



PRODUCTION REPORT FOR DECEMBER 2019

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

PRODUCTION REPORT FOR DECEMBER 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 December 2019 and for the full year 2019.

Production Report

The average production in December 2019 was 4,505 barrels of oil equivalent per day (4% lower than November 2019). The gas plant unit was working without disruption during the month while the LPG expander unit was tested and tuned. This new unit has enabled a higher rate of LPG extraction from the gas stream compared to that achieved with the original LPG unit.

Average production comprised:

	December 2019	November 2019	Jan-December 2019
	Average	Average	Average
Gas:	11.9 mmcf/d	13.5 mmcf/d	16.3 mmcf/d
Condensate	1,795 bpd	1,675 bpd	1,507 bpd
Oil	443 bpd	514 bpd	427 bpd
LPG	285 bpd	256 bpd	287 bpd
Total	4,505 boepd	4,687 boepd	4,930 boepd

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

As at 31 December, the Group held cash balances of US\$ 14.1 million, and had no debt.

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 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
LPG	Liquefied petroleum gas
mmcf	Millions of standard cubic feet per day

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