number for August 2018 is consequently revised from 5,916 to 5,921 boepd. LPG year-to-date average was adjusted to average from January-to-date rather than from May-to-date when actual LPG production was launched.

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.

For further information, please contact:

Volga Gas plc

Andrey Zozulya, Chief Executive Officer	+7 (903) 385 9889
Vadim Son, Chief Financial Officer	+7 (905) 381 4377
Tony Alves, Investor Relations Consultant	+44 (0) 7824 884 342

S.P. Angel Corporate Finance LLP

Richard Redmayne, Richard Morrison, Richard Hail

+44 (0) 20 3470 0470

FTI Consulting

Alex Beagley, Fern Duncan

+44 (0) 20 3727 1000

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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