



FOR IMMEDIATE RELEASE

**NOVATEK ANNOUNCES CONSOLIDATED IFRS RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

*Moscow, 18 March 2009.* OAO NOVATEK today released its audited consolidated financial statements for the years ended 31 December 2008 and 2007 prepared in accordance with International Financial Reporting Standards (“IFRS”).

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

	<b>FY 2008</b>	<b>FY 2007</b>
<b>Revenues</b>		
Oil and gas sales	76,076	60,406
Sales of polymer and insulation tape	2,098	1,602
Other revenues	1,098	362
<b>Total revenues</b>	<b>79,272</b>	<b>62,370</b>
Other income (loss)	(236)	110
<b>Total revenues and other income</b>	<b>79,036</b>	<b>62,480</b>
<b>Total operating expenses</b>	<b>(46,916)</b>	<b>(37,115)</b>
<b>Profit from operations</b>	<b>32,120</b>	<b>25,365</b>
Finance income (expense)	(3,384)	124
Profit before income tax	28,589	25,489
<b>Profit for the year</b>	<b>22,927</b>	<b>18,728</b>
<b>Profit (loss) attributable to shareholders of OAO NOVATEK</b>	<b>22,899</b>	<b>18,736</b>
Basic and diluted earnings per share (in Russian roubles)	7.54	6.17

Total revenues grew by 27.1% year-on-year to RR 79,272 million for the twelve months ended 31 December 2008 from RR 62,370 million in the corresponding period of 2007, reflecting the general strength and stability of our core business operations despite signs of economic slowdown in Russia and abroad caused by the global economic and liquidity crisis. The increase in total revenues from our primary business operations was attributable to the increase in overall hydrocarbon sales volumes and the pricing environment for both domestic and international sales.

The profit attributable to NOVATEK shareholders increased by 22.2% to RR 22,899 million, or RR 7.54 per share, as compared to RR 18,736 million, or RR 6.17 per share, in the corresponding period of 2007.

### Selected Operating Highlights

<b>Production and Purchased Volumes</b>	<b>FY 2008</b>	<b>FY 2007</b>
Natural gas production (million cubic meters)	30,430	28,250
Natural gas purchases (million cubic meters)	2,885	3,139
<b>Total natural gas production and purchases</b>	<b>33,315</b>	<b>31,389</b>
Liquids production (thousand tons)	2,563	2,400
Liquids purchases (thousand tons)	98	56
<b>Total liquids production and purchases</b>	<b>2,661</b>	<b>2,456</b>
<b>Sales Volumes</b>	<b>FY 2008</b>	<b>FY 2007</b>
Natural gas (million cubic meters)	33,274	32,054
Stable gas condensate (thousand tons)	1,583	1,508
Liquefied petroleum gas (thousand tons)	618	554
Crude oil (thousand tons)	270	269
Oil products (thousand tons)	159	73

Sales volumes of natural gas for the full year increased by 1,220 million cubic meters, or 3.8%, from 32,054 million cubic meters to 33,274 million cubic meters, due to the strong organic production growth with the launch of the Yurkharovskoye field phase two expansion and stabilized production levels at the East-Tarkosalinskoye field.

Our liquids sales volumes for the full year increased by 226 thousand tons, or 9.4%, from 2,404 thousand tons to 2,630 thousand tons, due to increased stable gas condensate and LPG sales volumes resulting from organic growth at the Yurkharovskoye field and increased capacity at our Purovsky Processing Plant as well as an increase in our oil products trading activities. Our stable gas condensate in transit or storage and recognized as inventory was relatively unchanged between periods. At 31 December 2008, we had 220 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 224 thousand tons as of 31 December 2007.

“Despite the onset of the difficult economic environment in the world, we continued to invest significant amounts of capital in our operations to realize the Company’s strategic plans to increase productive and processing capacity. The successful launch of two major expansion projects, at our Yurkharovskoye field and the Purovsky Processing Plant, in the fourth quarter 2008 provides the platform for future hydrocarbon production growth. Our capital investments in geological exploration and development activities resulted in an increase in our mineral resource base and the successful replacement of 230% of our proven reserves. The results of 2008 are key to the future development of NOVATEK” according to Leonid V. Mikhelson, NOVATEK’s Chief Executive Officer.

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

	<b>31 December 2008</b>	<b>31 December 2007</b>
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>113,578</b>	<b>86,937</b>
Property, plant and equipment, net	108,714	82,669
<b>Total current assets</b>	<b>25,428</b>	<b>17,038</b>
<b>Total assets</b>	<b>139,907</b>	<b>103,975</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Non-current liabilities</b>	<b>28,763</b>	<b>10,088</b>
Long-term debt	19,935	42
<b>Current liabilities</b>	<b>14,169</b>	<b>12,075</b>
<b>Total liabilities</b>	<b>43,267</b>	<b>22,163</b>
<b>Equity attributable to</b>		
<b>OAQ NOVATEK shareholders</b>	<b>96,069</b>	<b>81,335</b>
<b>Minority interest</b>	<b>571</b>	<b>477</b>
<b>Total equity</b>	<b>96,640</b>	<b>81,812</b>
<b>Total liabilities and equity</b>	<b>139,907</b>	<b>103,975</b>

The full set of audited consolidated IFRS financial statements, 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.*

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**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 Region, which is the world's largest natural gas producing area and accounts for over 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) 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".