

## NOVATEK Closes Arctic LNG 2 Transaction

*Moscow, 22 July 2019.* PAO NOVATEK (“NOVATEK” and/or “the Company”) today announced the closing of the sale of participation interests in Arctic LNG 2 Project (“Project”) to wholly owned subsidiary of China National Petroleum Corporation (“CNPC”), wholly owned subsidiary of CNOOC Ltd. (“CNOOC”), and the consortium of Mitsui & Co and Japan Oil, Gas and Metals National Corporation (“Japan Arctic LNG”).

“We now have formed the structure of the Project’s participants by successfully closing the sale of interests in Arctic LNG 2,” noted Leonid Mikhelson, NOVATEK’s Chairman of the Management Board. “The target level of NOVATEK’s participation has been reached, allowing us to make the final investment decision and optimally use the Company’s cash flow to finance our new projects”.

**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. The Project participants include NOVATEK (60%), Total (10%), CNPC (10%), CNOOC (10%) and the Japan Arctic LNG (10%).

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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 the largest independent natural gas producer 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».