



# NOVATEK

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## NOVATEK BRINGS BOPP PRODUCTION LINE ONSTREAM

Moscow, Russia - 01 July 2005 - NOVATEK announced that it had begun production at its new biaxial-oriented polypropylene (BOPP) wrap film plant, located in Novokuybshevsk, Samara region. The new facilities have been constructed in accordance with the development strategy of Novatek to expand beyond the hydrocarbon raw material sector.

Leonid Mikhelson, CEO of NOVATEK, commented: "The development strategy of Novatek envisages an increase in hydrocarbon production along with the production of value-added products, and the commissioning of the new BOPP film wrap plant will help us to achieve this goal".

The new production line, with a processing capacity of 25,500 tons per annum, will alleviate the necessity of importing a similar quantity of production from abroad. The modern equipment of the BOPP production line will allow us to produce a broad range of wrap film, which is widely used in the food, tobacco, perfume, medical and textile industries.

The equipment has been supplied by Brückner, a world leader in BOPP production. The production facility was built next to an area occupied by OAO NOVATEK-POLIMER and will share some common facilities.. Construction began in November 2003 and SNP NOVA acted as general contractor. The cost of the new plant facilities amounted to approximately Euro 50 million.

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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 and processing of natural gas and liquid hydrocarbons. The Company's upstream activities are concentrated in the 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 one third 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 have been listed on the Russian Trading System (RTS) since December 2004 under the 'NVTK' ticker symbol.

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