

Operational Update

RusPetro on track to deliver 2012 program

Production, fracturing and completions accelerating; waterflood program initiated

London, 12 July 2012: RusPetro plc (LSE: RPO) the independent oil & gas development and production company listed on the London Stock Exchange, publishes today an update on its operations located in the Khanty-Mansiysk region of the West Siberian basin up to 30 June 2012.

- 5600bpd of current production as at 9 July 2012
- 800bpd of production from existing wells temporarily suspended due to maintenance
- Production to increase strongly as new wells come online and existing well capacity is restored to production

Period Highlights:

- 14 wells drilled and cased in total since the beginning of the year
 - Five wells fractured and completed
 - Nine wells cased and cemented scheduled for fracturing and connection to the production network
- Four further wells currently being drilled
- Confident to achieve a 2012 exit rate of 10,400bpd
- Two fracturing fleets in the field
- Waterflood initiated in the west of the field on Pad 21 with the first two injector wells now on-stream
- Polyanovsky license extension submitted and accepted (north-eastern license block)
- Initial sales by rail have achieved a premium of \$3.30 per barrel to the Transneft sales price net of transport costs
- Two senior geoscientists and the head of field operations strengthen the team
- North-eastern temporary processing facility being installed

Production

Current production is 5,600bpd. Production from two wells completed in 2011 is temporarily suspended while regular maintenance work is carried out. Both wells will be brought back on-stream on completion of the maintenance work, expected to occur within days, and will contribute over 800bpd to the current daily production rate.

Drilling

With four rigs in operation we are now reducing spud to completion times and anticipate further reductions in the second half of 2012. 14 wells have been drilled and cased in the first half of 2012.

We are implementing best practice in solids control, drilling bit technology and bottom hole assembly. The streamlined process allows for faster well completion based on standardised procedures now in place.

New wells online

In the west of the field we have drilled, cased and fracture completed four wells.

In the north-east of the field one well was fracture completed with a further well in production ahead of fracturing, which has now been scheduled.

Wells drilled and cased, ready for fracturing

In the west of the field there are three wells drilled, cased and ready for fracture completion.

In the north-east of the field, there are six wells drilled, cased and ready to be completed following fracturing, including the well that has been produced before fracturing.

Currently drilling

In the west of the field we are currently drilling two wells. In the north-east of the field we are also drilling two wells.

Fracturing

There are now two fracture fleets working in the field and the pace of activity has picked up considerably in the last two weeks. A fracturing fleet from Calfrac is working in the north-eastern part of the field. Trican have been contracted to fracture wells in the west of the field.

Both companies work with other local oil producers and rotate their fleets according to demand. To mitigate any potential delays that this causes we are currently recruiting a third fracturing fleet to give us additional flexibility.

A Calfrac coiled tubing unit is now in place in the field which further reduces completion times post-fracturing.

Waterflood

Two wells have been converted to injector wells and commissioned on Pad 21 in the west of the field. We expect to see the first results from the waterflooding of this area of the field in the next 6 to 12 months.

Polyanovsky license extension

Application for a 50 year license extension for the north-eastern part of the field (Polyanovsky license block) has been submitted by RusPetro and accepted by the authorities. The new license is expected to be granted in December 2012 upon acceptance by RusPetro of the license terms.

Initial sales via rail

In addition to selling the majority of our oil through the Transneft pipeline, Q2 saw our first sales to refineries via the rail network. In June, net of transport costs, this generated an average premium per barrel of \$3.30 for our light oil compared to sales via the Transneft pipeline. While initial volumes are not material, the potential capacity for this sales channel currently stands at approximately 3,500bpd with the capacity expected to increase considerably towards the end of 2012.

Infrastructure

The 4,000bpd temporary production facility is proceeding according to plan in the north-east of the field. The new pipeline connecting Pads 19 & 21 to the central processing facility is in operation, lowering well head pressures and facilitating production increases. The power grid on Pad 19 has been completed.

Operational Team

We continue to build our operations team at the top level. Nick De'Ath joins us to lead the subsurface team, John Krupa joins as senior geophysicist and Robert Stewart joins us as head of production and operations in the field.

Both Nick and John have over 30 years of experience in the international oil & gas industry. Nick joins RusPetro with several years of experience working in Russia for Yukos and, most recently, TNK-BP. Nick has worked on the development of existing and new reservoirs in Western Siberia. John joins RusPetro from Exillon where he held the position of chief geo-scientist. John has been working in Russia for 6 years where his previous experience includes supporting Yukos's Western Siberian exploration activities. Robert Stewart joins RusPetro with 28 years of industry experience with ConocoPhillips where he has worked in Russia (over 6 years), the Gulf of Mexico and Dubai as production supervisor.

Outlook

We remain confident to achieve our target of 10,400 bpd as an exit rate for 2012. We have now put in place the team, equipment, contractors and infrastructure required. The second half is expected to see a pick-up in the rate at which wells are brought on-stream as the rigs gain efficiencies and the recently added second fracturing fleet and coiled tubing unit reduce completion times. The senior additions to our geology department give us the experience and depth of knowledge required as drilling accelerates. Waterflooding, initiated in the western area of the field, should have an initial impact on production volumes in Q1 2013.

RusPetro will publish its H1 2012 financial results on 29 August.

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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's assets include proved and probable (2P) reserves of over 1.5 billion barrels of oil.