



FOR IMMEDIATE RELEASE

NOVATEK ANNOUNCES FIRST QUARTER 2008 IFRS RESULTS

Moscow, 19 May 2008. OAO NOVATEK today released its consolidated interim condensed financial information for the three months ending 31 March 2008 prepared in accordance with International Financial Reporting Standards (“IFRS”).

IFRS Financial and Operational Highlights

<i>in millions of Russian roubles</i>	1Q 2008	1Q 2007
Revenues		
Oil and gas sales	20,167	14,885
Sales of polymer and insulation tape	551	309
Other	158	65
Total revenues	20,876	15,259
Other income (loss)	16	16
Total revenues and other income	20,892	15,275
Total operating expenses	(11,023)	(9,579)
Profit from operations	9,869	5,696
Finance income (expense)	139	23
Profit before income tax	9,986	5,719
Profit for period	7,499	4,342
Profit (loss) attributable to OAO NOVATEK shareholders	7,503	4,347
Basic and diluted earnings per share (in Russian roubles)	2.47	1.43

In the three months ended 31 March 2008, total revenues and other income grew by 36.8% to RR 20,892 million from RR 15,275 million in the corresponding period of 2007, reflecting the general strength and stability of our core business operations. The increase in total revenues from our primary business operations was attributable to the favorable pricing environment for both domestic and international hydrocarbon sales.

Profit attributable to NOVATEK shareholders increased by 72.6% to RR 7,503 million, or RR 2.47 per share, in the three months ended 31 March 2008 as compared to RR 4,347 million, or RR 1.43 per share, in the corresponding period in 2007.

Selected Operating Highlights

Production and Purchase Volumes	1Q 2008	1Q 2007
Natural gas production (million cubic meters)	7,578	7,548
Natural gas purchases (million cubic meters)	547	716
Total natural gas production and purchases	8,125	8,264
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Liquids production (thousand tons)	631	586
Liquids purchases (thousand tons)	32	16
Total liquids production and purchases	663	602
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Sales Volumes	1Q 2008	1Q 2007
Natural gas (millions cubic meters)	8,391	9,119
Stable gas condensate (thousand tons)	441	385
Liquefied petroleum gas (thousand tons)	158	123
Crude oil (thousand tons)	77	68
Oil products (thousand tons)	26	18

Sales volumes of natural gas decreased by 728 million cubic meters, or by 8.0%, from 9,119 million cubic meters in the three months ended 31 March 2007 to 8,391 million cubic meters in the corresponding period in 2008. The main cause for the sales volumes reduction was the decrease of volumes withdrawn from underground storage owned and operated by OAO Gazprom. In the three months ended 31 March 2008, our withdrawal from the underground storage facilities totaled 39 million cubic meters as compared to 893 million cubic meters in the corresponding period in 2007. Due to the unseasonably warm winter in 2007 we had a reduction in the amount of natural gas injected into the underground storage facilities in the summer season.

Net liquid sales volumes increased by 18.2% from 594 thousand tons in 1Q 2007 to 702 thousand tons in 1Q 2008.

At 31 March 2008, we had 172 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. At 31 March 2007, our inventory balance of stable gas condensate was 192 thousand tons compared to 190 thousand tons as of 1 January 2007.

Selected Balance Sheet Items

<i>(in millions of Russian roubles)</i>	31 March 2008	31 December 2007
ASSETS		
Non-current assets	92,822	86,937
Property, plant and equipment, net	88,174	82,669
Total current assets	18,524	17,038
Total assets	111,346	103,975
LIABILITIES AND EQUITY		
Non-current liabilities	10,170	10,088
Long-term debt	2	42
Current liabilities	11,821	12,075
Total liabilities	21,991	22,163
Equity attributable to		
 OAO NOVATEK shareholders	88,882	81,335
 Minority interest	473	477
Total equity	89,355	81,812
Total liabilities and equity	111,346	103,975

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).

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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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".