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Arctic LNG 2 and TechnipFMC Sign EPC Contract for the LNG Plant

Moscow, 20 May 2019. PAO NOVATEK (“NOVATEK” and/or the “Company”) announced that its joint venture Arctic LNG 2 and TechnipFMC signed a contract on engineering, procurement, supply, construction and commissioning of an integrated liquefied natural gas facility with annual liquefaction capacity of 19.8 million tons under the Arctic LNG 2 project. The contract terms provide for the launch of the first train of the project in 2023.

“The team, which implemented the unique Yamal LNG project in record time and on budget, has now joined an even larger and more innovative project,” noted NOVATEK’s Chairman of Management Board Leonid Mikhelson. “We are confident that the accumulated experience of mutual cooperation on the construction of LNG plants in the Arctic zone will also ensure the successful and timely implementation of our new project Arctic LNG 2”.

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 31 December 2018, the Utrenneye field’s 2P reserves under PRMS totaled 1,138 billion cubic meters of natural gas and 57 million tons of liquids. Under the Russian classification reserves totaled 1,978 billion cubic meters of natural gas and 105 million tons of liquids. OOO Arctic LNG 2 owns an LNG export license. The project’s participants include PAO NOVATEK (90%) and Total (10%).

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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».