



FOR IMMEDIATE RELEASE

**NOVATEK ANNOUNCES CONSOLIDATED IFRS RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

Moscow, 11 March 2011. OAO NOVATEK today released its audited consolidated financial statements for the years ended 31 December 2010 and 2009 prepared in accordance with International Financial Reporting Standards (“IFRS”).

IFRS Financial and Operational Highlights
(in millions of Russian roubles)

	FY 2010	FY 2009
Revenues		
Oil and gas sales	115,162	86,903
Sales of polymer and insulation tape	1,699	1,873
Other revenues	163	1,178
Total revenues	117,024	89,954
Total operating expenses	(68,518)	(56,130)
Net gain on disposal of interest in subsidiaries	1,329	52
Other operating income (loss)	396	(343)
Profit from operations	50,231	33,533
Finance income (expense)	1,197	(831)
Profit before income tax	51,082	32,500
Profit (loss)	40,278	25,722
Profit (loss) attributable to OAO NOVATEK shareholders	40,533	26,043
Basic and diluted earnings per share (in Russian roubles)	13.37	8.59

Total revenues grew by 30.1% year-on-year to RR 117,024 million for the twelve months ended 31 December 2010 from RR 89,954 million in the corresponding period of 2009, reflecting the overall growth in our hydrocarbon production and sales volumes as well as higher prices for both natural gas and liquid hydrocarbons.

As a result of the higher revenues and our ability to decrease costs as a percentage of total revenues, profit attributable to NOVATEK shareholders increased by 55.6% to RR 40,533 million, or RR 13.37 per share as compared to RR 26,043 million, or RR 8.59 per share for the corresponding period in 2009.

Selected Operating Highlights

Production and Purchased Volumes	FY 2010	FY 2009
Natural gas production (million cubic meters)	37,208	32,353
Natural gas purchases (million cubic meters)	-	1,000
Total natural gas production and purchases	37,208	33,353
Liquids production (thousand tons)	3,617	3,038
Liquids purchases (thousand tons)	12	13
Total liquids production and purchases	3,629	3,051

Sales Volumes	FY 2010	FY 2009
Natural gas (million cubic meters)	37,117	32,937
Stable gas condensate (thousand tons)	2,330	2,170
Liquefied petroleum gas (thousand tons)	876	749
Crude oil (thousand tons)	185	198
Oil products (thousand tons)	10	11

In 2010, our total consolidated natural gas production increased by 4,855 mmcm, or 15.0%, compared to 2009 due to an increase in production at our Yurkharovskoye field resulting from the launches of the second and third stages of the field's second phase development in October 2009 and 2010, respectively.

Our liquids production increased by 579 thousand tons, or 19.1%, to 3,617 thousand tons compared to 3,038 thousand tons in 2009, due to the expansion of unstable gas condensate production capacity at our Yurkharovskoye field as a result of the field's ongoing development program. The increase in 2010 unstable gas condensate production allowed us to increase stable gas condensate and LPG sales volumes by 7.4% and 17.0%, respectively, compared to 2009.

At 31 December 2010, we had 264 thousand tons of stable gas condensate in transit or storage and recognized as inventory until such time as it is delivered to customers as compared to 111 thousand tons as of 31 December 2009. In 2010, our natural gas inventory balance as of 31 December 2010 increased to 790 million cubic meters compared to 744 million cubic meters at the end of the 2009 period.

Selected Balance Sheet Items
(in millions of Russian roubles)

	31 December 2010	31 December 2009
ASSETS		
Non-current assets	255,608	166,264
Property, plant and equipment	185,573	161,448
Total current assets	29,565	26,867
Assets held for sale	-	508
Total assets	285,173	193,639
LIABILITIES AND EQUITY		
Non-current liabilities	59,946	36,602
Long-term debt	47,074	23,876
Current liabilities	57,441	23,593
Liabilities associated with assets held for sale	-	4
Total liabilities	117,387	60,199
Equity attributable to		
 OAO NOVATEK shareholders	147,119	114,301
 Non-controlling interest	20,667	19,139
Total equity	167,786	133,440
Total liabilities and equity	285,173	193,639

The full set of audited consolidated IFRS financial statements for the years ended 31 December 2010 and 2009 and the related notes thereto as well as Management's Discussion and Analysis of Financial Condition and Results of Operations are available on the Company's web site (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.

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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 83% of Russia's natural gas production and 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 on the Russian Trading System (RTS), MICEX Stock Exchange and the London Stock Exchange (LSE) under the ticker symbol 'NVTK' and on the NASDAQ PORTAL System as Rule 144A GDR under the ticker symbol "NVATY".