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CEO's Meet Virtually to Discuss Status of Arctic LNG Project

Moscow, 12 June 2020. PAO NOVATEK (“NOVATEK” and/or the “Company”) announced that a working meeting was held today regarding the Arctic LNG 2 project (“Project”) with the respective CEO’s of the partner companies. The working meeting, which took place in the form of a videoconference, was attended by Leonid Mikhelson (NOVATEK), Patrick Pouyanné (TOTAL), Dai Houliang (CNPC), Wang Dongjin (CNOOC), Tatsuo Yasunaga (Mitsui) and Tetsuhiro Hosono (JOGMEC) (collectively, the “Partners”).

During the meeting, the Partners noted the current progress on implementing the Arctic LNG 2 project. Despite the impact of COVID-19, the Project’s participants managed to meet the schedule in all areas. Currently, the overall progress for the Project is estimated at 19%, with concrete casting of the first GBS platform estimated to be completed by 37%. The module fabrication yards are working at full capacity. Contractors under construction/EPC contracts are fully mobilized, and supply contracts have been signed and are being fulfilled. Nine (9) production wells have already been drilled at the Utrenneye field with three (3) drilling rigs in operation. The Partners expressed confidence that the Project will commence on time based on the current progress.

In addition, significant progress has been made in contracting LNG volumes from the Project. The Partners also discussed the current status of the Project’s external financing and confirmed their focus on ensuring its completion on schedule.

"We held the first joint meeting with the CEO’s of our partners in Arctic LNG 2 to discuss the current progress in a virtual format," noted Leonid Mikhelson, NOVATEK’s Chairman of the Management Board. "This unique project employs an innovative construction concept using gravity-based structures, or GBS, a logistical scheme with year-round navigation via the Northern Sea Route, as well as extensive localization of equipment and materials manufacturing in Russia. All shareholders confirmed their best efforts to implement the Project according to our time schedule".

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PAO NOVATEK is the largest independent natural gas producer in Russia, and in 2017, entered the global LNG market by successfully launching the Yamal LNG project. Founded in 1994, the Company is engaged in the exploration, production, processing and marketing of natural gas and liquid hydrocarbons. Upstream activities of the Company’s subsidiaries and joint ventures are

concentrated mainly 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 15% of the world's gas production. NOVATEK is a public 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».