

YAMAL LNG

FOR IMMEDIATE RELEASE

INTERGOVERNMENTAL AGREEMENT REGARDING COOPERATION ON THE YAMAL LNG PROJECT ENACTED

Moscow, 6 March 2014. JSC Yamal LNG (hereinafter - Yamal LNG and/or the COMPANY) reports enactment of the Agreement between the Government of the Russian Federation and the Government of the People's Republic of China on cooperation on the Yamal LNG project (hereinafter referred to as the "Agreement").

The Agreement is geared to establish favorable conditions for investment cooperation in the Yamal LNG Project.

The Russian side secures incentivizing tax regime for the Project, including zero Mineral Extraction Tax rate with regards to the natural gas and gas condensate, zero rate export duties for LNG and stable gas condensate, as well as VAT exemption for the imported equipment which has no equivalents manufactured in Russia.

The Chinese side, for its part, commits to buy at least 3 million tons of LNG per year, and support facilitation of financing for the project by financial institutions of the People's Republic of China.

The Agreement is in effect throughout 31 December 2045. The text of the Agreement was published on the official legal information web portal <http://pravo.gov.ru:8080/page.aspx?91153>.

Reference:

Yamal LNG Project includes construction of the Liquefied Natural Gas (LNG) Plant with the capacity 16.5 MTPA based on the resources of the South Tambey Field. As per PRMS standards, proved and probable gas reserves of the field as of 31.12.2013 are estimated at 927 billion cubic meters.

The project is implemented by JSC Yamal LNG, whose shareholders are NOVATEK (60%), TOTAL (20%) and CNPC (20%).