



---

FOR IMMEDIATE RELEASE

## NOVATEK ANNOUNCES ITS STRATEGY UPDATE 2009

*Moscow, 24 December 2008.* OAO NOVATEK (hereinafter “NOVATEK” or the “Company”) held its Strategy Update 2009 Conference Call yesterday and provided operational and capital expenditure guidance for 2009 and 2010 as well as discussed the results of the Company’s strategy realization in 2008.

In 2008, NOVATEK launched the second phase of development at the Yurkharovskoye field, thereby increasing the Company’s productive capacity to over 100 million cubic meters per day. In addition, the Company also completed the second phase at its Purovsky Plant increasing the plant’s processing capacity to five million tons per annum. The successful launching of these two key projects is an important step in the Company’s efforts to reach planned production levels and allows the Company to further implement its capital program in 2009-2010.

During the conference call, the Company announced two scenarios for its capital expenditure program taking into account changing market conditions. For 2009, the Company outlined plans to spend between 14.2 billion Russian roubles and 21.8 billion Russian roubles (both net of VAT) to further expand infrastructure and productive capacity at the Yurkharovskoye field, to maintain production levels at other core fields and to continue further exploration activities.

For 2010, the Company tentatively outlined a capital spending program between 28.3 billion Russian roubles and 35.7 billion Russian roubles, both net of VAT, to expand total productive capacity to approximately 50 billion cubic meters per annum.

According to Mr. Mikhelson, “NOVATEK will continue to invest capital in expanding our productive capacity. The Company has the financial resources to undertake our announced capital programs but will continue to monitor the financial and operating environment on both the domestic and international markets and, if necessary, adjust our capital expenditure plan accordingly”.

The capital expenditure program in both years will focus on NOVATEK’s core natural gas and gas condensate business segments. Specifically, the Company plans to continue development at the Yurkharovskoye field, including:

- Increase capacity at the field’s methanol production plant to 40,000 tons per annum;
- Begin construction of a 326 kilometer gas condensate pipeline connecting the field to the Purovsky Plant;
- Construction of a gas condensate de-ethanization plant; and
- Continue work on the 3<sup>rd</sup> and 4<sup>th</sup> phases of the field’s development program including, drilling and construction of low temperature separation units for additional capacity of 7 to 14 billion cubic meters per annum.

NOVATEK also plans to expand the LPG storage facilities at the Purovsky Plant and to construct and commission compressor stations at the East-Tarkosalinskoye and Khancheyskoye fields to maintain their current production levels.

The Company will continue exploration work at its prospective fields and license areas and plans to begin exploration drilling in 2010 at the El-Arish field in Egypt.

NOVATEK's Strategy Update Conference Call presentation can be found on the Company's website: [www.novatek.ru](http://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.*

\*\*\*

**For further information, please visit [www.novatek.ru](http://www.novatek.ru) or contact:**

Press Service  
+7 (495) 721 2207  
[press@novatek.ru](mailto:press@novatek.ru)

Investor Relations  
+7 (495) 730 6020  
[ir@novatek.ru](mailto:ir@novatek.ru)

\*\*\*

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 as Global Depository Receipts (GDR) on the London Stock Exchange (LSE) under the 'NVTK' ticker symbol and on the NASDAQ PORTAL System as Rule 144A GDR under the ticker symbol "NVATY".