



FOR IMMEDIATE RELEASE

NOVATEK Reports Preliminary Operating Data for the First Half 2018

Moscow, 11 July 2018. PAO NOVATEK (“NOVATEK” and/or the “Company”) reported today preliminary operating data for the first half 2018.

In the first half 2018, NOVATEK’s hydrocarbons production totaled 264.3 million barrels of oil equivalent (boe), including 32.93 billion cubic meters (bcm) of natural gas and 5,864 thousand tons of liquids (gas condensate and crude oil), resulting in an increase in total hydrocarbons production by 6.3 million boe, or by 2.4%, as compared to the first half 2017.

Preliminary natural gas sales volumes, including LNG, aggregated 35.42 bcm, which was 6.9% higher compared with the corresponding period in 2017. The LNG sales volumes on international markets in the first half 2018 amounted to 1.61 bcm.

The Company processed 5,549 thousand tons of unstable gas condensate at the Purovsky Processing Plant, representing a 3.5% decrease as compared with the corresponding volumes processed in the prior reporting period. NOVATEK processed 3,547 thousand tons of stable gas condensate at the Ust-Luga Complex, representing a 0.1% decrease in volumes processed at the facility in the first half 2018.

Preliminary first half 2018 petroleum product sales volumes aggregated 3,594 thousand tons, including 2,260 thousand tons of naphtha, 544 thousand tons of jet fuel, and 790 thousand tons of fuel oil and gasoil.

As at 30 June 2018, NOVATEK had 1.2 billion cubic meters of natural gas and 594 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

| | 1H 2018 | 1H 2017 | Change,% |
|---------------------------------------|----------------|----------------|-----------------|
| Natural gas, bcm * | 32.93 | 31.91 | 3.2% |
| Liquids, thousand tons | 5,864 | 5,887 | -0.4% |
| Total hydrocarbons, mln boe * | 264.3 | 258.0 | 2.4% |
| Total hydrocarbons, mln boe per day * | 1.46 | 1.43 | 2.4% |

* Natural gas production includes gas volumes consumed in oil and gas production and development activities (primarily, as fuel gas). The numbers for 1H 2017 were recalculated accordingly.

Information provided in this press release presents expected results of PAO NOVATEK operations in the first half 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 the first half 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. 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».