

# Operational Update

March 14, 2012

London, 14 March: RusPetro plc (LSE:RPO), the independent oil & gas development and production company listed on the London Stock Exchange, today provides an operational update. RusPetro's operations are located in the Khanty-Mansyisk region of the West Siberian basin.

## Highlights:

- Positive production test results from exploration Well 1004, with significant upside potential
- Well 4158 spudded; a delineation well targeting Lower and Middle Jurassic siltstones at 2760 meters TVD (true vertical depth) near well 1004
- Well 244 drilled to a target depth of 2843 meters, perforated 24 meter interval in the prolific Jurassic UK 2-3 zones
- Well 1036 target reached at 2720 TVD, core being collected in final licence well; casing and testing to follow shortly
- Additional rigs mobilizing in the western and northeast areas of the field
- Infrastructure build-out advancing ahead of schedule
- Ruspetro included in the FTSE 250 Index

Don Wolcott, Chief Executive Officer, commented:

"RusPetro's first six weeks as a public company have been busy and productive. We have had encouraging results from well 1004 in the northeast area of the field. We are accelerating our drilling in the western area and rigging up to drill more in the northeast area. Our infrastructure build-out is advancing ahead of schedule to support our anticipated increased production this year. We are also delighted to be included in the FTSE 250 index."

## Well 1004 Test Results

Well 1004, completed in December, was originally drilled to meet licence requirements. The well was drilled to the target depth of 2941 meters. Core analysis and logging indicated multiple hydrocarbon-bearing zones in the Jurassic UK8-10. For testing, a 20 meter interval from 2844 to 2864 meters in the UK 9 interval was perforated. In February, an extended well test was initiated and the well flowed unstimulated at 700 barrels of oil per day. Wellhead pressure was consistent at 1,600 psi, indicating potentially higher flow rates after fracturing and in normal operating conditions. RusPetro is continuing to produce from this well into temporary storage facilities while completing the surface infrastructure upgrades to accommodate higher production rates for this part of the field.

## Well 4158 Spudded

Following the positive results from well 1004, RusPetro has spudded well 4158 from the same pad as well 1004 in the northeast area of the field. Well 4158 is a delineation well, targeting Lower and Middle Jurassic siltstones at 2760 meters TVD and offset approximately 500 meters from 1004. The well will reach target depth this month.

## Well 244 Completion

Well 244 was spudded on January 28, from pad 21 in the western area, and drilled to target depth of 2836 meters (2505m TVD) and cased. A 24 meter interval was perforated from 2730 to 2754 meters in the UK2-3 zone and the well is being prepared for hydraulic fracturing later this week.

## **Well 245 Spudded**

RusPetro spudded well 245 from pad 21 on 3 March. The well is a deviated well targeting the prolific UK2-3 play that was the focus of RusPetro's drilling in 2011. The Company expects to reach the target depth of 3088 meters (2480m TVD) by March 20, and to complete the well and put it online in early April.

## **Well 1036 Coring Operations**

RusPetro is currently collecting core from well 1036, an exploration well from pad 31 in the central area of the field. This well represents the final licence obligation for RusPetro on this block. The well has reached a target depth of 3481 meters (2681m TVD) and is targeting the Lower Jurassic UK-10 zone. Casing and testing of the well will follow in the next weeks with a decision taken in April as to completion design.

## **Additional Rigs Mobilized**

RusPetro is now mobilizing four rigs. Two, as originally planned, are being mobilized in the Western area of the field and an additional two rigs are being mobilized in the Northeast of the field in response to the test results of well 1004. In the Western area of the field there is currently one rig operational on pad 21 with one new rig mobilizing on pad 19 which will target bottom hole locations in the same UK 2-3 play as wells on the prolific Pad 21. In the Northeastern area of the field there is already an operational rig in place on pad 1 and a second rig is mobilizing on pad 3. These rigs are targeting bottom-hole locations in the UK 8-10 in sands similar to those found in well 1004.

## **Infrastructure Buildout**

The company's infrastructure build out projects are progressing well, with several stages already completed. The 27 kilometer sales pipeline to RusPetro's sales point, its wholly owned custody-transfer station on the Transneft Pipeline (Federal Pipeline Co.), is 81% welded and in place. The pipeline, which will obviate the need for trucking at a current cost of \$2.20 per barrel, is on track to be commissioned before the end of May. In addition, the company is currently contracting to acquire the first four generating units which will have the twin benefits of utilizing associated gas and providing up to four megawatts of electricity. These generators should be commissioned by mid-summer. Finally, the Company has installed a heater unit on its existing central processing plant, extending the primary heat treatment capacity from 800 cubic meters to 1200 cubic meters per day.

## **Full Year 2011 Results and Capital Markets Day**

Full year 2011 results of RusPetro will be released during the week beginning the 16th April in conjunction with a capital markets day for investors and analysts.

## **Enquiries**

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