



NOVATEK

NOVATEK SHAREHOLDERS SELL STOCK IN A PRIVATE PLACEMENT

Moscow, February 4, 2004. The founding shareholders in OAO Novatek, a leading independent Russian gas company, have placed 3% of existing shares in a private placement managed exclusively by Troika Dialog. The proceeds of the private placement will be used to complete the asset consolidation program. The offering raised approximately \$100 million and was oversubscribed with more than 80 Russian and international investors participating.

“Novatek is a dynamic gas company with exciting growth prospects, and the high level of interest in this placement clearly demonstrates that this view is shared by the investment community”, said Ruben Vardanian, President of the Troika Dialog Group. He continued, “Investors recognize the progress the company has made in restructuring, consolidating its core assets and raising its levels of corporate governance and transparency.” Mr. Vardanian will be proposed to join the Board of Directors of Novatek at the next share holders meeting.

Leonid Mikhelson, CEO of Novatek commented: “This private equity placement represents another important step in the Company’s capital markets strategy to raise our profile with the international investor community”. He added, “We are pleased to have worked with Troika Dialog Group in this process and are proposing Ruben Vardanian to join our board of directors as an independent director to further develop our corporate governance initiatives. We believe his professional opinion and his market reputation will bring benefits to all investors and shareholders.”

OAO Novatek is a rapidly growing Russian company engaged in the extraction and processing of hydrocarbons in the prolific Yamal-Nenets Autonomous Region, which accounts for approximately 90 percent of all Russian gas production and one-third of the World’s gas production. The Company’s largest fields - Yurkharovskoye, East-Tarkosalinskoye and Khancheykoye - have gross proven and probable reserves of 784 billion cubic meters of natural gas and 80 million tons of liquids according to SPE definitions.

Founded in 1991, Troika Dialog is the oldest investment bank in Russia and a leading financial services house in each of its core businesses: brokerage, investment banking and asset management. Headquartered in Moscow, the company maintains offices throughout the Russian regions as well as in New York City and London.

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