



PRODUCTION REPORT FOR JUNE 2020

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

PRODUCTION REPORT FOR JUNE 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 June 2020.

Production Report

The average production in June 2020 was 3,248 barrels of oil equivalent per day (4% lower than May 2020). This decline was attributable to the gas plant working at lower capacity for 7 days due to planned maintenance on Gazprom's facilities.

Average production comprised:

	June 2020 Average	May 2020 Average	Jan-June 2020 Average
Gas:	6.7 mmcf	7.9 mmcf	8.8 mmcf
Condensate	1,560bpd	1,343bpd	1,437 bpd
Oil	459 bpd	565 bpd	493 bpd
LPG	106 bpd	146 bpd	188 bpd
Total	3,248 boepd	3,372 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 30 June 2020, the Group held cash balances of US\$10.6 million, and has no debt.

Pricing update

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

Pricing ex VAT, USD	June 2020 Average	May 2020 Average	Jan-June 2020 Average
Exchange Rate (RUR/USD)	69.2239	72.6187	69.3714
Gas price per mcf	1.85	1.78	1.86
Condensate price per bbl	26.49	14.20	26.77
Oil price per bbl	32.03	20.66	30.77
LPG price per bbl	30.26	14.90	23.28

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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