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Arctic LNG 2 and Nuovo Pignone Sign Equipment Supply Agreement

Moscow, 21 December 2018. PAO NOVATEK (“NOVATEK” and/or the “Company”) announced that its next LNG project, Arctic LNG 2 and Nuovo Pignone (Italy) signed an agreement on turbo machinery equipment. The agreement provides for the supply of gas turbine compressors and gas turbine generators for the three liquefaction trains for the Arctic LNG 2 project.

“Our partnership with Nuovo Pignone extends back to 2013 as they supplied gas turbine compressors for the three liquefaction trains of our Yamal LNG project.” noted Leonid Mikhelson, NOVATEK’s Chairman of the Management Board. “For Arctic LNG 2, we need the unique turbo machinery to produce 6.6 million tons of LNG per annum. Our cooperation with Nuovo Pignone can create opportunities for localizing the production of related equipment in Russia.”

Note:

The Arctic LNG 2 project envisages constructing three LNG trains at 6.6 million tons per annum each, using gravity-based structure (GBS) platforms. The Project is based on the hydrocarbon resources of the Utrenneye field. As of 1 December 2018, the Utrenneye field’s reserves under the Russian reserves classification totaled 1,978 billion cubic meters of natural gas and 105 million tons of liquids. OOO Arctic LNG 2 owns an LNG export license.

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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».