

The top half of the slide features a background image of industrial gas processing equipment, including large storage tanks and metal scaffolding, with a light blue sky and white steam or smoke rising from the facility. On the left side, there is a stylized logo consisting of a dark blue vertical bar and three horizontal blue bars of varying lengths, resembling a flame or a stylized 'N'. The word "NOVATEK" is written in large, bold, blue capital letters across the center of the slide, partially overlapping the background image.

NOVATEK

Natural Gas Returns

Mark Gyetvay, Chief Financial Officer & Member of the Board

Otkritie Capital Investor Meetings

London, UK

20 – 23 February 2012

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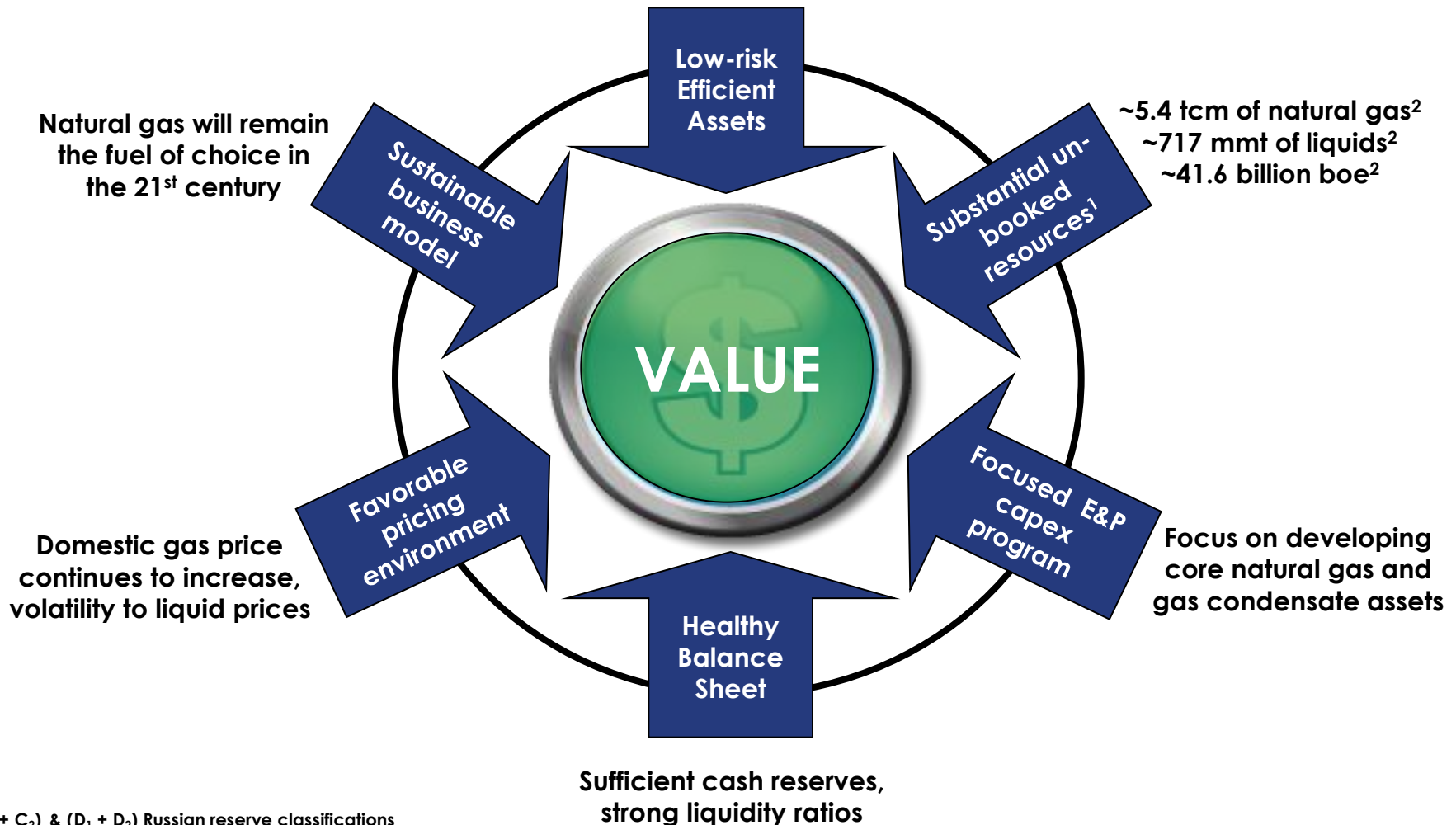
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Value Formula

25 year R/P life (P1), 41 year R/P life (P1+P2)
1,321 bcm P1 Gas reserves
~50 Total Proved Developed Reserves



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 metal structures, possibly oil rigs or refineries, under a clear sky. The word "NOVATEK" is written in large, bold, blue capital letters across the center of the image.

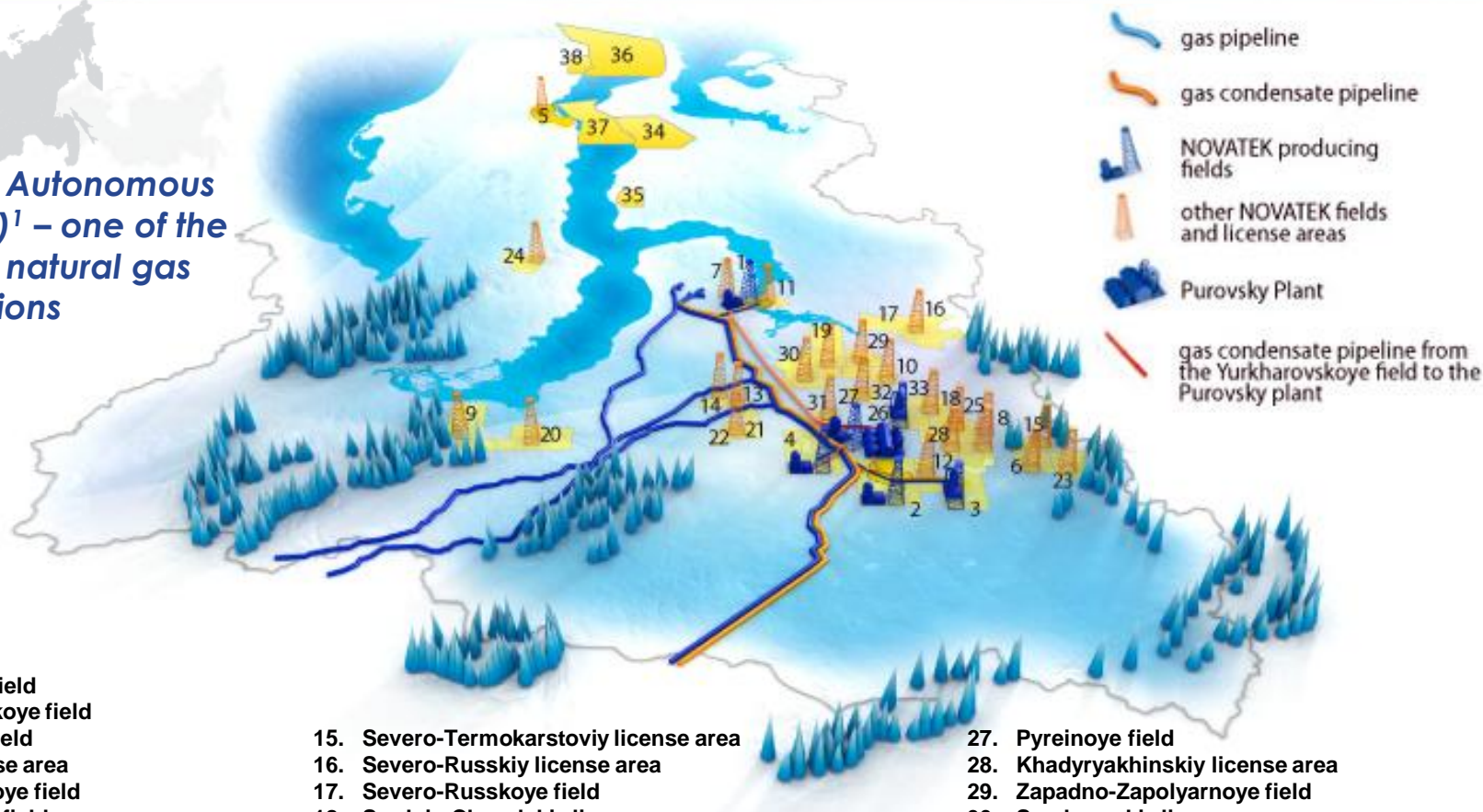
NOVATEK

Business Overview

NOVATEK's Fields and License Areas



Yamal-Nenets Autonomous Region (YNAO)¹ – one of the world's largest natural gas producing regions

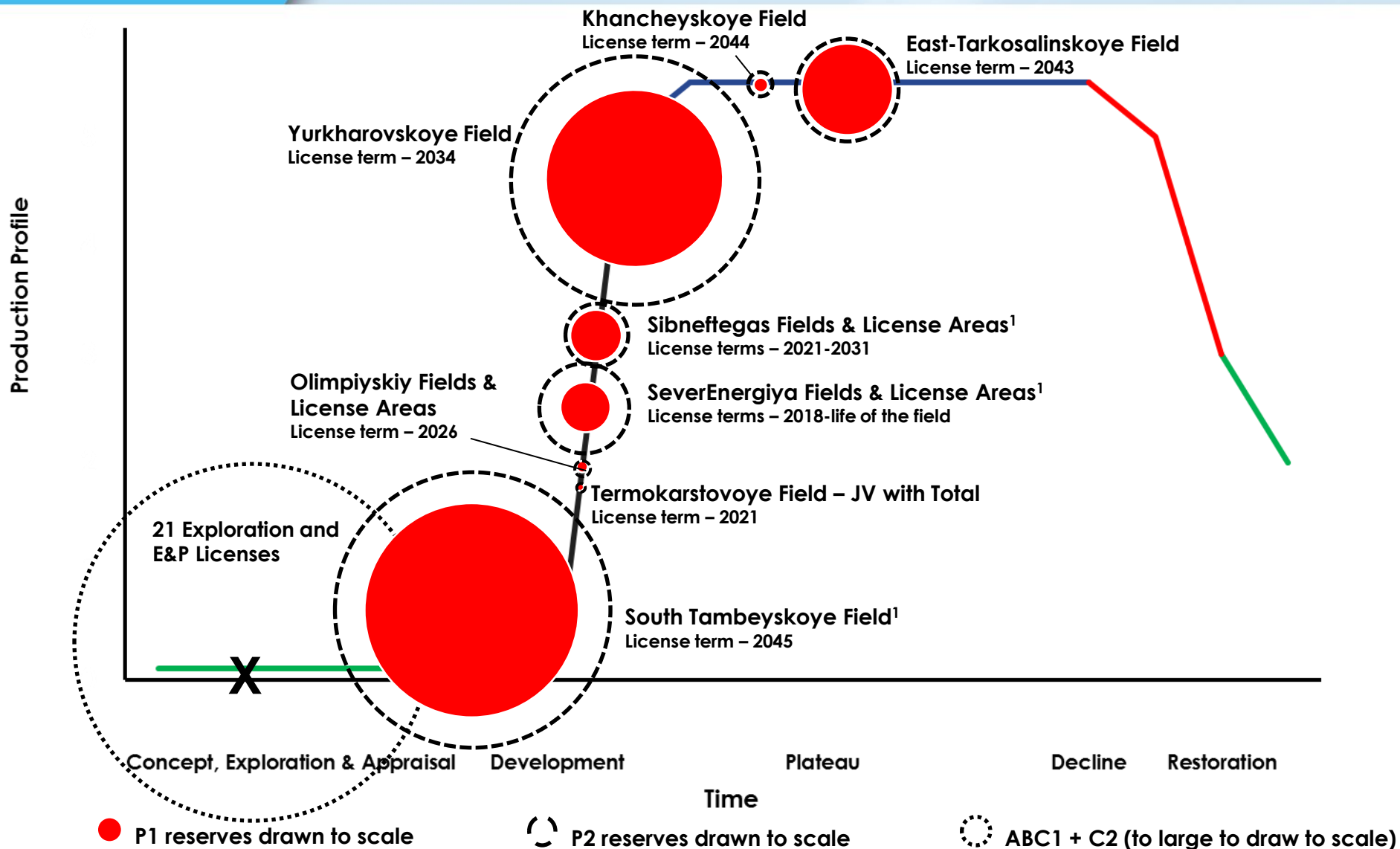


1. Yurkharovskoye field
2. East-Tarkosalinskoye field
3. Khancheyevskoye field
4. Olimpiyskiy license area
5. South-Tambeyskoye field
6. Termokarstovoye field
7. West-Yurkharovskoye field
8. North Khancheyevskoye field
9. Yardeyskoye field
10. Raduzhnoye field
11. New Yurkharovskiy license area
12. Yumantilskiy license area
13. Zapadno-Urengoiyskiy license area
14. Severo-Yubileynoye field

15. Severo-Termokarstoviy license area
16. Severo-Russkiy license area
17. Severo-Russkoye field
18. Sredniy-Chaselskiy license area
19. Zapadno-Tazovskiy license area
20. Anomaliy license area
21. Severo-Yamsoveyskiy license area
22. Ukrainsko-Yubileynoye field
23. Pilyalinskiy license area
24. Malo-Yamalskoye field
25. Zapadno-Chaselskoye field
26. Beregovoy license area

27. Pyreinoye field
28. Khadyryakhinskiy license area
29. Zapadno-Zapolyarnoye field
30. Samburgskiy license area
31. Yevo-Yakhinskiy license area
32. Yaro-Yakhinskiy license area
33. Severo-Chaselskiy license area
34. Salmanovskiy (Utrenniy) license area
35. Geofizicheskiy license area
36. North-Obskiy license area
37. East-Tambeyskiy license area
38. Severo-Tasiyskiy license area

NOVATEK Development Profile

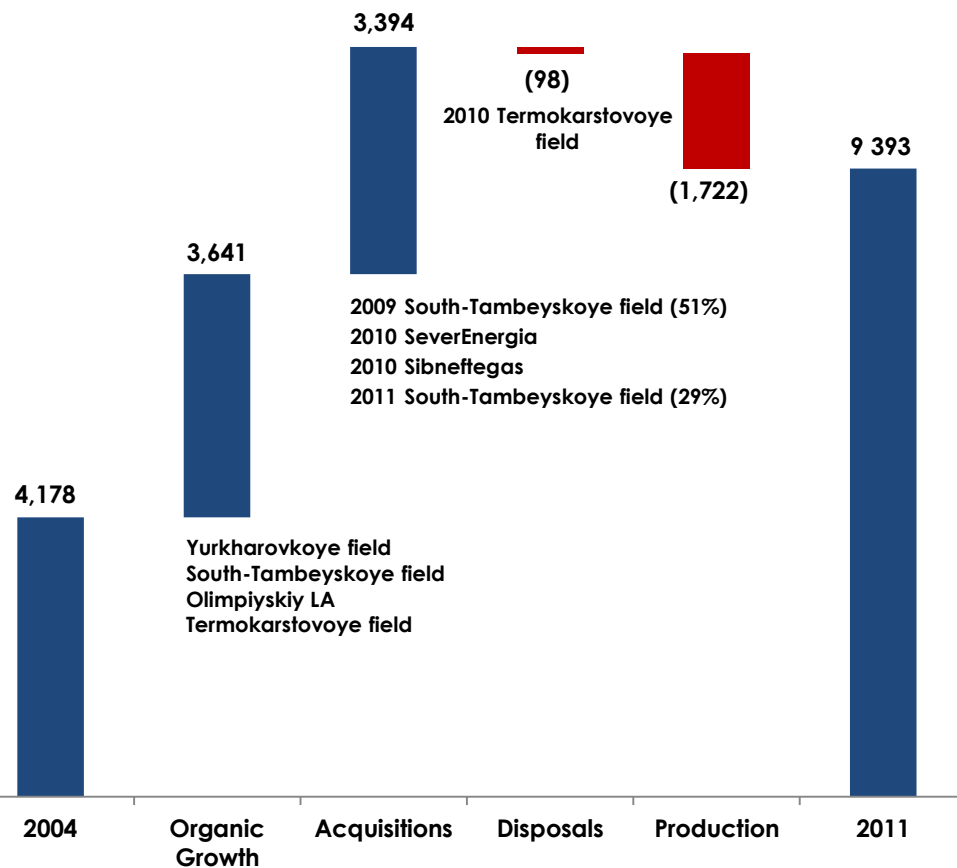


Note:

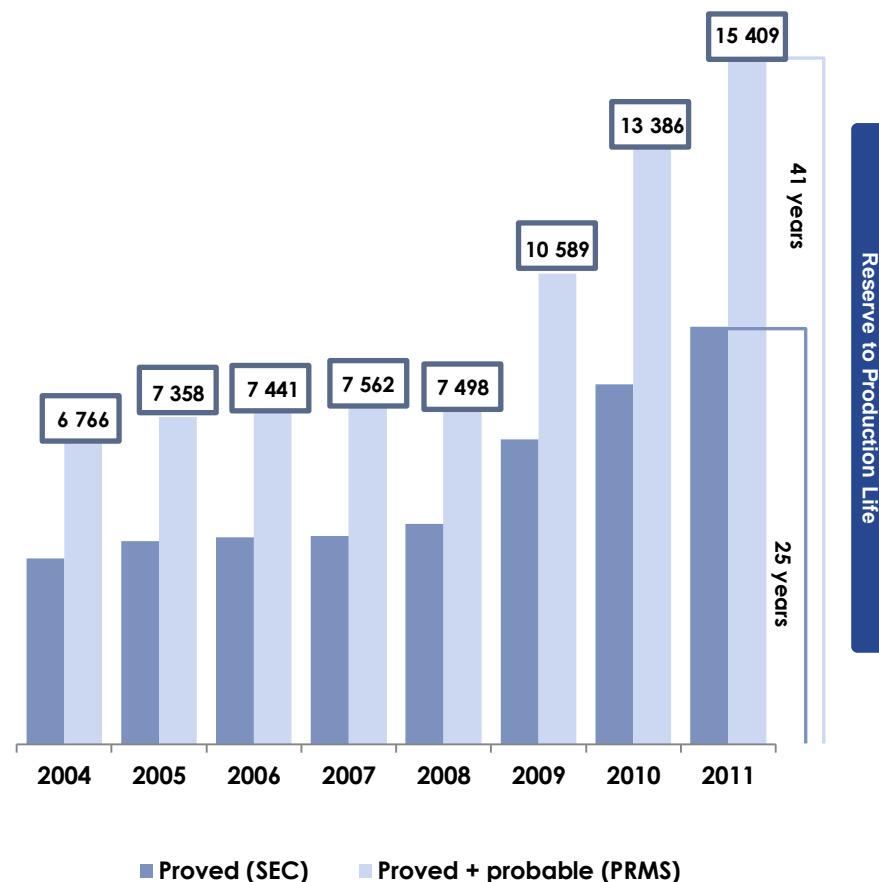
1. 80% of South-Tambeyskoye's, 51% of Sibneftegas' and 25.5% of SeverEnergiya's reserves as of 31 December 2011

Reserve Growth, mm boe

Proved Reserve Changes (SEC)



Total reserves by category



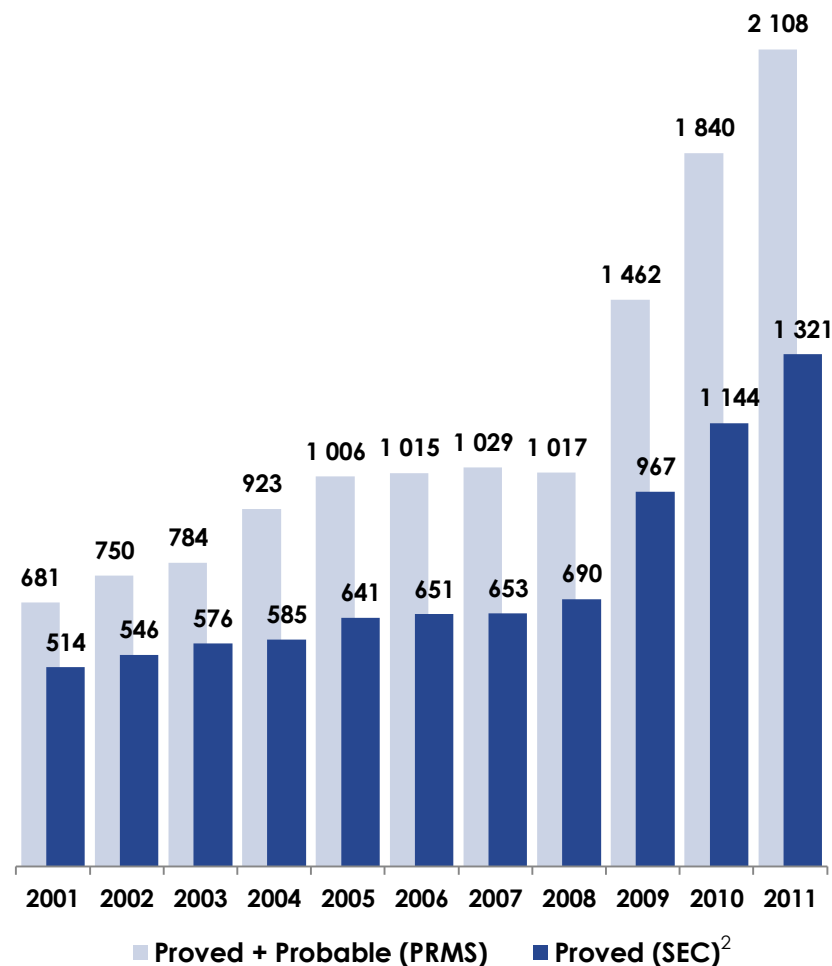
Organic growth accounted for ~ 52% of total reserve growth

NOVATEK's Hydrocarbon Reserves



Independent Reserve Appraisal ¹ , 31.12.2011		SEC	PRMS		
			Proved	Probable	Proved+ Probable
Natural gas	bcm	1 321	1 585	523	2 108
	tcf	47	56	18	74
Liquids	mmt	91	118	81	199
	mmbbl	752	970	652	1 622
Total	mmboe	9 393	11 337	4 072	15 409

Historical natural gas reserve¹ growth



Notes:

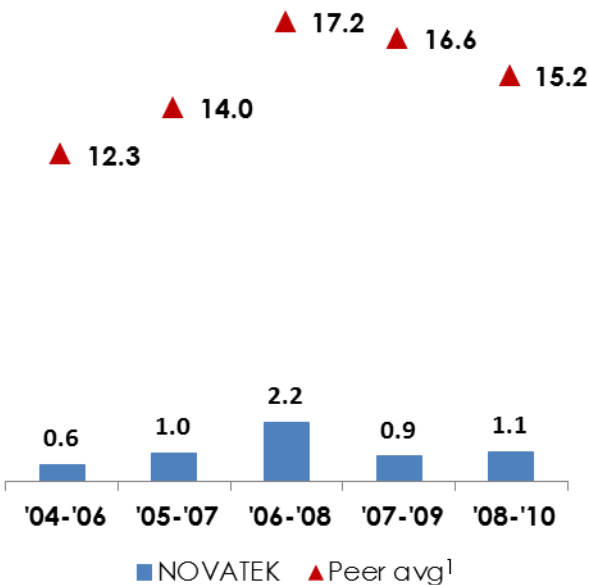
1. Proved reserves fully appraised by DeGolyer & MacNaughton using the SEC's and Petroleum Resource Management System (PRMS) reserve methodology

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

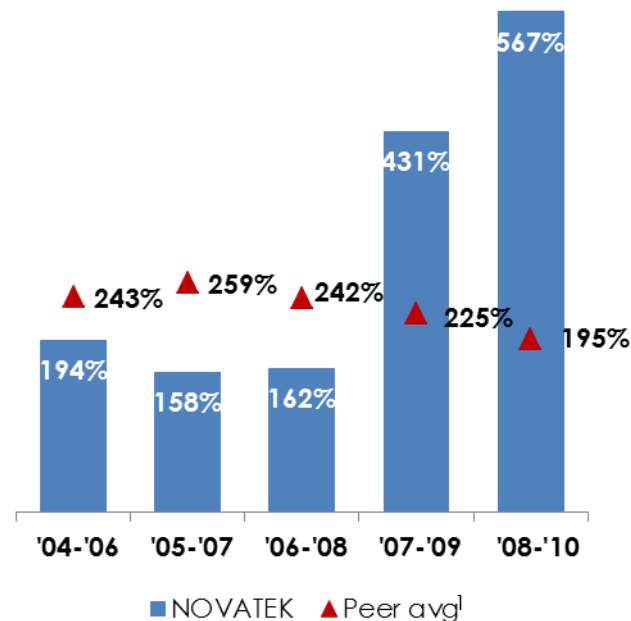
World Class Reserve Metrics



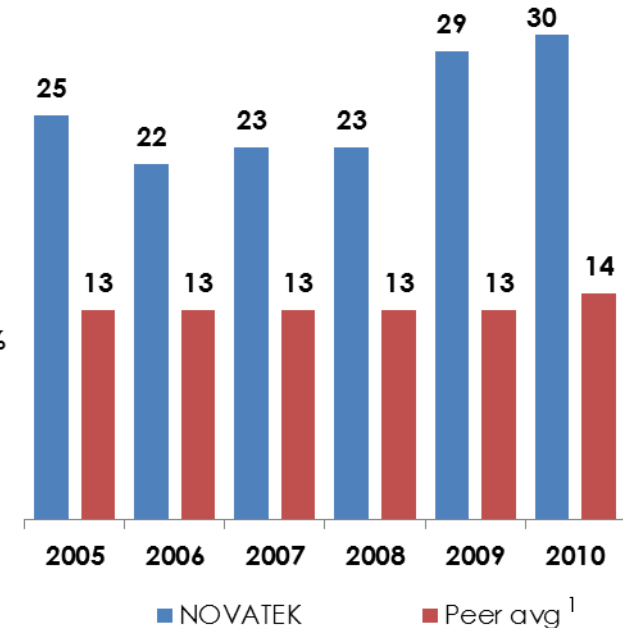
**Reserve Replacement Costs
(3-year average), \$/boe**



**Reserve Replacement Rate
(3-year average), %**



**Reserve Life,
years**



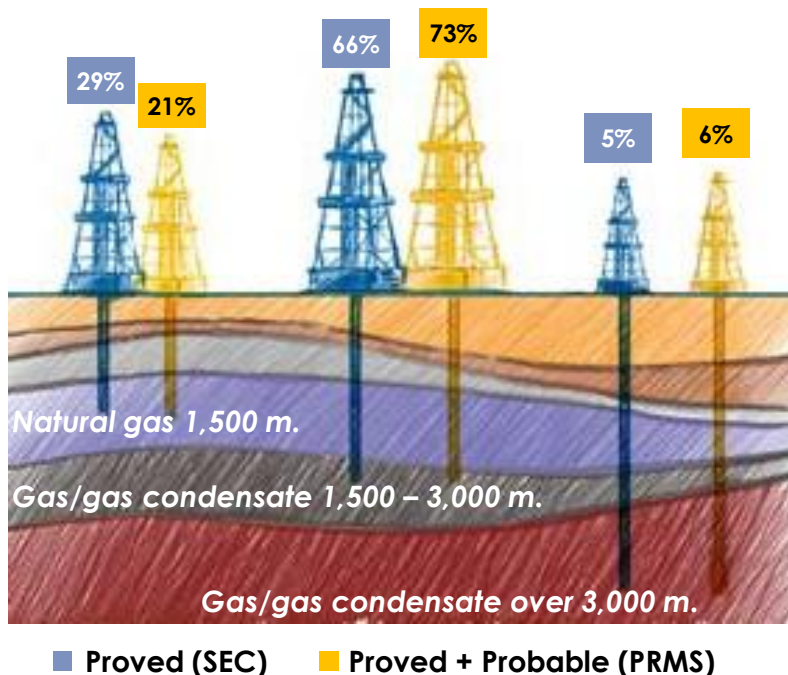
One of the lowest cost, most efficient and longest life producers in the global oil and gas industry

Sources: Company data, IHS Herold Upstream Reviews, 2006 – 2010, SEC reserves

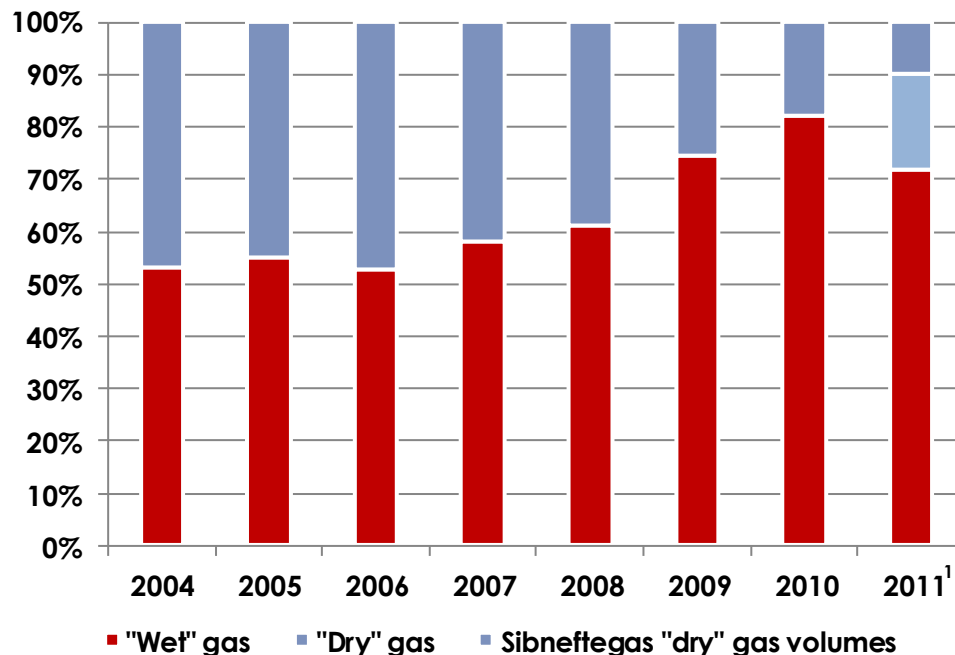
Note 1: Peer group includes Anadarko, Apache, BG Group, EOG, SWE, Nexen, EnCana, Chesapeake, Lukoil, Rosneft, Pioneer and Devon

Increasing Gas Condensate Production

Structure of 2011 natural gas reserves



"Wet" gas vs. "Dry" gas production

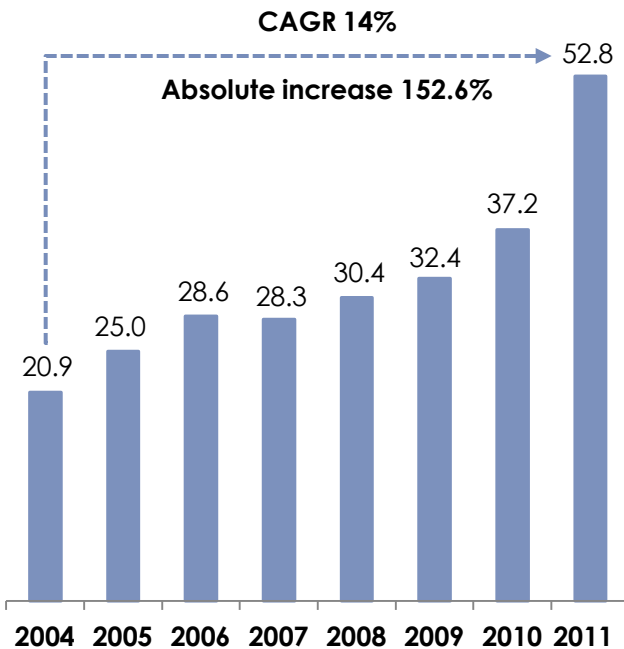


A majority of reserves are located in the deeper gas condensate bearing horizons providing multiple revenue streams (natural gas, stable gas condensate and LPG)

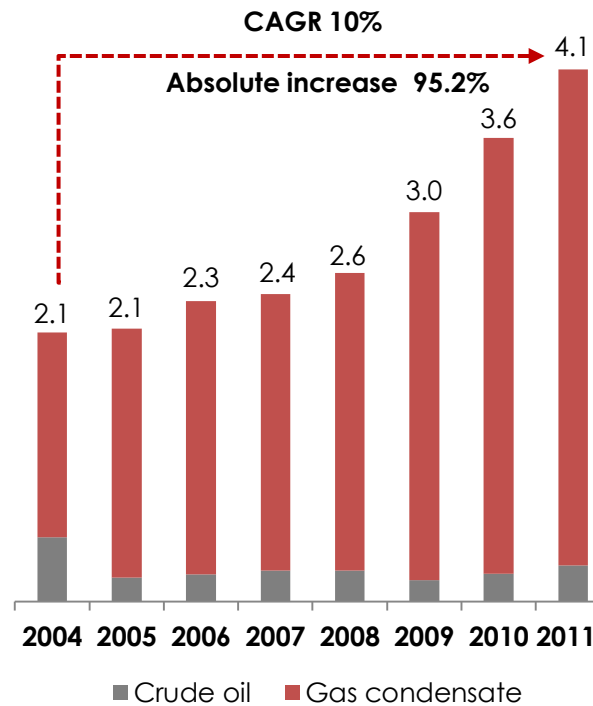
Ramping Up Hydrocarbon Production



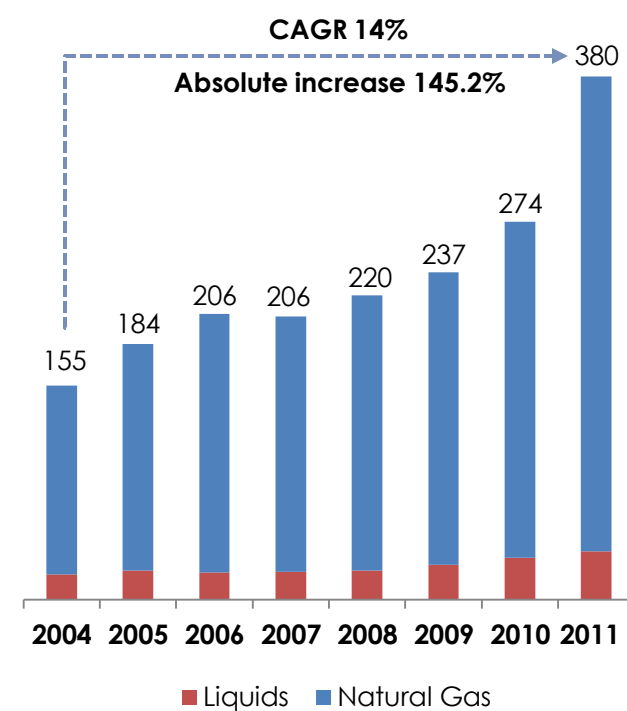
Natural Gas Sales Production, bcm



Liquids Sales Production, mmt



Total Hydrocarbon Production, mmboe

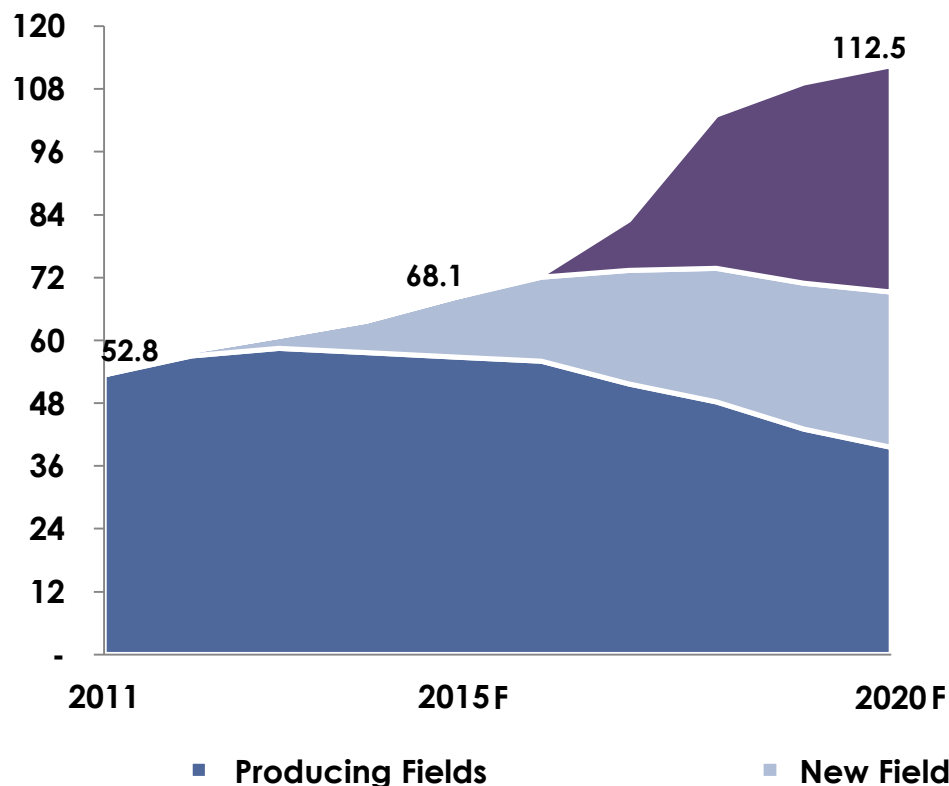


Growing production to meet market demand

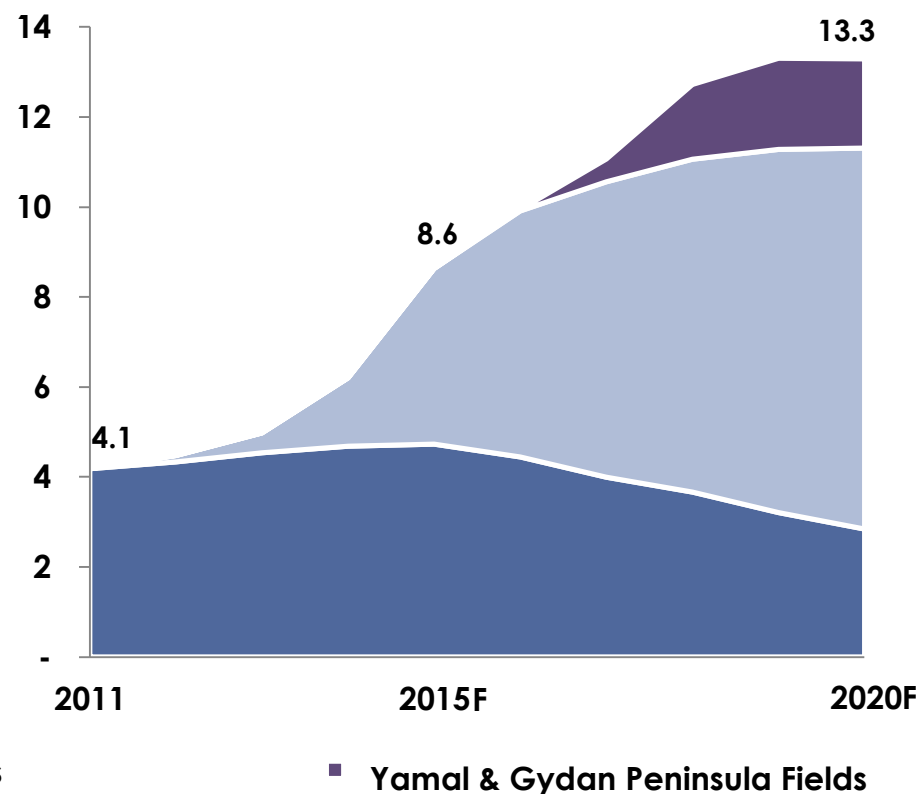
Production – All Fields¹



Natural gas production, bcm



Gas condensate and crude oil production, mmt



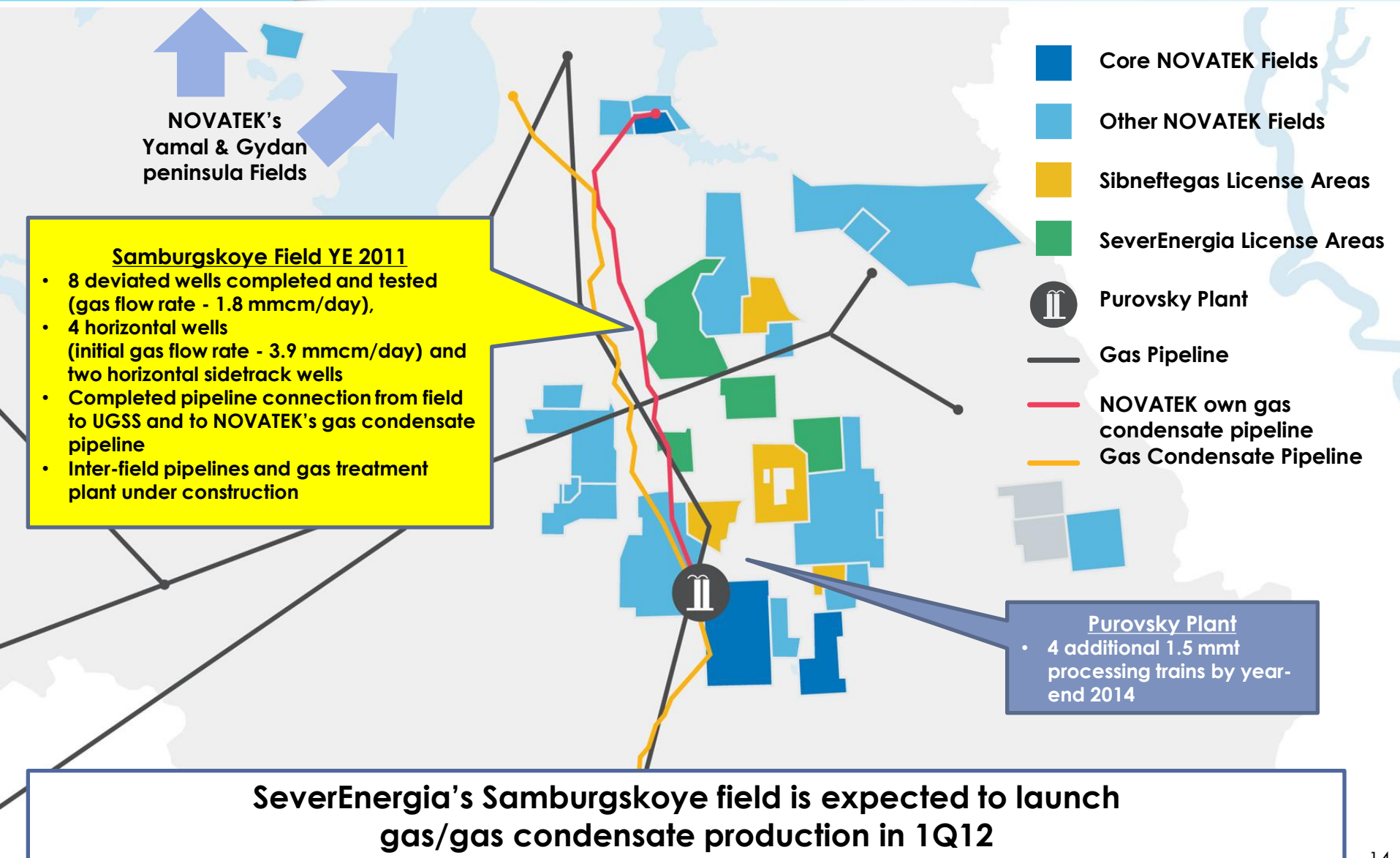
NOVATEK plans to more than double gas production and triple liquids production by 2020

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 chemical processing units, under a light blue sky. The word 'NOVATEK' is written in large, bold, blue capital letters across the center of the image.

NOVATEK

New Acquisitions & Projects

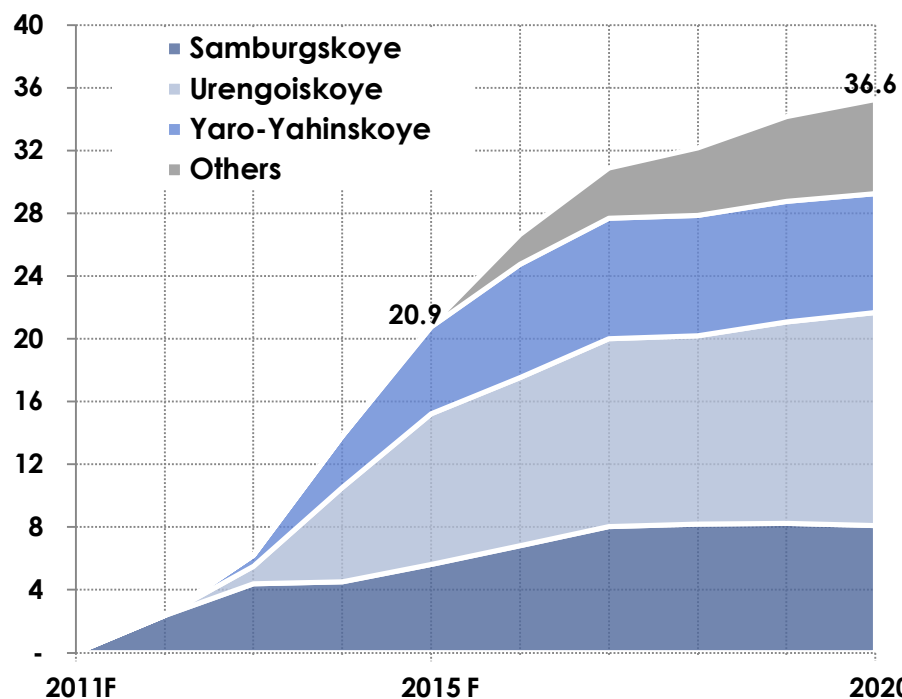
Location of Acquired Fields



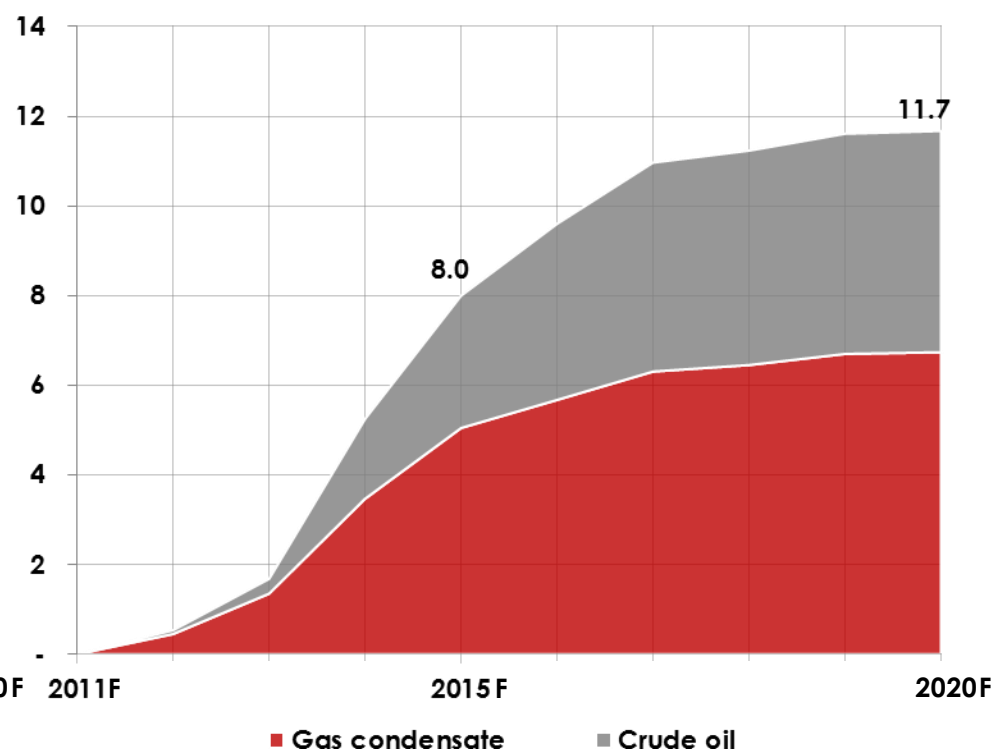
SeverEnerгия Fields¹



Natural gas production, bcm

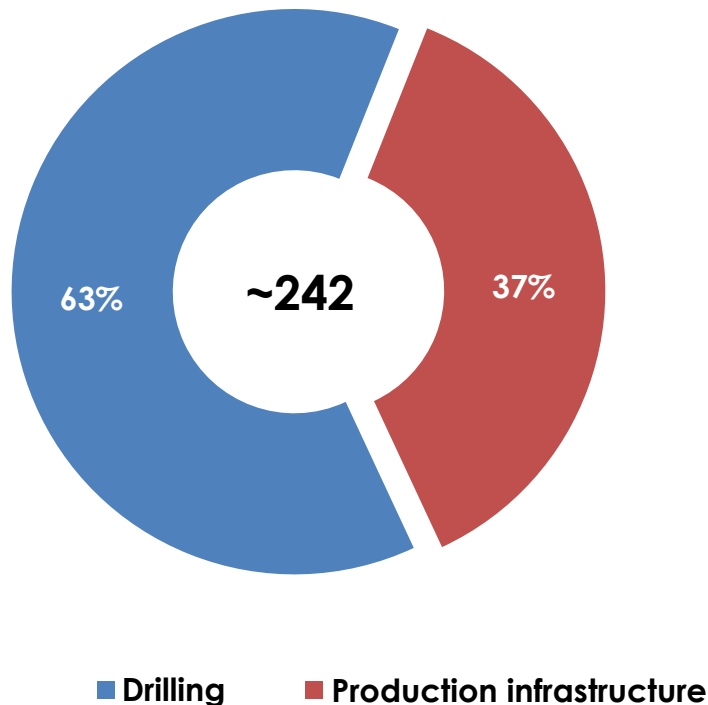


Liquids production, mmt



Significant mid-term production contribution

Capital expenditures, RR billion



SeverEnergia Development Plan

◆ Samburgskoye field launch in 1Q 2012

- ◆ Number of existing gas/gas condensate wells – 18
- ◆ New gas/gas condensate wells to be drilled 2011-2020 – 47
 - ◆ 4 new gas/gas condensate wells drilled in 2011
 - ◆ Avg. new well flow rate/day: 1.0–1.1 mmcm
- ◆ New crude oil wells to be drilled 2011-2020 – 126
- ◆ Current infrastructure:
 - ◆ Gas preparation unit – 2.3 bcm per annum capacity
 - ◆ Internal gas & gas condensate pipelines connecting to the UGSS & Yurkharov-Purovsky Plant gas condensate pipeline

◆ Urengoiskoye & Yaro-Yahinskoye launch in 2013

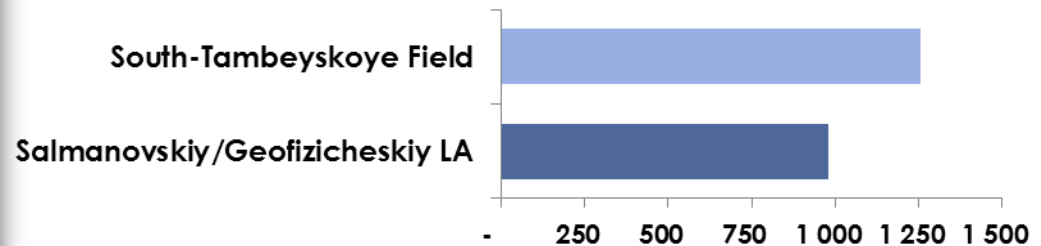
- ◆ Total number of gas/gas condensate wells to be drilled 2011-2020 – 191
 - ◆ Urengoiskoye – 131 wells
 - ◆ Yaro-Yahinskoye – 60 wells
- ◆ Total number of crude oil wells to be drilled (Yaro-Yahinskoye) 2011-2020 – 118
- ◆ Launch of 1st stages expected in 4Q2013

◆ All fields will utilize the Yurkharov-Purovsky Plant gas condensate pipeline and the Purovsky Plant for transportation and processing of gas condensate

Yamal & Gydan Peninsula Resources



Russian Reserve Classification ABC1+C2 – Natural gas, bcm



Russian Reserve/Resource Appraisal of New Licenses

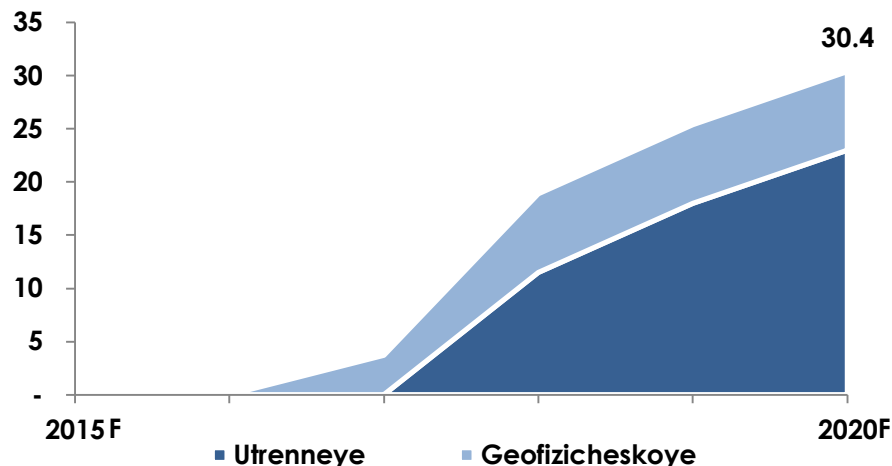
As at 31 December 2011

License area	Category	Natural Gas bcm	Liquid hydrocarbons, mmt	Total mm boe
Salmanovskiy (Utrenniy)	C1+C2	767	34	5,300
Geofizicheskoye	C1+C2	212	12	1,484
Total	C1+C2	979	46	6,785
North –Obskiy	D1+D2	1,164	187	9,178
East-Tambeyskiy	D1+D2	598	34	4,206
Total	D1+D2	1,763	221	13,383

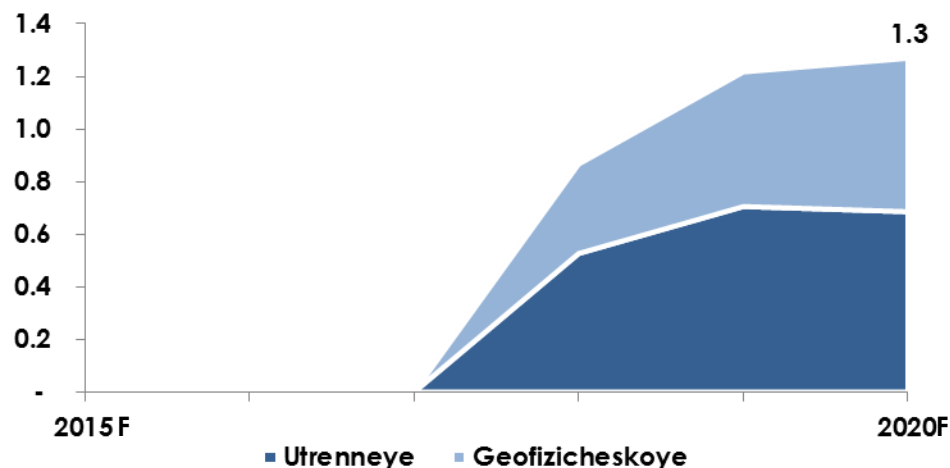
Utrenneye & Geofizicheskoye Fields¹



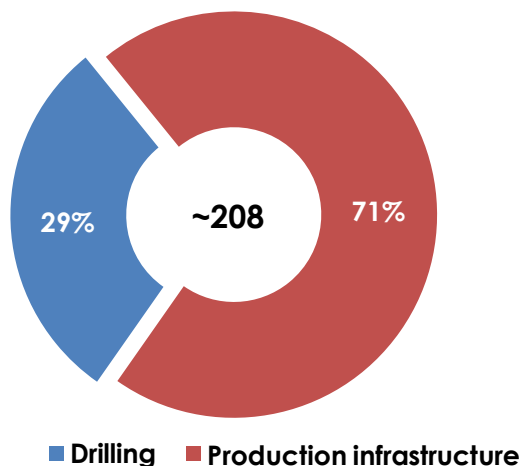
Gas production, bcm



Gas condensate production, mmt



Capital expenditures², RR billion



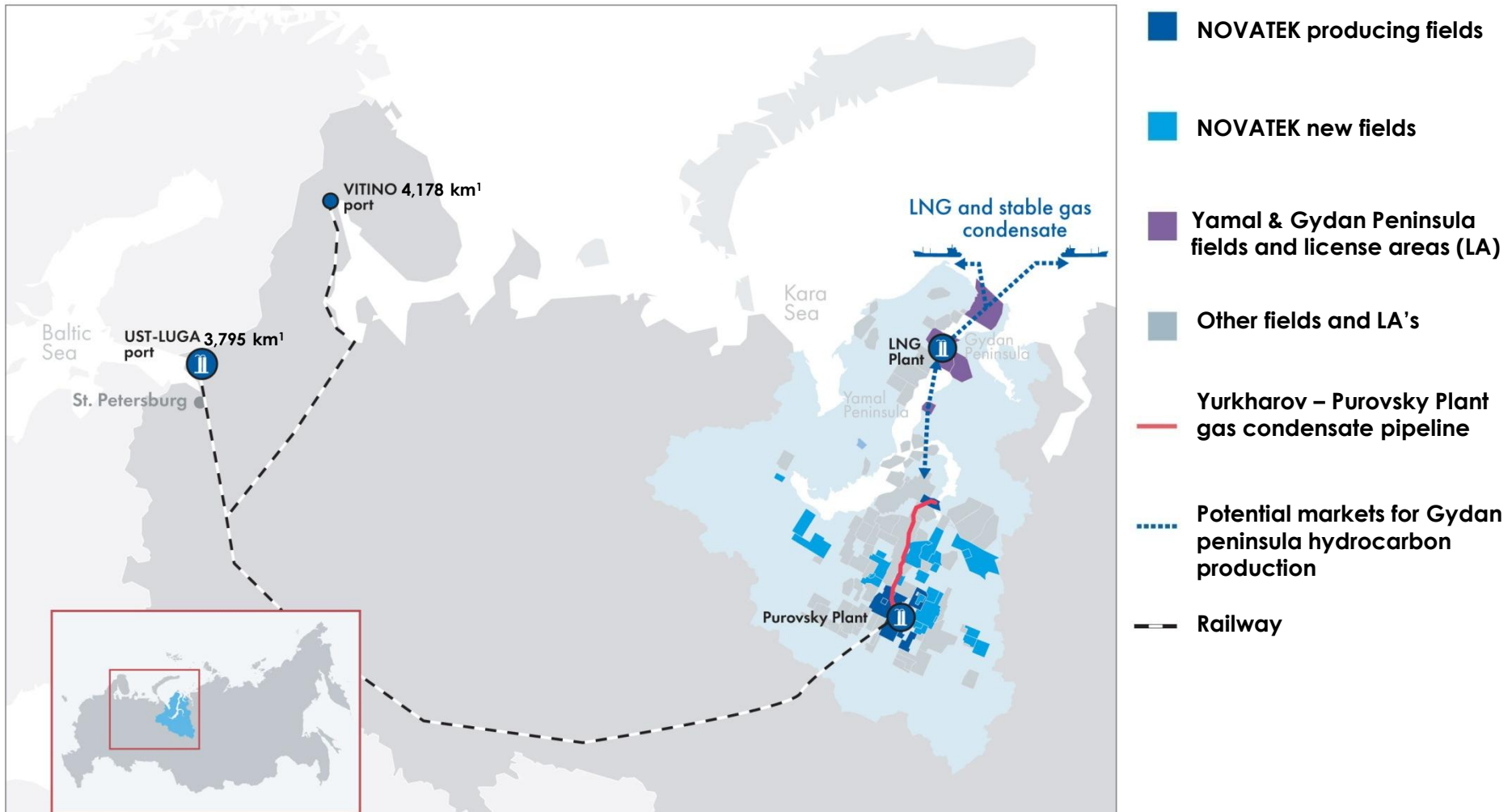
Preliminary Development Plans³

- ◆ Flexible development options, pipeline (UGSS) or LNG
 - ◆ Gas/gas condensate wells to be drilled 2015-2020 – 150
 - ◆ Utrenneye – 104 wells
 - ◆ Geofizicheskoye – 46 wells
 - ◆ Current development plan assumes pipeline connection to the UGSS
 - ◆ Unstable gas condensate: pipeline from the Geofizicheskoye field to the Utrenneye field (~150 km) for de-ethanization, stabilization and tanker loading for transport to export markets
 - ◆ Natural gas: pipeline from the Utrenneye field to the Geofizicheskoye field (~125 km), pipeline from the Geofizicheskoye field to the Yamburg Compressor station & UGSS (~260 km)

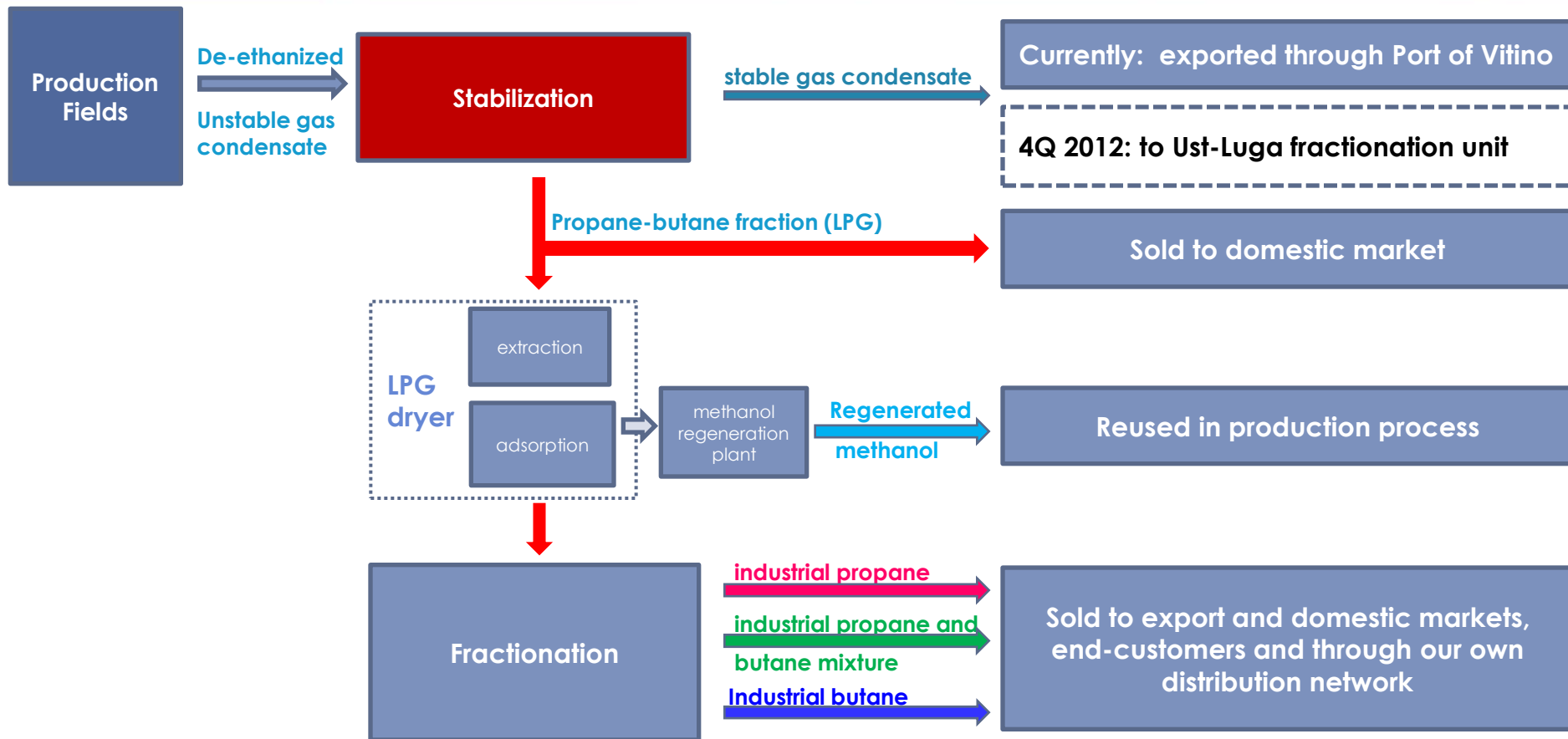
Notes:

1. 100% of field production volumes and capital expenditures
2. Capital expenditures (net of VAT)
3. Final decision on development plan will be made at a later date based on market conditions

Adding Value to Hydrocarbon Production



Purovsky Gas Condensate Stabilization Plant

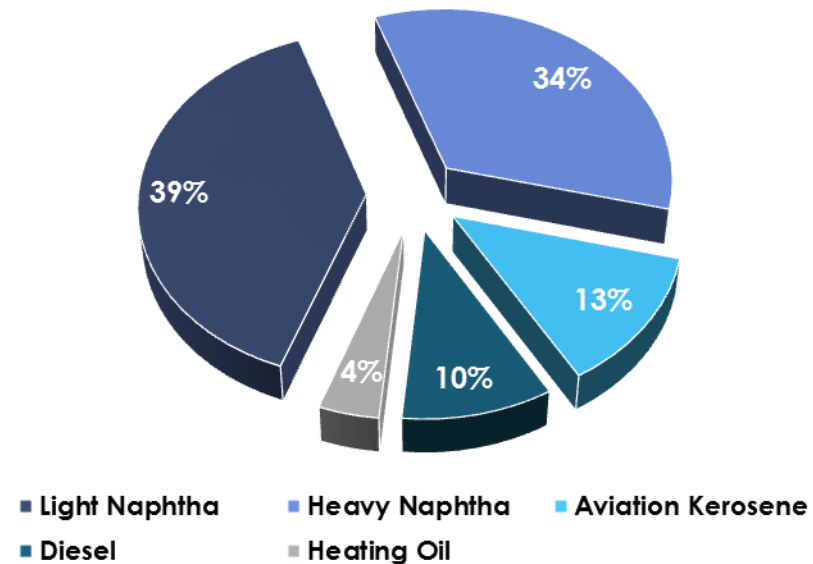


- ◆ 3rd stage to increase processing capacity from 5 mmt to 11 mmt per annum in two phases: 3 mmt per annum in 2013 and 2014, respectively
- ◆ Estimated total capital expenditures¹ for 3rd stage, approximately RR 10 – 13 billion

Ust-Luga Transshipment and Fractionation Unit



Ust-Luga Projected Output



- Six million tons per annum capacity (1st 3mmt per annum train in 4Q 2012, 2nd 3mmt per annum train in 2013)
- Two berths for tanker (Aframax) loading
- Total planned capital expenditures¹ both trains, approximately RR 20 – 25 billion
- Shorter transportation distance from Purovsky Plant compared to Port of Vitino – approximately 385 kilometers
- Premium benchmark pricing for product slate due to value-added processing of stable gas condensate
- Lower export duties for product slate; new “60–66” export duty regime
- Diversification of product slate off-takers

Note 1: Capital expenditures (net of VAT)

Yamal LNG Production Facility



Integrated facility at Sabetta



- ☐ Gas treatment and liquefaction facility
 - Onshore LNG plant: three production trains of 5.0 mmt per annum
 - 1 mmt per annum gas condensate production capacity
 - Single site – integrated utilities and infrastructure
 - LNG tanks 4 x160 mcm
- ☐ Jetty with two berths
- ☐ Planned launch of first train in 4Q 2016
- ☐ Planned capital expenditures for field development and LNG facilities \$US18 – 20 billion¹

Production

Liquefaction

Transportation

Marketing

Construction and operation of LNG shipping fleet will be carried out by a third party.
Yamal LNG will sign long-term charters with the operator

Yamal LNG Project Stages - Pre FID



Completed

- ✓ **License changes** (extended until 2045)
- ✓ **Agency agreement signed with Gazprom Export providing for the export of LNG**
- ✓ **Government support:** tax concessions, government participation in developing infrastructure, optimized tariffs for icebreaking support via Northern Sea Route
- ✓ **Pre-FEED.** Project concept approved
- ✓ **3 exploration wells drilled. Field development optimized** (20 well pads instead of 35)
- ✓ **Tanker testing completed. Initial design of ice-class tanker determined** (170 thousand cubic meters)
- ✓ **Entry of strategic partner**

To be completed before FID

Further Exploration & Development works

Complete FEED and the Russian part of project works (2-4Q 2012)

Begin detailed design and ordering of equipment with long supply periods

Prepare construction site (living quarters, roads, airport and seaport to receive modules and construction material and LNG plant site)

Determine environmental impact assessment

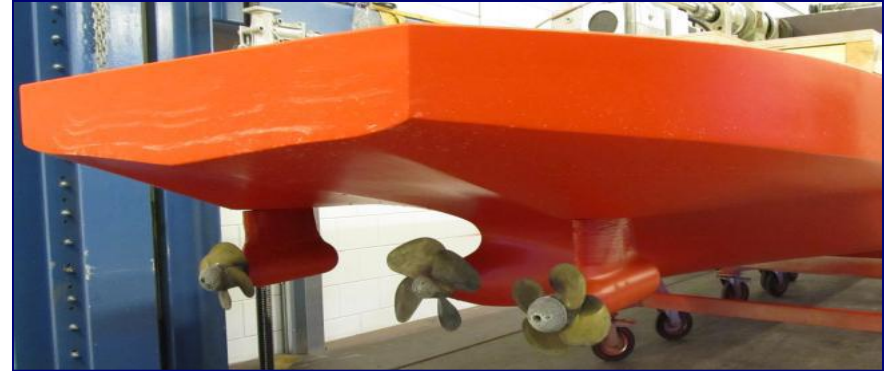
Receive necessary government approvals and permits

Conduct tenders for main operations (construction of LNG facility, storage and transportation systems, infrastructure development, drilling)

Conduct tender to determine shipyard/shipowner

Start LNG marketing

Yamal LNG Carrier Concept



Based on operational experience from ice class tankers at Lukoil's Varandey project (Barents Sea) and Norilsk Nickel's arctic operations

Main concept - Double Acting Ship (DAS):

- Bow – forward movement in open water and thin ice
- Astern – reverse movement through thick ice and ice ridges
- Three shaft propulsion system (two AZIPOD's and one center shaft)

Ice model tests have validated the Arc 7 170,000 m³ LNG Carrier basic design

- Ice going capabilities: 2.3-2.4 meters (even ice)
- Confirmed speed: 19.5 knots in open water and 5.5 knots in even ice of 1.5 meters

Natural Gas and Liquids Marketing

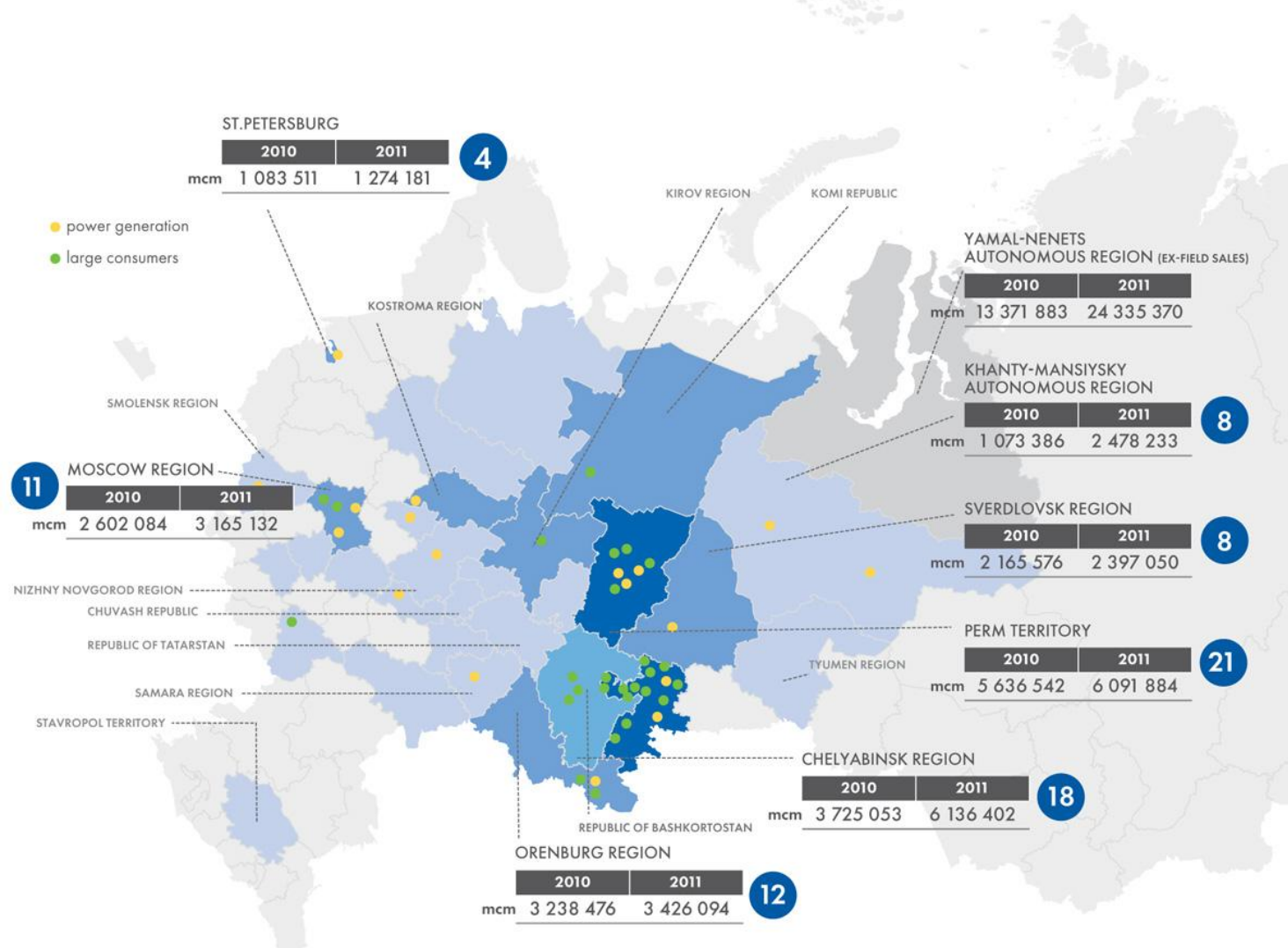
Maximize Net-backs on Natural gas and Liquids sales

Gas Marketing Focus	Liquids Marketing Focus
<ul style="list-style-type: none">♦ Long-term contracts with large end-customers and ex-field traders♦ Increase market penetration in strategic regions♦ Expand international marketing channels♦ Commence international gas/LNG trading & swap activities	<ul style="list-style-type: none">♦ Maximize liquids value chain through Ust-Luga fractionation unit♦ Increase usage of Northern Sea Route to expand geographical markets♦ Expand own retail and wholesale domestic and international LPG channels♦ Strategic partnership with Sibur

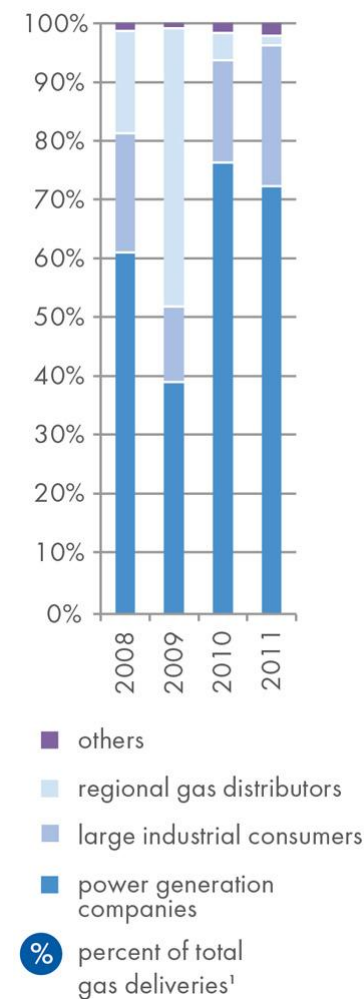
Domestic Natural Gas Sales and Production



NOVATEK's natural gas sales to primary Russian regions¹ 2011E



Sales Breakdown



Market Presence

(Forecast for Primary Regions)



ST.PETERSBURG

2012	2015	2020
mcm 1 255 300	1 359 555	1 360 000

KIROV REGION

2012	2015	2020
mcm 717 000	334 663	335 000

KOMI REPUBLIC

2012	2015	2020
mcm 925 000	880 469	880 500

KOSTROMA REGION

2012	2015	2020
mcm 600 000	4 560 705	4 561 000

YAMAL-NENETS AUTONOMOUS REGION
(ex-field sales)

2012	2015	2020
mcm 16 100 000	up to 13 800 000	up to 13 800 000

MOSCOW REGION

2012	2015	2020
mcm 3 505 914	3 769 993	13 800 000

SVERDLOVSK REGION

2012	2015	2020
mcm 2 472 438	2 610 199	2 800 000

PERM TERRITORY

2012	2015	2020
mcm 7 570 701	7 529 697	8 700 000

CHELYABINSK REGION

2012	2015	2020
mcm 16 445 753	16 590 186	17 400 000

ORENBURG REGION

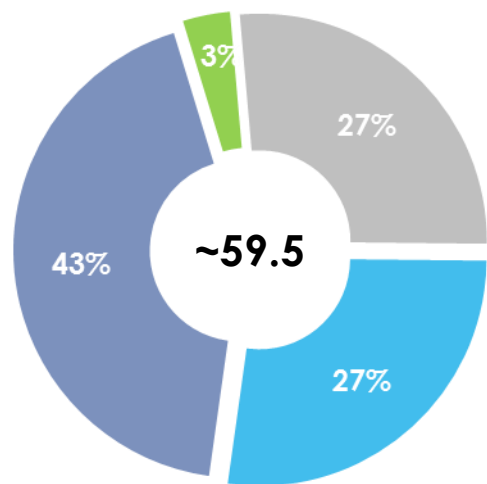
2012	2015	2020
mcm 3 205 000	3 317 000	3 500 000

- power generation
- large consumers

NOVATEK's Domestic Gas Deliveries, bcm

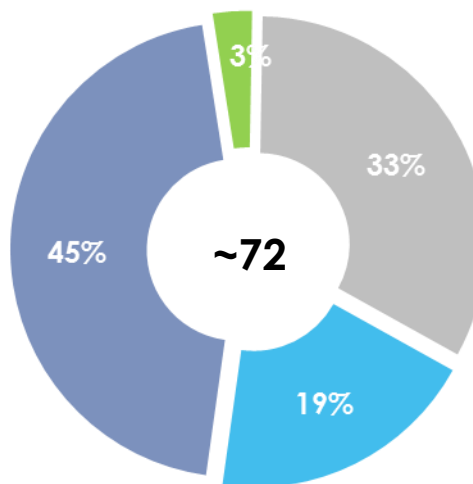


2012F



■ Power generation

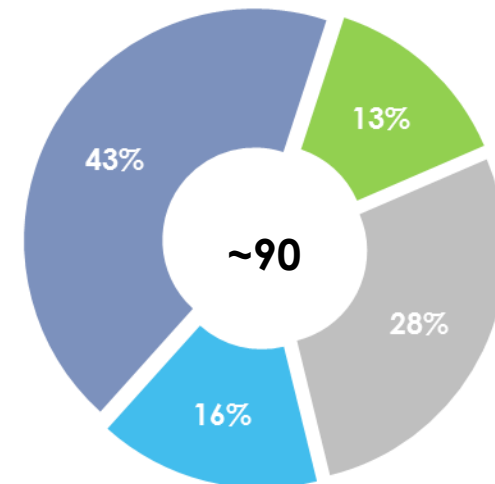
2015F



■ Res. and commercial

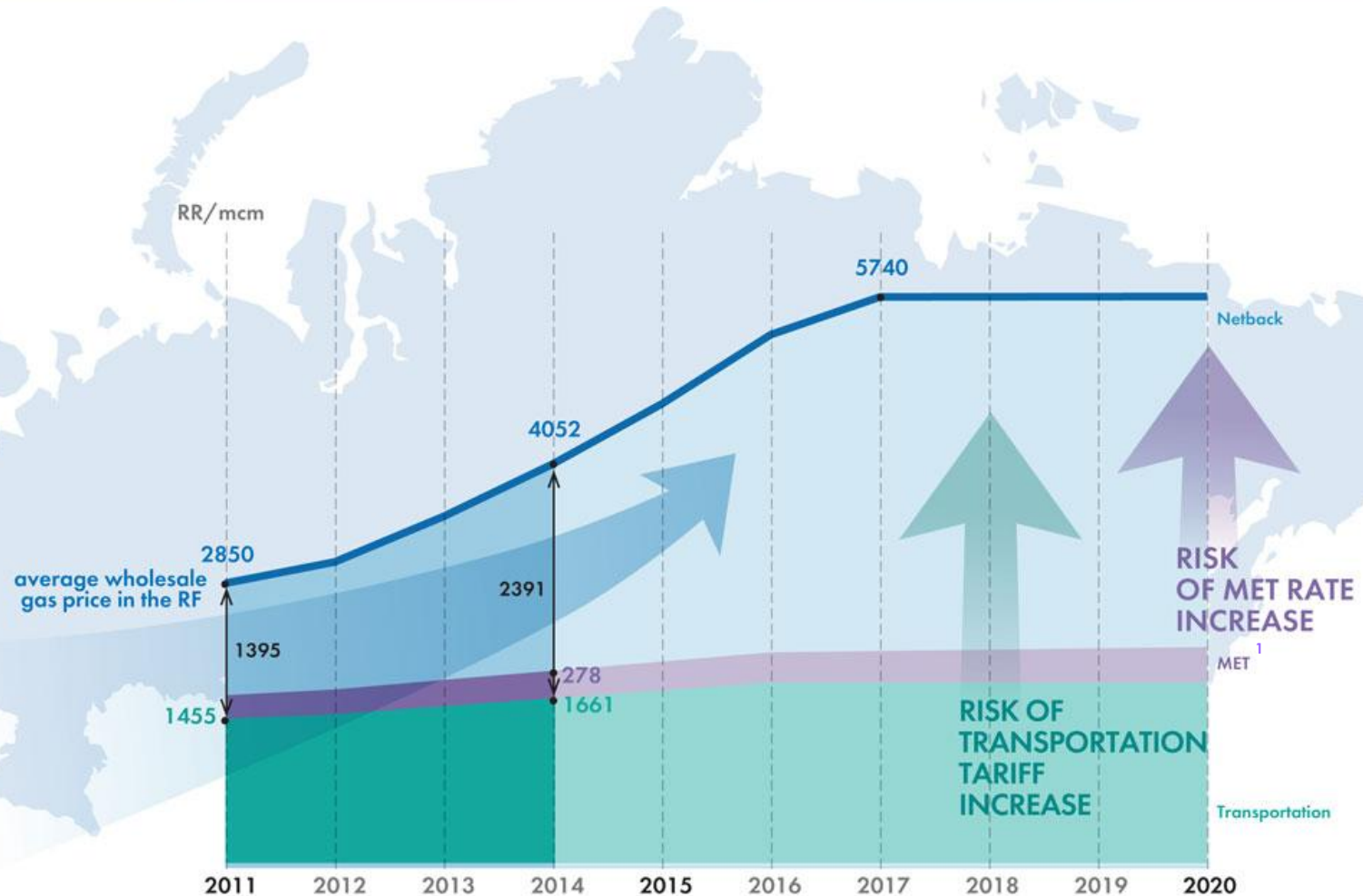
■ Industrial

2020F



■ Traders

Domestic Gas Market Liberalization



Domestic market liberalization is expected
between 2015 and 2018

Optimizing Netback on Natural Gas

Natural Gas Sales Portfolio, bcm

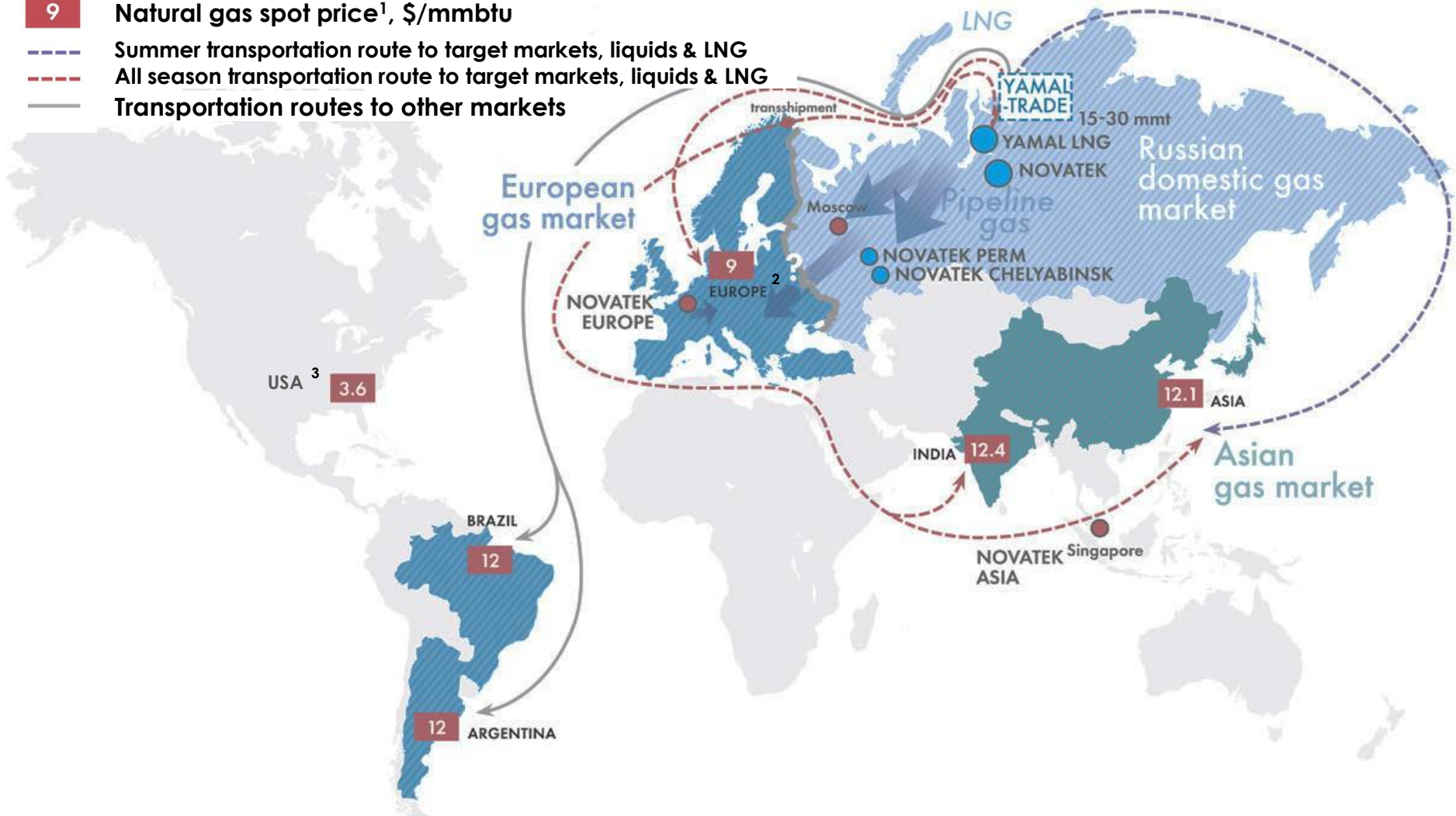


Natural gas netback¹ expected to increase ~10-12% in 2012

NOVATEK Strategy Implementation



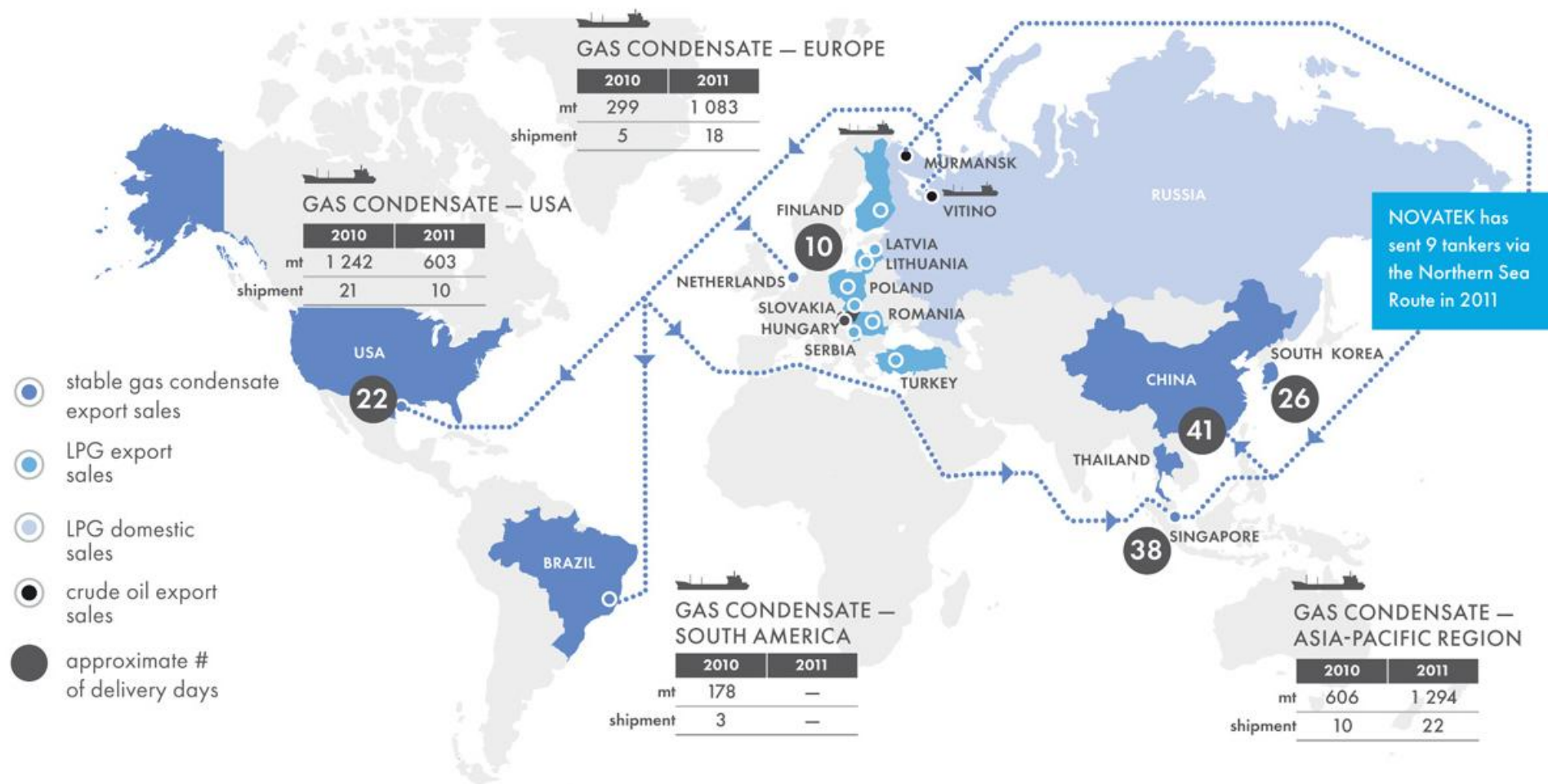
- 9** Natural gas spot price¹, \$/mmbtu
- Summer transportation route to target markets, liquids & LNG
- All season transportation route to target markets, liquids & LNG
- Transportation routes to other markets



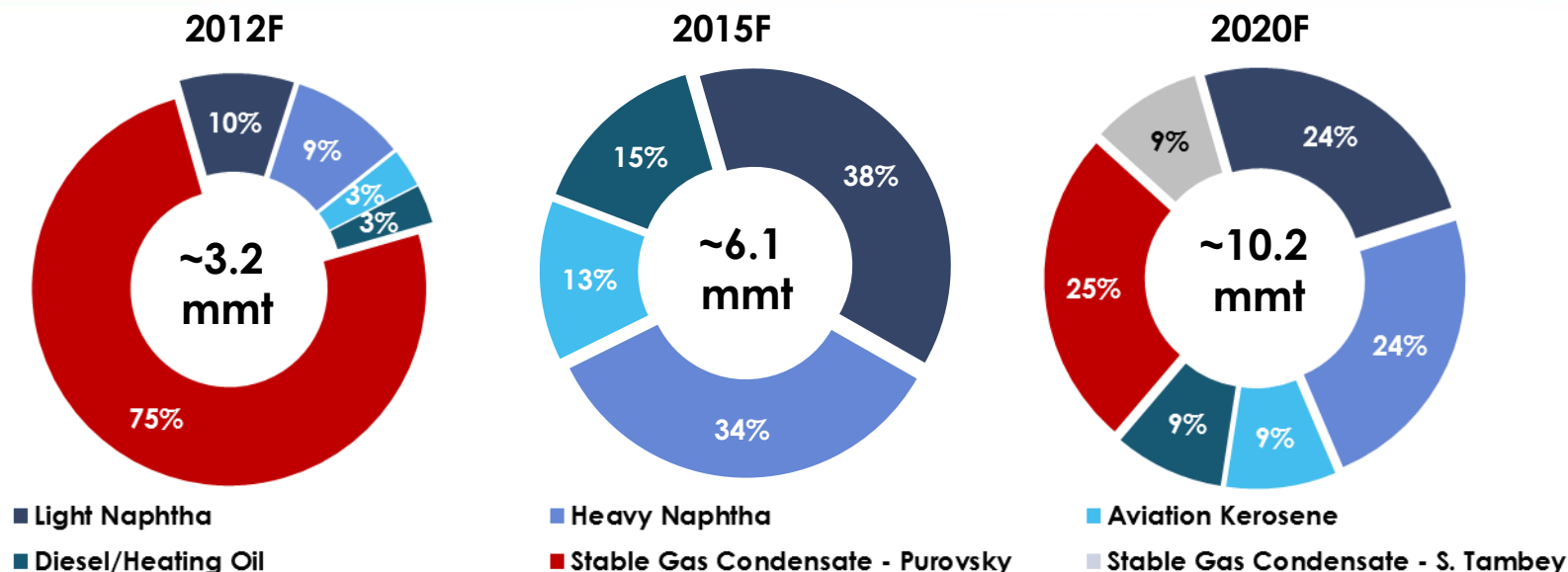
Notes:

1. Based on average actual prices in 3Q 2011 from Argus Global LNG
2. Average of: Title Transfer Facility (TTF) spot price (Netherlands) and National Balancing Point (NBP) spot price (UK)
3. Henry Hub

Liquids Marketing



Purovsky & Ust-Luga Product Slate



Stable Gas Condensate

- ◆ Target market – global petrochemical and refining industries in the Asian-Pacific Region and South America
- ◆ Use transshipment facilities of Ust-Luga to market stable gas condensate in excess of fractionation capacity

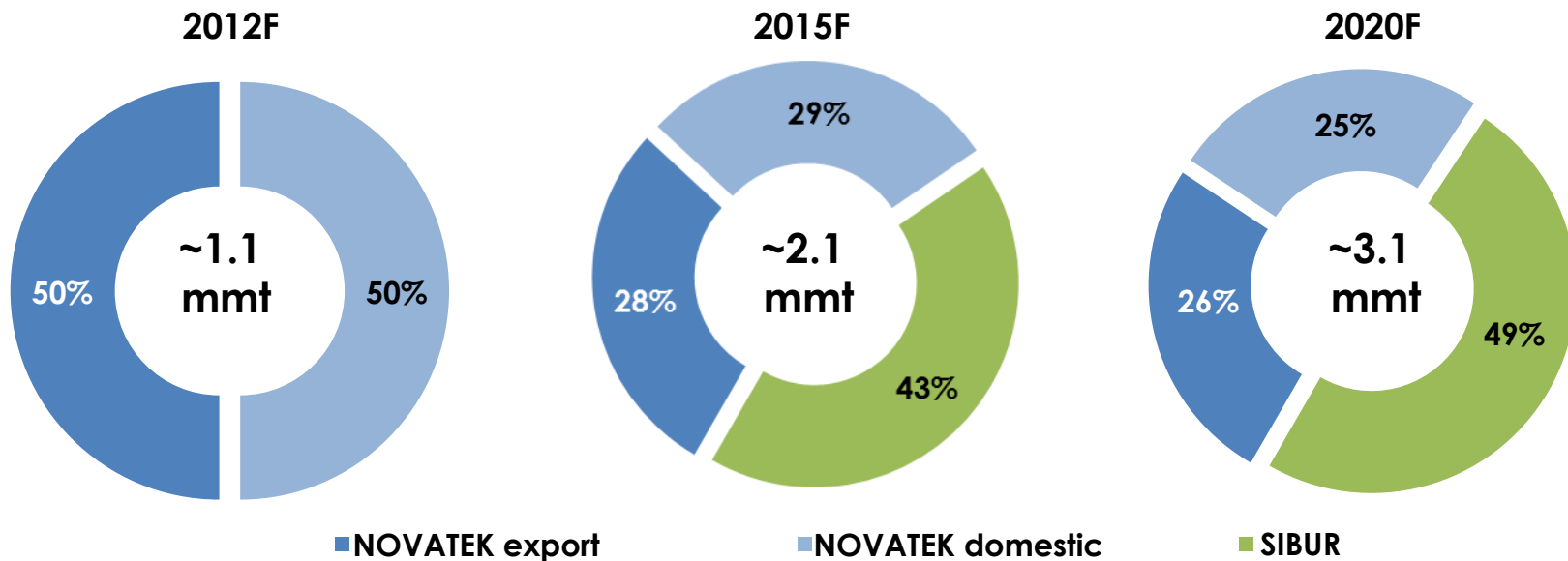
Light & Heavy Naphtha

- ◆ Light Naphtha target market – global petrochemical industry in the Asian-Pacific Region, South America and Scandinavia (Finland)
- ◆ Heavy Naphtha target market – global oil refining industry in the Asian-Pacific Region, North and South America
- ◆ Maximum export duty applicable to Light and Heavy Naphtha is 90% of the export duty for crude oil (stable gas condensate)

Oil products

- ◆ Target market – North-Western Europe
- ◆ Maximum export duty applicable to oil products is 66% of export duty for crude oil (stable gas condensate)

LPG Marketing Structure



Marketing via own distribution network (wholesale and retail)

- ♦ Reduce wholesale sales to third party distribution networks
 - ♦ Develop our own retail network via OOO NOVATEK-AZK; and
 - ♦ Our own distribution network in Poland via NOVATEK Polska Sp. Zoo
- ♦ Target domestic petrochemical sector

Strategic partner

- ♦ **SIBUR Holding** – Long-term contract for a portion of Purovsky Plant LPG production volumes

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 chemical processing units, under a light blue sky. The word 'NOVATEK' is written in large, bold, blue capital letters across the center of the image.

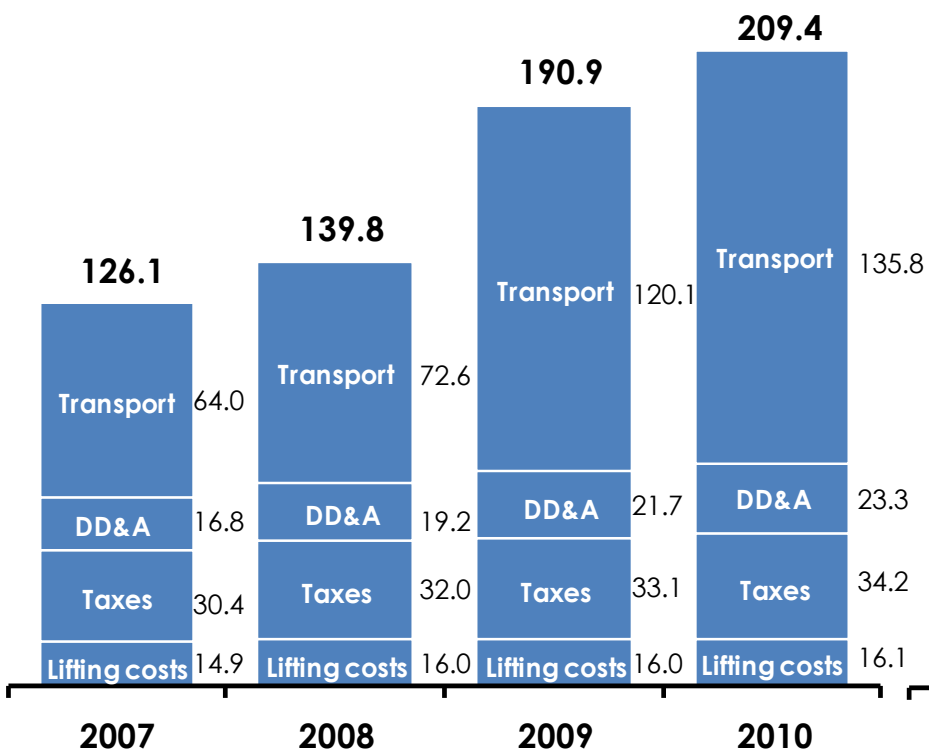
NOVATEK

Low Cost Producer/Capital Efficiency

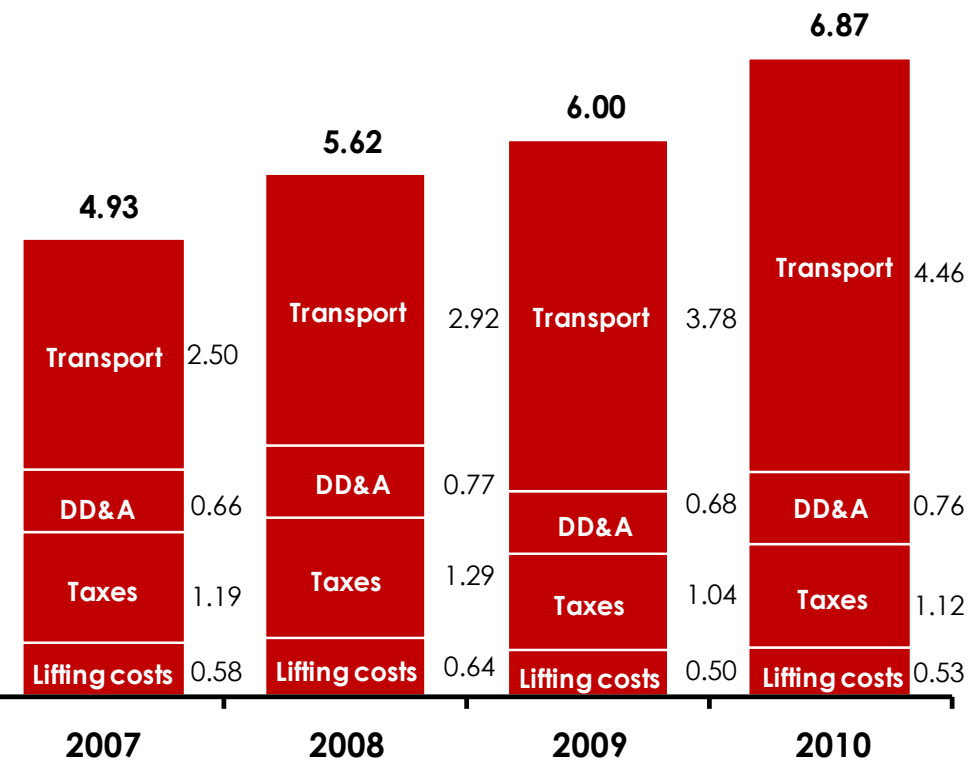
Production Cost¹ per boe



Production costs (RR/boe)



Production costs (USD/boe)



Average exchange rate RR/USD:

25.58

24.85

31.72

30.37

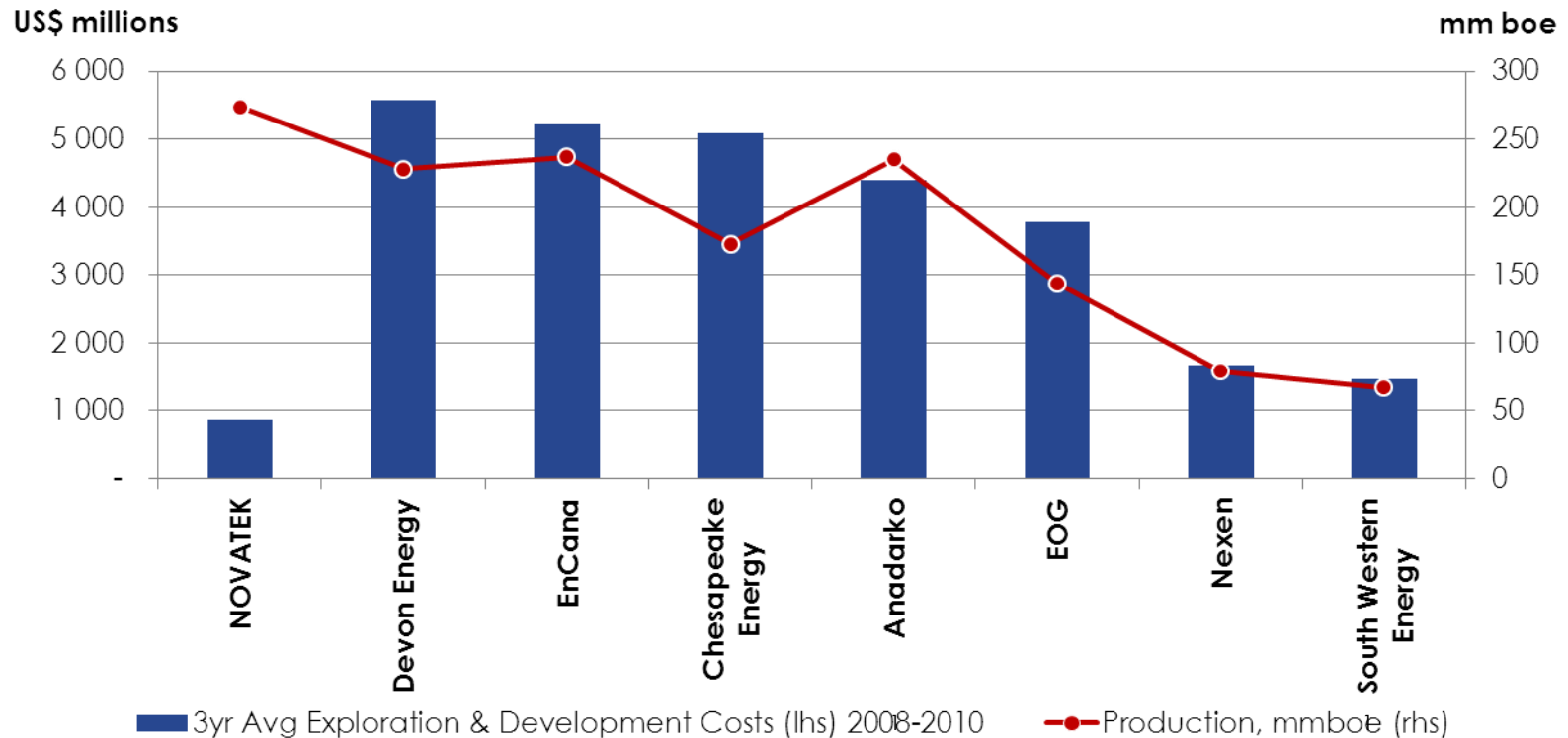
Notes:

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

Unrivalled Capital Efficiency



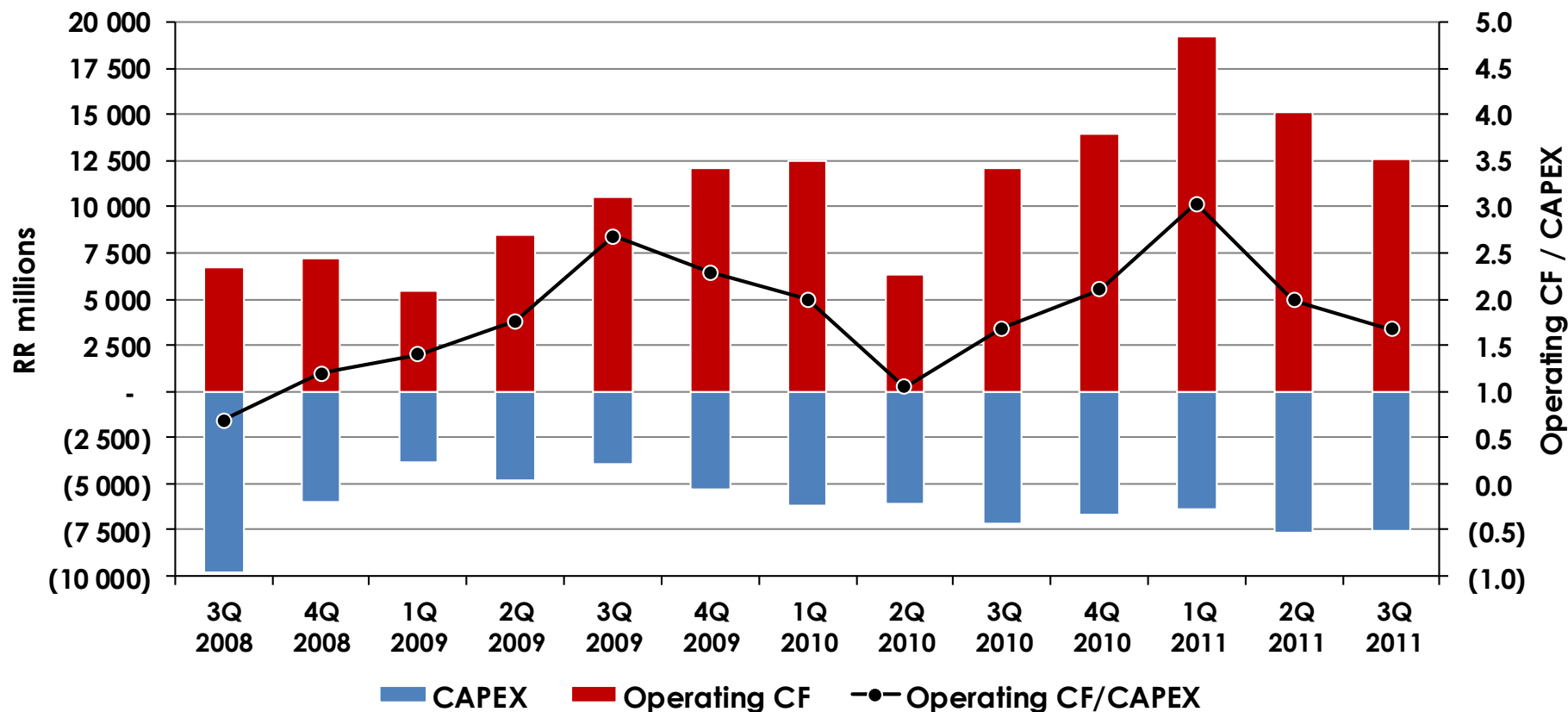
Exploration & Development Capital Expenditures Converted to Production



Source: SEC filings and Company data

High production flow rates yet low capital intensity

Internally Funded Investment Program

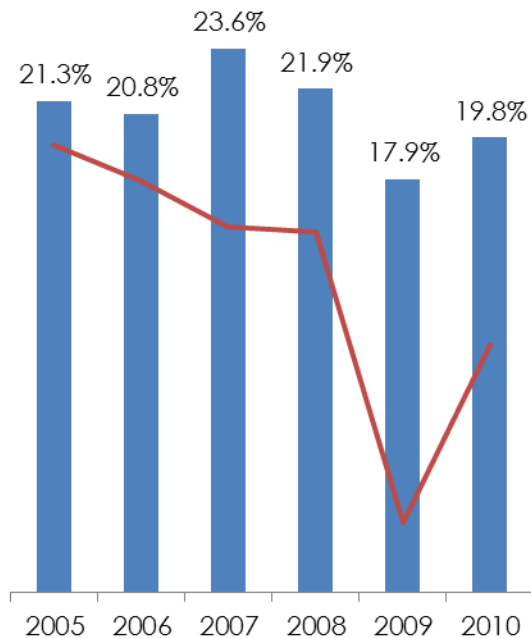


Core investments in upstream exploration, production and processing facilities funded primarily through internal cash flows

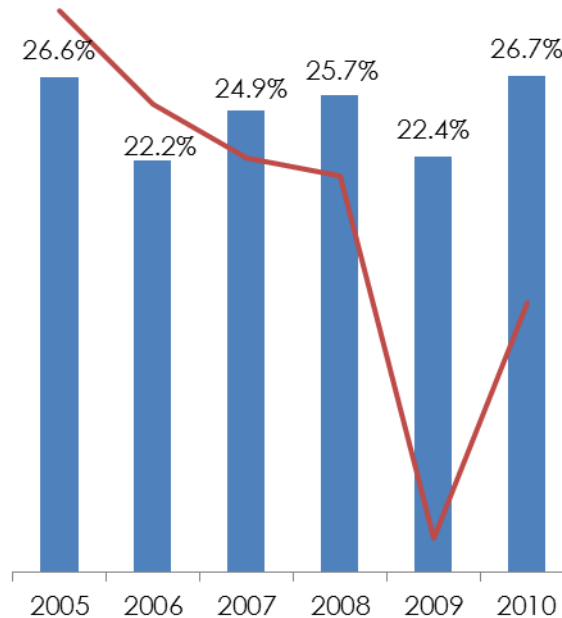
Return on Capital and Assets



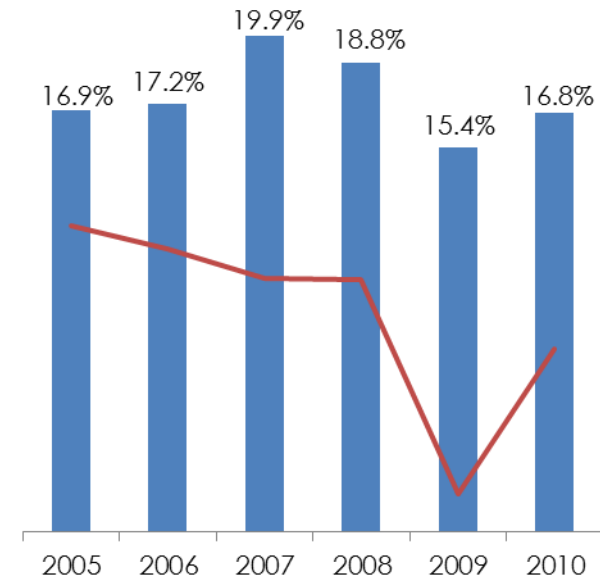
Return On Capital Employed



Return on Equity



Return on Assets

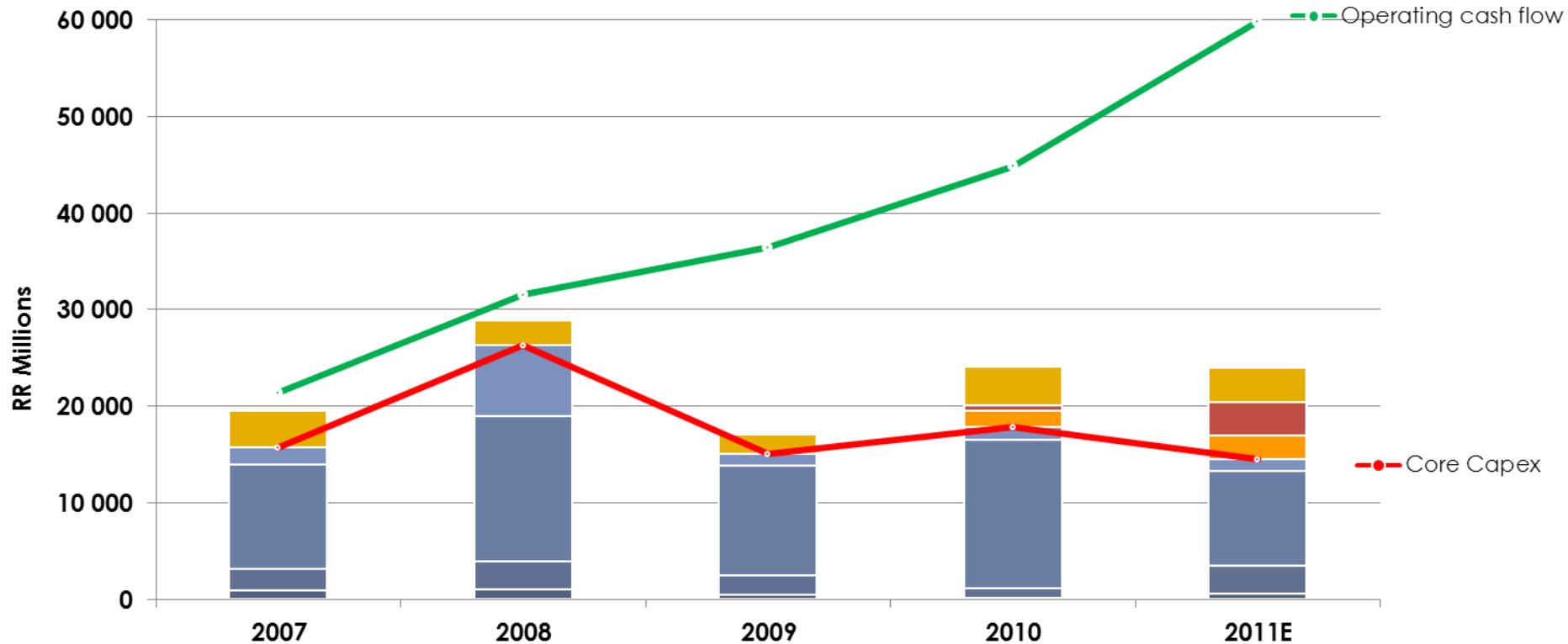


■ NOVATEK — Peer avg¹

Source: Company data, Bloomberg data

Note 1: Peer group includes: Anadarko, Apache, BG Group, EOG, SWE, Nexen, EnCana, Chesapeake, Lukoil, Rosneft, Pioneer and Devon

Core Fields Generating Free Cash Flow



Core cash generating assets to fund future investments

Khancheyskoye
 East-Tarkosalinskoye
 Yurkharovskoye
 Purovsky Plant

New project and exploration capex

South Tambeykoye
 Ust-Luga
 Exploration/other



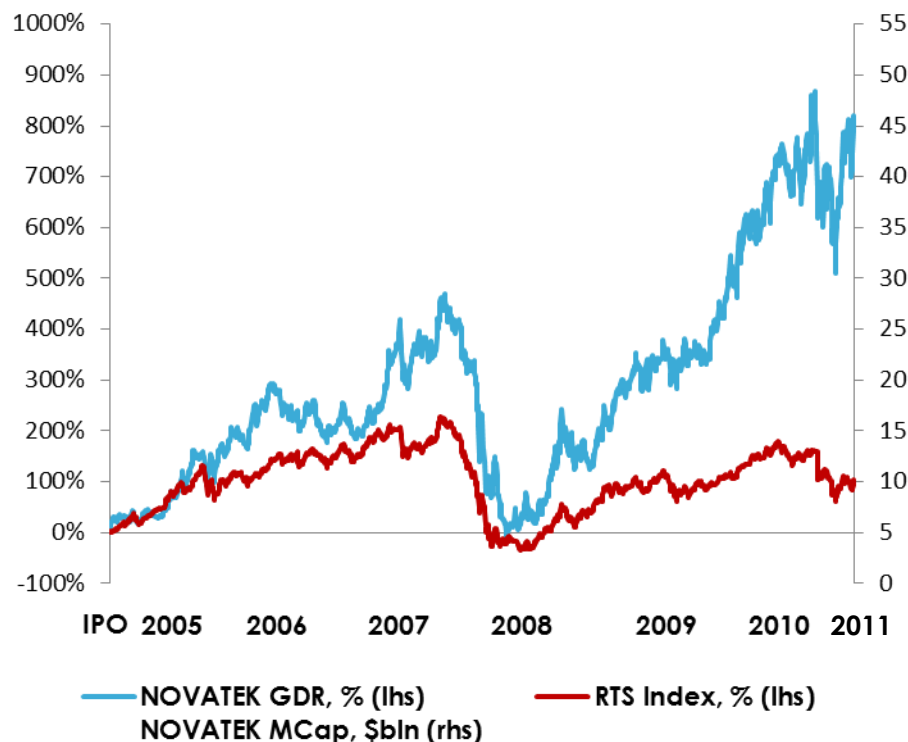
Creating Shareholder Value

- ◆ **World-class resource base – one of the largest globally**
- ◆ **Low-cost production – one of the lowest in the industry**
- ◆ **Close proximity to infrastructure – gas/liquids transportation & processing**
- ◆ **Experienced management team – excellent project delivery track record**
- ◆ **Exceptional financial results – among the highest returns on capital**
- ◆ **Liberalizing price environment – financial leverage to increasing domestic gas prices**

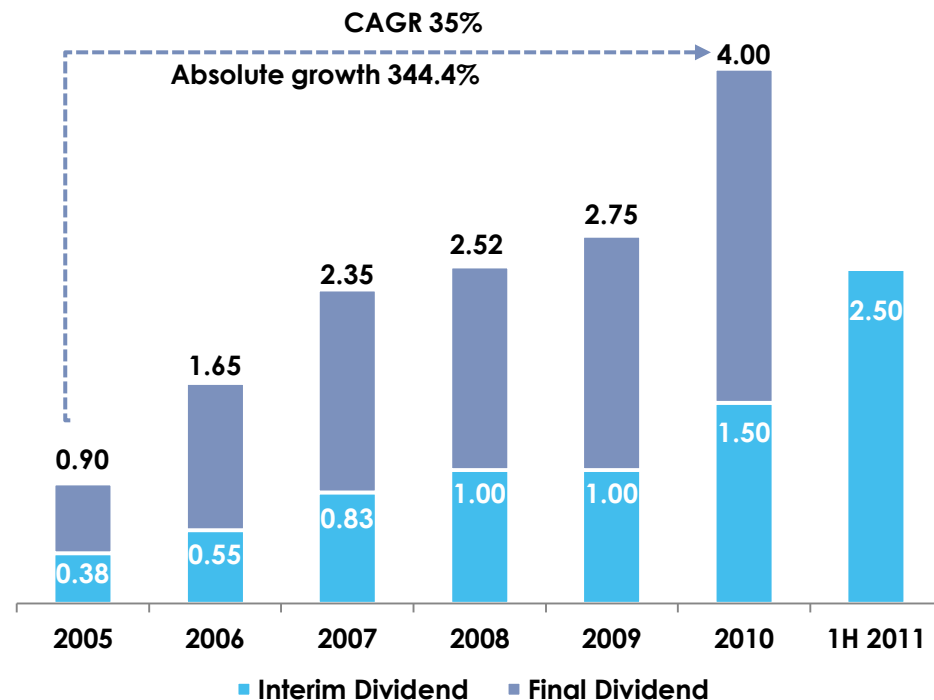
Maximizing Shareholder Returns



Share price and market capitalization since IPO¹



Dividend history, RR/share



Committed to increasing shareholder value

The image features the Novatek logo on the left, which consists of a stylized blue 'N' with three horizontal bars. The background is a faded industrial scene with several large storage tanks and metal scaffolding. The word 'NOVATEK' is written in large, bold, blue capital letters across the center of the image.

NOVATEK

Appendix 1: Financial Overview

Summary Highlights – 9M 2011



- ❑ **Gross production increased by approximately 33.3% Y-o-Y on a boe basis**
 - Gross natural gas production increased Y-o-Y by 45.1%
 - Gross liquids production increased Y-o-Y by 16.1 %
- ❑ **Sales volumes of natural gas and liquids increased Y-o-Y by 45.7% and 19.6%, respectively**
- ❑ **Total revenues increased Y-o-Y by 51.3% due to higher natural gas and liquid hydrocarbons' sales volumes and prices**
- ❑ **Profit from operations increased Y-o-Y by 60.5% due to the growth in revenues and our ability to control operating expenses**
- ❑ **Profit and EPS attributable to shareholders of OAO NOVATEK increased Y-o-Y by 46.6%**

Comparison of Quarterly Results (RR million)



	3Q 10	4Q 10	1Q 11	2Q 11	3Q 11	Q-o-Q +/- %	Y-o-Y +/- %
Oil and gas sales	28,786	34,089	44,793	40,501	39,835	-1.6%	38.4%
Total revenues	29,441	34,135	44,861	40,576	39,980	-1.5%	35.8%
Operating expenses	17,587	19,267	23,421	22,439	22,881	2.0%	30.1%
EBITDA ⁽¹⁾	14,017	16,604	23,104	19,844	18,961	-4.4%	35.3%
EBITDA margin	47.6%	48.6%	51.5%	48.9%	47.4%		
Effective income tax rate	19.4%	22.5%	20.3%	20.1%	20.1%		
Profit attributable to NOVATEK	10,105	12,107	18,853	14,421	8,406	-41.7%	-16.8%
Net profit margin	34.3%	35.5%	42.0%	35.5%	21.0%		
Earnings per share	3.33	4.00	6.22	4.75	2.77	-41.7%	-16.8%
Earnings per share adj. ⁽²⁾	3.14	3.84	5.40	4.50	4.85	7.8%	54.5%
CAPEX	7,174	6,628	6,342	7,611	7,527	-1.1%	4.9%
Net debt ⁽³⁾	21,547	61,988	69,388	75,109	78,903	5.1%	266.2%

Notes:

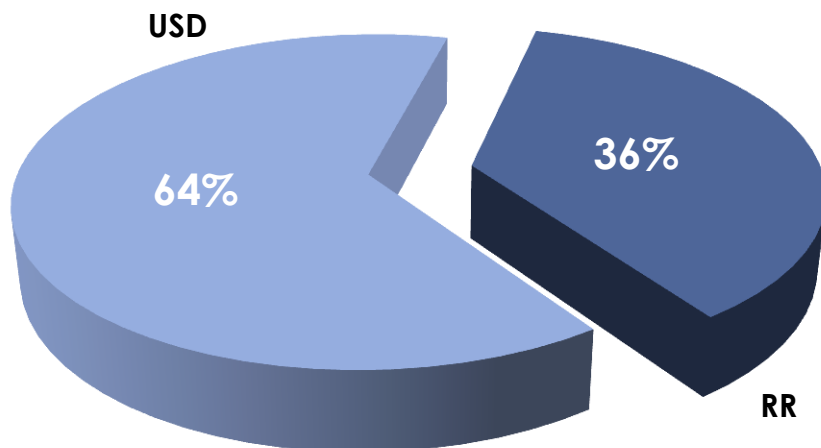
1. EBITDA represents profit (loss) attributable to shareholders of OAO NOVATEK adjusted for the addback of net impairment expense, income tax expense and finance income (expense) from the statement of income, and depreciation, depletion and amortization and share-based compensation from the statement of cash flows
2. Adjusted earnings per share represents earnings per share excluding effects of foreign exchange gain (losses)
3. Net debt is calculated as long-term debt plus short-term debt less cash and cash equivalents

Debt Composition and Financial Policies

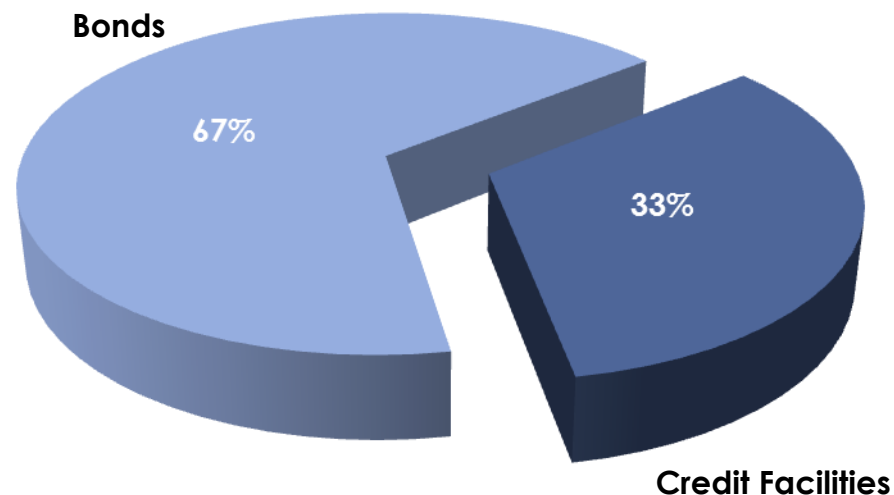


Debt Composition as at 30 September 2011 – Total Debt = RR 95.8 billion

Currency



Type



Established track record of adhering to creditor friendly financial policies

Metric	Policy Target	2008	2009	2010	9M 2011	2011E
Debt/EBITDA ¹ , (x)	~1.0x	0.7	1.0	1.3	1.2	1.0
Cash Balance, million \$	\$100 - \$150	442	332	337	530	792
Lines of credit, million \$	\$300 - \$500	250	823	695	545	495
Dividend: % of Net Income	30%	52.93	42.85	38.9	na	>30%

Notes:

1. Debt/EBITDA for 9M 2011 is calculated using the TTM EBITDA

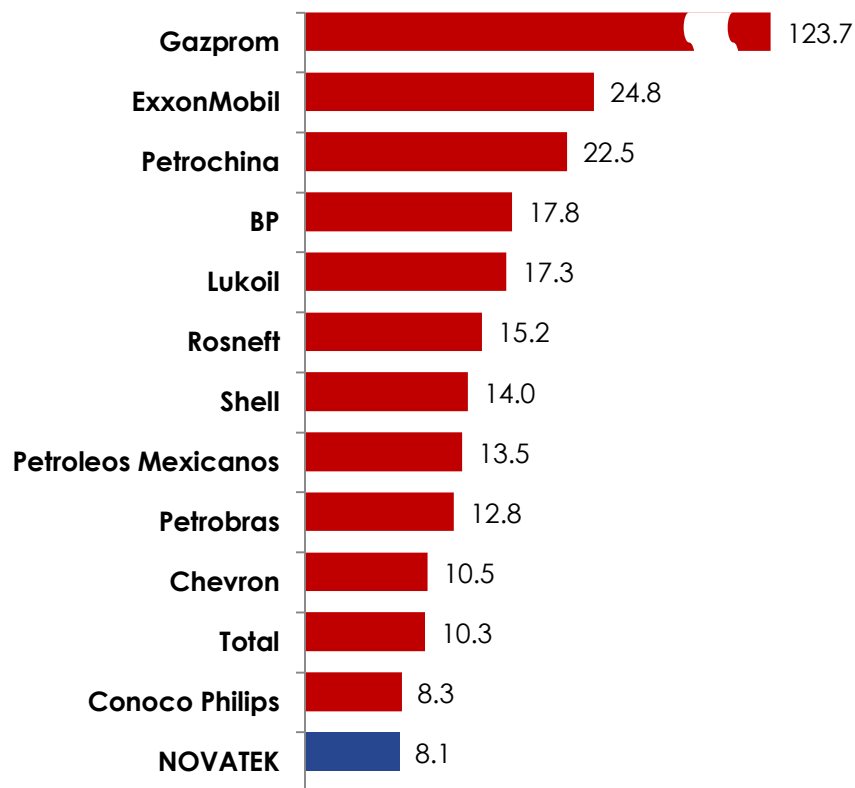
The image features a large, stylized blue 'N' logo on the left side. The background is a faded industrial scene with several tall, cylindrical structures, likely oil rigs or refineries, under a light blue sky. The word 'NOVATEK' is written in large, bold, blue capital letters across the middle of the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

NOVATEK

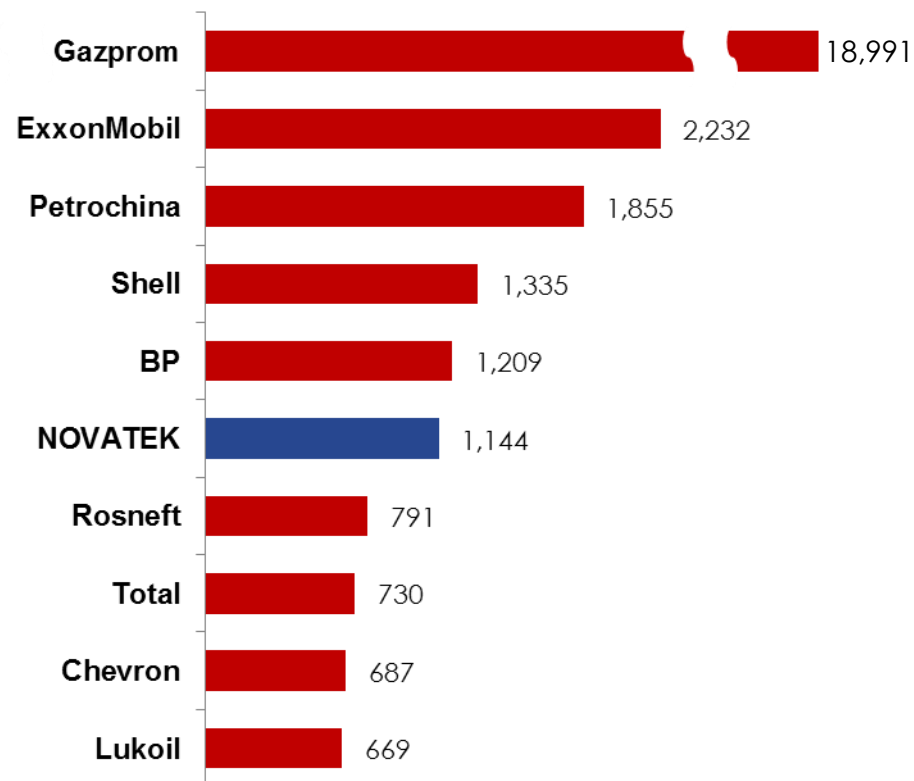
Appendix 2: Peer Comparisons

Global Reserves

Total proved reserves 2010 (bln boe)



Proved natural gas reserves 2010 (bcm)

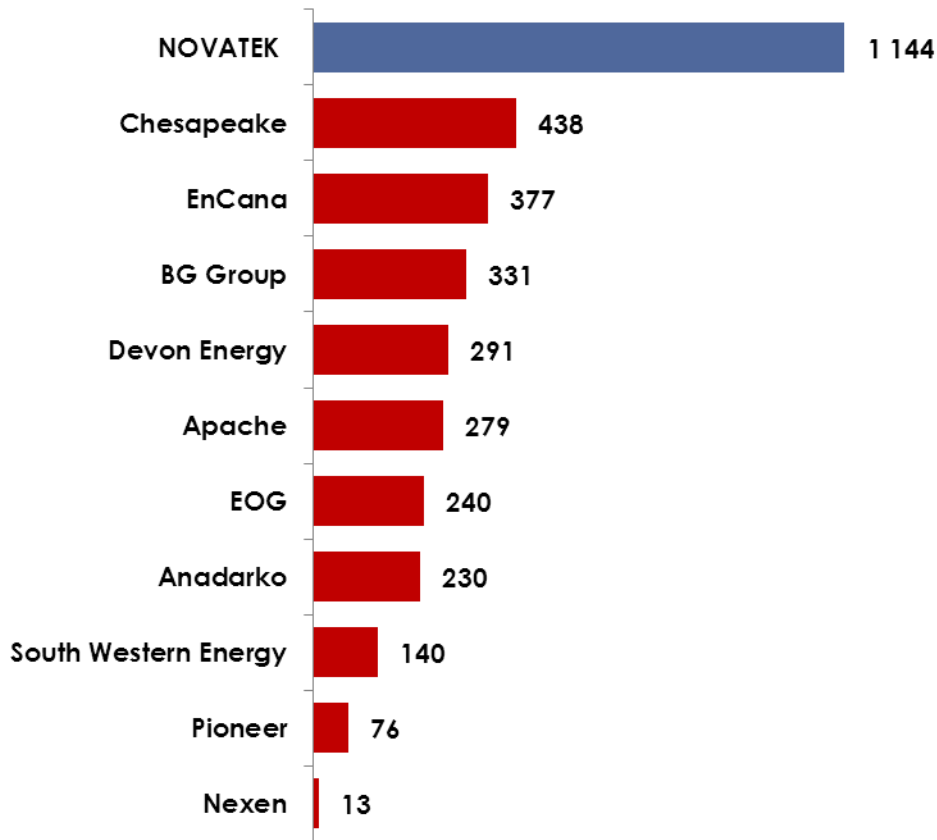


NOVATEK is ranked 13th among publicly traded companies in terms of total reserves and 6th in terms of natural gas reserves

Industry Comparisons

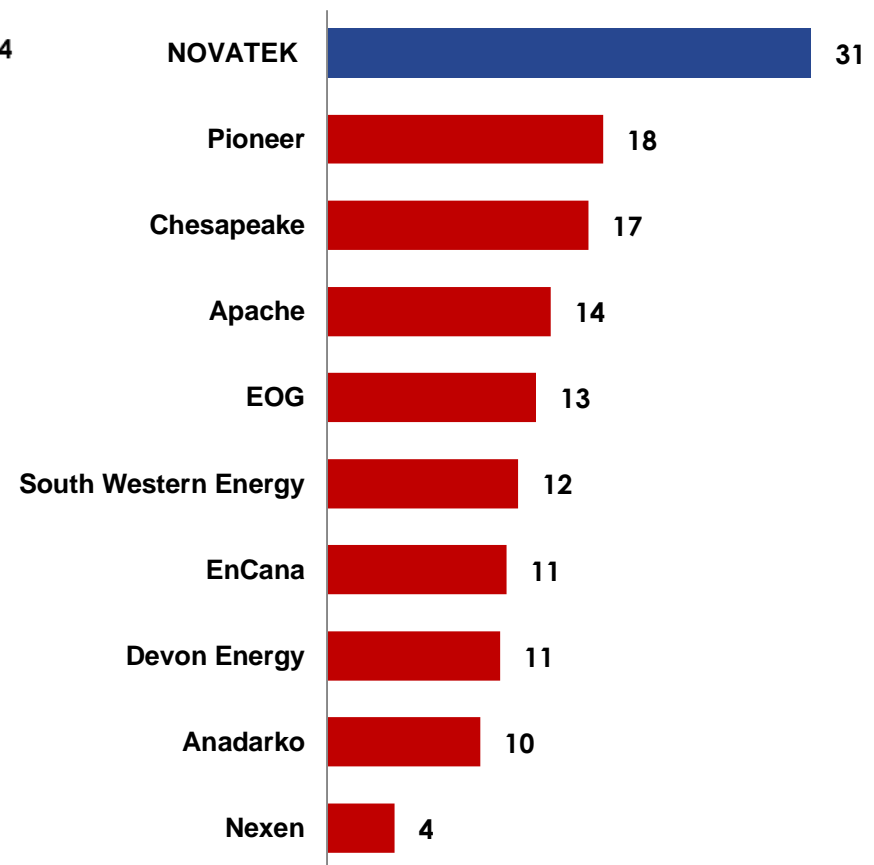


2010 Proved SEC gas reserves, bcm¹



Source: Company data, SEC filings

2010 Natural Gas R/P Ratio², Years



Source: Company data, SEC filings

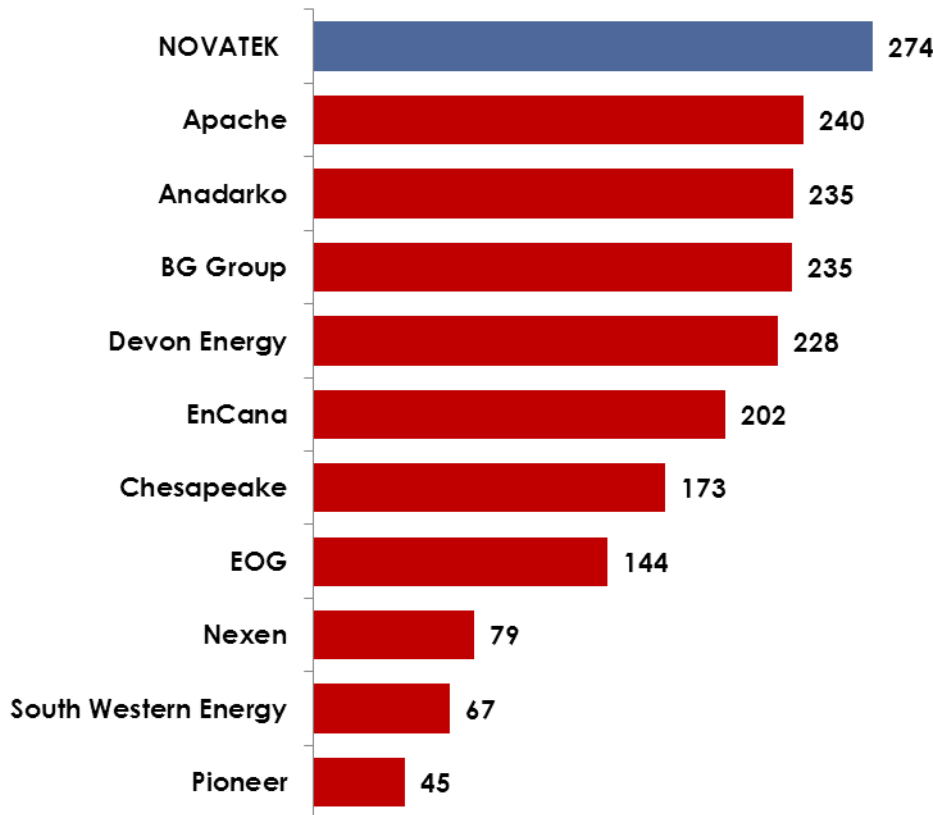
Notes:

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

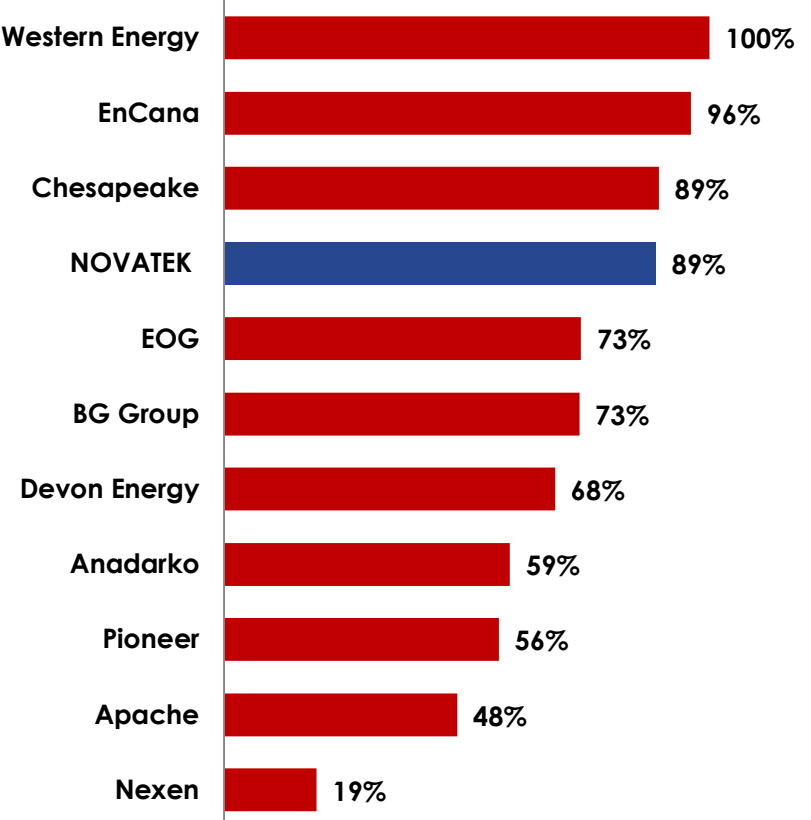


Total 2010 Production (mm boe)



Source: Company data, and SEC filings

2010 Gas Production, % of Total Production

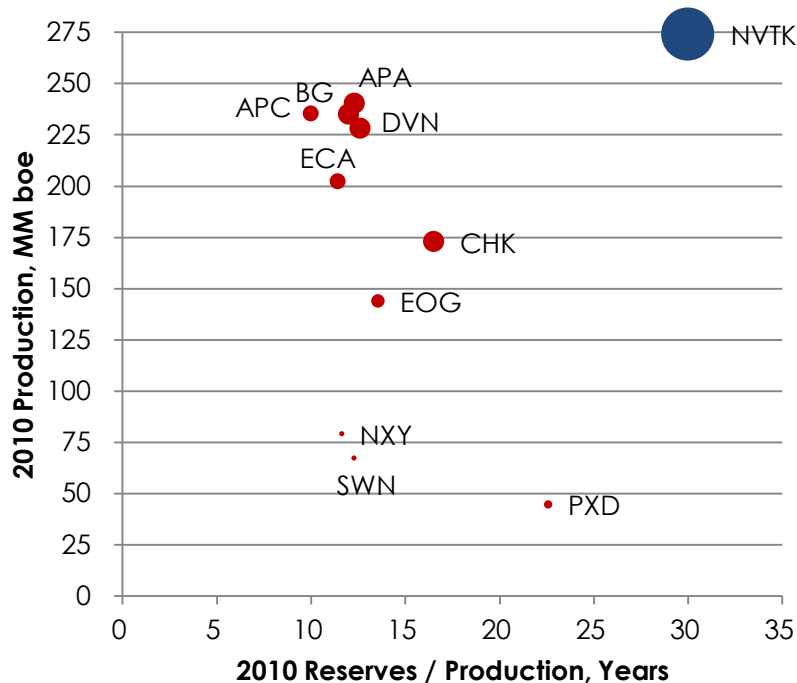


Source: Company data, and SEC filings

Still the Most Efficient Producer

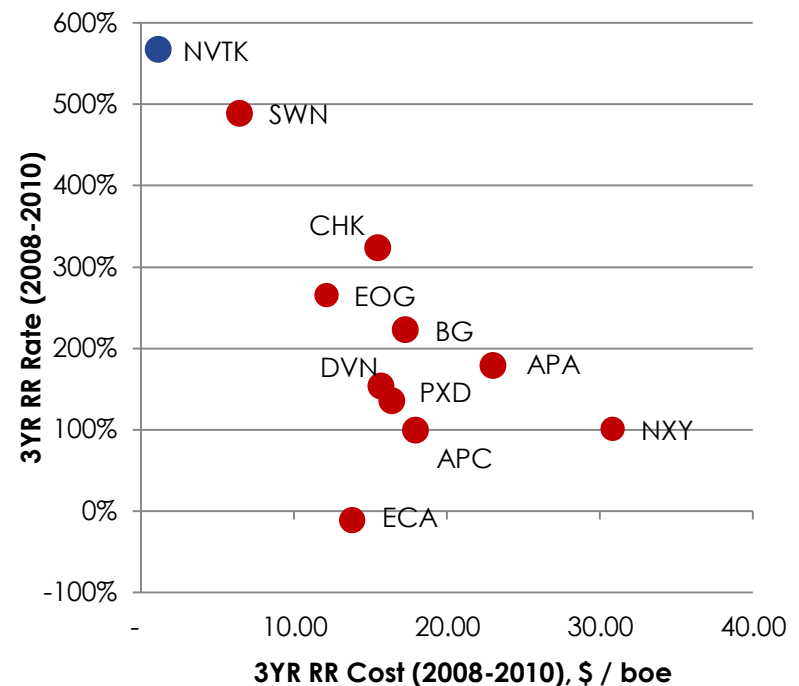


Long life¹



Source: SEC filings and Company Data

Low cost



Source: SEC filings and Company Data

NOVATEK is one of the most efficient operators among the peer group replacing reserves at the lowest cost

The image features the Novatek logo on the left, which consists of a stylized blue 'N' with three horizontal bars. The background is a faded industrial scene with several large storage tanks and metal scaffolding under a blue sky. The word 'NOVATEK' is written in large, bold, blue capital letters across the middle of the image.

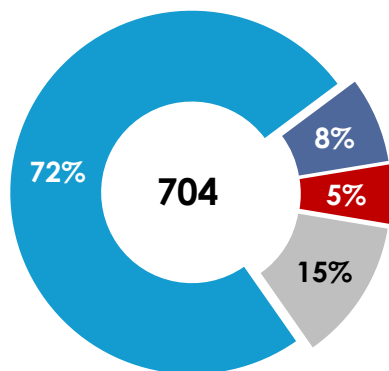
NOVATEK

Appendix 3: Macroeconomic Environment

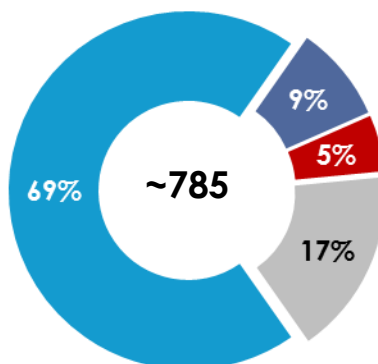
Russian Natural Gas – Supply & Demand

Russian Natural Gas Supply, bcm

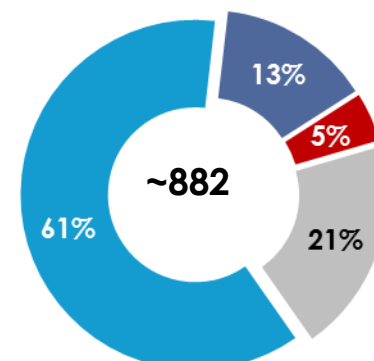
■ Gazprom ■ NOVATEK ■ Central Asian Gas ■ Other Independent Producers



2011

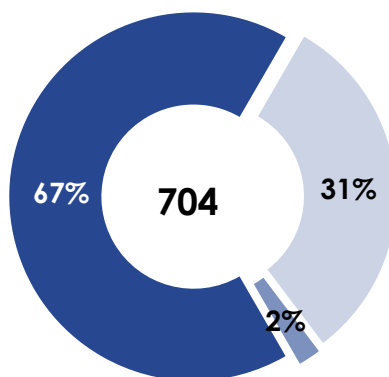


2015F

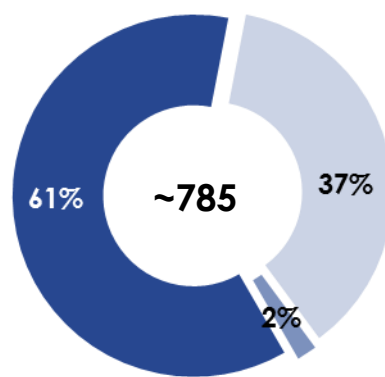


2020F

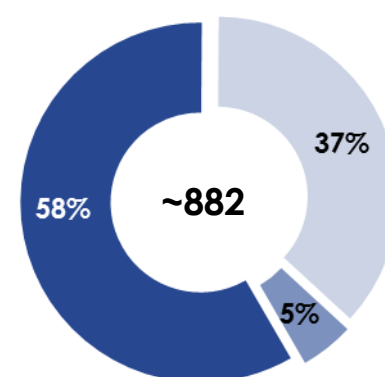
Russian Natural Gas Demand, bcm



704



~785



~882

■ Domestic

■ Export

■ LNG

Realizing Production Potential

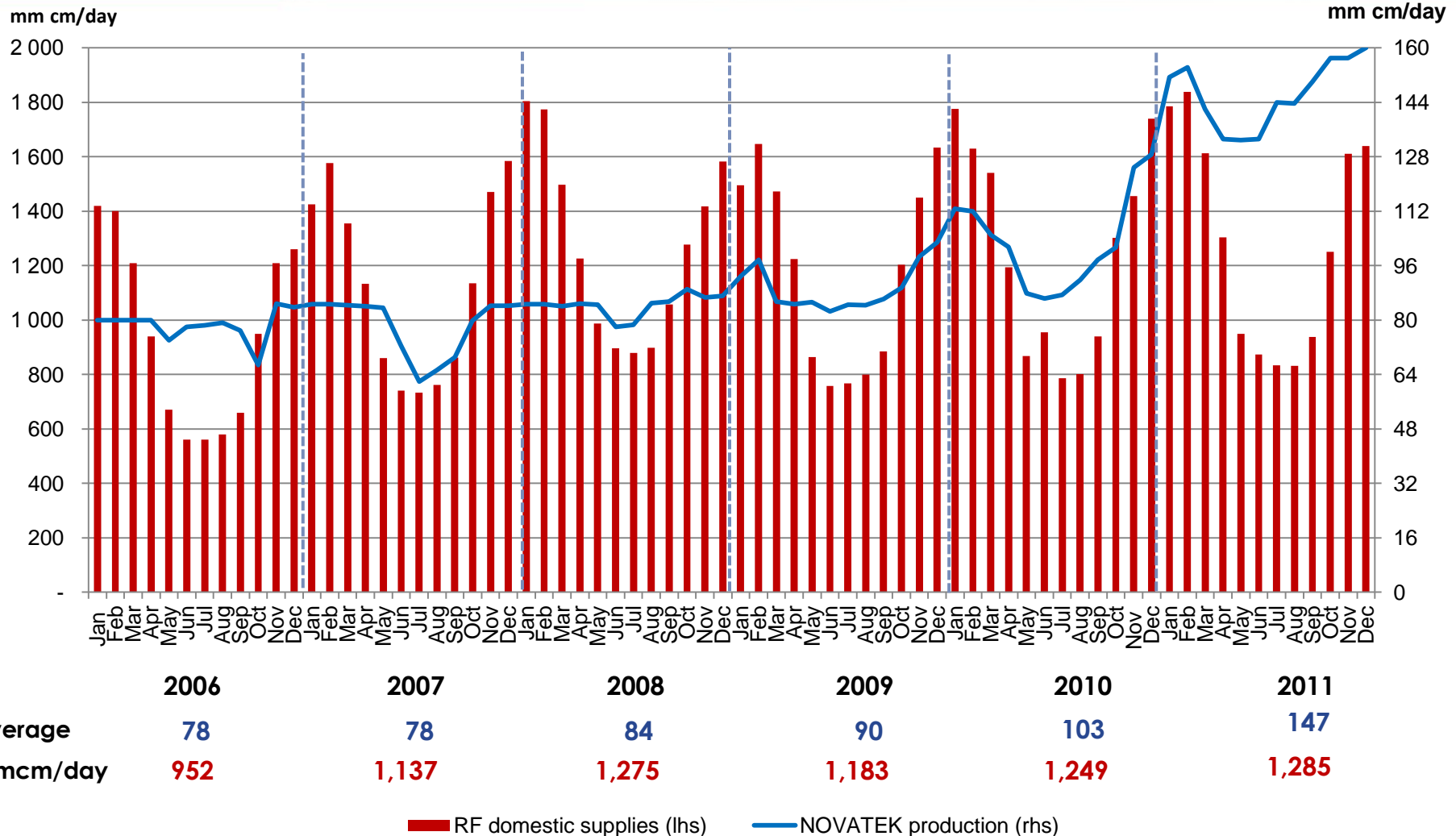


Analysis of Current Independent Natural Gas Production Potential

Company	Access to Gas Infrastructure	Gas Condensate Transportation Capacity	Gas Condensate Processing Capacity	Associated Gas Processing Capacity	Access to End-Customers	Focus
Gazprom	+	+	+	+	+	Natural Gas
NOVATEK	+	+	+	-	+	Natural Gas
Rosneft	-	-	-	-	-	Associated Gas
Lukoil	+	-	-	+	-	Associated Gas
TNK-BP	+	-	-	+	-	Associated Gas
Surgutneftegas	-	+	+	+	+	Associated Gas
Urengoiskaya Gas Co.	+	+	-	-	-	Natural Gas

NOVATEK's competitive advantage and positioning supports the Value Formula

Natural gas supplied to RF domestic market

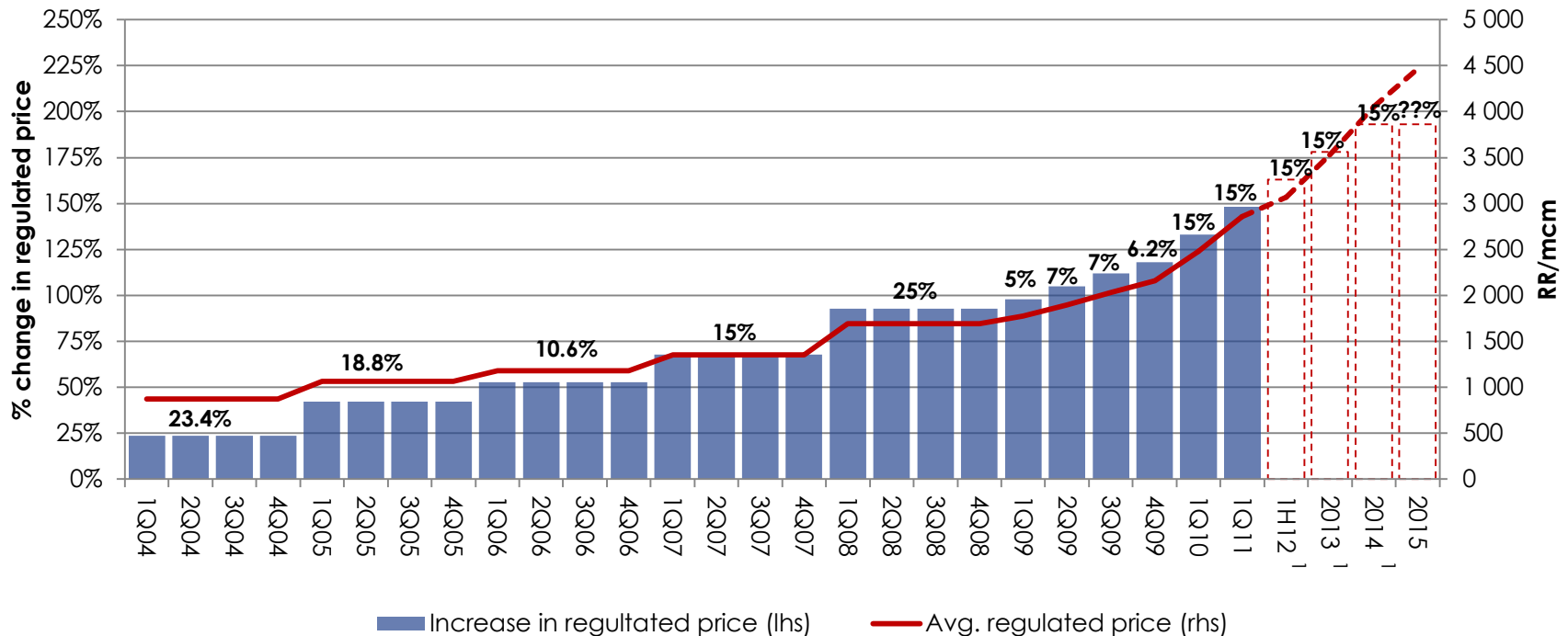


Source: Troika Dialog Research Data (2006 RF domestic supplies), CDU TEK (2007 – 2011 RF Domestic supplies), Company Data

Predictable Gas Pricing Model



Historical and forecasted regulated price increases for Russian domestic gas



Note 1: According to the latest information from the Russian Government liberalization is targeted for 2015 to 2018 with a 15% increase on 1 July 2012 and a 15% increase in 2013 and 2014.

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.

NOVATEK

Questions and Answers

Contact details:

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