



FOR IMMEDIATE RELEASE

**NOVATEK ANNOUNCES CONSOLIDATED IFRS RESULTS
FOR THE FIRST QUARTER 2012**

Moscow, 11 May 2012. OAO NOVATEK today released its consolidated interim condensed financial information as of and for the three months ended 31 March 2012 prepared in accordance with International Financial Reporting Standards (“IFRS”).

IFRS Financial and Operational Highlights
(in millions of Russian roubles)

	1Q 2012	1Q 2011
Revenues		
Oil and gas sales	54,152	44,826
Other revenues	221	68
Total revenues	54,373	44,894
Total operating expenses	(31,851)	(23,443)
Other operating income (loss)	41	53
Profit from operations	22,563	21,504
Finance income (expense)	5,624	2,738
Profit before income tax	27,196	23,632
Profit (loss)	21,239	18,716
Profit (loss) attributable to shareholders of OAO NOVATEK	21,245	18,769
Basic and diluted earnings per share (in Russian roubles)	7.00	6.19

In the first quarter of 2012, our total revenues grew by 21.1% to RR 54,373 million compared to RR 44,894 million in the corresponding period of 2011, primarily due to an increase in natural gas sales volumes and average prices as a result of significantly expanding the share of natural gas sold to end-customers.

We recorded an increase of 13.2% in profit attributable to NOVATEK shareholders, which amounted to RR 21,245 million or RR 7.00 per share, as compared to the corresponding period in 2011 that was primarily due to higher oil and gas sales and foreign exchange gains.

Production and Purchased Volumes	1Q 2012	1Q 2011
Natural gas production, million cubic meters (mmcm)	13,045	11,939
Equity share in natural gas production from joint ventures, mmcm	1,409	1,371
Natural gas purchases, mmcm	900	-
Total natural gas production and purchases, mmcm	15,354	13,310
Liquids production, thousand tons (mt)	1,080	1,024
Liquids purchases, mt	2	1
Total liquids production and purchases, mt	1,082	1,025

Sales Volumes	1Q 2012	1Q 2011
Natural gas, mmcm	16,050	13,992
Stable gas condensate, mt	624	724
Liquefied petroleum gas, mt	238	229
Crude oil, mt	84	49

In the first quarter 2012, sales volumes of natural gas increased compared to the corresponding period in 2011 due to production growth at our three core fields resulting from the ongoing development activities at the Yurkharovskoye field as well as greater utilization of production capacity at the Khancheyskoye and East-Tarkosalinskoye fields due to increased natural gas demand in the domestic market.

In the first quarter 2012, our total liquids production volumes increased by 5.5% compared to the corresponding period in 2011. However, our sales volumes of liquids decreased by 5.5% in the first quarter 2012 due to an increase in inventory balances of stable gas condensate volumes recognized as goods in transit or storage at the end of the reporting period, compared to the first quarter 2011.

At 31 March 2012, we recorded 352 thousand tons of stable gas condensate in transit or storage and recognized as inventory as compared to 228 thousand tons as at 31 December 2011.

**Selected Items from the
Statement of Financial Position**
(in millions of Russian roubles)

31 March 2012 31 December 2011

ASSETS		
Non-current assets	332,273	325,116
Property, plant and equipment	171,696	166,784
Current assets	54,443	58,316
Total assets	386,716	383,432
LIABILITIES AND EQUITY		
Non-current liabilities	85,306	91,636
Long-term debt	68,388	75,180
Current liabilities	38,955	50,114
Total liabilities	124,261	141,750
Equity attributable to OAO NOVATEK shareholders	261,792	241,013
Non-controlling interest	663	669
Total equity	262,455	241,682
Total liabilities and equity	386,716	383,432

The full set of reviewed IFRS consolidated interim condensed financial information, the notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations are available on the Company's web site (www.novatek.ru).

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

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OAO 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 Autonomous Region, which is the world's largest natural gas producing area and accounts for approximately 84% of Russia's natural gas production and approximately 17% 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 in Russia on MICEX-RTS Stock Exchange and the London Stock Exchange (LSE) under the ticker symbol "NVTK" and on the NASDAQ PORTAL System as Rule 144A GDR under the ticker symbol "NVATY".