



FOR IMMEDIATE RELEASE

**NOVATEK ANNOUNCES SECOND QUARTER  
AND FIRST HALF 2012 IFRS RESULTS**

*Moscow, 10 August 2012.* OAO NOVATEK today released its consolidated interim condensed financial information for the three and six months ended 30 June 2012 prepared in accordance with International Financial Reporting Standards (“IFRS”).

**IFRS Financial and Operational Highlights**  
*(in millions of Russian roubles unless otherwise stated)*

<b>2Q 2012</b>	<b>2Q 2011</b>		<b>1H 2012</b>	<b>1H 2011</b>
		<b>Revenues</b>		
44,984	40,551	Oil and gas sales	99,136	85,377
161	75	Other revenues	382	143
<b>45,145</b>	<b>40,626</b>	<b>Total revenues</b>	<b>99,518</b>	<b>85,520</b>
<b>(26,780)</b>	<b>(22,474)</b>	<b>Total operating expenses</b>	<b>(58,631)</b>	<b>(45,917)</b>
(36)	(80)	Other operating income (loss)	5	(27)
<b>18,329</b>	<b>18,072</b>	<b>Profit from operations</b>	<b>40,892</b>	<b>39,576</b>
(5,597)	1,073	Total finance income (expense)	27	3,811
<b>12,211</b>	<b>18,069</b>	<b>Profit before income tax</b>	<b>39,407</b>	<b>41,701</b>
<b>9,657</b>	<b>14,215</b>	<b>Profit (loss)</b>	<b>30,896</b>	<b>32,931</b>
<b>9,663</b>	<b>14,336</b>	<b>Profit (loss) attributable to shareholders of OAO NOVATEK</b>	<b>30,908</b>	<b>33,105</b>
3.18	4.73	Basic and diluted earnings per share (in Russian roubles)	10.19	10.91

Total revenues in the second quarter and first half 2012 increased by 11.1% and 16.4%, respectively, as compared to the corresponding periods in 2011, primarily due to higher natural gas and liquid hydrocarbons’ sales volumes.

Profit from operations increased by 1.4% and 3.3% in the second quarter and first half 2012, respectively, compared to the corresponding periods in 2011. Profit attributable to shareholders of OAO NOVATEK in the second quarter and first half 2012, decreased by 32.6% and 6.6%, resulting in earnings per share of RR 3.18 and RR 10.19, respectively, primarily due to non-cash foreign exchange losses in the amount of RR 5,299 million in the second quarter 2012 as compared to a non-cash gain of RR 766 million in the prior reporting period.

Profit attributable to shareholders of OAO NOVATEK in the second quarter 2012, excluding the effect of foreign exchange loss, increased to RR 14,962 million, or 10.3%, from RR 13,570 million in the corresponding period in 2011.

### Selected Operating Highlights

2Q 2012	2Q 2011	Production and Purchase Volumes	1H 2012	1H 2011
12,458	10,696	Natural gas production, million cubic meters (mmcm)	25,503	22,635
1,268	1,313	Equity share in natural gas production from joint ventures, mmcm	2,677	2,684
800	-	Natural gas purchases, mmcm	1,700	-
<b>14,526</b>	<b>12,009</b>	<b>Total natural gas production and purchases, mmcm</b>	<b>29,880</b>	<b>25,319</b>
1,027	1,036	Liquids production, thousand tons	2,107	2,060
58	-	Liquids purchases from joint ventures, thousand tons	58	-
3	2	Liquids purchases, thousand tons	5	3
<b>1,088</b>	<b>1,038</b>	<b>Total liquids production and purchases</b>	<b>2,170</b>	<b>2,063</b>

2Q 2012	2Q 2011	Sales Volumes	1H 2012	1H 2011
13,447	11,830	Natural gas, millions cubic meters	29,497	25,822
794	755	Stable gas condensate, thousand tons	1,418	1,479
224	217	Liquefied petroleum gas, thousand tons	462	446
101	53	Crude oil, thousand tons	185	102

In the second quarter and first half 2012, our natural gas sales volumes increased by 13.7% and 14.2%, respectively, compared to the corresponding periods in 2011. The increases were primarily due to the growth in NOVATEK's production capacity combined with purchases of natural gas from the Company's joint venture and other parties. At 30 June 2012, we recorded 1,050 million cubic meters of natural gas as inventory in underground storage as compared to 203 million cubic meters in the corresponding period.

In the second quarter 2012, our total liquids' sales volumes increased by 9.2% compared to the corresponding periods in 2011, primarily due to an increase in liquid production from the East Tarkosalinskoye field and purchases of unstable gas condensate purchases from OOO SeverEnergia, our joint venture, after the launch of the first stage development at the Samburgskoye field in April 2012 as well as a decrease in liquids inventory balance. In first half 2012, our total liquids' sales volumes increased by 1.9% compared to the corresponding period in 2011 due to gas condensate purchases and increase in total liquids production.

**Selected Balance Sheet Items**  
(in millions of Russian roubles)

	30 June 2012	31 December 2011
<b>ASSETS</b>		
<b>Non-current assets</b>	340,952	325,116
Property, plant and equipment, net	<b>181,229</b>	<b>166,784</b>
<b>Current assets</b>	<b>44,947</b>	<b>58,316</b>
<b>Total assets</b>	<b>385,899</b>	<b>383,432</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Non-current liabilities</b>	<b>87,813</b>	<b>91,636</b>
Long-term debt	70,816	75,180
<b>Current liabilities</b>	<b>35,560</b>	<b>50,114</b>
<b>Total liabilities</b>	<b>123,373</b>	<b>141,750</b>
<b>Equity attributable to</b>		
<b>OAo NOVATEK shareholders</b>	<b>261,372</b>	<b>241,013</b>
<b>Non-controlling interest</b>	<b>1,154</b>	<b>669</b>
<b>Total equity</b>	<b>262,526</b>	<b>241,682</b>
<b>Total liabilities and equity</b>	<b>385,899</b>	<b>383,432</b>

The full set of unaudited IFRS consolidated interim condensed 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](http://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 84% of Russia's natural gas production and approximately 17% 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 in Russia on MICEX-RTS Stock Exchange and the London Stock Exchange (LSE) under the ticker symbol "NVTK".