



FOR IMMEDIATE RELEASE

**NOVATEK announces consolidated IFRS results  
for third quarter and nine months 2015**

*Moscow, 28 October 2015.* OAO NOVATEK (“NOVATEK” or the “Company”) today released its consolidated interim condensed financial statements as of and for the three and nine months ended 30 September 2015 prepared in accordance with International Financial Reporting Standards (“IFRS”).

**IFRS Financial Highlights**

*(in millions of Russian roubles, except for per share amounts)*

<b>3Q 2015</b>	<b>3Q 2014</b>		<b>9M 2015</b>	<b>9M 2014</b>
116,212	84,090	Oil and gas sales	341,010	260,504
1,155	643	Other revenues	2,343	1,275
<b>117,367</b>	<b>84,733</b>	<b>Total revenues</b>	<b>343,353</b>	<b>261,779</b>
<b>(85,096)</b>	<b>(55,870)</b>	<b>Operating expenses</b>	<b>(238,533)</b>	<b>(165,415)</b>
989	-	Net gain on disposal of interests in joint ventures	989	2,623
158	100	Other operating income (expense)	(199)	1,850
<b>33,418</b>	<b>28,963</b>	<b>Profit from operations</b>	<b>105,610</b>	<b>100,837</b>
<b>37,115</b>	<b>34,129</b>	<b>Normalized* EBITDA of subsidiaries</b>	<b>120,117</b>	<b>109,991</b>
<b>52,574</b>	<b>38,757</b>	<b>Normalized* EBITDA including share in EBITDA of joint ventures</b>	<b>157,898</b>	<b>122,059</b>
(6,174)	(6,019)	Finance expense	(11,290)	(9,531)
(34,713)	(11,777)	Share of loss of joint ventures, net of income tax	(17,435)	(9,731)
(7,469)	11,167	Profit (loss) before income tax	76,885	81,575
<b>(13,405)</b>	<b>7,627</b>	<b>Normalized* profit (loss) attributable to OAO NOVATEK shareholders</b>	<b>59,590</b>	<b>62,633</b>
<b>31,904</b>	<b>24,258</b>	<b>Normalized* profit attributable to OAO NOVATEK shareholders, excluding FX effect</b>	<b>96,505</b>	<b>80,040</b>
10.56	8.03	Normalized* basic and diluted earnings (loss) per share, excluding FX effect (in Russian roubles)	31.95	26.48

\* Excluding the effect from disposal of interests in joint ventures.

In the third quarter and first nine months 2015, our total revenues increased by 38.5% and 31.2%, respectively, compared to the corresponding periods of 2014, which was mainly due to an increase in liquids sales volumes and prices for natural gas sales.

The Company's Normalized EBITDA, inclusive of share in EBITDA of joint ventures, amounted to RR 52.6 billion in the third quarter 2015 and RR 157.9 billion in the first nine months 2015, representing an increase of 35.7% and 29.4%, respectively, as compared to the corresponding periods of 2014. Our Normalized EBITDA was positively impacted by the higher share of liquid product sold in our overall sales volumes mix.

In the first nine months 2015, Normalized Profit attributable to NOVATEK shareholders, totaled RR 59.6 billion (including a loss of RR 13.4 billion in the third quarter 2015) and decreased by 4.9% as compared to RR 62.6 billion in the first nine months 2014.

Our profit dynamics were negatively impacted by the devaluation of the Russian rouble against the US dollar and Euro, which resulted in non-cash foreign exchange losses due to revaluation of the foreign currency debt of NOVATEK and our joint ventures, mainly Yamal LNG. The revaluation does not negatively impact the profitability and financial performance of our business given the currency structure of NOVATEK and our joint ventures cash flows. Net of the foreign exchange effects, our Normalized Profit attributable to NOVATEK shareholders in the third quarter and first nine months 2015 increased by 31.5% and 20.6% respectively compared to the corresponding periods of 2014.

#### Marketable Hydrocarbon Production and Purchased Volumes

3Q 2015	3Q 2014		9M 2015	9M 2014
<b>17,061</b>	<b>15,196</b>	<b>Natural gas production including proportionate share in the production of joint ventures, million cubic meters (mmcm)</b>	<b>50,102</b>	<b>45,858</b>
11,868	12,901	including production by subsidiaries, mmcm	36,607	39,430
1,851	1,270	Natural gas purchases from joint ventures, mmcm	5,089	2,929
1,699	1,815	Other purchases of natural gas, mmcm	4,844	5,340
<b>15,418</b>	<b>15,986</b>	<b>Total natural gas production by subsidiaries and purchases, mmcm</b>	<b>46,540</b>	<b>47,699</b>
<b>2,346</b>	<b>1,533</b>	<b>Liquids production including proportionate share in the production of joint ventures, thousand tons (mt)</b>	<b>6,535</b>	<b>4,275</b>
969	1,065	including liquids production by subsidiaries, mt	3,021	3,244
2,555	879	Liquids purchases from joint ventures, mt	6,442	1,939
37	33	Other purchases of liquids, mt	58	46
<b>3,561</b>	<b>1,977</b>	<b>Total liquids production by subsidiaries and purchases, mt</b>	<b>9,521</b>	<b>5,229</b>

### Hydrocarbon Sales Volumes

3Q 2015	3Q 2014		9M 2015	9M 2014
14,272	14,944	<b>Natural gas, mmcm</b>	<b>44,747</b>	<b>48,244</b>
13,435	14,107	including sales to end-customers	42,014	45,388
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<b>3,474</b>	<b>1,697</b>	<b>Liquids, mt</b>	<b>9,219</b>	<b>4,929</b>
		including:		
1,613	1,025	Stable gas condensate products	5,038	3,077
975	67	Stable gas condensate	1,796	142
632	361	Liquefied petroleum gas	1,617	1,043
251	241	Crude oil	760	659
3	3	Other	8	8

In the first nine months 2015, our natural gas sales volumes totaled 44.7 billion cubic meters (“bcm”) (including 14.3 bcm in the third quarter 2015), which is 7.2% lower as compared to the same period of 2014 mainly due to warmer weather during the winter peak season. As at 30 September 2015, the total amount of natural gas recorded as inventory was 2.7 bcm.

In the nine months 2015, liquid hydrocarbon sales volumes totaled 9.22 million tons (including 3.47 million tons sold in the third quarter 2015), representing an 87.0% increase as compared to the corresponding period of 2014. Higher volumes of gas condensate purchased from our joint ventures due to production growth at the SeverEnergia joint venture fields and the successful launch of the Termokarstovoye field at the Terneftegas joint venture as well as the increase of crude oil production by subsidiaries positively impacted our liquids sales during the period. As at 30 September 2015, 0.83 million tons of liquid hydrocarbons were in transit or storage and recognized as inventory.

**Selected Balance Sheet Items**  
(in millions of Russian roubles)

	<b>30 September 2015</b>	<b>31 December 2014</b>
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>665,729</b>	<b>572,548</b>
Property, plant and equipment	322,064	291,726
Investments in joint ventures	163,549	166,231
Long-term loans and receivables	150,824	94,142
<b>Total current assets</b>	<b>136,720</b>	<b>126,591</b>
<b>Total assets</b>	<b>802,449</b>	<b>699,139</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Non-current liabilities</b>	<b>223,367</b>	<b>230,807</b>
Long-term debt	194,726	204,699
<b>Current liabilities</b>	<b>166,366</b>	<b>81,208</b>
<b>Total liabilities</b>	<b>389,733</b>	<b>312,015</b>
<b>Equity attributable to</b>		
<b>  OAO NOVATEK shareholders</b>	<b>411,323</b>	<b>384,755</b>
<b>  Non-controlling interest</b>	<b>1,393</b>	<b>2,369</b>
<b>Total equity</b>	<b>412,716</b>	<b>387,124</b>
<b>Total liabilities and equity</b>	<b>802,449</b>	<b>699,139</b>

The full set of non-audited consolidated interim condensed IFRS financial statements, 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](http://www.novatek.ru)).

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**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 Autonomous Region, which is the world's largest natural gas producing area and accounts for approximately 80% of Russia's natural gas production and approximately 16% 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 Moscow Exchange (MOEX) and the London Stock Exchange (LSE) under the ticker symbol «NVTK».