NOVATEK

Growth Strategy

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EU-Russia Energy Dialog

Moscow, Russia

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NOVATEK's Fields and License Areas

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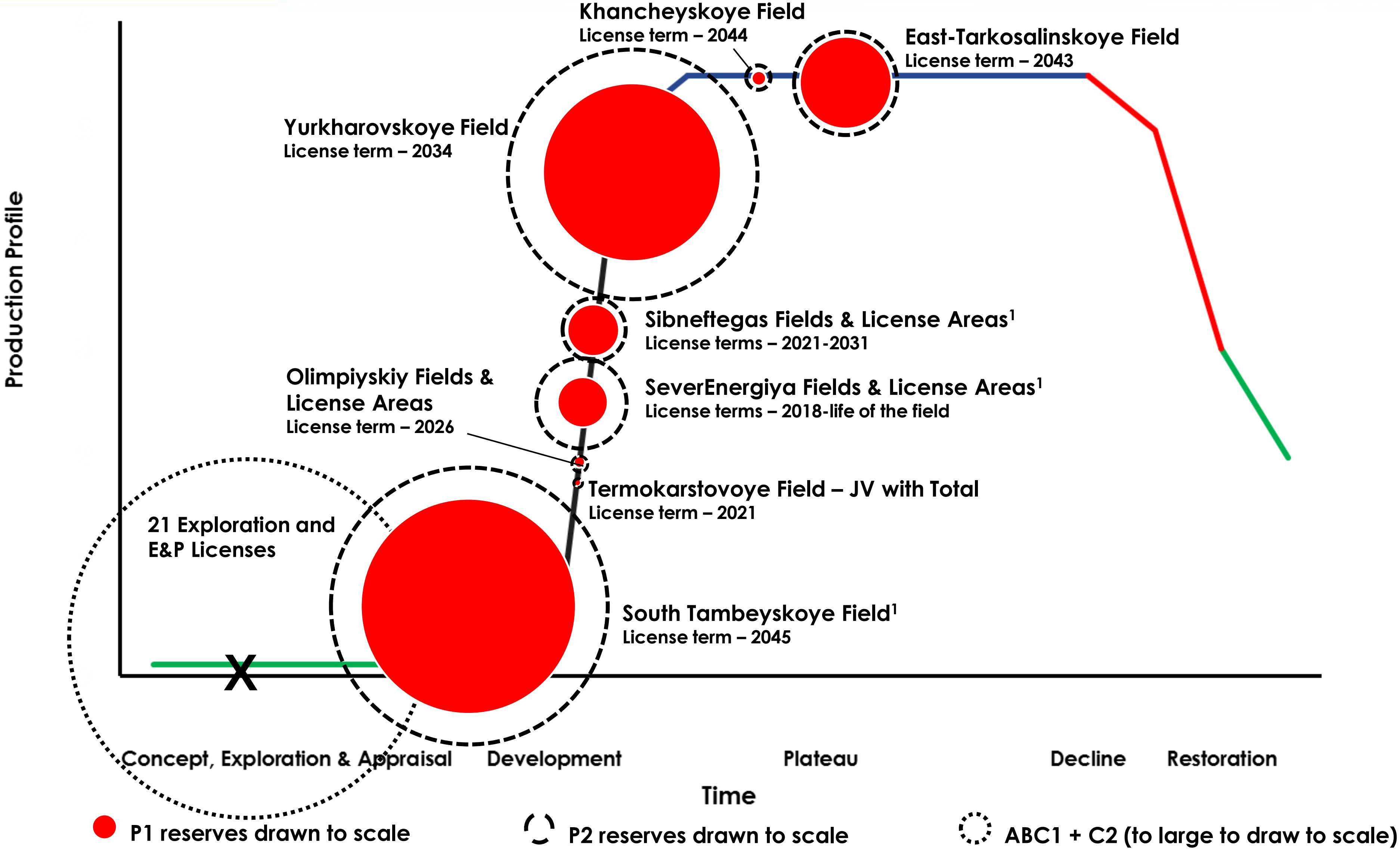
Yamal-Nenets Autonomous Region (YNAO)[1] – one of the world's largest natural gas producing regions

1. Yurkharovskoye field
2. East-Tarkosalinskoye field
3. Khancheyskoye field
4. Olimpiyskiy license area
5. South-Tambeyskoye field
6. Termokarstovoye field
7. West-Yurkharovskoye field
8. North Khancheyskoye field
9. Yarudeyskoye field
10. Raduzhnoye field
11. New Yurkharovskiy license area
12. Yumantilskiy license area
13. Zapadno-Urengoiskiy 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. Anomalniy license area
21. Severo-Yamsoveyskiy license area
22. Ukrainsko-Yubileynoye field
23. Pilyalkinskiy license area
24. Malo-Yamalskoye field
25. Zapadno-Chaselskoye field
26. Beregovoy lisence 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

Note 1: According to information published by the YNAO administration

NOVATEK Development Profile

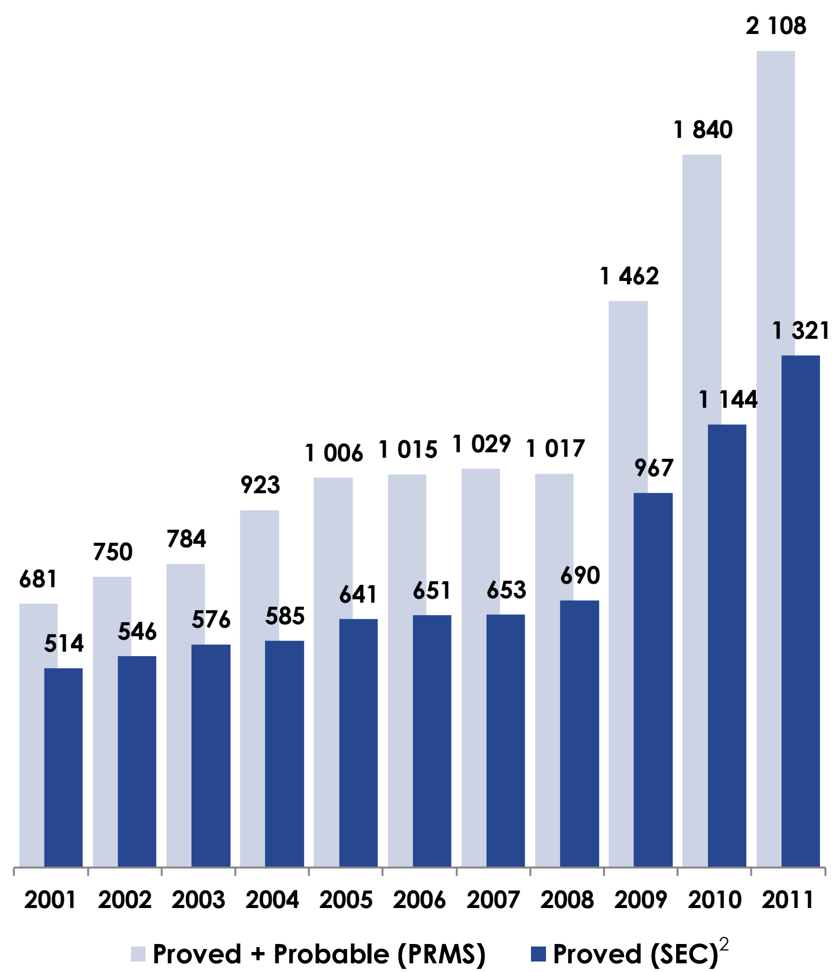


Note 1: 80% of South-Tambeyskoye's, 51% of Sibneftegas' and 25.5% of SeverEnergia's reserves as of 31 December 2011

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 reserve[1] 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

Increasing Gas Condensate Production

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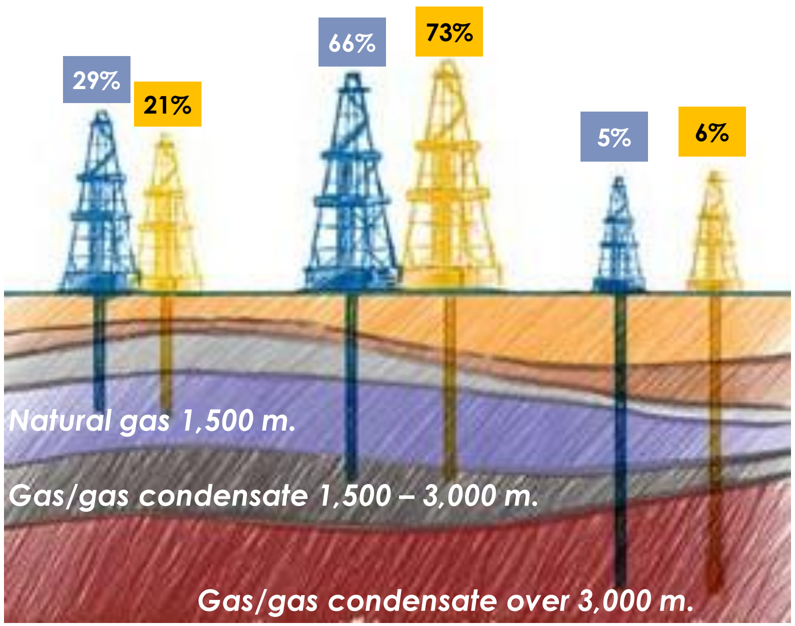
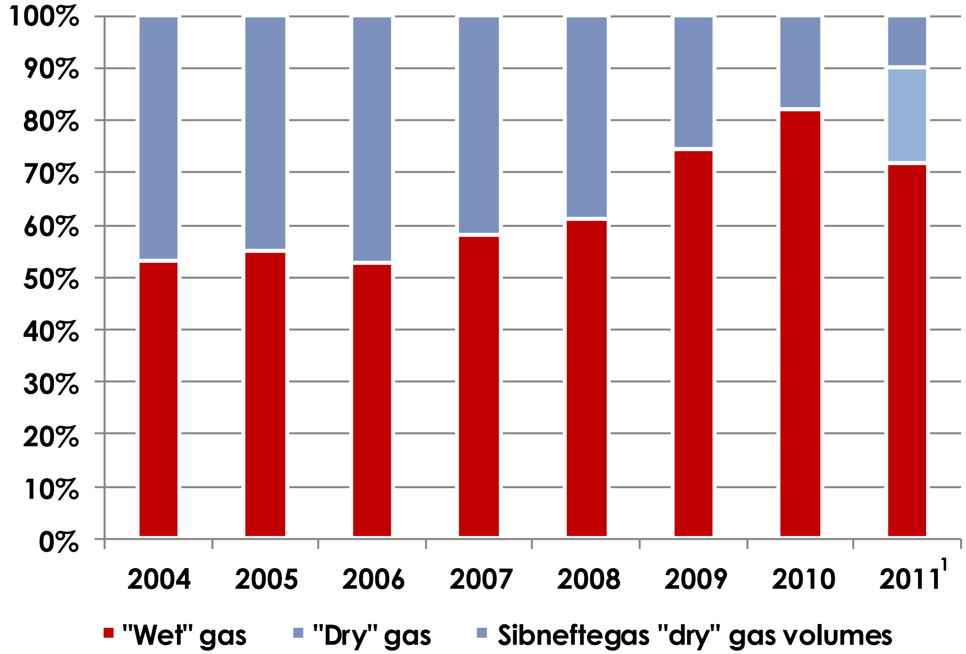
Structure of 2011 natural gas reserves



"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)

Note 1: Decrease in % of 2011 wet gas production due to additional dry gas volumes from Sibneftegas & an increase in utilization of dry gas production capacity at the East-Tarkosalinskoye field to meet domestic demand

Ramping Up Hydrocarbon Production

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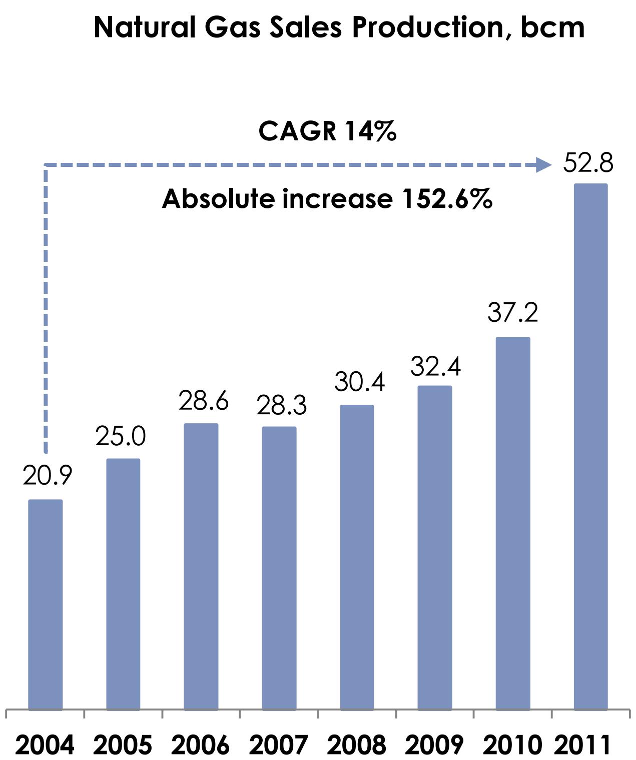
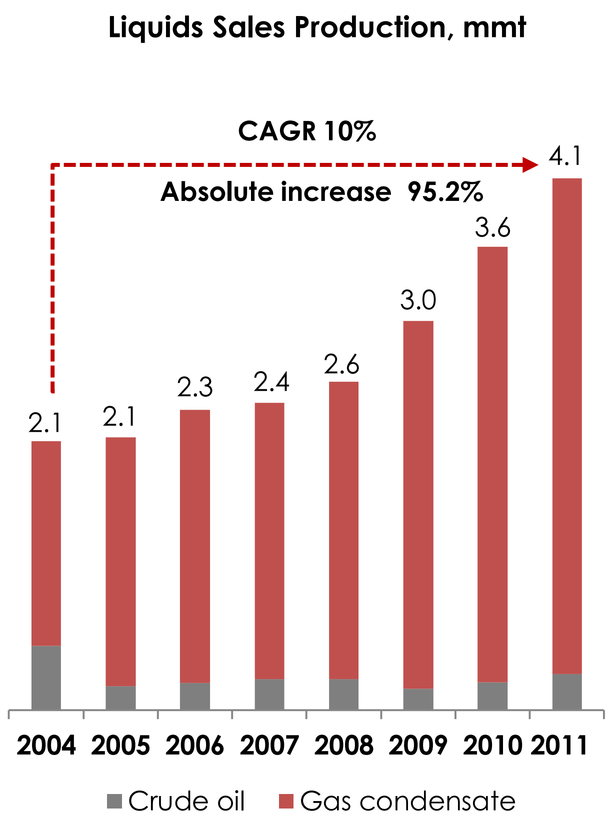
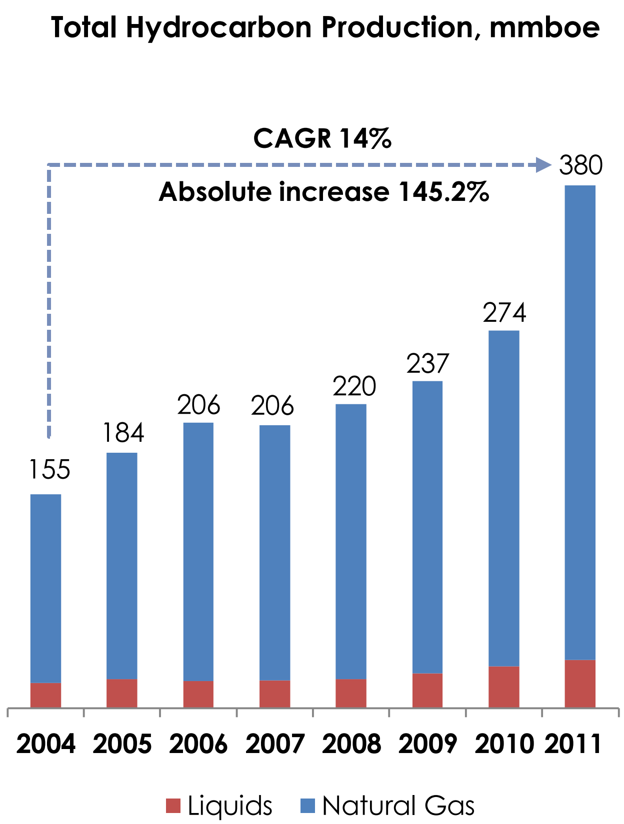
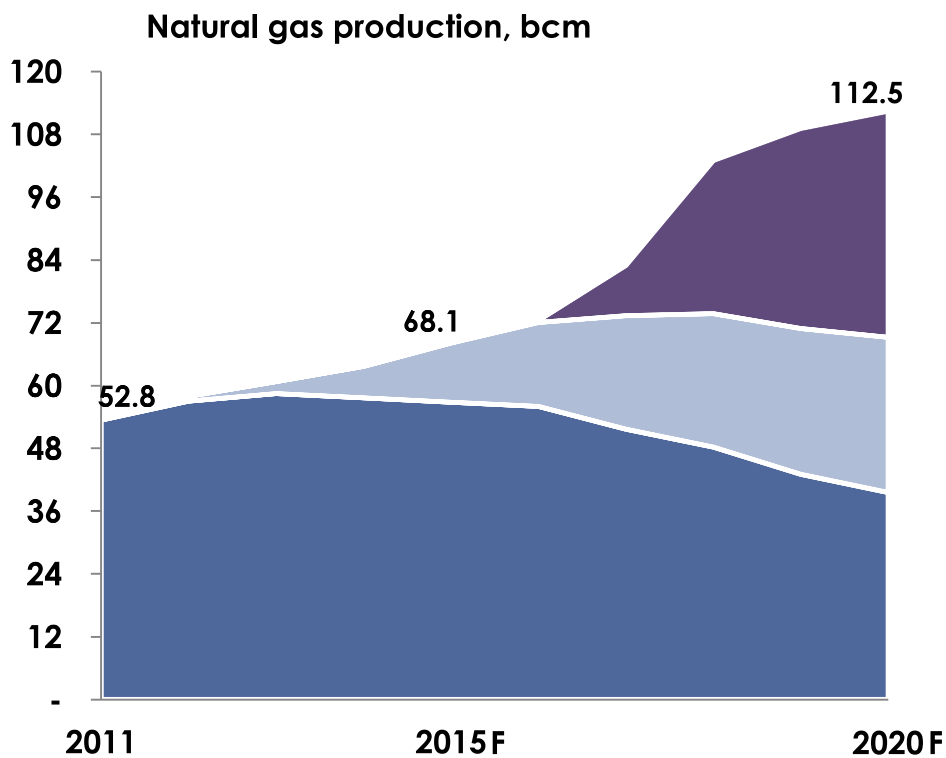


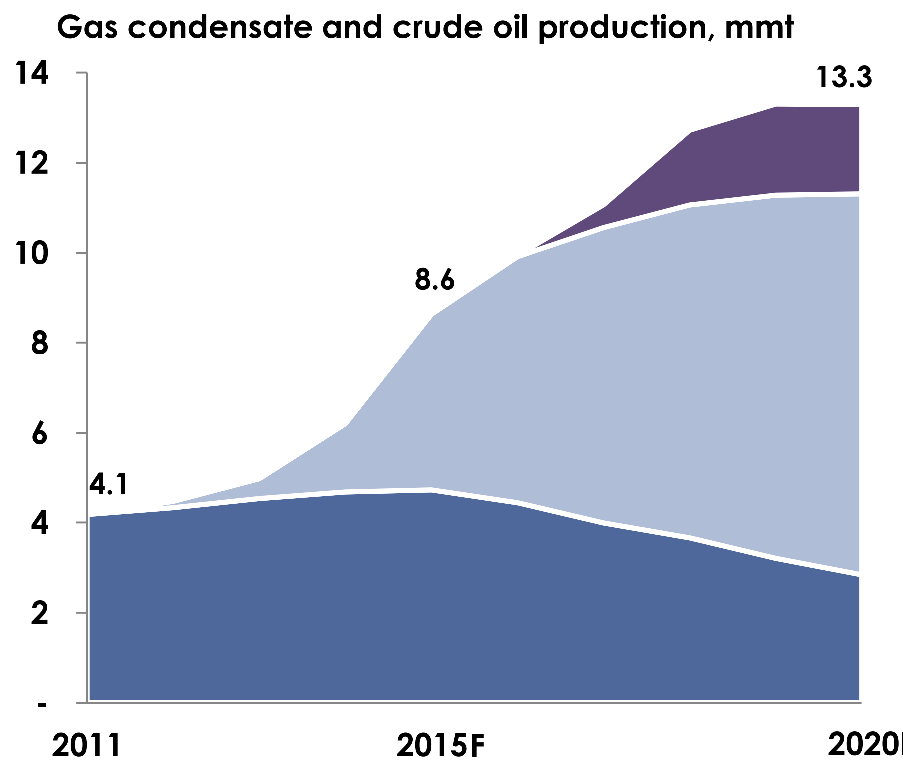




Growing production to meet market demand

Production – All Fields[1]





Producing Fields New Fields Yamal & Gydan Peninsula Fields

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

Note 1: NOVATEK's net interest in all fields

Yurkharovskoye Field – Development Stages

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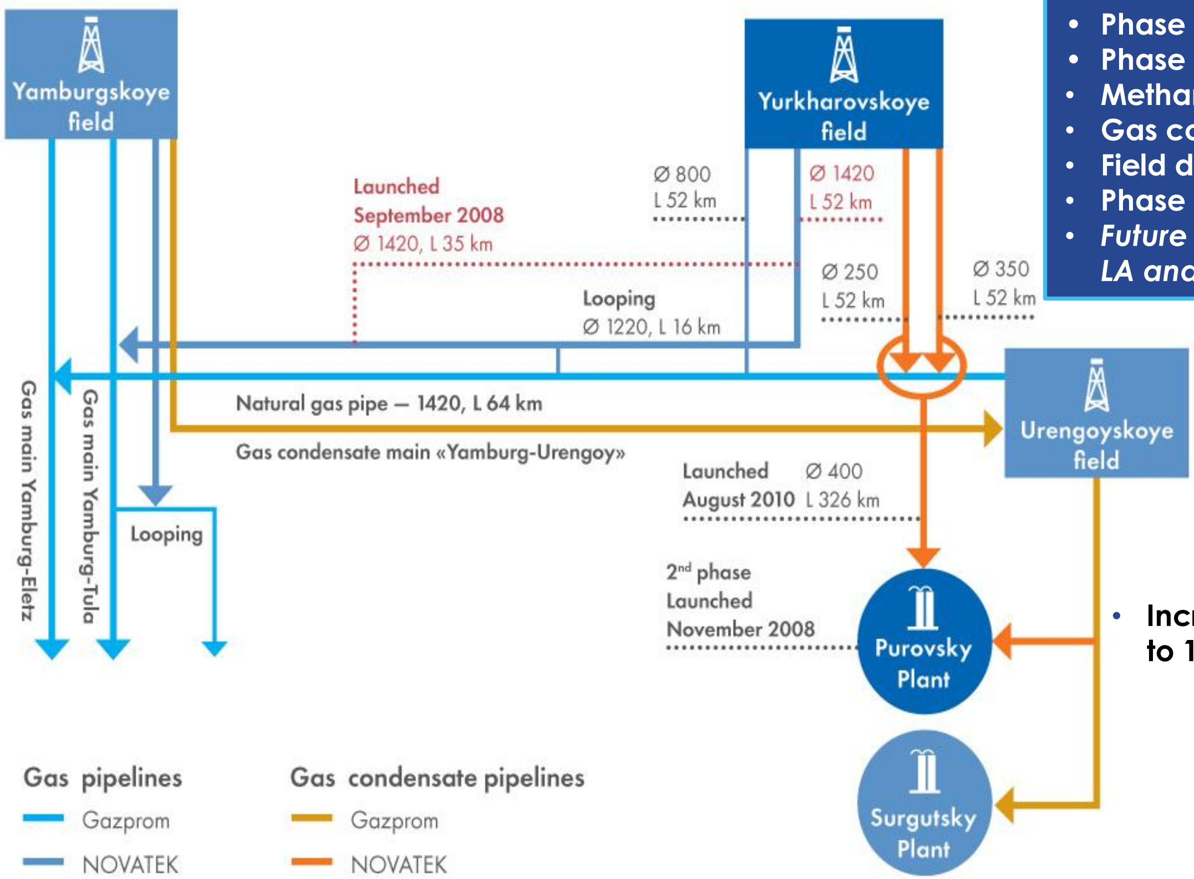
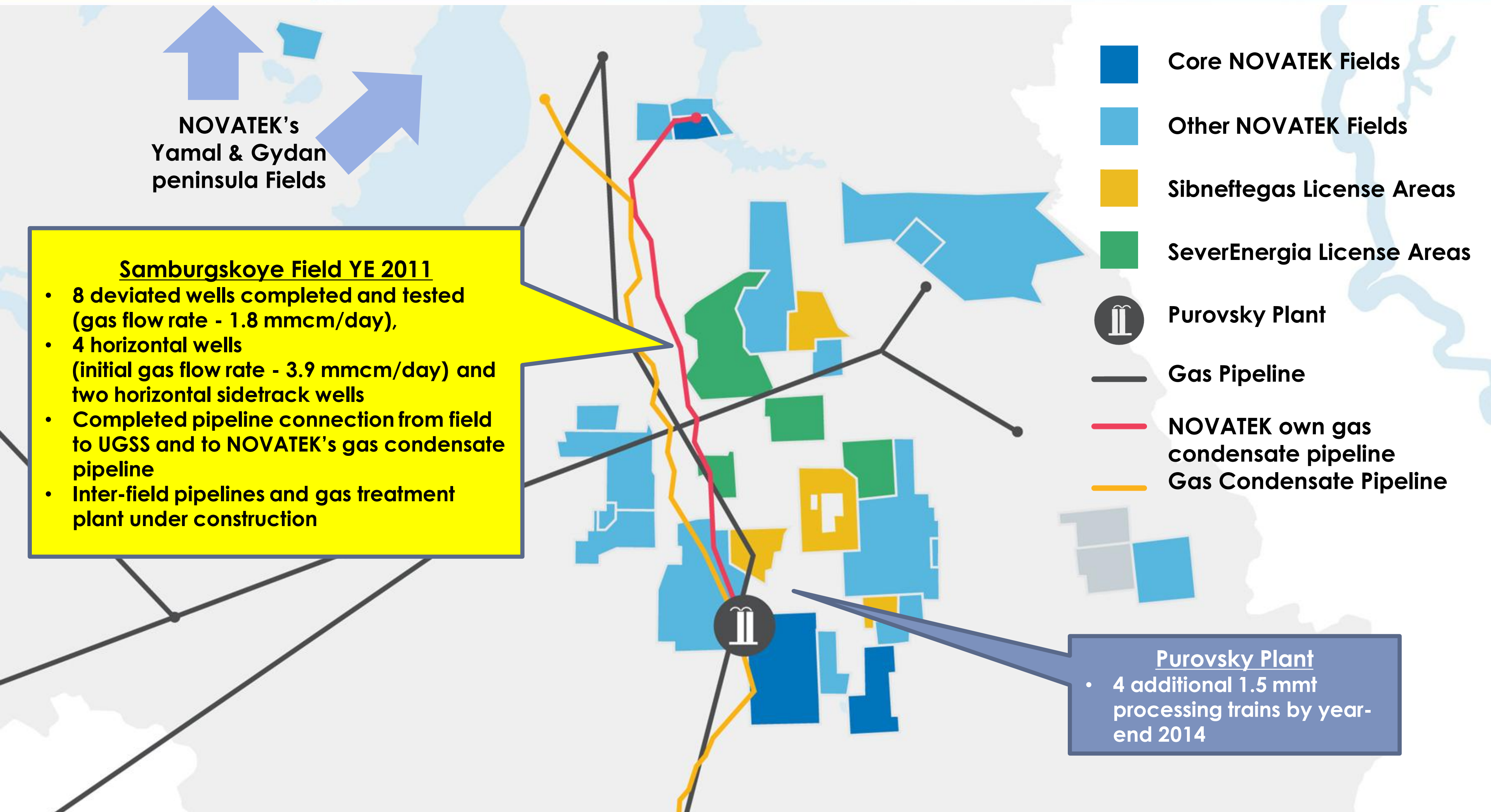
Field development stages:
- **Phase 1: up to 9 bcm/yr – 1Q 2003**
- **Phase 2/stage 1: up to 7 bcm/yr – 3Q 2008**
- **Phase 2/stage 2: up to 7 bcm/yr – 4Q 2009**
- **Methanol plant: 40 thousand ton/annum – 2Q 2010**
- **Gas condensate pipeline to Purovsky Plant – 3Q 2010**
- **Field de-ethanization unit – 3Q 2010**
- **Phase 2/stage 3: up to 7 bcm/yr – 4Q 2010**
- ***Future exploration work planned at New Yurkharovskiy LA and Jurassic layers at the Yurkharovskoye field***



- **Increase processing capacity at the Purovsky Plant to 11 mmt per annum by 2014**

Five-year average F & D cost at the Yurkharovskye field – $US 1.09/boe

Location of Acquired Fields



Samburgskoye Field YE 2011

- 8 deviated wells completed and tested (gas flow rate - 1.8 mmcm/day),
- 4 horizontal wells (initial gas flow rate - 3.9 mmcm/day) and two horizontal sidetrack wells
- Completed pipeline connection from field to UGSS and to NOVATEK's gas condensate pipeline
- Inter-field pipelines and gas treatment plant under construction

Purovsky Plant

- 4 additional 1.5 mmt processing trains by year-end 2014

SeverEnergia's Samburgskoye field is expected to launch gas/gas condensate production in 1Q12

SeverEnergia Fields[1]

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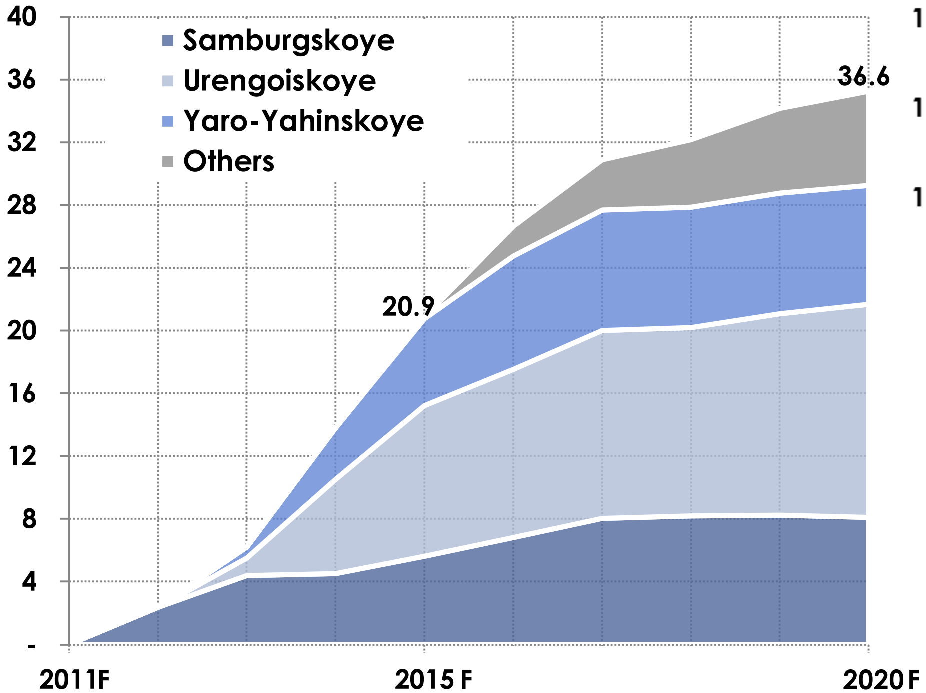
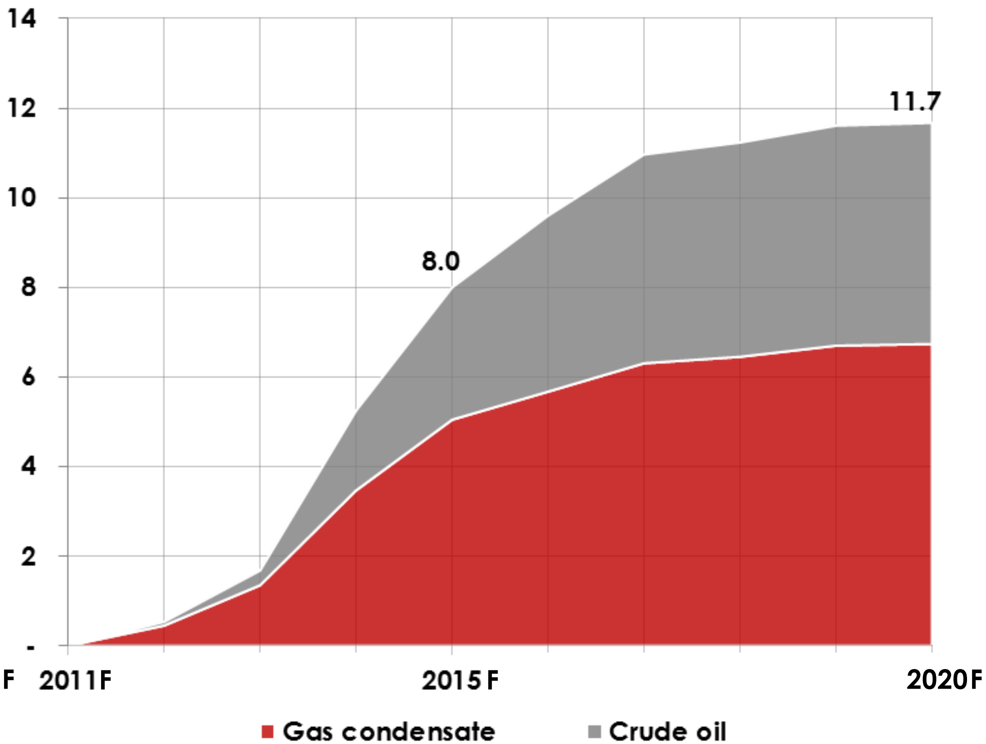
Natural gas production, bcm



Liquids production, mmt

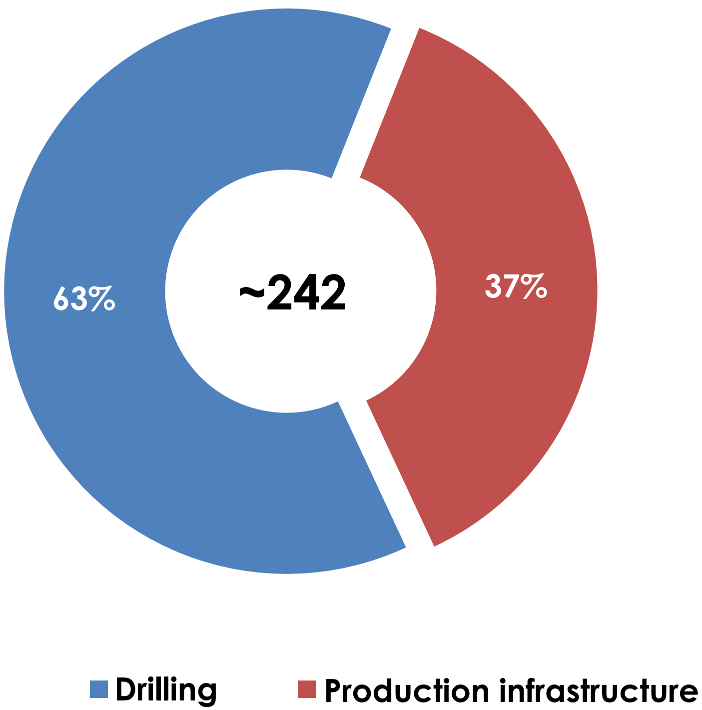


Significant mid-term production contribution

Note 1: 100% of SeverEnergia production volumes

SeverEnergia Fields[1]

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-Purvosky 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

Note 1: 100% of planned capital expenditures (net of VAT)

Yamal & Gydan Peninsula Resources

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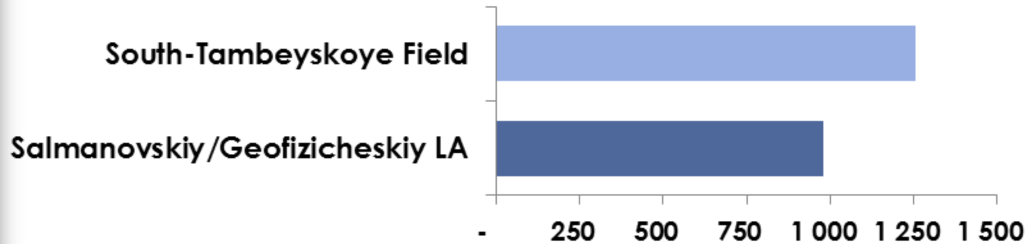
Russian Reserve Classification ABC1+C2 – Natural gas, bcm



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
Geofizicheskiy	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 Fields[1]

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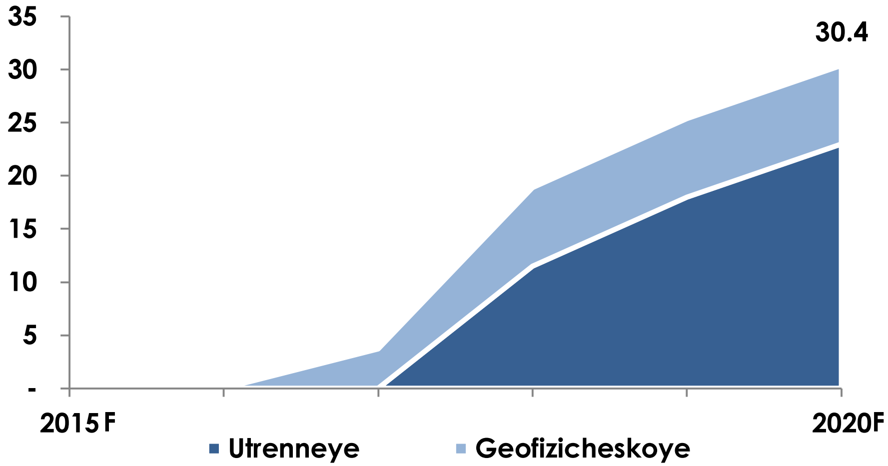
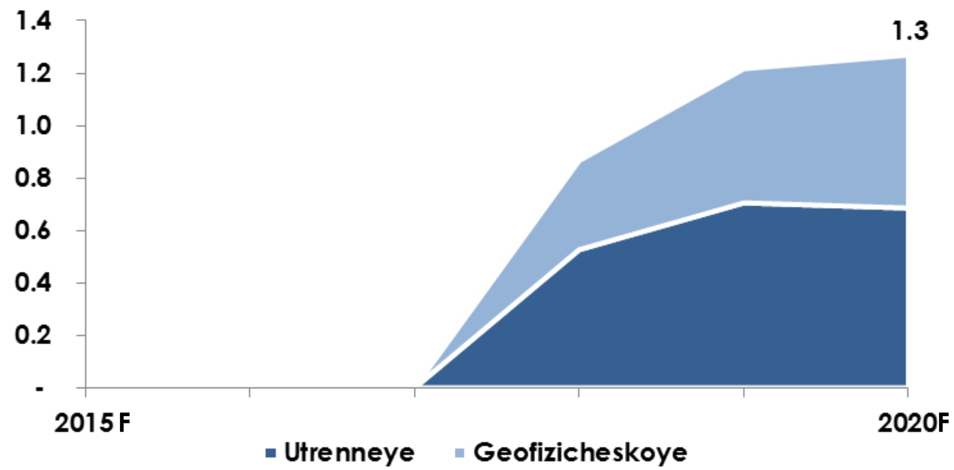
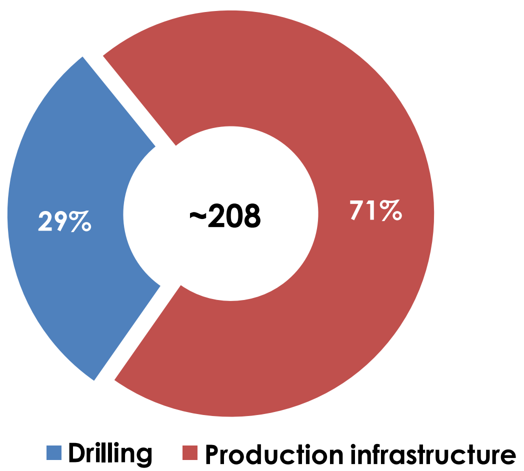
Gas production, bcm



Gas condensate production, mmt



Capital expenditures[2], RR billion



Preliminary Development Plans[3]

- 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

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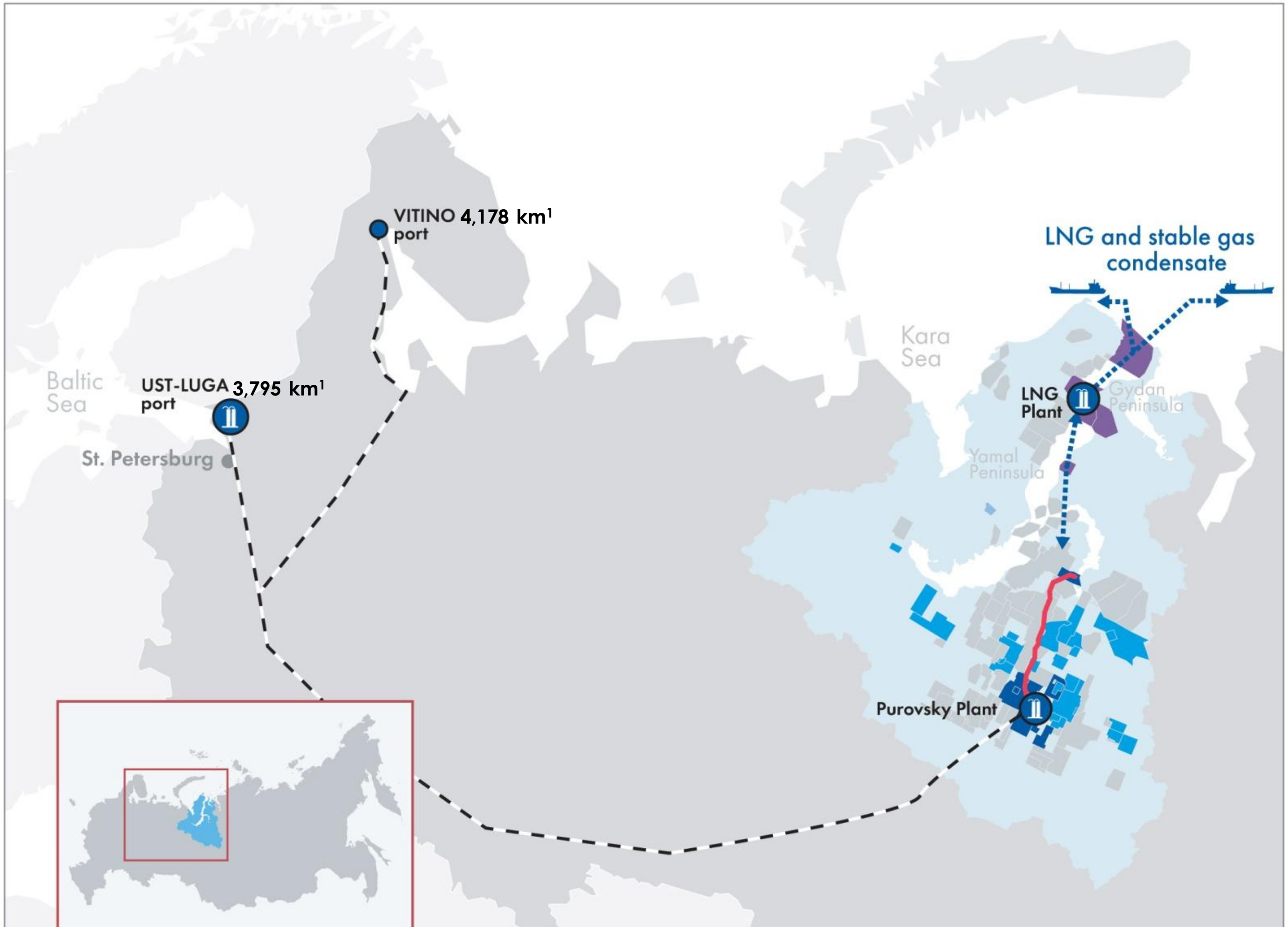

- NOVATEK producing fields
- NOVATEK new fields
- Yamal & Gydan Peninsula fields and license areas (LA)
- Other fields and LA's
- Yurkharov – Purovsky Plant gas condensate pipeline
- Potential markets for Gydan peninsula hydrocarbon production
- Railway

Note 1: Distance in kilometers (km) from the Purovsky Plant

Ust-Luga Transshipment and Fractionation Unit

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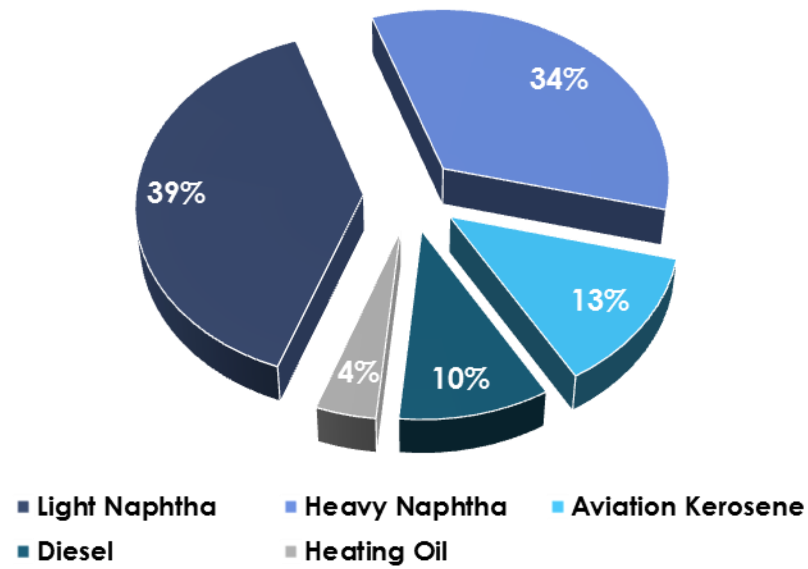
Ust-Luga Projected Output



- 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 expenditures[1] 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

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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 billion[1]

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

Note 1: Based on the results of the pre FEED study (net of VAT)

Domestic Natural Gas Sales and Production

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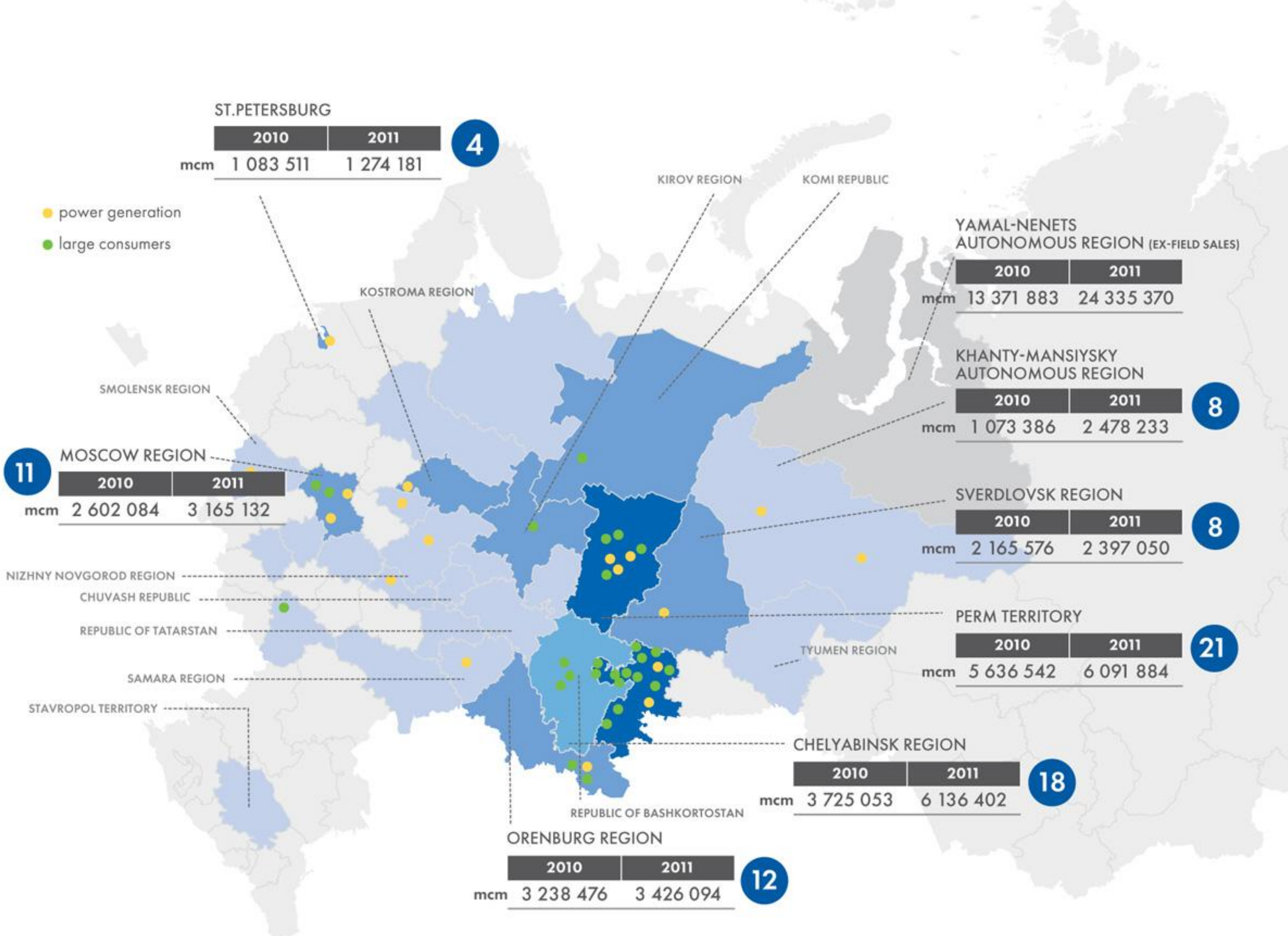
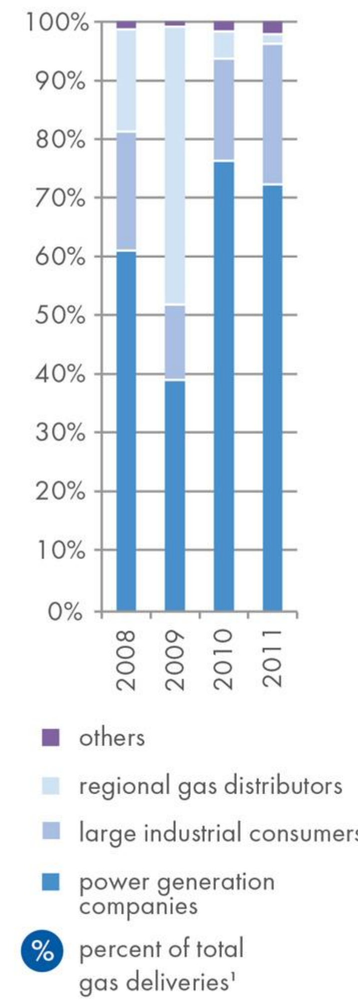
NOVATEK's natural gas sales to primary Russian regions[1] 2011E



Sales Breakdown



Note 1: Percent of NOVATEK's total deliveries to end-customers

NOVATEK Strategy Implementation

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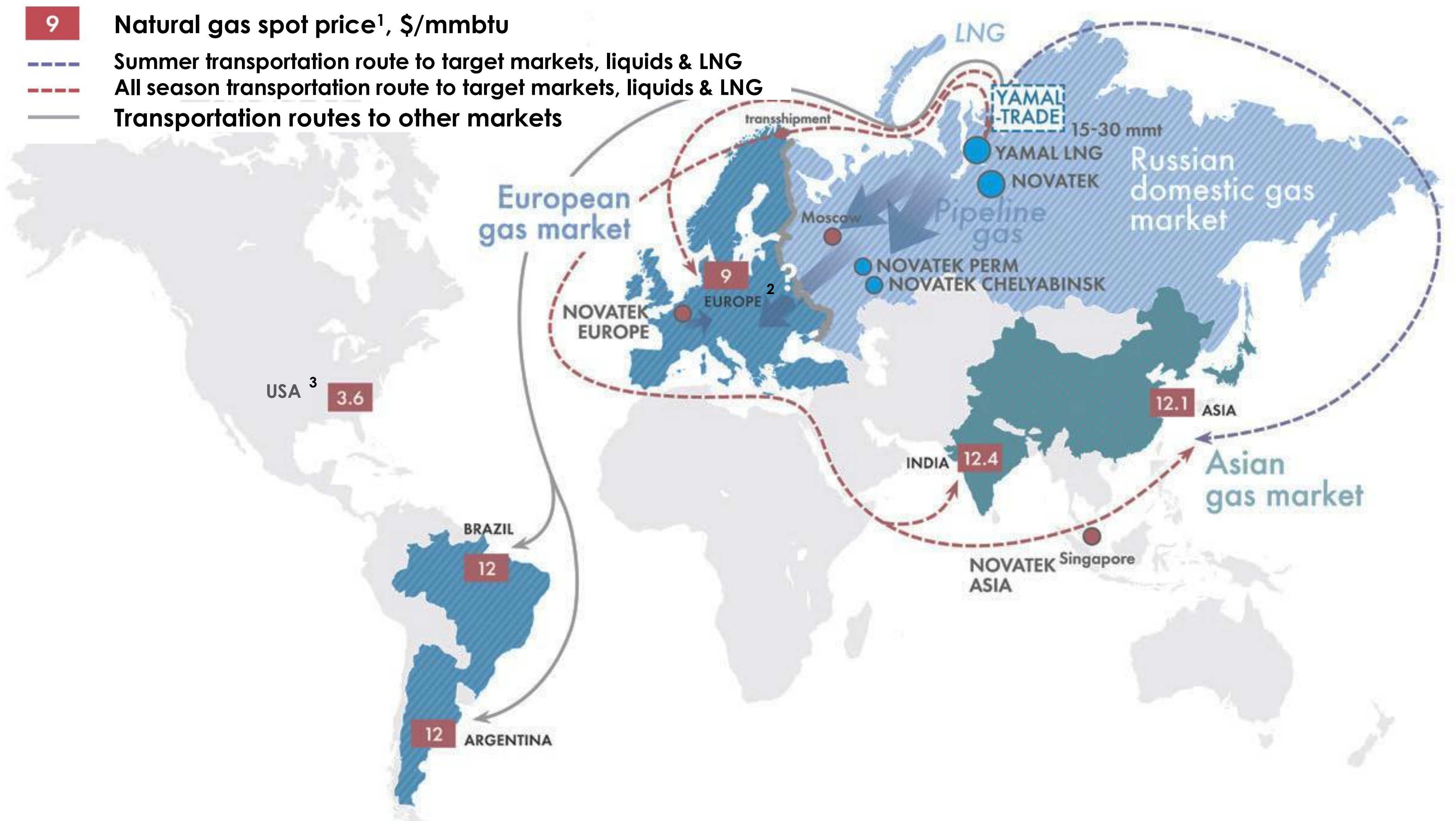

Notes:
1. Based on average actual prices in 3Q 2011 from Argus Global LNG
2. Average of: Title Transfer Facility (TTF) spot price (Netherlands) and National Balancing Point (NBP) spot price (UK)
3. Henry Hub

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Questions and Answers

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