

19 November 2012

**Ruspetro plc (“Ruspetro” or the “Company”)**

**Interim Management Statement**

**Revenue Building Strongly**

London, 19 November 2012: Ruspetro plc (LSE: RPO), the independent oil & gas development and production company listed on the London Stock Exchange, located in the Khanty-Mansiysk region of the West Siberian basin publishes today an update on its operations for the period from 29<sup>th</sup> August 2012 to 18 November 2012 and its financial highlights for the third quarter of 2012.

**Highlights:**

- Production rate of 7,853 bopd achieved
  - Crude production: 5,493 bopd
  - Condensate production: 2,360 bopd
- More than 1,500 bopd of production temporarily shut-in due to facility development
- On track to achieve year-end target exit rate of 10,400 bopd
- Well head revenue<sup>(1)</sup> building strongly, with the month of September at US\$4.8 million
- Waterflood response generating enhancement opportunities in the west of the field
- Cash balance of \$64.7 million

Don Wolcott, Chief Executive, commented:

*“We are pleased with our performance in this period and we continue to make good progress with our programme and in our production levels by bringing new wells on-stream at a faster rate than earlier in the year, while focusing on higher-margin condensate barrels. With our programme for 2013 in place, we are excited about our prospects for the year ahead. Our focus for the remainder of the year and 2013 will be on the high quality execution of our projects and accelerating our drilling in the north eastern condensate producing area.”*

**Financials**

Revenues increased by 22% to US\$17.7 million in the third quarter of 2012 compared to US\$14.6 million in the second quarter of 2012 this is primarily due to an increase in oil production volumes during the period.

The Company had net debt of US\$310.8 million at the end of the period with US\$64.7 million of cash (compared to US\$405.2 million of net debt and US\$1.3 million of cash at the 2011 year end) reflecting the IPO in January 2012.

Capital expenditure during the third quarter of 2012 was US\$29.7 million which compares to a capital expenditure of US\$32.3 million during the second quarter of 2012.

**Drilling and Production**

The drilling programme in the near future will focus on the north eastern condensate producing area, with 50 bottom hole locations identified that will be targeted for the remainder of 2012 and in 2013.

Ruspetro now has two operational rigs on the condensate producing formation in the north east of the field and one operational rig on Pad 21 in the west of the field.

A Weatherford fracturing fleet is now permanent in the field and is contracted to execute our fracture completions on schedule.

Ruspetro's 2013 drilling programme, focusing on the condensate producing area of the field will enable the Company to maximise EBITDA generation. At the same time, the reprocessed seismic will enable the Company to select higher flow rate drilling locations for crude production in the future.

We are beginning to see initial waterflood response in the west of the field. This response is developing as modelled and will start to stabilise our base production in 2013 and begin to generate further well enhancement opportunities in this part of the field.

### ***Infrastructure***

The Company continues to make good progress with its infrastructure installation plan. The central processing facility is being upgraded to process 15,000 bopd and will be completed by the end of the year. A water injection pump station has also been installed and commissioned, which will enable separated water to be pumped back to the pads from the facility for injection into the reservoirs.

In the north east of the field, the Company is commissioning an early production facility which will have capacity for up to 5,000 bopd of stable condensate when the current development phase is completed. More than 1,500 bopd of production is temporarily shut-in due to the development of this facility. This condensate is transported from the facility to the destination refinery by truck and rail.

### ***Fiscal Regime***

Condensate refers to the light oil being produced in the north eastern area of the field and classified under Russian OST standard OST 51.58-79. Currently condensate generates well head revenue of approximately \$42 per barrel versus \$22 per barrel for Ruspetro crude due to the different Mineral Extraction Tax rates for the two products.

In addition, we continue to closely follow developments on new incentives for tight oil reservoirs that are expected to be implemented in 2013. According to the latest media reports Ruspetro's Jurassic zones would be entitled to a Mineral Extraction Tax reduction of up to 80% for ten years and Ruspetro's Bazhenov and Abalak zones may be entitled to a 100% reduction for 15 years.

<sup>(1)</sup> Well head revenue is revenue net of export duty, Transneft pipeline fees and the Mineral Extraction Tax.

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### **About Ruspetro**

Ruspetro plc is an independent oil & gas development and production company, listed on the premium segment of the London Stock Exchange (LSE: RPO). The Company's operations are located on three contiguous licence blocks in the middle of the Krasnoleninsk Arch in Western Siberia. Ruspetro assets include proved and probable (2P) reserves of over 1.5 billion barrels of oil.