



FOR IMMEDIATE RELEASE

## NOVATEK ANNOUNCES FIRST QUARTER 2007 IFRS RESULTS

*Moscow, 31 May 2007.* OAO NOVATEK today released its consolidated interim condensed financial information for the three months ending 31 March 2007 prepared in accordance with International Financial Reporting Standards (“IFRS”).

### First Quarter 2007 IFRS Financial Highlights

<i>(in millions of Russian roubles, except per share data)</i>	<b>1Q 2007</b>	<b>1Q 2006</b>
<b>Revenues</b>		
Oil and gas sales	14,871	11,380
Sales of polymer and insulation tape	309	257
Other	65	41
<b>Total revenues</b>	<b>15,245</b>	<b>11,678</b>
Other income (loss)	16	(113)
<b>Total revenues and other income</b>	<b>15,261</b>	<b>11,565</b>
<b>Total operating expenses</b>	<b>(9,565)</b>	<b>(6,784)</b>
Profit before income tax	5,719	4,874
<b>Profit for period</b>	<b>4,342</b>	<b>3,702</b>
<b>Profit attributable to shareholders</b>	<b>4,347</b>	<b>3,717</b>
Basic and diluted earnings per share (in Russian roubles)	1.43	1.22

In the three months ended 31 March 2007, profit attributable to shareholders of OAO Novatek increased by RR 630 million as compared to the corresponding period in 2006 due to a combination of increased natural gas and liquids sales volumes and higher prices for natural gas.

### Selected Operating Highlights

	<b>1Q 2007</b>	<b>1Q 2006</b>
<b>Sales Volumes</b>		
Natural gas (millions cubic meters)	9,119	7,834
Stable gas condensate (thousand tons)	385	257
Liquefied petroleum gas (thousand tons)	123	129
Crude oil (thousand tons)	68	66
Oil products (thousand tons)	18	23

As at 31 March 2007, 182 thousand tons of stable gas condensate was recorded as “goods in transit” compared to 141 thousand tons as at 31 March 2006. NOVATEK also recorded 107 million cubic meters of natural gas as inventory and held in underground storage facilities maintained by OAO Gazprom. Natural gas volumes injected into underground storage facilities fluctuate period-to-period depending on market conditions, storage capacity, and field development plans.

### Selected Balance Sheet Items

<i>(in millions of Russian roubles)</i>	<b>31 March 2007</b>	<b>31 December</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment, net	69,507	66,734
<b>Total non-current assets</b>	<b>70,963</b>	<b>68,508</b>
<b>Total current assets</b>	<b>18,998</b>	<b>15,818</b>
<b>Total assets</b>	<b>89,961</b>	<b>84,326</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Non-current liabilities</b>		
Long-term debt	242	543
<b>Total non-current liabilities</b>	<b>10,136</b>	<b>10,552</b>
<b>Total current liabilities</b>	<b>6,763</b>	<b>5,098</b>
<b>Total liabilities</b>	<b>16,899</b>	<b>15,650</b>
<b>Equity attributable to Group</b>		
<b>Shareholders</b>		
<b>Total equity attributable to Group</b>		
<b>shareholders</b>	<b>72,711</b>	<b>68,320</b>
<b>Minority interest</b>	<b>351</b>	<b>356</b>
<b>Total equity</b>	<b>73,062</b>	<b>68,676</b>
<b>Total liabilities and equity</b>	<b>89,961</b>	<b>84,326</b>

The full set of consolidated interim condensed IFRS financial information, the notes thereto and Management’s Discussion and Analysis of Financial Condition and Results of Operations are available on the Company’s web site ([www.novatek.ru](http://www.novatek.ru)).

*Certain statements in this press release are not historical facts and are “forward looking” within the meaning of Section 27A of the Securities Act and Section 21E of the US Securities Exchange Act of 1934 (hereinafter, the Exchange Act). Forward looking statements include statements concerning our plans, expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our competitive strengths and weaknesses, plans or goals relating to forecasted production, reserves, financial position and future operations and development, our business strategy and the trends we anticipate in the industries and the political and legal environment in which we operate and other information that is not historical information. By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward looking statements will not be achieved.*

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OAO NOVATEK is Russia's largest independent gas producer and the second-largest natural gas producer 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 in the prolific Yamal-Nenets Region, which is the world's largest natural gas producing area and accounts for over 90% of Russia's natural gas production and 20% of the world's gas production.

NOVATEK is an open joint stock company established under the laws of the Russian Federation. The Company's shares are listed on the Russian Trading System (RTS) and as Global Depository Receipts (GDR) on the London Stock Exchange (LSE) under the 'NVTK' ticker symbol and on the NASDAQ PORTAL System as Rule 144A GDR under the ticker symbol "NVATY".