



PRODUCTION & DRILLING UPDATE REPORT FOR AUGUST 20

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Volga Gas plc
("Volga Gas", the "Company" or the "Group")
PRODUCTION & DRILLING UPDATE REPORT FOR AUGUST 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 August 2020.

Production Report

The average production in August 2020 was 4,317 barrels of oil equivalent per day (20.3% higher than July 2020). This increase was driven by higher gas plant capacity utilisation whereas production in July 2020 was constrained by Gazprom's pipeline maintenance works. In addition, further increases in oil production came from new slim hole wells.

Average production comprised:

	Aug 2020 Average	July 2020 Average	Jan-Aug 2020 Average
Gas:	8.9 mmcf	7.6 mmcf	8.7 mmcf
Condensate	2,111 bpd	1,786 bpd	1,567 bpd
Oil	565 bpd	416 bpd	493 bpd
LPG	162 bpd	113 bpd	175 bpd
Total	4,317 boepd	3,590 boepd	3,685 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 August 2020, the Group held cash balances of US\$12.1 million, and has no debt.

Pricing update

Domestic pricing for oil & LPG were slightly reduced in RUR and further impacted with local currency devaluation. Average pricing was:

Pricing ex VAT, USD	Aug 2020 Average	July 2020 Average	Jan-Aug 2020 Average
Exchange Rate (RUR/USD)	73.7998	71.2853	70.1772
Gas price per mcf	1.75	1.81	1.84
Condensate price per bbl	27.02	25.95	26.80
Oil price per bbl	32.59	34.70	31.44
LPG price per bbl	32.45	36.70	25.42

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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