



FOR IMMEDIATE RELEASE

NOVATEK Creates a Joint Venture in China with Sinopec and Gazprombank

Moscow, 5 June 2019. Today, during the official visit of the President of the People's Republic of China Xi Jinping to the Russian Federation, PAO NOVATEK ("NOVATEK" and/or the "Company"), Sinopec and Gazprombank signed Heads of Agreement ("Agreement") on establishing a joint venture to market LNG and natural gas to end-customers in the People's Republic of China.

"Chinese companies are investing in the development of NOVATEK's LNG projects in the Arctic region of the Russian Federation. Creating a joint venture to trade LNG and natural gas in the domestic market of China not only facilitates sales of LNG produced, but also opens up opportunities for investments in the development of the end-customer segment in one of the largest and the fastest-growing gas and LNG market in the world," noted NOVATEK's Chairman of Management Board Leonid Mikhelson. "This represents another step in implementing our long-term strategy across the entire value chain from the extraction and liquefaction of natural gas to the sale of LNG to the customers".

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PAO NOVATEK is the largest independent natural gas producer 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".