



DRILLING UPDATE AND PRODUCTION REPORT FOR JUNE 19

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

DRILLING UPDATE AND PRODUCTION REPORT FOR JUNE 2019

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 May 2019.

Drilling Update

Drilling of Uzen 4 horizontal sidetrack into the shallower Albian reservoir commenced on 16th March and completed on 1st June. The total meters drilled in the sidetrack was 1,132 meters including a 407 meters horizontal section at vertical depth of 795 meters. Initial flow testing resulted in gas and oil production, testing commenced during June and is to be continued in July for further hydrodynamic measurements.

Production Report

The average production in June 2019 was 6,190 barrels of oil equivalent per day (46.6% higher than May 2019). As Gazprom's pipeline maintenance programme was completed in May 2019, production levels during June 2019 returned to normal planned operational levels.

Average production comprised:

| | June 2019 Average | May 2019 Average | Jan-June 2019 Average |
|--------------|----------------------|---------------------|--------------------------|
| Gas: | 21.7 mmcf/d | 13.6 mmcf/d | 20.0 mmcf/d |
| Condensate | 1,808 bpd | 1,228 bpd | 1,525 bpd |
| Oil | 426 bpd | 468 bpd | 419 bpd |
| LPG | 332 bpd | 257 bpd | 352 bpd |
| Total | 6,190 boepd | 4,221 boepd | 5,634 boepd |

Management's expectation for 2019 for production to average 5,900 boe per day including LPG volumes remains unchanged.

Production data is based on preliminary monthly production reports prepared for the purposes of submissions to tax authorities for Mineral Extraction Tax purposes.

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.

For further information, please contact:

Volga Gas plc

Andrey Zozulya, Chief Executive Officer
Vadim Son, Chief Financial Officer
Tony Alves, Investor Relations Consultant

+7 (903) 385 9889
+7 (905) 381 4377
+44 (0) 7824 884 342

S.P. Angel Corporate Finance LLP

Richard Redmayne, Richard Morrison, Richard Hail

+44 (0) 20 3470 0470

FTI Consulting

Alex Beagley, Fern Duncan

+44 (0) 20 3727 1000

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 metres (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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