

NOVATEK

Expanding Our Global LNG Footprint From 2018 to 2030

Mark Gyetvay, CFO & Deputy Chairman of the Management Board

Flame 2019

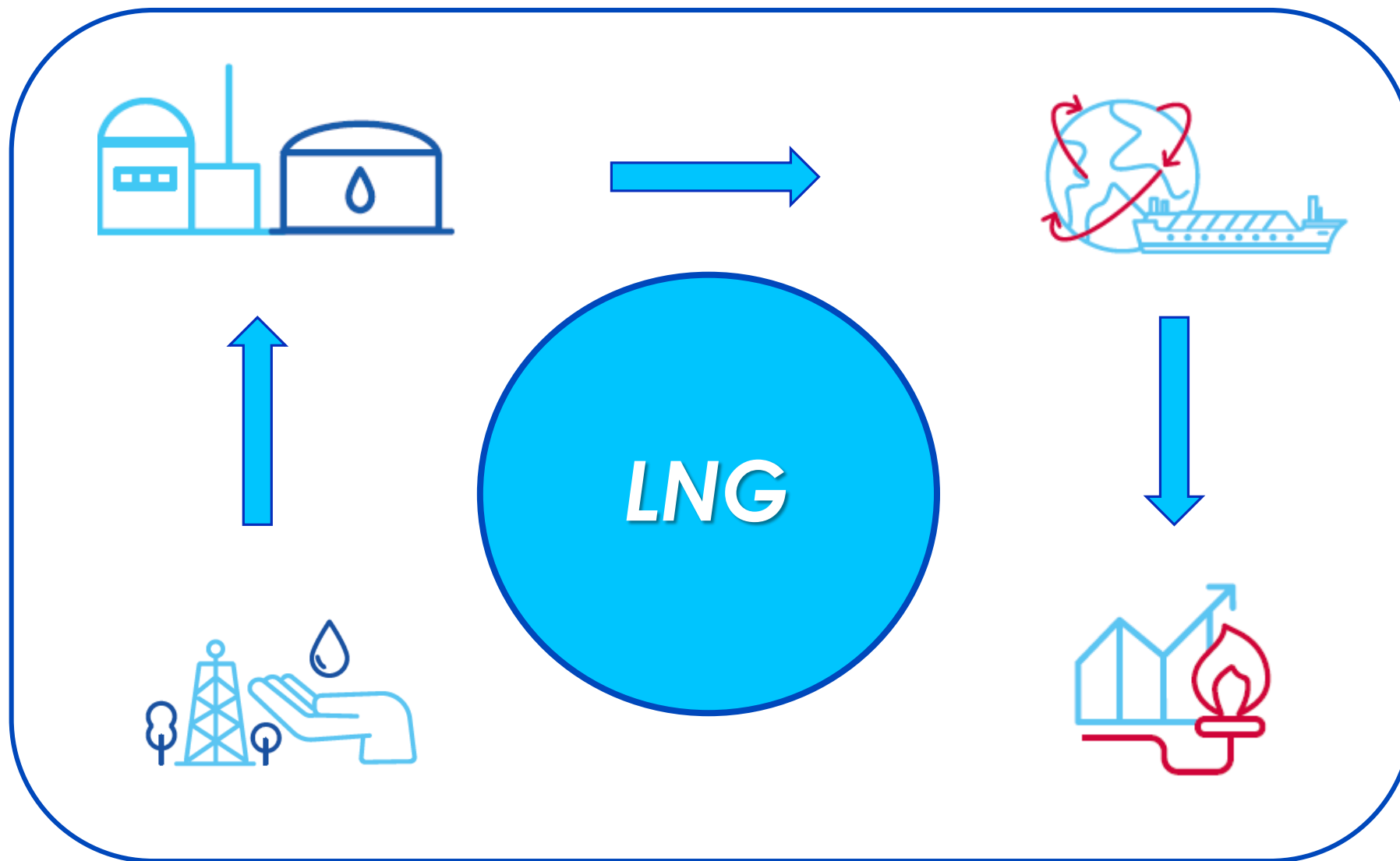
**Amsterdam
May 2019**

Miracle on Ice 1980

DO YOU BELIEVE IN
MIRACLES?



Miracle on Ice 2019

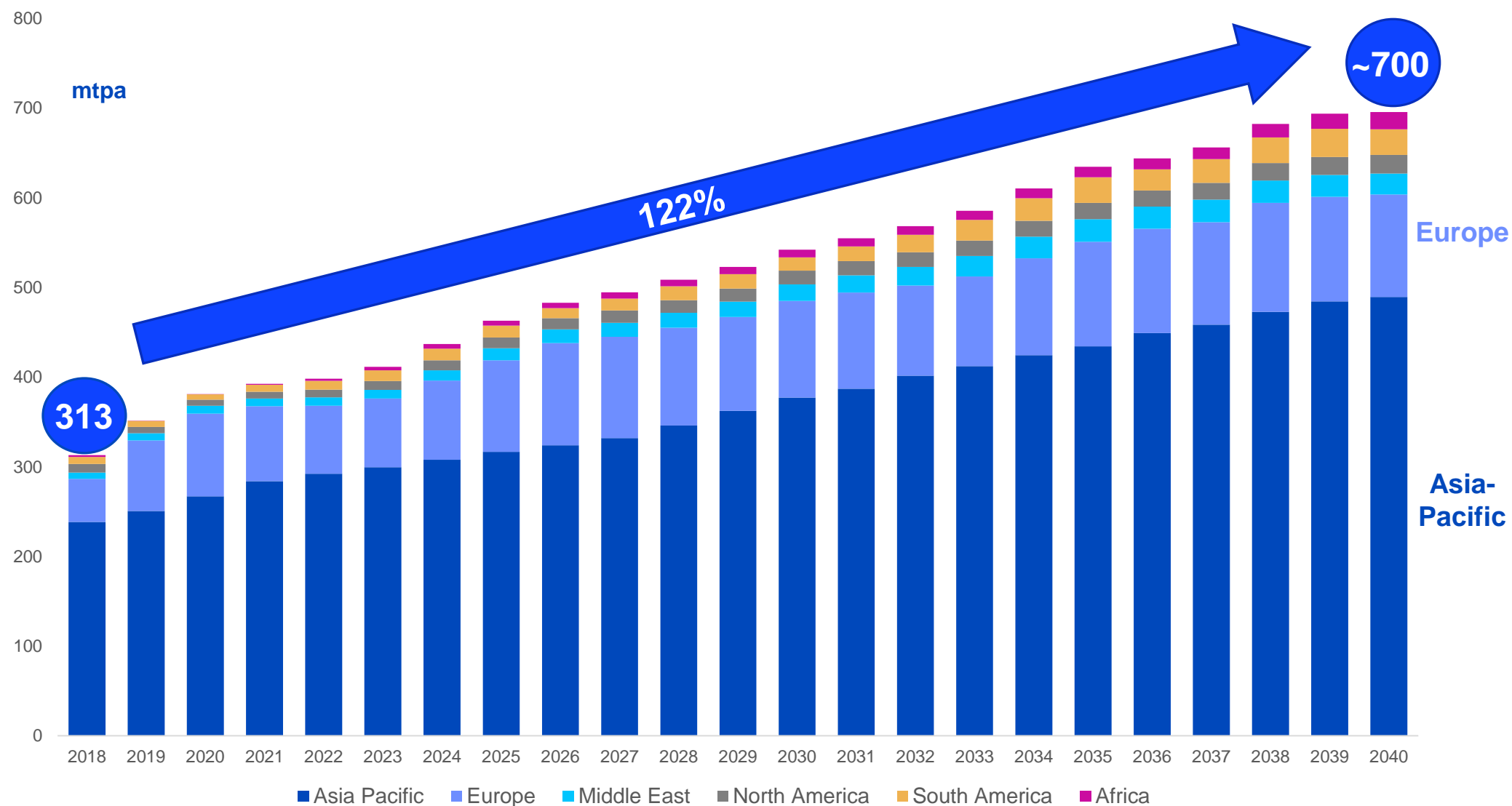


✓ Energy Affordability

✓ Energy Security

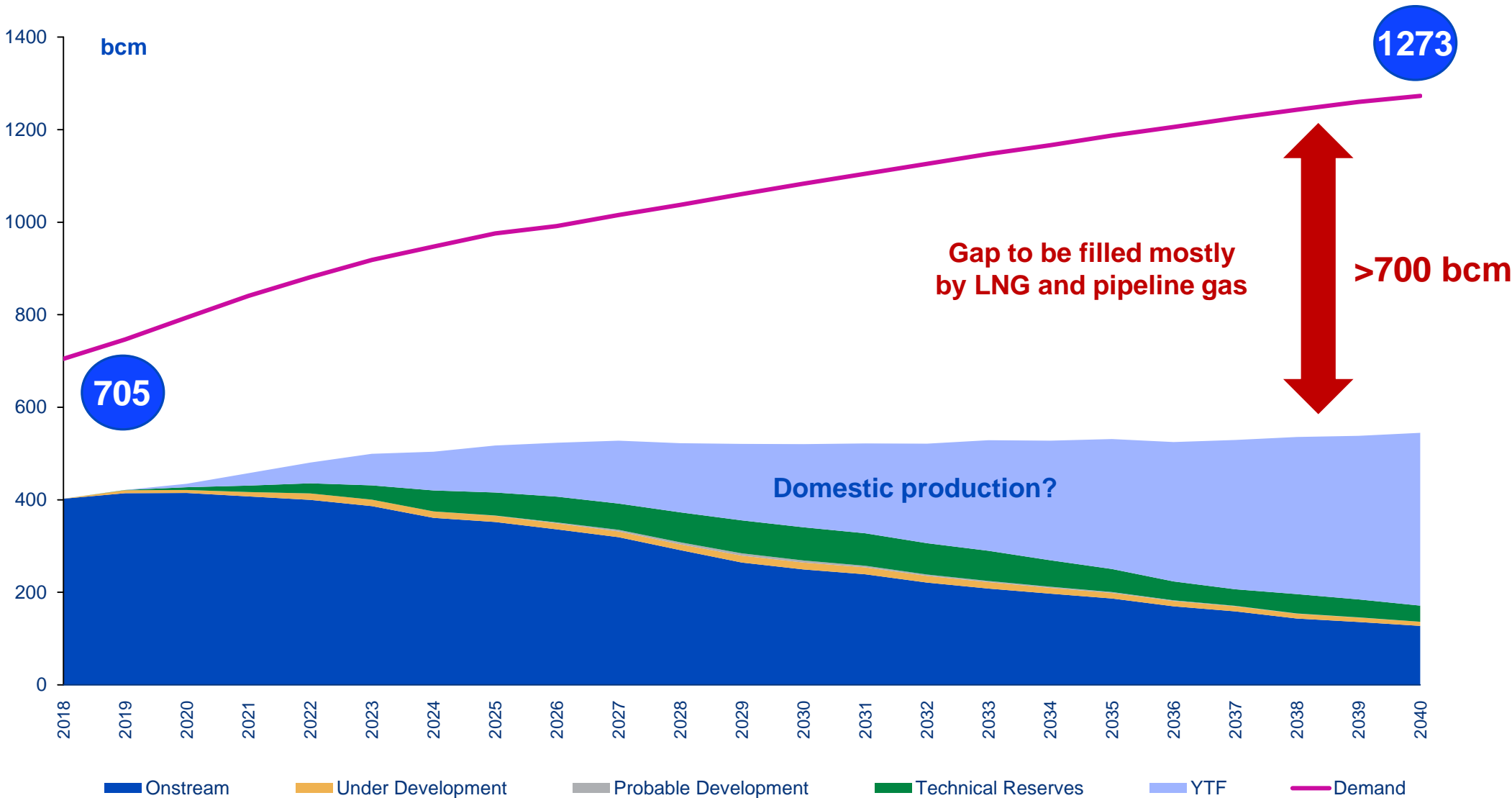
✓ Energy Sustainability

Global LNG Demand – Stronger than Expected

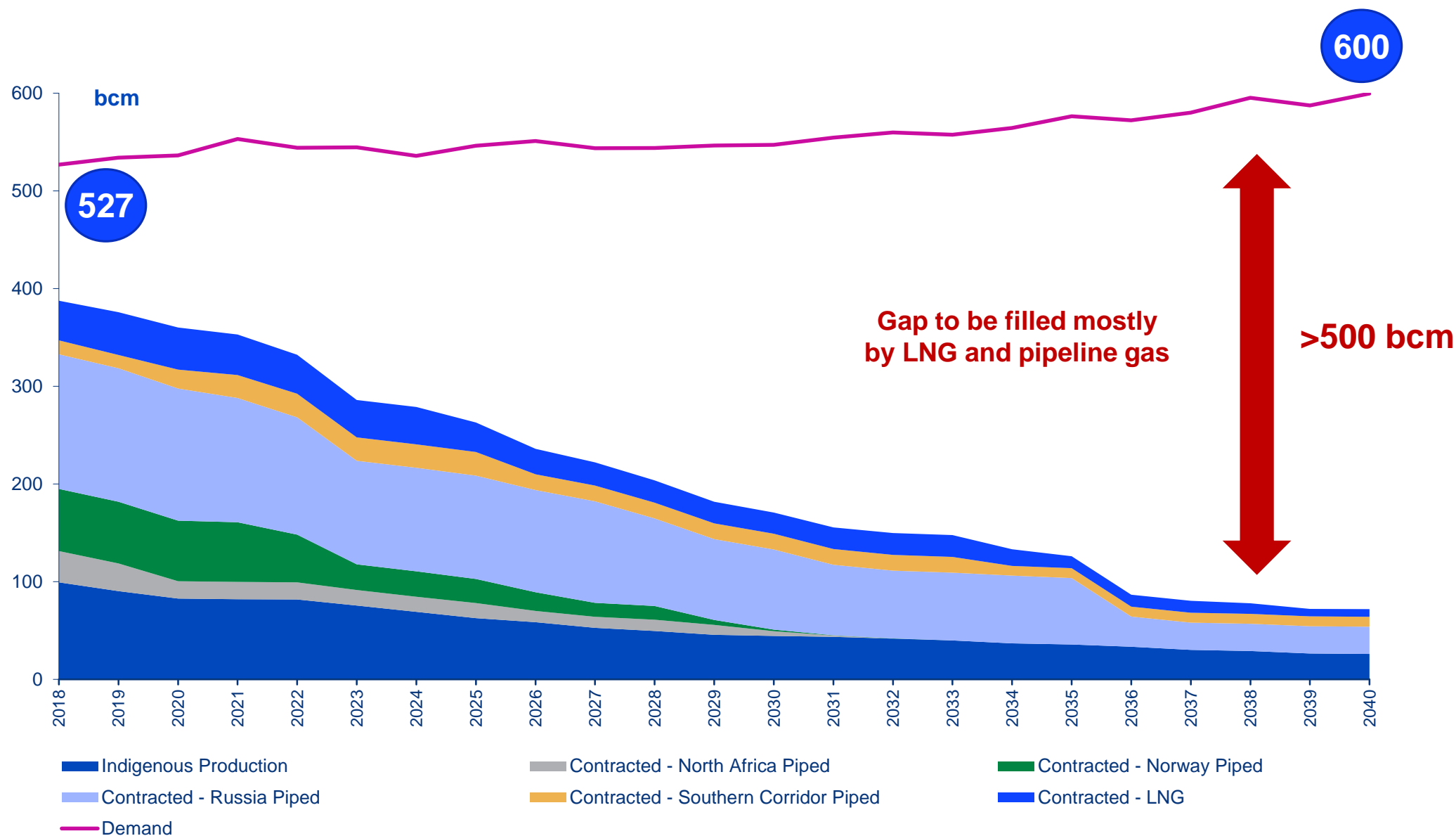


Asia and Europe will account for 86% of incremental LNG demand

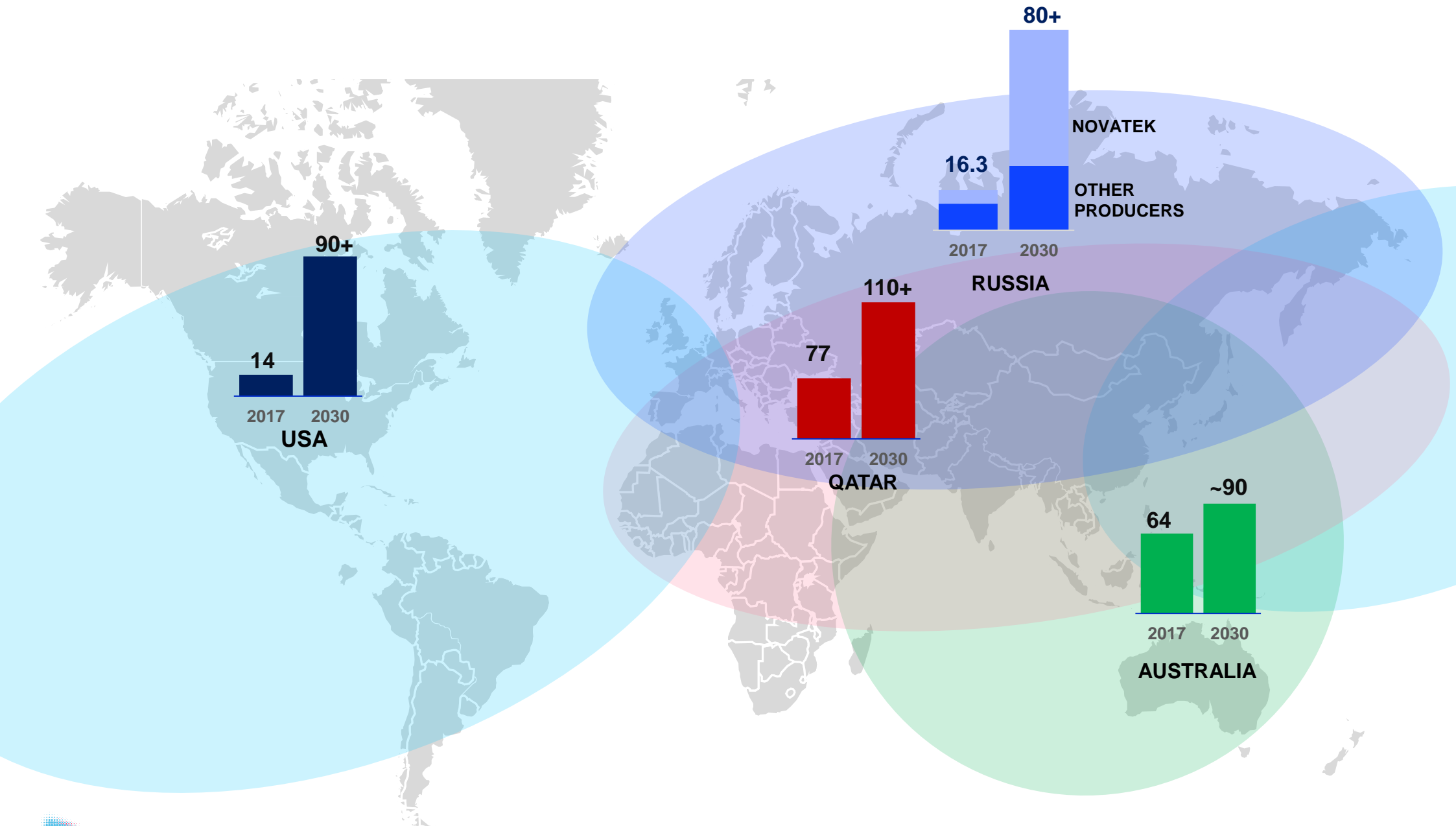
Asian Gas Market Prospects



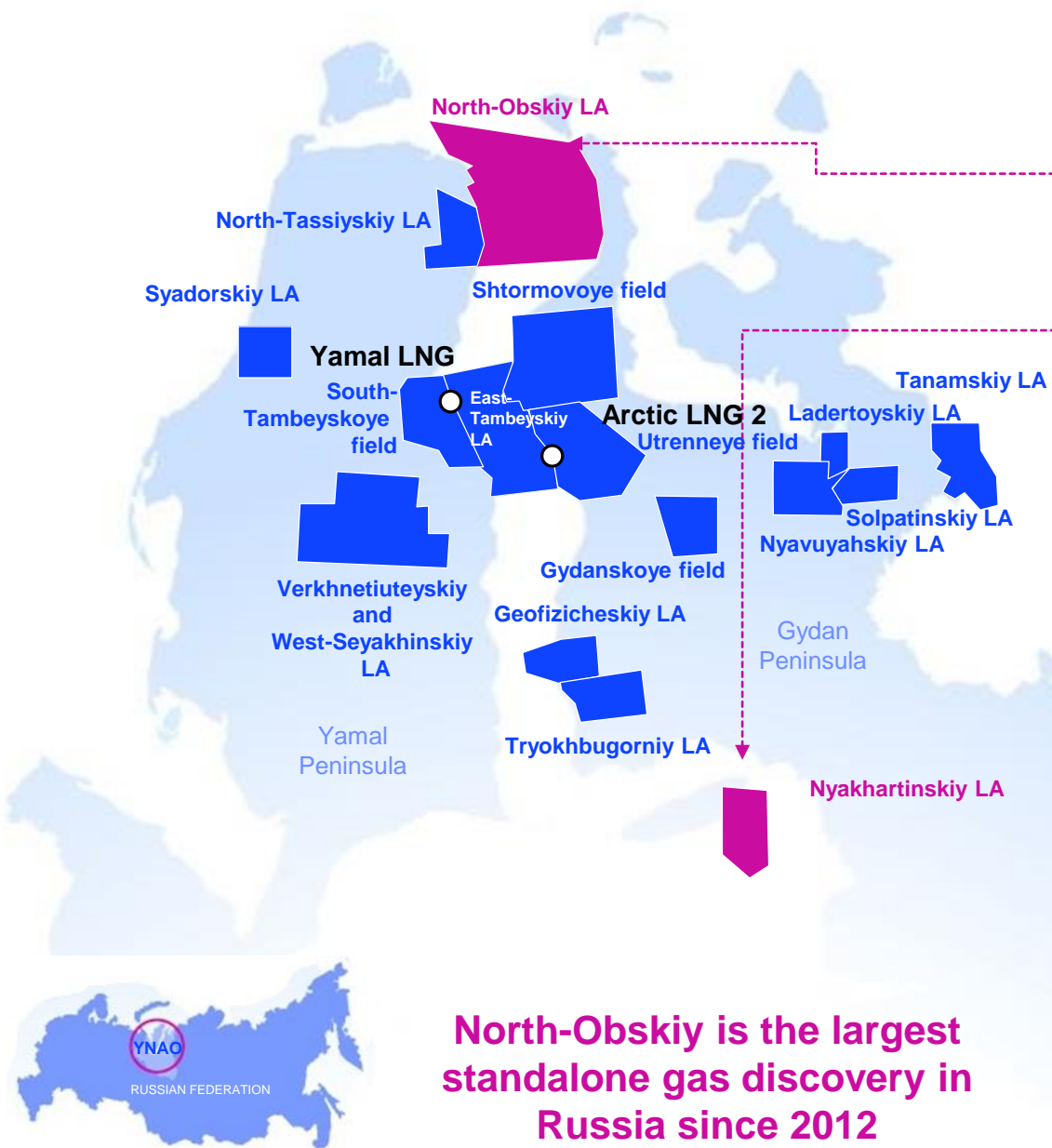
European Gas Market Prospects



Not a Zero Sum Game



Yamal and Gydan Reserves



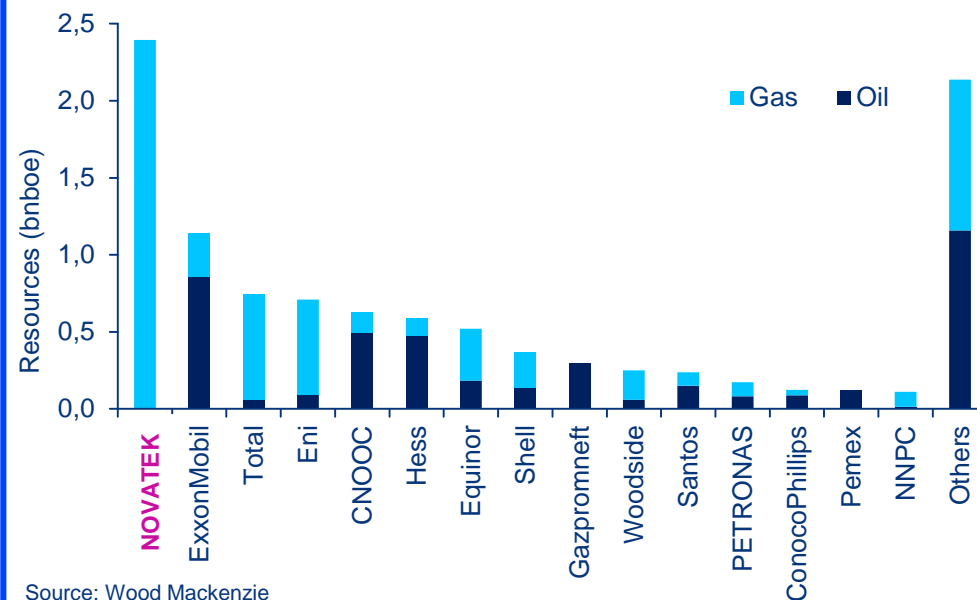
North-Obskiy is the largest standalone gas discovery in Russia since 2012



Top-5 gas discoveries in 2018, mmboe

North-Obskiy	Yamal, Russia	NOVATEK	1 989
Calypso	Cyprus		1 126
Nyakhartinskiy	Yamal, Russia	NOVATEK	405
Pilipili	Tanzania		299
Hades Iris	Norway		191

Volumes discovered by company in 2018

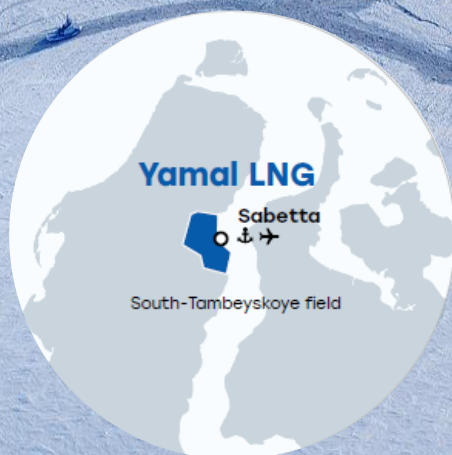


Yamal LNG

YAMAL LNG

MIRACLE ON ARCTIC ICE 1

17.4
mtpa



NOVATEK

19.8
mtpa



Arctic LNG 2 ARCTIC LNG 2

MIRACLES ON ARCTIC ICE 2



Arctic LNG 2



NOVATEK closed the sale of 10% interest in Arctic LNG 2 to TOTAL

Contracted more than 50% of the equipment for the project

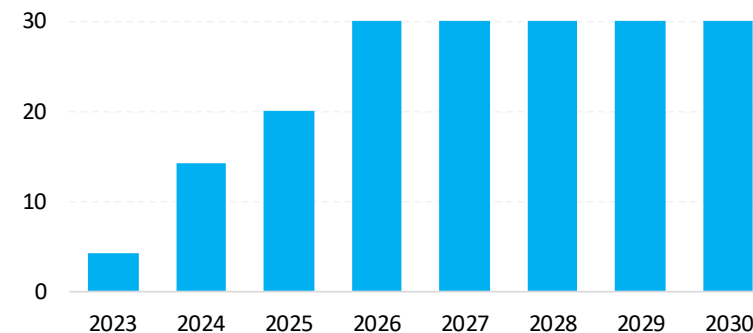
FEED completed (October 2018)

Significant Reserve Growth Confirmed

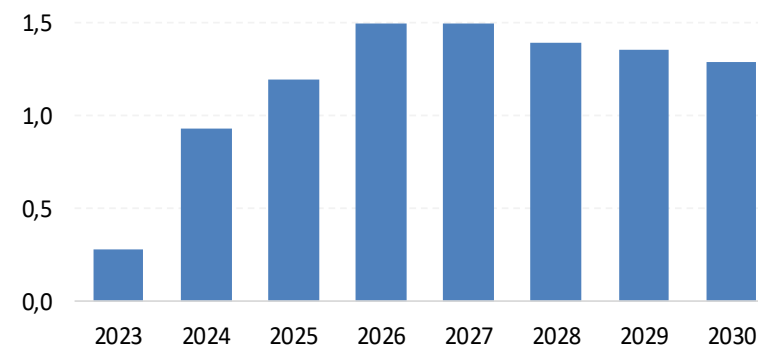
- 405 bcm of natural gas and 40 mmt of gas condensate were added in 2018
- Natural gas reserves – 2.0 tcm,
Gas condensate reserves > 100 mmt



Natural gas production at Utrenneye field, bcm



Gas condensate production at Utrenneye field, mmt



Key Advantages

- Tax concessions approved per RF legislation
- Optimize and reduce CAPEX per ton of LNG liquefaction
- Low cost, onshore conventional natural gas
- Leverage existing infrastructure
- Minimize environmental impact

Cryogas-Vysotsk



Our First Medium-tonnage LNG plant on the Baltic Sea



LNG production facility and a transshipment terminal

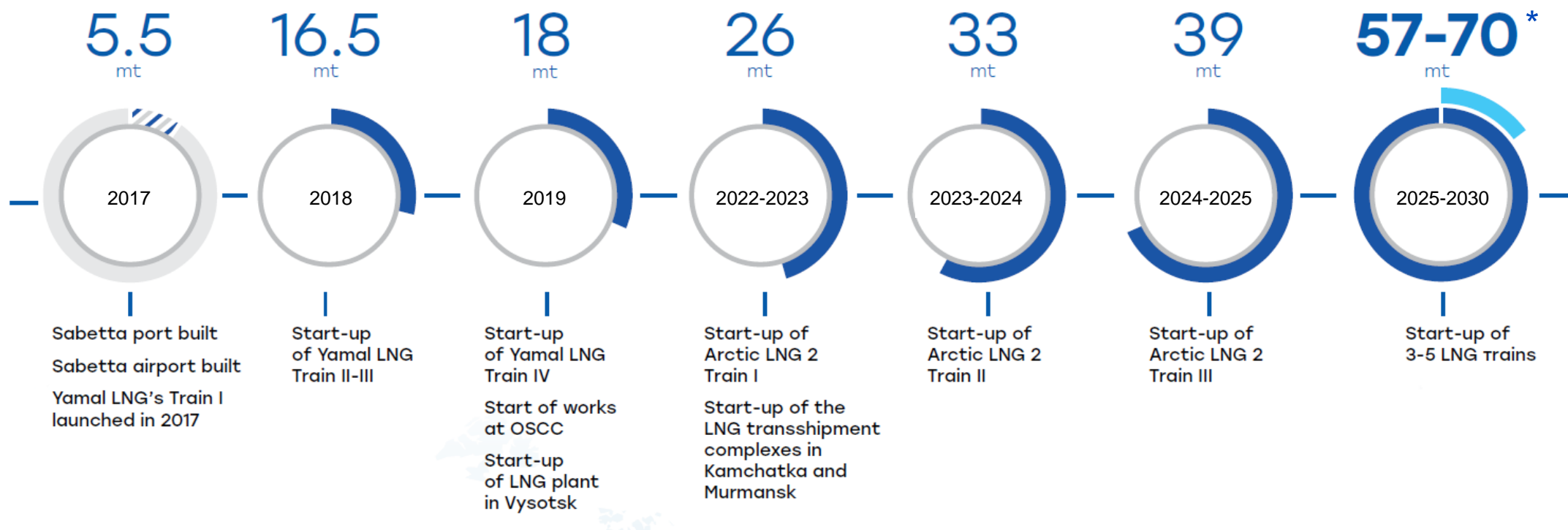
660 thousand tons per annum – initial design capacity



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

51% NOVATEK's participation interest

NOVATEK's LNG Production



* based on assumptions not outlined in Corporate Strategy 2018-2030

NOVATEK's LNG Logistics



“We are committed to jointly develop and explore sea routes, mainly the Northern Sea Route, to channel the Ice Silk Road”

Xi Jinping, 3 July 2017

LNG at a Glance

- Yamal LNG reached its full capacity at the end of 2018;
- More than 190 cargos or 14 mt tons of LNG offloaded from the start of the Project;
- NOVATEK already sold 30% participation interest in Arctic LNG 2;
- Launched our Cryogas-Vysotsk LNG plant on the Baltic seaport;
- Our LNG Strategy is to be revised from 57 to 70 mt.

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.

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.

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