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NOVATEK Discovers North-Obskoye Field

Moscow, 10 October 2018. PAO NOVATEK (“NOVATEK” and/or the “Company”) announced that its wholly owned subsidiary OOO Arctic LNG 3 has completed the testing of the first exploration well at the North-Obskiy license area located in the shallow waters of the Ob Bay. The drilling and testing results confirmed that a new natural gas and gas condensate field was discovered.

The North-Obskoye field has estimated reserves of more than 320 billion cubic meters (bcm) of natural gas under Russian reserve classification, and its total resources at the drilled well area are estimated at more than 900 bcm of natural gas. The reserves estimates will be submitted to the Russian State Reserves commission for confirmation in November 2018.

"The discovery of significant hydrocarbon reserves at the North-Obskoye field is an important starting point for one of our future LNG projects in the Arctic region," – according to Leonid Mikhelson, Chairman of NOVATEK’s Management Board. “Under the Russian reserve classification, the North-Obskoye field will be included into the “unique” category in terms of reserves size. The favorable geographical location of the field, its huge resource base and our accumulated LNG experience are important prerequisites to successfully implement this new LNG project”.

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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».