



FOR IMMEDIATE RELEASE

NOVATEK Reports Preliminary Operating Data for the Second Quarter and First Half 2020

Moscow, 13 July 2020. PAO NOVATEK (“NOVATEK” and/or the “Company”) reported today preliminary operating data for the second quarter and first half 2020.

In the second quarter 2020, NOVATEK’s hydrocarbon production totaled 145.3 million barrels of oil equivalent (boe), including 18.50 billion cubic meters (bcm) of natural gas and 2,920 thousand tons of liquids (gas condensate and crude oil), resulting in a decrease in total hydrocarbons produced by 3.7 million boe, or by 2.5% as compared with the second quarter 2019.

NOVATEK’s hydrocarbon production totaled 295.5 million boe in the first half 2020, including 37.58 bcm of natural gas and 5,969 thousand tons of liquids, resulting in a slight decrease in total hydrocarbons produced by six hundred thousand boe, or by two-tenths of one percent as compared to the first half 2019.

Preliminary second quarter 2020 natural gas sales volumes, including volumes of LNG sold, aggregated 16.90 bcm, representing a decrease of 9.9% as compared to the prior year. Natural gas volumes sold in the Russian Federation in the second quarter 2020 totaled 14.43 bcm, whereas LNG volumes sold on international markets amounted to 2.47 bcm. The decrease in sales volumes on international markets was due to the decrease of Yamal LNG shareholders’ share, including NOVATEK’s share, of LNG volumes sold on the spot market, and a corresponding increase of Yamal LNG direct sales under long-term contracts.

In the second quarter and first half 2020, the Company processed 2,796 and 5,619 thousand tons, respectively, of unstable gas condensate at the Purovsky Processing Plant, representing an increase in processed volumes by 3.7% and 4.2%, as compared with the corresponding periods in 2019. In the second quarter and first half 2020, NOVATEK processed 1,787 and 3,574 thousand tons, respectively, of stable gas condensate at the Ust-Luga Complex, which was 5.2% and 3.2% higher as compared with the corresponding periods in 2019.

According to preliminary data in the second quarter 2020, petroleum product sales volumes aggregated 1,893 thousand tons, including 1,266 thousand tons of naphtha, 242 thousand tons of jet fuel, and 385 thousand tons of fuel oil and gasoil. NOVATEK sold 1,091 thousand tons of crude oil and 491 thousand tons of stable gas condensate.

As at 30 June 2020, NOVATEK had 1.0 bcm of natural gas, including LNG, and 450 thousand tons of stable gas condensate and petroleum products in storage or transit and recognized as inventory.

**NOVATEK's hydrocarbon production
including share in production of joint ventures**

2Q 2020	2Q 2019	Change, %		1H 2020	1H 2019	Change, %
18.50	18.91	-2.2%	Natural gas, bcm	37.58	37.57	0.0%
2,920	3,035	-3.8%	Liquids, thousand tons	5,969	6,022	-0.9%
145.3	149.0	-2.5%	Total hydrocarbons, mln boe	295.5	296.1	-0.2%
1.60	1.64	-2.5%	Total hydrocarbons, mln boe per day	1.62	1.64	-0.8%

Natural Gas Sales Volumes, bcm

2Q 2020	2Q 2019	Change, %		1H 2020	1H 2019	Change, %
16.90	18.76	-9.9%	Total natural gas sales volumes	37.59	40.96	-8.2%
14.43	15.11	-4.5%	Sold in the Russian Federation	32.67	33.89	-3.6%
2.47	3.65	-32.3%	Sold on international markets	4.92	7.07	-30.4%

Information provided in this press release presents expected results of PAO NOVATEK operations in the second quarter and first half 2020. 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 the second quarter and first half 2020. PAO NOVATEK assumes no obligation (and expressly declares that it has no such obligation) to update or change any declarations concerning any future results, due to new information obtained, any future events or for any other reasons.

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PAO NOVATEK is the largest independent natural gas producer in Russia, and in 2017, entered the global LNG 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. Upstream activities of the Company's subsidiaries and joint ventures 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».