



FOR IMMEDIATE RELEASE

**NOVATEK ANNOUNCES THIRD QUARTER AND NINE MONTHS 2010 IFRS RESULTS**

*Moscow, 12 November 2010.* OAO NOVATEK today released its consolidated interim condensed financial information for the three and nine months ending 30 September 2010 prepared in accordance with International Financial Reporting Standards (“IFRS”).

**IFRS Financial and Operational Highlights**  
(in millions of Russian roubles)

<b>3Q 2010</b>	<b>3Q 2009</b>		<b>9M 2010</b>	<b>9M 2009</b>
<b>Revenues</b>				
28,786	21,217	Oil and gas sales	81,074	59,909
619	475	Sales of polymer and insulation tape	1,699	1,373
36	279	Other revenues	116	818
<b>29,441</b>	<b>21,971</b>	<b>Total revenues</b>	<b>82,889</b>	<b>62,100</b>
<b>(17,587)</b>	<b>(13,638)</b>	<b>Total operating expenses</b>	<b>(49,251)</b>	<b>(40,055)</b>
(254)	-	Net gain (loss) on disposal of interest in subsidiaries	1,329	52
408	25	Other operating income (loss)	432	(128)
<b>12,008</b>	<b>8,358</b>	<b>Profit from operations</b>	<b>35,399</b>	<b>21,969</b>
482	903	Finance income (expense)	16	(902)
12,483	9,238	Profit before income tax	35,398	21,039
<b>10,061</b>	<b>7,277</b>	<b>Profit for period</b>	<b>28,203</b>	<b>16,579</b>
<b>10,105</b>	<b>7,353</b>	<b>Profit attributable to OAO NOVATEK shareholders</b>	<b>28,426</b>	<b>16,665</b>
3.33	2.43	Basic and diluted earnings per share (in Russian roubles)	9.37	5.50

In the third quarter 2010, our total revenues increased by 34.0% to RR 29,441 million compared to the corresponding period of 2009, primarily due to an increase in natural gas, LPG and stable gas condensate prices and sales volumes. The increase in revenues resulted in a 37.4% increase in profit attributable to NOVATEK shareholders to RR 10,105 million, or RR 3.33 per share, as compared to the corresponding period in 2009.

In the nine months ended 30 September 2010, our total revenues increased by 33.5% to RR 82,889 million, as compared to the corresponding period in 2009, primarily due to an increase in hydrocarbon sales volumes and prices. The increase in oil and gas revenues, as well as the net gain on the disposal of our interest in ZAO Terneftegas in the first quarter of 2010, resulted in a 70.6%

increase in profit attributable to NOVATEK shareholders to RR 28,426 million, or RR 9.37 per share over the same period.

### Selected Operating Highlights

3Q 2010	3Q 2009	Production and Purchased Volumes	9M 2010	9M 2009
8,360	7,756	Natural gas production (million cubic meters)	26,483	23,492
-	250	Natural gas purchases (million cubic meters)	-	699
<b>8,360</b>	<b>8,006</b>	<b>Total natural gas production and purchases</b>	<b>26,483</b>	<b>24,191</b>
884	738	Liquids production (thousand tons)	2,625	2,206
5	6	Liquids purchases (thousand tons)	11	6
<b>889</b>	<b>744</b>	<b>Total liquids production and purchases</b>	<b>2,636</b>	<b>2,212</b>

3Q 2010	3Q 2009	Sales Volumes	9M 2010	9M 2009
8,123	7,763	Natural gas (million cubic meters)	26,138	24,030
723	467	Stable gas condensate (thousand tons)	1,674	1,518
206	189	Liquefied petroleum gas (thousand tons)	662	533
42	48	Crude oil (thousand tons)	134	149
2	3	Oil products (thousand tons)	8	9

In the third quarter and nine months of 2010, the growth in our total consolidated natural gas and liquid hydrocarbon production was mainly due to an increase in production at our Yurkharovskoye field resulting from the launch of the second stage of the field's second phase development in October 2009.

In the third quarter and nine months of 2010, our natural gas sales volumes increased by 4.6% and 8.8%, respectively, primarily due to an increase in production volumes. Over the same periods liquids sales volumes increased by 37.6% and 12.2%, respectively, primarily due to increased production of unstable gas condensate and a decrease in stable gas condensate inventories.

At 30 September 2010, we had 206 thousand tons of stable gas condensate in transit or storage and recognized as inventory until such time as it is delivered to the port of destination as compared to 202 thousand tons as of 30 September 2009. Our natural gas inventory balance as of 30 September 2010 increased to 1,058 million cubic meters compared to 503 million cubic meters at the end of the 2009 period.

**Selected Balance Sheet Items**  
(in millions of Russian roubles)

	<b>30 September 2010</b>	<b>31 December 2009</b>
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>187,785</b>	<b>166,264</b>
Property, plant and equipment, net	181,931	161,448
<b>Total current assets</b>	<b>27,395</b>	<b>26,867</b>
<b>Total assets</b>	<b>215,180</b>	<b>193,639</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Non-current liabilities</b>	<b>38,647</b>	<b>36,602</b>
Long-term debt	23,614	23,876
<b>Current liabilities</b>	<b>16,603</b>	<b>23,593</b>
<b>Total liabilities</b>	<b>55,250</b>	<b>60,199</b>
<b>Equity attributable to</b>		
<b>    OAO NOVATEK shareholders</b>	<b>139,232</b>	<b>114,301</b>
<b>    Non-controlling interest</b>	<b>20,698</b>	<b>19,139</b>
<b>Total equity</b>	<b>159,930</b>	<b>133,440</b>
<b>Total liabilities and equity</b>	<b>215,180</b>	<b>193,639</b>

The full set of consolidated interim condensed IFRS financial information, the notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations are available on the Company's web site ([www.novatek.ru](http://www.novatek.ru)).

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*Certain statements in this press release are not historical facts and are "forward looking" within the meaning of Section 27A of the Securities Act and Section 21E of the US Securities Exchange Act of 1934 (hereinafter, the Exchange Act). Forward looking statements include statements concerning our plans, expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our competitive strengths and weaknesses, plans or goals relating to forecasted production, reserves, financial position and future operations and development, our business strategy and the trends we anticipate in the industries and the political and legal environment in which we operate and other information that is not historical information. By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward looking statements will not be achieved.*

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

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OAO NOVATEK is Russia's largest independent gas producer and the second-largest natural gas producer in Russia. 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 in the prolific Yamal-Nenets Autonomous Region, which is the world's largest natural gas producing area and accounts for approximately 90% of Russia's natural gas production and 20% of the world's gas production. NOVATEK is an open joint stock company established under the laws of the Russian Federation. The Company's shares are listed on the Russian Trading System (RTS), MICEX Stock Exchange and the London Stock Exchange (LSE) under the ticker symbol 'NVTK' and on the NASDAQ PORTAL System as Rule 144A GDR under the ticker symbol "NVATY".