



FOR IMMEDIATE RELEASE

NOVATEK Announces Year-End 2018 Reserves

Moscow, 24 January 2019. PAO NOVATEK (“NOVATEK” and/or the “Company”) announced that independent petroleum engineers, DeGolyer & MacNaughton, have completed their comprehensive reserve appraisal of the Company’s hydrocarbon reserves as of 31 December 2018.

Total SEC proved reserves, including the Company’s proportionate share in joint ventures, aggregated 15,789 million barrels of oil equivalent (boe), including 2,177 billion cubic meters (bcm) of natural gas and 181 million metric tons (mmt) of liquid hydrocarbons. Total proved reserves increased by 4% compared to the year-end 2017, representing a reserve replacement rate of 222% for the year, addition of 1,218 million boe, inclusive of 2018 production.

The Company’s reserves were positively impacted by successful exploration works at the Utrenneye, Urengoykoye (Samburgskiy license area) and Yarudeyskoye fields, production drilling at the South-Tambeyskoye, North-Russkoye and Yaro-Yakhinskoye fields, as well as new assets acquisitions (Beregovoye field and Ust-Yamsoveyskiy license area).

The Company significantly increased its exploration activities over the past year with the acquisition of new license areas on the Yamal and Gydan peninsulas. Although the results of these activities are not reflected in the current year reserves, the findings represent some of the largest exploration successes in 2018, supporting the Company’s future plans to build a substantial LNG platform in the Arctic region of Russia.

Under the PRMS reserves reporting methodology, the Company’s total proved plus probable reserves, including the Company’s proportionate share in joint ventures, aggregated 29,619 million boe, including 4,021 bcm of natural gas and 387 mmt of liquid hydrocarbons.

NOVATEK reserves according to international standards

	Proved reserves under the SEC methodology		Proved plus Probable reserves under the PRMS methodology	
	2018	2017	2018	2017
Natural gas, bcm	2,177	2,098	4,021	3,879
Liquid hydrocarbons, mmt	181	164	387	366
Total hydrocarbon reserves, million boe	15,789	15,120	29,619	28,471
Reserves to production (R/P) ratio*	29	29	54	55

* R/P ratio represents total reserves at year-end divided by total production for the same year.

Information provided in this press release represents expected results of PAO NOVATEK operations in 2018. The information represents preliminary assessment only, which can be

adjusted after statistical, financial, fiscal and business reporting becomes available. The information on PAO 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 results in 2018. 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 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".