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## **NOVATEK and CNODC Sign Entrance Agreement to Arctic LNG 2**

**Beijing, 25 April 2019.** PAO NOVATEK (“NOVATEK”) announced today at the Second Belt and Road Forum for International Cooperation that China National Oil and Gas Exploration and Development Company Ltd (“CNODC”), a wholly owned subsidiary of China National Petroleum Corporation (“CNPC”), has signed a binding agreement to enter the Arctic LNG 2 project. The binding agreement, signed in the presence of Leonid Mikhelson, Chairman of the Management Board of NOVATEK, and Wang Yilin, Chairman of CNPC, provides for the acquisition by CNODC of a 10% participation interest in Arctic LNG 2.

“The agreement is an important milestone in our Arctic LNG 2 project implementation as well as a continuation of our successful cooperation with CNPC,” noted Leonid Mikhelson, NOVATEK’s Chairman of the Management Board. “We successfully launched the Yamal LNG project on budget and ahead of initial schedule as partners, which is a unique achievement in the global gas industry. The accumulated experience of working together is a solid basis for the successful implementation of our new LNG project”.

### **Note**

The Arctic LNG 2 project envisages constructing three LNG trains at 6.6 million tons per annum each, using gravity-based structure (GBS) platforms. The Project is based on the hydrocarbon resources of the Utrenneye field. As of 31 December 2018, the Utrenneye field’s 2P reserves under PRMS totaled 1,138 billion cubic meters of natural gas and 57 million tons of liquids. Under the Russian classification reserves totaled 1,978 billion cubic meters of natural gas and 105 million tons of liquids. OOO Arctic LNG 2 owns an LNG export license.

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

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PAO NOVATEK is one of the largest independent natural gas producers in Russia, and in 2017, entered the global gas 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. The Company’s upstream activities 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».