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NOVATEK Spuds First Well at the North-Obskiy License Area

Moscow, 27 July 2018. PAO NOVATEK (“NOVATEK” and/or the “Company”) announced that its subsidiary OOO Arctic LNG 3 commenced drilling of the first well at the North-Obskiy license area located in the shallow waters of the Ob Bay. The initial well is drilled using a jack-up floating drilling rig “Amazon” leased from “Gazprom flot”. The drilling process is based on zero discharge principle, whereby all of the waste products are collected and transported 125 km to Sabetta onshore base.

"We commenced drilling our first well at the North-Obskiy license area characterized with significant geological potential and favorable location in terms of logistics," – according to Leonid Mikhelson, Chairman of NOVATEK’s Management Board. “The license area is in close proximity to the exit from the Ob Bay in its Northern part, which provides the convenient passage of vessels and requires no approach channel. Arctic LNG 3 potentially represents the next stage in implementing NOVATEK’s development strategy to increase LNG production in the Russian Arctic region”.

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PAO NOVATEK is one of the largest independent natural gas producers in Russia. Founded in 1994, the Company is engaged in the exploration, production, processing and marketing of natural gas and liquid hydrocarbons. The Company’s upstream activities are concentrated mainly in the prolific Yamal-Nenets Autonomous Region, which is the world’s largest natural gas producing area and accounts for approximately 80% of Russia’s natural gas production and approximately 15% of the world’s gas production. NOVATEK is a public joint stock company established under the laws of the Russian Federation. The Company’s shares are listed in Russia on Moscow Exchange (MOEX) and the London Stock Exchange (LSE) under the ticker symbol «NVTK».