



NOVATEK

NOVATEK ANNOUNCES IFRS RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2005

Moscow, 18 November 2005. OAO NOVATEK today announced strong earnings in its third quarter and nine months 2005 consolidated interim condensed financial results prepared in accordance with International Financial Reporting Standards (“IFRS”) and reviewed by PricewaterhouseCoopers.

Net profit attributable to NOVATEK for the nine months ending 30 September 2005 totaled RR 10,798 million, or RR 3,556 per share (basic and diluted), compared to RR 4,061 million, or RR 1,807 per share (basic and diluted) for the same period in 2004. For the third quarter 2005, net profit attributable to NOVATEK increased by 65% to RR 2,875 million, or RR 947 per share (basic and diluted) from RR 1,743 million, or RR 776 per share (basic and diluted).

Net profit attributable to NOVATEK was higher in both periods mainly due to the increase in production volumes from core fields, the impact on financial results due to the December 2004 asset consolidations, and the net gains on disposal of investments in oil and gas producing associates in the second quarter 2005.

Total revenues and other income grew by 77% to RR 32,240 million for the nine-month period ending 30 September 2005 from RR 18,240 million in the corresponding 2004 period. For the three-month period ending 30 September 2005, total revenues and other income increased by 89% to RR 10,242 million from RR 5,408 million for the corresponding period in 2004.

Natural gas sales increased by 84% to RR 16,873 million in the nine-month period ended 30 September 2005 from RR 9,173 million in the corresponding 2004 period, while revenues from liquids (crude oil, stable gas condensate, LPG and oil products) increased from RR 5,990 million in 2004 to RR 10,765 million, or 80%, during the period.

For the third quarter 2005, revenues from natural gas increased by 112% to RR 5,481 million from RR 2,583 million in the corresponding 2004 period, while revenues from liquids increased by 96% to RR 4,388 million from RR 2,233 million in 2004.

Natural gas sales volumes for the nine-month period ended 30 September 2005 rose by 64% from 12,582 million cubic meters in 2004 to 20,597 million cubic meters in 2005. Net liquid sales volumes grew by 21%, from 1,541 thousand tons in 2004 to 1,866 thousand tons in 2005.

In the third quarter 2005, natural gas sales volumes increased by 106% to 6,826 million cubic meters from 3,316 million cubic meters for the corresponding period in 2004, whereas liquids sales volumes increased by 9% to 592 thousand tons from 541 thousand tons in the 2004 period.

Third Quarter and Nine Months 2005

IFRS Financial and Operational Highlights

3Q 2005		3Q 2004		9M 2005		9M 2004	
RR, mln	RR, mln			RR, mln	RR, mln		
		Revenues					
9,869	4,816	Oil and gas sales	105%	27,638	15,163	82%	

-	-	-	Oil and gas construction services	2,053		
278	158	76%	Sales of polymer and insulation tape	714	432	65%
113	53	-	Other	282	433	-
10,260	5,027	104.0%	Total revenues	28,634	18,081	58%
(18)	381		Total non-operating revenues	3,606	159	
10,242	5,408	89%	Total revenues and other income	32,240	18,240	77%
(6,214)	(3,319)	87%	Total operating expenses	(17,424)	(13,344)	31%
3,950	2,246	76%	Profit before income tax and minority interests	14,451	5,542	161%
2,855	1,749		Profit for period	10,763	4,122	
2,875	1,743	65%	Profit attributable to shareholders	10,798	4,061	166%
947	776	22%	Basic and diluted earnings per share(in RR)	3,556	1,807	97%
3,036,306	2,247,030		Weighted average number of shares outstanding	3,036,306	2,247,030	

Selected Operating Data

3Q 2005 3Q 2004

9M 2005 9M 2004

Sales Volumes

6,826	3,316	106%	Natural gas (millions cubic meters)	20,597	12,582	64%
82	400	-80%	Crude oil (thousand tons)	787	1,184	-34%
309	-	100%	Stable gas condensate (thousand tons)	396	-	100%
96	-	100%	Liquefied petroleum gas (thousand tons)	123	-	100%

105 141 -26% Oil products (thousand tons) 560 357 57%

Selected Balance Sheet Items (in millions of Russian roubles)

ASSETS

	30 September 2005	31 December 2004
Non-current assets		
Property, plant and equipment, net	64,083	62,449
Investments in associates	-	1,945
Total non-current assets	65,755	73,316
Total current assets	13,682	9,134
Total assets	79,437	82,450

LIABILITIES AND EQUITY

Non-current liabilities

Long-term debt	1,428	13,232
Total non-current liabilities	11,260	23,275
Total current liabilities	12,562	14,239
Total liabilities	23,822	37,514
Equity attributable to Group shareholders		
Total equity attributable to Group shareholders	55,334	44,487
Minority interest	281	449
Total equity	55,615	44,936
Total liabilities and equity	79,437	82,450

The full set of consolidated interim condensed IFRS financial statements and notes thereto are available on the Company's web site (www.novatek.ru)

For further information, please visit www.novatek.ru or contact:

Press Service
Mikhail Lozovoy
+7 (095) 721 22 07
press@novatek.ru

Investor Relations
Alexey Ivanov
+7 (095) 730 6020
ir@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.

ОАО 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 Depository Receipts under the ticker symbol "NVATY".