



## PRODUCTION & DRILLING UPDATE REPORT - SEPTEMBER 20

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

#### PRODUCTION & DRILLING UPDATE REPORT FOR SEPTEMBER 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 September 2020.

#### Production Report

The average production in September 2020 was 3,975 barrels of oil equivalent per day (7.9% lower than August 2020). This decrease was driven by a short suspension of production from well VM-4 (the main condensate producer on the VM field) for a workover to install downhole pump for water isolation.

Average production comprised:

	Sep 2020 Average	Aug 2020 Average	Jan-Sep 2020 Average
Gas:	9.1 mmcfd	8.9 mmcfd	8.7 mmcfd
Condensate	1,664 bpd	2,111 bpd	1,577 bpd
Oil	579 bpd	565 bpd	502 bpd
LPG	220 bpd	162 bpd	180 bpd
<b>Total</b>	<b>3,979 boepd</b>	<b>4,317 boepd</b>	<b>3,716 boepd</b>

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 September 2020, the Group held cash balances of US\$11.4 million, and has no debt.

#### Pricing update

Domestic pricing for oil & condensate were slightly reduced in RUR (driven by lower Urals) and further impacted with local currency devaluation. LPG price was improved but tend to be reversed seasonally. Average pricing was:

Pricing ex VAT, USD	Sep 2020 Average	Aug 2020 Average	Jan-Sep 2020 Average
Exchange Rate (RUR/USD)	75.6621	73.7998	70.7778
Gas price per mcf	1.71	1.75	1.83
Condensate price per bbl	24.94	27.02	26.58
Oil price per bbl	32.14	32.59	31.60
LPG price per bbl	33.93	32.45	26.55

#### 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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