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NOVATEK Launched Small-Scale LNG Plant in Magnitogorsk

Magnitogorsk, 26 August 2020. PAO NOVATEK (“NOVATEK” and/or the “Company”) announced that today in Magnitogorsk a ceremony was held, in the presence of Deputy Prime Minister of the Russian Federation Yury Borisov, to launch the first small-scale LNG plant in the Chelyabinsk region with a design capacity of 40 thousand tons per annum. NOVATEK-Chelyabinsk, a wholly owned subsidiary, commenced pilot LNG production at the facility. The main technological equipment was supplied by JSC NPO GELIYMASH, one of the leading manufacturers in Russia specializing in cryogenic technologies.

The LNG produced will be sold primarily as natural gas motor fuel, which represents the downstream market being actively developed by the Company. NOVATEK will supply LNG to its branded refueling complexes for passenger, cargo transport and mining equipment in the Chelyabinsk Region and the neighboring areas.

“The use of LNG as a motor fuel is strongly supported by NOVATEK,” noted Leonid Mikhelson, NOVATEK’s Chairman of the Management Board. “This represents a promising market segment that we are actively developing both in Russia and abroad. The use of liquefied natural gas as a motor fuel can significantly reduce emissions of harmful substances into the atmosphere that is important to protect the environment, as well as to reduce the fuel costs for transportation”.

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PAO NOVATEK is the largest independent natural gas producer in Russia, and in 2017, entered the global LNG market by successfully launching the Yamal LNG project. Founded in 1994, the Company is engaged in the exploration, production, processing and marketing of natural gas and liquid hydrocarbons. Upstream activities of the Company’s subsidiaries and joint ventures are concentrated mainly in the prolific Yamal-Nenets Autonomous Region, which is the world’s largest natural gas producing area and accounts for approximately 80% of Russia’s natural gas production and approximately 15% of the world’s gas production. NOVATEK is a public joint stock company established under the laws of the Russian Federation. The Company’s shares are listed in Russia on Moscow Exchange (MOEX) and the London Stock Exchange (LSE) under the ticker symbol «NVTK».