



FOR IMMEDIATE RELEASE

**NOVATEK ANNOUNCES SECOND QUARTER
AND FIRST HALF 2011 IFRS RESULTS**

Moscow, 12 August 2011. OAO NOVATEK today released its consolidated interim condensed financial information for the three and six months ended 30 June 2011 prepared in accordance with International Financial Reporting Standards (“IFRS”).

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

2Q 2011	2Q 2010		1H 2011	1H 2010
		Revenues		
40,501	25,051	Oil and gas sales	85,294	52,288
-	611	Sales of polymer and insulation tape	-	1,080
75	44	Other revenues	143	80
40,576	25,706	Total revenues	85,437	53,448
(22,439)	(15,717)	Total operating expenses	(45,860)	(31,664)
-	-	Net gain on disposal of interest in subsidiaries	-	1,583
(65)	29	Other operating income (loss)	(1)	24
18,072	10,018	Profit from operations	39,576	23,391
1,073	(1,078)	Total finance income (expense)	3,811	(466)
18,154	8,931	Profit before income tax	41,870	22,915
14,300	7,066	Profit (loss)	33,100	18,142
14,421	7,139	Profit (loss) attributable to shareholders of OAO NOVATEK	33,274	18,321
4.75	2.35	Basic and diluted earnings per share (in Russian roubles)	10.97	6.04

Total revenues in the second quarter and first half 2011, increased by 57.8% and 59.9%, respectively, as compared to the corresponding periods in 2010, primarily due to higher natural gas and liquid hydrocarbons’ sales volumes and prices.

Profit from operations increased by 80.4% and 69.2% in the second quarter and first half 2011, respectively, compared to the corresponding reporting period in 2010 due to the growth in

revenues and our ability to control operating expenses. Profit attributable to shareholders of OAO NOVATEK more than doubled (102.0%) in the second quarter 2011 and increased by 81.6% in the first half of 2011, resulting in earnings per share of RR 4.75 and RR 10.97, respectively, due primarily to higher oil and gas sales and cost optimization.

Selected Operating Highlights

2Q 2011	2Q 2010	Production and Purchase Volumes	1H 2011	1H 2010
10,696	8,290	Natural gas production (million cubic meters)	22,635	18,145
1,313	-	Net share in equity production of natural gas (million cubic meters)	2,684	-
12,009	8,290	Total natural gas production	25,319	18,145
1,036	879	Liquids production (thousand tons)	2,060	1,741
2	1	Liquids purchases (thousand tons)	3	6
1,038	880	Total liquids production and purchases	2,063	1,747
2Q 2011	2Q 2010	Sales Volumes	1H 2011	1H 2010
11,830	7,909	Natural gas (millions cubic meters)	25,822	18,015
755	539	Stable gas condensate (thousand tons)	1,479	951
217	231	Liquefied petroleum gas (thousand tons)	446	456
53	48	Crude oil (thousand tons)	102	92
2	3	Oil products (thousand tons)	3	6

In the second quarter and first half 2011, our natural gas sales volumes increased by 49.6% and 43.3%, respectively, compared to the corresponding periods in 2010. The increases were primarily due to the growth in NOVATEK's production capacity combined with the expansion of our customer portfolio and higher natural gas demand in the domestic market.

During the second quarter 2011, our total liquids' sales volumes increased by 25.1% and our total liquids' sales volumes in the first half of 2011 increased by 34.9% compared to the corresponding periods in 2010 primarily due to organic growth in production capacity. At 30 June 2011, we recorded 274 thousand tons of stable gas condensate in transit or storage and recognized as inventory as compared to 332 thousand tons as of 30 June 2010.

Selected Balance Sheet Items
(in millions of Russian roubles)

	30 June 2011	31 December 2010
ASSETS		
Non-current assets	260,257	255,608
Property, plant and equipment, net	194,189	185,573
Current assets	47,289	29,565
Total assets	307,546	285,173
LIABILITIES AND EQUITY		
Non-current liabilities	91,980	59,946
Long-term debt	77,601	47,074
Current liabilities	21,879	57,441
Total liabilities	113,859	117,387
Equity attributable to		
 OAO NOVATEK shareholders	172,908	147,119
 Non-controlling interest	20,779	20,667
Total equity	193,687	167,786
Total liabilities and equity	307,546	285,173

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).

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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 83% of Russia's natural gas production and 16% 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".