



FOR IMMEDIATE RELEASE

NOVATEK and China's Silk Road Fund Sign Binding Definitive Agreements

Beijing, 17 December 2015. OAO NOVATEK (“NOVATEK” and/or the “Company”) announced today the signing of binding definitive agreements as part of a transaction for selling an equity stake in the Yamal LNG project to China’s Silk Road Fund (“SRF”).

In particular, the parties signed a share purchase and sale agreement in relation to a 9.9% equity stake in Yamal LNG. The closure of the transaction is subject to certain amendments to the intergovernmental agreement between Russia and China coming into force.

The parties also signed an agreement for the provision of a 15-year loan by SRF to NOVATEK in the amount of approximately EUR 730 million for the purpose of financing of the Yamal LNG project. The larger part of the loan has been disbursed to Yamal LNG.

Chairman of the Management Board of NOVATEK, Leonid V. Mikhelson stated: “The signing of the binding agreements for the sale of an equity stake in Yamal LNG is another important step in the execution of our long-term development strategy. With the closure of this transaction we will achieve the appropriate target shareholder structure, which will contribute to the planned financing of the project and further facilitate its successful implementation”.

President of SRF, Wang Yanzhi stated: “We are pleased to sign the definitive agreements to enter the Yamal LNG project, which is progressing on schedule and is widely viewed as sustainable due to its high-quality conventional reserve base and long-term contracts for almost 100% of its sales volumes”.

Note

The Yamal LNG project envisages the construction of an LNG plant with annual capacity of 16.5 million tons per annum based on the feedstock resources of the South-Tambeyskoye field. According to the PRMS reserve standards, the proven and probable reserves of the South-Tambeyskoye field as of 31 December 2014 were appraised at 926

billion cubic meters of natural gas. The Project is currently at the active construction stage.

The Silk Road Fund is a \$40 billion medium- to long-term investment and development fund established in Beijing in December 2014. The Silk Road Fund makes outbound investment through both the acquisition of equity stakes and the provision of debt financing. The fund focuses on infrastructure, energy, industrialization and financial cooperation that are vital to the connectivity of the Chinese economy with the rest of the world.

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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 80% of Russia's gas production and approximately 16% 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 Moscow Exchange (MOEX) and the London Stock Exchange (LSE) under the ticker symbol «NVTK».