

The image features the Novatek logo on the left, consisting of a dark blue vertical bar and four 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. The word "NOVATEK" is written in large, bold, blue capital letters across the middle of the image.

NOVATEK

Moving Forward – Still a Growth Story

**Mark Gyetvay, Chief Financial Officer and Member of the Board
LSE and Granit Capital – Russia and CIS Capital Markets Day – Oil and Gas
London Stock Exchange, London, UK
21 June 2010**

Disclaimer



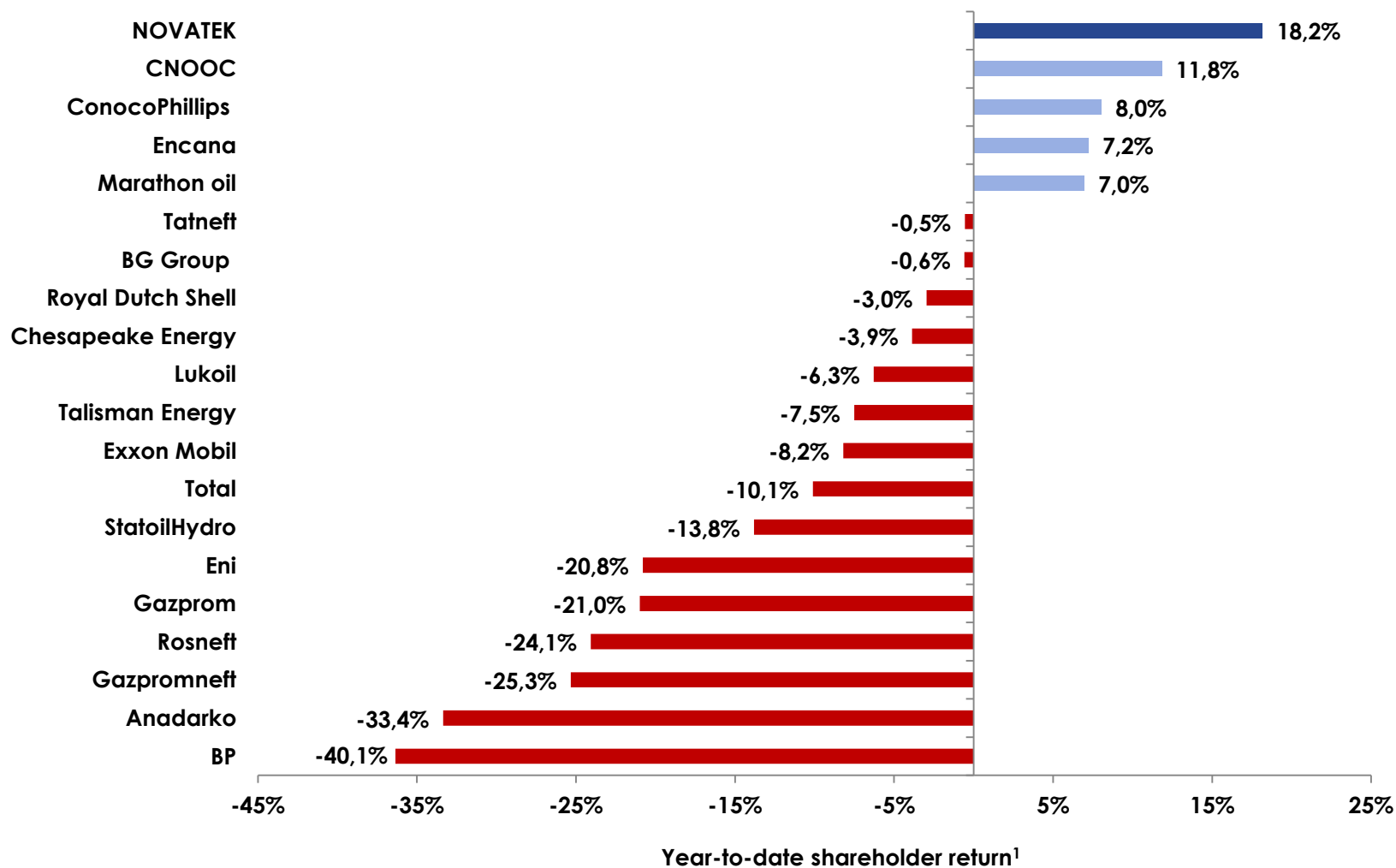
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NOVATEK YTD Performance

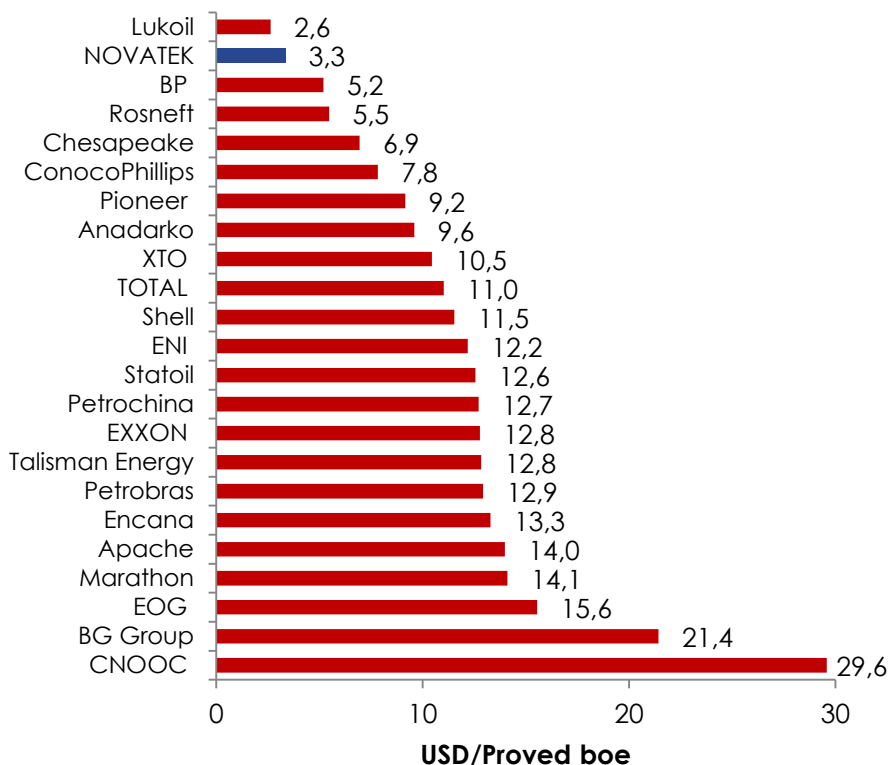


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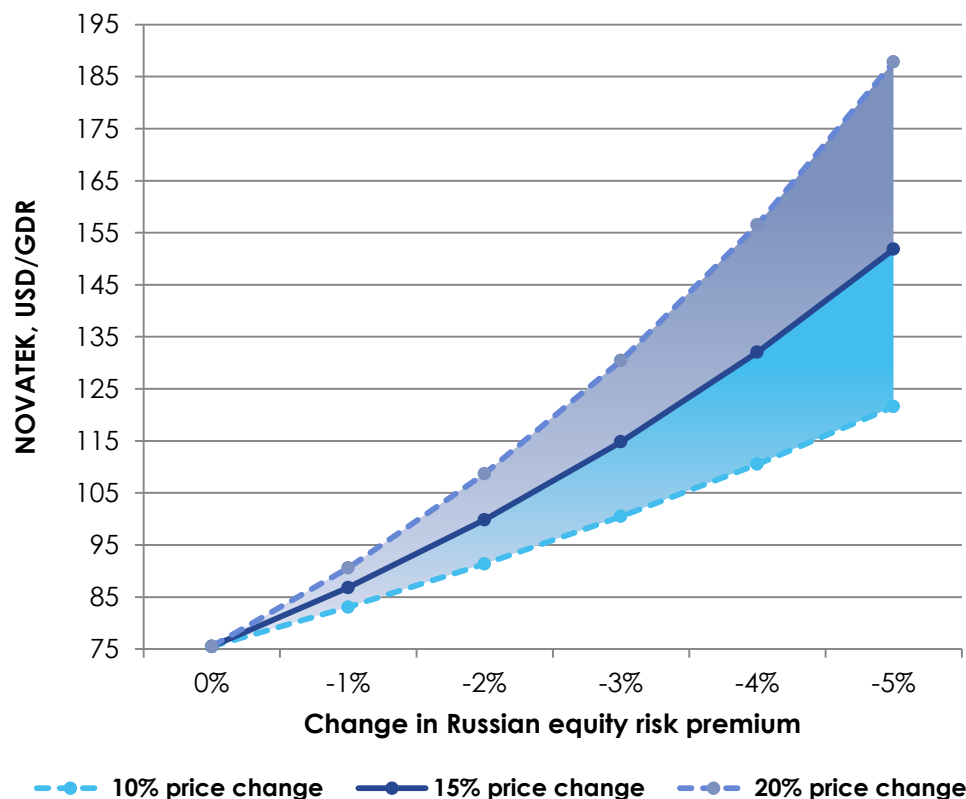
1. Year-to-date results as of 17.06.2010

Undervalued, over-risked

Reserve¹ based valuation² multiples



Risk premium effect on NVTK GDR price



NOVATEK's value on a reserve basis is discounted from between two to ten times as compared to industry peers

A one percent change in the equity risk premium results in an approx. 15% change in share price

Notes:

1. Reserves based on company filings as of 31.12.2009

2. Market capitalization as of 13.06.2010

Key Factors Reducing Risk Premium

- ◆ Proven track record regarding pipeline and transportation access as well as production growth
- ◆ Stable tax regime with no punitive changes planned
 - ◆ Production tax on natural gas has remained steady at RR 147/mcm for the past four years. Proposed changes have been in-line with inflation
- ◆ Capital discipline and efficiencies underpin our investment decisions
 - ◆ Strong balance sheet – no liquidity issues
- ◆ High quality asset base scalable to changing demand scenarios
 - ◆ Large, long-lived reserve/resource base – over 90% natural gas and 29 years R/P ratio (P1) and 45 years R/P ratio (P2)
 - ◆ Close proximity to natural gas pipeline infrastructure
- ◆ Lowest cost producer in global oil and gas industry (based on scale)
- ◆ Low downside risk to natural gas price dynamics
 - ◆ domestic price liberalization plan still ongoing
- ◆ Balanced shareholder structure

Significant Company Milestones



Production and exploration licenses in Yamal-Nenets Autonomous Region acquired

NOVATEK successfully places 19% of its shares on London and Russian exchanges in one of the largest Russian IPOs to date

NOVATEK acquires 50% of El Arish concession (Egypt)

Launch of 2nd phase of development at Yurkharovskoye field – 16 bcm total field production capacity

Novafininvest established as an Open Joint Stock Company

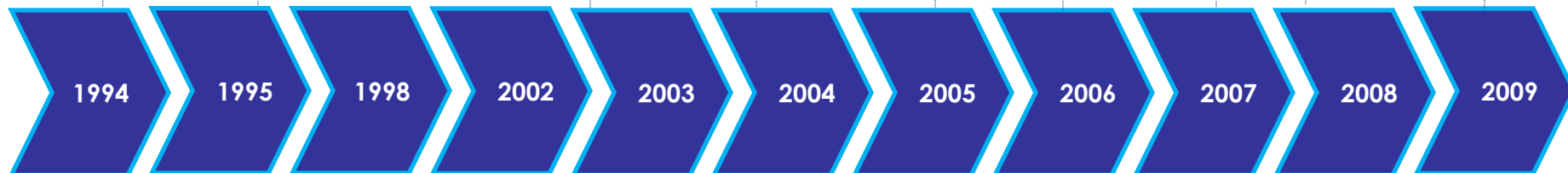


NOVATEK name adopted and corporate restructuring program begins

Completion of 1st phase of development at Yurkharovskoye field – 9 bcm total field capacity

Completion of 2nd phase development at Khancheyevskoye field – 5 bcm total field capacity

Launch of 3rd phase of development at Yurkharovskoye field – 44 bcm total Company production capacity



Acquisition of first operating business, SNP Nova - one of the largest pipeline construction companies in Russia



NOVATEK begins direct natural gas sales to end-customers

NOVATEK commences natural gas production at its East-Tarkosalinskoye field

Full consolidation of key assets- Tarkosaleneftgas and Khancheyneftgas

Strategic partnership agreement with Gazprom signed



NOVATEK commences operations at its wholly-owned Purovsky Gas Condensate Stabilization Plant – 2 mmt per annum capacity

NOVATEK corporate rating upgraded to investment grade by Moody's (Baa3/stable)

NOVATEK reaches total cumulative production milestone of 100 BCM



NOVATEK expands capacity at its Purovsky Gas Condensate Stabilization Plant to 5 mmt per annum

S. Tambey acquisition

NOVATEK receives investment grade rating from Fitch (BBB-/stable)

Gas production capacity reaches 100 mmcm/day

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 storage tanks, under a blue sky with some white smoke or steam rising from one of the structures. The word 'NOVATEK' is written in large, bold, blue capital letters across the middle of the image.

NOVATEK

Operational Profile

Quality Growth Model

- ◆ Lowest capital and production costs amongst relative peer group – **for the past five consecutive three-year average periods**
- ◆ High returns on predominantly lower regulated prices – **Approximately 65% of our revenues are derived from the regulated natural gas market**
- ◆ Operationally and financially leveraged to liberalizing price environment – **Russian Government committed to price liberalization**
- ◆ Substantial resources to support growth model – **2009 reserve replacement rate of 898% and reserve-to-production life of 29 years**

NOVATEK's Fields and License Areas (LA)



Yamal-Nenets Autonomous Region (YNAO) – the world's largest natural gas producing region

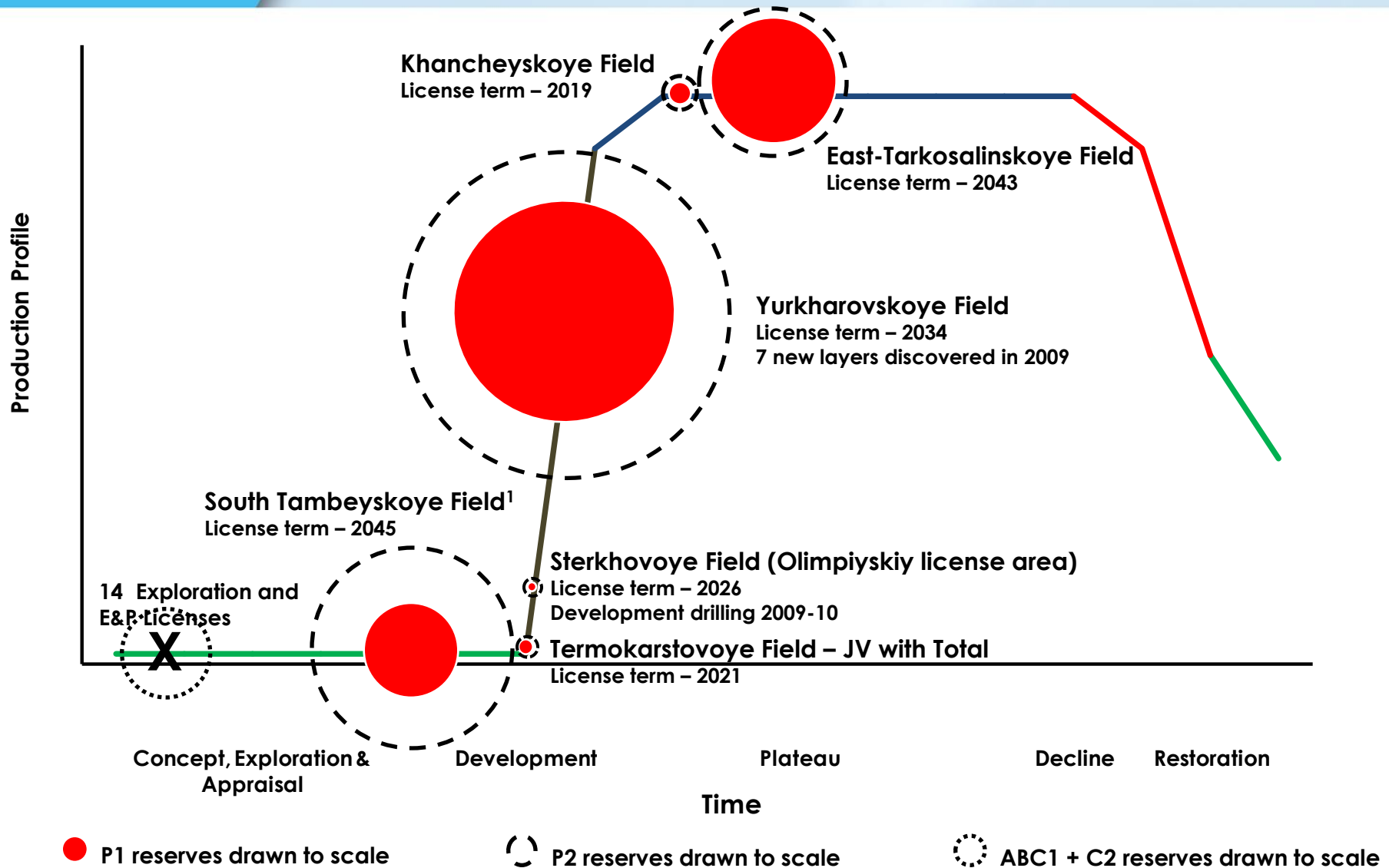


1. Yurkharovskoye field
2. East-Tarkosalinskoye field
3. Khancheyskoye field
4. Olimpiyskiy LA (Sterkhovoye field)
5. South Tambeyskoye field
6. Termokarstovoye field
7. West Yurkharovskoye field

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

15. Severo-Termokarstoviy LA
16. Severo-Russkiy LA
17. Sredniy Chaselskiy LA
18. Zapadno-Tazovskiy LA
19. Anomalniy LA
20. Severo-Yamsoveyskiy LA
21. Pilyalinskiy LA

NOVATEK Development Profile



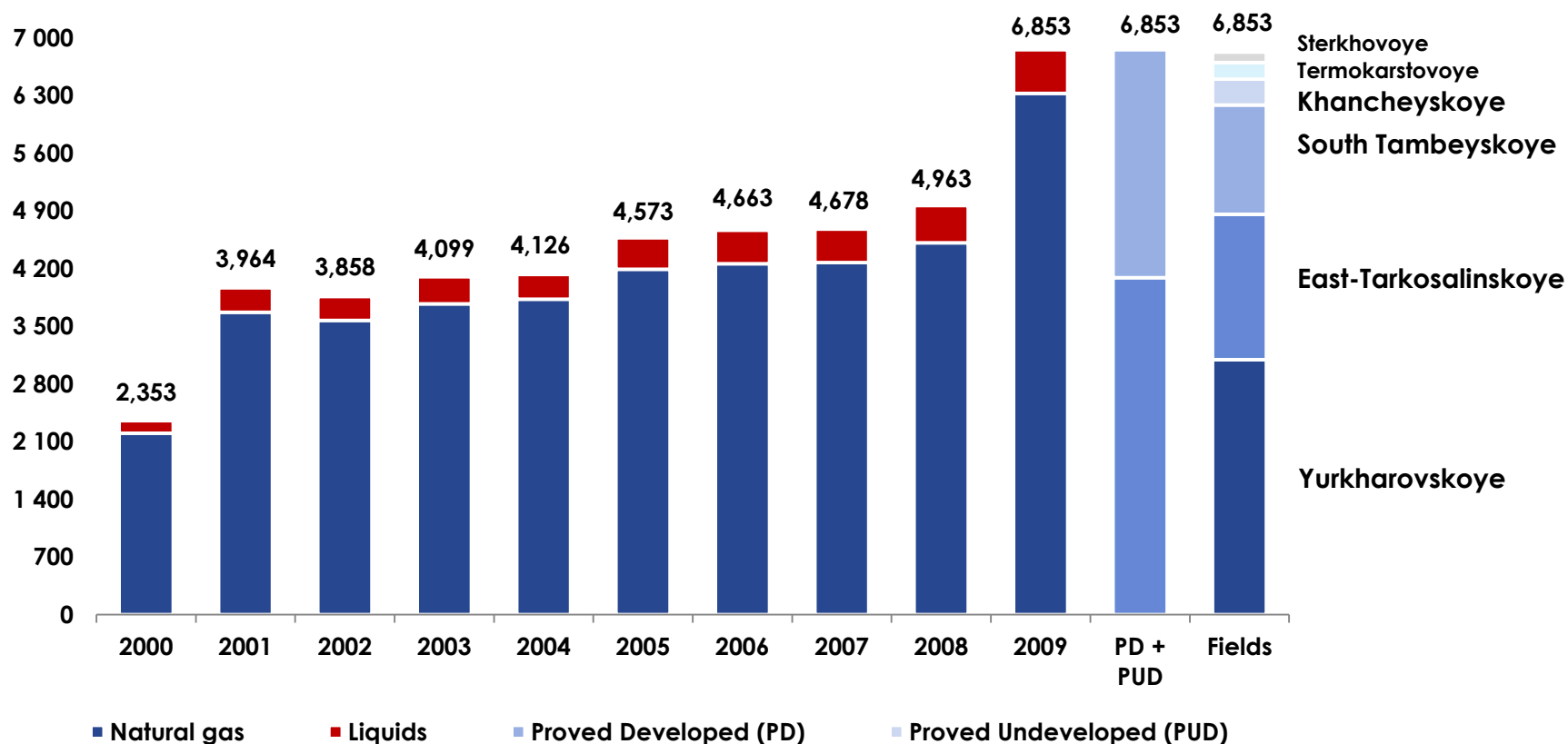
Note:

1. 51% of South Tambeyskoye's reserves as of 31 December 2009

A Proven Strategy to Build Reserves

Proved Reserves (SEC), mmboe*

Compound Annual Growth Rate: 13%

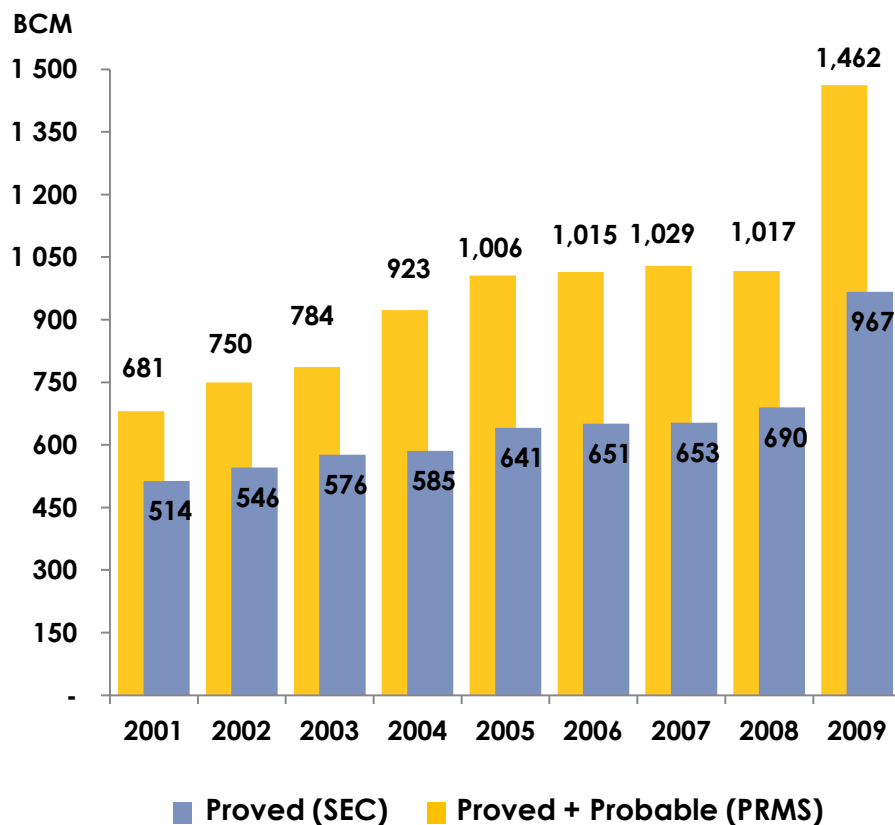


* Proved reserves for each year-end are 100% engineered by DeGolyer & MacNaughton

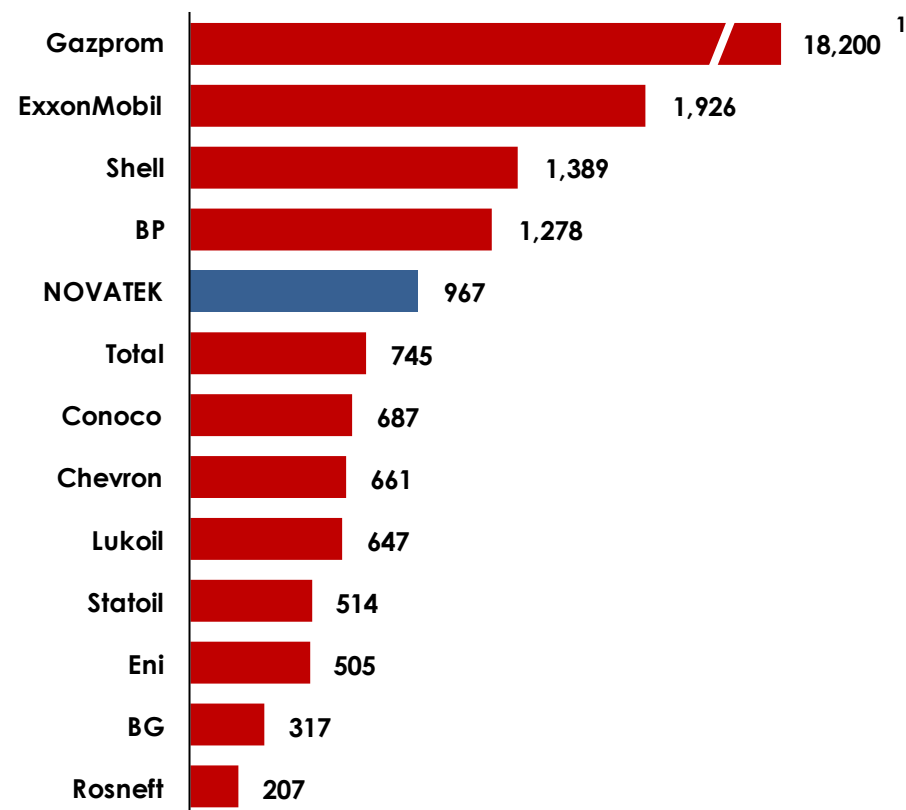
International Reserve Scale



Historical natural gas reserve growth



2009 Proved SEC gas reserves, bcm

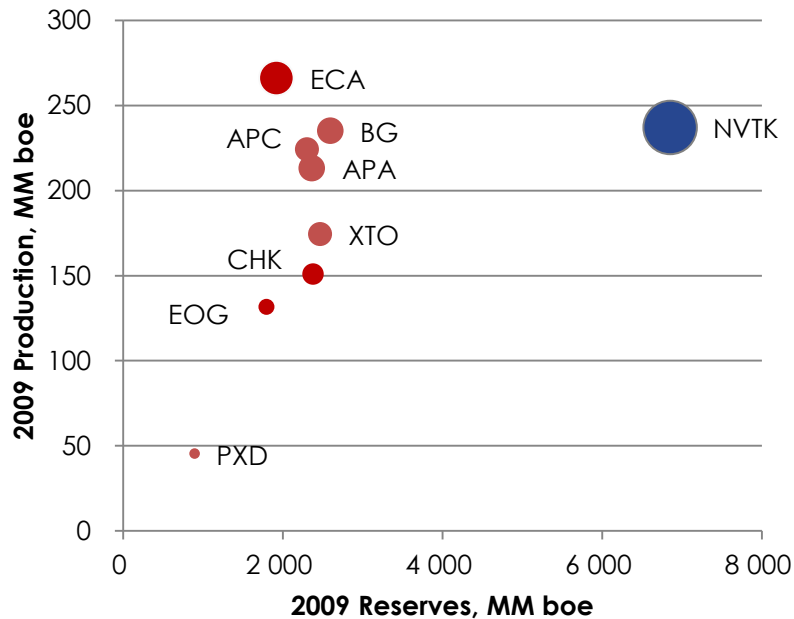


Source: Company data SEC filings
Note 1: Gazprom data as of 31.12.2008

Reserves to Production

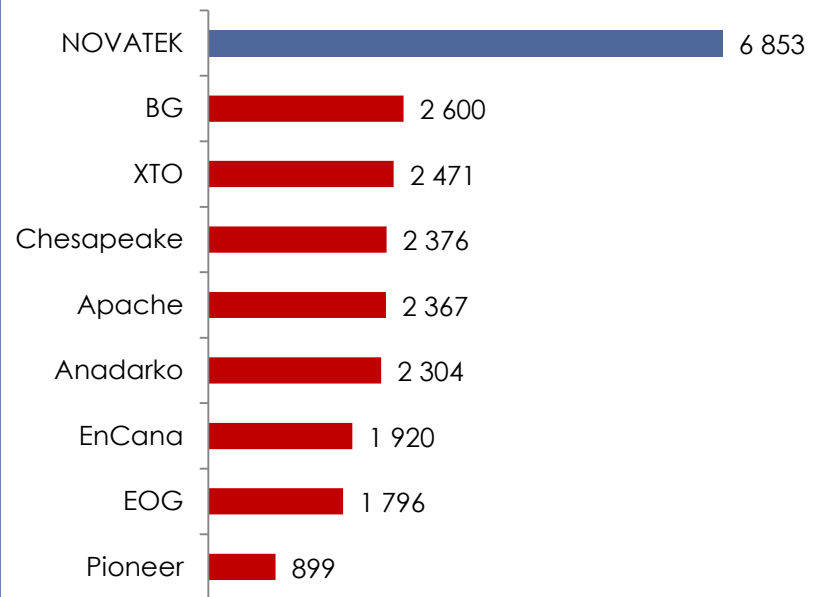


Long Life Reserves



Source: Company filings and NOVATEK data
Note: Bubbles drawn to scale for 2009 proved reserves on a boe basis

2009 Proved Reserves, mm boe



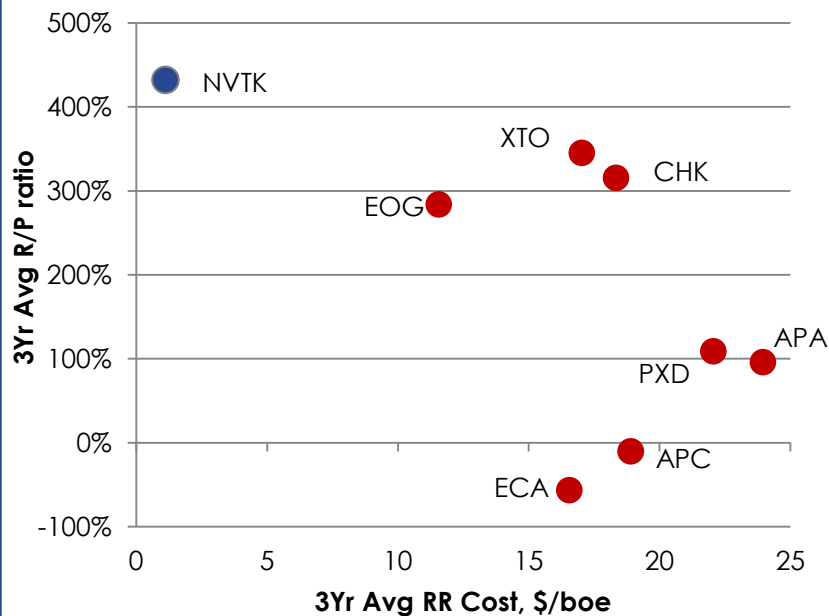
Source: Company filings and NOVATEK data

Our high quality reserve base supports production

Efficient Operator

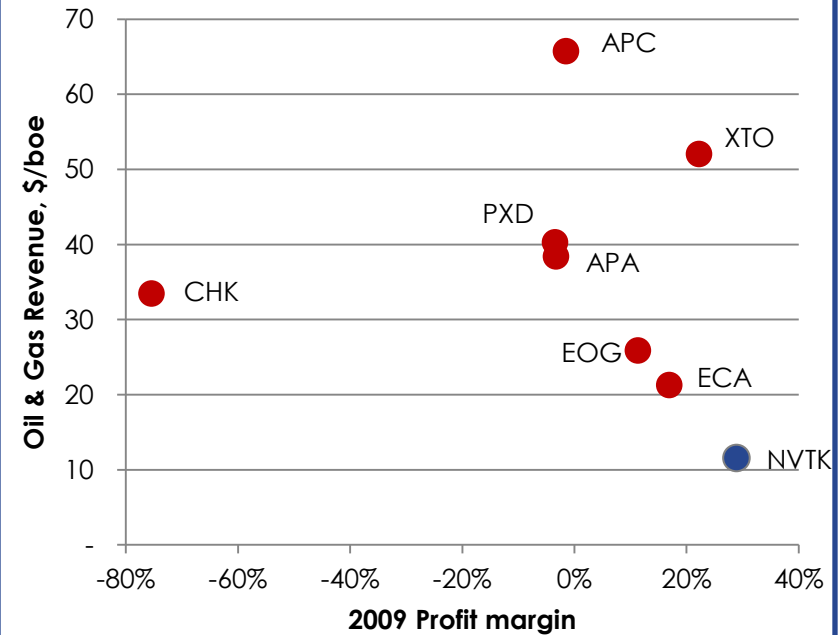


Low cost – long life



Source: Company Filings and NOVATEK data

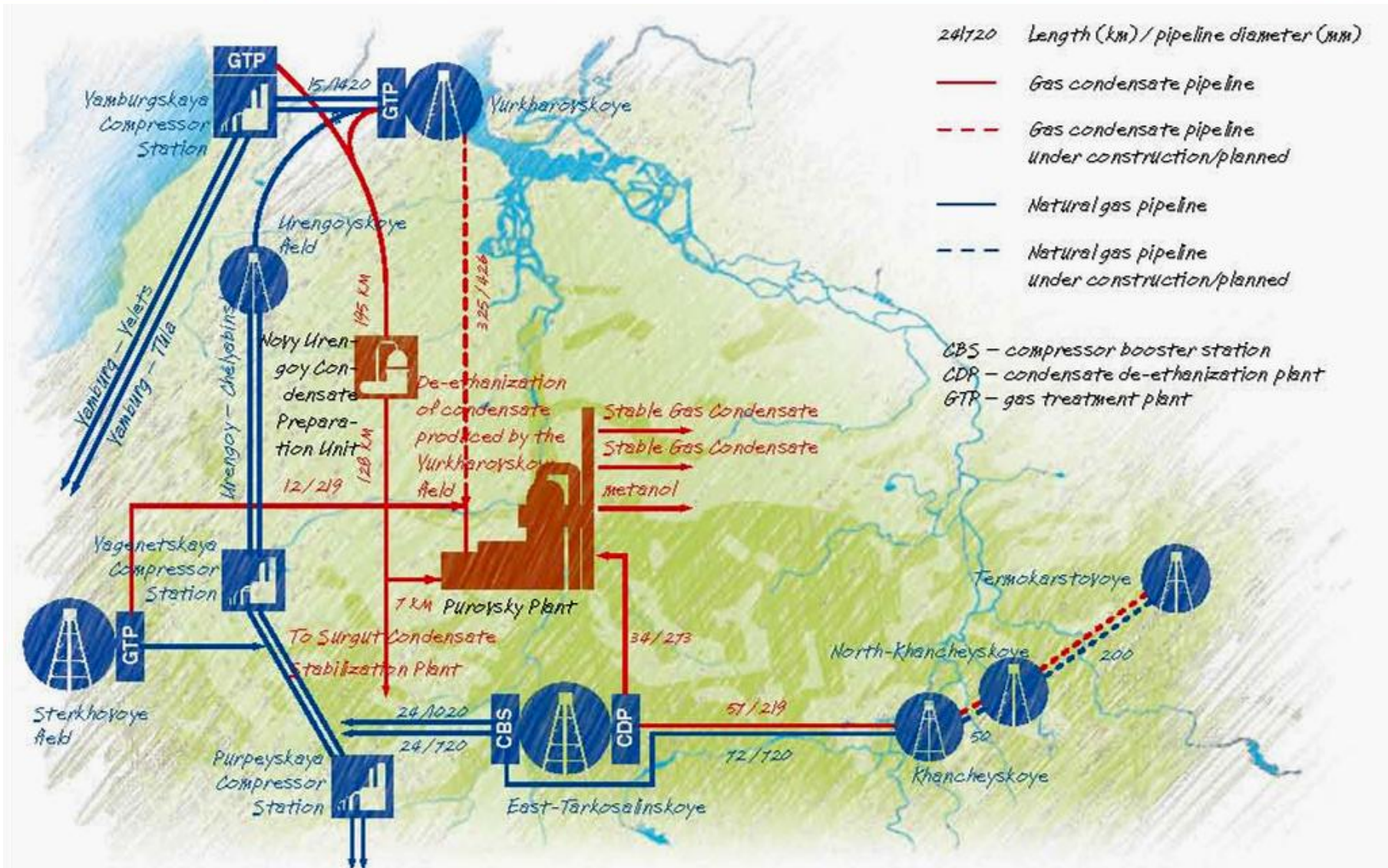
Low realized prices – high margins



Source: Company filings and NOVATEK data

Consistently the lowest cost producer in a low price environment

NOVATEK Transportation & Processing






Yurkharovskoye Field – Transportation Scheme

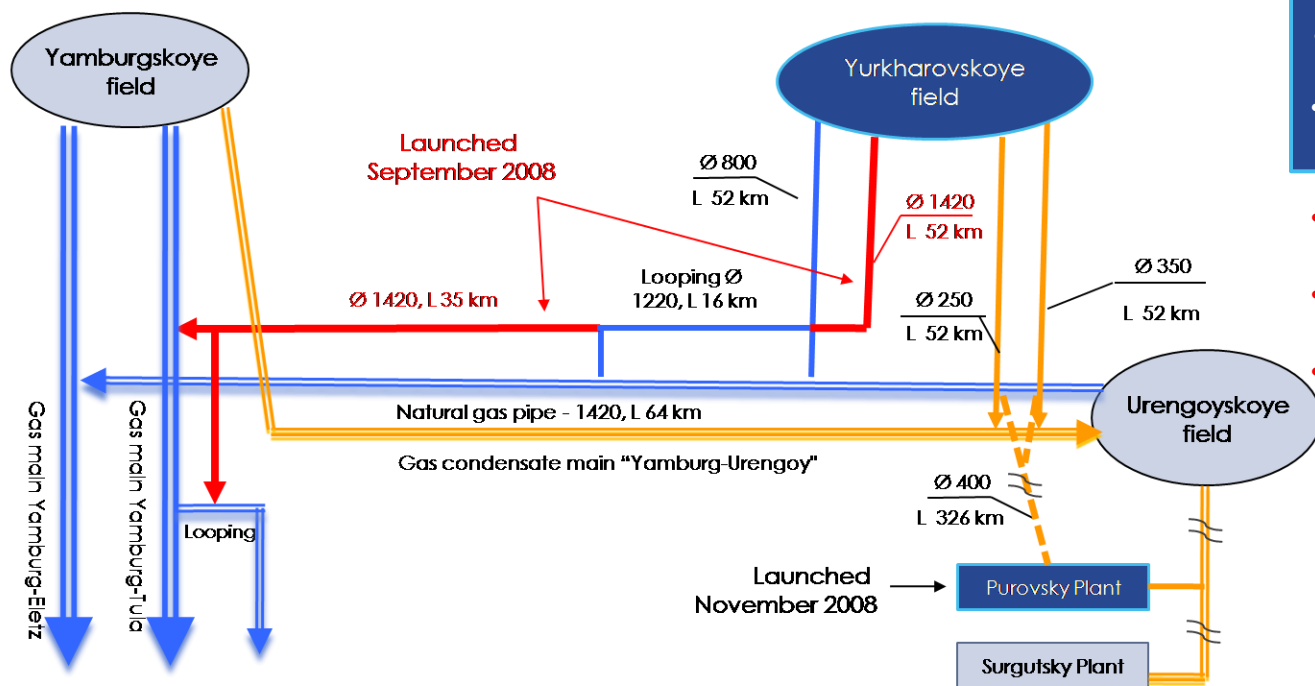


Gas pipelines

-  Gazprom
-  NOVATEK (existing)
-  NOVATEK (new)

Gas condensate pipelines

-  Gazprom
-  NOVATEK (existing)
-  NOVATEK (under construction - 2010)



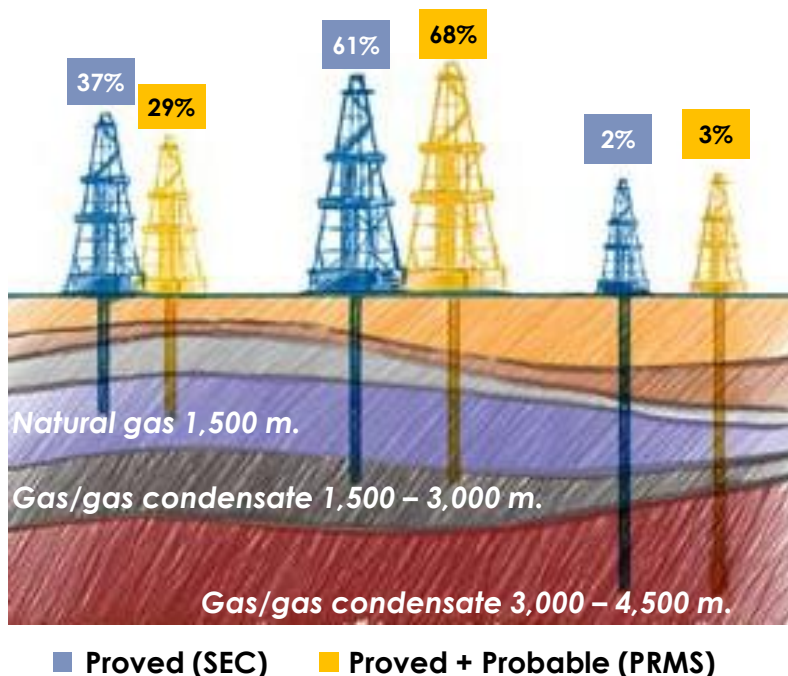
Field development stages:

- Phase 1 – up to 9 bcm/yr
January 2003
- Phase 2/stage 1 – up to 7 bcm/yr
September 2008
- Phase 2/stage 2 – up to 7 bcm/yr
October 2009
- 40 thousand ton/annum methanol plant April 2010
- Phase 2/stage 3 – up to 7 bcm/yr
3&4 Q's 2010, including:
- Gas condensate pipeline to Purovsky Plant
- Field de-ethanization unit

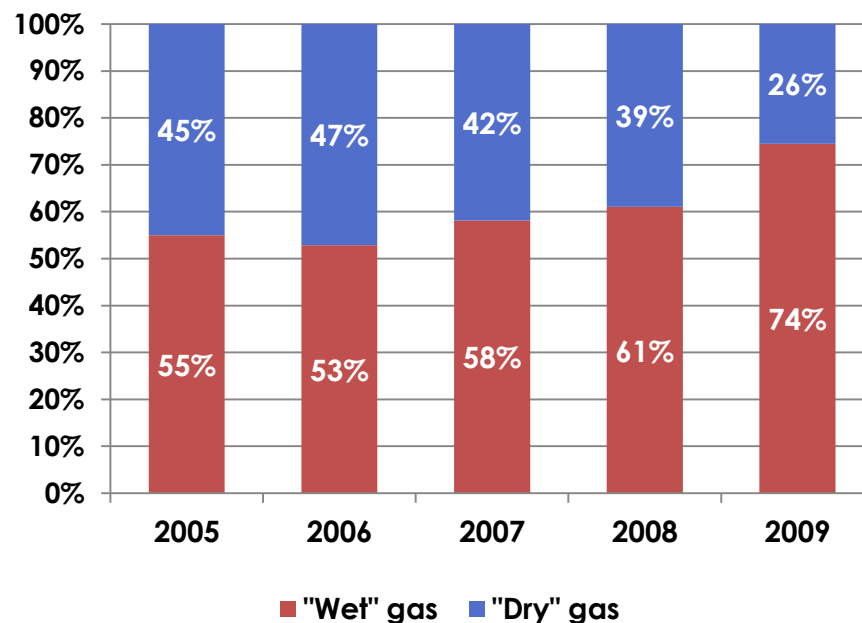
The launch of the methanol plant as well as the planned launch of the gas condensate pipeline and de-ethanization unit will optimize production costs. In 2009, 3rd party processing and transportation costs amounted to ~ RR 1 billion

Increasing Gas Condensate Production

Structure of 2009 natural gas reserves



“Wet” gas vs. “Dry” gas production

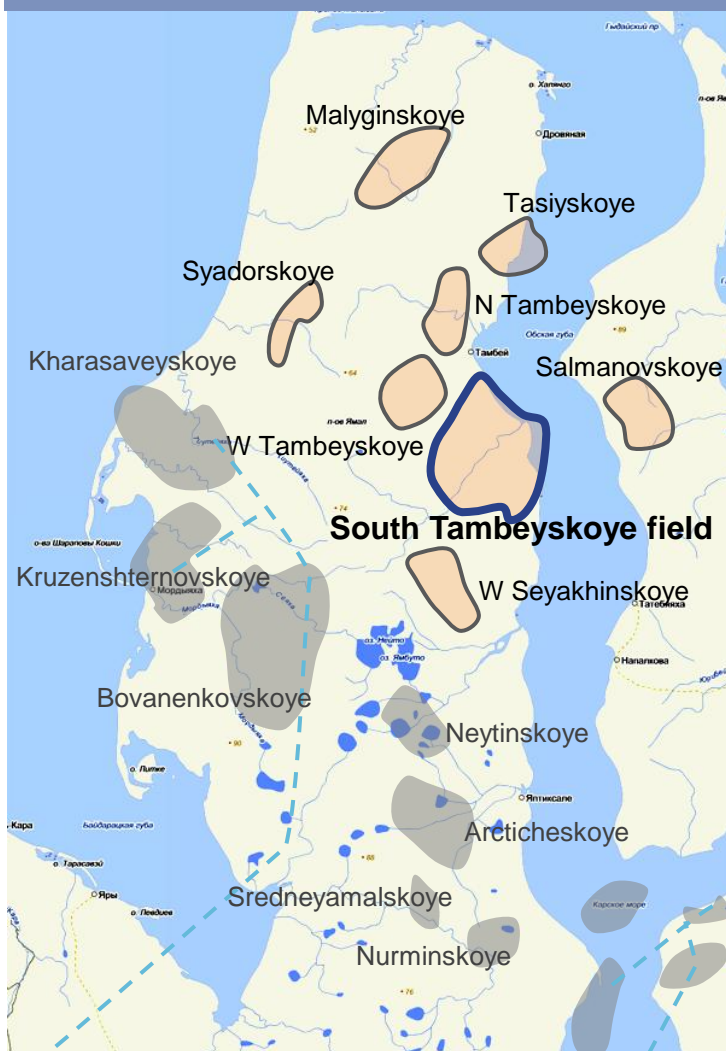


A majority of NOVATEK’s reserves are located in the deeper gas condensate bearing horizons allowing the Company to optimize gas production to provide multiple revenue streams (natural gas, stable gas condensate and LPG)

ОАО Yamal LNG – South Tambeyskoye Field



Map of the Yamal Fields



ОАО Yamal LNG holds the license for exploration and development of the South-Tambeyskoye field

- Discovered in 1974, the field is located on the Northeastern side of the Yamal-Peninsula
- Initial license issued 13 July 2005 and valid until 2020, recent license extension to 2045.
- To date:
 - 1,160 km² of 3D seismic data
 - 55 exploration wells drilled

Russian Reserve Classification 1 January 2010 (100%)

| Category | Natural Gas, bcm | Gas Condensate, mmt | Total mm boe |
|--------------|------------------|---------------------|--------------|
| C1 | 1,004 | 38 | 6,890 |
| C2 | 252 | 14 | 1,768 |
| C1+C2 | 1,256 | 52 | 8,658 |

Independent Reserve Audit¹, 1 January 2010 (100%)

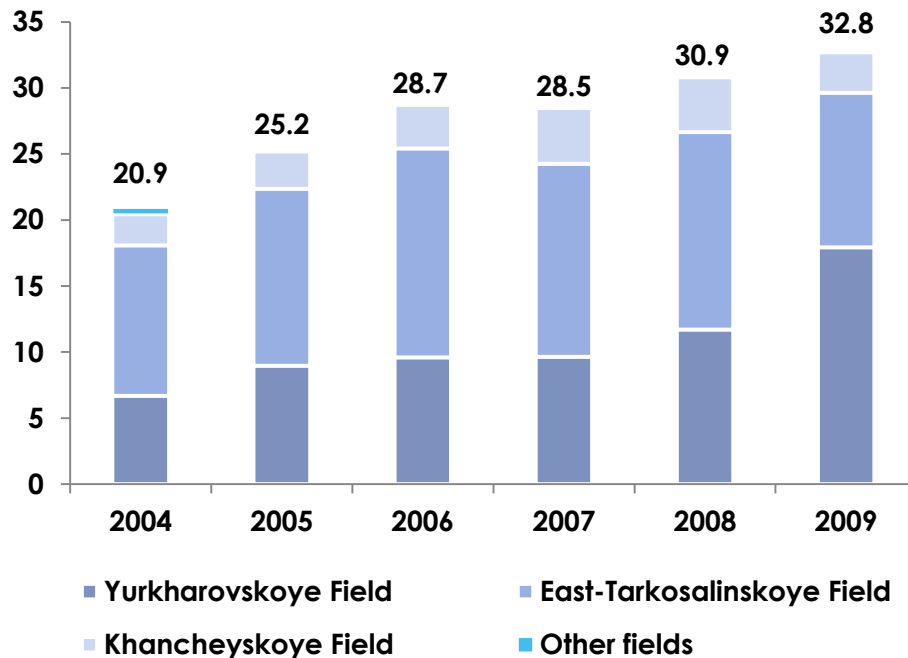
| Category | Natural Gas bcm | Gas Condensate, mmt | Total mm boe |
|----------------------|-----------------|---------------------|--------------|
| SEC P1 | 380 | 14 | 2,603 |
| PRMS P1+P2 | 802 | 31 | 5,515 |
| PRMS P1+P2+P3 | 927 | 37 | 6,383 |

1. DeGolyer and MacNaughton

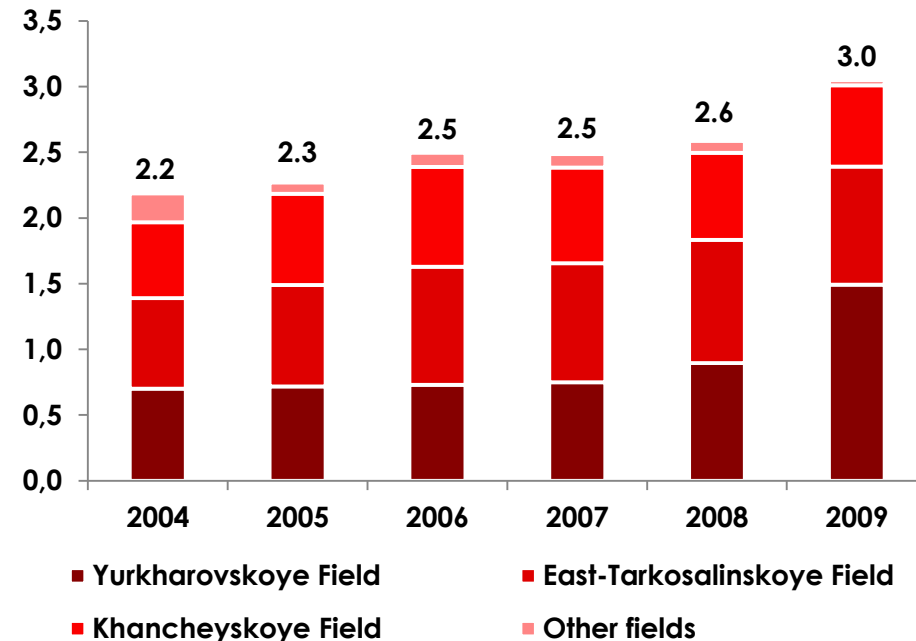
Historical Production Results



Natural gas production, bcm



Liquids production mmt

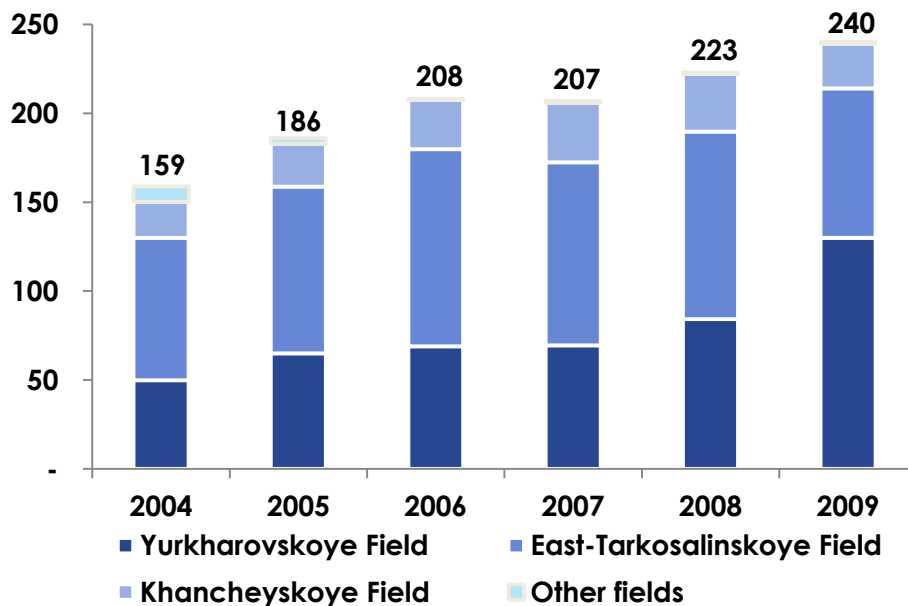


In 2009, the Yurkharovskoye field became the largest of NOVATEK's core fields in terms of production of both natural gas and liquid hydrocarbons

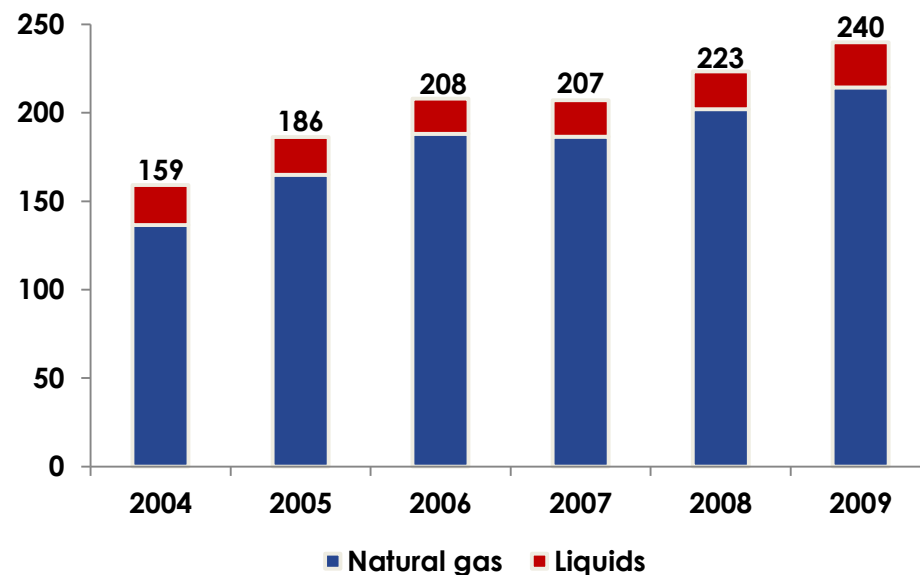
Historical Production Results



Total production by field, mmboe



Total production gas & liquids, mmboe

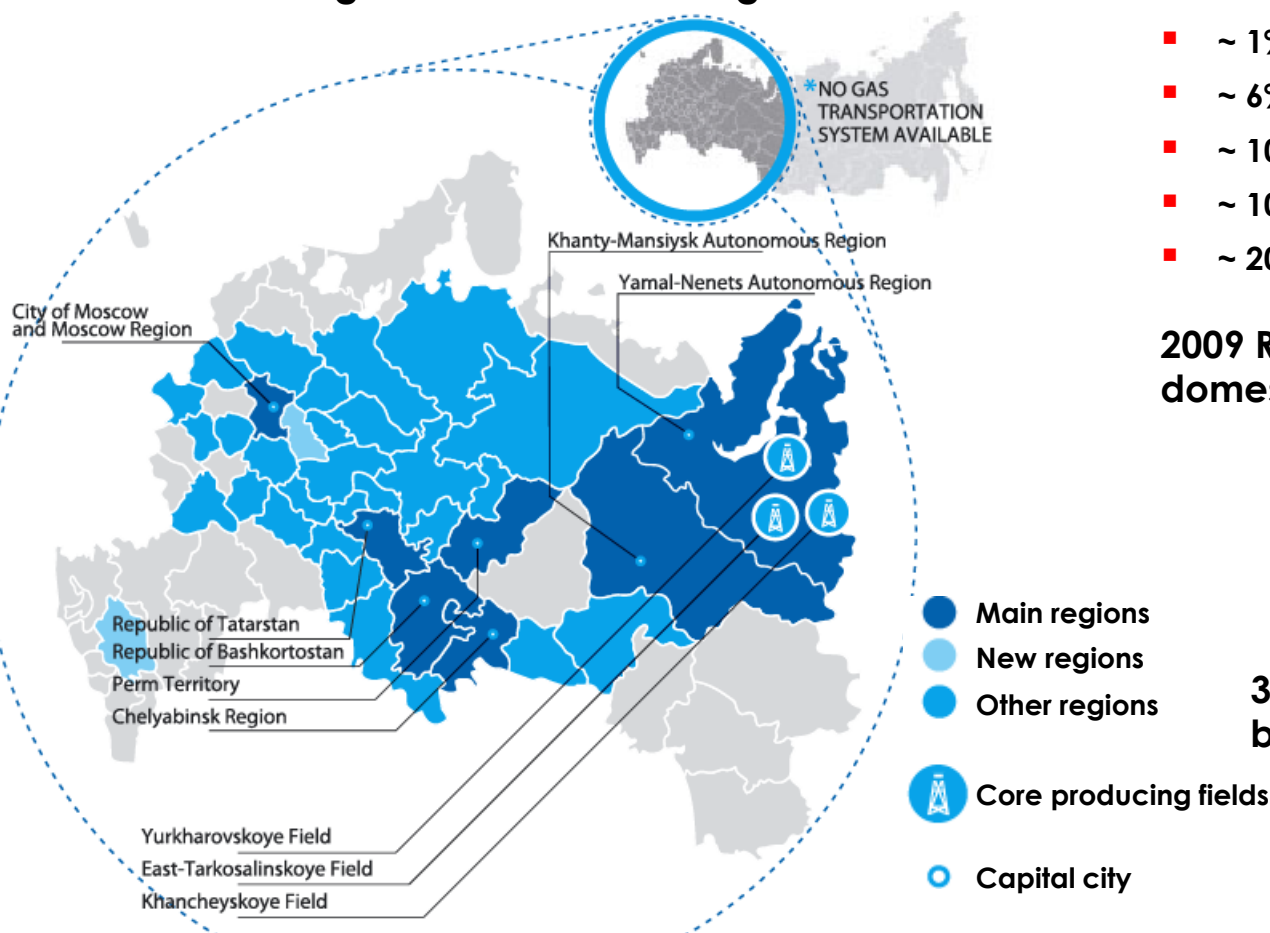


NOVATEK's three core fields have historically produced over 99% of the Company's total production volumes, while natural gas has consistently accounted for over 90% of total volumes produced

Domestic Natural Gas Sales and Production



NOVATEK's natural gas sales to Russian regions

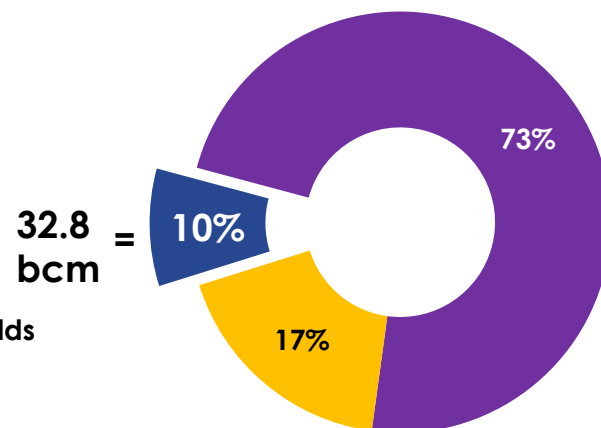


NOVATEK today is...

- ~ 1% of world gas production
- ~ 6% of Russian gas production
- ~ 10% of deliveries to domestic market
- ~ 10% of Russian LPG production
- ~ 20% of Russian condensate production

2009 Russian natural gas supplies to domestic market

■ Gazprom ■ Independents ■ NOVATEK



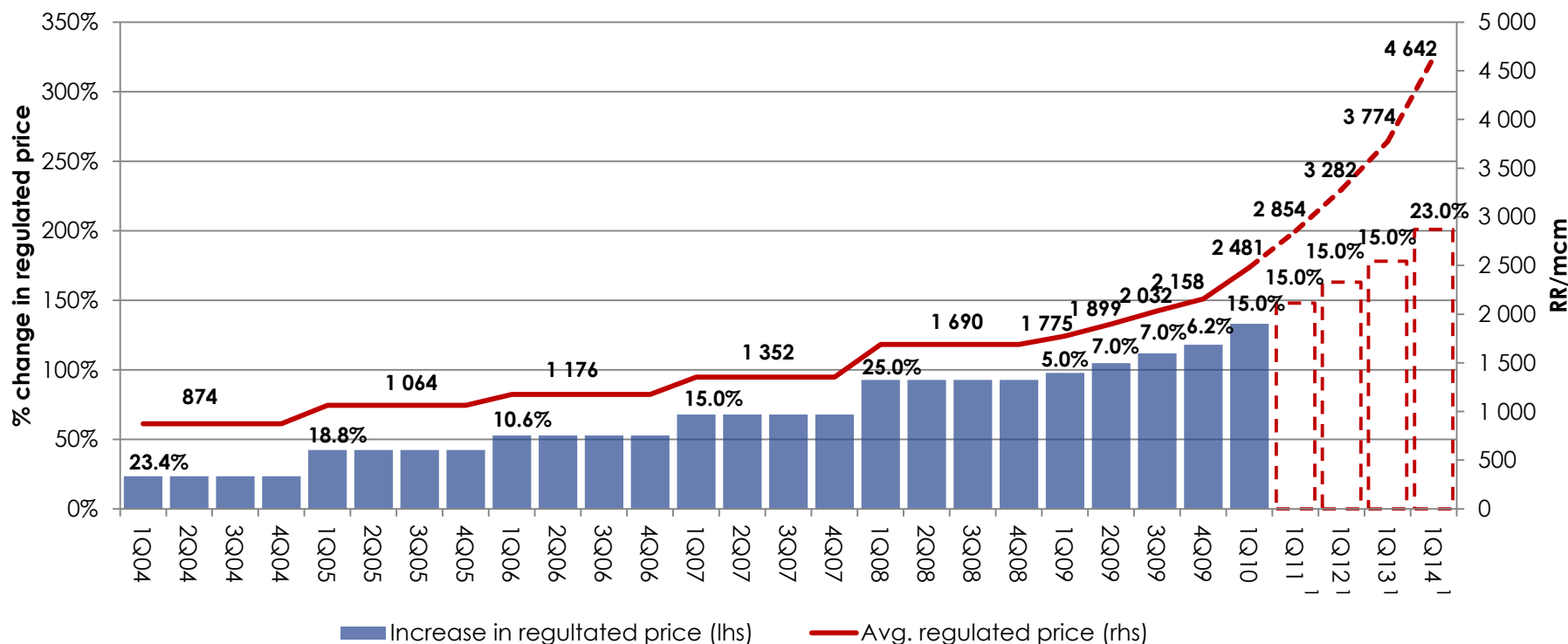
32.8 bcm =

In 2009, we supplied natural gas to 35 Russian regions and have the potential to supply ~15% of Russian domestic natural gas demand by 2020

Predictable Gas Pricing Model



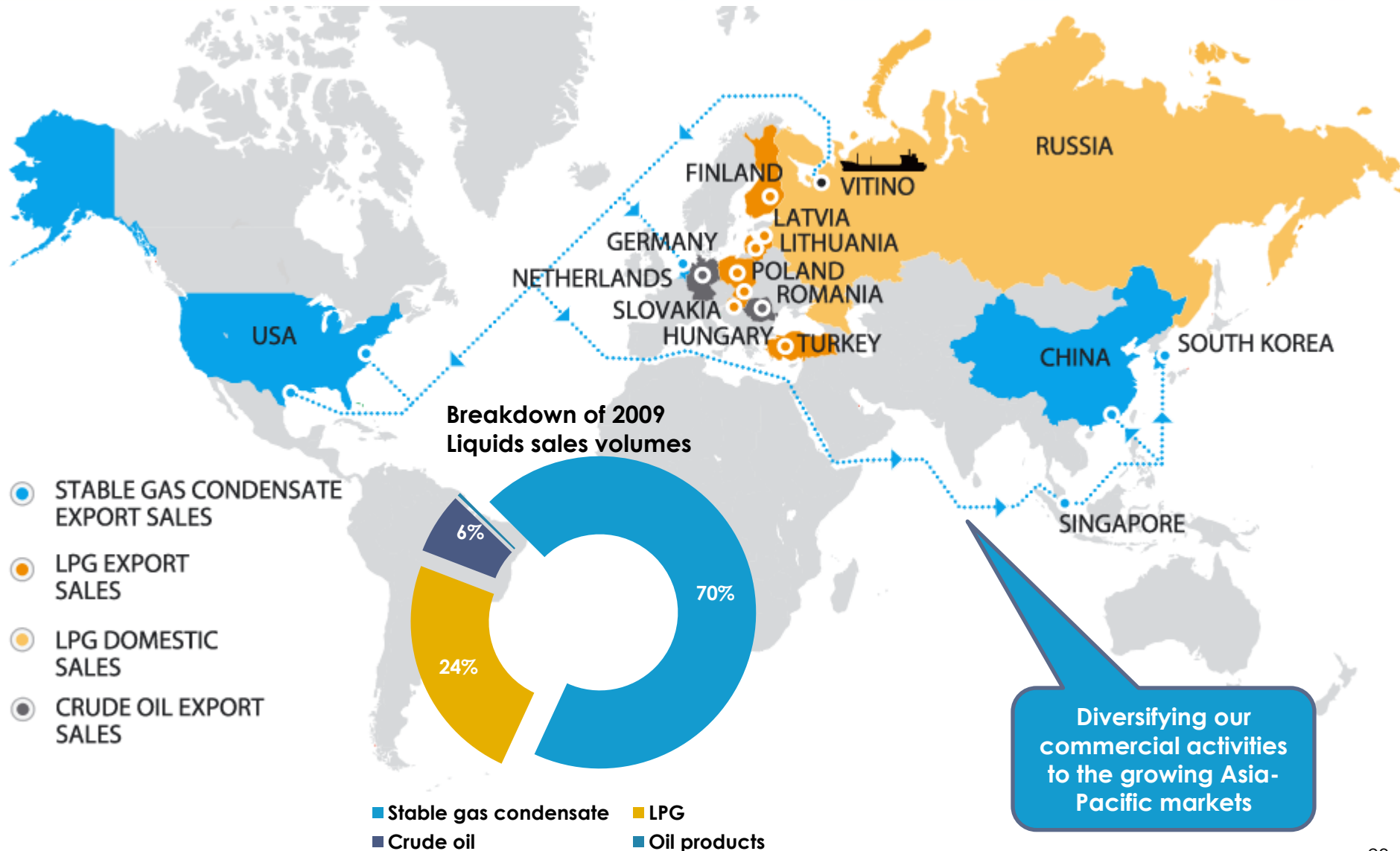
Historical and forecasted regulated price increases for Russian domestic gas



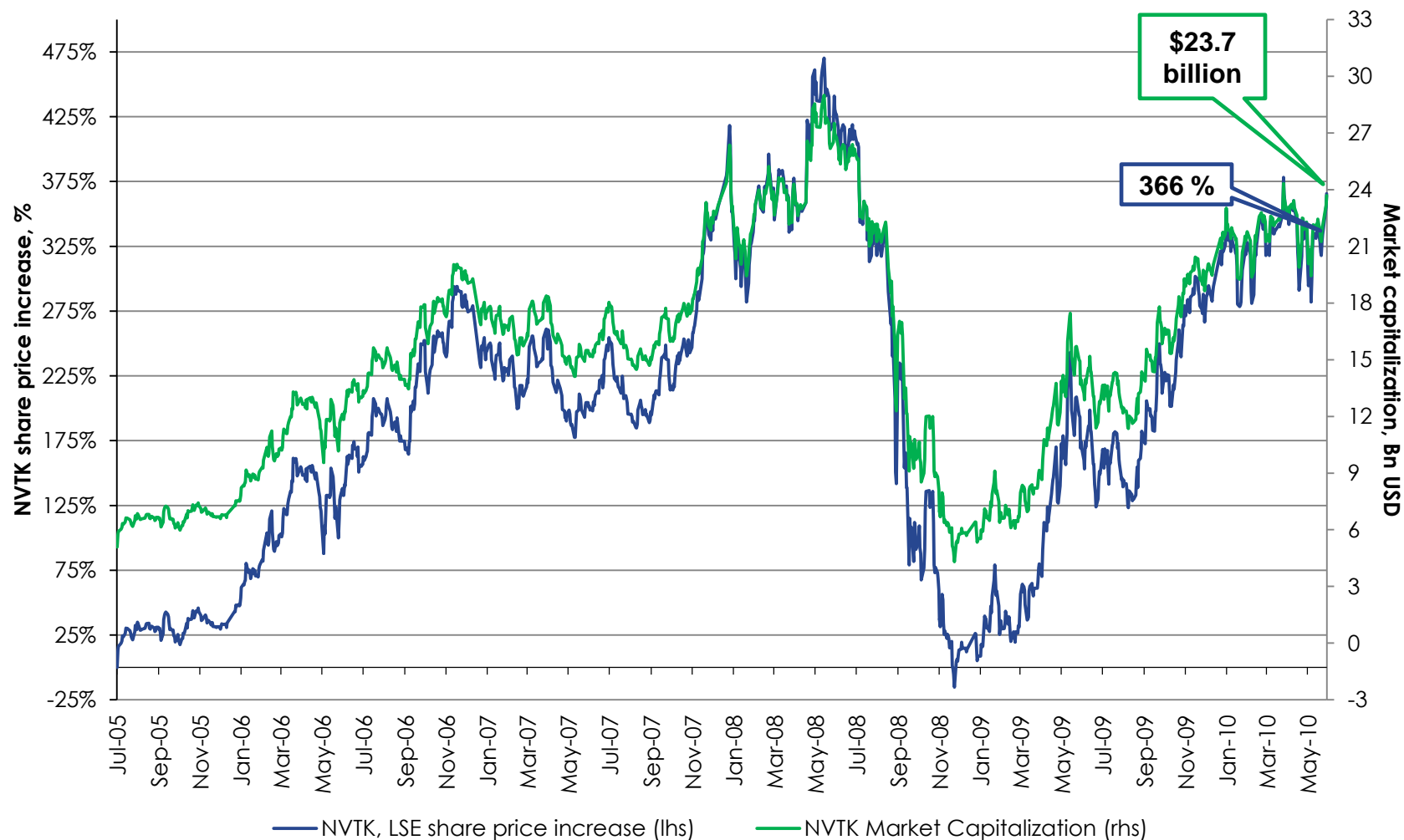
Note 1: According to the announcement on 3 June 2010 by the Russian Minister of Economic Development – gas tariffs for 2011-13 will increase by a maximum of 15% p.a. and full liberalization will be reached by 2014. (Current estimates are based on Brent crude oil price of \$75/bbl)

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

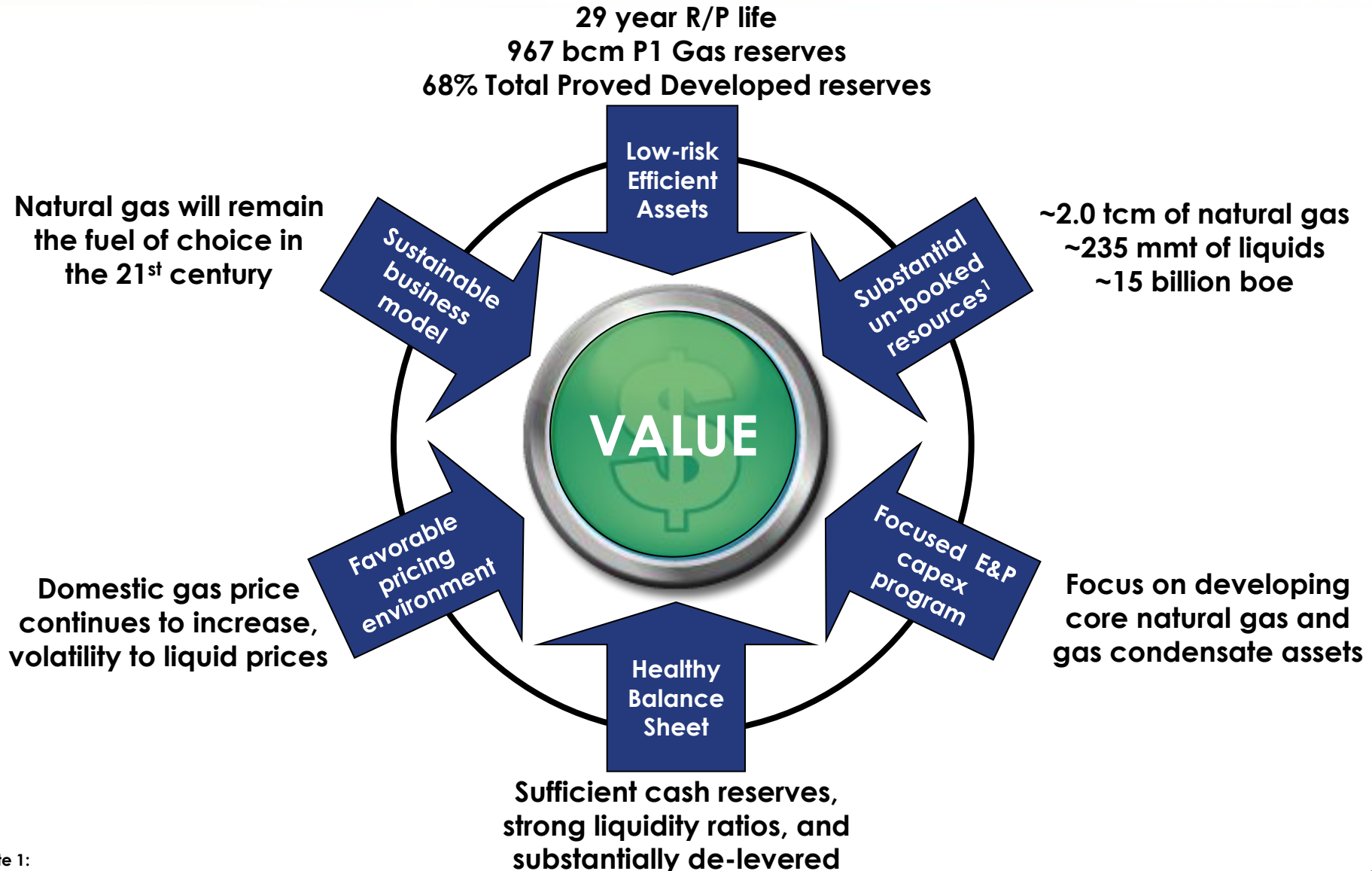
Expanding Our Liquids' Commercial Reach



Our Stock Performance Since IPO



A Compelling Investment Case



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 several horizontal, curved bars. The background is a faded image of an industrial facility with tall distillation columns and scaffolding under a blue sky with some white clouds.

NOVATEK

Questions and Answers Session

Contact details:

NOVATEK's Investor Relations

Mark Gyetvay, Chief Financial Officer

Gregory Madick, Head of Investor Relations

Tel: +7 (495) 730-6013

Email: ir@novatek.ru

Website: www.novatek.ru

The top half of the slide features a background image of an industrial facility with several large storage tanks and metal scaffolding. A thick blue horizontal bar is positioned at the very top. On the left side, there is a stylized logo consisting of three horizontal blue bars of varying lengths, with the word "NOVATEK" written in a light blue, sans-serif font across them. The word "NOVATEK" is also overlaid in a larger, semi-transparent blue font across the middle of the slide.

NOVATEK

Appendices

The image features the Novatek logo on the left, which consists of a dark blue vertical bar and four horizontal blue bars of varying lengths. To the right of the logo is a large, semi-transparent blue 'N' that serves as a background for the word 'NOVATEK'. The word 'NOVATEK' is written in a bold, blue, sans-serif font. The background of the entire slide is a faded image of an industrial facility with several tall distillation columns and a plume of white steam rising into the sky.

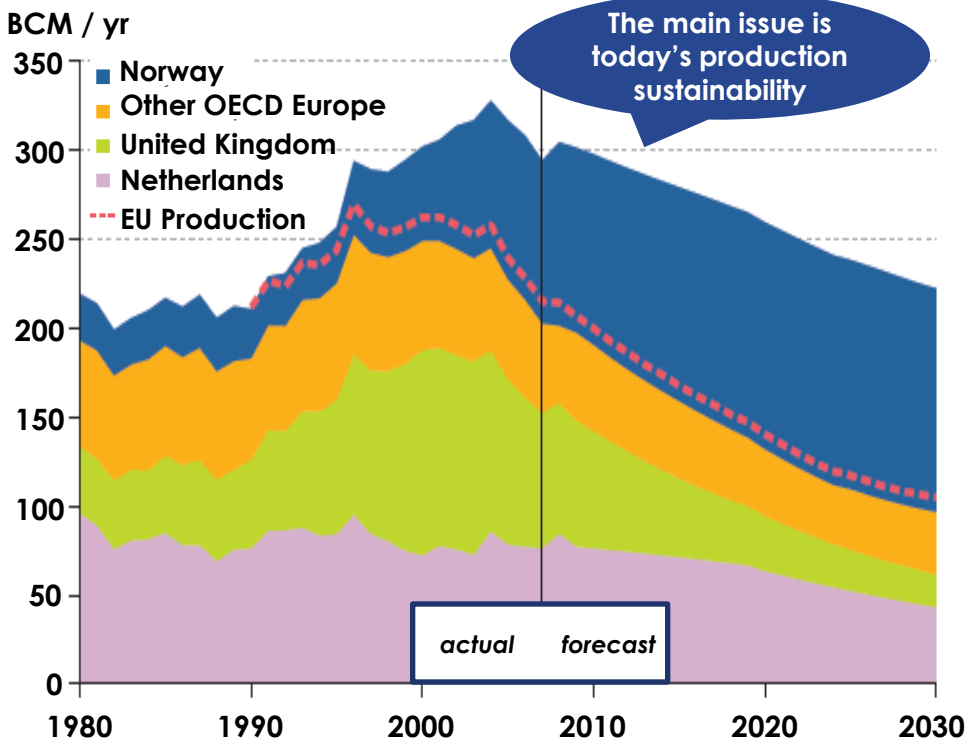
NOVATEK

Supply/Demand Environment – Europe & Russia

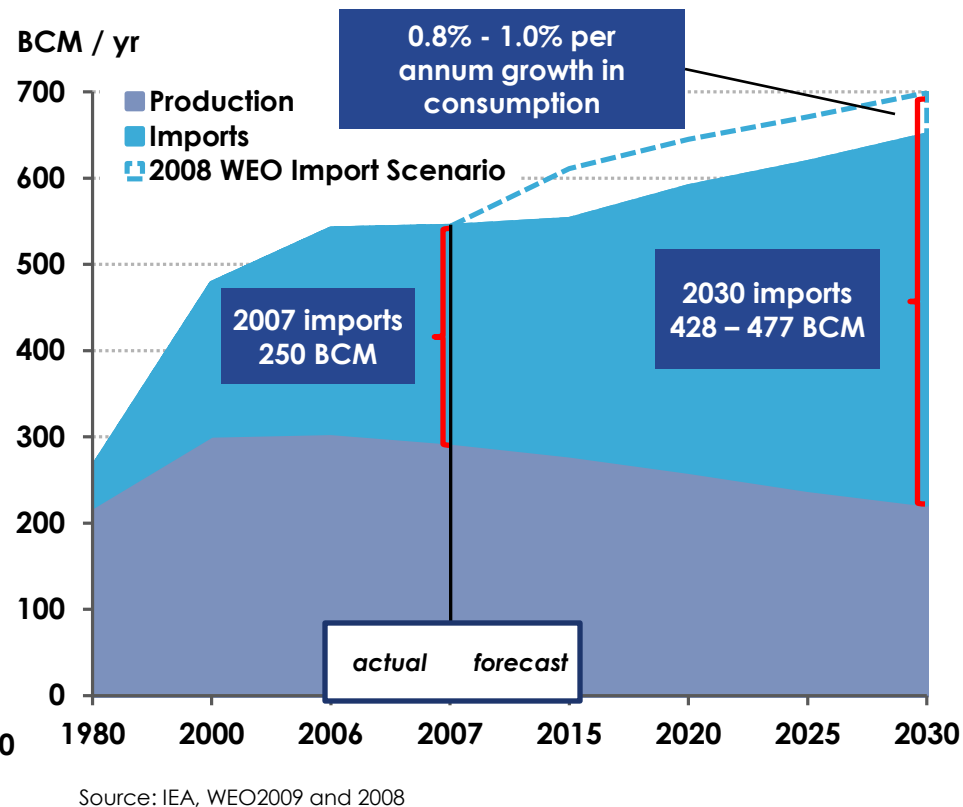
OECD Europe Gas Scenarios – Base Case



OECD Europe Gas Production



OECD Europe Gas Balance Scenario

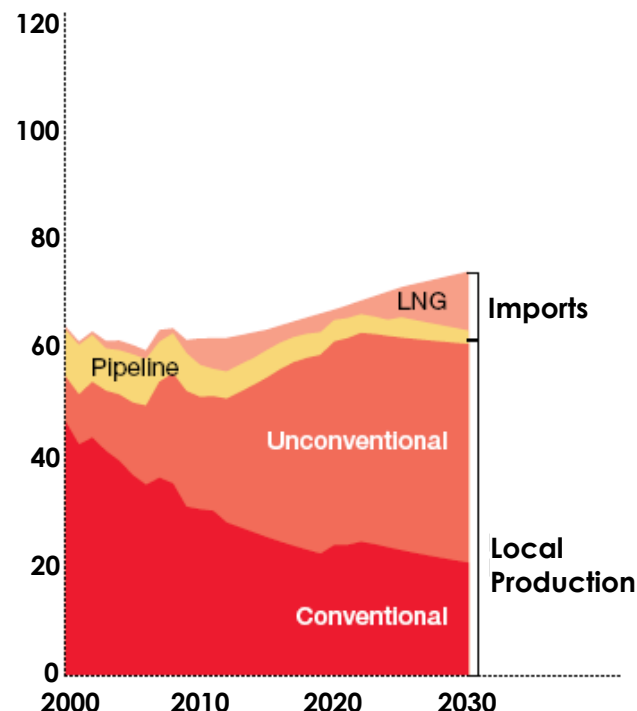


Significant decline forecasted from major OECD Europe indigenous gas production will result in an increase in imports over the long-term. Forecasts show that between 2007 and 2030 imports will likely increase by 178 to 227 BCM per annum

Natural Gas Supply and Demand Balance

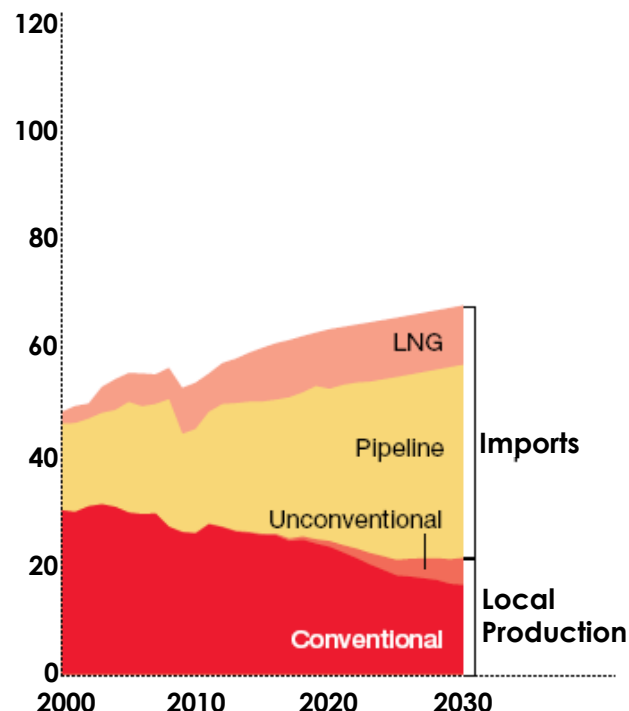
United States

Billions of Cubic Feet per Day



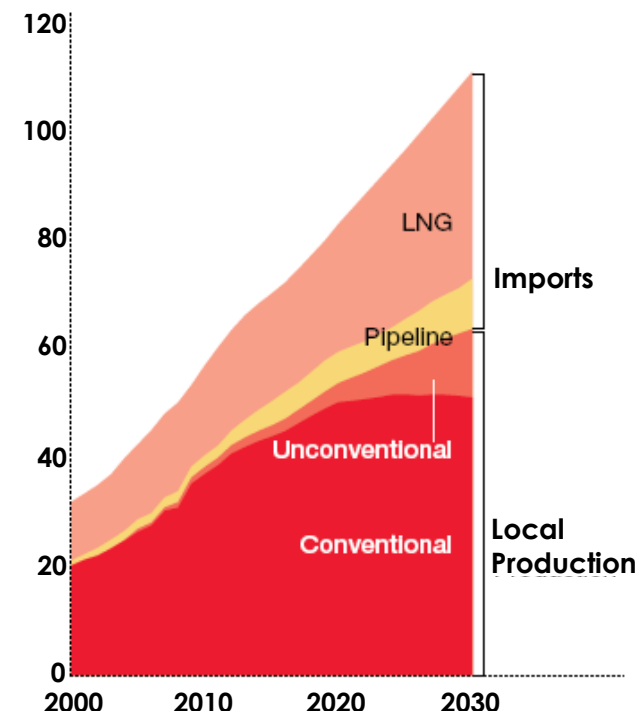
Europe

Billions of Cubic Feet per Day



Asia Pacific

Billions of Cubic Feet per Day



Source: Exxon Mobil, 2009 Outlook for Energy A View to 2030

Natural gas is expected to grow across all three major consuming regions, with the sources varying depending on geographical areas

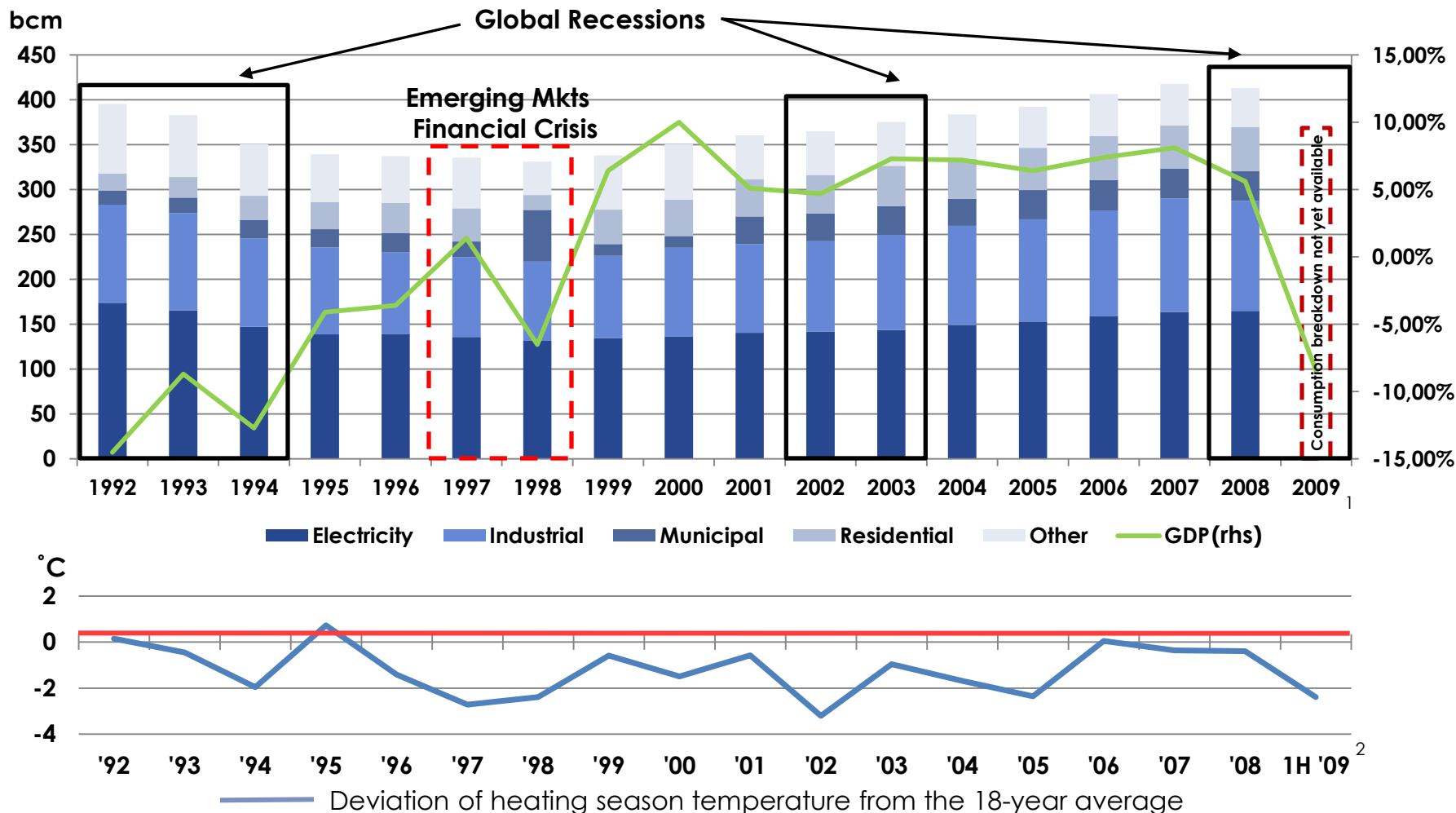
Domestic Balance Weighted to Independents



- ◆ No change to fundamental supply and demand dynamics for the Russian domestic market
 - ◆ Gazprom is still inclined to supply gas to the European market for higher prices and to maintain its market influence
 - ◆ The postponement of Gazprom's investment program will potentially delay the launch of new production capacity (i.e., push-back of Shtokman and Bovenenko development schedules)
 - ◆ Natural gas supplies from Central Asia have already decreased significantly and future purchases are uncertain – preliminary estimates that Central Asian imports will decline by roughly 50% over the next couple of years (1Q 2010 purchases down by ~50%)
 - ◆ Gas and power sector reform still on track despite effects of economic downturn
 - ◆ Base demand has remained relatively consistent during past recessions
 - ◆ Existing and planned capacity increases will enable us to produce approximately 52 bcm by the end of 2010 (no change to capital investment program)
 - ◆ Our current market share, 27% of independent production, as well as our productive capacity provides the platform for future growth at the lowest cost

Relative Growth Despite Recessions

Gas consumption in Russia



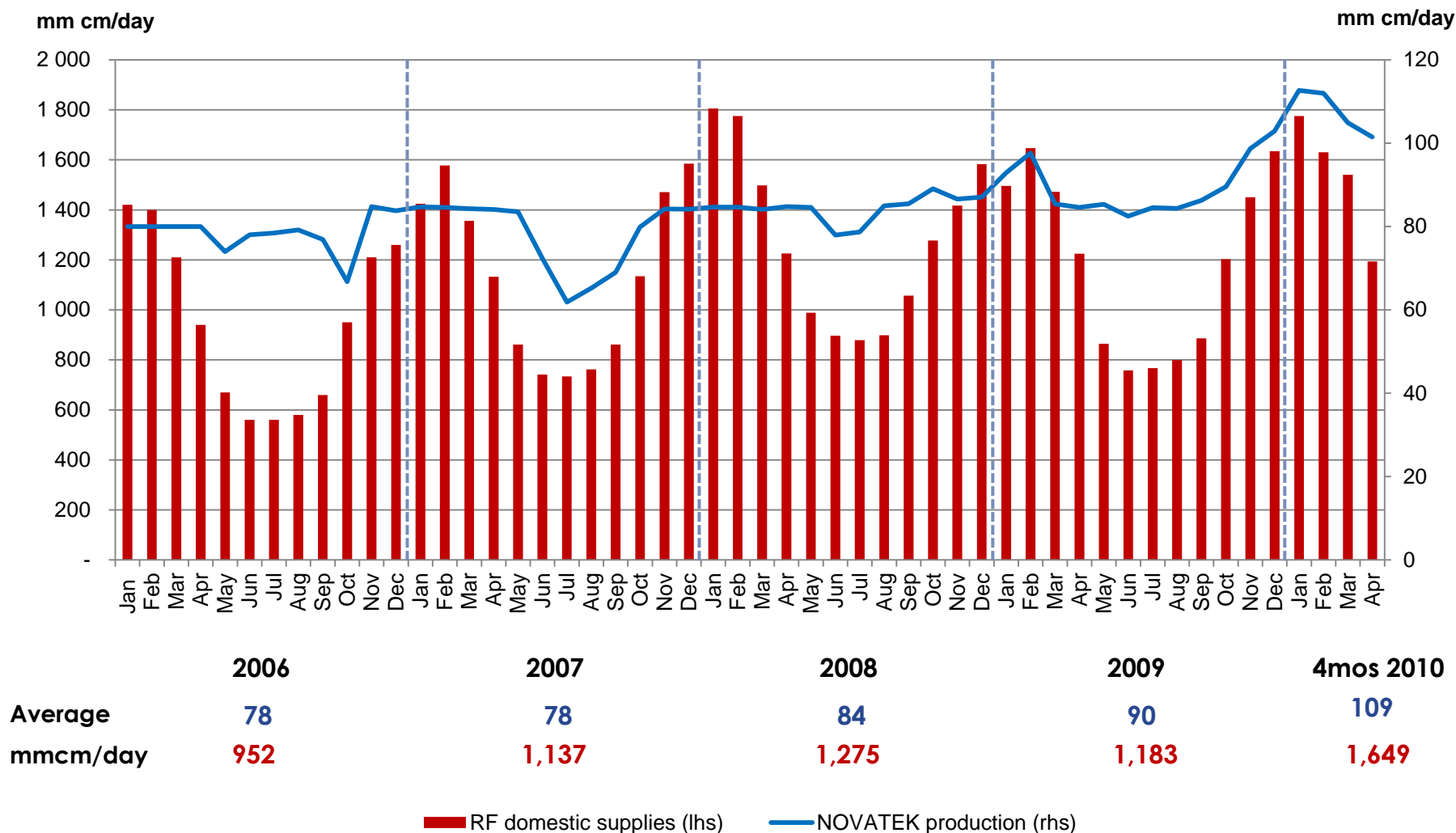
Notes:

1. 2009 GDP is an estimate from the Ministry of Economic Development of Russia as of 30 December 2009;

2. Weather data covers first half of 2009-2010 heating season: 1 October – 31 December 2009.

Source: Bloomberg, Troika Dialog Research, Ministry of Economic Development of 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

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NOVATEK

Select Financial Data

Comparison of Quarterly Results (RR million)



| | 1Q 09 | 2Q 09 | 3Q 09 | 4Q 09 | 1Q 10 | Q-o-Q +/- % | Y-o-Y +/- % |
|---------------------------------------|--------|--------|--------|--------|--------|----------------|----------------|
| Oil and gas sales | 16,316 | 22,376 | 21,217 | 26,994 | 27,237 | 0.9% | 66.9% |
| Total revenues | 16,981 | 23,148 | 21,971 | 27,854 | 27,742 | -0.4% | 63.4% |
| Operating expenses | 11,379 | 15,038 | 13,638 | 16,075 | 15,947 | -0.8% | 40.1% |
| EBITDA ⁽¹⁾ | 6,899 | 9,334 | 9,960 | 13,373 | 15,160 | 13.4% | 119.7% |
| EBITDA margin | 40.6% | 40.3% | 45.3% | 48.0% | 54.6% | | |
| Effective income tax rate | 21.7% | 21.0% | 21.2% | 19.9% | 20.8% | | |
| Profit attributable to NOVATEK | 2,134 | 7,178 | 7,353 | 9,378 | 11,182 | 19.2% | 424.0% |
| Net profit margin | 12.6% | 31.0% | 33.5% | 33.7% | 40.3% | | |
| Earnings per share | 0.70 | 2.37 | 2.43 | 3.09 | 3.69 | 19.3% | 427.1% |
| CAPEX | 3,871 | 4,794 | 3,933 | 5,274 | 6,230 | 18.1% | 60.9% |
| Net debt ⁽²⁾ | 16,801 | 32,262 | 30,919 | 27,171 | 22,153 | -18.5% | 31.9% |

Notes:

1. EBITDA represents net income before finance income (expense) and income taxes from the Statements of Income, and 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

NOVATEK 1Q10/4Q09 performance summary



Macroeconomic

| | | |
|-------------------------|---------------|--------------|
| WTI US\$/bbl | \$76.4/bbl | \$3/bbl |
| RR depreciation to US\$ | (1.42 RR/USD) | 29.47 RR/USD |

Financial

(in millions of Russian roubles)

| | | |
|--------------------------------|---------|--------|
| Total revenues | (112) | 27,854 |
| Total operating expenses | (128) | 16,075 |
| Profit attributable to NOVATEK | 9,378 | 1,804 |
| EBITDA | 13,373 | 1,787 |
| EBITDA normalized | 13,373 | 204 |
| PP&E, net | 161,448 | 11,046 |
| Total current assets | 26,867 | 917 |
| Total assets | 193,639 | 11,276 |
| Current liabilities | 23,593 | 4,865 |
| Total equity | 133,440 | 13,437 |
| Operating cash flow | 12,051 | 403 |
| Capital expenditures | 5,274 | 956 |

Operational

| | | |
|-------------------------------|------------|----------|
| Natural gas production (mmcm) | 8,861 mmcm | 986 mmcm |
| Liquids production (mt) | 832 mt | 30 mt |

-10% -5% 0% 5% 10% 15% 20% 25%

Note: Number on y axis is starting value, size of bar is % change

Profit in 1Q 2010 benefited from a non-cash adjustment for the revaluation of our 51% stake in ZAO Terneftegas

Financial Results Summary, million RR

