



FOR IMMEDIATE RELEASE

**NOVATEK ANNOUNCES SECOND QUARTER
AND FIRST HALF 2013 IFRS RESULTS**

Moscow, 09 August 2013. OAO NOVATEK today released its consolidated interim condensed financial information for the three and six months ended 30 June 2013 prepared in accordance with International Financial Reporting Standards (“IFRS”).

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

2Q 2013	2Q 2012		1H 2013	1H 2012
		Revenues		
57,918	44,763	Oil and gas sales	138,366	98,639
112	161	Other revenues	229	382
58,030	44,924	Total revenues	138,595	99,021
(39,613)	(26,559)	Total operating expenses	(90,669)	(58,134)
(34)	(36)	Other operating income (loss)	657	5
18,383	18,329	Profit from operations	48,583	40,892
21,141	20,414	EBITDA	54,161	44,631
(3,455)	(5,597)	Total finance income (expense)	(5,379)	27
14,456	12,211	Profit before income tax	42,895	39,407
11,583	9,657	Profit (loss)	34,396	30,896
11,602	9,663	Profit (loss) attributable to shareholders of OAO NOVATEK	34,428	30,908
3.83	3.18	Basic and diluted earnings per share (in Russian roubles)	11.36	10.19

Total revenues in the second quarter and first half 2013 increased by 29.2% and 40.0%, respectively, as compared to the corresponding periods in 2012. The growth in total revenues was mainly due to increase in natural gas sales volumes and higher average natural gas prices as a result of significant expansion of the share of end-users in our total gas volumes sales mix. Revenues growth in the first half 2013 was also due to an increase in liquid hydrocarbon sales volumes.

In the second quarter 2013, we recorded a year-on-year increase of 3.6% in EBITDA, which amounted to RR 21.1 billion. The lower EBITDA growth rate was mainly due to a decrease in the

share of liquid hydrocarbons in our total sales volumes mix, which was driven by an increase in inventory balances of stable gas condensate and the corresponding oil products processed following the launch of the first stage of the Gas Condensate Fractionation and Transshipment Complex at the port of Ust-Luga in late June. In the first half 2013, EBITDA amounted to RR 54.2 billion, representing an increase of 21.4% as compared with the first half 2012.

Profit attributable to shareholders of OAO NOVATEK in the second quarter 2013 increased to RR 11.6 billion (RR 3.83 per share), or by 20.1%, as compared to the second quarter 2012. Profit attributable to shareholders of OAO NOVATEK in the first half 2013 increased to RR 34.4 billion (RR 11.36 per share), or by 11.4%, as compared to the first half 2012. The dynamics of profit was impacted by non-cash foreign exchange effect.

Production and Purchase Volumes				
2Q 2013	2Q 2012		1H 2013	1H 2012
12,784	12,458	Natural gas production, million cubic meters (mmcm)	26,449	25,503
1,870	1,268	Natural gas purchases from joint ventures, mmcm	3,823	2,677
1,365	800	Other purchases of natural gas, mmcm	3,479	1,700
16,019	14,526	Total natural gas production and purchases, mmcm	33,751	29,880
1,103	1,027	Liquids production, thousand tons (mt)	2,199	2,107
265	58	Liquids purchases from joint ventures, mt	504	58
2	3	Other purchases of liquids, mt	4	5
1,370	1,088	Total liquids production and purchases, mt	2,707	2,170

Sales Volumes				
2Q 2013	2Q 2012		1H 2013	1H 2012
14,628	13,447	Natural gas, mmcm	33,367	29,497
13,008	8,361	including sales to end-users, mmcm	29,640	20,533
632	794	Stable gas condensate, mt	1,842	1,418
261	224	Liquefied petroleum gas, mt	526	462
164	101	Crude oil, mt	301	185

In the second quarter and first half 2013, our natural gas sales volumes increased by 8.8% and 13.1%, respectively, as compared to the corresponding periods in 2012, due to growth in production at the Yurkharovskoye field and an increase in purchases of natural gas. At 30 June 2013, we recorded 1,411 million cubic meters of natural gas as inventory in underground storages as compared to 1,050 million cubic meters in the corresponding period of 2012.

In the second quarter 2013, our total liquid hydrocarbon sales volumes decreased by 5.4%, as compared to the corresponding period in 2012, despite higher production volumes. The decrease was primarily due to inventory build-up following the start of stable gas condensate processing at the Ust-Luga Complex. Liquid hydrocarbon sales volumes in the first half 2013, increased by 29.2% compared to the corresponding period in 2012. The increase was mainly due to the

commencement of gas condensate purchases from joint ventures and production growth from our subsidiaries. At 30 June 2013, 447 thousand tons of stable gas condensate and oil products were in transit or storage and recognized as inventory, as compared with 295 thousand tons of stable gas condensate as at 30 June 2012.

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

	30 June 2013	31 December 2012
ASSETS		
Non-current assets	439,666	404,890
Property, plant and equipment	222,806	197,376
Investments in joint ventures	193,330	189,136
Current assets	47,198	58,243
Total assets	486,864	463,133
LIABILITIES AND EQUITY		
Non-current liabilities	153,688	116,702
Long-term debt	132,619	97,805
Current liabilities	20,116	55,130
Total liabilities	173,804	171,832
Equity attributable to OAO NOVATEK shareholders	311,841	290,050
Non-controlling interest	1,219	1,251
Total equity	313,060	291,301
Total liabilities and equity	486,864	463,133

The full set of consolidated interim condensed IFRS 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).

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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 90% 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".