

The image features the Novatek logo on the left, consisting of a dark blue vertical bar and four horizontal blue bars of varying lengths that curve to the right. The background is a light blue, hazy image of industrial structures, likely LNG processing equipment, with a large, semi-transparent 'NOVATEK' text overlay in the center.

# NOVATEK

## **Building Our LNG Future: Yamal and Gydan Peninsulas**

**Mark Gyetvay, CFO, Deputy Chairman of the Management Board**

**Flame Gas Conference 2017**

**Amsterdam**

**8 May 2017**

## We have a dream.

A vision to become one of the main players in the global LNG marketplace by exploiting the massive natural gas resources contained on the Yamal and Gydan peninsulas.

At 31 December 2016	Natural gas, bcm	Liquids, mmt	Total hydrocarbon, mmboe
Proved (SEC)	1,755	152	12,775
Proved and Probable (PRMS)	3,067	319	22,756

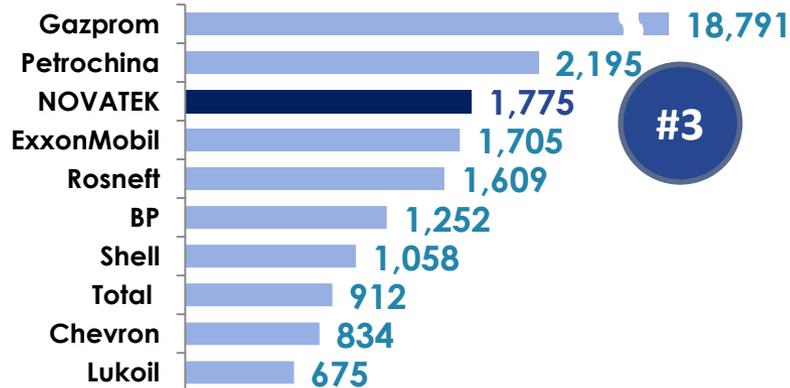
# A Surprising Revelation



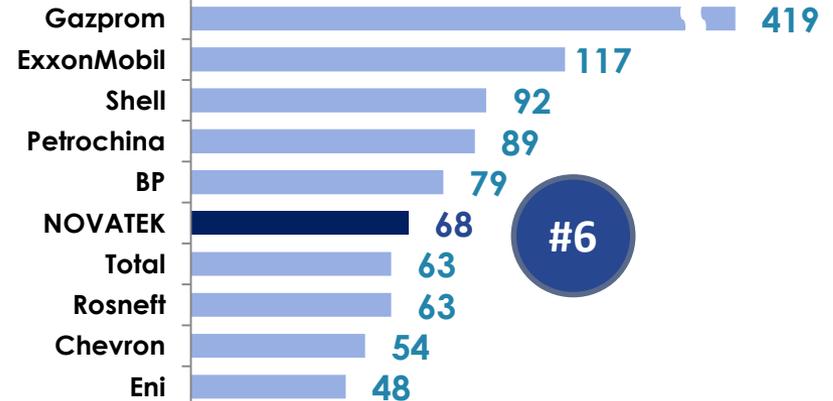
# “NOVATEK: a gas giant you’ve never heard of”

~ Business Week stated in October 2004

Proved gas reserves as at 31.12.15 (SEC), bcm



Gas production in 2015, bcm



## **Past FLAME Presentations:**

- Introduced the Yamal LNG project
- Human elements – the sacrifices made
- Technical challenges – climatic conditions, geographical remoteness, logistics
- Today – the latest project update

**But first let's address the naysayers.....**

# Doubters, Skeptics and Critics



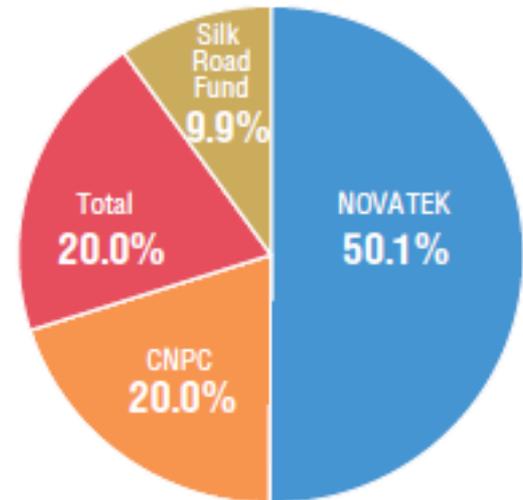
Issues	Resolutions
Not feasible without export license	✓
Not technically possible	✓
No partner interest	✓
No proven transport model	✓
No buyers will contract LNG volumes	✓
Not economically feasible with today's LNG prices	✓
No financing	✓

**We Proved the doubters, skeptics and critics wrong!!!**

# Yamal LNG Project Facts

- 2P PRMS gas reserves of the South-Tambeyskoye onshore conventional field at 31.12.16 - **942 bcm**
- Liquefaction capacity - **16.5 mmt** of LNG per annum (3 trains)
- FID date - **December 2013**
- Capex estimate - **USD 27 bln**
- First production is scheduled for **2017**
- **External Financing Package** closed in April 2016

## Shareholders





NO SMOKING

КРИСТОФ ДЕ МАРЖЕРИ  
CHRISTOPHE DE MARGERIE



КРИСТОФ ДЕ МАРЖЕРИ  
CHRISTOPHE DE MARGERIE

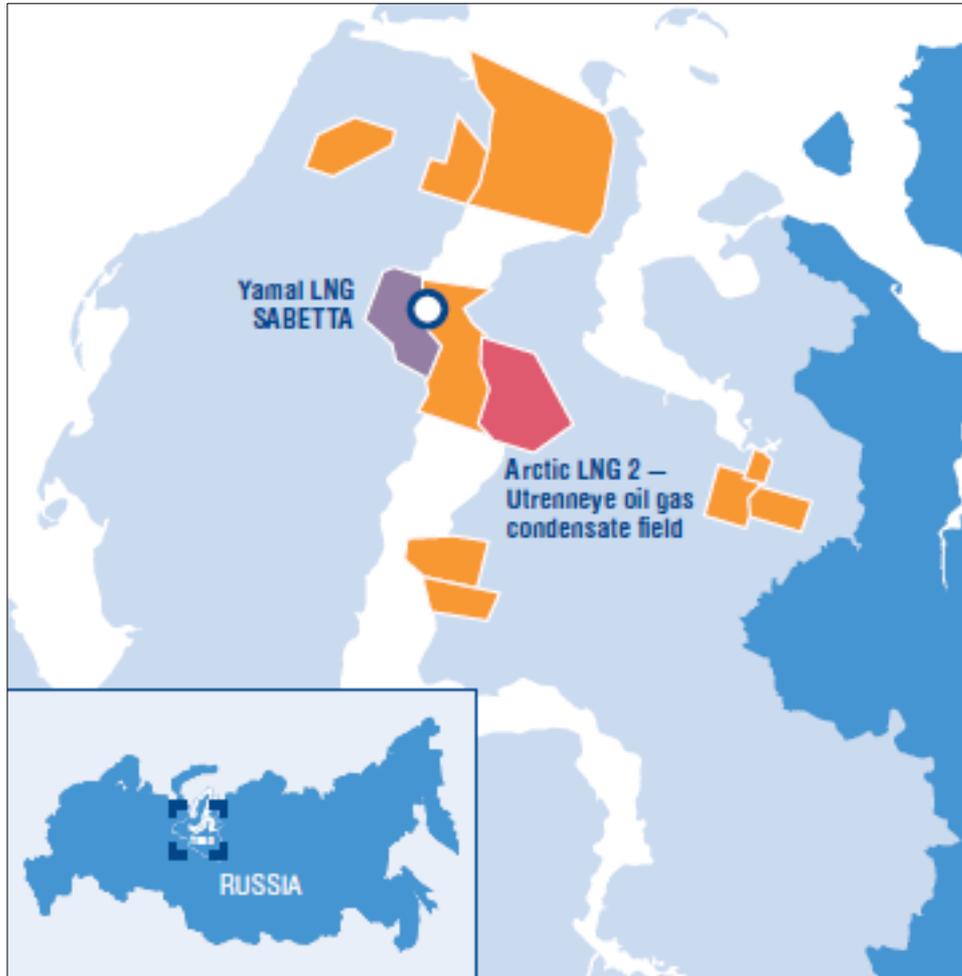
SCF

The image features a blue background with a faint, repeating pattern of industrial structures, likely LNG processing units. On the left side, there is a stylized logo consisting of three horizontal blue bars of varying lengths, with a dark blue vertical bar to their left. The word "NOVATEK" is written in large, bold, blue capital letters across the center of the image.

**NOVATEK**

**What's Next?**

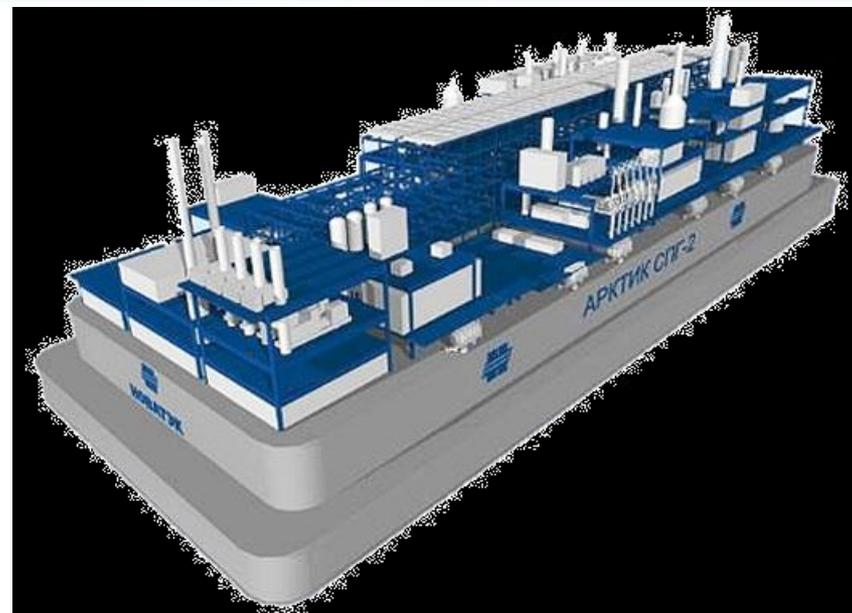
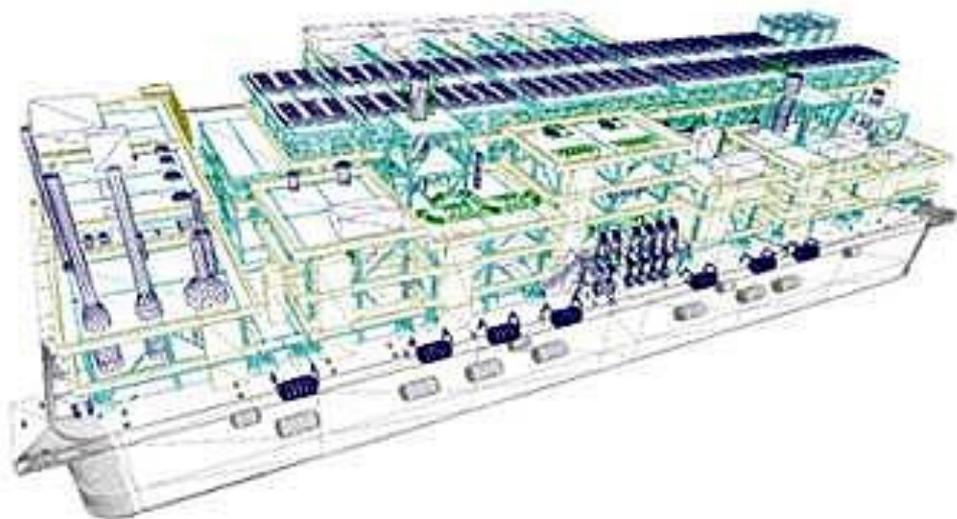
**Introducing Arctic LNG 2**



## Utrenneye field:

- License acquired in 2011
- Exploration work completed
- Production wells being drilled
  
- >1.3 TCM of natural gas reserves
- > 56 MMT of liquids

# The concept of the LNG plant on GBS



# Kola Yard (Murmansk Region)



The image features the Novatek logo on the left, consisting of a dark blue vertical bar and four horizontal blue bars of varying lengths that curve to the right. The background is a light blue, semi-transparent image of an industrial facility with several large cylindrical storage tanks and metal scaffolding. The word "NOVATEK" is written in large, bold, blue capital letters across the center of the image.

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**Update of current status**



# Forward-Looking Statements



- ❑ Certain statements in this presentation are not historical facts and are “forward-looking”. Examples of such forward-looking statements include, but are not limited to:
  - projections or expectations of revenues, income (or loss), earnings (or loss) per share, dividends, capital structure or other financial items or ratios;
  - statements of our plans, objectives or goals, including those related to products or services;
  - statements of future economic performance; and
  - statements of assumptions underlying such statements
- ❑ Words such as “believes”, “anticipates”, “expects”, “estimates”, “intends”, “plans”, “outlook” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements
- ❑ By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. You should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements
- ❑ 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, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. We do not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario