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NOVATEK and Vitol Sign Agreement on LNG Supply from Arctic LNG 2

Moscow, 2 April 2019. During the 19th International Conference & Exhibition on Liquefied Natural Gas (“LNG2019”) in Shanghai, Novatek Gas&Power Asia, a trading subsidiary of PAO NOVATEK (“NOVATEK” and/or the “Company”) and Vitol S.A. (“Vitol”) announced signing of Heads of Agreement (“Agreement”) for the supply of LNG.

The Agreement envisages concluding a 15-year contract with annual supply of one (1) million tons of LNG from the Arctic LNG 2 project as well as other NOVATEK’s projects. The LNG will be shipped on FOB basis to NOVATEK’s transshipment terminals in the Murmansk region and Kamchatka.

“We commenced contracting LNG volumes from our new project Arctic LNG 2,” noted NOVATEK’s First Deputy Chairman of the Management Board Lev Feodosyev. “LNG volumes sold at our transshipment terminals ensures the flexibility of LNG supplies around the world and allows us to create LNG hubs in the Asia-Pacific and Atlantic basins”.

Note:

The Arctic LNG 2 project envisages constructing three LNG trains at 6.6 million tons per annum each, using gravity-based structure (GBS) platforms. The Project is based on the hydrocarbon resources of the Utrenneye field. As of 31 December 2018, the Utrenneye field’s 2P reserves under PRMS totaled 1,138 billion cubic meters of natural gas and 57 million tons of liquids. Under the Russian classification reserves totaled 1,978 billion cubic meters of natural gas and 105 million tons of liquids. OOO Arctic LNG 2 owns an LNG export license.

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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”.