



Unlocking Arctic Potential: Expanding Our Global LNG Footprint to 2030

Energy Affordability, Security & Sustainability

Investor Meetings

June 2020

1Q 2020 Financial Highlights



2.8	REVENUE (US\$ bln)	↓ 21%
1.5	NORMALIZED EBITDA (US\$ bln)	↓ 15%
0.8	NORMALIZED PROFIT* (US\$ bln)	↓ 19%
0.3	FREE CASH FLOW (US\$ bln)	↓ 7%
0.7	CAPEX (US\$ bln)	↓ 15%
-0.12	NET DEBT TO NORMALIZED EBITDA** (x)	↓ n/a

*excluding the effect of foreign exchange gains (losses) of subsidiaries and our proportionate share in foreign exchange gains (losses) of our JVs

** normalized EBITDA from subsidiaries

y-o-y performance

1Q 2020 Operational Highlights

SALES VOLUMES

Natural Gas

18.2 bcm

LNG

2.5 bcm

Oil Products

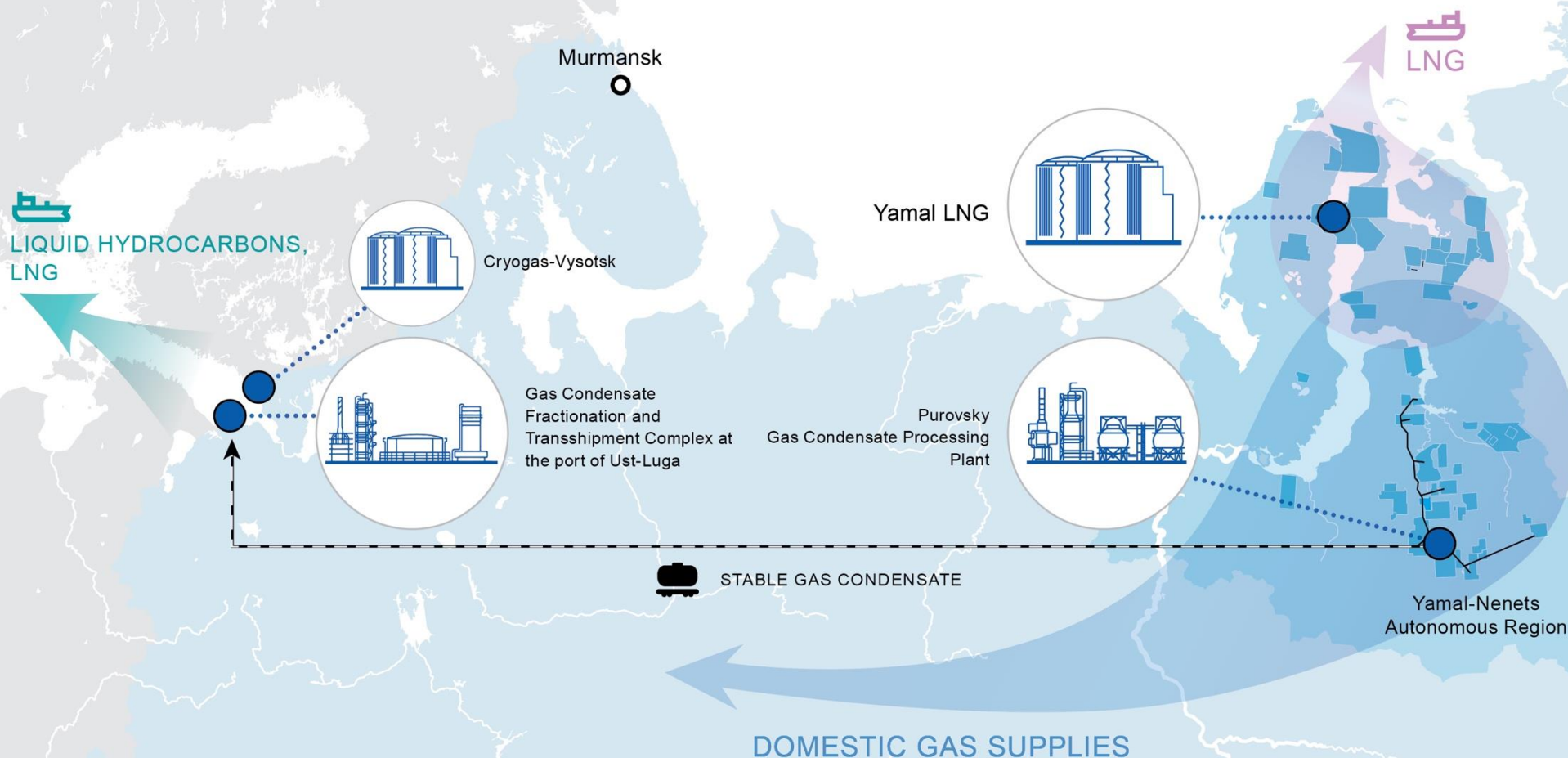
1.7 mmt

Crude Oil

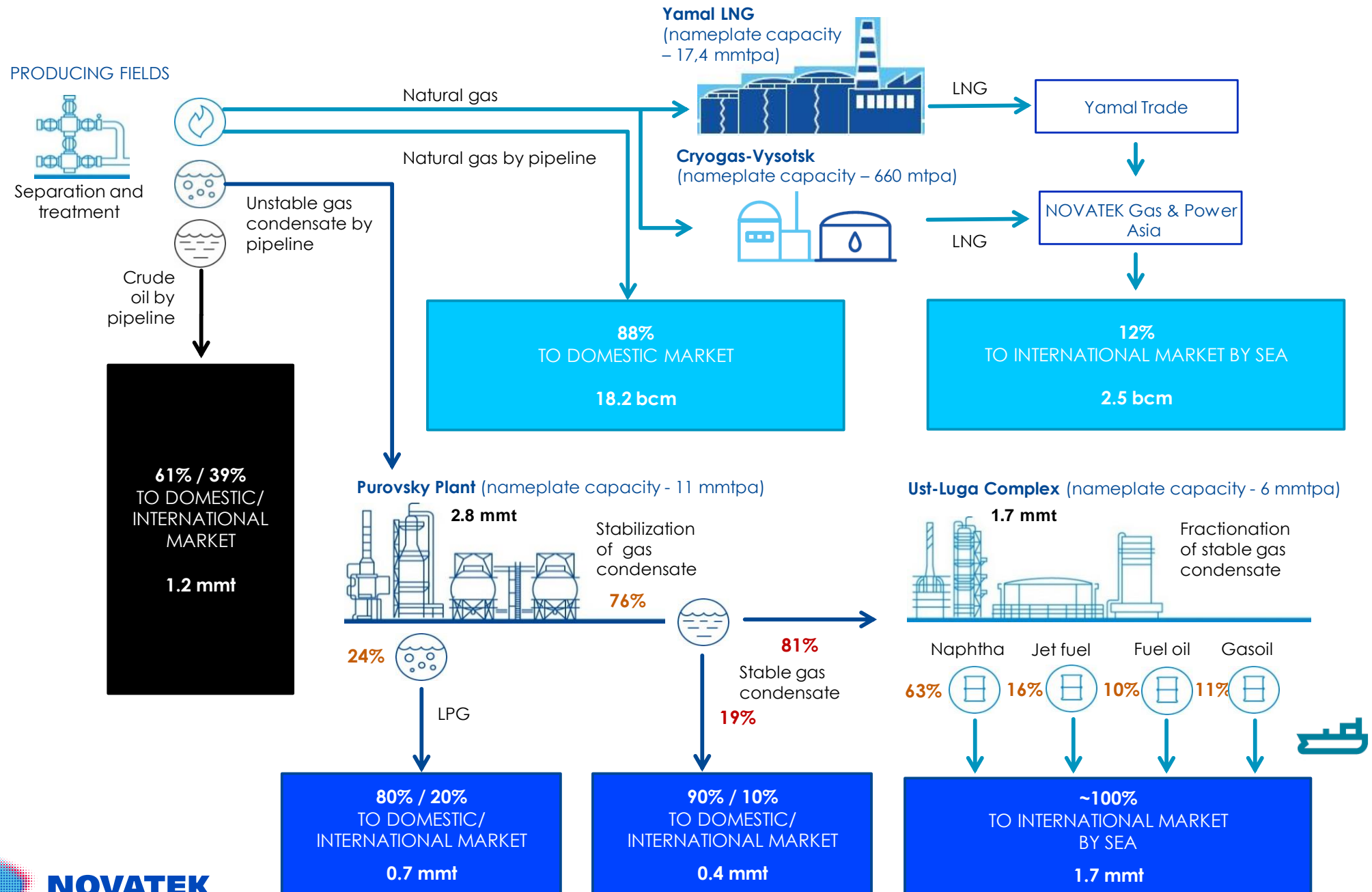
1.2 mmt

LPG

0.7 mmt



Monetizing Our Resource Base (1Q 2020)



NOVATEK at a Glance 2019



1.1 BLN BOE

Total proved
hydrocarbon addition
(SEC)



16.3 BLN BOE

Total proved hydrocarbon
reserves (SEC)



252%

Organic reserve
replacement rate



Fields and license
areas



590 MLN BOE

Hydrocarbon
production



10.1 %

Share of natural gas
production in Russia



+8.6 %

Natural gas
production increase



12.1 MMT

Liquids production



65.7 BCM

Natural gas sales
in Russia



12.8 BCM

LNG sales



18.4 MMT

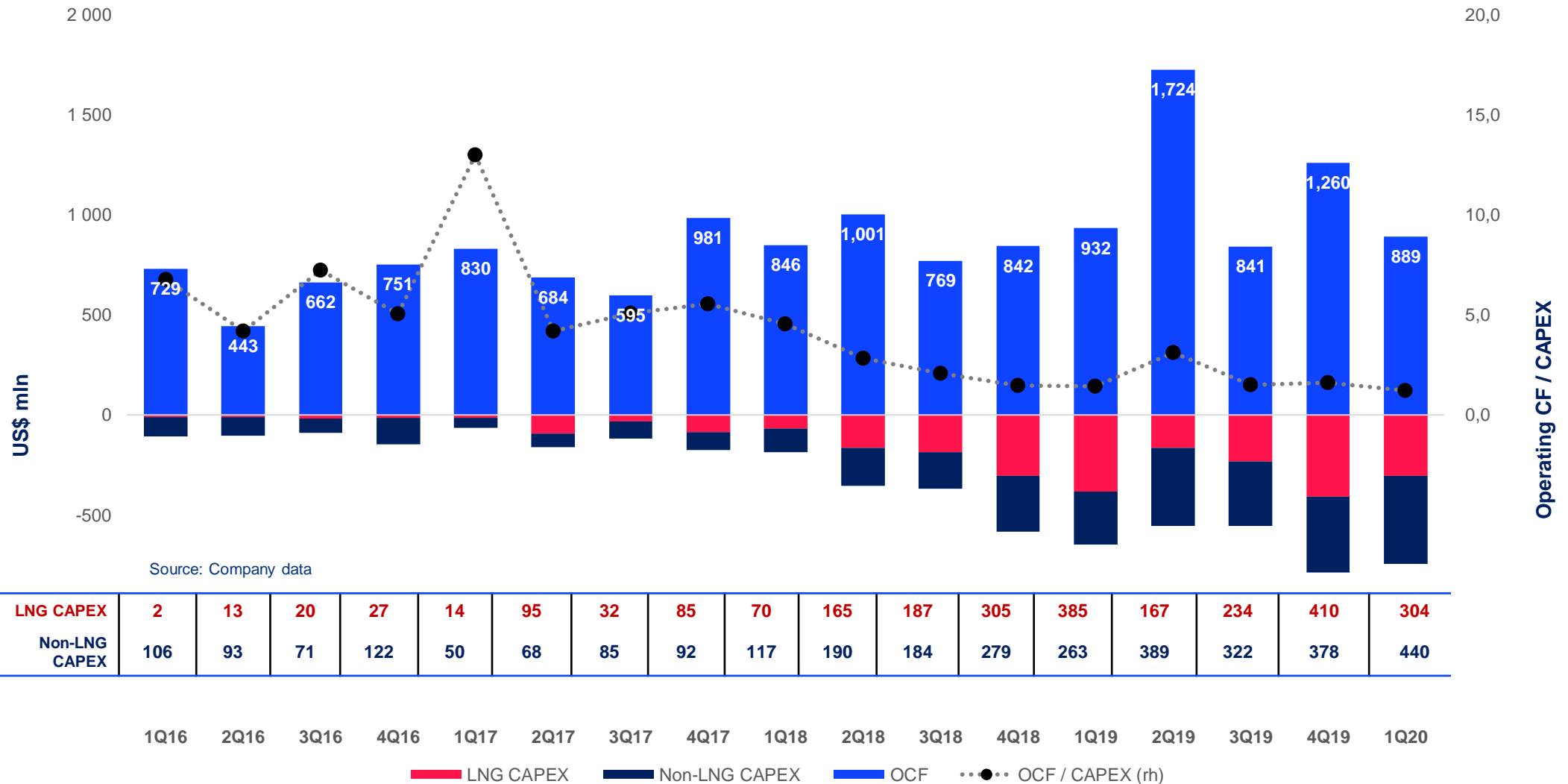
LNG offloaded from
Yamal LNG



16.4 MMT

Liquids sales

Internally Funded Investment Program



Core investments funded primarily through internal cash flows



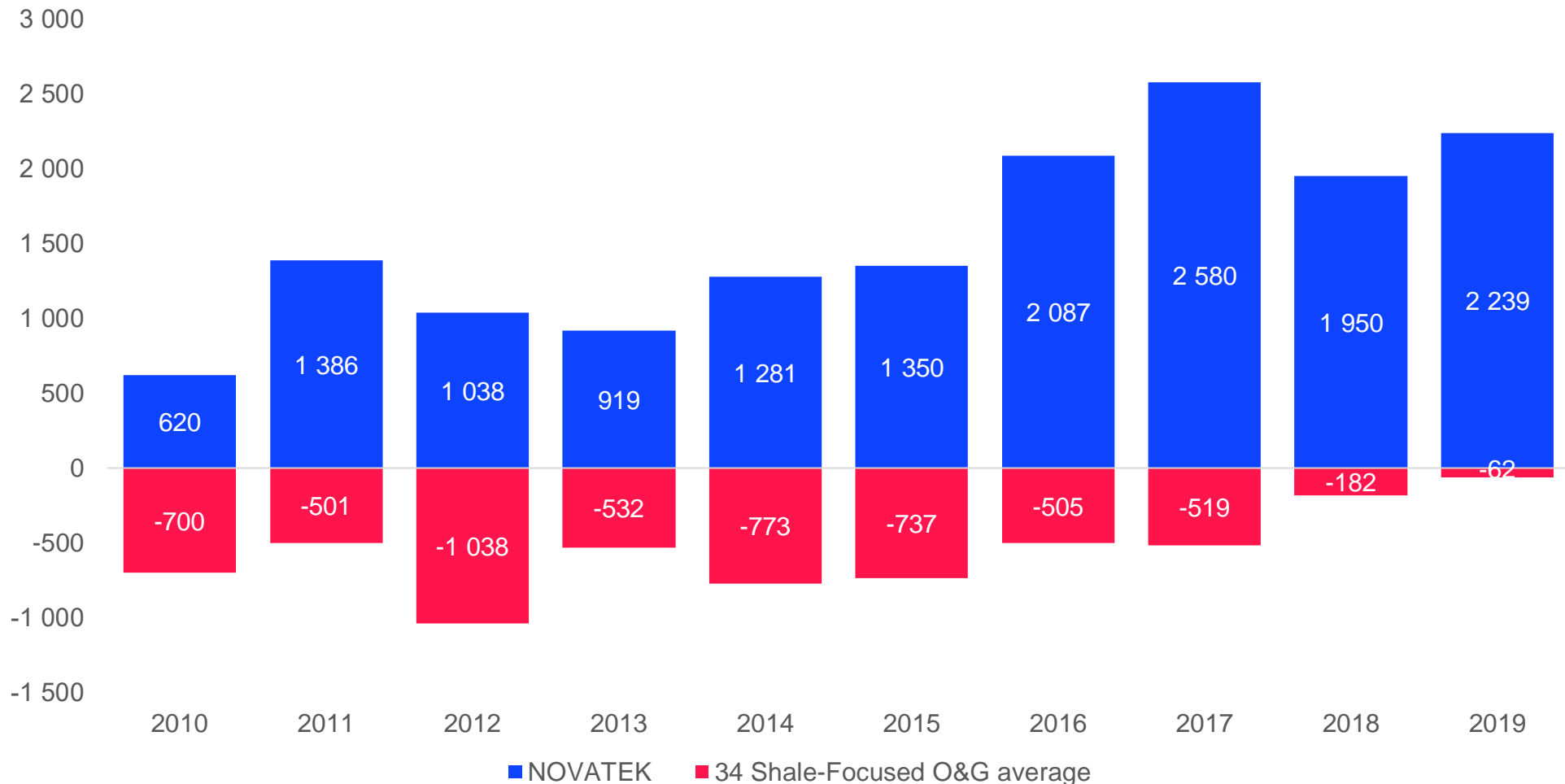
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✓ Energy Security

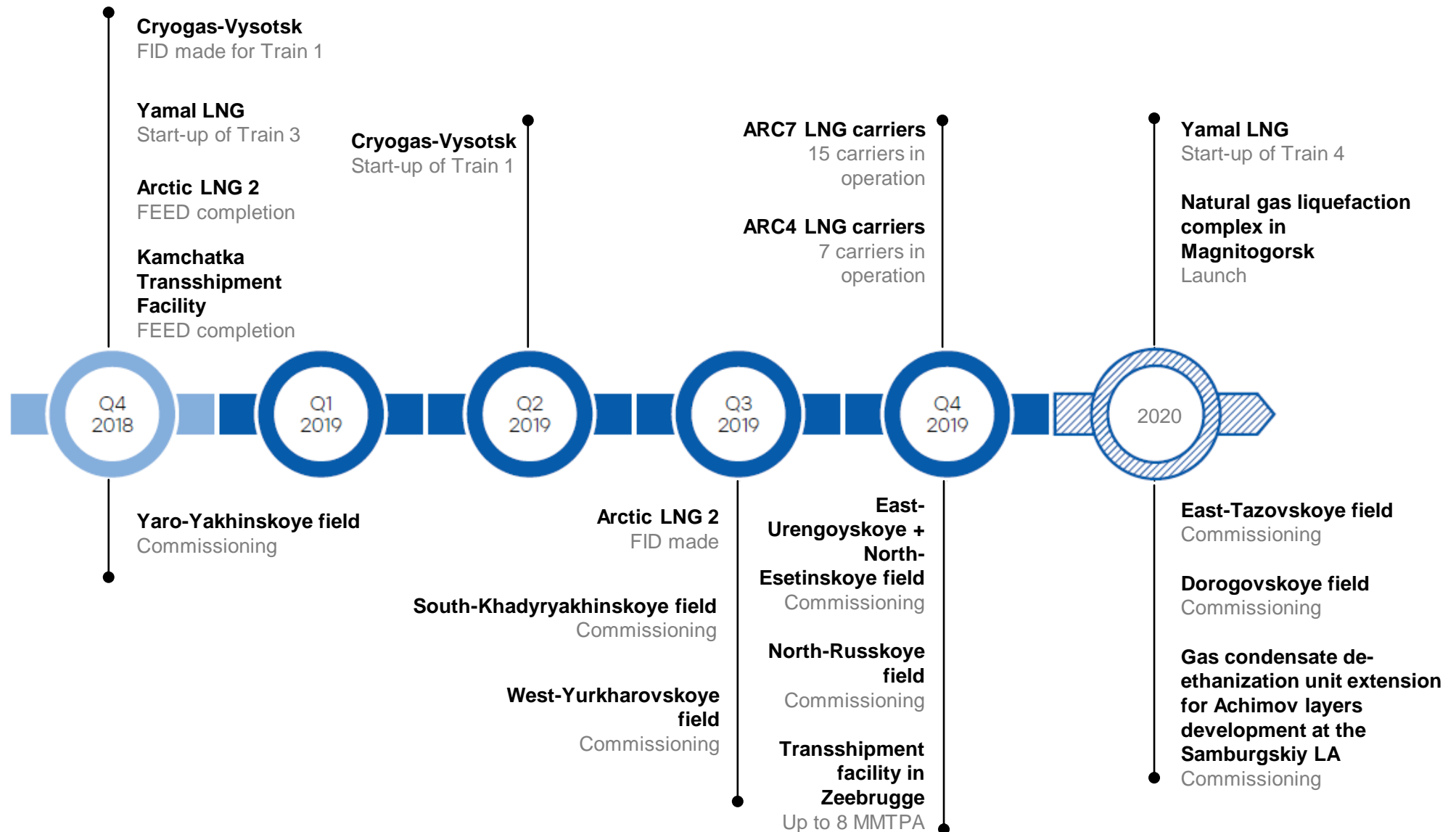
✓ Energy Sustainability

NOVATEK Robust FCF Generation over Shale Producers (USD mln)



Over the decade, US shale-focused O&G companies reported negative free cash flows every year, totaling \$189 billion

Strategy's Objectives and Key Events 2018-2020



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✓ Energy Sustainability

Stable Gas Prices in Russia to Maintain Domestic Business

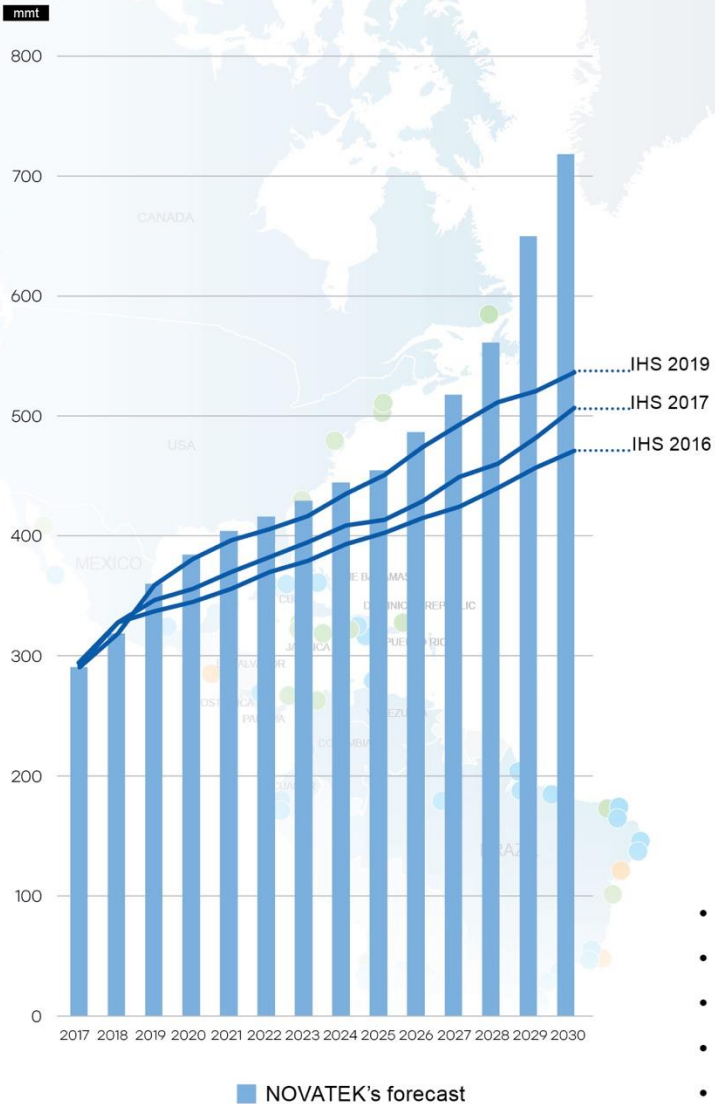


Source: FTS Russia, NYMEX, IHS

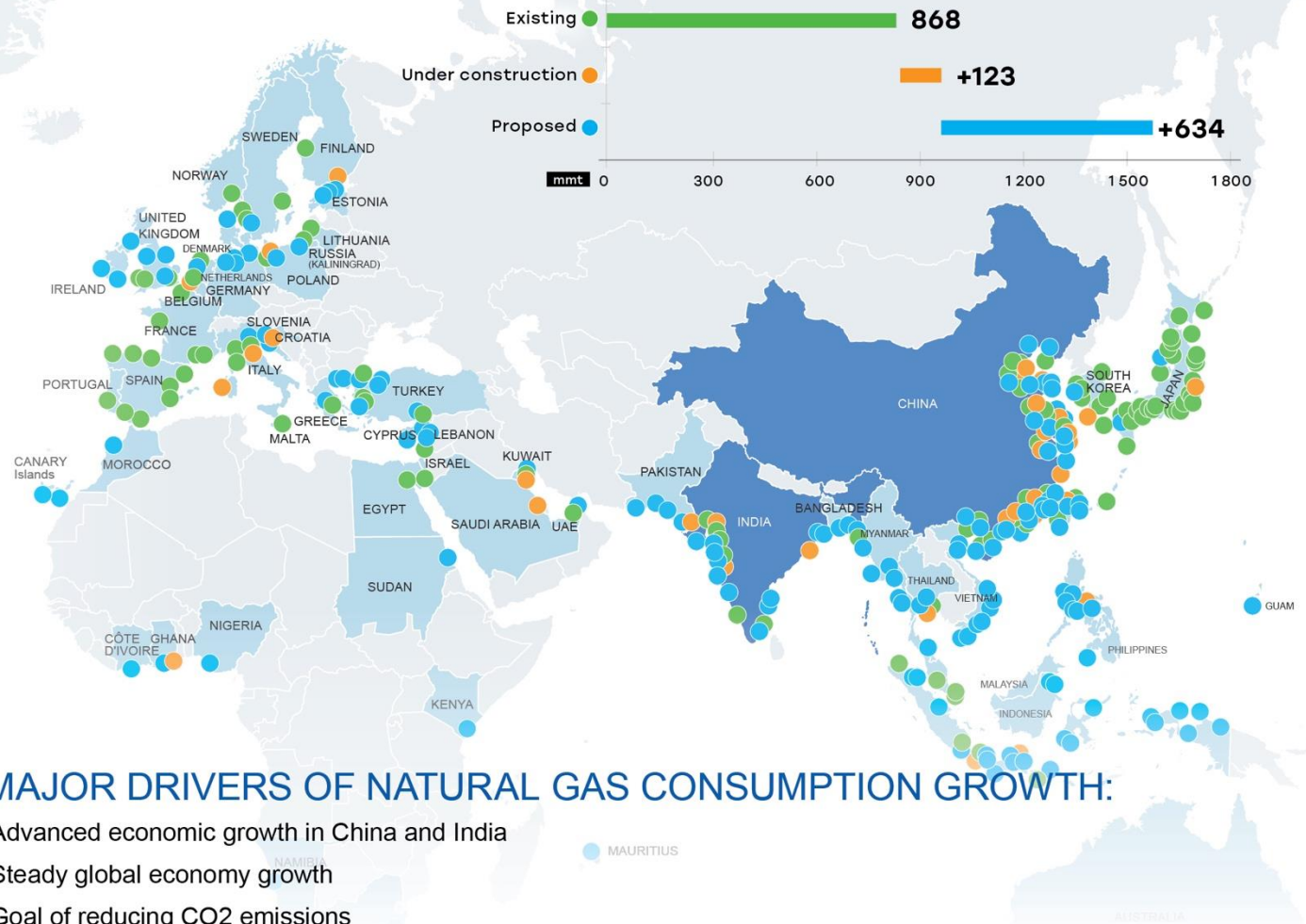
Russian domestic gas business still a critical part of our revenues and operating cash flows

Global LNG Market

LNG DEMAND GLOBAL OUTLOOK



REGASIFICATION CAPACITIES



MAJOR DRIVERS OF NATURAL GAS CONSUMPTION GROWTH:

- Advanced economic growth in China and India
- Steady global economy growth
- Goal of reducing CO2 emissions
- Price advantages of natural gas and developed infrastructure
- Development of small-scale LNG consumption

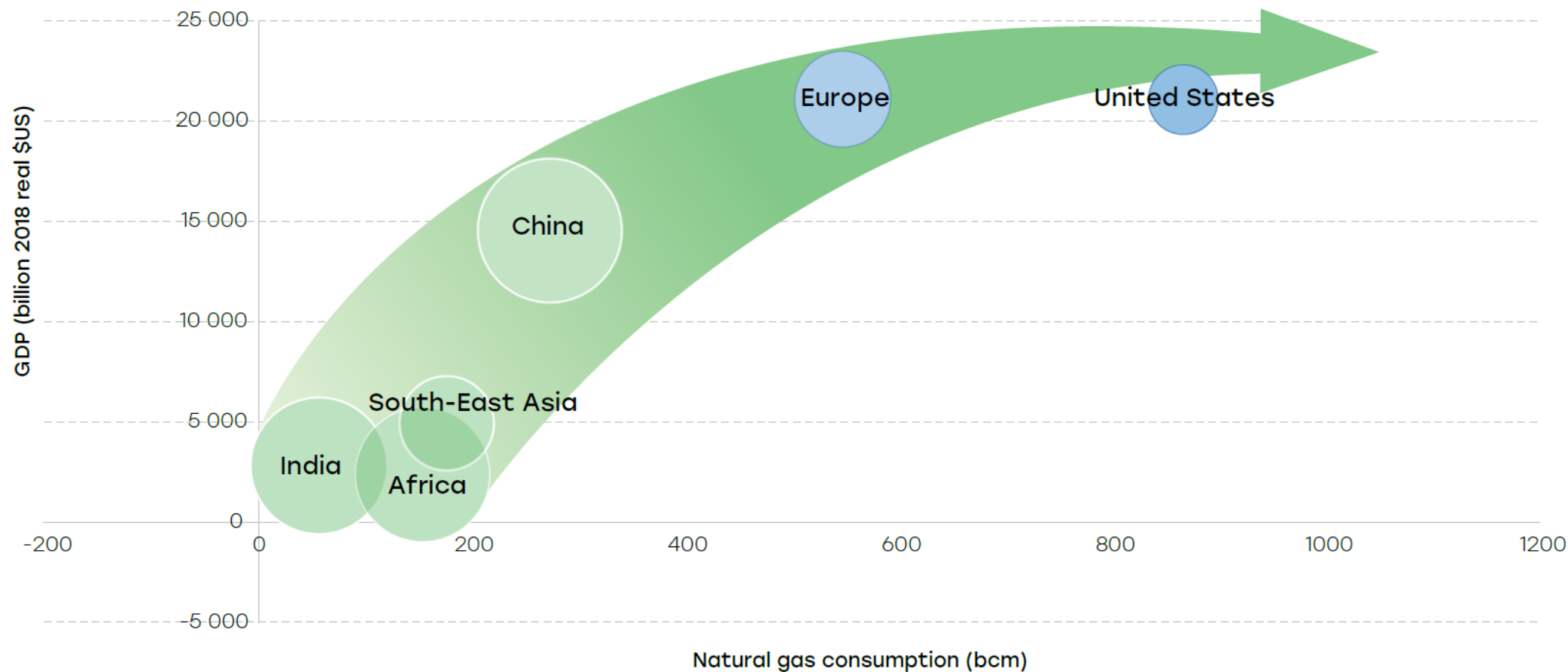
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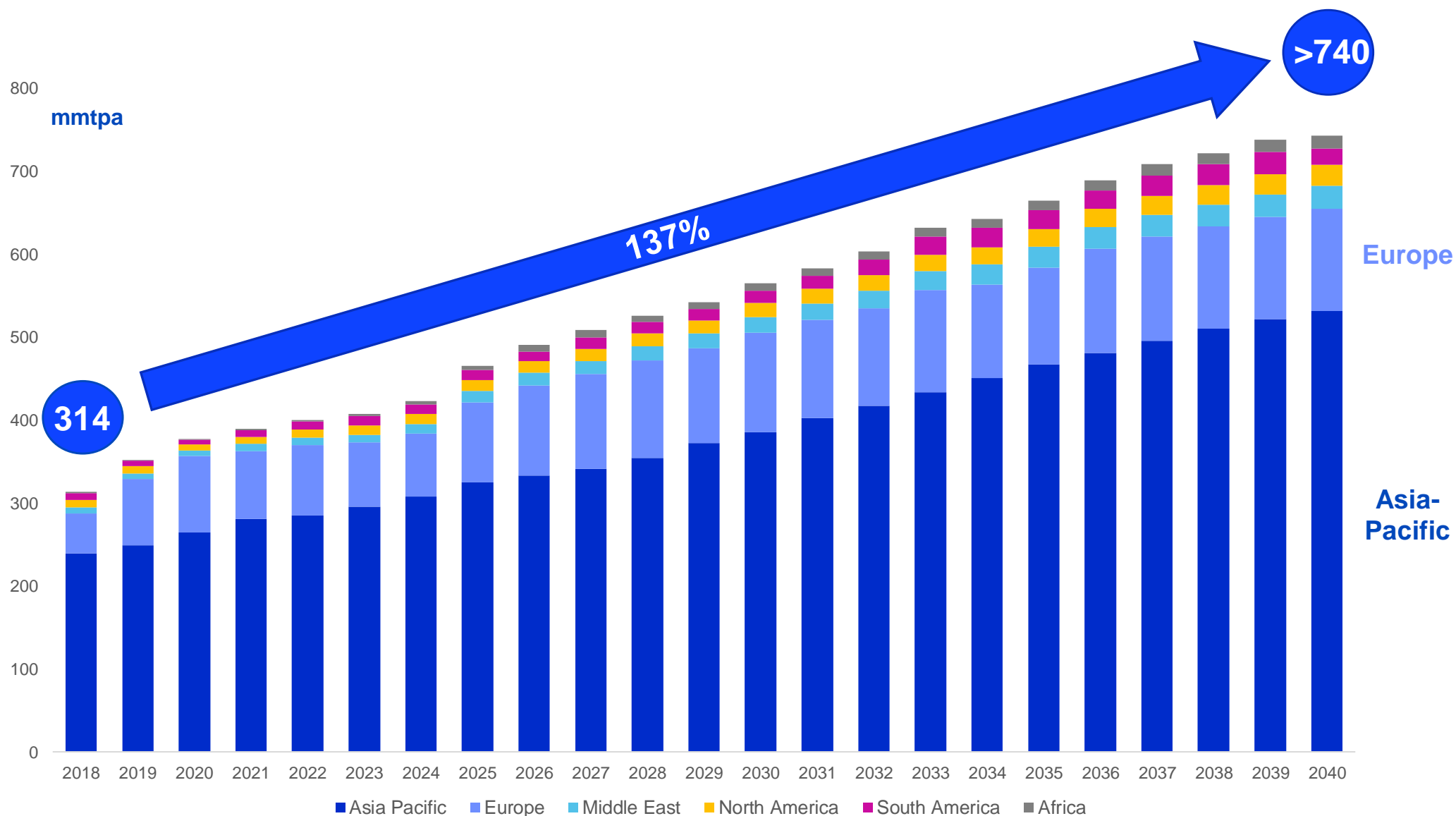
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Significant Potential for Increased Gas Consumption by Emerging Markets



Size of the circle depends on the population

Global LNG Demand – Stronger than Expected



Source: NOVATEK's interpretation of Wood Mackenzie data

Asia and Europe will account for 88% of incremental LNG demand



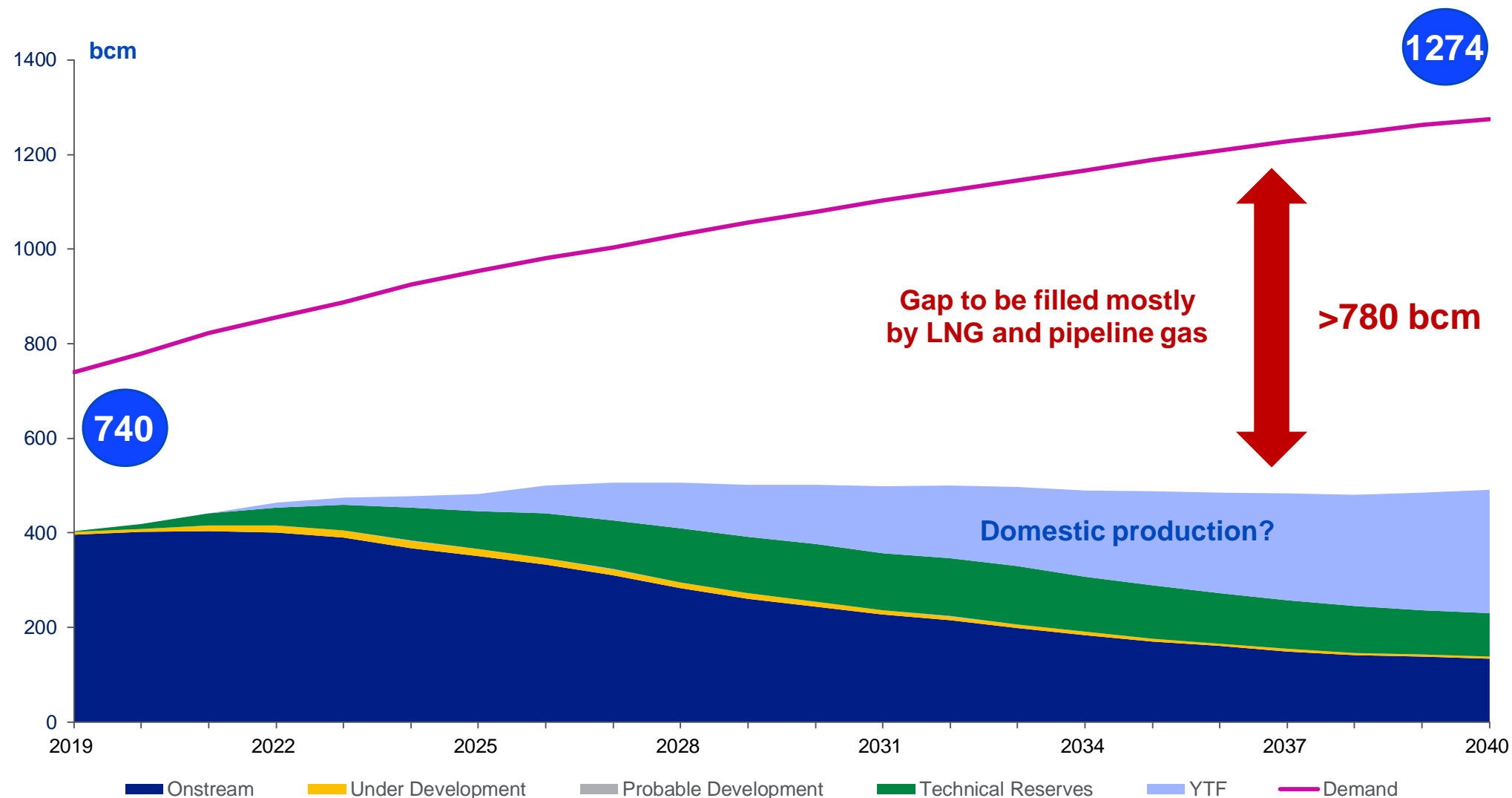
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Asian Gas Market Prospects



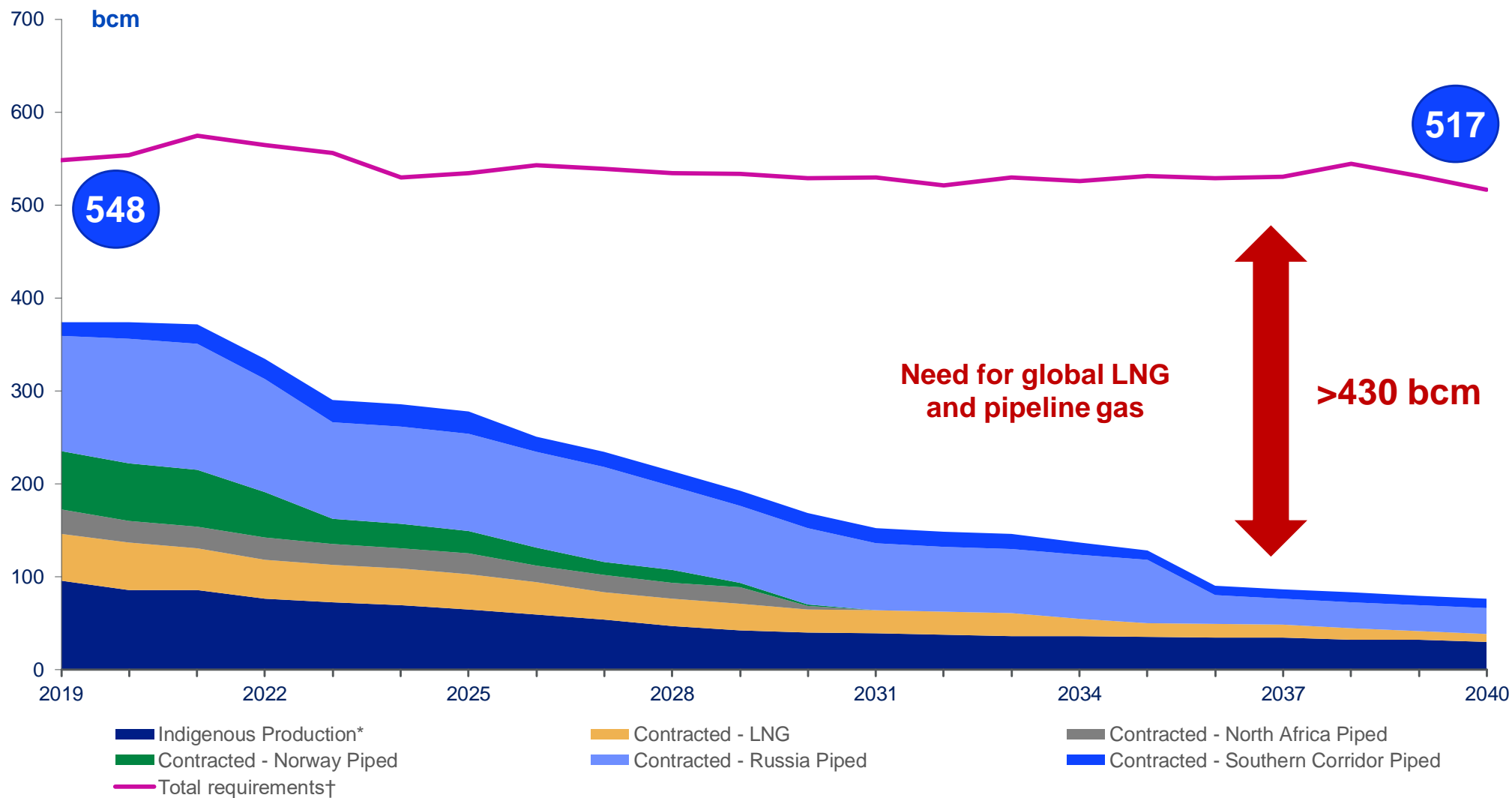
Source: NOVATEK's interpretation of Wood Mackenzie data



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European Gas Market Prospects



Source: NOVATEK's interpretation of Wood Mackenzie data



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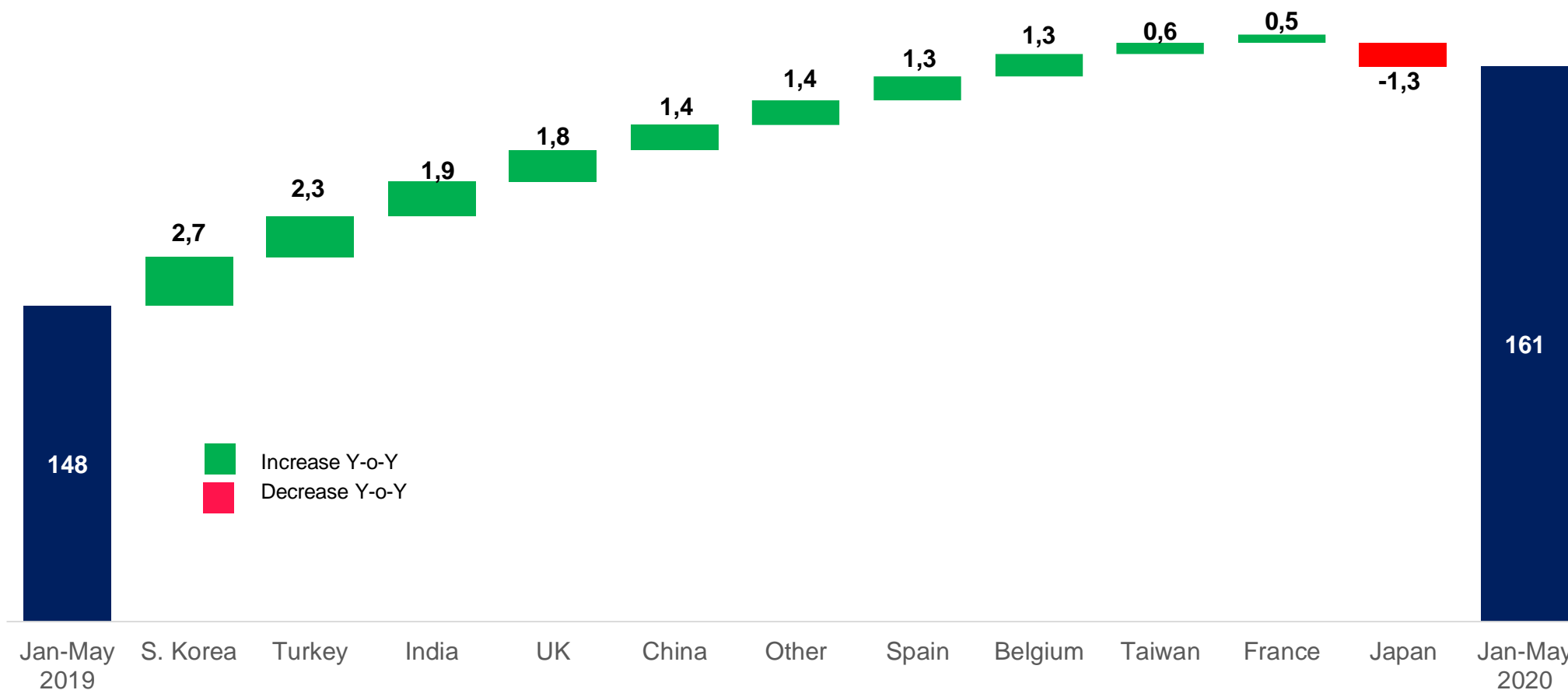
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LNG Demand Increase of around 10% YTD

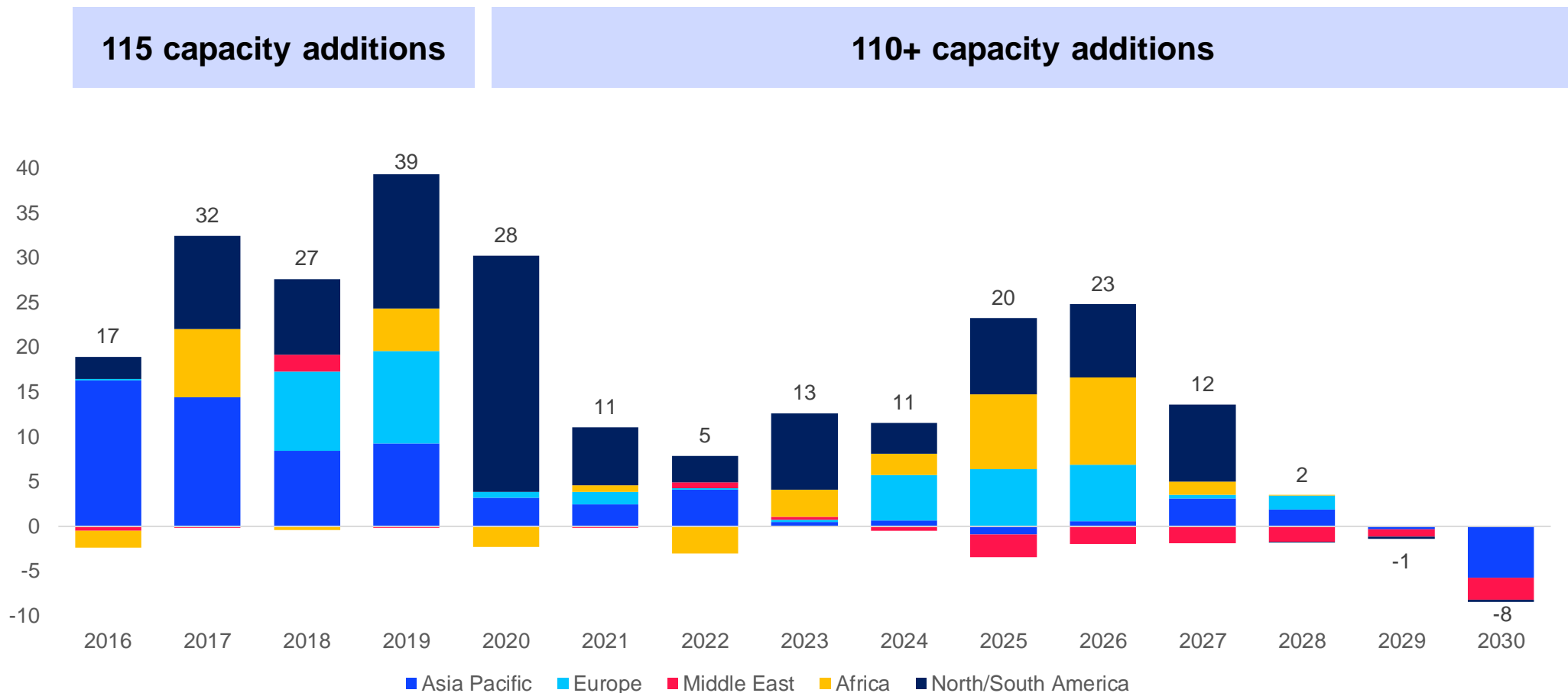
Import volumes increase/decrease in Jan-May 2020 vs 2019, mmt



Source: NOVATEK's interpretation of IHS data

Despite pandemic lockdowns the growth of LNG imports to China was 6% YOY

Historical and expected global liquefaction nominal capacity additions



Delay of 200+ mmtpa projects due to lower prices and COVID-19 already in 2020

Source: NOVATEK's interpretation of Wood Mackenzie data (includes only projects Operational and Under Construction)



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NOVATEK's LNG Production Platform

YAMAL LNG
CAPACITY - 19+ mtpa



OBSKIY LNG
CAPACITY - 5 mtpa



PROSPECTIVE PROJECT
CAPACITY - 6.6 mtpa +?



ARCTIC LNG 2
CAPACITY - 20 mtpa



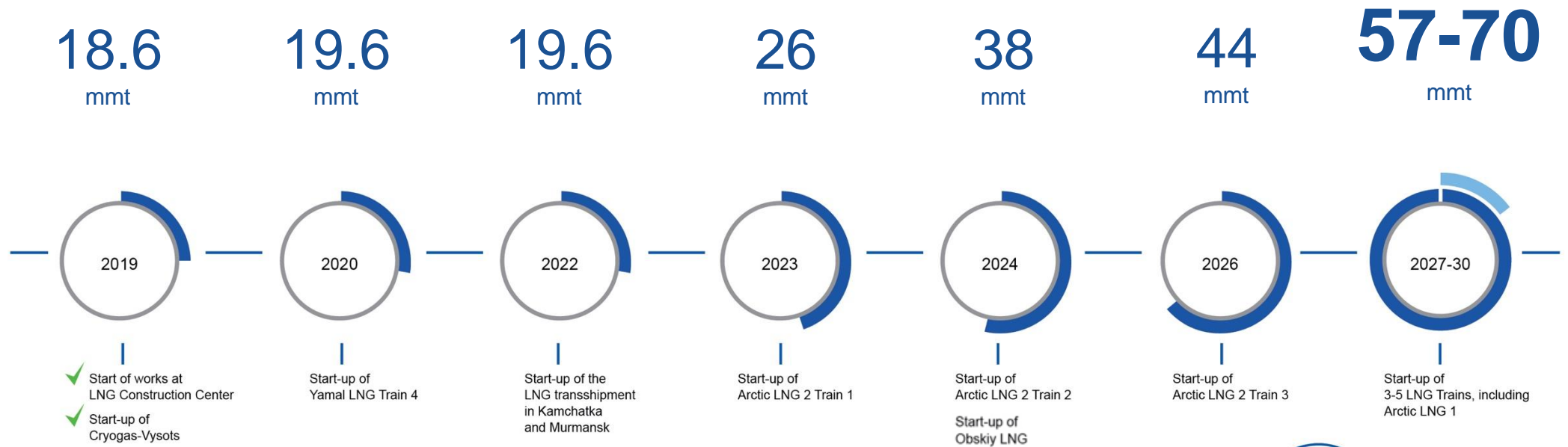
ARCTIC LNG 1
CAPACITY - 20 mtpa



**NOVATEK INTENDS TO PRODUCE
57-70 MTPA OF LNG BY 2030**

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NOVATEK's LNG Production Timeline



Yamal LNG Runs Above Capacity

YAMAL LNG



Yamal LNG ramp-up ahead of schedule and on budget

Train 1
5.5 mmtpa

completed on schedule

Train 2
5.5 mmtpa

completed 6 months ahead of schedule

Train 3
5.5 mmtpa

completed >12 months ahead of schedule

Train 4
0.9 mmtpa

start-up is expected in 2020



...an aggregate share of the global LNG market
The largest LNG project in Russia



More than **400**
LNG cargos have been offloaded since the start-up

>30 million tons of LNG produced



Earlier launch of Yamal LNG allows to offtake additional LNG volumes



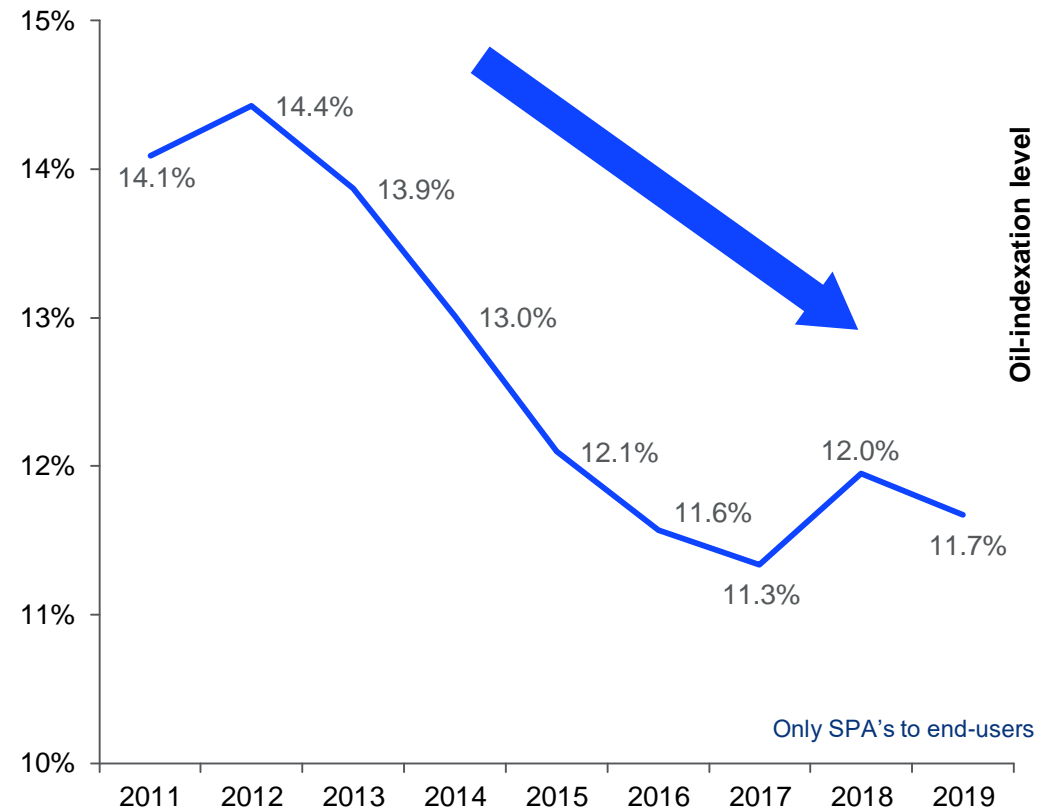
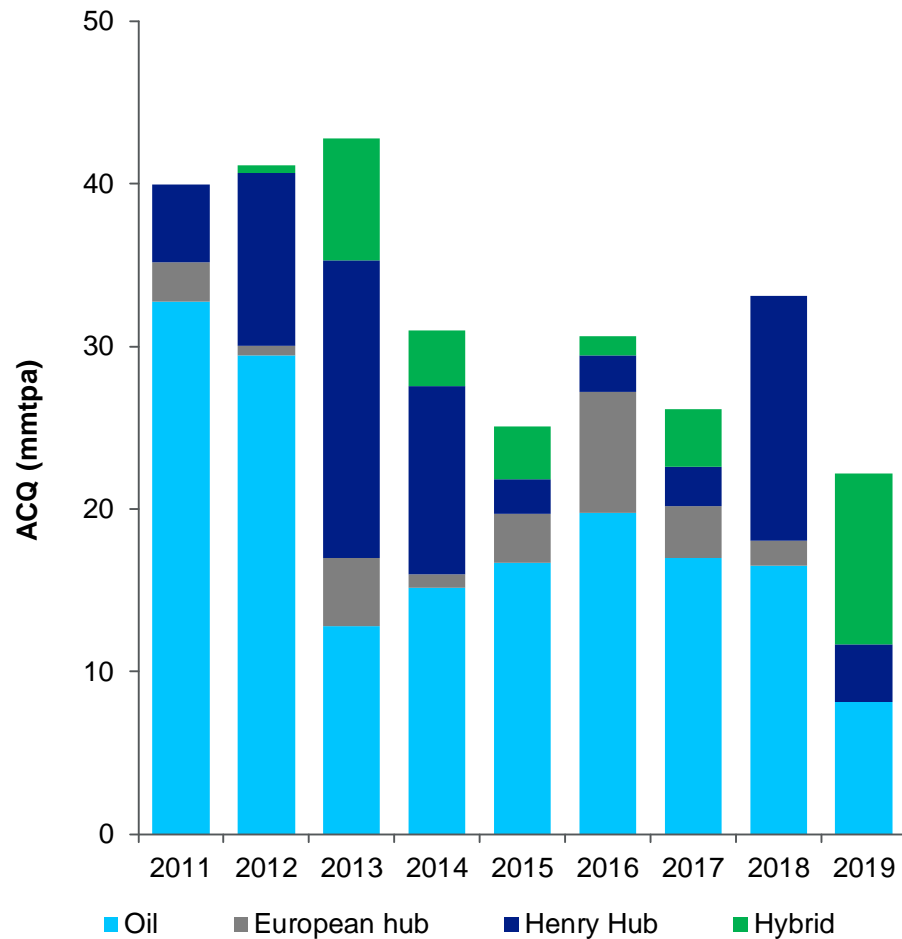
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New LNG marketing paradigm

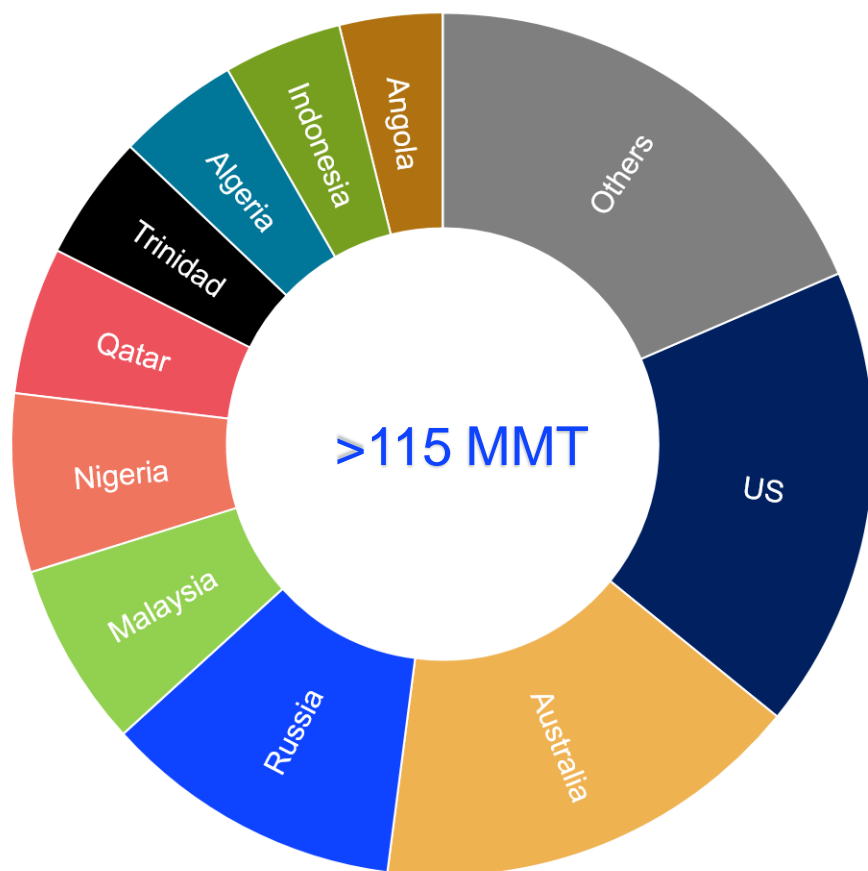
New contracts signed by price indexation Average oil indexations in new contracts



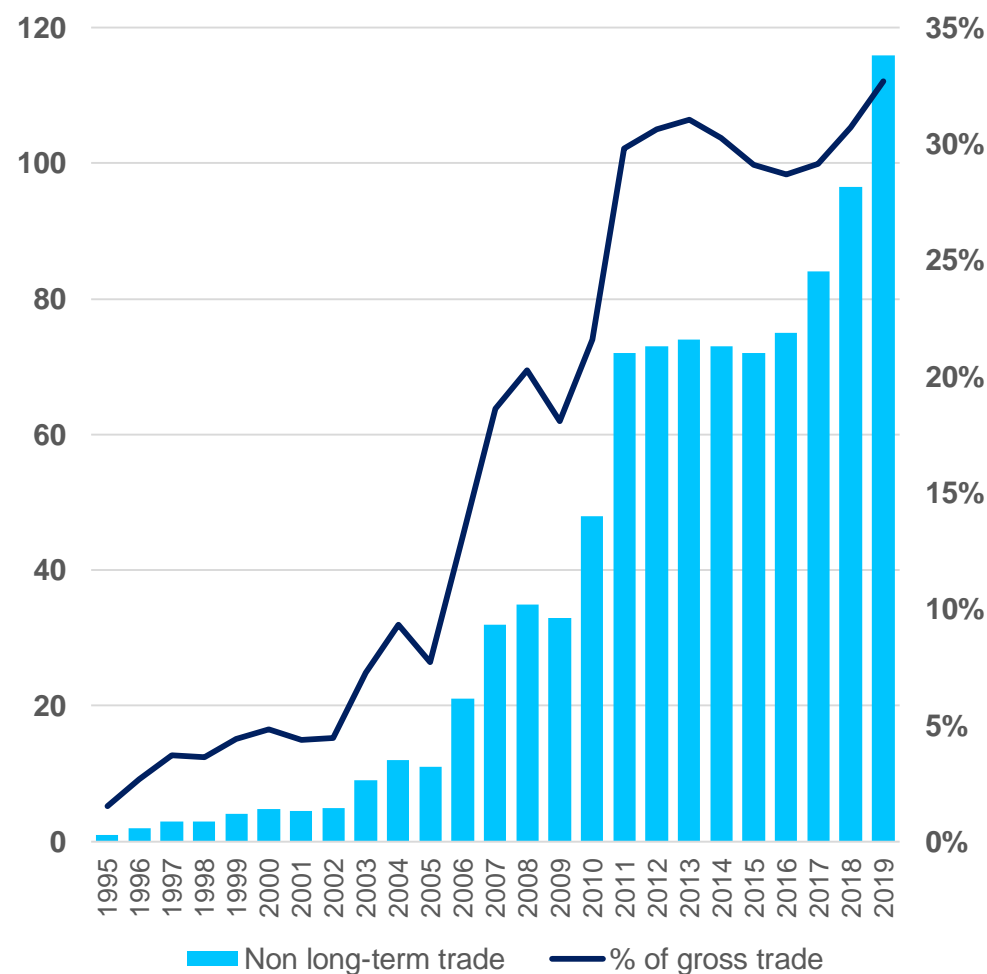
Source: NOVATEK's interpretation of Wood Mackenzie data

Spot LNG market increasing volumes

Share of major spot exporters in 2019, mmt



Volume of non long-term LNG trade, mmt



Source: NOVATEK's interpretation of IHS data



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Large-Scale LNG Sales

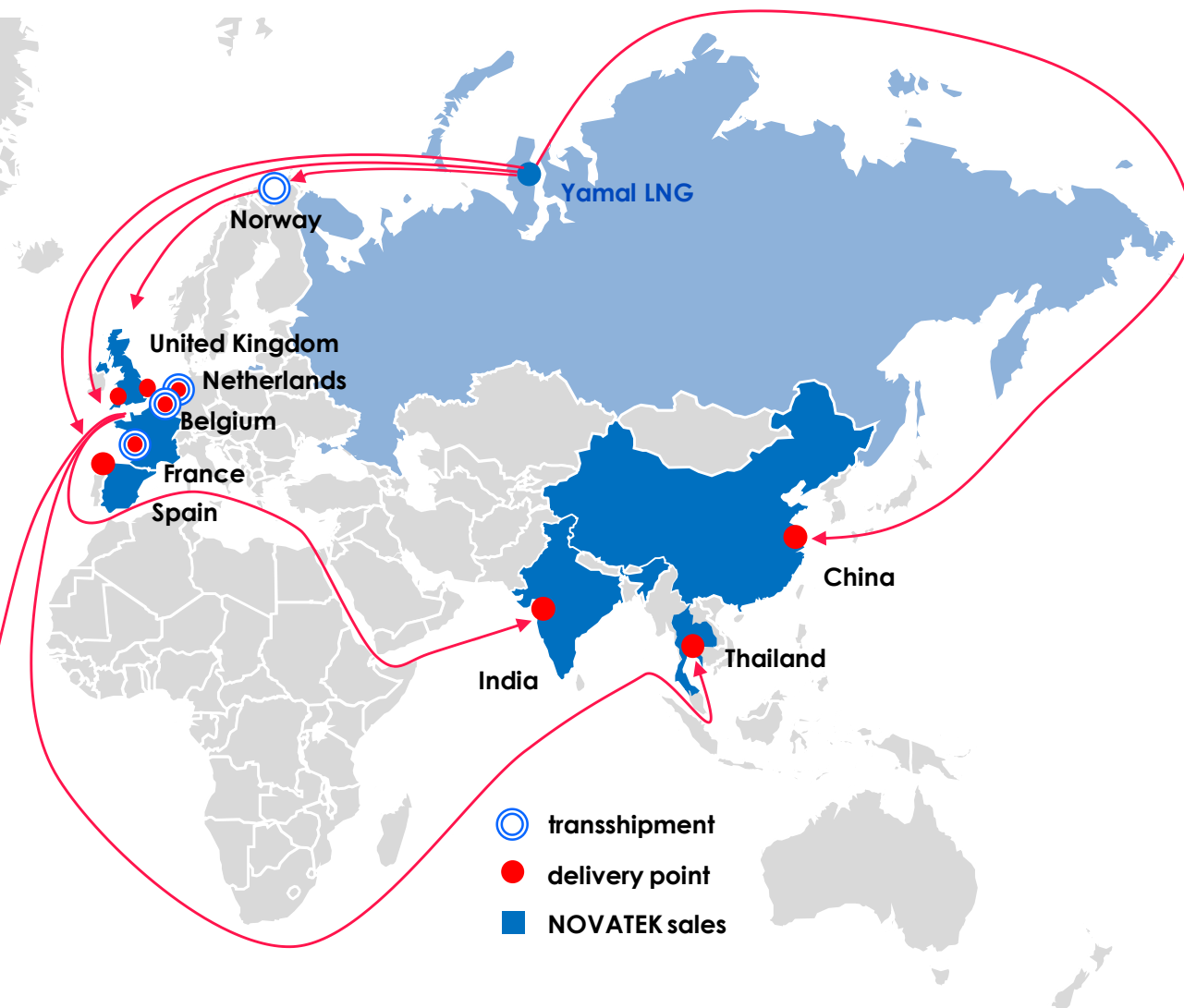
LNG Sales of NOVATEK Gas & Power Asia



	1Q 2020	Total ⁽¹⁾ from 2017
Number of cargos	23	200
Volumes, mmt	1.7	14.0

Total dispatched from Yamal LNG

Number of cargos	67	436
Volumes, mmt	5.0	31.9



(1) as of 31 March 2020

(2) taking into account all supplies from the Project

29 countries consumed natural gas molecules from Yamal LNG ⁽²⁾



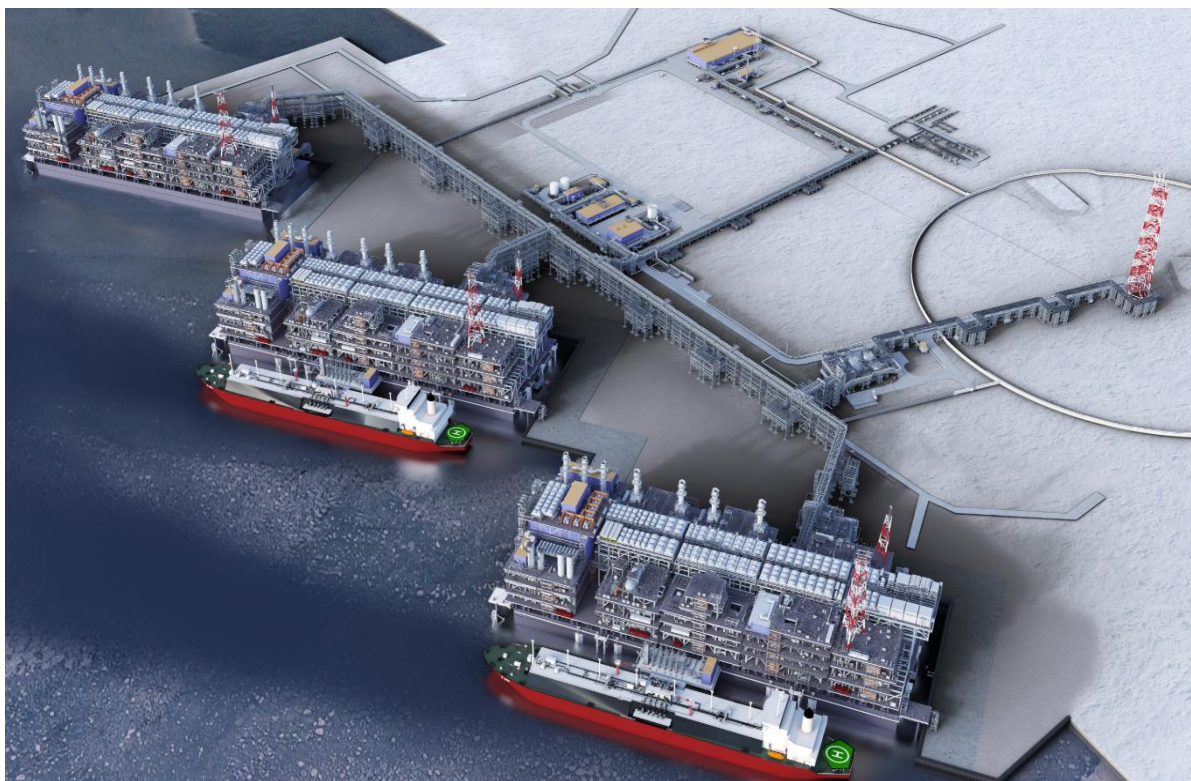
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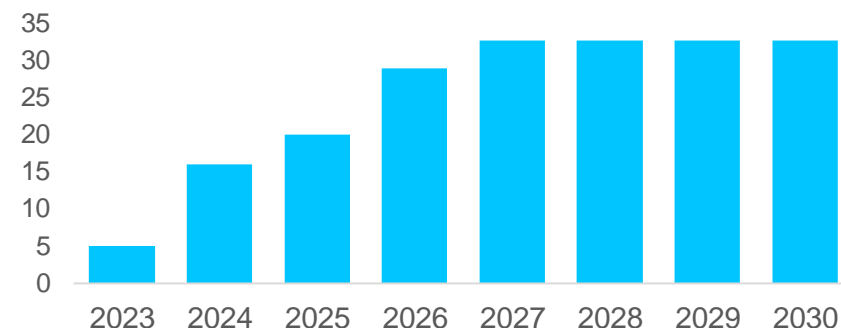
✓ Energy Security

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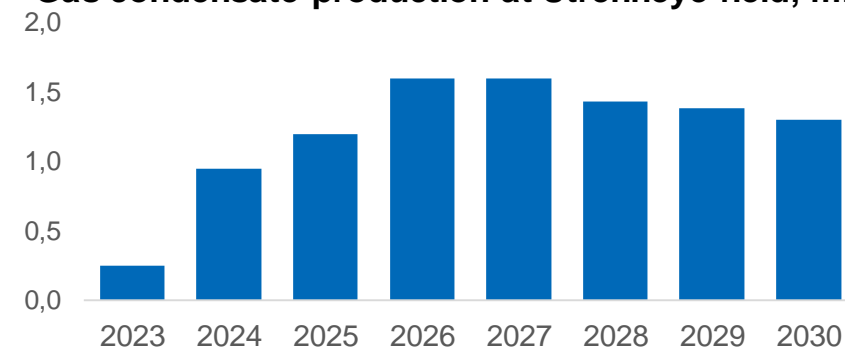
Arctic LNG 2



Natural gas production at Utrenneye field, bcm



Gas condensate production at Utrenneye field, mmt



- ❑ FID made (September 2019)
- ❑ CAPEX is estimated at US\$21.3 bln equivalent
- ❑ 2P reserves under PRMS of the Utrenneye field :
 - 1,180 bcm of natural gas
 - 62 mmt of liquids
- ❑ More than 5,000 people working at the field. Completed the backfilling of the Gas Treatments Unit-1 for the first dome, well pads 1, 2, and 3 for production drilling
- ❑ Received official permission on completing Dry Dock #1, continue with rock blasting at Dry Dock #2

Project Participants



Cryogas-Vysotsk

CRYOGAS
VYSOTSK



Medium-tonnage LNG plant on the Baltic Sea



LNG production facility and
a transshipment terminal

660 thousand tons per annum –
initial design capacity



designed to handle **30** mcm
capacity LNG carriers

51% Our participation interest

26 shipments by tankers and **195** by
trucks in 1Q2020 = **112** thousand tons

Medium-scale LNG target niche markets and customer segments

All 15 ARC7 Ice-Class LNG Tankers in Operation



19.5 KNOTS

Speed in open water



5.5 KNOTS

Speed in ice 1.5 m thick



170 MCM

LNG tanker capacity



45 MWt

Vessel power



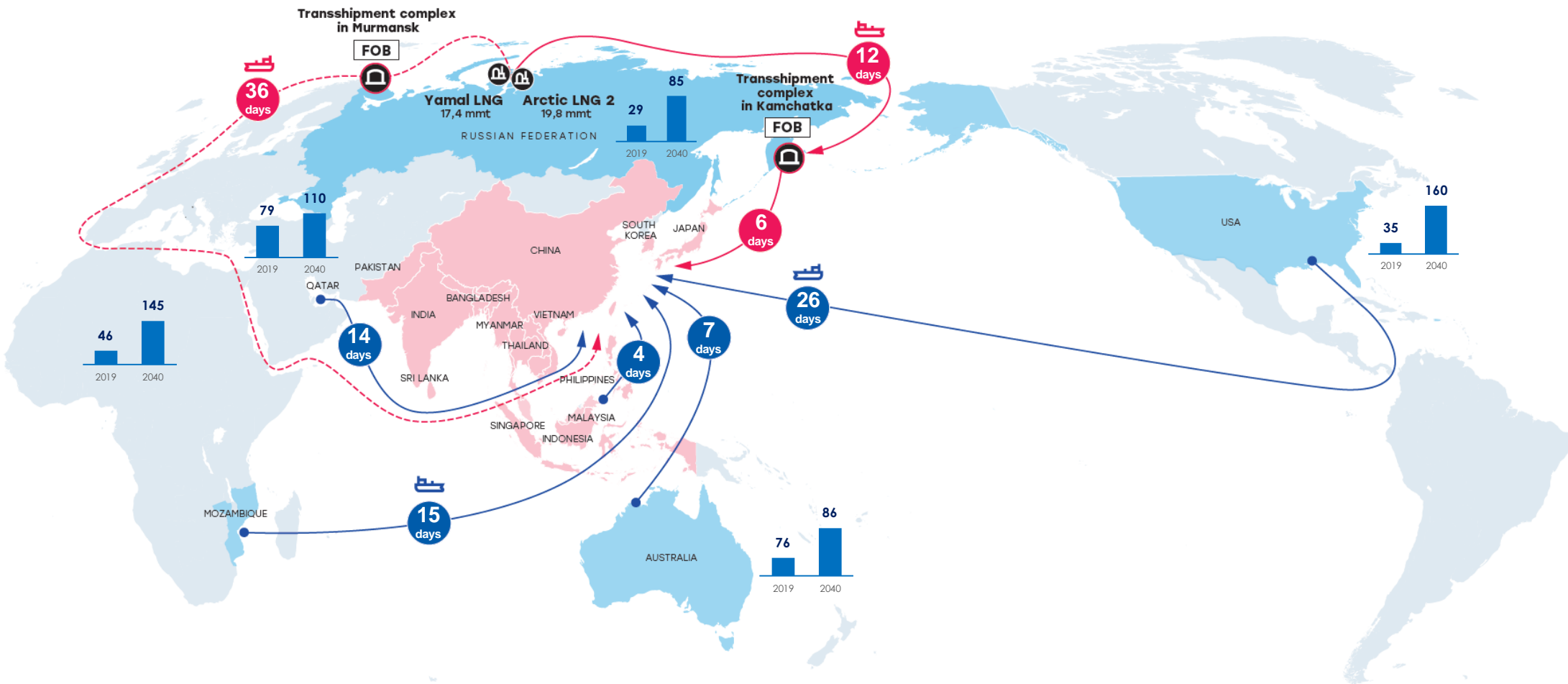
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✓ Energy Security

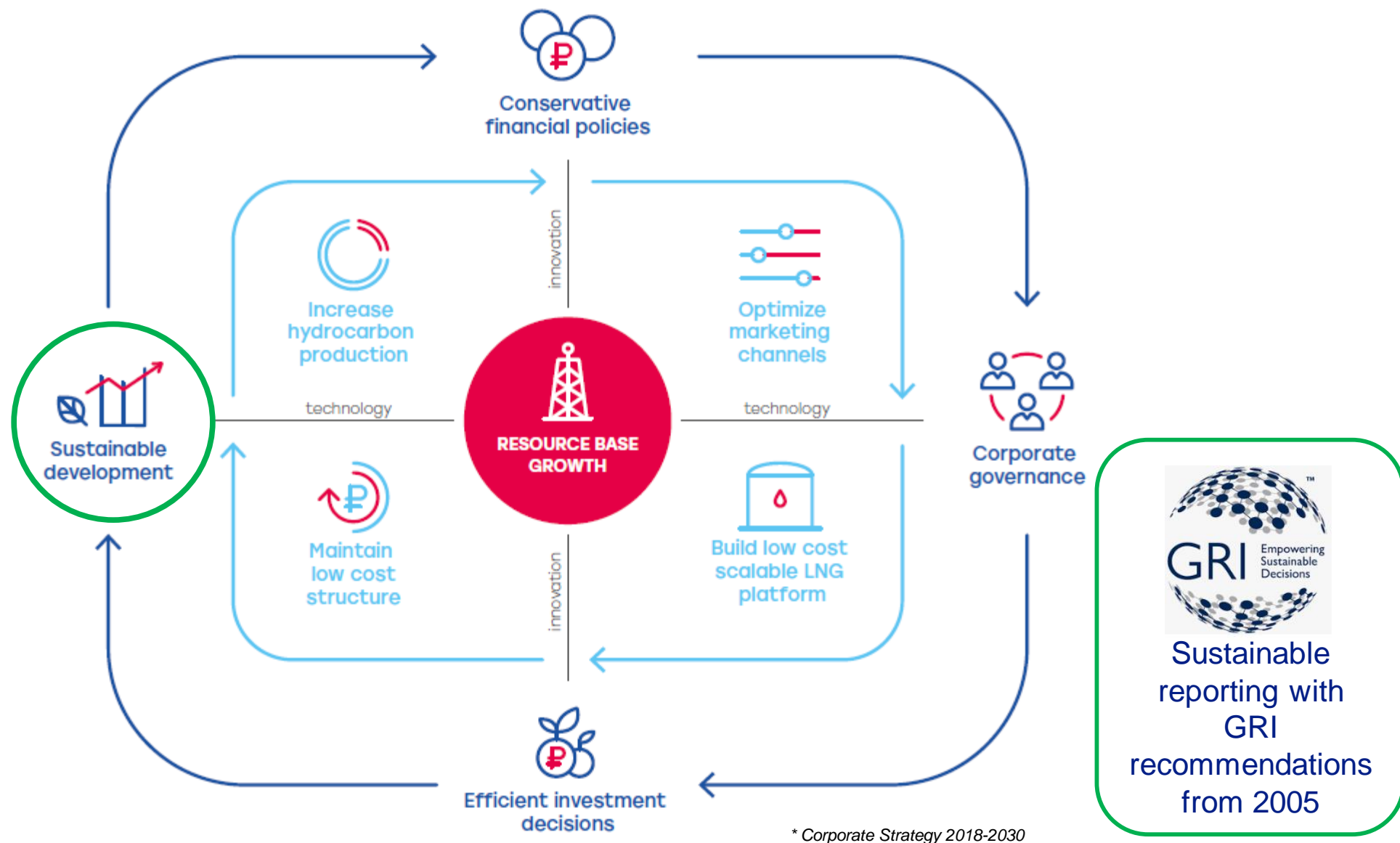
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LNG Logistics to Asia



Source: NOVATEK's interpretation of IHS data

Sustainable Development – Integral Part of Strategy*



Sustainability Reports Since 2005



Longest history of sustainability reporting in the Russian O&G




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Commitment to Developing Sustainable Value

<p>NOVATEK is ranked among top ESG companies by Thomson Reuters ESG Scores in Russia across all industries</p>	<p>FTSE Russell Ratings confirms that NOVATEK remains a constituent of the FTSE4Good Emerging Index in 2019</p>
 <p>the answer company™ THOMSON REUTERS®</p>	 <p>Rating 3.4/5</p> <p>FTSE4Good</p>
<p>NOVATEK maintained Average Performer by Sustainalytics in 2019</p>	<p>NOVATEK is assigned BBB rating by MSCI in 2019 - 6 consecutive years</p>
 <p>SUSTAINALYTICS</p> <p>Average Performer</p> <p>64</p>	<p>MSCI </p> <p>Rating BBB</p>

NOVATEK is among top contributors consistently included in the MSCI Emerging Markets ESG Leaders Index since inception in 2013*

*MSCI ESG Research, Feb 2020



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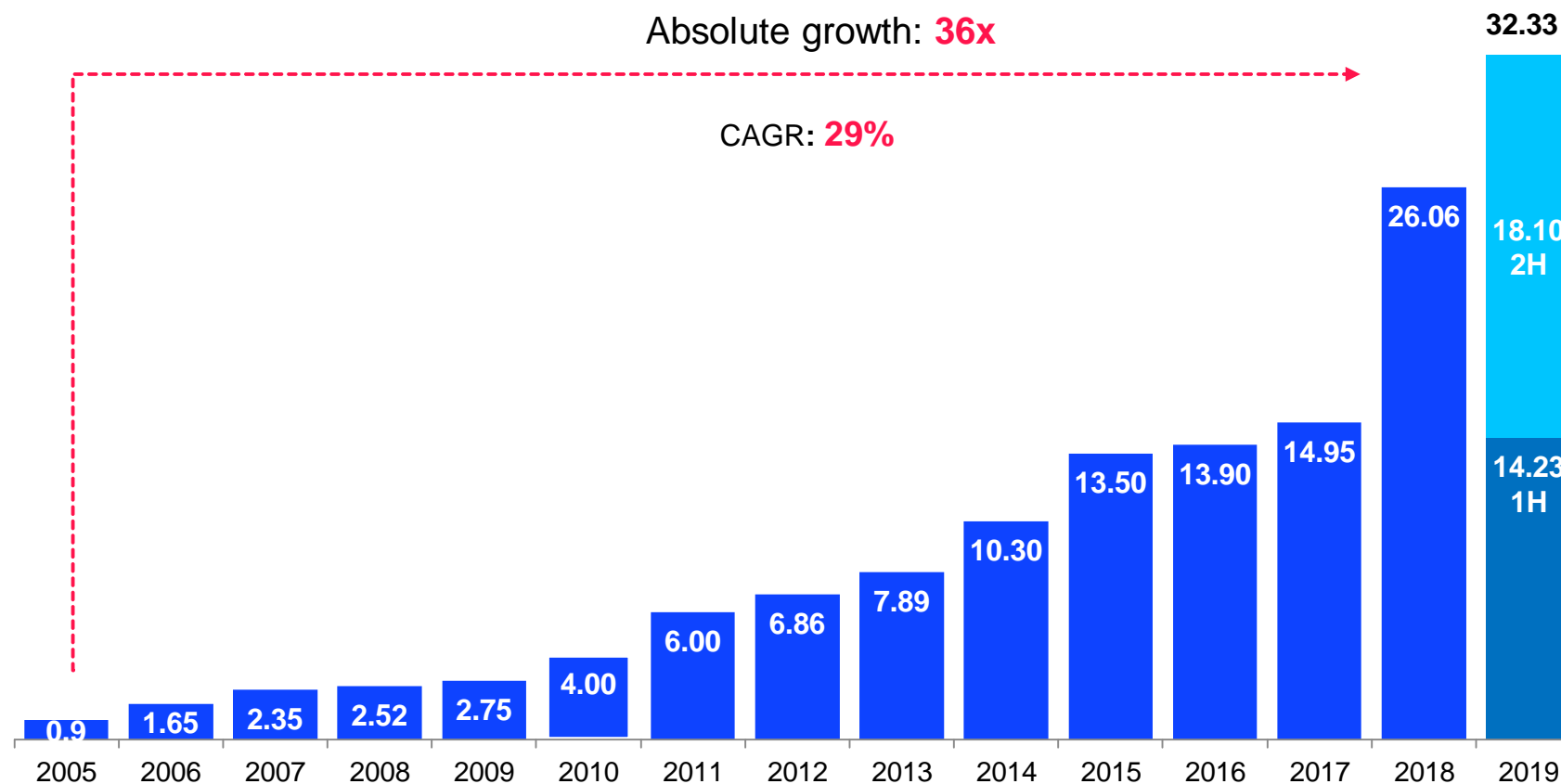
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Dividends: Sharing Our Success

DIVIDEND PAYOUT⁽¹⁾, (RR per ordinary share)



Committed to increasing shareholder returns

(1) Dividend payout is adjusted for non-recurring items and items not related to core activities



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Disclaimer – Forward Looking Statement

Matters discussed in this presentation may constitute forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words "believe," "expect," "anticipate," "intends," "estimate," "forecast," "project," "will," "may," "should" and similar expressions identify forward-looking statements. Forward-looking statements include statements regarding: strategies, outlook and growth prospects; future plans and potential for future growth; liquidity, capital resources and capital expenditures; growth in demand for our products; economic outlook and industry trends; developments of our markets; the impact of regulatory initiatives; and the strength of our competitors.

The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control and we may not achieve or accomplish these expectations, beliefs or projections. In addition, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include:

- changes in the balance of oil and gas supply and demand in Russia, Europe, and Asia;
- the effects of domestic and international oil and gas price volatility and changes in regulatory conditions, including prices and taxes;
- the effects of competition in the domestic and export oil and gas markets;
- our ability to successfully implement any of our business strategies;
- the impact of our expansion on our revenue potential, cost basis and margins;
- our ability to produce target volumes in the event, among other factors, of restrictions on the Company access to transportation infrastructure;
- the effects of changes to our capital expenditure projections on the growth of our production;
- inherent uncertainties in interpreting geophysical data;
- commercial negotiations regarding oil and gas sales contracts;
- changes to project schedules and estimated completion dates;
- potentially lower production levels in the future than currently estimated by our management and/or independent petroleum reservoir engineers;
- our ability to service our existing indebtedness;
- our ability to fund our future operations and capital needs through borrowing or otherwise;
- our success in identifying and managing risks to our businesses;
- our ability to obtain necessary regulatory approvals for our businesses;
- the effects of changes to the Russian legal framework concerning currently held and any newly acquired oil and gas production licenses;
- changes in political, social, legal or economic conditions in Russia and the CIS;
- the effects of, and changes in, the policies of the government of the Russian Federation, including the President and his administration, the Prime Minister, the Cabinet and the Prosecutor General and his office;
- the effects of international political events, including changes in the foreign countries' and their governments' policy towards the Russian Federation and Russian companies;
- the effects of technological changes;
- the effects of changes in accounting standards or practices; and
- inflation, interest rate and exchange rate fluctuations.

This list of important factors is not exhaustive. When relying on forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which we operate. Such forward-looking statements speak only as of the date on which they are made. Accordingly, we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

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