

## **9 BCM START UP PHASE COMPLETED AT YURKHAROVSKOYE FIELD**

**14 July, 2004.** OAO Novatek's wholly-owned subsidiary, OOO Yurkharovneftegas, has completed the first of three phases of development at the Yurkharovskoye field increasing production capacity to 9 billion cubic meters (bcm) of natural gas per year.

The Company recently launched into commercial operation the second, 3.6 bcm section of the Complex Gas Preparation Unit, which includes modern processing facilities for the preparation of Valanginian gas and initial preparation of Cenomanian gas, a distinctive feature of the new Complex Gas Preparation Unit. The initial 5.4 bcm gas dehydration and separation plant was completed in January 2003. In May 2004, a gas pipeline was commissioned increasing gas transportation capacity to 25 million cubic meters per day. The construction of the first phase and start-up operations has been completed according to schedule. Planned production at the Yurkharovskoye field is 27 bcm.

Press-Service of OAO NOVATEK  
Tel.: (095) 721-2207  
[press@novatek.ru](mailto:press@novatek.ru)

Investor Relations  
Tel.: (095) 730-60-20  
[ir@novatek.ru](mailto:ir@novatek.ru)

### NOTE:

OAO NOVATEK ([www.novatek.ru](http://www.novatek.ru)) is the largest independent gas producer in Russia. The company's largest fields - Yurkharovskoye, East-Tarkosalinskoye and Khancheynskoye – are situated in the Yamal-Nenets Autonomous Region, which accounts for approximately 90 per cent of all Russian gas production. The company controls and has equity stakes in the following production companies: OOO Yurkharovneftegas, OAO NK Tarkosaleneftegas, OOO Khancheyneftegas, OAO Purneftegasgeologia, OOO Geoilbent, OAO Selkupneftegas and OAO Tambeyneftegas.

OOO Yurkharovneftegas develops and operates the Yurkharovskoye gas condensate field, located within the Polar Circle to the South-East of the Tazovskiy peninsula in the Yamal-Nenets Autonomous Okrug. It is the northernmost field to be brought into commercial operation in the Russian Federation since 1991. Since the beginning of development, (January 2003), through May 2004, the Yurkharovskoye field has produced 5.4 bcm of natural gas and over 600 thousand tons of gas condensate. By the end of 2004, it plans to have cumulative production of 10 bcm.