



PRODUCTION & DRILLING UPDATE REPORT FOR JULY 2020

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

PRODUCTION & DRILLING UPDATE REPORT FOR JULY 2020

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 July 2020.

Production Report

The average production in July 2020 was 3,590 barrels of oil equivalent per day (10.5% higher than June 2020). This increase was driven by improved availability of gas plant capacity. In the prior month production was suspended for 7 days due to planned maintenance on Gazprom's facilities.

Average production comprised:

	July 2020 Average	June 2020 Average	Jan-July 2020 Average
Gas:	7.6 mmcf/d	6.7 mmcf/d	8.7 mmcf/d
Condensate	1,786 bpd	1,560 bpd	1,488 bpd
Oil	416 bpd	459 bpd	482 bpd
LPG	113 bpd	106 bpd	177 bpd
Total	3,590 boepd	3,248 boepd	3,593 boepd

Production data is based preliminary on monthly production reports prepared for submissions to the tax authorities for Mineral Extraction Tax purposes. Final monthly production reports may vary marginally from preliminary monthly production reports.

As at 31 July 2020, the Group held cash balances of US\$10.0 million, and has no debt.

Pricing update

International oil pricing has been slightly recovering during the month positively affecting domestic pricing for oil and condensate. In addition, LPG price continued to grow as a result of seasonal increases in demand. Average pricing was:

Pricing ex VAT, USD	July 2020 Average	June 2020 Average	Jan-July 2020 Average
Exchange Rate (RUR/USD)	71.2853	69.2239	69.6500
Gas price per mcf	1.81	1.85	1.86
Condensate price per bbl	25.95	26.49	26.65
Oil price per bbl	34.70	32.03	31.18
LPG price per bbl	36.70	30.26	24.49

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 meters (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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