

The image features the Novatek logo on the left, consisting of a dark blue vertical bar and three horizontal blue bars of varying lengths. The background is a faded image of industrial structures, likely oil rigs or refineries, with smoke rising from one of them. The word "NOVATEK" is written in large, bold, blue capital letters across the center of the image.

NOVATEK

Expanding Horizons – Dawn of a New Decade

Troika Dialog – The Russian Forum 2011

Mark Gyetvay, Chief Financial Officer and Member of the Board of Directors

3 and 4 February 2011

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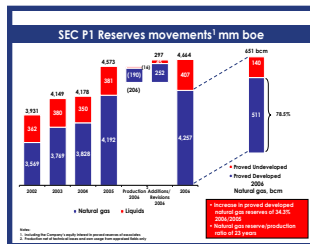
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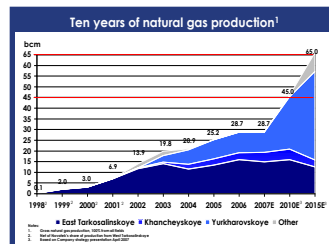
NOVATEK

Business Overview

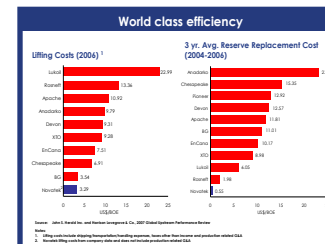
Four Pillars Supporting Sustainable Growth



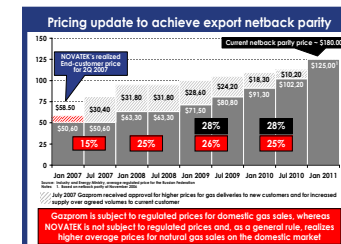
High Quality Long Life Reserves



Strong Production Growth

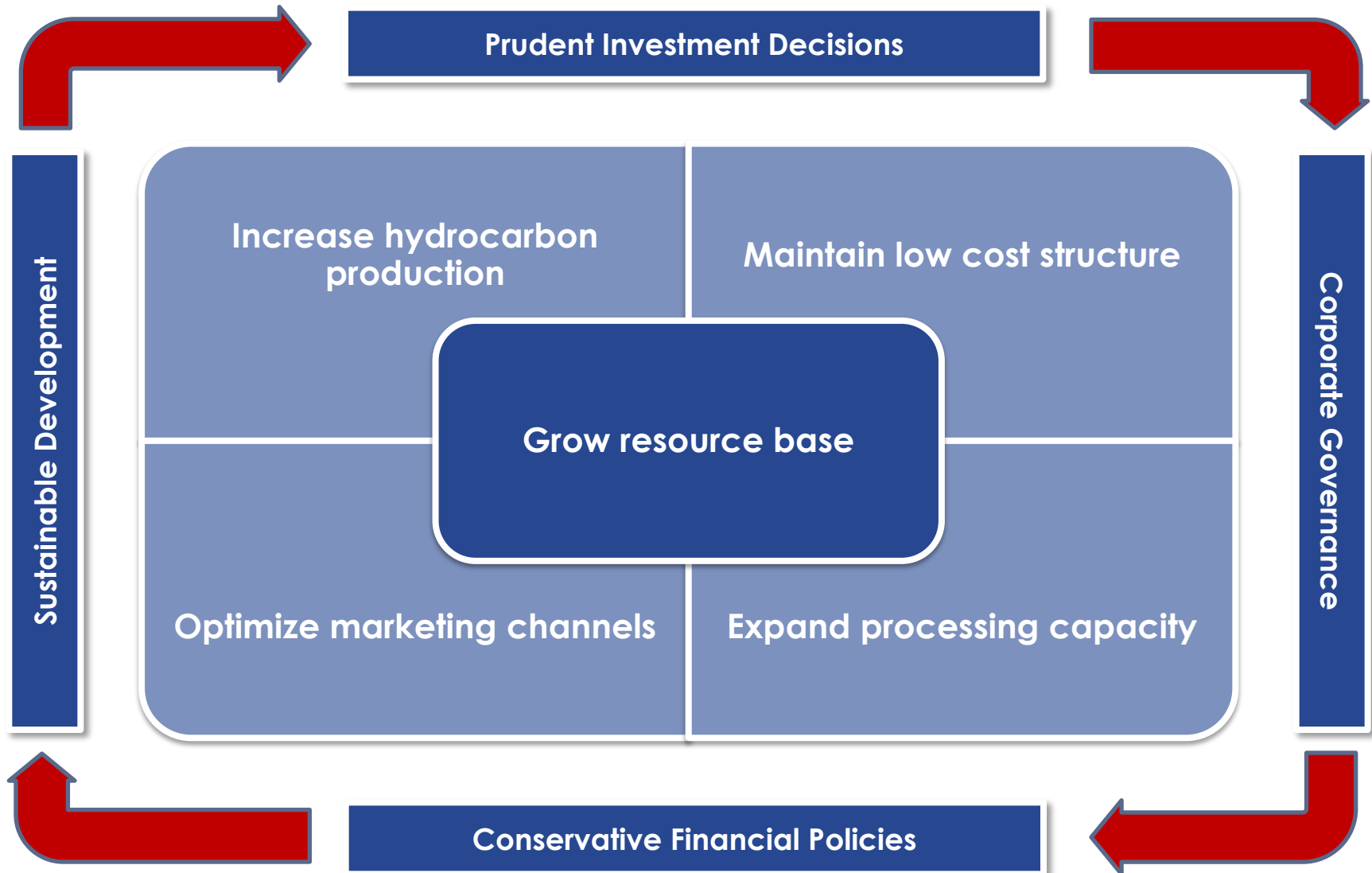


Low Cost Producer



Liberalized Pricing Environment

Delivering on Our Core Strategy



NOVATEK's Fields and License Areas (LA)¹



Yamal-Nenets Autonomous Region (YNAO)² – one of the world's largest natural gas producing regions



1. Yurkharovskoye field
2. East-Tarkosalinskoye field
3. Khancheyskoye field
4. Olimpiyskiy LA (Sterkhovoye field)
5. South Tambeyskoye field
6. Termokarstovoye field
7. West Yurkharovskoye field

8. North-Khancheyskoye field
9. Yarudeyskoye field
10. Raduzhnoye field
11. New Yurkharovskiy LA
12. Yumantilskiy LA
13. Zapadno-Urengoiyskiy LA
14. Severo-Yubileynoye field
15. Severo-Termokarstoviy LA

16. Severo-Russkiy LA
17. Sredniy Chaselskiy LA
18. Zapadno-Tazovskiy LA
19. Anomalniy LA
20. Severo-Yamsoveyskiy LA
21. Pilyalkinskiy LA
22. Malo-Yamalskoye field
23. Zapadno-Chaselskoye field

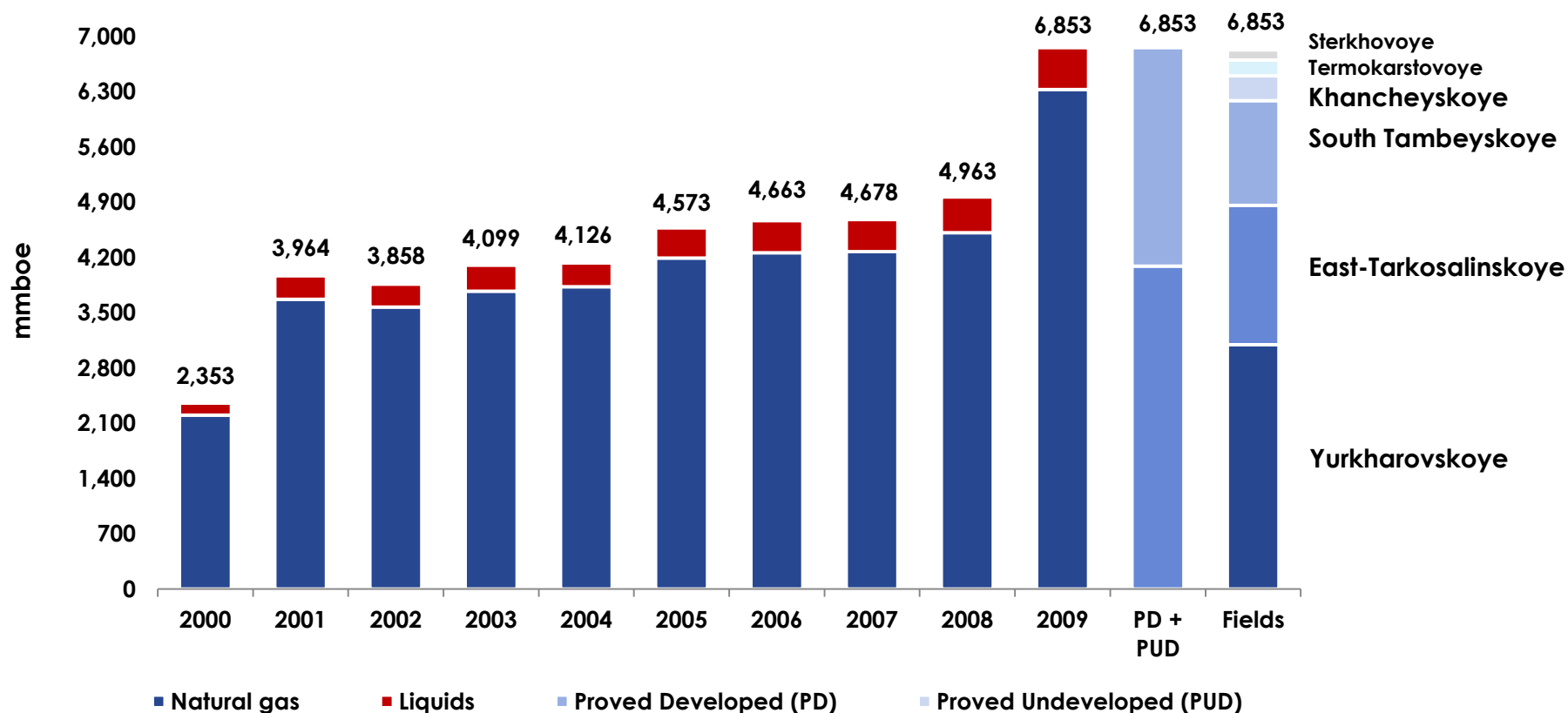
Notes:

1. Current NOVATEK fields and license areas, excluding fields and license areas from acquisitions of SeverEnergiya and Sibneftegas

2. According to information published by the YNAO administration

A Proven Strategy to Build Reserves¹

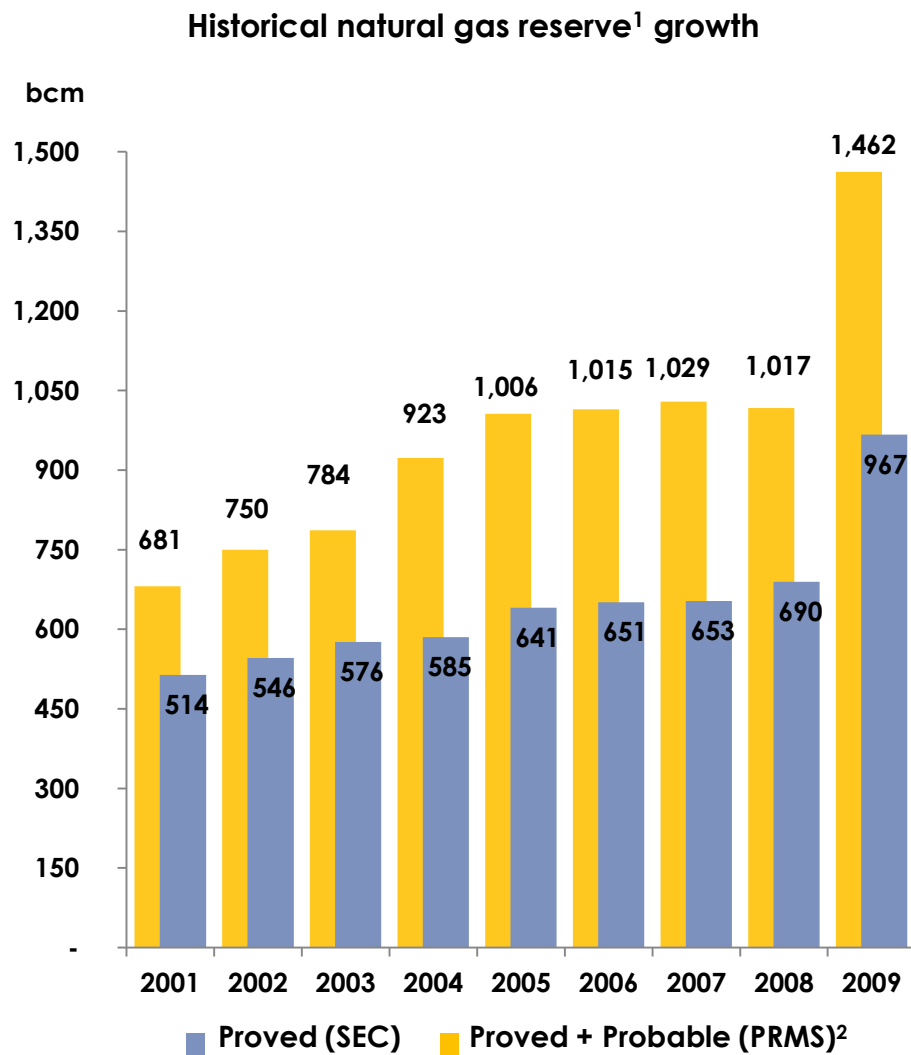
Compound Annual Growth Rate 2000 - 2009: 13%



NOVATEK's Hydrocarbon Reserves



Independent Reserve Appraisal ¹ , 31.12.2009		SEC	PRMS		
			Proved	Probable	Proved+ Probable
Natural gas	bcm	967	1,080	383	1,462
	tcf	34	38	14	52
Liquids	mmt	63	79	46	124
	mmbbl	529	650	375	1,025
Total	mmboe	6,853	7,711	2,878	10,589



Notes:

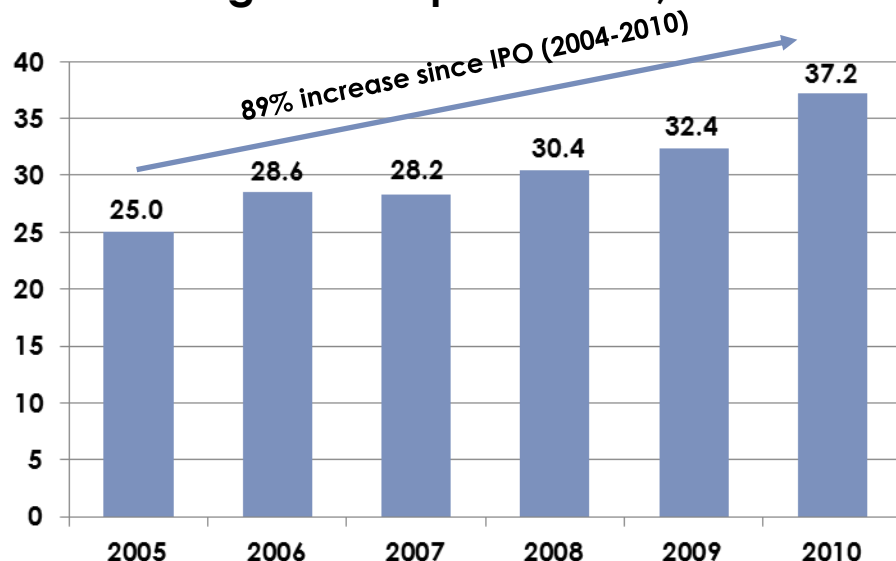
1. Proved reserves fully appraised by DeGolyer & MacNaughton using the SEC's and Petroleum Resource Management System (PRMS) reserve methodology

2. PRMS standards introduced in 2007, prior periods reserves were appraised using the Society of Petroleum Engineers (SPE) reserve methodology

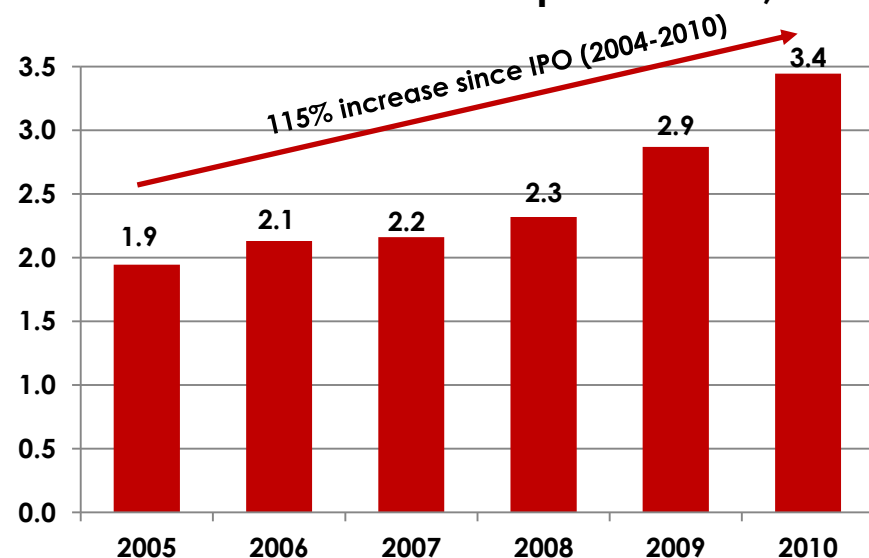
Ramping Up Hydrocarbon Production



Natural gas sales production, bcm



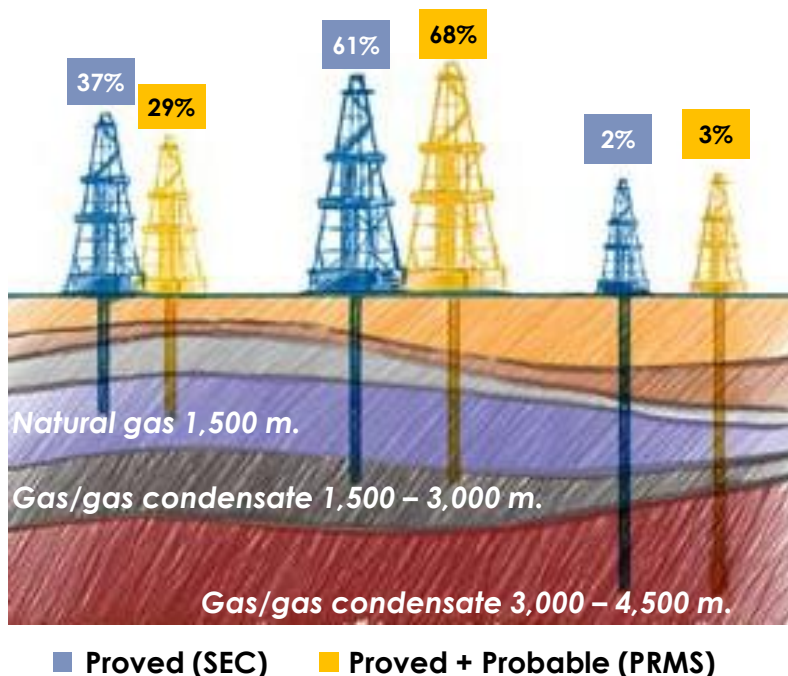
Gas condensate sales production, mmt



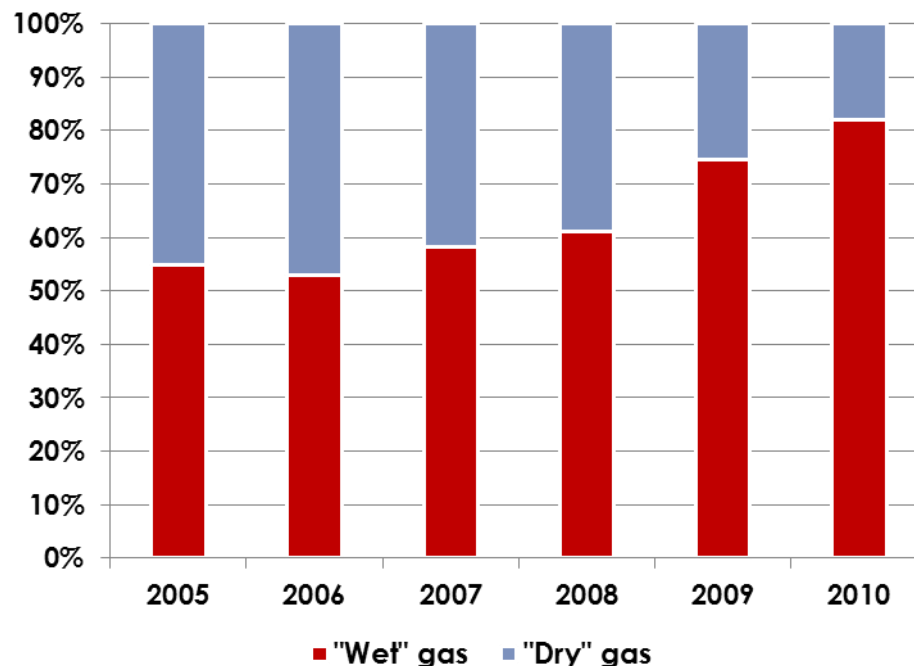
Total combined gas and gas condensate production has increased by 92% since the IPO to approximately 750 thousand boe / day in 2010

Increasing Gas Condensate Production

Structure of 2009 natural gas reserves



"Wet" gas vs. "Dry" gas production

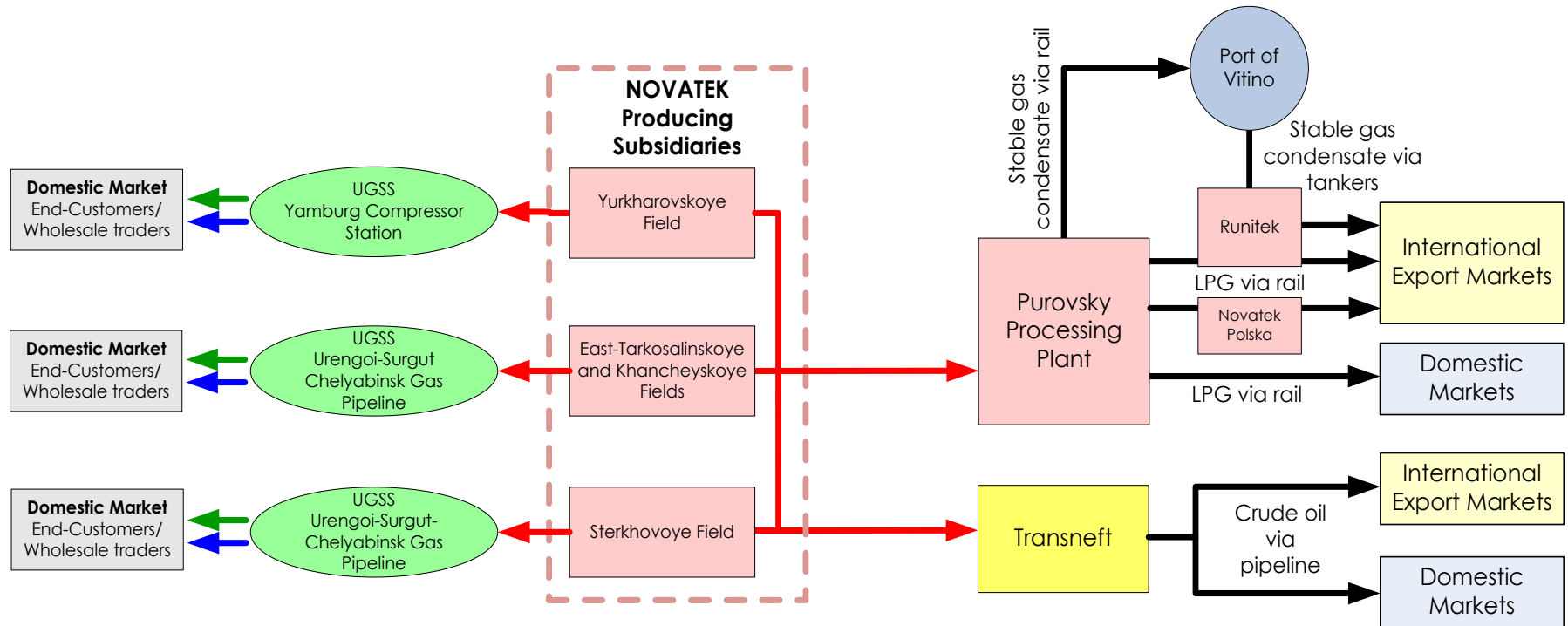


A majority of NOVATEK's reserves are located in the deeper gas condensate bearing horizons allowing the Company to optimize gas production to provide multiple revenue streams (natural gas, stable gas condensate and LPG)

NOVATEK Upstream, Midstream & Marketing



COMPANY OPERATIONS



- NOVATEK and our subsidiaries and assets
- Gazprom UGSS access points
- Our natural gas, gas condensate and crude oil pipelines
- Russian monopoly crude oil pipeline operator
- Our natural gas transported by Gazprom
- Wholesale Gas Traders' transportation of natural gas under separate contracts with Gazprom

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New Projects & Acquisitions

Focus on Gas and Gas Condensate Business



2010 – Estimated E&P CAPEX approximately RR 23.2 billion (net of VAT)

Key 2010 projects include:

- Launch of gas condensate de-ethanization unit at the Yurkharovskoye field
- Launch of 326 km gas condensate pipeline from the Yurkharovskoye field to the Purovsky Plant
- Commencement of 3rd stage of second phase of Yurkharovskoye field development
- Continue basic infrastructure activities at the Ust-Luga terminal and fractionation facility

2011 – Estimated E&P CAPEX approximately RR 30.9 billion (net of VAT)

Key 2011 projects include:

- Commence construction of Ust-Luga terminal and fractionation facility (Phase 1)
- Ongoing exploration & development works at fields, license areas and newly acquired assets
- Purovsky Plant – construction of additional LPG and stable gas condensate storage facilities
- Yamal-LNG – ongoing infrastructure development and exploration activities

Yamal LNG



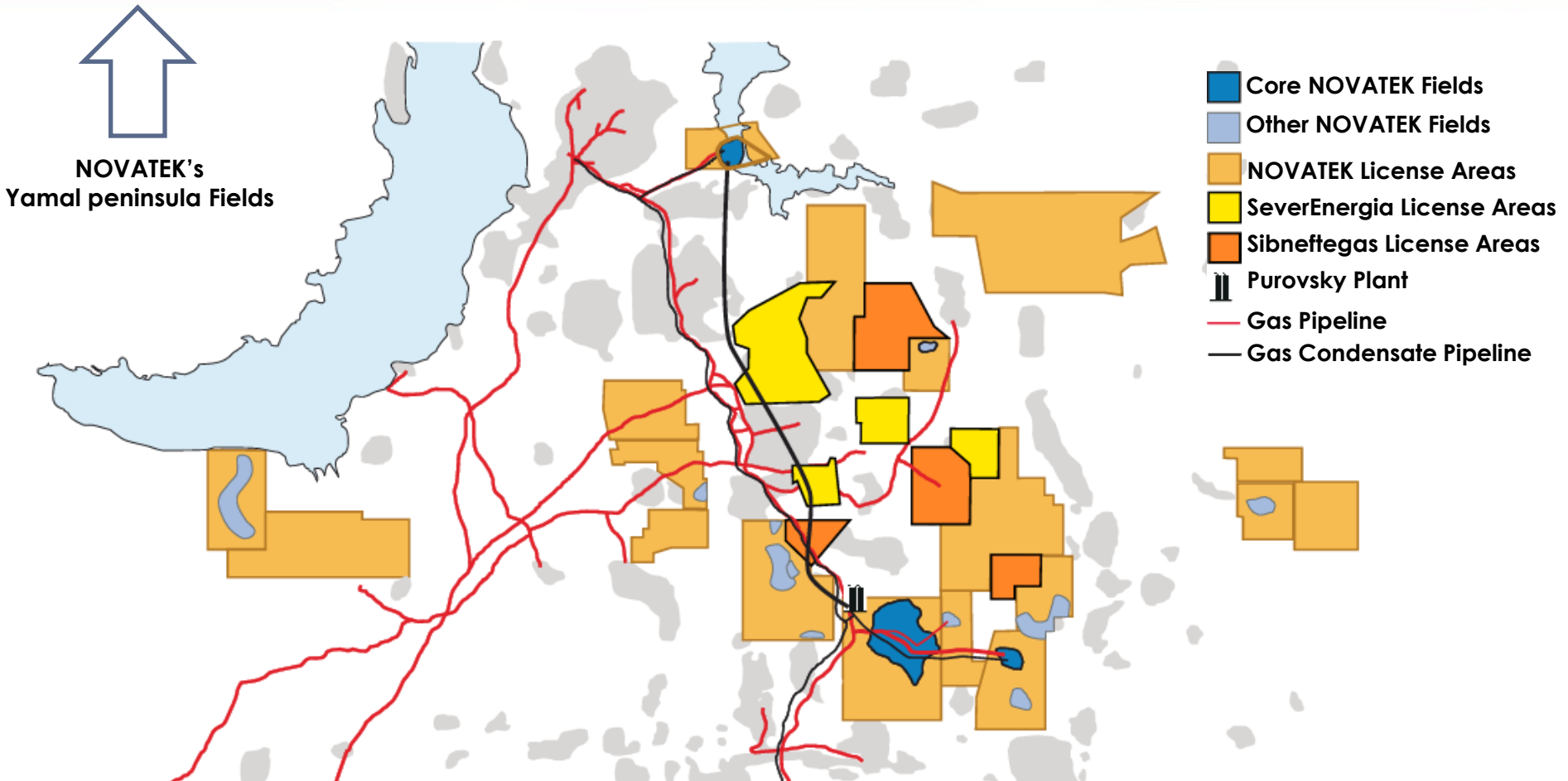
- Construction of a pilot LNG facility based on the South-Tambeyskoye field's resource base
- The Russian Government has outlined tax concessions relating to the pilot LNG project, including export duties, production tax, property tax and profit tax
- NOVATEK owns 51% of Yamal LNG, holder of the license for exploration and development of the South-Tambeyskoye field (valid until 2045)
- Strategic partners will hold the remaining 49% after completion of selection process

Independent Reserve Appraisal¹, 31.12.2009 (100% of Reserves)

Category	Natural Gas bcm	Gas Condensate, mmt	Total mm boe
Proved, SEC	380	14	2,603
Proved, PRMS	586	21	4,010
Probable, PRMS	216	10	1,504
Proved + Probable	802	31	5,515
Possible, PRMS	124	6	868
Proved+Probable+Possible	927	37	6,383

Note1: Reserves appraised by DeGolyer and MacNaughton using the SEC and PRMS methodologies

Location of Acquired Fields



Strong synergies exist between our gas condensate infrastructure and the necessary transportation and processing capacities to develop SeverEnergiya's and Sibneftegas' gas and gas condensate layers

Acquisition of SeverEnergia



Yamal Development (50/50 joint venture between NOVATEK & Gazprom Neft) acquired a 51% interest in SeverEnergia from Gazprom

- ♦ **Total cash purchase price: RR 48.7 billion**
 - ♦ **NOVATEK's pro rata share RR 24.4 billion**
- ♦ **Assumption of Shareholder loan (51%): RR 7.5 billion**
 - ♦ **NOVATEK's pro rata share: RR 3.8 billion**
- ♦ **NOVATEK's total aggregated consideration: RR 28.1 billion, or US\$ 898 million**
- ♦ **We will account for the acquisition under the equity method**

OOO SeverEnergia holds 100% of the shares of OAO Arcticgas, ZAO Urengoil Inc. and OAO Neftegaztehnologia, which hold licenses for the development of oil and gas condensate fields in the Yamal-Nenets Autonomous Region. Details of the licenses are found below:

- ♦ OAO Arcticgas holds two exploration and development licenses for the Yevo-Yakhinskiy and Samburgskiy license areas.
- ♦ OAO Neftegaztehnologia holds an exploration and development license for the Severo-Chasselskiy license area, including the Severo-Chasselskoye field and adjoining territory.
- ♦ ZAO Urengoil Inc. holds an exploration and development license within the Yaro-Yakhinskiy license area, including the Yaro-Yakhinskoye field and adjoining territory.

Acquisition of Sibneftegas



NOVATEK acquired a 51% shareholding in Sibneftegas from Gazprombank

- ♦ **Total consideration paid: RR 26.9 billion**
- ♦ **Total amount of refinanced debt RR 11.0 billion**
- ♦ **Total aggregate purchase price: approximately RR 37.9 billion**
- ♦ **We will account for the acquisition under the equity method**

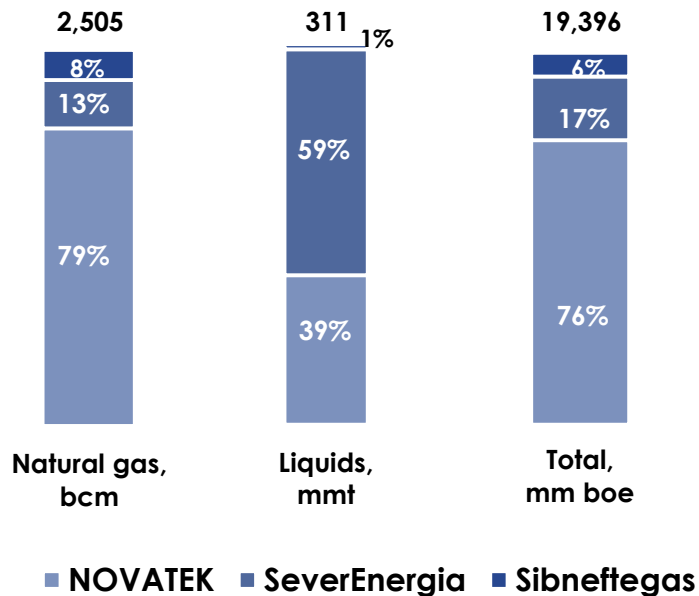
Sibneftegas holds licenses for the development of oil and gas condensate fields within the following license areas located in the Yamal-Nenets Autonomous Region:

- ♦ **Beregovoy license area – the Beregovoye field produced 7.3 bcm of natural gas as of 30 September 2010**
- ♦ **Pyreinoye gas condensate field – produced 630 mmcm of natural gas as of 30 September 2010**
- ♦ **Khadyryakhinskiy license area**
- ♦ **Zapadno-Zapolyarnoye gas field**

Acquisition of New Assets

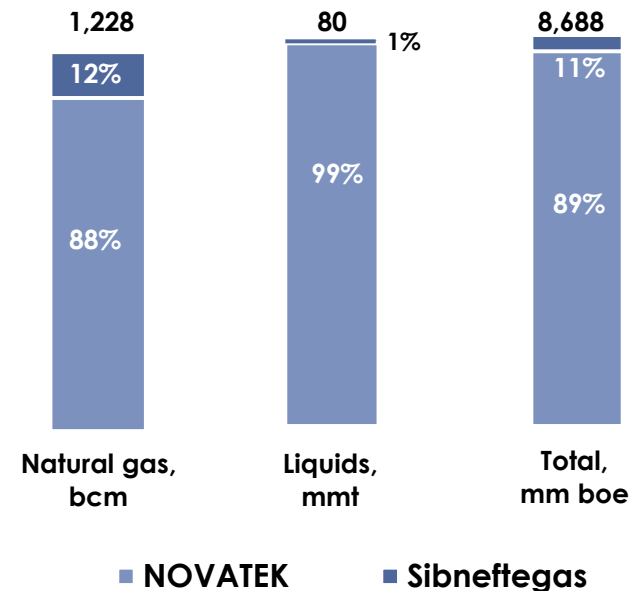


Effect of acquisitions on total C1 + C2 reserves¹



4.6 billion boe of C1 + C2 reserves added for a combined acquisition price of ~US\$ 0.47 per boe

Effect of Sibneftegas acquisition on total PRMS Proved reserves²



977 mm boe of PRMS proved reserves added for an acquisition price of ~US\$ 1.26 per boe

Notes:

- NOVATEK's share in SeverEnergiya and Sibneftegas reserves under Russian reserve classification C1 + C2 according to the Russian State Balance of Reserves as of 01.01.2009, NOVATEK's existing C1 + C2 Reserves as of 01.01.2010
- NOVATEK and Sibneftegas proved reserves according to appraisals by DeGolyer and MacNaughton as of 31.12.2009 using the PRMS' reserve methodology

The image features a large, stylized blue 'N' logo on the left side. The background is a faded industrial scene with several tall, cylindrical structures, possibly oil refineries or gas processing units, under a light blue sky. The word 'NOVATEK' is written in large, bold, blue capital letters across the middle of the image.

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Financial Overview

Strong Year – on – Year results

- ❑ Total revenues and earnings driven by higher sales prices and volumes sold
 - Natural gas sales revenue and volumes increased Y-o-Y by 32.6% and 8.8%, respectively
 - Liquids sales revenue and volumes increased Y-o-Y by 40.2% and 12.2%, respectively
- ❑ Profit attributable to NOVATEK's Shareholders increased Y-o-Y by 70.6 %
- ❑ EBITDA increased Y-o-Y by 55.4%
- ❑ Cash flow from operations increased Y-o-Y by 26.5%
- ❑ Capital expenditures increased Y-o-Y by 54.6%
- ❑ Natural gas and liquids production increased organically due to the launch of the 2nd stage of Phase Two development at our Yurkharovskoye field in October 2009:
 - Total net natural gas production increased Y-o-Y by 12.7%
 - Total net liquids production increased Y-o-Y by 19.0%

Financial Results, (RR Millions)



	9M 2010	9M 2009	+ (-) %
Oil and gas sales	81,074	59,909	35.3%
Total revenues	82,889	62,100	33.5%
Operating expenses	(49,251)	(40,055)	23.0%
EBITDA ⁽¹⁾	40,713	26,193	55.4%
EBITDA margin	49.1%	42.2%	-
Effective income tax rate	20.3%	21.2%	-
Profit attributable to NOVATEK	28,426	16,665	70.6%
Net profit margin	34.3%	26.8%	-
Earnings per share	9.37	5.50	70.4%
CAPEX	19,478	12,598	54.6%
Net cash provided by operating activities	30,879	24,403	26.5%
Net debt ⁽²⁾	21,547	30,919	-30.3%

Notes:

1. EBITDA represents profit (loss) attributable to shareholders of NOVATEK adjusted for the add back of income tax expense and finance income (expense) from the statement of income and income, depreciation, depletion and amortization and share-based compensation from the statements of cash flows
2. Net debt calculated as long-term debt plus short-term debt less cash and cash equivalents

Financial Results, (RR Millions)



	2009	2008	2007	2009 vs 2008	2008 vs 2007
Oil and gas sales	86,903	76,076	60,406	14.2%	25.9%
Total revenues	89,954	79,272	62,370	13.5%	27.1%
Operating expenses	(56,130)	(46,916)	(37,115)	19.6%	26.4%
EBITDA ⁽¹⁾	39,566	36,702	29,283	7.8%	25.3%
EBITDA margin	44.0%	46.3%	47.0%	-	-
Effective income tax rate ⁽²⁾	20.7%	19.7%	26.5%	-	-
Profit attributable to NOVATEK	26,043	22,899	18,736	13.7%	22.2%
Net profit margin	29.0%	28.9%	30.0%	-	-
Earnings per share	8.59	7.54	6.17	13.7%	22.2%
CAPEX	17,872	31,810	19,466	-43.8%	63.4%
Net cash provided by operating activities	36,454	31,514	21,383	15.7%	47.4%
Net debt ⁽³⁾	27,171	15,285	2,620	77.8%	483.4%

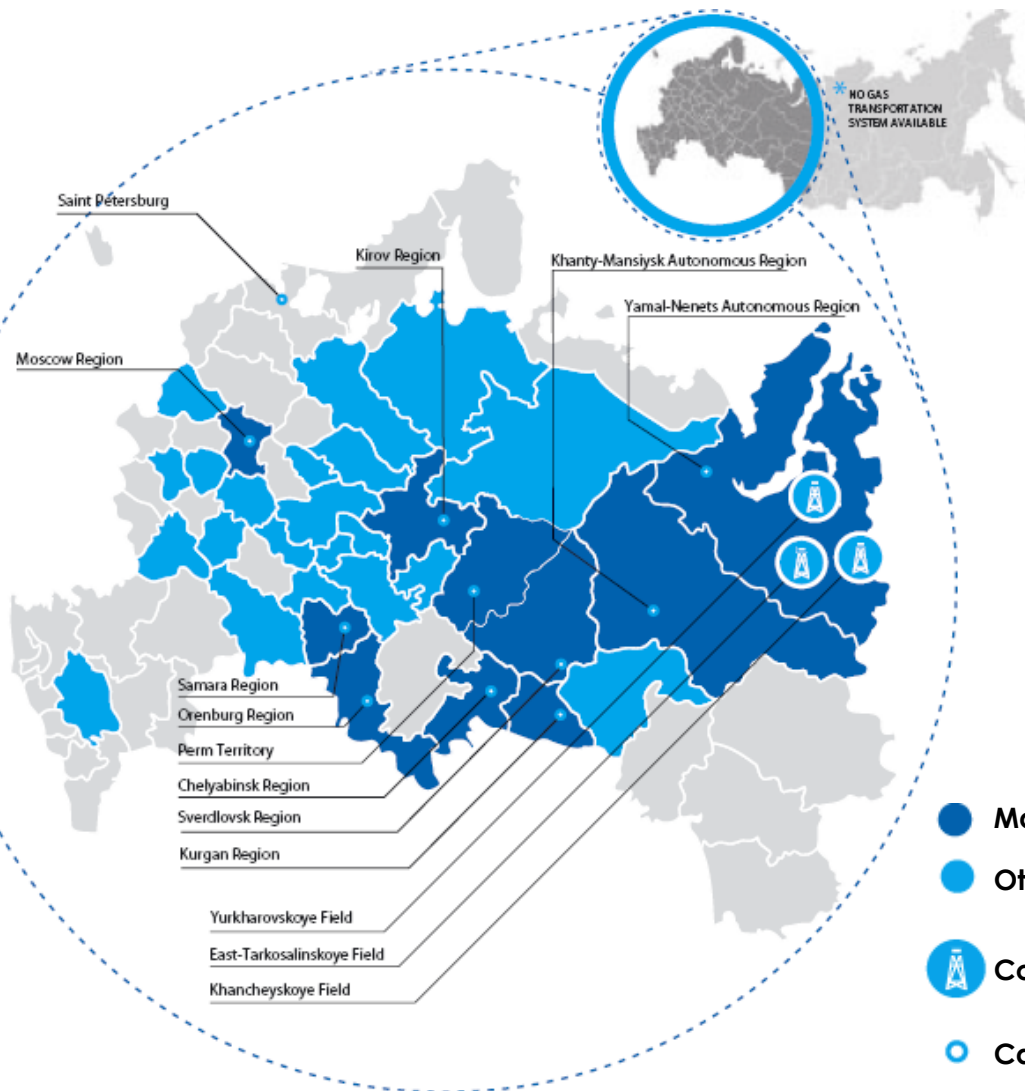
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2. Starting from the 4Q 2008, the effective income tax rate is calculated based on the change in Russian statutory income tax rate from 24% to 20%
3. Net debt calculated as long-term debt plus short-term debt less cash and cash equivalents

Domestic Natural Gas Sales and Production



NOVATEK's natural gas sales to Russian regions 9M 2010

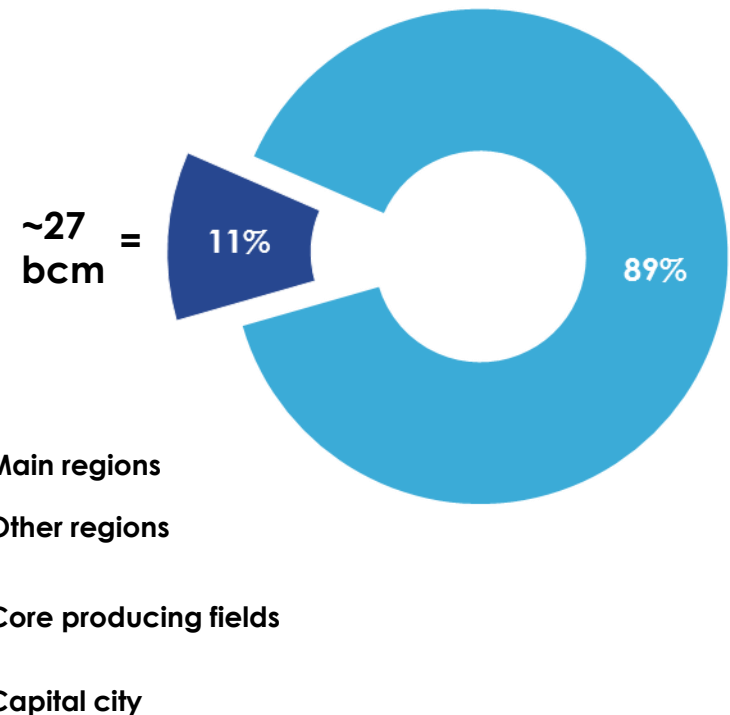


NOVATEK today is¹...

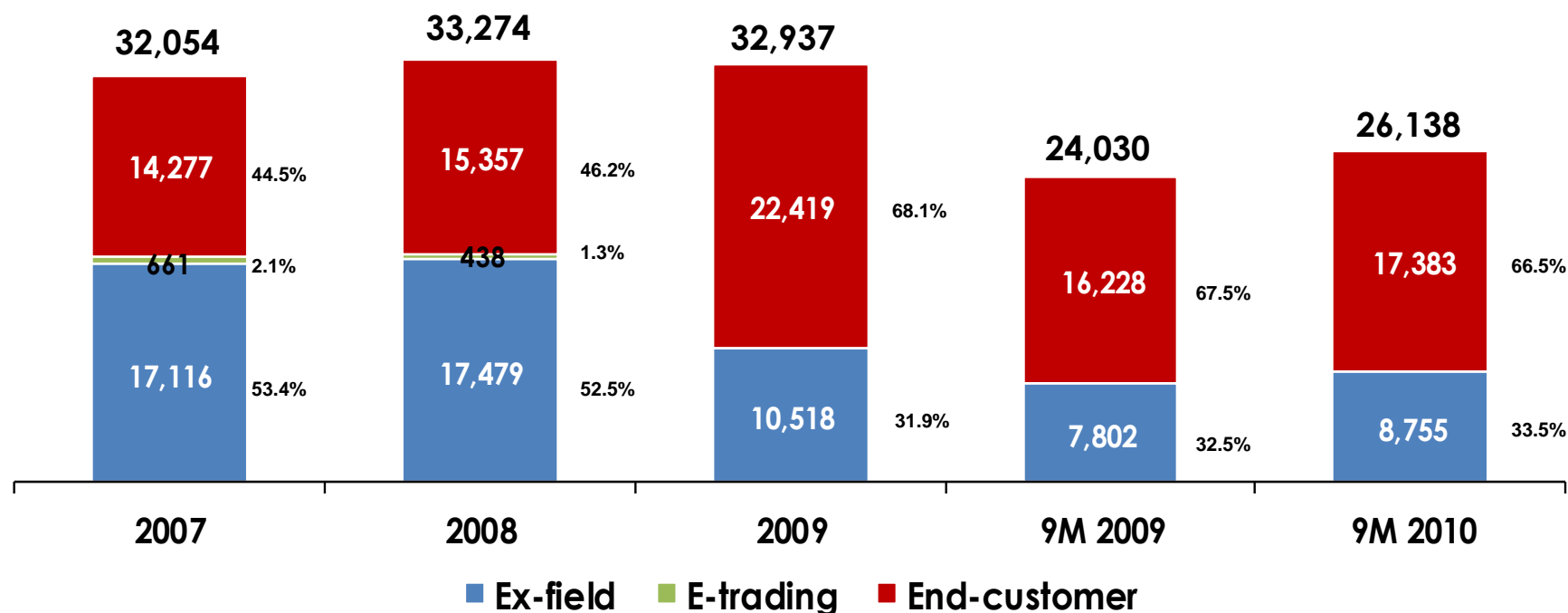
- ~ 6% of Russian gas production
- ~ 11% of deliveries to Russian domestic market

9M 2010 Russian natural gas supplies to domestic market

■ NOVATEK ■ Gazprom & Other Independents

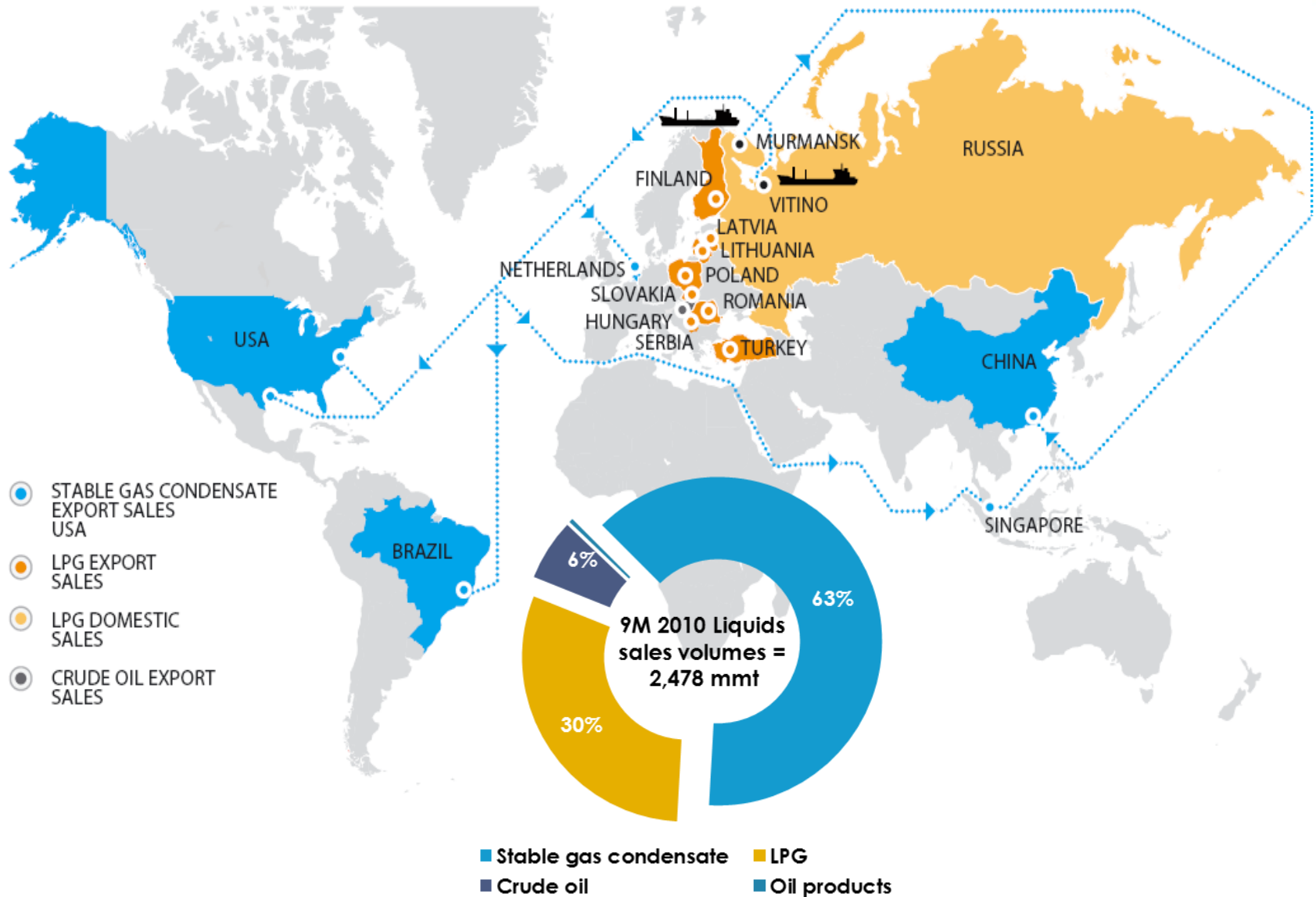


Market Distribution – Gas Sales Volumes (mmcm)

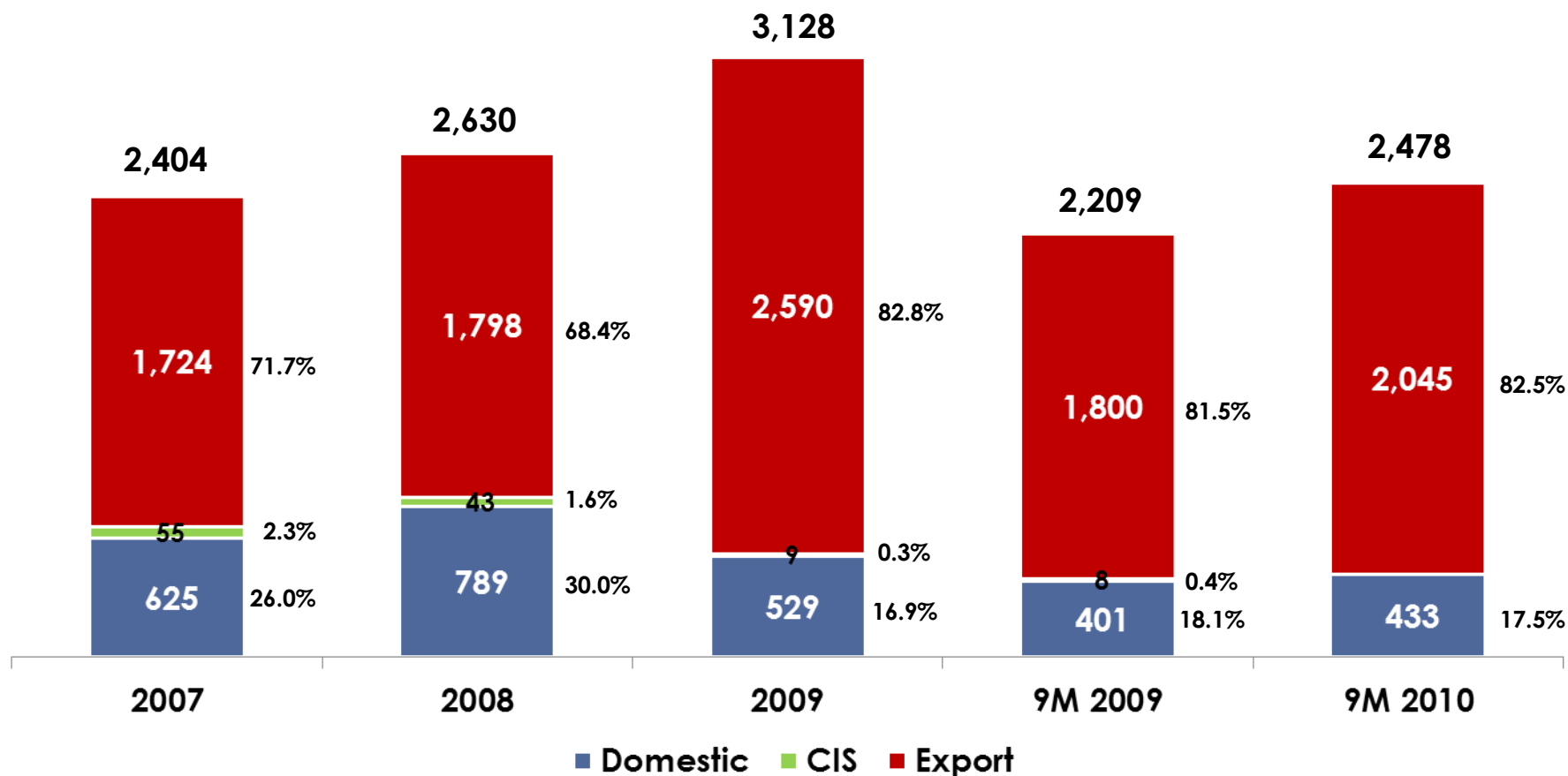


- Increase in volumes to end-customers in 2009 was due to the initiation of sales on a delivered basis to a portion of our ex-field customers as of 01.04.2009 – the category “traders in remote points” was created to reflect these sales
- Effective 1 January 2010, we ceased deliveries of natural gas sales to “traders in remote points”
- The increase in the percentage of sales to end-customers in 2010 was due to an increase in volumes sold to existing end-customers as well as the addition of new end-customers to our sales portfolio

Expanding Our Liquids' Commercial Reach



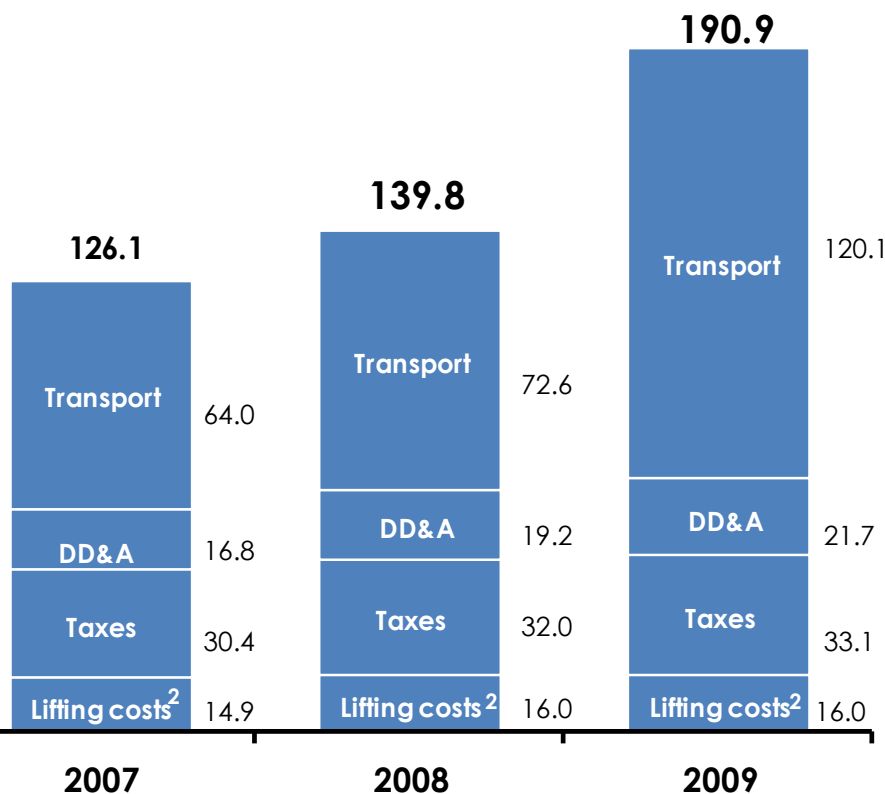
Market Distribution – Liquids Sales Volumes (mt)



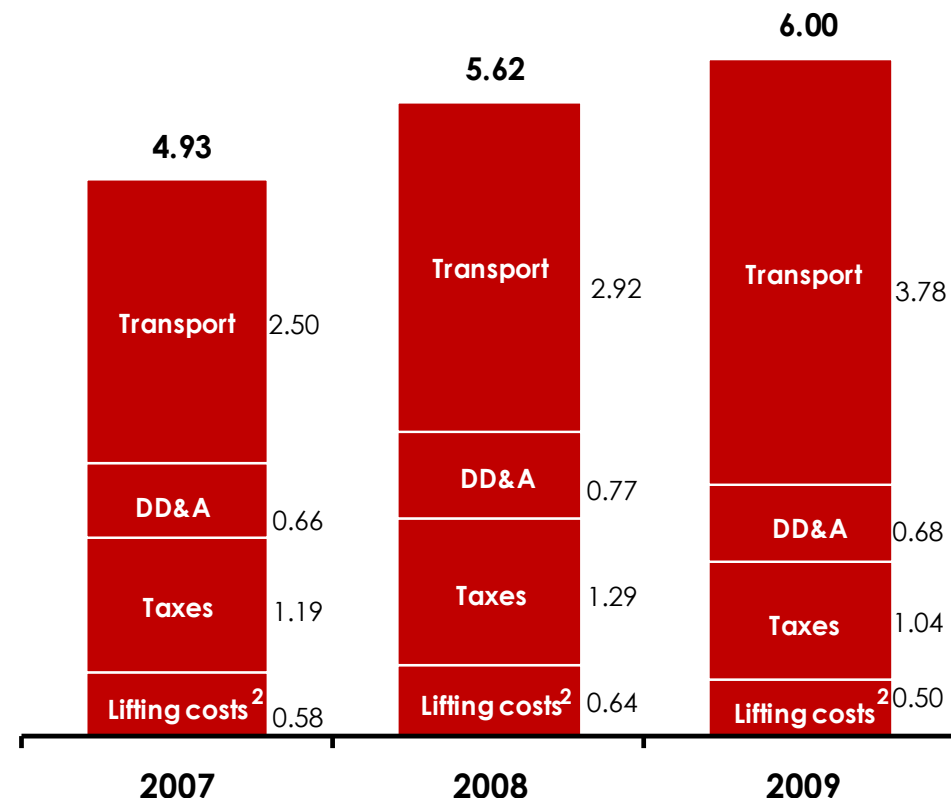
Sales volumes increased due to the growth of unstable gas condensate production at the Yurkharovskoye field

Production Cost¹ per boe

Production costs (RR/boe)



Production costs (USD/boe)



Average exchange rate RR/USD:

25.58

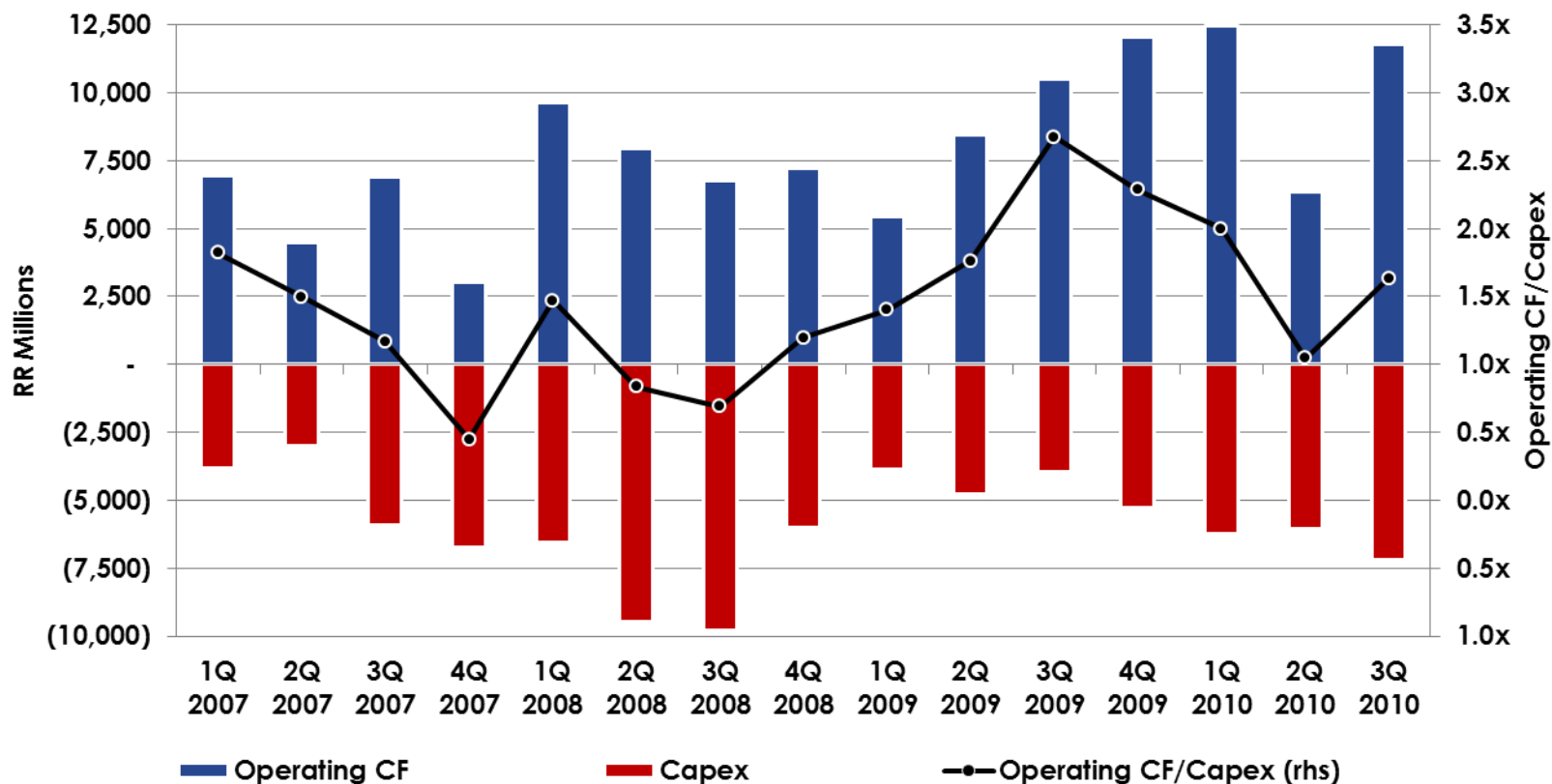
24.85

31.72

Notes:

1. Production costs consist of amounts directly related to the extraction of natural gas, gas condensate and crude oil from the reservoir and other related costs; including production expenses, taxes other than income taxes (production taxes), insurance expenses and shipping/transportation/handling costs to end-customers. The average production cost on a boe basis is calculated by dividing the applicable costs by the respective barrel of oil equivalent of our hydrocarbons produced during the year.
2. Lifting costs consist of amounts directly related to the extraction of natural gas, gas condensate and crude oil from the reservoir

Internally Funded Investment Program



Core investments in upstream exploration, production and processing facilities funded primarily through internal cash flows

The image features a blue and white stylized logo on the left side, resembling a series of horizontal bars or a stylized 'N'. The background is a faded industrial scene with several large cylindrical storage tanks and metal scaffolding structures. The word "NOVATEK" is written in large, bold, blue capital letters across the middle of the image.

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2011 Outlook

Main Themes – 2011



Liquidity

- maintain strong cash position
- manageable debt position
- sustainable cash flows
- no customer payment problems

Capital Expenditures

- capital expenditures largely financed by operating cash flows
- focus on core gas/gas condensate business
- operations scaleable to business environment

Projects

- low risk development drilling program
- Integrate newly acquired assets
- further develop value added gas condensate processing projects

Downside Protection

- low balance sheet leverage
- conservative credit policy
- strong balance sheet
- adhere to prudent investment decisions

The image features a large, stylized blue 'N' logo on the left side. The background is a faded industrial scene with several tall, cylindrical structures, possibly distillation columns or towers, emitting a plume of white steam or smoke from the top. The word 'NOVATEK' is written in large, bold, blue capital letters across the middle of the image, partially overlapping the industrial background.

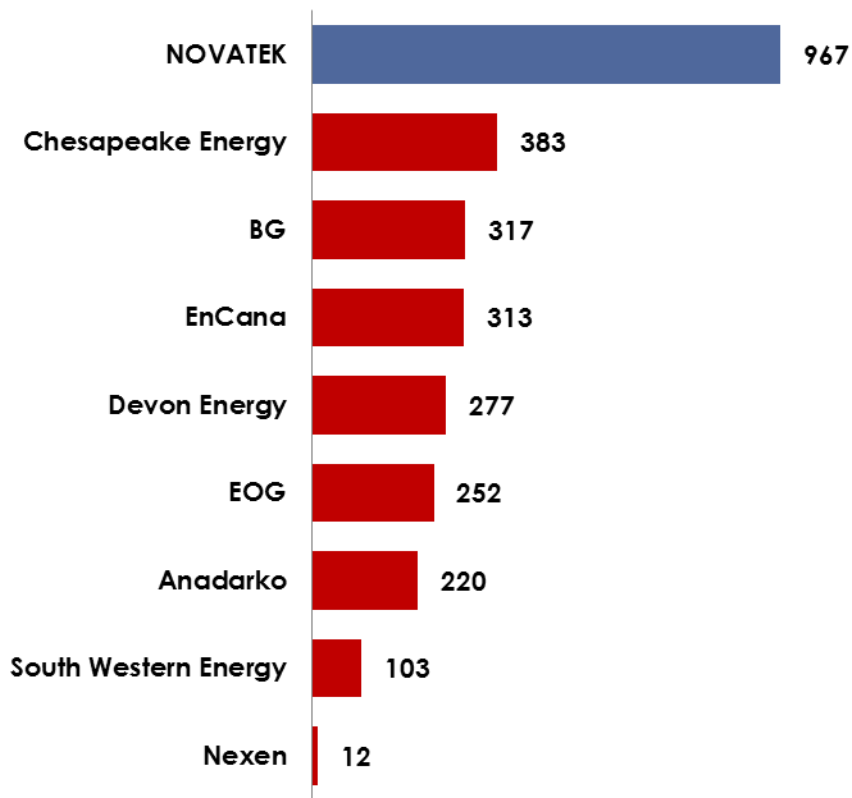
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Appendix 1: Peer Comparisons

Industry Comparisons

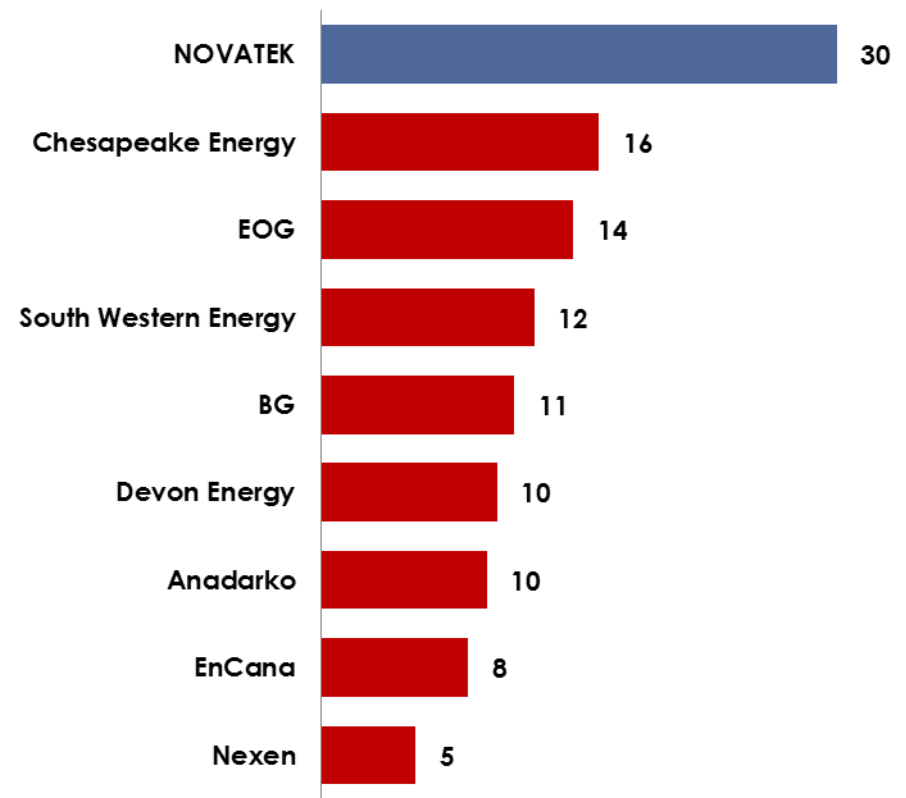


2009 Proved SEC gas reserves, bcm¹



Source: Company data, SEC filings

2009 Natural Gas R/P Ratio², Years



Source: Company data, SEC filings

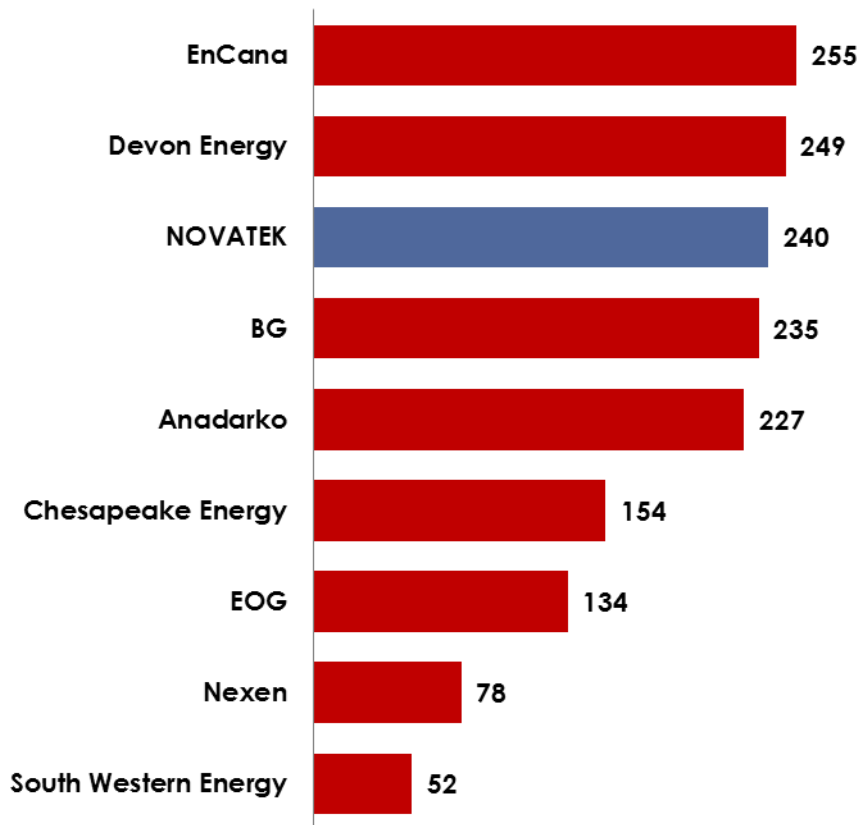
Notes:

1. For companies who report gas reserves in cubic feet (cf), we use a standard industry coefficient of 35.315 billion cf per 1 bcm
2. The R/P Ratio is calculated by taking year end reserves appraised under the SEC's reserve methodology divided by production for the year

Industry Comparisons

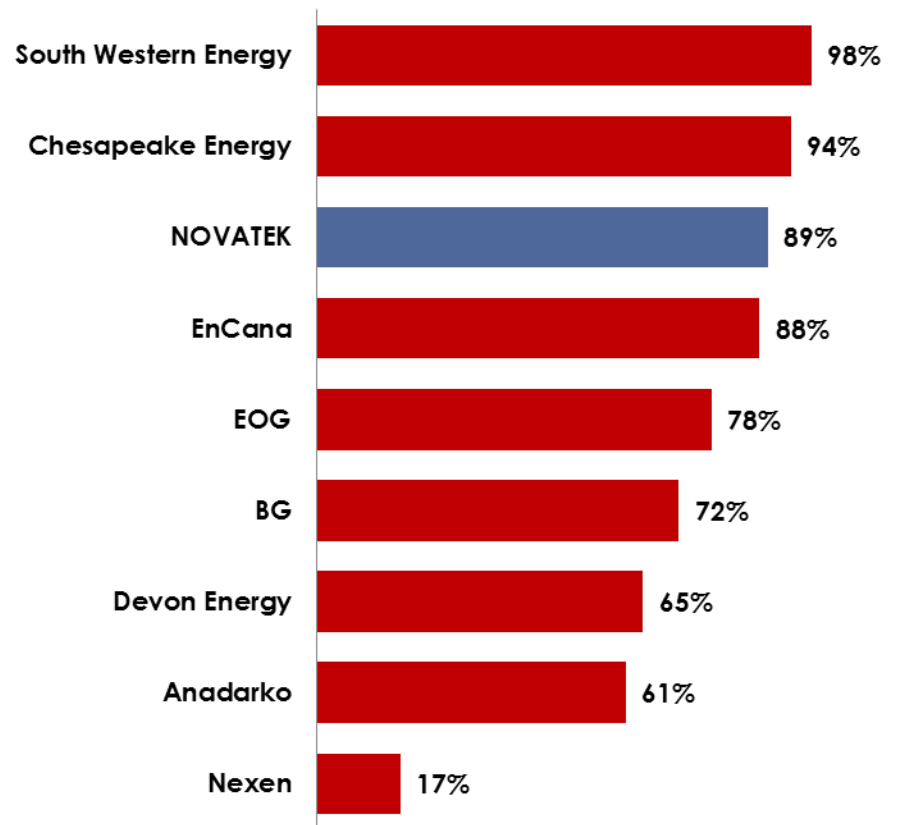


Total 2009 Production (mm boe)



Source: Company data, and SEC filings

2009 Gas Production, % of Total Production

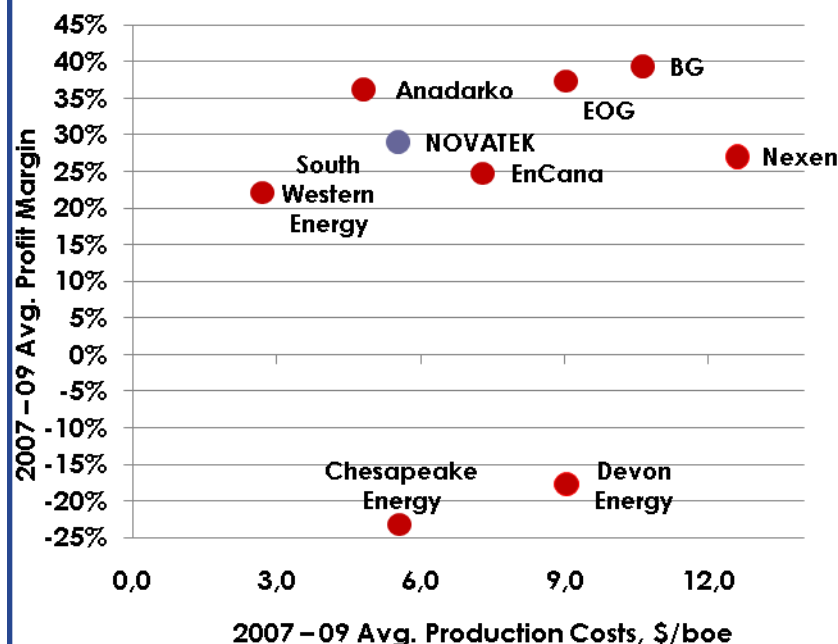


Source: Company data, and SEC filings

Still One of the Lowest Cost Producers

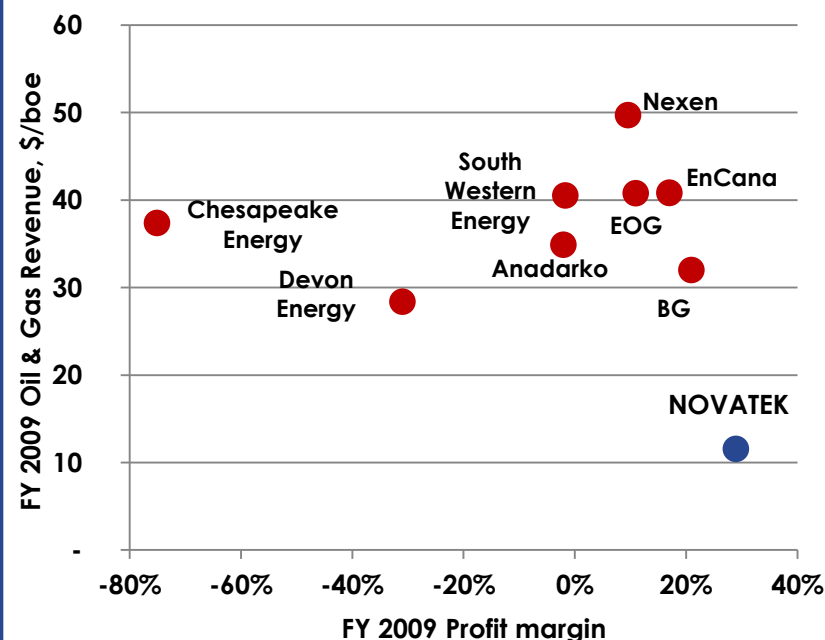


Strong cost control record



Source: Company SEC Filings and NOVATEK data

Low realized prices – high margins



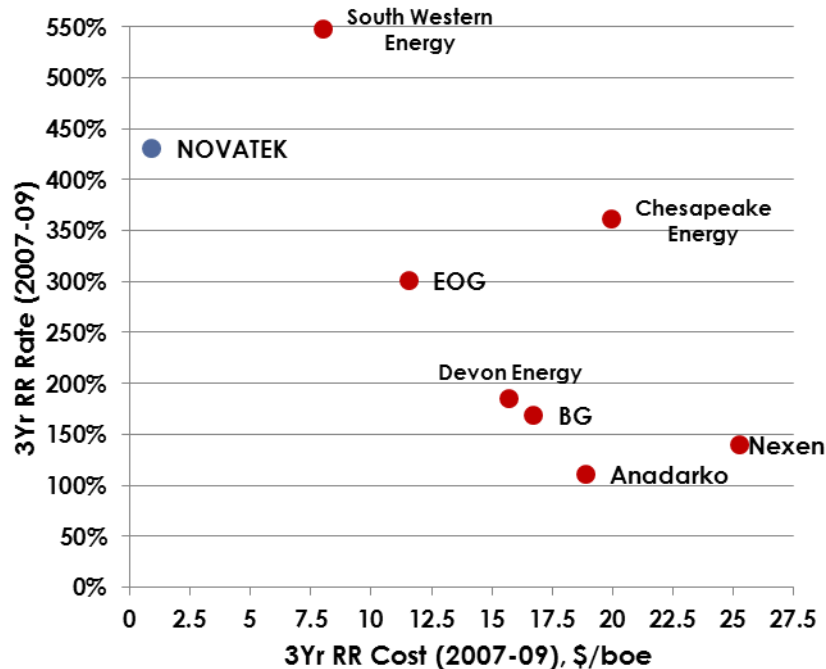
Source: Company SEC Filings and NOVATEK data

NOVATEK's low lifting costs (\$0.50 per boe in 2008 & 2009) provide superior returns in a low price environment and substantial leverage to price liberalization

Still the Most Efficient Producer

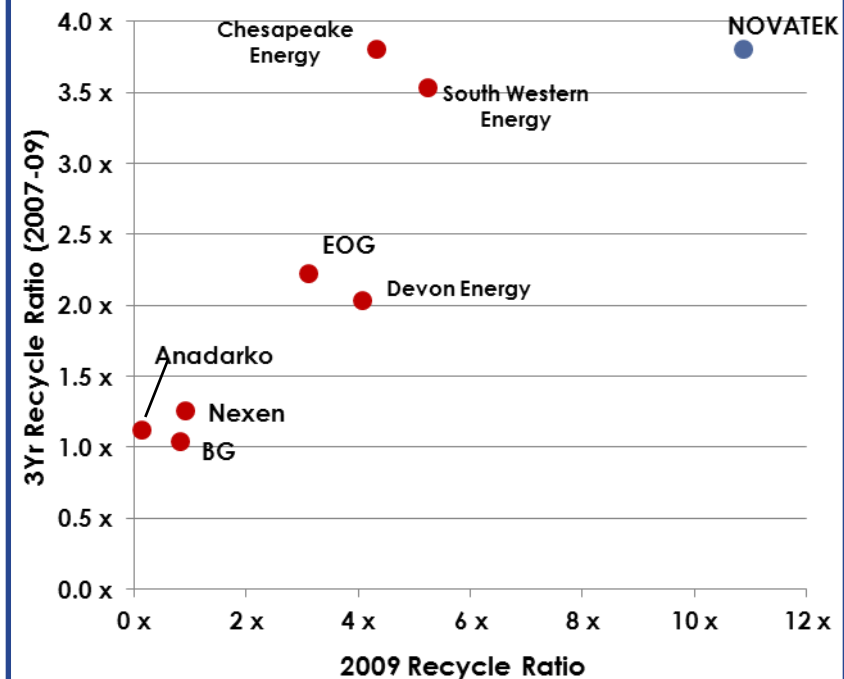


Low cost – long life



Source: John S. Herold Inc. (JSH)
"2010 Global Upstream Performance Review"

Recycle ratio¹



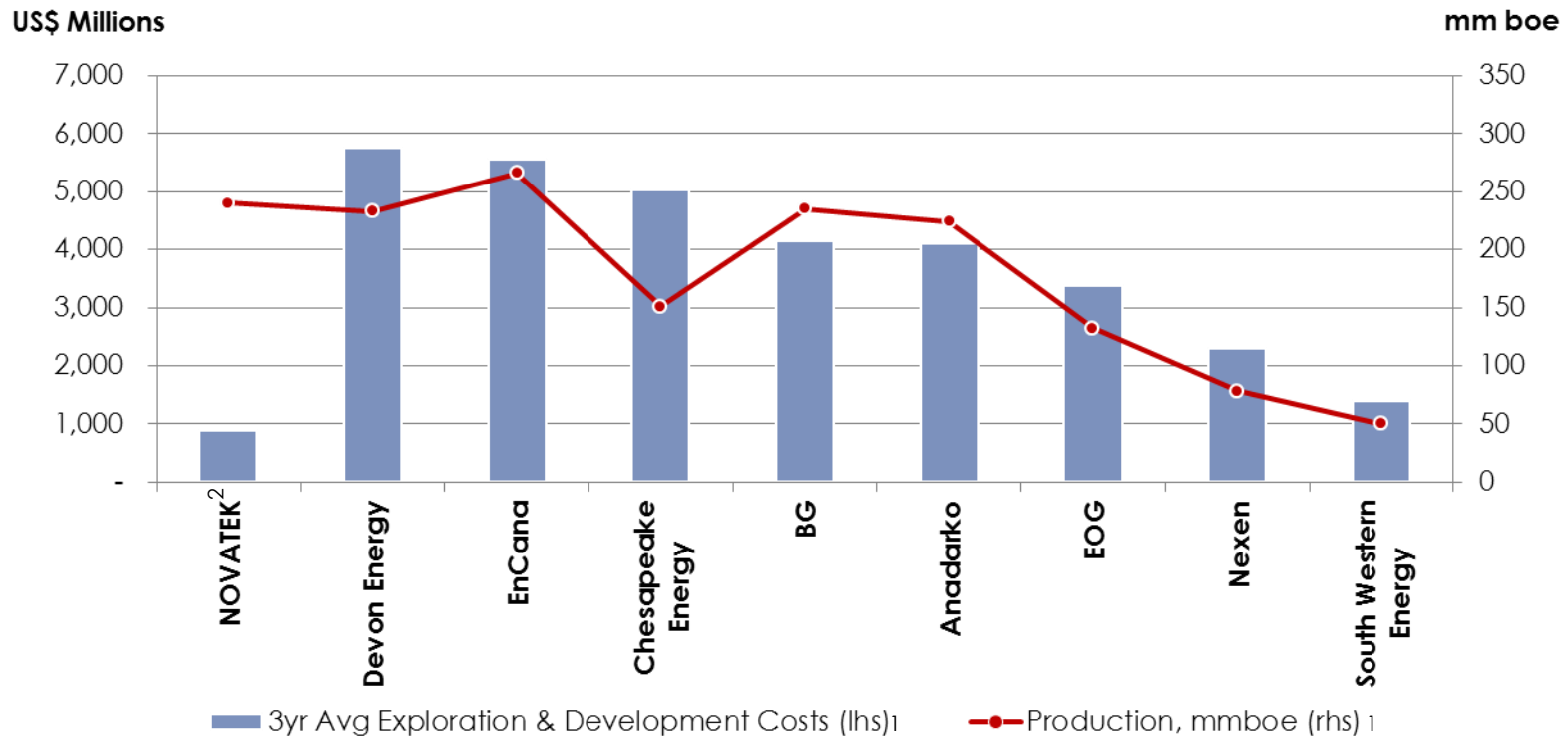
Source: JSH and Harrison Lovegrove & Co. Ltd.
"2008 and 2009, and JSH 2010 Global Upstream Performance Reviews"

NOVATEK is one of the most efficient operators among the peer group extracting the most value out of every dollar invested

Unrivalled Capital Efficiency



Exploration & Development Capital Expenditures Converted to Production



High production flow rates yet low capital intensity

Notes:

1. John S. Herold, Inc (JSH) & Harrison Lovegrove & Co. for the years 2008 and 2009 and JSH 2010, "Global Upstream Performance Review"
2. NOVATEK exploration and development capital expenditures as reported in full year 2007, 2008 and 2009 financial statements unaudited supplemental oil and gas disclosures converted from Russian roubles to US\$ using average exchange rates for each period

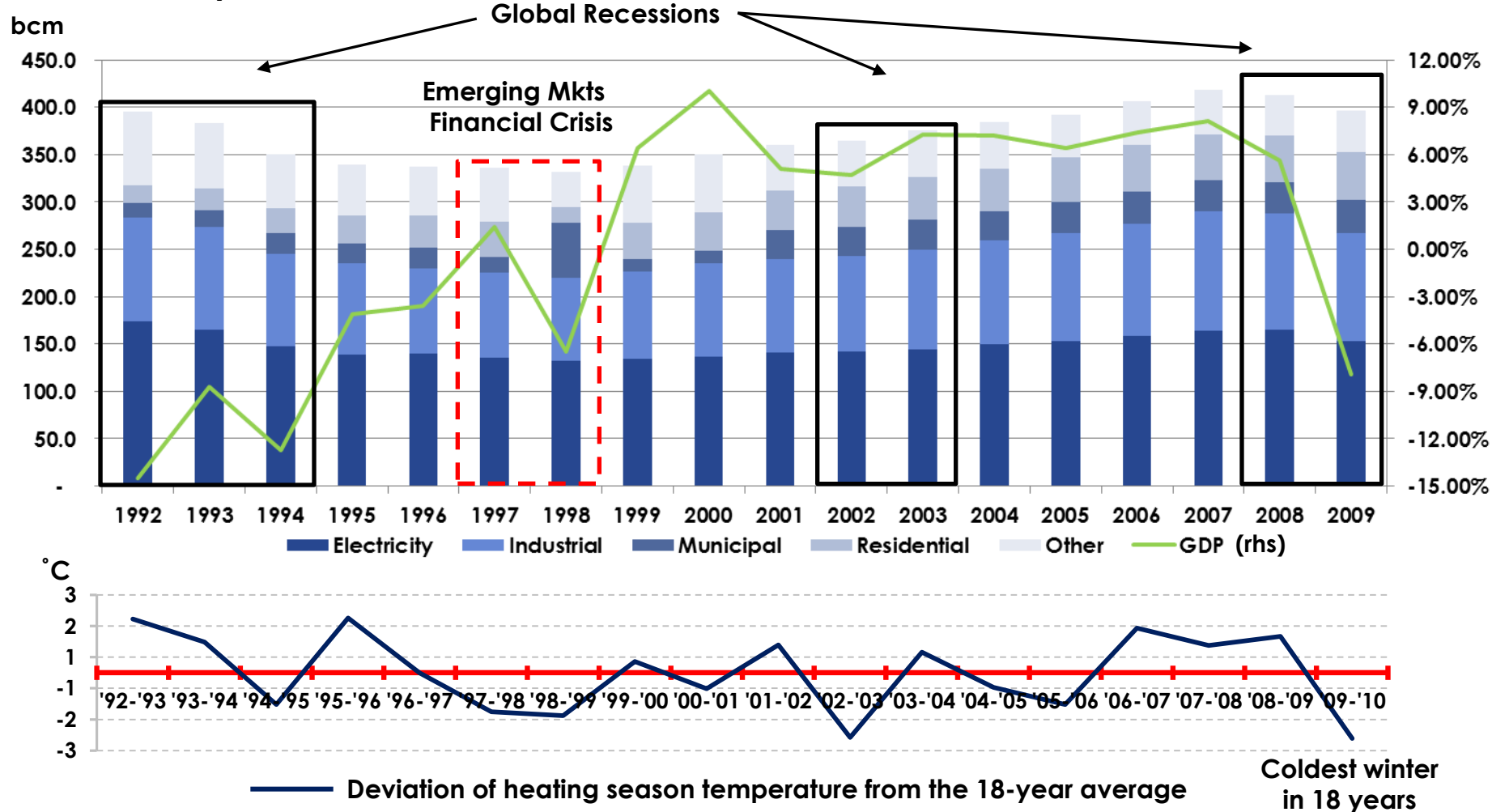
The image features the Novatek logo on the left, consisting of a dark blue vertical bar and three horizontal blue bars of varying lengths. The background is a faded industrial scene with several large metal structures, possibly oil rigs or refineries, under a light blue sky with some smoke or steam rising. The word "NOVATEK" is written in large, bold, blue capital letters across the center of the image.

NOVATEK

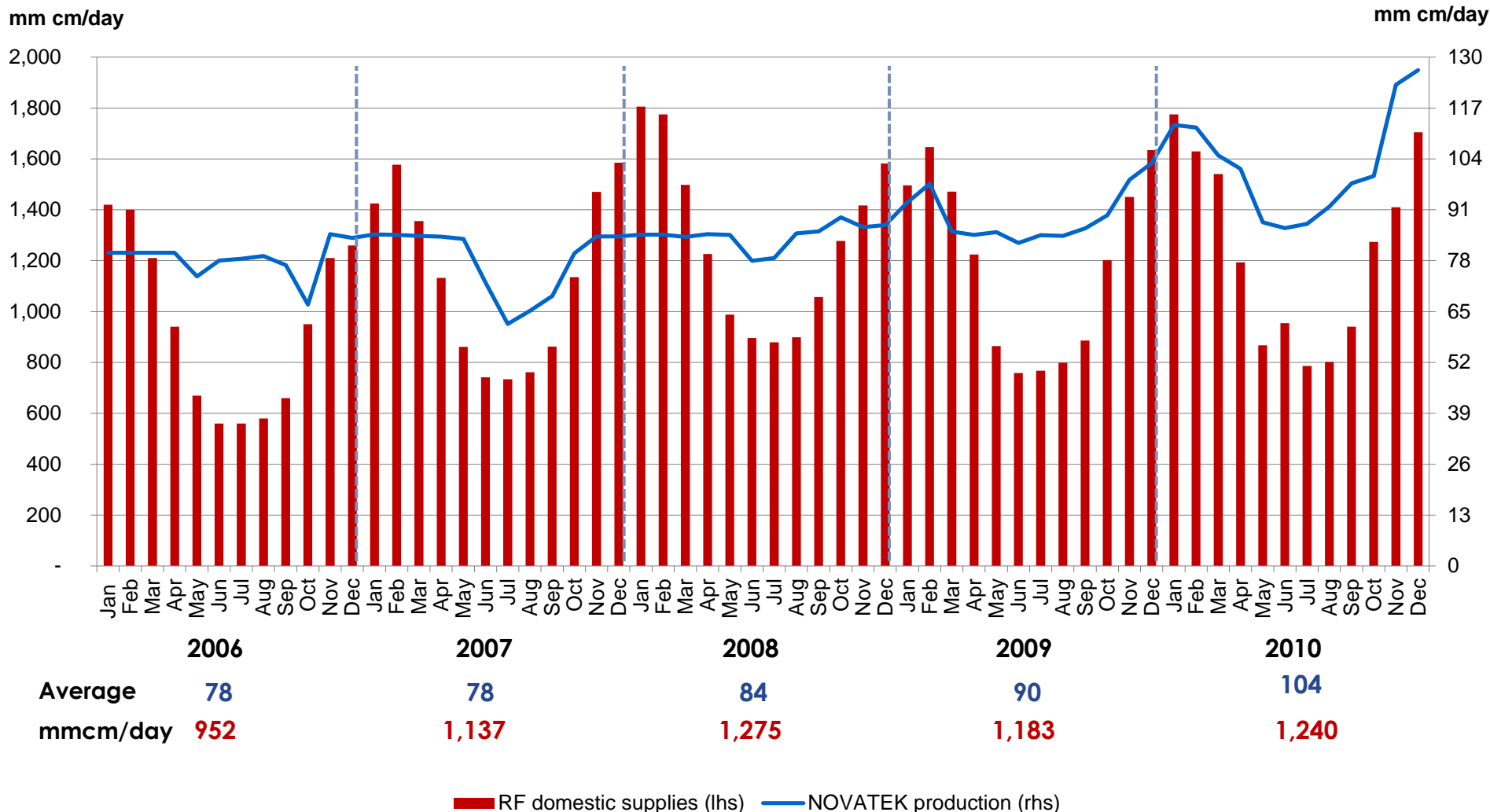
Appendix 2: Macroeconomic Environment

Relative Growth Despite Recessions

Gas consumption in Russia

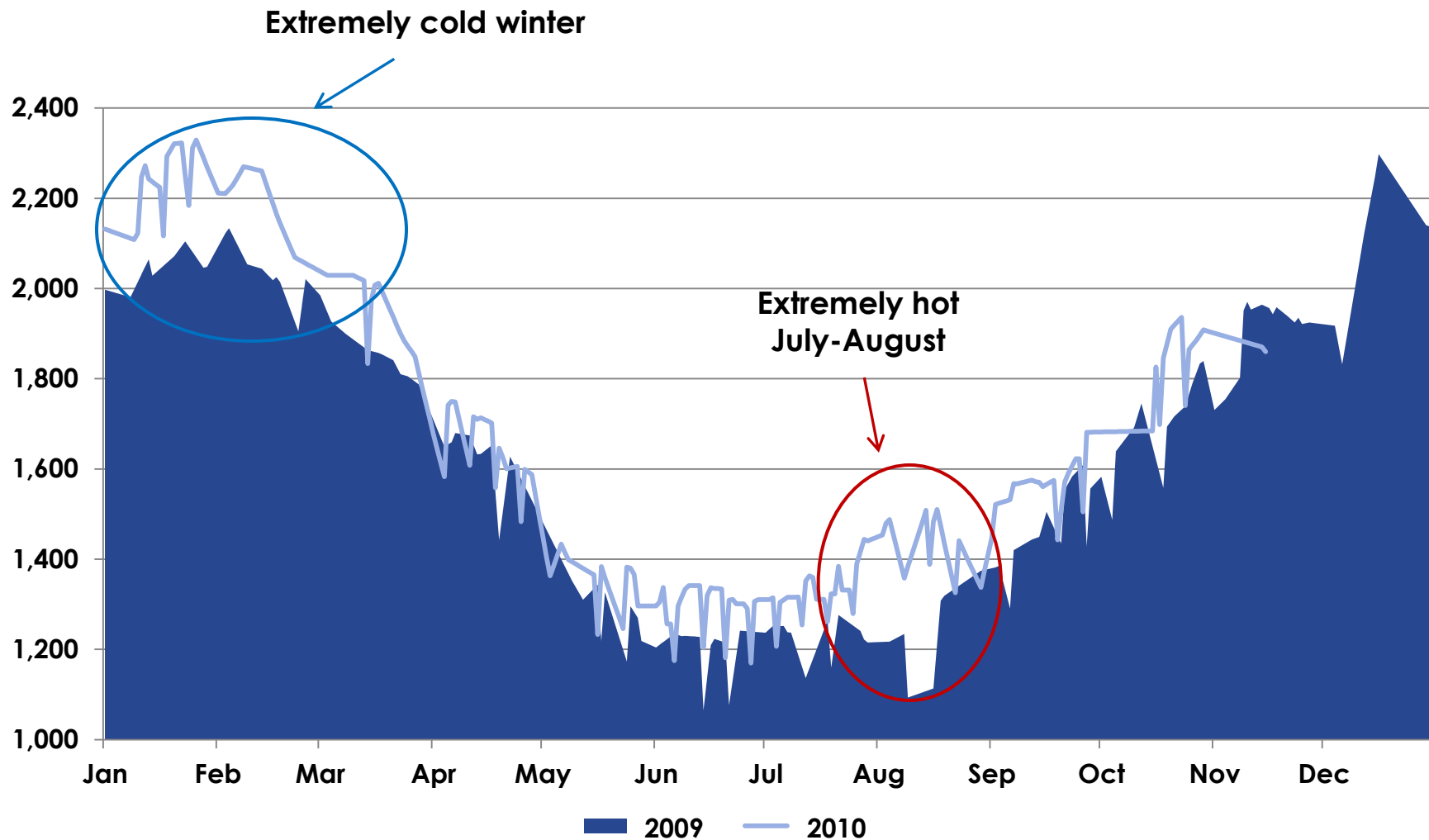


Natural Gas Supplied to RF Domestic Market



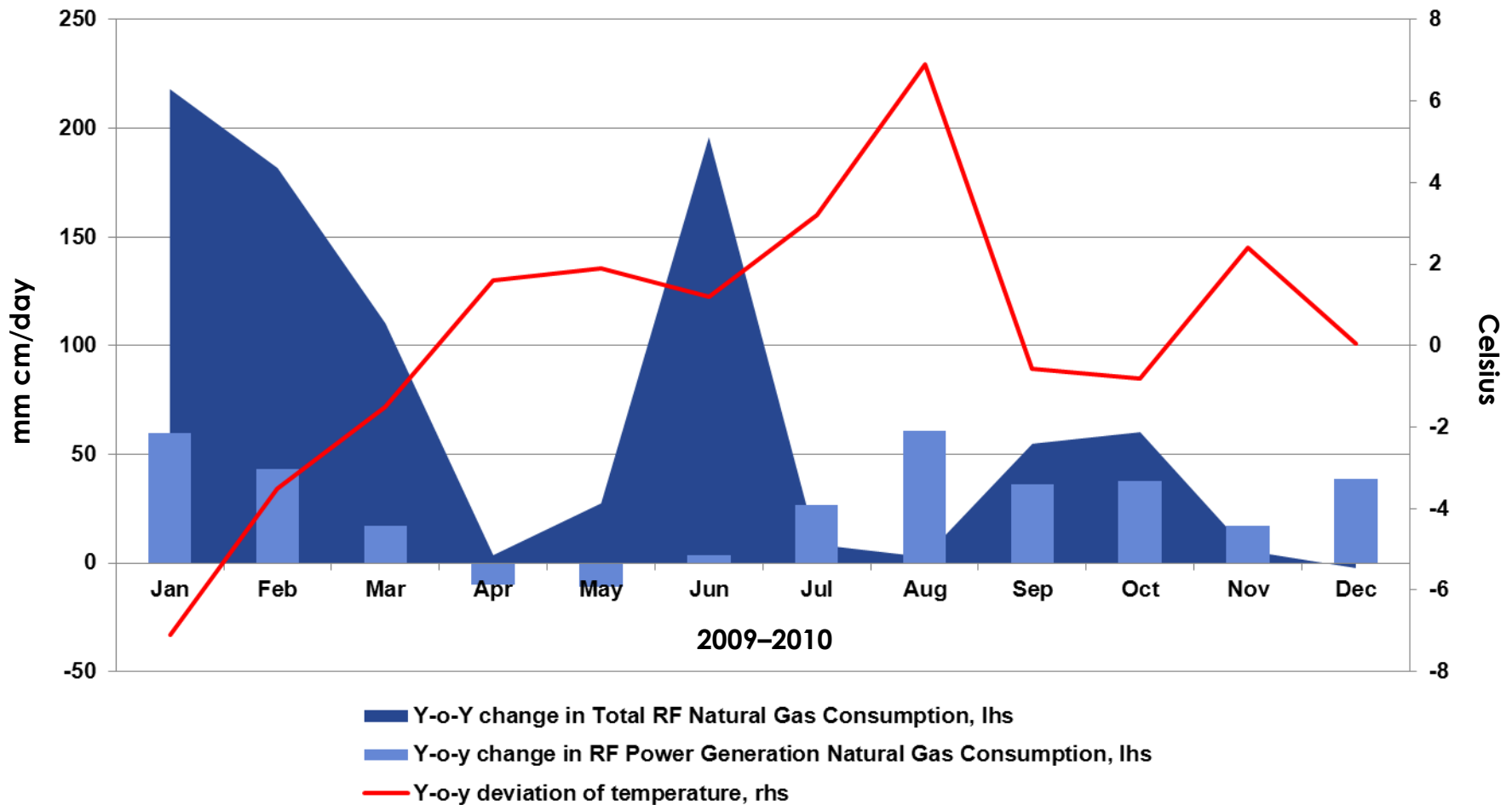
Source: Troika Dialog Research Data (2006 RF domestic supplies), CDU TEK (2007 – 2010 RF Domestic supplies), Company Data

Russian Thermal Power Generation



Meteorological effect on gas consumption

Y-o-Y change in gas consumption and temperature deviation



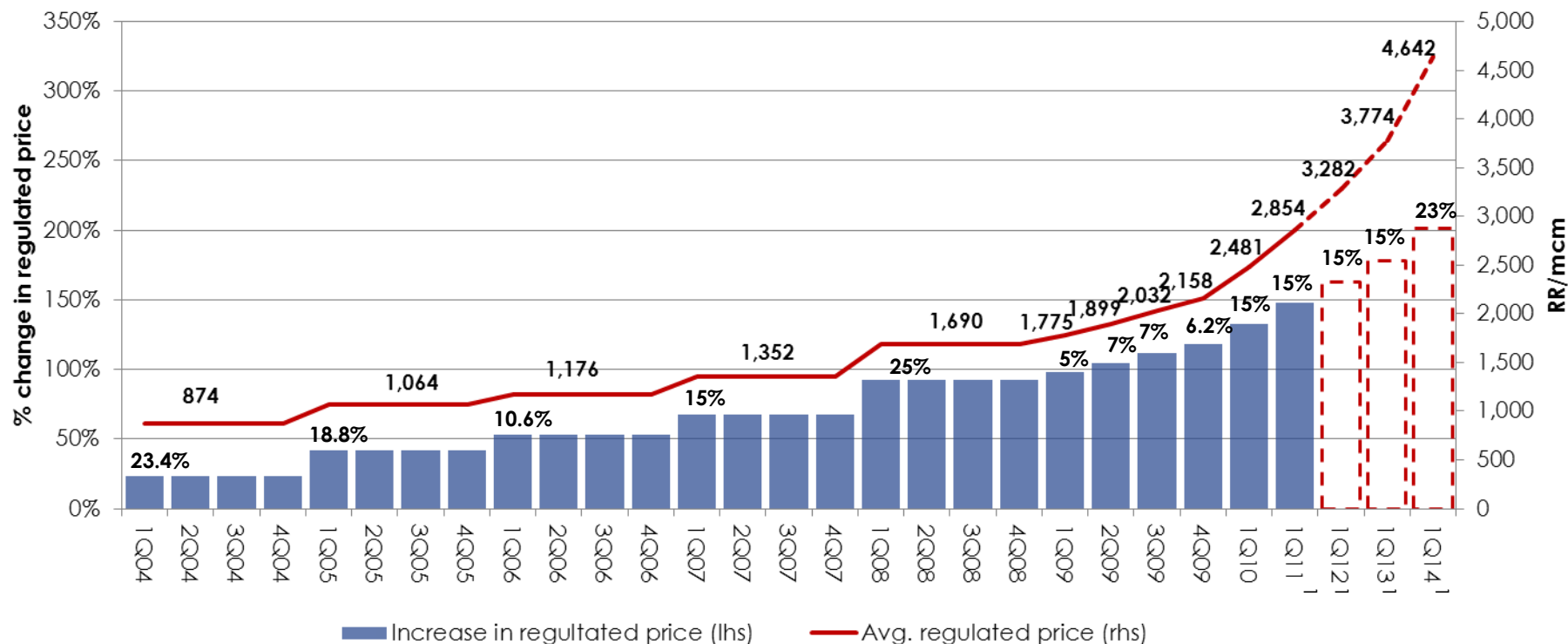
Note: Data for December is preliminary

Source: CDU-TEK

Predictable Gas Pricing Model



Historical and forecasted regulated price increases for Russian domestic gas



Note 1: According to the announcement on 3 June 2010 by the Russian Minister of Economic Development – gas tariffs for 2011-13 will increase by a maximum of 15% p.a. and full liberalization will be reached by 2014. (Current estimates are based on Brent crude oil price of \$75/bbl)

Steadily increasing natural gas prices on the Russian domestic market provide downside pricing risk protection and clarity for future revenues

The image features the NOVATEK logo in large, bold, blue capital letters. To the left of the logo is a stylized blue graphic consisting of three horizontal, curved bars. The background is a faded image of industrial structures, possibly oil rigs or refineries, with smoke or steam rising from them.

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Questions and Answers

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