



FOR IMMEDIATE RELEASE

NOVATEK Reports Preliminary Operating Data for the First Quarter 2017

Moscow, 10 April 2017. PAO NOVATEK (“NOVATEK” and/or the “Company”) reported today preliminary operating data for the first quarter 2017.

In the first quarter 2017, NOVATEK’s marketable hydrocarbons production totaled 127.7 million barrels of oil equivalent (boe), including 15.7 billion cubic meters (bcm) of natural gas and 2,967 thousand tons of liquids (gas condensate and crude oil), resulting in a decrease in total hydrocarbons production by 11.8 million boe, or by 8.5% as compared to the first quarter 2016.

Preliminary natural gas sales volumes aggregated 18.8 bcm, which was 5.5% higher compared to the first quarter 2016.

The Company processed 2,910 thousand tons of unstable gas condensate at the Purovsky Processing Plant, representing a 9.0% decrease in daily average processing volumes as compared with the corresponding volumes processed in the prior reporting period. NOVATEK processed 1,767 thousand tons of stable gas condensate at the Ust-Luga Complex, representing a 0.4% increase in daily average volumes processed at the facility in the first quarter 2016.

Preliminary first quarter 2017 petroleum product sales volumes aggregated 1,837 thousand tons, including 1,130 thousand tons of naphtha, 305 thousand tons of jet fuel, and 402 thousand tons of fuel oil and gasoil. Export sales of stable gas condensate amounted to 134 thousand tons.

As at 31 March 2017, NOVATEK had 0.1 bcm of natural gas and 542 thousand tons of stable gas condensate and petroleum products in storage or transit and recognized as inventory.

NOVATEK’s marketable hydrocarbon production including share in production of joint ventures

	1Q 2016	1Q 2017	QoQ%
Natural gas, bcm	17.24	15.72	-8.8%
Liquids, thousand tons	3,208	2,967	-7.5%
Total hydrocarbons, mln boe	139.5	127.7	-8.5%
Total hydrocarbons, mln boe per day	1.53	1.42	-7.2%

Information provided in this press release presents expected results of PAO NOVATEK operations in 1Q 2017. The information represents preliminary assessment only, which can be adjusted after statistical, financial, fiscal and business reporting becomes available. The information on NOVATEK's operational results in this press release depends on many external factors and therefore, provided all permanent obligations imposed by the London Stock Exchange listing rules are unconditionally observed, cannot qualify for accuracy and completeness and should not be regarded as an invitation for investment. Therefore, the results and indicators actually achieved may significantly differ from any declared or forecasted operational results in 1Q 2017. PAO NOVATEK assumes no obligation (and expressly declares that it has no such obligation) to update or change any declarations concerning any future results, both due to new information obtained, any future events or for any other reasons.

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PAO NOVATEK is one of the largest independent natural gas producers 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 80% of Russia's natural gas production and approximately 16% 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».