



PRODUCTION REPORT FOR APRIL 2019

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

DRILLING UPDATE AND PRODUCTION REPORT FOR APRIL 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 April 2019.

Drilling Update

Drilling of Uzen 4 horizontal sidetrack into the shallower Albian reservoir commenced on 16th March and completed on 1st May. The total metres drilled in the sidetrack was 1,132 meters including a 407 meters horizontal section at vertical depth of 795 meters. Flow testing of the well is expected to commence after the activation of underground packers to cut off water flow from beneath the reservoir, which is expected to occur during May 2019.

Production Report

The average production in April 2019 was 4,905 barrels of oil equivalent per day (22.8% lower than March 2019). The decline in production was due to the gas plant being shut down for routine maintenance for 5 days during April. In addition, as a result of lower nominations from Gazprom, for the last four days of April 2019, gas processing capacity utilisation was reduced to 16.2 mmcf/d and is expected to remain at the same level during May 2019.

During April 2019, as in March 2019, oil production was restricted by seasonal muddy road conditions to Uzen field.

Average production comprised:

	April 2019 Average	March 2019 Average	Jan-Apr 2019 Average
Gas:	17.6 mmcf/d	22.8 mmcf/d	21.3 mmcf/d
Condensate	1,341 bpd	1,746 bpd	1,531 bpd
Oil	330 bpd	347 bpd	404 bpd
LPG	304 bpd	447 bpd	381 bpd
Total	4,905 boepd	6,332 boepd	5,859 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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