

FOR IMMEDIATE RELEASE

NOVATEK Reports Preliminary Operating Data for Twelve Months 2017

Moscow, 16 January 2018. PAO NOVATEK (“NOVATEK” and/or the “Company”) reported today preliminary operating data for the twelve months 2017.

In 2017, NOVATEK’s hydrocarbons production totaled 513.3 million barrels of oil equivalent (boe), including 63.39 billion cubic meters (bcm) of natural gas and 11,772 thousand tons of liquids (gas condensate and crude oil), resulting in a decrease in total hydrocarbons production by 33.7 million boe, or by 6.2% as compared with the twelve months 2016.

Preliminary natural gas sales volumes, including LNG, aggregated 65.01 bcm, which was 0.5% higher compared with the twelve months 2016. In December 2017, after the commencement of LNG production at the first train of Yamal LNG project, NOVATEK sold its first cargo of LNG.

The Company processed 11,445 thousand tons of unstable gas condensate at the Purovsky Processing Plant, representing a 7.4% decrease in daily average processing volumes as compared with the corresponding volumes processed in the prior reporting period. NOVATEK processed 6,961 thousand tons of stable gas condensate at the Ust-Luga Complex, representing a 0.9% increase in daily average volumes processed at the facility in 2017.

Preliminary 2017 petroleum product sales volumes aggregated 6,743 thousand tons, including 4,102 thousand tons of naphtha, 1,121 thousand tons of jet fuel, and 1,520 thousand tons of fuel oil and gasoil. Export sales of stable gas condensate amounted to 342 thousand tons.

As at 31 December 2017, NOVATEK had 1.0 billion cubic meters of natural gas and 754 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

	2017	2016	Change, %
Natural gas, bcm *	63.39	67.65	-6.3%
Liquids, thousand tons	11,772	12,441	-5.4%
Total hydrocarbons, mln boe *	513.3	547.0	-6.2%
Total hydrocarbons, mln boe per day *	1.41	1.49	-5.9%

** Natural gas production includes gas volumes consumed in oil and gas production and development activities (primarily, as fuel gas). The numbers for 2016 were recalculated accordingly.*

Information provided in this press release presents expected results of PAO NOVATEK operations in 2017. 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 2017. 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 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».