

OAo NOVATEK

SPECIAL EVENTS DRIVEN CONFERENCE CALL

Fire at SeverEnergiya's Urengoykoye Field

30 May 2014

Moscow, Russian Federation

Ladies and Gentlemen, Shareholders and colleagues good evening and welcome to tonight's Special Events Driven Conference Call to discuss the latest information on the recent fire at SeverEnergiya's Urengoykoye field. I would like to thank everyone for joining us this evening, and again extend our sincere gratitude to Sberbank-CIB for organizing and for hosting this conference call.

DISCLAIMER

Before we begin with the specific conference call details, I would like to refer you to our Disclaimer Statement as is our normal practice. During this conference call we may make reference to forward-looking statements by using words such as our plans, objectives, goals, strategies, and other similar words, which are other than statements of historical facts. Actual results may differ materially from those implied by such forward-looking statements due to known and unknown risks and uncertainties and reflect our views as of the date of this presentation. We undertake no obligation to revise or publicly release the results of any revisions to these forward-looking statements in light of new information or future events. Please refer to our regulatory filings, including our Annual Review for the year ended 31 December 2013, as well as any of our earnings press releases and documents throughout the past year for more description of the risks that may influence our results.

SUMMARY HIGHLIGHTS

During our recent First Quarter 2014 earnings conference call I announced that we had a fire at the Gas Condensate De-Ethanization Facility ("GCDF") at the newly launched Urengoykoye field. I also advised the financial community that the fire was under investigation and that we would report back to our investors once we had a chance to assess the damages and determine our next course of action. As such, I am here tonight to provide you with the latest update on the situation as well as to announce a revision to our production forecast for 2014.

We initially launched the first stage of production at the Urengoykoye field on the 9th of April 2014 according to our work plans, and it was clearly evident to those analysts monitoring the production data provided by the Central Dispatch Unit of the Fuel and Energy Complex, or CDU-TEK, that NOVATEK increased its daily output of natural gas with the successful launching of the Urengoykoye field. Our operational plans for 2014 also included the field's second stage production launch to occur sometime during the fourth quarter. Our launch plans will need to be revised from those previously provided to the investment community as a result of the fire at the Gas Condensate De-Ethanization Facility.

The development plan at the Urengoykoye field targets the Achimov deposits, which are relatively deep at 3,700 meters, or 11,000 feet, and are generally characterized by low permeability and high pressure. The Achimov deposits are also very rich in gas condensate measured as a percent of grams per thousand cubic meters in the wet gas stream, which ultimately explains why the Urengoykoye field is estimated to be one of our main contributors to our forecasted gas condensate growth.

On the 28th of April, there was a fire at the Gas Condensate De-Ethanization Facility, resulting in the shutdown of natural gas production at the Urengoykoye field. The investigation of the incident is currently at its latter stages and we expect to receive a final expert report in the nearest future; however, we have enough information at this stage to assess the damage and provide some commentary. As a background, the field's gas condensate de-ethanization facility includes two (2) technical trains, which covers the needs of the two stages of field development. The fire damaged some of the equipment at the facility like pumps and gas strippers, which will need to be replaced before we can fully restore the unit. We are currently placing the orders for the respective replacement equipment but the fabrication of these items takes a relatively long time to fabricate and we expect that the repair works will be finalized sometime during the latter part of the fourth quarter 2014. Once the facility is restored we will be able to achieve full field production capacity quickly by accelerating the first stage production as well as concurrently launching the second stage development. One hundred percent (100%) of the field's production capacity was planned to be launched in 2014.

Importantly, the gas condensate de-ethanization facility does not have any direct impact on gas production and treatment, and as a result, we started implementing a plan on partial restoration of gas production at the field until the repairs works on the damaged unit are fully completed. We anticipate restarting gas production in July with additional ramp-ups in August and October. This essentially means that we will not lose 100% of the production volumes at the Urengoykoye field this year, as we will slowly recover some of the volumes impacted by the fire. I cannot comment at this stage on the exact production numbers but we will provide this information on future conference calls.

When we provided the investment community with our annual production guidance for 2014 these plans were predicated on a normal operating environment and the successful implementation of our planned production launches for the year. Unfortunately, the fire at SeverEnergia will have a negative impact on our forecasted production plans for 2014 and is the main contributor to the revisions in our production guidance that I will provide this evening. To a lesser extent, the recently announced sale of a 9.8% stake in SeverEnergia to our partner, GazpromNeft, will also affect our production guidance for the year as we plan to achieve ownership parity in this joint venture. As of today, our equity stake in SeverEnergia has been reduced from 59.8% to 54.9%, and we will continue to affect a series of restructuring initiatives throughout 2014 to reach parity ownership.

The original production guidance for 2014 called for an increase in natural gas by approximately 7% to 8%, which is consistent with the growth in our gas production for the prior year, but our forecasts for 2014 anticipated a significant 40% to 50% increase in our liquids output primarily driven by the planned launches at SeverEnergia as well as continued production growth of crude oil from our East Tarkosalinskoye field.

We currently estimate that our production of natural gas, including our share of production from our joint ventures, will increase by approximately 2% to 3% as compared to 2013. Excluding our share in gas production Sibneftegas, which was divested in December 2013, and to make the analysis comparable, our planned increase in our natural gas output will effectively increase by more than 10%. The negative impact on liquids production as a result of the fire is more pronounced but we will still demonstrate relatively robust growth year-on-year. Our new production guidance for liquids will be in the range of approximately 20% to 30%, down from the 40% to 50% range as previously mentioned.

If all of our remediation plans at SeverEnergia are finalized by year-end 2014, there will be no impact on our 2015 production plans. All of our "other" developments plans are currently on

track, so essentially, the lower expected growth for liquids production in 2014 will translate into higher production growth rates in 2015.

CONCLUSION

The fire at the de-ethanization plant at SeverEnergiya's Urengoykoye field and the corresponding revisions to our production guidance is clearly a major disappointment to us and our joint venture partners GazpromNeft. We were thankful that no fatalities or injuries occurred from the fire, and we are confident that we can restore normal production levels at the field during the fourth quarter 2014 based on the scope of repair work that needs to be done and the timely receipt of replacement equipment.

We will keep everyone apprised of this situation on future conference calls but we felt it was necessary to provide you this evening with a status update as well as the revision to our full year production guidance. We are committed to continue growing our business in a sustainable manner but unfortunately unexpected events occur like this fire that derails all of our good intentions.

I would like to now open the session to brief questions and answers.

Thank you very much.