



NOVATEK

NOVATEK ACQUIRES FULL CONTROLL OVER ITS MAIN GAS PRODUCING ASSETS

Moscow, 27 December 2004. OAO Novatek, one of the leading natural gas producers in Russia, announced today that it has increased its equity stakes in OAO NK Tarkosalenftegas and OOO Khancheynftegas to 100 percent. The acquisition is part of an ongoing process of restructuring and consolidating the Company's core assets which was initially approved by the Shareholders and the Board of Directors in the spring of 2004.

The Chief Executive Officer of OAO Novatek, Leonid V. Mikhelson said, "Consolidating all producing assets at Novatek has been one of our key strategic priorities during 2004, and ensures a stable foundation for our future development plans. The acquisition provides a strategic platform to implement large field development projects to expand our resource base and to advance our vision to be a leading processor of hydrocarbons throughout the value chain in Russia".

In August 2004, the General Shareholder Meeting of OAO Novatek approved the decision to increase the Company's share capital through a closed share emission. TNG Energy AG and ZAO Levit paid for the additional share subscription by contributing their shares of OAO NK Tarkosalenftegas and OOO Khancheynftegas into the charter capital of Novatek.

"We have significantly enhanced the Company's overall attractiveness to financial institutions and investors alike by simplifying our ownership structure and increasing our corporate transparency, which are key prerequisites for any company wishing to access the capital markets" according to Mark Gyetvay, Novatek's CFO.

Post consolidation, Novatek's proved reserves are more than 580 billion cubic meters of natural gas and 50 million tons of liquid hydrocarbon (under SPE reserve classification) or 1.68 trillion cubic meters of natural gas and 252 million tons of liquid hydrocarbons (under ABC1+C2 reserve classification).

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