

FOR IMMEDIATE RELEASE

NOVATEK Wins Bid for the Gas Assets of ALROSA

Moscow, 19 February 2018. PAO NOVATEK (NOVATEK) won the open auction to acquire a 100% stake in Maretiom Investments Limited (owns 100% equity share in Geotransgaz) and 100% of Velarion Investments Limited (owns 100% participating interest in Urengoy Gas Company) from ALROSA. The acquisition price following the auction amounted to RR 30.3 billion.

Geotransgaz holds the hydrocarbon exploration and production license for the Beregovoy license area, containing estimated hydrocarbon resources of 436 million barrels of oil equivalent (boe) according to the Russian resource classification as of 31 December 2017, and produced 1.6 billion cubic meters of natural gas and 185 thousand tons of gas condensate during 2017.

The Urengoy Gas Company holds the hydrocarbon exploration and production license for the Ust-Yamsoveyskiy license area, containing estimated hydrocarbon resources of 650 million boe according to the Russian resource classification as of 31 December 2017.

According to the Chairman of the Management Board Leonid V. Mikhelson, “One of our priorities as highlighted in our recent Corporate Strategy Day was to sustain our production levels within reach of the Unified Gas Supply System and in close proximity to our current transportation and processing infrastructure. The Beregovoy and the Ust-Yamsoveyskiy license areas fully meet these criteria and represent quality reserves purchased at a value accretive price. They will contribute to our gas and liquids production to load our gas condensate processing chain thus maximizing the Company’s profitability”.

For further information, please visit www.novatek.ru or contact:

Press Service
+7 (495) 721 2207
press@novatek.ru

Investor Relations
+7 (495) 730 6013
ir@novatek.ru

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 16% 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».