



FOR IMMEDIATE RELEASE

NOVATEK and CNOOC Sign Entrance Agreement to Arctic LNG 2

Beijing, 25 April 2019. PAO NOVATEK (“NOVATEK” or the “Company”) announced today at the Second Belt and Road Forum for International Cooperation that NOVATEK and CNOOC Ltd. (“CNOOC”) have signed a binding agreement on the acquisition by CNOOC of a 10% participation interest in the Arctic LNG 2 project.

“We are very glad that CNOOC has joined our Arctic LNG 2 project as our new partner, since China represents one of the key consuming markets for our LNG sales,” noted Leonid Mikhelson, NOVATEK’s Chairman of the Management Board. “Arctic LNG 2 will be a game-changer in the global gas market, and our proven track record to successfully build an LNG facility in the Arctic zone, combined with a proven logistical model with access to prospective markets and large hydrocarbon resource base will ensure the successful implementation of this world class 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 7,981 million barrels of oil equivalent. Under the Russian classification reserves totaled 13,835 million barrels of oil equivalent. OOO Arctic LNG 2 owns an LNG export license.

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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».