

Strictly private and confidential

From:

Dehus Dolmen Nominees Limited (Company Number - 46616)

1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey GY1 2HL

Baring Vostok Investment Managers Limited (Company Number - 56800)

(the investment manager to Baring Vostok Investments PCC Limited)

on behalf of **Baring Vostok Investments PCC Limited**

1st & 2nd Floors, Elizabeth House

Les Ruettes Brayes

St Peter Port

Guernsey GY1 1EW

Copies to:

Directors, Baring Vostok Fund III Managers Limited

(The managing general partner to the limited partnerships comprising
Baring Vostok Private Equity Fund III)

Directors, Baring Vostok Fund IV Managers Limited

(The managing general partner to the limited partnerships comprising
Baring Vostok Private Equity Fund IV)

Directors, Baring Vostok Investment Managers Limited

(The investment manager to
Baring Vostok Investments PCC Limited)

To:

The Directors

Gem Capital Holdings (CY) Ltd.

Atlantis Building, 2nd Floor, Office 201,

2 Arch. Makarios Ave., Mesa Geitonia,

Limassol 4000, Cyprus

24 August 2020

Strictly private and confidential

Dear Sirs

Volga Gas Plc (the "Company")

Introduction

As you know, on 7 April 2020, the Company announced that its board of directors had decided to conduct a formal review of the various strategic options available to the Company to maximise value for its shareholders, including the potential sale of the Company through a formal sale process (as referred to in the City Code on Takeovers and Mergers (the "**Code**")) or the farm-out or sale of one or more of the Company's assets.

As you also know, Dehus Dolmen Nominees Ltd ("**Dehus**") and Baring Vostok Investments PCC Ltd ("**BVI PCC**") hold, in aggregate, 64.75% of the entire issued share capital of the

Company (excluding shares held by the Company in treasury). In the case of Dehus its 58.81% holding is for the benefit of the limited partnerships comprising Baring Vostok Private Equity Fund III and Baring Vostok Private Equity Fund IV, respectively.

We refer to discussions with you by representatives of the Moscow branch office of Baring Vostok Capital Partners Group Limited (which is the investment advisor to (i) Baring Vostok Fund III Managers Limited, the managing general partner of Baring Vostok Private Equity Fund III; (ii) Baring Vostok Fund IV Managers Limited, the managing general partner of Baring Vostok Private Equity Fund IV, and (iii) Baring Vostok Investment Managers Limited, the investment manager to Baring Vostok Investments PCC Limited) on 6 July 2020 (the "**Discussions**") which were attended by Auctus Advisors, the financial advisers to the Company appointed pursuant to Rule 3 of the Code (the "**Rule 3 Advisor**") regarding the possible offer for the entire issued and to be issued ordinary share capital of the Company (the "**Offer**") to be made by you in accordance with the Code.

You have indicated on a non-binding basis that the indicative price per ordinary share in the capital of the Company that you prepared and are able to pay in connection with the Offer is GBP 0.2475, subject to due diligence (the "**Indicative Offer Price**"). The Indicative Offer Price assumes an enterprise value of USD 15 million, debt of zero, cash balance of USD 10 million (after 5% discount) and will be updated in the Final Offer (as defined below). We understand that an additional adjustment for deviation of actual working capital from an ordinary level (all prepayments received by the Company or other accounts payables related to sales of produced products (oil, gas, LPG, etc.) with maturity period of more than 1 month as well as all overdue payables will be considered as part of Company's debt) can be made to the price per share when determining the Final Offer. We also agree that all costs related to the Formal Sale Process including expenses for the Company's consultants should be subtracted from cash balance when determining the Final Offer. The price per ordinary share to be indicated in the Final Offer shall be converted into Sterling using USD/GBP exchange rate calculated as the average value for the 30 days preceding the date of the Final Offer based on spot rate of US Dollars against GBP as published by the Bank of England.

We understand that the Offer may be effected by means of a contractual offer or a scheme of arrangement pursuant to the provisions of the UK Companies Act 2006.

Further to the Discussions, we understand that prior to continuing a due diligence exercise in relation to the Company and its subsidiaries in order to confirm the Indicative Offer Price and making certain other preparations in connection with the Offer you require that we agree to pay for your professional advisers' ("**Professional Advisors**") due diligence costs actually incurred up to a maximum amount of US\$200,000 (inclusive of all applicable taxes and disbursements) in certain circumstances described more fully below (the "**Break Fee**").

Process and Break Fee

We have set out below the process and the circumstances pursuant to which the Break Fee will be payable. Please note that any liability or commitment on our part (whether conditional or not) to pay or agree to pay the Break Fee is subject to any required approval by the Panel on Mergers and Acquisitions (the "**Panel**") and the Rule 3 Advisor will liaise with the Panel in this regard.

- Promptly following the execution of this letter you will proceed with any confirmatory due diligence that you require in relation to the Company and its subsidiaries ("**Confirmatory Due Diligence**").

- As soon as possible and in any event prior to 25 September 2020, you will confirm to us in writing that you are willing to proceed at (or above) the Indicative Offer Price (the "**Final Offer**"). The Final Offer shall include:
 - a statement that all necessary due diligence has been completed by you and that you will be in a position to promptly thereafter and in any event prior to 30 September 2020 proceed to make an announcement of a firm intention to make the Offer pursuant to Rule 2.7 of the Code (the "**Rule 2.7 Announcement**") and deliver to us the final draft of the Rule 2.7 Announcement;
 - details of any shareholder, regulatory, governmental or other approval(s) required or conditions necessary for you to release the Rule 2.7 Announcement;
 - details of the sources of financing needed for you to complete the transaction and confirmation that such sources of financing are available (and the relevant amounts from each source) together with confirmation from your financial adviser that such finance is available on a "certain funds" basis (as defined in the Code),

together the "**Conditions**".

In the event that prior to 30 September 2020 you release the Rule 2.7 Announcement in which the offer price is stated to be at or above the Indicative Offer Price, you subsequently comply with rule 24.1 as regards the publication of the offer document and such offer either: (a) if the offer is made by way of contractual offer, subsequently fails to become unconditional as to acceptances (provided always the acceptance condition is set at, or reduced to, not more than 75% of the shares to which the offer relates and the acceptance period is set at, or extended to, the 60th day after the date on which the initial offer document is published); or (b) if the offer is made by way of a scheme of arrangement, fails to be supported by the necessary majorities at the meetings of shareholders required to be held in connection with such scheme, then we shall pay the Break Fee to you within 30 days of such date.

In the event that your Confirmatory Due Diligence: (a) reveals an issue required to be publicly announced by the Company in order for it to comply with its obligations as a company whose shares are admitted to trading on AIM that a Professional Advisor has set out in a due diligence report ("**Due Diligence Report**") confirming (on a reasonable basis) that such issue is adverse to the business or value of the Company and that it was only apparent from such Professional Advisor's independent analysis of information that had not then been so announced or was not then otherwise publicly available ("**Material Undisclosed Issue**"); **and** (b) such Professional Advisor sets out that the Material Undisclosed Issue is of a nature and impact that it requires that specific contractual protections be given by us in order that the Final Offer shall be at or above the Indicative Offer Price ; **and** (c) we do not provide such specific contractual protections on a reasonable basis,

within 30 days of the date of the Due Diligence Report provided to us, we shall pay the Break Fee to you. In the event that the Break Fee is paid to you under this provision, you will provide the Due Diligence Report and other due diligence reports prepared for you by your other Professional Advisers in connection with the Offer to the board of the Company with a copy to the Company's legal advisers, Akin Gump Strauss Hauer and Feld LLP. Such reports will be provided on a non-reliance basis.

General

Nothing in this letter will prevent us or our advisers responding to an approach by a third party and providing that third party with information as required by or permitted under the Code or discussing any such approach with such third party.

In the event that any Condition is not satisfied by the date set out in any such Condition, all rights and obligations under this letter shall be terminated.

Time shall be of the essence as regards any time, date or period mentioned in this letter or extended by mutual agreement (such extension not to be unreasonably withheld in circumstances where we are still in process of appointing a financial adviser). In accordance with the terms of this letter, you agree that only the Break Fee shall be payable (if applicable) and you shall not be entitled to any other damages, the remedy of specific performance or any other equitable relief.

No term of this letter shall be enforceable by a person who is not a party to it.

Nothing in this letter shall oblige us to pay any amount which the Panel determines would not be permitted by Rule 21.2 of the Code.

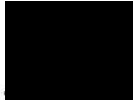
This letter may be signed in one or more counterparts.

Any variation of this letter shall be binding only if it is made in writing signed by or on behalf of us and expressed to be such a variation.

The terms of this letter shall be governed by, and construed in accordance with, English law and we each irrevocably submit any dispute which may arise out of, under, or in connection with this letter to the exclusive jurisdiction of the English courts.

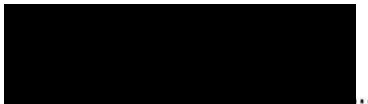
Please countersign the enclosed copy of this letter where indicated and return it to us so as to signify your agreement to its terms.

Yours faithfully



.....
Julian Timms, Director,
For and on behalf of

Dehus Dolmen Nominees Ltd



Gillian Newton, Director,
For and on behalf of

Baring Vostok Investment Managers Limited

Agreed and accepted



Director,
For and on behalf of
Gem Capital Holdings (CY) Ltd.

Date: 25.08.20

Strictly private and confidential

From:

Dehus Dolmen Nominees Limited (company number – 46616)
1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey GY1 2HL

Baring Vostok Investment Managers Limited (company number – 56800)
(the investment manager to Baring Vostok Investments PCC Limited)
on behalf of **Baring Vostok Investments PCC Limited**
1st & 2nd Floors, Elizabeth House
Les Ruettes Brayes
St Peter Port
Guernsey GY1 1EW

Copies to:

Directors, Baring Vostok Fund III Managers Limited
(The managing general partner to the limited partnerships comprising
Baring Vostok Private Equity Fund III)

Directors, Baring Vostok Fund IV Managers Limited
(The managing general partner to the limited partnerships comprising
Baring Vostok Private Equity Fund IV)

Directors, Baring Vostok Investment Managers Limited
(The investment manager to
Baring Vostok Investments PCC Limited)

To:
The Directors
Gem Capital Holdings (CY) Ltd.
Atlantis Building, 2nd Floor, Office 201,
2 Arch. Makarios Ave., Mesa Geitonia,
Limassol 4000, Cyprus

Re.: Amendment to the letter regarding Volga Gas Plc (the "Company") sent by Dehus Dolmen Nominees Limited and Baring Vostok Investment Managers Limited (on behalf of Baring Vostok Investments PCC Limited) to Gem Capital Holdings (CY) Ltd. dated 24 August 2020 (the "Letter Agreement")

28 September 2020

Strictly private and confidential

Dear Sirs

In this letter (this "**Amendment Letter**") hereby we have agreed to amend the Letter Agreement on the following terms and conditions. Capitalized terms not defined herein shall have the meanings ascribed to them in the Letter Agreement.



Amendment

With effect from the signing of this Amendment Letter by both Parties, the Parties agree in consideration of the payment of USD 1.00 by each party to the other, the receipt of which is acknowledged by each, section "**Process and Break Fee**" is amended and shall be read as follows:

*"We have set out below the process and the circumstances pursuant to which the Break Fee will be payable. Please note that any liability or commitment on our part (whether conditional or not) to pay or agree to pay the Break Fee is subject to any required approval by the Panel on Mergers and Acquisitions (the "**Panel**") and the Rule 3 Advisor will liaise with the Panel in this regard.*

- *Promptly following the execution of this letter you will proceed with any confirmatory due diligence that you require in relation to the Company and its subsidiaries ("**Confirmatory Due Diligence**").*
- *As soon as possible and in any event prior to 26 October 2020, you will confirm to us in writing that you are willing to proceed at (or above) the Indicative Offer Price (the "**Final Offer**"). The Final Offer shall include:*
 - *a statement that all necessary due diligence has been completed by you and that you will be in a position to promptly thereafter and in any event prior to 30 October 2020 proceed to make an announcement of a firm intention to make the Offer pursuant to Rule 2.7 of the Code (the "**Rule 2.7 Announcement**") and deliver to us the final draft of the Rule 2.7 Announcement;*
 - *details of any shareholder, regulatory, governmental or other approval(s) required or conditions necessary for you to release the Rule 2.7 Announcement;*
 - *details of the sources of financing needed for you to complete the transaction and confirmation that such sources of financing are available (and the relevant amounts from each source) together with confirmation from your financial adviser that such finance is available on a "certain funds" basis (as defined in the Code),*

*together the "**Conditions**".*

In the event that prior to 30 October 2020 you release the Rule 2.7 Announcement in which the offer price is stated to be at or above the Indicative Offer Price, you subsequently comply with rule 24.1 as regards the publication of the offer document and such offer either: (a) if the offer is made by way of contractual offer, subsequently fails to become unconditional as to acceptances (provided always the acceptance condition is set at, or reduced to, not more than 75% of the shares to which the offer relates and the acceptance period is set at, or extended to, the 60th day after the date on which the initial offer document is published); or (b) if the offer is made by way of a scheme of arrangement, fails to be supported by the necessary majorities at the meetings of shareholders required to be held in connection with such scheme, then we shall pay the Break Fee to you within 30 days of such date.

*In the event that your Confirmatory Due Diligence: (a) reveals an issue required to be publicly announced by the Company in order for it to comply with its obligations as a company whose shares are admitted to trading on AIM that a Professional Advisor has set out in a due diligence report ("**Due Diligence Report**") confirming (on a reasonable basis) that such issue is adverse to the business or value of the Company and that it was only*



apparent from such Professional Advisor's independent analysis of information that had not then been so announced or was not then otherwise publicly available ("**Material Undisclosed Issue**"); and (b) such Professional Adviser sets out that the Material Undisclosed Issue is of a nature and impact that it requires that specific contractual protections be given by us in order that the Final Offer shall be at or above the Indicative Offer Price; and (c) we do not provide such specific contractual protections on a reasonable basis,

within 30 days of the date of the Due Diligence Report provided to us, we shall pay the Break Fee to you. In the event that the Break Fee is paid to you under this provision, you will provide the Due Diligence Report and other due diligence reports prepared for you by your other Professional Advisers in connection with the Offer to the board of the Company with a copy to the Company's legal advisers, Akin Gump Strauss Hauer and Feld LLP. Such reports will be provided on a non-reliance basis."

General

Unless the context otherwise requires, references in the Letter Agreement to "this letter" shall be to the Letter Agreement as amended by this Amendment Letter.

The provisions of the Letter Agreement shall, save as amended in this Amendment Letter, continue in full force and effect, and shall be read and construed as one document with this Amendment Letter.

The provisions of section "General" of the Letter Agreement shall be incorporated into this Amendment Letter, *mutatis mutandis*.

The terms of this Amendment Letter shall be governed by, and construed in accordance with, English law and we each irrevocably submit any dispute which may arise out of, under, or in connection with this Amendment Letter to the exclusive jurisdiction of the English courts.

Yours faithfully,

.....
[Redacted Signature]
Gillian Newton, Director
For and on behalf of
Dehus Dolmen Nominees Ltd

.....
[Redacted Signature]
Gillian Newton, Director
For and on behalf of
Baring Vostok Investment Managers Limited

Agreed and accepted

[Redacted Signature]
Director,
For and on behalf of
Gem Capital Holdings (CY) Ltd.



Date: 28 September 2020

Strictly private and confidential

From:

Dehus Dolmen Nominees Limited (company number – 46616)

1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey GY1 2HL

Baring Vostok Investment Managers Limited (company number – 56800)

(the investment manager to Baring Vostok Investments PCC Limited)

on behalf of **Baring Vostok Investments PCC Limited**

1st & 2nd Floors, Elizabeth House

Les Ruettes Brayes

St Peter Port

Guernsey GY1 1EW

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Directors, Baring Vostok Fund III Managers Limited

(The managing general partner to the limited partnerships comprising
Baring Vostok Private Equity Fund III)

Directors, Baring Vostok Fund IV Managers Limited

(The managing general partner to the limited partnerships comprising
Baring Vostok Private Equity Fund IV)

Directors, Baring Vostok Investment Managers Limited

(The investment manager to
Baring Vostok Investments PCC Limited)

To:

The Directors

Gem Capital Holdings (CY) Ltd.

Atlantis Building, 2nd Floor, Office 201,

2 Arch. Makarios Ave., Mesa Geitonia,

Limassol 4000, Cyprus

Re.: Second Amendment to the letter regarding Volga Gas Plc (the "Company") sent by Dehus Dolmen Nominees Limited ("Dehus") and Baring Vostok Investment Managers Limited (on behalf of Baring Vostok Investments PCC Limited) ("BV") to Gem Capital Holdings (CY) Ltd. ("GEM") dated 24 August 2020 as amended by way of an amendment letter from Dehus and BV to GEM dated 28 September 2020 (the "Letter Agreement")

30 October 2020

Strictly private and confidential

Dear Sirs

In this letter (this "**Second Amendment Letter**") hereby we have agreed to amend the Letter Agreement on the following terms and conditions. Capitalized terms not defined herein shall have the meanings ascribed to them in the Letter Agreement.

Amendment

With effect from the signing of this Amendment Letter by both Parties, the Parties agree in consideration of the payment of USD 1.00 by each party to the other, the receipt of which is acknowledged by each, the section of the Letter Agreement headed "**Process and Break Fee**" is amended and replaced with the following:

*"We have set out below the process and the circumstances pursuant to which the Break Fee will be payable. Please note that any liability or commitment on our part (whether conditional or not) to pay or agree to pay the Break Fee is subject to any required approval by the Panel on Mergers and Acquisitions (the "**Panel**") and the Rule 3 Advisor will liaise with the Panel in this regard.*

- *Promptly following the execution of this letter you will proceed with any confirmatory due diligence that you require in relation to the Company and its subsidiaries ("**Confirmatory Due Diligence**").*
- *As soon as possible and in any event prior to 26 October 2020, you will confirm to us in writing that you are willing to proceed at (or above) the Indicative Offer Price (the "**Final Offer**"). The Final Offer shall include:*
 - *a statement that all necessary due diligence has been completed by you and that you will be in a position to promptly thereafter and in any event prior to 13 November 2020 proceed to make an announcement of a firm intention to make the Offer pursuant to Rule 2.7 of the Code (the "**Rule 2.7 Announcement**") and deliver to us the final draft of the Rule 2.7 Announcement;*
 - *details of any shareholder, regulatory, governmental or other approval(s) required or conditions necessary for you to release the Rule 2.7 Announcement;*
 - *details of the sources of financing needed for you to complete the transaction and confirmation that such sources of financing are available (and the relevant amounts from each source) together with confirmation from your financial adviser that such finance is available on a "certain funds" basis (as defined in the Code),*

*together the "**Conditions**".*

In the event that prior to 13 November 2020 you release the Rule 2.7 Announcement in which the offer price is stated to be at or above the Indicative Offer Price, you subsequently comply with rule 24.1 as regards the publication of the offer document and such offer either: (a) if the offer is made by way of contractual offer, subsequently fails to become unconditional as to acceptances (provided always the acceptance condition is set at, or reduced to, not more than 75% of the shares to which the offer relates and the acceptance period is set at, or extended to, the 60th day after the date on which the initial offer document is published); or (b) if the offer is made by way of a scheme of arrangement, fails to be supported by the necessary majorities at the meetings of shareholders required to be held in connection with such scheme, then we shall pay the Break Fee to you within 30 days of such date.

*In the event that your Confirmatory Due Diligence: (a) reveals an issue required to be publicly announced by the Company in order for it to comply with its obligations as a company whose shares are admitted to trading on AIM that a Professional Advisor has set out in a due diligence report ("**Due Diligence Report**") confirming (on a reasonable basis) that such issue is adverse to the business or value of the Company and that it was only apparent from such Professional Advisor's independent analysis of information that had not*

then been so announced or was not then otherwise publicly available ("**Material Undisclosed Issue**"); and (b) such Professional Adviser sets out that the Material Undisclosed Issue is of a nature and impact that it requires that specific contractual protections be given by us in order that the Final Offer shall be at or above the Indicative Offer Price; and (c) we do not provide such specific contractual protections on a reasonable basis,

within 30 days of the date of the Due Diligence Report provided to us, we shall pay the Break Fee to you. In the event that the Break Fee is paid to you under this provision, you will provide the Due Diligence Report and other due diligence reports prepared for you by your other Professional Advisers in connection with the Offer to the board of the Company with a copy to the Company's legal advisers, Mayer Brown LLP. Such reports will be provided on a non-reliance basis."

General


Unless the context otherwise requires, references in the Letter Agreement to "this letter" shall be to the Letter Agreement as amended by this Amendment Letter.

The provisions of the Letter Agreement shall, save as amended in this Amendment Letter, continue in full force and effect, and shall be read and construed as one document with this Amendment Letter.

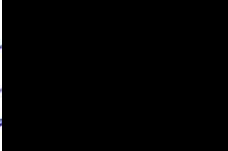

The provisions of section headed "General" of the Letter Agreement shall be incorporated into this Amendment Letter, *mutatis mutandis*.

The terms of this Amendment Letter shall be governed by, and construed in accordance with, English law and we each irrevocably submit any dispute which may arise out of, under, or in connection with this Amendment Letter to the exclusive jurisdiction of the English courts.

Yours faithfully,


.....
Julian Timms, Director,
For and on behalf of
Dehus Dolmen Nominees Ltd


.....
Julian Timms, Director,
For and on behalf of
Baring Vostok Investment Managers Limited

Agreed and accepted. 

.....
Director,
For and on behalf of
Gem Capital Holdings (CY) Ltd.

Date: 30 October 2020

