Disclaimer – Forward Looking Statement

Matters discussed in this presentation may constitute forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words "believe," "expect," "anticipate," "intends," "estimate," "forecast," "project," "will," "may," "should" and similar expressions identify forward-looking statements. Forward-looking statements include statements regarding: strategies, outlook and growth prospects; future plans and potential for future growth; liquidity, capital resources and capital expenditures; growth in demand for our products; economic outlook and industry trends; developments of our markets; the impact of regulatory initiatives; and the strength of our competitors.

The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control and we may not achieve or accomplish these expectations, beliefs or projections. In addition, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include:

• changes in the balance of oil and gas supply and demand in Russia and Europe;
• the effects of domestic and international oil and gas price volatility and changes in regulatory conditions, including prices and taxes;
• the effects of competition in the domestic and export oil and gas markets;
• our ability to successfully implement any of our business strategies;
• the impact of our expansion on our revenue potential, cost basis and margins;
• our ability to produce target volumes in the face of restrictions on our access to transportation infrastructure;
• the effects of changes to our capital expenditure projections on the growth of our production;
• inherent uncertainties in interpreting geophysical data;
• commercial negotiations regarding oil and gas sales contracts;
• changes to project schedules and estimated completion dates;
• potentially lower production levels in the future than currently estimated by our management and/or independent petroleum reservoir engineers;
• our ability to service our existing indebtedness;
• our ability to fund our future operations and capital needs through borrowing or otherwise;
• our success in identifying and managing risks to our businesses;
• our ability to obtain necessary regulatory approvals for our businesses;
• the effects of changes to the Russian legal framework concerning currently held and any newly acquired oil and gas production licenses;
• changes in political, social, legal or economic conditions in Russia and the CIS;
• the effects of, and changes in, the policies of the government of the Russian Federation, including the President and his administration, the Prime Minister, the Cabinet and the Prosecutor General and his office;
• the effects of international political events;
• the effects of technological changes;
• the effects of changes in accounting standards or practices; and
• inflation, interest rate and exchange rate fluctuations.

This list of important factors is not exhaustive. When relying on forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which we operate. Such forward-looking statements speak only as of the date on which they are made. Accordingly, we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. We do not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice. By participating in this presentation or by accepting any copy of this document, you agree to be bound by the foregoing limitations.
Summary Operational Highlights – 2019

- Hydrocarbons production totaled 589.9 mmboe, representing an increase of 7.4% compared to 2018.

- Revenue was RR 862.8 bln representing an increase of 3.7% compared to 2018.

- Normalized* profit attributable to shareholders of PAO NOVATEK was RR 302.4 bln representing an increase of 86.6% compared to 2018.

- NOVATEK’s share in LNG production was 11,228 mt representing an increase of 117.9% compared to 2018.

- Total SEC proved reserves, including the Company’s proportionate share in joint ventures, aggregated 16.3 bboe, representing an increase of 3.0% compared to the year-end 2018.

*Excluding the effects from the disposal of interests in subsidiaries and joint ventures (recognition of a net gain on disposal and subsequent non-cash revaluation of contingent consideration).
Key Events 2019

- NOVATEK closed the sales of participation interests (10% each) in Arctic LNG 2 project to TOTAL, CNPC, CNOOC and the consortium of Mitsui and JOGMEC

- Final Investment Decision made on Arctic LNG 2 project

- Cryogas-Vysotsk, first medium-scale LNG production project in Baltic region, was launched

- NOVATEK launched North-Russkoye and South-Khadyryakhinskoye fields and our JV Arcticgas launched East-Urengoyskoye+North-Esetinskoye field

- NOVATEK acquired mineral licenses for 9 (nine) license areas

- NOVATEK remained a constituent in the FTSE4Good Emerging Index published by FTSE Russell Ratings
The main factors positively impacting our production growth were the commencement of LNG production at the second and third LNG trains at Yamal LNG in July and November 2018, respectively, and the launch of crude oil production at the Yaro-Yakhinskoye field of our joint venture AO Arcticgas in December 2018.
Purovsky Plant and Ust-Luga Complex

**Purovsky Plant**

- **Total volumes delivered in 2019:** 10,802 mt
  - Yurkharovskoye field: 1,178 mt
  - East-Tarkosalinskoye and Khancheyskoye fields: 449 mt
  - Other fields: 247 mt
  - Purchases from our joint ventures: 8,928 mt

- **Total output of marketable products:** 10,753 mt
  - Stable gas condensate: 8,215 mt
  - LPG: 2,538 mt

**Ust-Luga Complex**

- **Total volumes delivered in 2019:** 6,907 mt
- **Total output of marketable stable gas condensate refined products:** 6,742 mt
  - Naphtha: 4,299 mt
  - Other products: 2,443 mt

- **Stable gas condensate refined products sold:** 6,981 mt
  - to Europe: 3,704 mt
  - to the Asian Pacific Region: 1,741 mt
  - to North America: 1,113 mt
  - Other: 423 mt

[NOVATEK Logo]
Financial Overview – 2019 to 2018
Financial Overview

The increases were largely due to an increase in our natural gas sales volumes primarily resulted from the production launch at the second and third LNG trains at Yamal LNG in July and November 2018, respectively, and an increase in our domestic average natural gas sales price. The impact of these factors was offset by a decrease in hydrocarbons sales prices on international markets in 2019.

* Excluding the effects from the disposal of interests in subsidiaries and joint ventures (recognition of a net gain on disposal and subsequent non-cash revaluation of contingent consideration).

** Excluding the effects from the disposal of interests in subsidiaries and joint ventures and the effect of foreign exchange gains (losses).
## Performance Summary 2019/2018

### Macroeconomic
- **Brent US$/bbl**: 64.2 [-7.1]
- **RR depreciation/(appreciation) to US$**: 64.7 [2.0]

### Financial (in millions of Russian roubles)
- **Total revenues**: 862,803 [31,045]
- **Total operating expenses**: 640,463 [36,551]
- **EBITDA including share in EBITDA of JVs**: 1,109,348
- **PP&E, net**: 556,798 [148,597]
- **Total assets**: 2,012,867 [796,497]
- **Total liabilities**: 345,791 [16,016]
- **Total equity**: 1,667,076 [91,084]
- **Operating cash flow**: 307,433 [22,620]
- **Cash used for capital expenditures**: 162,502 [22,620]
- **Free cash flow**: 144,931 [22,620]

### Operational
- **Natural gas production (bcm)**: 74.7 [5.89]
- **Liquids production (mmt)**: 12.15 [0.35]

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**Note**: Number on the right is the absolute change, number on the left is the value for the reporting period, size of bar is % change.
The increase in LNG sales volumes purchased primarily from our joint ventures, OAO Yamal LNG and OOO Cryogas-Vysotsk, combined with a simultaneous decline in LNG prices on international markets in 2019, as well as an increase in sales prices in the Russian domestic market resulted in an increase in our aggregate average price by 1.7% and sales volumes by 8.8%.

Mainly due to decreases in the underlying benchmark prices for these products excluding export duties.

Total Revenues (RR million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Natural gas</th>
<th>SGC refined products</th>
<th>LPG</th>
<th>Stable gas condensate</th>
<th>Crude oil</th>
<th>Other products</th>
<th>Other revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>831,758</td>
<td>32,861</td>
<td>10,705</td>
<td>-18,055</td>
<td>1,560</td>
<td>445</td>
<td>4,574</td>
</tr>
<tr>
<td>2019</td>
<td>862,803</td>
<td></td>
<td>2,112</td>
<td>-10,687</td>
<td>6,824</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Change due to price
Change due to volume

The increase is primarily due to decreases in the underlying benchmark prices for these products excluding export duties.
Our total natural gas sales volumes increased due to increased sales of LNG on international markets purchased primarily from our joint ventures OAO Yamal LNG and OOO Cryogas-Vysotsk.

Our liquids sales volumes increased mainly due to crude oil purchases from our joint venture Arcticgas.
Total Revenues Breakdown (RR billion)

- Natural gas, including LNG
- Stable gas condensate refined products
- LPG
- Stable gas condensate
- Crude oil
- Other

### 2019
- Natural gas, including LNG: 48,1%
- Stable gas condensate refined products: 26,9%
- LPG: 5,5%
- Stable gas condensate: 4,9%
- Crude oil: 13,3%
- Other: 1,3%

### 2018
- Natural gas, including LNG: 45,1%
- Stable gas condensate refined products: 28,7%
- LPG: 12,8%
- Stable gas condensate: 5,8%
- Crude oil: 0,8%
- Other: 0,8%
Operating Expenses (RR million and % of Total Revenues (TR))

<table>
<thead>
<tr>
<th></th>
<th>2018 % of TR</th>
<th>2019 % of TR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation expenses</td>
<td>145,664</td>
<td>151,651</td>
</tr>
<tr>
<td></td>
<td>17.5%</td>
<td>17.6%</td>
</tr>
<tr>
<td>Taxes other than income tax</td>
<td>58,768</td>
<td>61,981</td>
</tr>
<tr>
<td></td>
<td>7.1%</td>
<td>7.2%</td>
</tr>
<tr>
<td><strong>Non-controllable expenses</strong></td>
<td><strong>204,432</strong></td>
<td><strong>213,632</strong></td>
</tr>
<tr>
<td></td>
<td><strong>24.6%</strong></td>
<td><strong>24.8%</strong></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>33,094</td>
<td>32,230</td>
</tr>
<tr>
<td></td>
<td>4.0%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Materials, services &amp; other</td>
<td>22,675</td>
<td>25,183</td>
</tr>
<tr>
<td></td>
<td>2.7%</td>
<td>2.9%</td>
</tr>
<tr>
<td>General and administrative</td>
<td>22,282</td>
<td>24,568</td>
</tr>
<tr>
<td></td>
<td>2.7%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Exploration expenses</td>
<td>7,012</td>
<td>8,386</td>
</tr>
<tr>
<td></td>
<td>0.8%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Net impairment expenses (reversals)</td>
<td>287 n/a</td>
<td>162 n/a</td>
</tr>
<tr>
<td>Change in natural gas, liquids and WIP</td>
<td>-5,860 n/a</td>
<td>5,484 0.6%</td>
</tr>
<tr>
<td><strong>Subtotal operating expenses</strong></td>
<td><strong>283,922</strong></td>
<td><strong>309,645</strong></td>
</tr>
<tr>
<td></td>
<td><strong>34.1%</strong></td>
<td><strong>35.9%</strong></td>
</tr>
<tr>
<td>Purchases of natural gas and liquid hydrocarbons</td>
<td>319,990 38.5%</td>
<td>330,818 38.3%</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>603,912</strong></td>
<td><strong>640,463</strong></td>
</tr>
<tr>
<td></td>
<td><strong>72.6%</strong></td>
<td><strong>74.2%</strong></td>
</tr>
</tbody>
</table>

Our total operating expenses increased mainly due to an increase in volumes of LNG purchased from our joint venture OAO Yamal LNG with the launch of LNG production at the second and third LNG trains in the second half of 2018 and due to changes in our hydrocarbons inventory balances.
Transportation Expenses (RR million)

Mainly due to a 5.3% increase in weighted average transportation cost per unit resulted from a 3.56% increase in the regulated railroad transportation tariffs effective 1 January 2019, as well as a 1.3% increase in volumes of liquids sold and transported via rail.

Due to increases in freight rates and stable gas condensate and refined products volumes delivered, which was partially offset by changes in the LNG delivery terms and points of destination.

2018
Natural gas by pipelines 145,664
Liquids by rail 1,169
Hydrocarbons by tankers 394
Crude oil -3,499
Other 536
2019 151,651

2018
Liquids by rail 1,169
Hydrocarbons by tankers 394
2019
Liquids by rail 3,781
Hydrocarbons by tankers 546

Change due to tariff/geography
Change due to volume
Taxes Other Than Income Tax Expense (RR million)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>UPT</th>
<th>Property tax</th>
<th>Other taxes</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>UPT</td>
<td>58,768</td>
<td>3,291</td>
<td></td>
<td></td>
<td>61,981</td>
</tr>
<tr>
<td>Property tax</td>
<td></td>
<td></td>
<td>63</td>
<td>-141</td>
<td></td>
</tr>
</tbody>
</table>

Our UPT expense increased as a result of the offsetting effects of the following factors: an increase in UPT rates for crude oil and gas condensate resulting from changes in the UPT rates formulas effective 1 January 2019 and a decrease in natural gas production at mature fields of our subsidiaries.
Materials, Services and Other Expenses (RR million)

Increased primarily due to a price increase for the services of transportation and further processing at the Tobolsk Refining Facilities of our NGL produced at the Purovsky Plant, as well as for preparation of our hydrocarbons by third parties.

Increased due to an increase in average number of employees, particularly, in our service subsidiary NOVATEK-Energo due to the expansion of its operations and servicing new assets, an indexation of base salaries effective from 1 July 2019, and the related increase in social contributions for medical and social insurance and to the Pension Fund of the Russian Federation.
Increase due to an increase in accrued provision for bonuses to key management, an increase in average number of employees resulting from the expansion of the Group’s operations, an indexation of base salaries effective 1 July 2019 and the related increase in social contributions for medical and social insurance and to the Pension Fund of the Russian Federation.
The Group’s financial results in 2019 were significantly impacted by a gain from the disposal of a 40% participation interest in OOO Arctic LNG 2 and the reorganization of our joint venture AO Arcticgas. In addition, in both reporting periods, the Group’s subsidiaries and joint ventures recognized significant non-cash foreign exchange effects on foreign currency denominated loans and cash balances.
Total Debt Maturity Profile (RR million)

Debt repayment schedule:
- Up to 31 December 2020 – Loan from the Silk Road Fund and Other loans
- Up to 31 December 2021 – Loan from the Silk Road Fund and Eurobonds Ten-Year (USD 650 mln)
- Up to 31 December 2022 – Loan from the Silk Road Fund and Eurobonds Ten-Year (USD one bln)
- After 31 December 2022 – Loan from the Silk Road Fund
Appendices
Liquids in Tankers

**“Goods in transit” 31.12.2018 ~ 313 thousand tons**

- Asia-Pacific Region (Naphtha) 313 mt

**“Goods in transit” 30.09.2019 ~ 205 thousand tons**

- Asia-Pacific Region (Naphtha) 94 mt
- Europe (Fuel oil) 32 mt
- Asia-Pacific Region (SGC) 79 mt

**“Goods in transit” 31.12.2019 ~ 171 thousand tons**

- Asia-Pacific Region (Naphtha) 154 mt
- Europe (Fuel oil) 17 mt

*Note: The map indicates liquid sales destinations with various colored regions.*

**Liquids sales**
- Naphtha
- Jet fuel
- Gasoil and fuel oil
- LPG
- Crude oil
- Stable gas condensate

*NOVATEK*
Change in Inventories

- Natural gas (lhs)
- Liquid hydrocarbons (rhs)

[Chart showing changes in inventories over time with data points for natural gas and liquid hydrocarbons from 31/12/17 to 31/12/19.]
Internally Funded Investment Program

Core investments in upstream exploration, production and processing facilities funded primarily through internal cash flows.