



## NOVATEK COMMENCES METHANOL PRODUCTION UNIT

*Novy Urengoi, 17 September 2007.* OAO NOVATEK announced today the commissioning of a pilot methanol production unit, with throughput capacity of 12,500 tons per annum, at its Yurkharovskoye field. The methanol production unit is fully integrated into the field's Complex Gas Preparation Plant and is able to meet the field's current methanol requirements. Methanol is used to prevent condensation in wells and gas gathering systems in areas of low temperatures, which are typical of the Yurkharovskoye gas condensate field due to its location beyond the polar circle.

Prior to the commissioning of the unit, NOVATEK delivered methanol to the field in the summer months via the Ob River and Tazov Bay and in the winter months via a seasonal "winter" road (using motor transport). The on-site methanol production unit will eliminate the environmental risks associated with transporting methanol and at the same time reduce production costs and ensure operational stability.

The methanol production unit's design incorporates an advanced automated control system and the latest technologies enabling it to conserve natural gas and water consumption in the methanol production process and minimize any potential negative impact on the environment.

The Company's ability to integrate the methanol production unit into the field's Complex Gas Preparation Plant's existing infrastructure resulted in a substantial reduction in capital expenditures. The Company is considering the possibility of a second phase to expand the unit's capacity to 50 000 tons per annum in order to meet the increased methanol requirements related to planned production growth at the Yurkharovskoye field.

**For further information, please visit [www.novatek.ru](http://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 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 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"