

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

Interim Management Statement

London, 30 October 2014: Ruspetro plc (LSE: RPO) announces its interim management statement for Q3 2014 and the period up to and including 29 October 2014.

HIGHLIGHTS

Financial

- Revenues up 17% in Q3 from Q2 2014 at US\$16.5 million
- Additional Glencore domestic prepayment facility entered into on 29 October 2014 for a sum of RUR 200 million before expenses (approximately US\$5 million) (the “Glencore Facility”). This will further increase cash at hand
- US\$10 million short-term unsecured loan received from Limolines Transport Limited (“Limolines”) in August 2014
- Discussions are at an advanced stage with regards to a balance sheet restructuring and the securing of additional funding. This is expected to be announced during the course of November
- Cash balance of US\$3.3 million as at 28 October 2014 (not including the Glencore Facility)

Operational

- Second horizontal well number 251 completed with eight successful fractures. The planned installation of an electrical submersible pump was completed on 17th October 2014. First production results are encouraging, with well rates over the first 10 days averaging 900 bopd at approximately 25% watercut
- Q3 2014 average production of 3,854 barrels of oil per day (“bopd”), a 19% increase from Q2 2014 average production of 3,236 bopd
- Current production is 4,029 bopd (average for week ending 27 October 2014)

FURTHER INFORMATION

Financial

Q3 results

The Company generated revenues of US\$16.5 million during Q3 2014, an increase of 17% from Q2 2014 revenues of US\$14.1 million, reflecting higher production during the period as a result of the completion of the Company’s first horizontal well, number 214, on 9 July despite lower oil prices.

The Company received a US\$10 million short-term unsecured loan in August from Limolines, its largest shareholder with a 27% stake in the Company. Additionally, on 29 October 2014, the Company signed a further domestic prepayment facility with Glencore for a sum of RUR 200 million (approximately US\$5 million). The facility will be for a period of six months and requires the Company to deliver 10,000 metric tonnes per quarter (approximately 810 bopd) of crude oil to Glencore.

Following receipt of the Limolines loan and deducting drilling and field capital expenditure of approximately US\$3.8 million during the quarter, the majority of which relates to its horizontal well development programme and associated infrastructure investment, the Company had a cash balance of US\$3.3 million as at 28 October 2014, which will be increased by the Glencore Facility, compared to US\$7.7 million as at 30 June 2014..

Restructuring

In the Company's half yearly report for the six months ended 30 June 2014, announced on 29 August 2014, the Company commented on its going concern and the need to secure additional funding in the short term.

The Company confirms that discussions are at an advanced stage with counterparties to restructure its balance sheet and to provide additional funding to implement its appraisal and development horizontal drilling programme, including commencing the drilling of its next horizontal well, number 212 from Pad 23b, and for working capital purposes (the "Restructuring"). The Company expects to announce details of the Restructuring during the course of November.

The Directors anticipate that the Restructuring will be completed by the middle of December 2014, but in the event that completion is delayed beyond then, the Company will have a requirement to raise additional funding in order to finance its operations.

Therefore, if current discussions are not concluded successfully and the Restructuring does not complete, the Company will need to implement additional actions to reduce costs and/or restructure its existing contractual obligations and/or realise some of its assets.

Operational

Production

The Company had an average production of 3,854 bopd for Q3 2014, a 19% increase from Q2 2014 average production of 3,236 bopd. The increase in production in Q3 was as a result of the Company completing Well 214 during July 2014 and accordingly, Q3 production includes production from Well 214 from 9 July 2014.

During the week ending 27 October 2014, the Company had an average production of 4,029 bopd, which includes production from Well 251 which is currently on test.

Well 251 Update

The Company is pleased to confirm the successful completion of its second horizontal well, number 251, which utilised, for the first time in Russia, the NCS "Mongoose" fracturing system. Eight fractures were successfully placed along the 890 metre horizontal section of the wellbore, precisely targeting the reservoir intervals of interest.

Initially well 251 flowed naturally (i.e. without artificial lift) with a rapidly declining watercut over the first few weeks while cleaning up. The planned installation of an electrical submersible pump was completed on 17 October 2014. First production results are encouraging, with well rates over the first 10 days averaging 900 bopd at approximately 25% watercut.

As was reported with the Company's first half results, the vertical pilot well for well 251 showed net sand at the lower end of the forecast range (eight metres). The horizontal section confirmed that this geological picture was reflected along the well trajectory. It is, therefore, encouraging for Ruspetro's future development that the explicit targeting available with the Mongoose system has allowed Ruspetro to deliver commercial production volumes from this well. This positive perspective is further underpinned by preliminary evidence from tracer testing that seven out of eight fractures have contributed to production. This latter assessment is the result of a second innovation employed in this well – a different chemical tracer was injected into each fracture stage, so production from each stage could be individually identified.

The ability to tune fracture size and location to the specific reservoir distribution encountered in the horizontal wells is key to mitigating the geological heterogeneity in the Company's reservoirs. This approach, following its successful application in well 251, is now part of the development toolkit for the implementation of Ruspetro's horizontal well development strategy.

Enquiries

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About Ruspetro

Ruspetro plc is an independent oil and gas development and production company, with assets in the Western Siberia region of the Russian Federation. Our mission is to unlock the tight oil reservoirs in our asset base while building a leading regional independent E&P company in a safe and environmentally responsible manner for the long-term benefit of our shareholders.