

FOR IMMEDIATE RELEASE

NOVATEK Reports Preliminary Operating Data for Twelve Months 2018

Moscow, 16 January 2019. PAO NOVATEK (“NOVATEK” and/or the “Company”) reported today preliminary operating data for the twelve months ended 31 December 2018.

In 2018, NOVATEK’s hydrocarbon production totaled 548.4 million barrels of oil equivalent (boe), including 68.81 billion cubic meters (bcm) of natural gas and 11,800 thousand tons of liquids (gas condensate and crude oil), resulting in an increase in total hydrocarbons produced by 35.1 million boe, or by 6.9% as compared with the twelve months 2017.

Preliminary natural gas sales volumes, including volumes of LNG sold, aggregated 72.12 bcm, representing an increase of 10.9% as compared with the twelve months 2017. The volumes of natural gas sold in the Russian Federation in 2018 were 66.08 bcm, and the volumes of LNG sold on international markets amounted to 6.04 bcm. Sales volumes of LNG in 2017 were 0.1 bcm as Yamal LNG commenced LNG shipments on 8 December 2017.

The Company processed 11,017 thousand tons of unstable gas condensate at the Purovsky Processing Plant, representing a 3.7% decrease as compared with the corresponding volumes processed in the prior reporting period. NOVATEK processed 6,949 thousand tons of stable gas condensate at the Ust-Luga Complex, representing a 0.2% decrease in volumes processed at the facility in 2018.

Preliminary 2018 petroleum product sales volumes aggregated 6,682 thousand tons, including 4,185 thousand tons of naphtha, 1,082 thousand tons of jet fuel, and 1,415 thousand tons of fuel oil and gasoil.

As at 31 December 2018, NOVATEK had 2.2 billion cubic meters of natural gas, including LNG, and 854 thousand tons of stable gas condensate and petroleum products in storage or transit and recognized as inventory.

NOVATEK’s hydrocarbon production including share in production of joint ventures

	2018	2017	Change,%
Natural gas, bcm	68.81	63.40	8.5%
Liquids, thousand tons	11,800	11,774	0.2%
Total hydrocarbons, mln boe	548.4	513.3	6.9%
Total hydrocarbons, mln boe per day	1.50	1.41	6.9%

Information provided in this press release presents expected results of PAO NOVATEK operations in 2018. The information represents preliminary assessment only, which can be adjusted after statistical, financial, fiscal and business reporting becomes available. The information on NOVATEK's operational results in this press release depends on many external factors and therefore, provided all permanent obligations imposed by the London Stock Exchange listing rules are unconditionally observed, cannot qualify for accuracy and completeness and should not be regarded as an invitation for investment. Therefore, the results and indicators actually achieved may significantly differ from any declared or forecasted operational results in 2018. PAO NOVATEK assumes no obligation (and expressly declares that it has no such obligation) to update or change any declarations concerning any future results, due to new information obtained, any future events or for any other reasons.

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PAO NOVATEK is one of the largest independent natural gas producers in Russia, and in 2017, entered the global gas market by successfully launching the Yamal LNG project. 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".