

Interim Management Statement

May 17, 2012

Strong progress in building the foundation for growth

London, 17 May: RusPetro plc (LSE:RPO), the independent oil & gas development and production company listed on the London Stock Exchange, today announces its financial results for the three months ended March 31, 2012 and an update on its operations to May 16, 2012. RusPetro's operations are located in the Khanty-Mansiysk region of the West Siberian basin.

Highlights:

- Reserves increased
 - proved oil reserves up 10% from 157m to 173m barrels
 - proved and probable oil reserves up 7.5% from 1,437m to 1,545m barrels
- Revenues up 28% from Q4 2011 to \$19.2 million; up 447% from Q1 2011.
- Four rigs in operation
- Execution capacity expanding with key team additions in drilling, geosciences, engineering and operations
- 3 Wells now testing on Pad 1 in the North East of the field producing 51 API oil which is selling at a \$9/bbl premium from the wellhead; treatment facilities being fast tracked
- Year to date average production of 4,000 bpd
- Three new wells scheduled to be completed in May
- On track to achieve production guidance of 10,400 bpd by the year end
- Strong progress on infrastructure build-out
- Inclusion in FTSE 250 index as at the end of March 2012

Donald Wolcott, Chief Executive, RusPetro plc, said:

"We have started 2012 with excellent progress on infrastructure build out and encouraging drilling results where we continue to see productive sands as modelled. We have completed significant infrastructure projects ahead of time and under budget, demonstrating our commitment to delivery of the goals set out at the IPO. We have also delivered good reserve growth on a 1P and 2P basis. These achievements are important to our growth objectives and strategy of increasing profitability through superior operational efficiency. With our drilling programme advancing, we are confident of delivering on our 2012 targets."

Financials

RusPetro's revenue grew to \$19.2 million in the first quarter 2012, compared to \$15 million in Q4 2011 and \$3.5 million in Q1 2011.

Net cash generated from financing activities was \$173.7 million. Capital expenditure during the period was \$20.4 million. At the end of Q1 2012, RusPetro's cash position stood at \$154.9 million, leaving the Company fully funded for its 2012/2013 drilling and development programme.

Reserves

Based on improved recovery rates (increased from 14% to 15%), DeGolyer and MacNaughton has upgraded RusPetro's proved oil reserves by 10% from 157m to 173m barrels and its proved and probable oil reserves by 7.5% from 1,437m to 1,545m barrels in an audit dated December 31, 2011. RusPetro's next reserve audit will be dated June 30, 2012. Details from the audit will be released with our H1 announcement in August.

Drilling and Production

The Company is targeting drilling 24 wells in 2012 and has this year mobilized two additional rigs, taking the total number of rigs in operation to four. This provides additional flexibility in choosing drilling locations and prioritising wells with higher potential. Two wells have been completed in the Western area of the field in the year to date.

Three wells have been completed in the North Eastern part of the field and are being tested on natural flow. The increase in treatment capacity for the North East of the field, where these wells are situated, is being fast tracked. After the facilities have been upgraded these wells can be scheduled for fracture treatments. Crude from these wells is 51 API and is currently being sold from the wellhead at a \$9/bbl premium to our domestic sales. Drilling has commenced on the neighboring Pad 3.

A further seven wells are on schedule to be completed by the end of June. This will give RusPetro a total of 12 completed wells in the first half of 2012.

Infrastructure

The Company is making continued good progress installing the necessary infrastructure for it to meet its medium-term production targets. RusPetro completed and commissioned the 27km pipeline which links the central RusPetro treatment facility with the Transneft pipeline, reducing production costs per barrel by \$2.20. The Company also installed four electricity generators in early April with total capacity of 4MW, powered by associated gas, allowing for a further reduction in operating cost per barrel of \$1.60. Both projects were completed ahead of schedule and under budget.

In April 2012, RusPetro obtained a General Contractor licence, which will allow it to take charge of certain infrastructure projects where it makes sense financially or to ensure timely delivery.

Other recently completed infrastructure projects include capacity upgrades to the existing treatment facility and pad construction to support existing and future drilling rigs.

Infrastructure items currently underway include:

- Oil processing North East facility of 4,000 bpd being fast-tracked
- Oil processing West facility of 15,000 bpd on schedule
- Infield pipelines: 7.6 km pipeline from Pad 21 to processing facility 70% complete and 1.6 km pipeline from Pad 22 to Pad 21 water injection lines 30% complete.

Outlook

RusPetro's progress with surface infrastructure and drilling rig mobilization has given the Company the execution capacity necessary to meet its 2012 drilling and production targets. With four rigs currently in operation, RusPetro is now drilling wells at a significantly faster pace than in Q1. This pace will accelerate as the year progresses. The Company is confident that it will deliver on its target of 24 wells to be drilled by the end of 2012 and that it will achieve its 2012 year end production target of 10,400 bpd. Q2 production progress will be reported mid-July, 2012.

Enquiries

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