

FOR IMMEDIATE RELEASE

NOVATEK Launches Crude Oil Production at the Yaro-Yakhinskoye field

Moscow, 27 December 2018. PAO NOVATEK (“NOVATEK” and/or the “Company”) announced today the launch of commercial production of crude oil at the Yaro-Yakhinskoye field developed by Arcticgas, a joint venture between NOVATEK and Gazprom Neft. The field’s crude oil production capacity is estimated at 1.2 million tons per annum.

To start crude oil production, oil and gas gathering systems, central oil treatment facility, as well as an external crude oil pipeline 57 km long with oil delivery point have been constructed. Twenty-two production wells have been currently drilled at the crude oil part of the field, and production drilling is underway.

“The launch of the crude oil program at Arcticgas’ Yaro-Yakhinskoye field will make a significant contribution to the Company’s liquids production growth.” noted NOVATEK’s Chairman of the Management Board Leonid Mikhelson. “We managed to complete construction in a short time fully using the existing infrastructure.”

Note:

The Yaro-Yakhinskoye field is located in the Purovsky district of the Yamalo-Nenets Autonomous Region. Arcticgas, a joint venture between NOVATEK (50%) and Gazprom Neft (50%), holds the field’s license for the exploration and production. Gas and gas condensate commercial production at the field began in April 2015. As of 31 December 2017, Yaro-Yakhinskoye field reserves under the Russian reserves classification totalled 206 billion cubic meters of natural gas and 32 million tons of liquids.

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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».