

FOR IMMEDIATE RELEASE

## **Arctic LNG 2 Signs Agreement on Design and Construction of GBS**

*Moscow, 21 December 2018.* PAO NOVATEK ("NOVATEK" and/or the "Company") announced that its next LNG project, Arctic LNG 2 (the "Project"), has signed an agreement on the design and construction of gravity-based structures (GBS). The Russian company SAREN, a joint venture of Renaissance Heavy Industries Russia (RHI Russia B.V.) and SAIPEM S.p.A, will perform the work. The agreement provides for the design and construction of three GBS platforms for the Project's natural gas liquefaction trains.

The scope of work under the contract includes management, design, supply of materials and equipment, construction of three GBS structures at the NOVATEK-Murmansk plant, as well as commissioning and preparation for operations, including towing and installation of the GBS structures.

"The signing of the design and construction agreement is an important step in creating the first LNG production facility in Russia on gravity-based structure platforms using our unique LNG construction center in the Murmansk region," noted Leonid Mikhelson, NOVATEK's Chairman of the Management Board. "Our partners have extensive experience in the design and construction of offshore facilities, including GBS structures, which will contribute to the successful launch of our new Arctic LNG 2 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 1 December 2018, the Utrenneye field's reserves under the Russian reserves classification 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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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».