NOVATEK

Fourth Quarter and Full Year 2012 Operational and Financial Results Conference Call

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Moscow, Russian Federation
11 March 2013

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 and Europe;
- 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 face of restrictions on our 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;
- 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.

The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice.

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Summary Highlights - 2012

- **Increase in revenues** driven by higher natural gas and liquids prices, as well as an increase in natural gas sales volumes:
  - Natural gas sales increased by 28.6%
  - Liquids sales increased by 5.9%
- **EBITDA** *(excluding net gain (loss) on disposal of subsidiaries)* **increased** by 11.4%
- **Cash flow from operations increased** by 5.4% to RR 75,825 million from RR 71,907 million
- **Capital expenditures** related to exploration, production and marketing *(excluding prepayments for participation in tender for mineral licenses)* **increased** by 39.9% to RR 43,554 million
- **EPS** *(excluding net gain (loss) on disposal of subsidiaries)* **increased** by 22.6% to RR 22.91 from RR 18.69
- **Successfully replaced** 842% of 2012 total production (SEC); 874% of 2012 natural gas production (SEC)
- **Lifting costs** amounted to $0.57 per boe (2011 - $0.53 per boe)
- **Our natural gas production increased** by 6.3% due to ongoing development at Yurkharov and the launch of the 4th stage of the 2nd phase development in October 2012
- **Our liquids production increased** by 2.0% mainly due to an increase in crude oil production
- **Purovsky Plant output** increased by 4.1%

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Operational Overview

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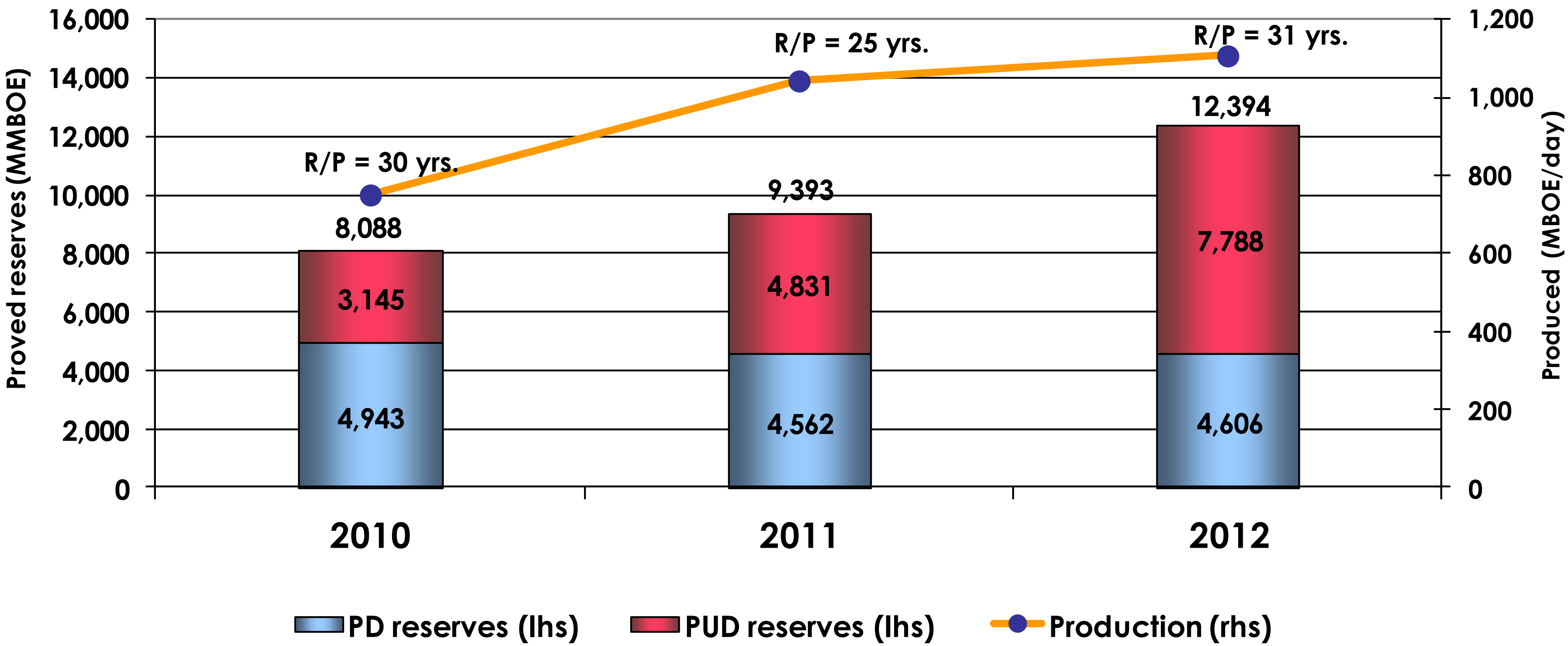
Proved Reserves Base at Year-End



Our reserve replacement rate (RRR) for 2012 is 842%; our three year average RRR for 2010 to 2012 is 623%

Note: NOVATEK production and reserves (reported under the SEC methodology) based on the Company's ownership interest in consolidated subsidiaries and joint ventures for all periods, some fields do not have reserve appraisals

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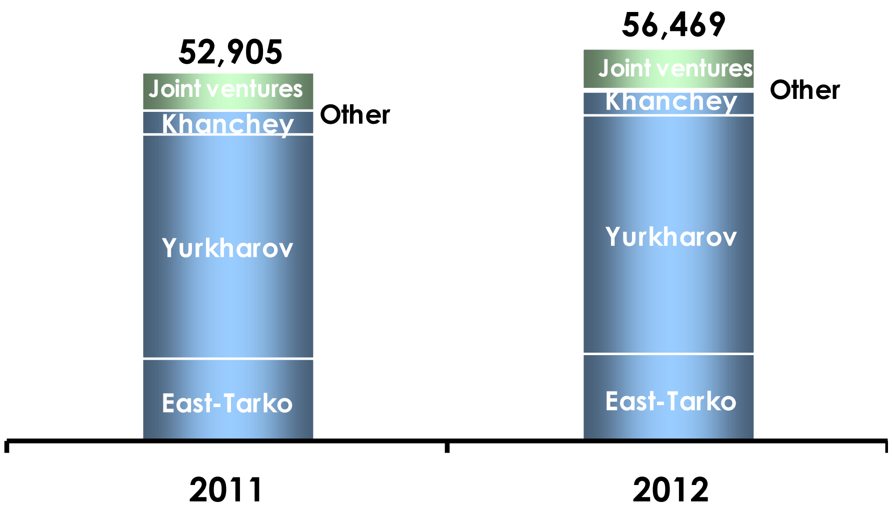
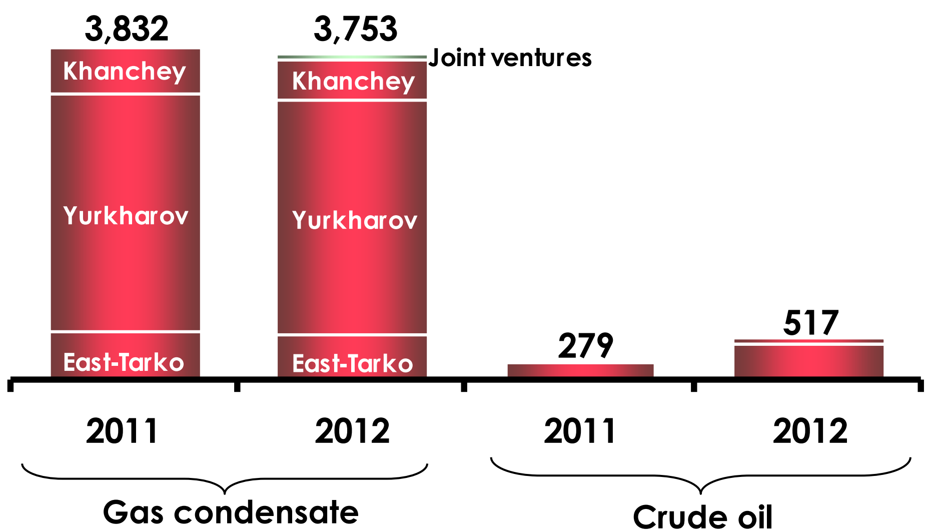
Net Hydrocarbon Production

Natural Gas Production, mmcm



Liquids Production, mt



Natural gas production increased Y-o-Y due to:

- Ongoing development activities at Yurkharov and the launch of the fourth stage of the field's second phase development in October 2012
- Utilization of more production capacity at East-Tarko and Khanchey

Liquids production increased Y-o-Y due to:

- Increased crude oil production at our East-Tarko field due to development of crude oil deposits
- Partially offset by a decrease in gas condensate production at our core producing fields due to natural declines in the concentration of gas condensate in extracted gas

Note: Net hydrocarbon production includes our proportional share in the production of our joint ventures

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Purovsky Plant & Vitino Sea Port Terminal

- **Total volumes delivered: 4,030 mt**
  - Yurkharovskoye field: 2,672 mt
  - East-Tarkosalinskoye and Khancheyskoye fields: 1,055 mt
  - Purchases from our joint ventures: 284 mt
  - Other : 19 mt
- **Total plant output: 4,001 mt**
  - Stable gas condensate: 3,081 mt
  - LPG: 903 mt
  - Methanol: ~ 17 mt
- **Plant capacity:** approximately 81%
- **2,978 mt were dispatched from Vitino Sea Port Terminal (SGC)**
  - to Asian-Pacific Region ~ 1,807 mt
  - to Europe ~ 811 mt
  - to the USA ~ 240 mt
  - to South America ~ 120 mt
- **Stable gas condensate inventory reconciliation**
  - Tankers in transit ~ 217 mt
  - Railroad cisterns and port storage facilities ~ 215 mt
  - Purovsky Plant storage facilities ~ 29 mt
- **Export volumes of LPG: ~ 53% of total LPG volumes**

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Stable Gas Condensate in Transit

"Goods in transit"
31.12.2011
~ 61 thousand tons

61 mt
USA

"Goods in transit"
30.09.2012
~ 122 thousand tons

61 mt
South Korea

61 mt
South Korea

"Goods in transit"
31.12.2012
~ 217 thousand tons

61 mt
Singapore

60 mt
Singapore

36 mt
Singapore

60 mt
South Korea

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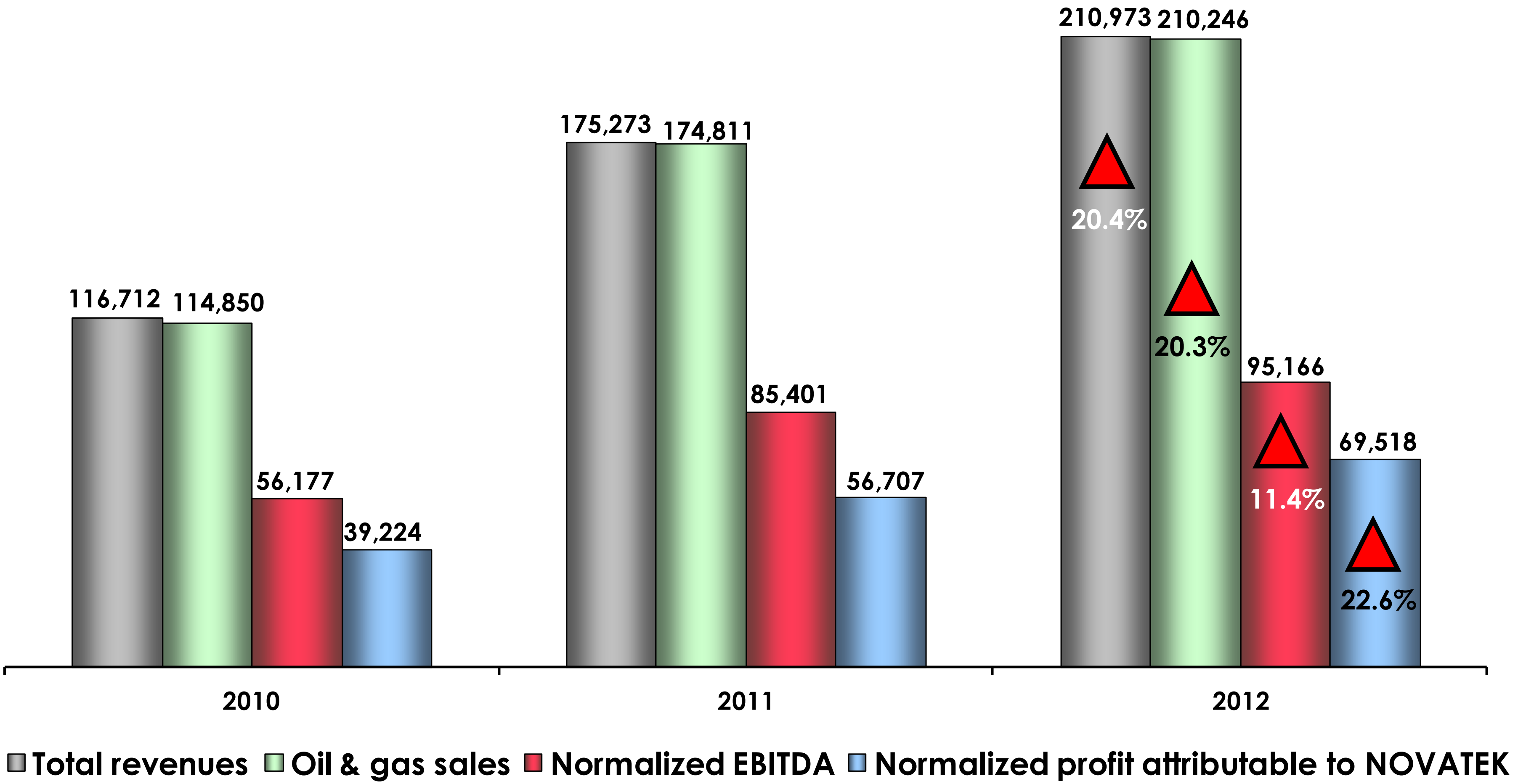
Financial Overview – 2012 vs. 2011

Summary Financial Results (RR million)



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Another Record Year (RR million)

	2012	2011	+/(-)	+/(-)%
Oil and gas sales	210,246	174,811	35,435	20.3%
Total revenues	210,973	175,273	35,700	20.4%
Operating expenses	(125,775)	(96,820)	(28,955)	29.9%
EBITDA (1)	95,106	148,349	(53,243)	-35.9%
Normalized EBITDA (2)	95,166	85,401	9,765	11.4%
EBITDA margin	45.1%	84.6%		
Normalized EBITDA margin	*45.1%*	*48.7%*		
Effective income tax rate (3)	19.5%	11.7%		
Profit attributable to NOVATEK	69,458	119,655	(50,197)	-42.0%
Normalized profit attributable to NOVATEK (4)	69,518	56,707	12,811	22.6%
Profit margin	32.9%	68.3%		
Normalized profit margin	33.0%	32.4%		
Earnings per share	22.89	39.45	(16.56)	-42.0%
Normalized earnings per share	*22.91*	*18.69*	*4.22*	*22.6%*
CAPEX (5)	43,554	31,161	12,393	39.8%
Net debt (6)	114,067	71,647	42,420	59.2%

Notes:

1. EBITDA represents profit (loss) attributable to shareholders of OAO NOVATEK adjusted for the add-back of net impairment expenses (reversals), income tax expense and finance income (expense) from the Consolidated Statement of Income, income (loss) from changes in fair value of derivative financial instruments from the "Financial instruments and financial risk factors" in the notes to the consolidated financial statements and depreciation, depletion and amortization from the Consolidated Statement of Cash Flows
2. Normalized EBITDA represents EBITDA excluding net gain (loss) on disposal of interest in subsidiaries
3. Effective income tax rates, excluding the effect of application of a reduced income tax rate of 15.5% in respect of the Group's priority investment project in YNAO in 2012 and excluding the net gain on disposal of Yamal LNG in 2011, were 21.4% and 21.7%, respectively
4. Normalized profit attributable to shareholders of OAO NOVATEK represents profit attributable to shareholders of OAO NOVATEK excluding net gain (loss) on disposal of interest in subsidiaries
5. CAPEX represents additions to property, plant and equipment excluding prepayments for participation in tender for mineral licenses
6. Net debt calculated as long-term debt plus short-term debt less cash and cash equivalents

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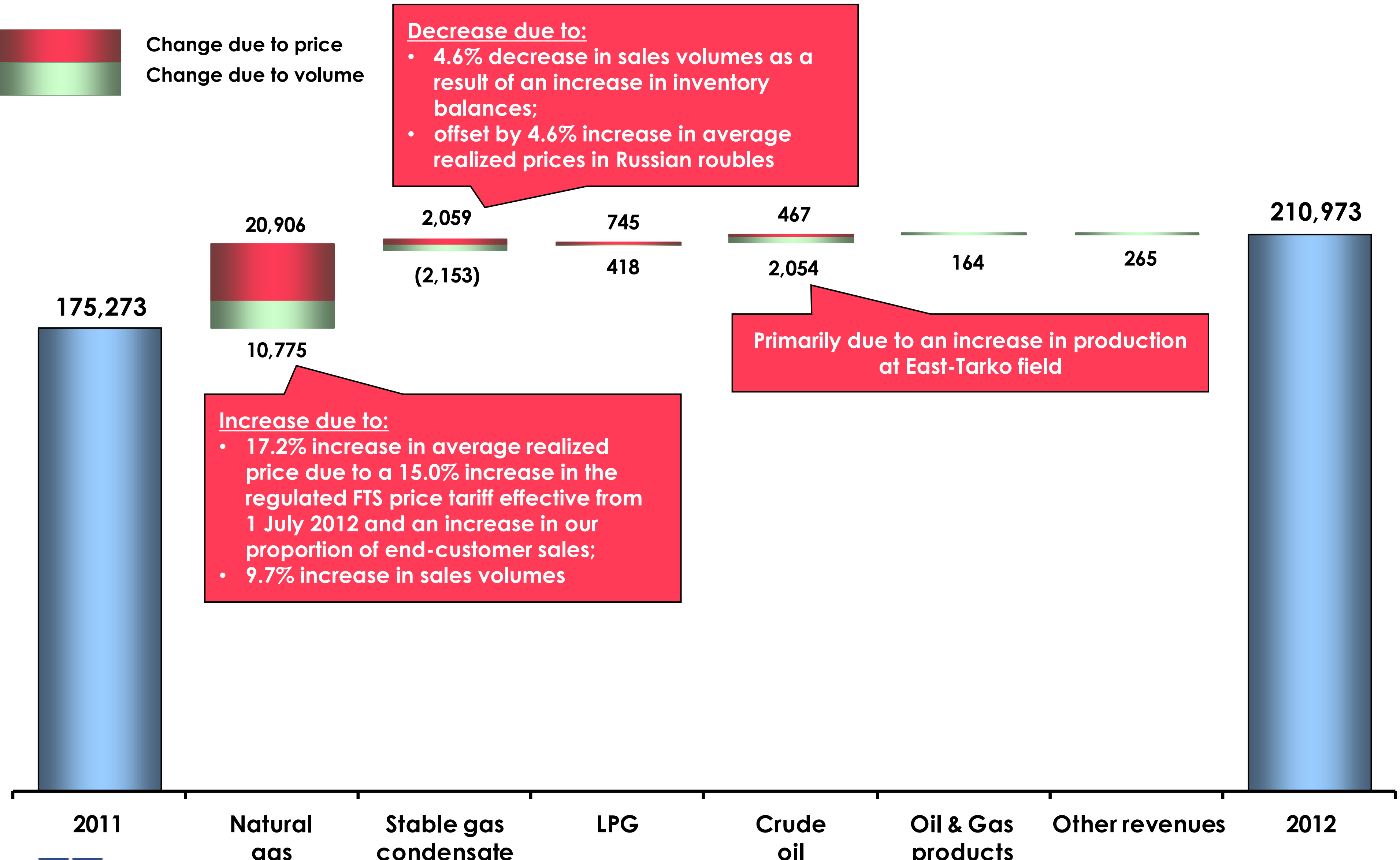
Total Revenues (RR million)



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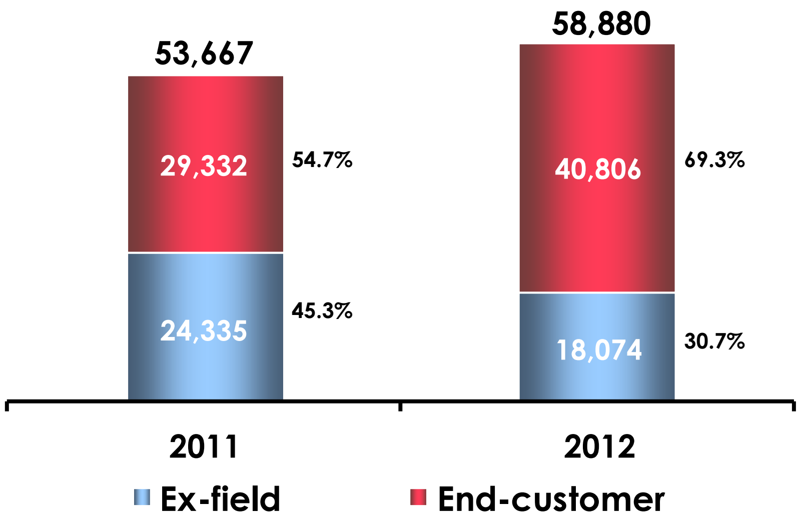
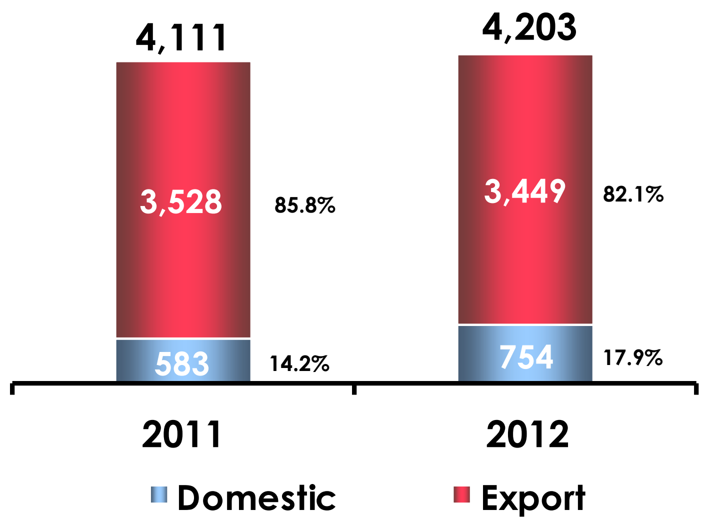
Market Distribution – Sales Volumes

Natural gas sales volumes, mmcm



Liquids sales volumes, mt



- Growth in natural gas sales volumes was mainly due to a combination of increased production at our core fields and the commencement of purchases from our related party SIBUR Holding effective from 1 January 2012
- Our proportion of natural gas sold to end-customers increased Y-o-Y due to higher natural gas deliveries to the Chelyabinsk region as a result of the acquisition of regional gas trader Gazprom mezhregiongas Chelyabinsk in November 2011

- Growth in liquids sales volumes was mainly due to the initiation of unstable gas condensate purchases from the Group's joint ventures, as well as the increase in crude oil production, which were partially offset by an increase in liquids inventory balances in 2012 as compared to a decrease in 2011

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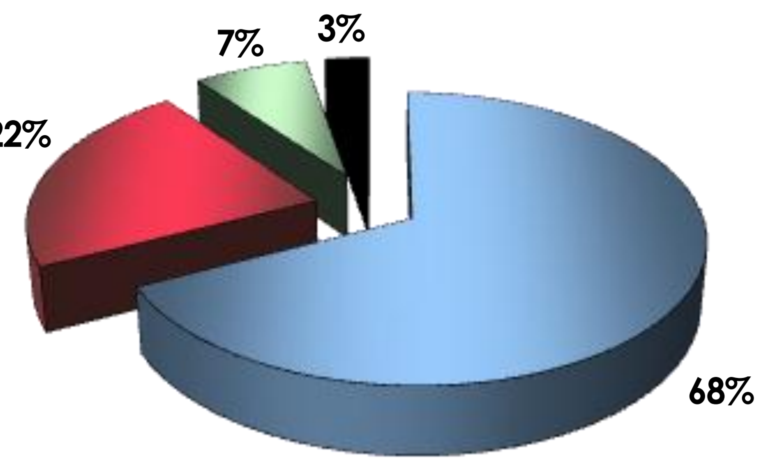
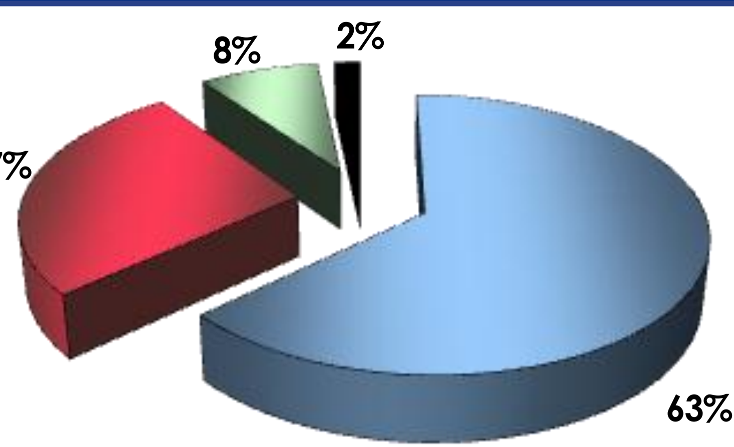
Total Revenues Breakdown

- Natural gas
- Stable gas condensate
- LPG
- Other

2012



2011



Realized Hydrocarbon Prices (net of VAT and export duties)

	2012	2011	+/(-)	+/(-)%
Domestic prices				
Natural gas end-customers, RR/mcm	2,821	2,627	194	7.4%
Natural gas ex-field, RR/mcm	1,518	1,392	126	9.1%
Stable gas condensate, RR/ton	12,489	13,818	(1,329)	-9.6%
LPG, RR/ton	14,009	13,458	551	4.1%
Crude oil, RR/ton	10,985	9,792	1,193	12.2%
Methanol, RR/ton	10,659	10,000	659	6.6%
Export market				
Stable gas condensate, RR/ton	16,432	15,676	756	4.8%
LPG, RR/ton	20,109	19,199	910	4.7%
Crude oil, RR/ton	11,935	10,983	952	8.7%

Note: Prices are shown excluding trading activities and excluding natural gas volumes purchased for resale in the location of end-customers

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Operating Expenses (RR million and % of Total Revenues (TR))

	2012	% of TR	2011	% of TR
Transportation expenses	**60,848**	*28.8%*	**48,329**	*27.6%*
Taxes other than income tax	**16,846**	*8.0%*	**16,559**	*9.4%*
Non-controllable expenses	**77,694**	*36.8%*	**64,888**	*37.0%*
Depreciation and amortization	**11,185**	*5.3%*	**9,277**	*5.3%*
General and administrative	**10,936**	*5.2%*	**8,218**	*4.7%*
Materials, services & other	**7,216**	*3.4%*	**5,947**	*3.4%*
Exploration expenses	**2,022**	*1.0%*	**1,819**	*1.0%*
Net impairment expenses	**325**	*n/m*	**782**	*n/m*
Change in natural gas, liquids and WIP	**(1,086)**	*n/m*	**(105)**	*n/m*
Subtotal operating expenses	**108,292**	*51.3%*	**90,826**	*51.8%*
Purchases of natural gas and liquid hydrocarbons	**17,483**	*8.3%*	**5,994**	*3.4%*
Total operating expenses	**125,775**	*59.6%*	**96,820**	*55.2%*

- **Operating expenses increased by 29.9% due to an increase transportation expenses and purchases of natural gas and liquid hydrocarbons**
- **Transportation expenses increased due to a 30.8% increase in natural gas sales volumes to end-customers, for which we incurred transportation costs, as well as a 7% average increase in the natural gas transportation tariff set by the FTS effective from 1 July 2012**
- **Taxes other than income tax increased by 1.7% primarily due to an increase in the UPT expense for natural gas**
- **Depreciation, depletion and amortization expense increased by 20.6% due to an increase in our depletable cost base, as well as a 5.8% increase in our total hydrocarbon production in barrels of oil equivalent basis**
- **Our hydrocarbon purchases increased due primarily to the commencement of natural gas purchases from our related party SIBUR Holding effective 1 January 2012 and, to a lesser extent, due to the commencement of unstable gas condensate purchases from our joint ventures SeverEnergia and Nortgas from April and November 2012, respectively**

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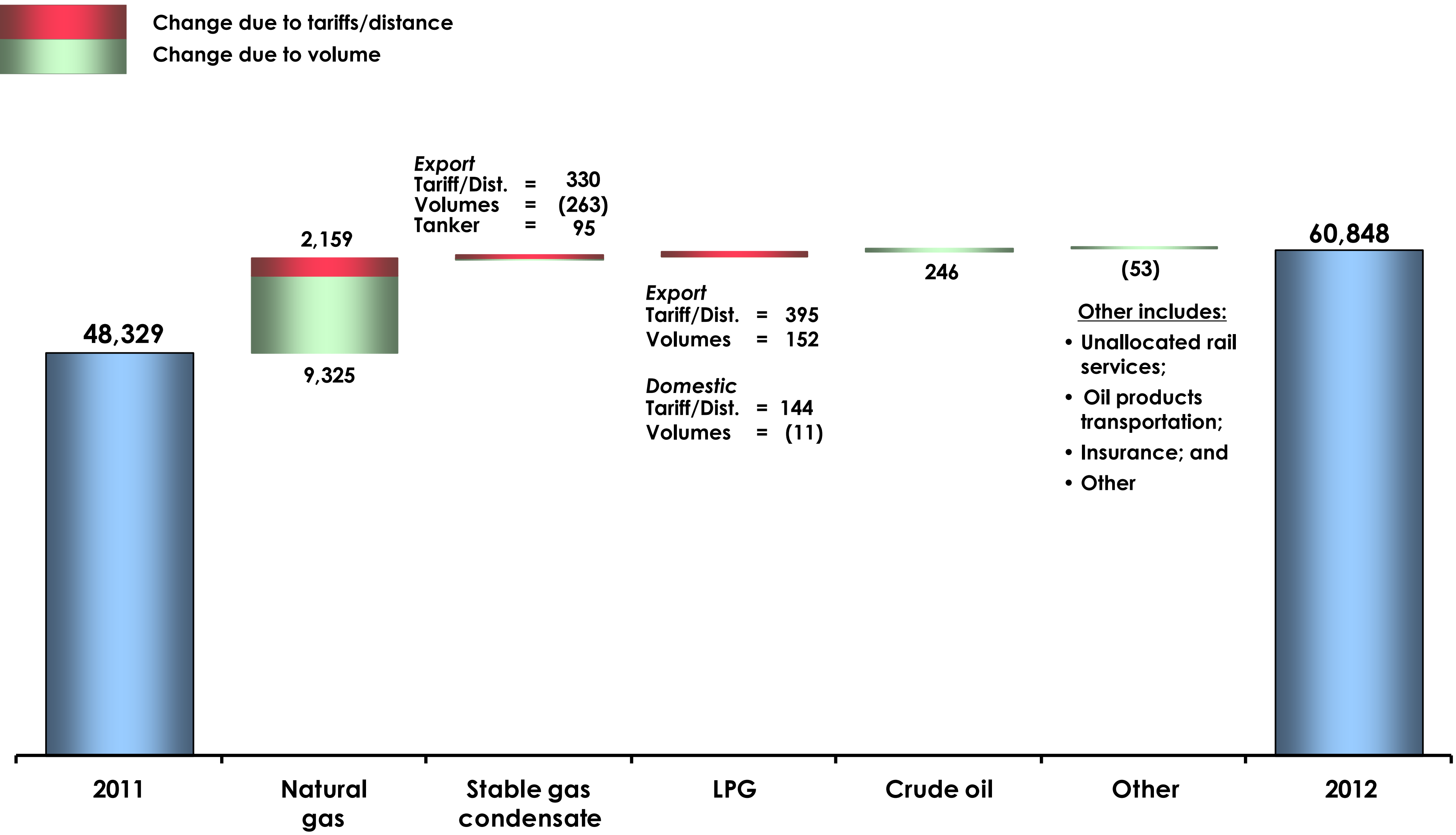
Transportation Expenses (RR million)



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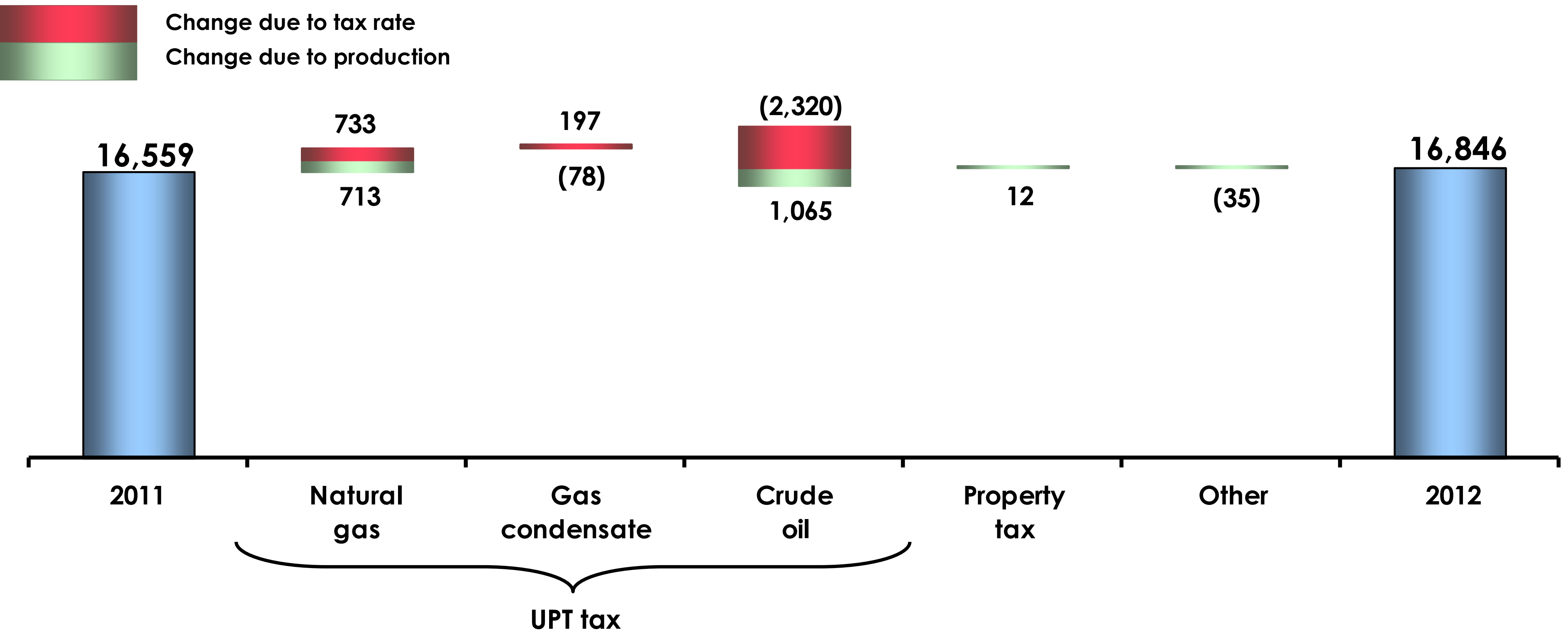
Taxes Other Than Income Tax Expense (RR million)



- The increase in UPT expense for natural gas was primarily due to both a 5.9% increase in the natural gas production tax rate effective 1 January 2012 (from RR 237 per mcm in 2011 to RR 251 per mcm in 2012) and a 6.3% increase in our natural gas production volumes
- The increase in UPT expense for unstable gas condensate was due to a change in the approach to the taxation
- Effective from 1 January 2012, we utilized a zero UPT rate for crude oil produced at our East-Tarko and Khanchey fields due to amendments to the Russian Tax Code for fields producing crude oil north of 65 degree latitude

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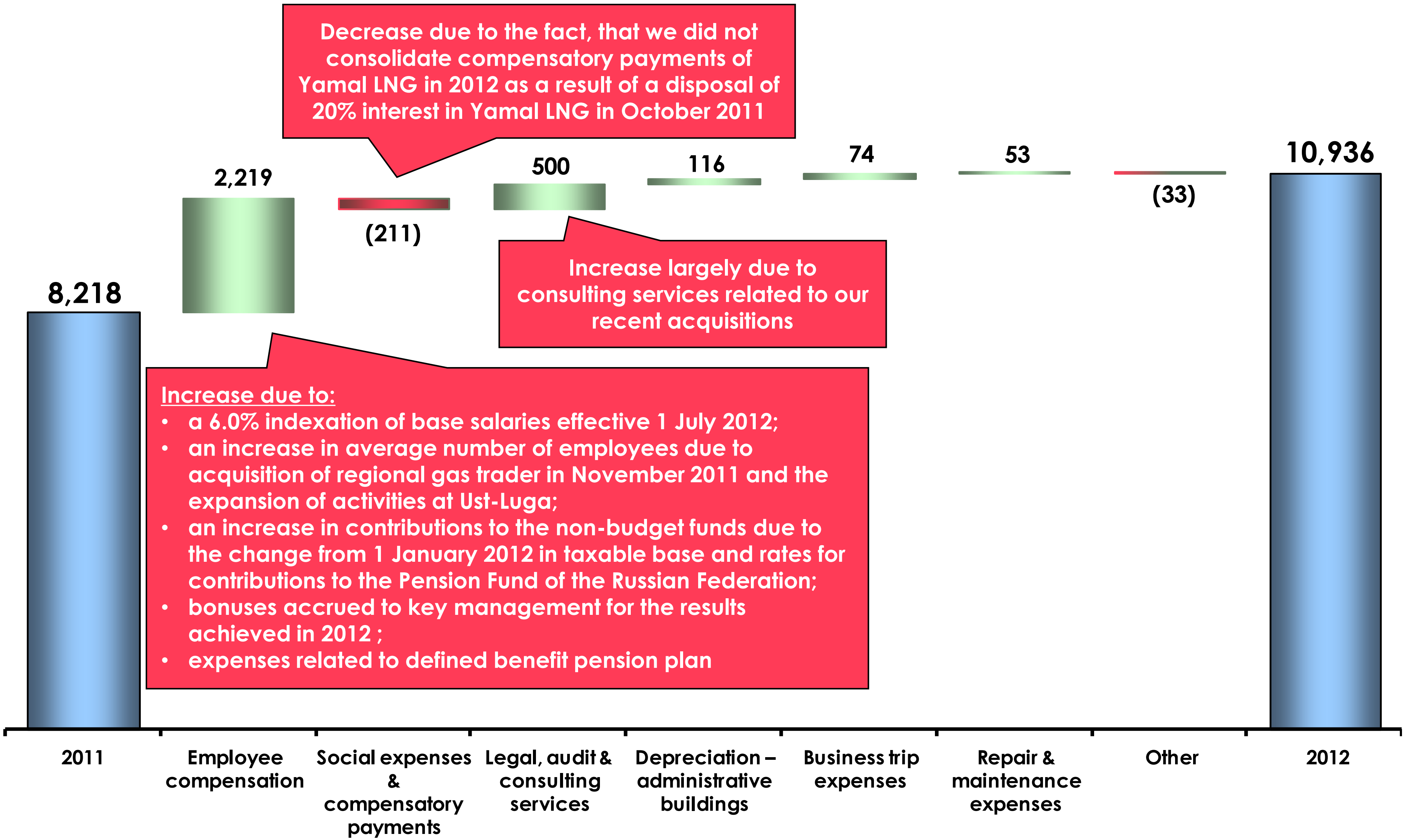
General and Administrative Expenses (RR million)



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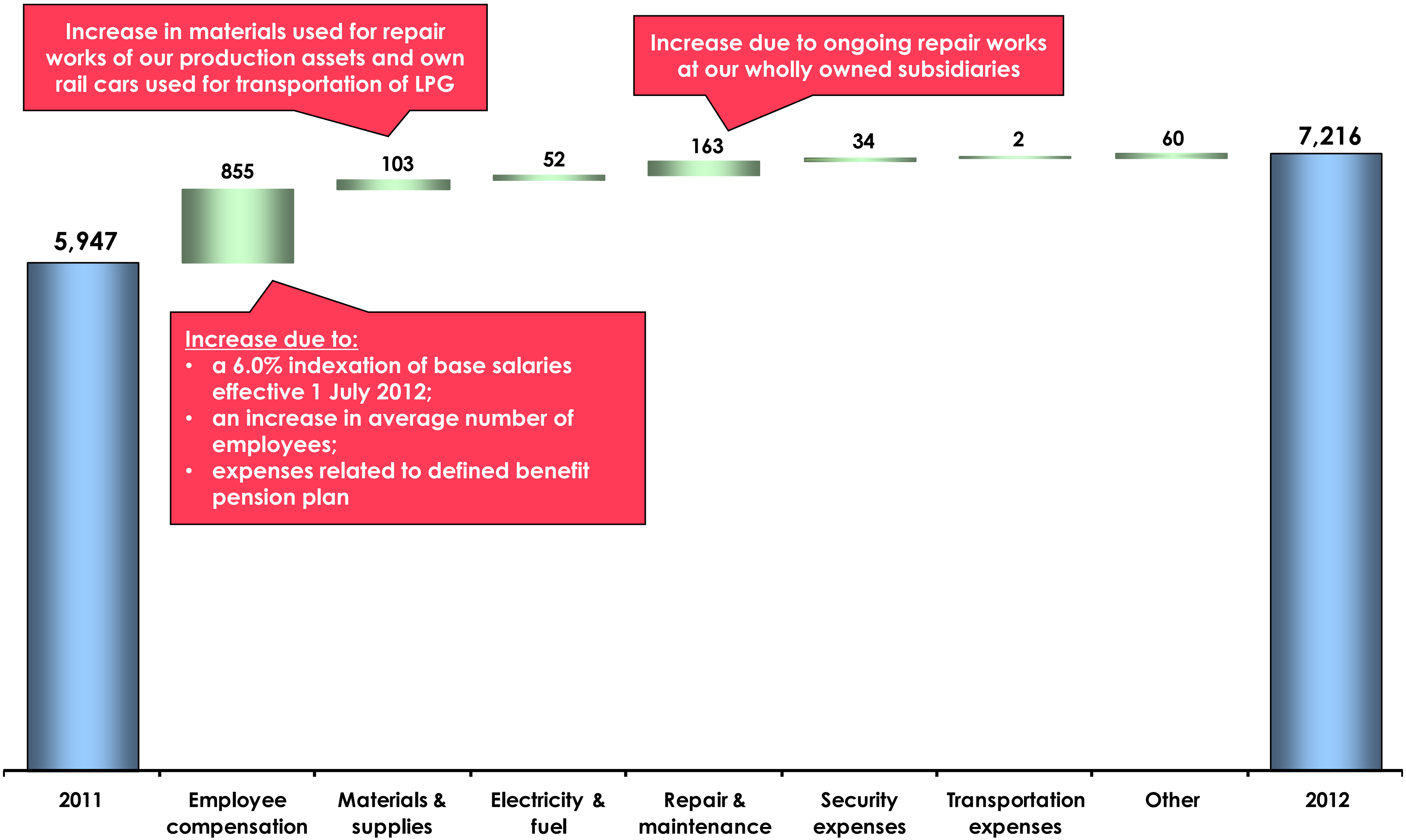
Materials, Services and Other Expenses (RR million)



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Condensed Balance Sheet (RR million)

	31 December 2012	31 December 2011	+/(-)	+/(-)%
Total current assets	**58,243**	**58,316**	**(73)**	**-0.1%**
Incl. Cash and cash equivalents	*18,420*	*23,831*	*(5,411)*	*-22.7%*
Total non-current assets	**404,890**	**325,116**	**79,774**	**24.5%**
Incl. Net PP&E	*197,376*	*166,784*	*30,592*	*18.3%*
Total assets	**463,133**	**383,432**	**79,701**	**20.8%**
Total current liabilities	**55,130**	**50,114**	**5,016**	**10.0%**
Incl. ST debt	*34,682*	*20,298*	*14,384*	*70.9%*
Total non-current liabilities	**116,702**	**91,636**	**25,066**	**27.4%**
Incl. Deferred income tax liability	*13,969*	*12,805*	*1,164*	*9.1%*
Incl. LT debt	*97,805*	*75,180*	*22,625*	*30.1%*
Total liabilities	**171,832**	**141,750**	**30,082**	**21.2%**
Total equity	**291,301**	**241,682**	**49,619**	**20.5%**
Total liabilities & equity	**463,133**	**383,432**	**79,701**	**20.8%**

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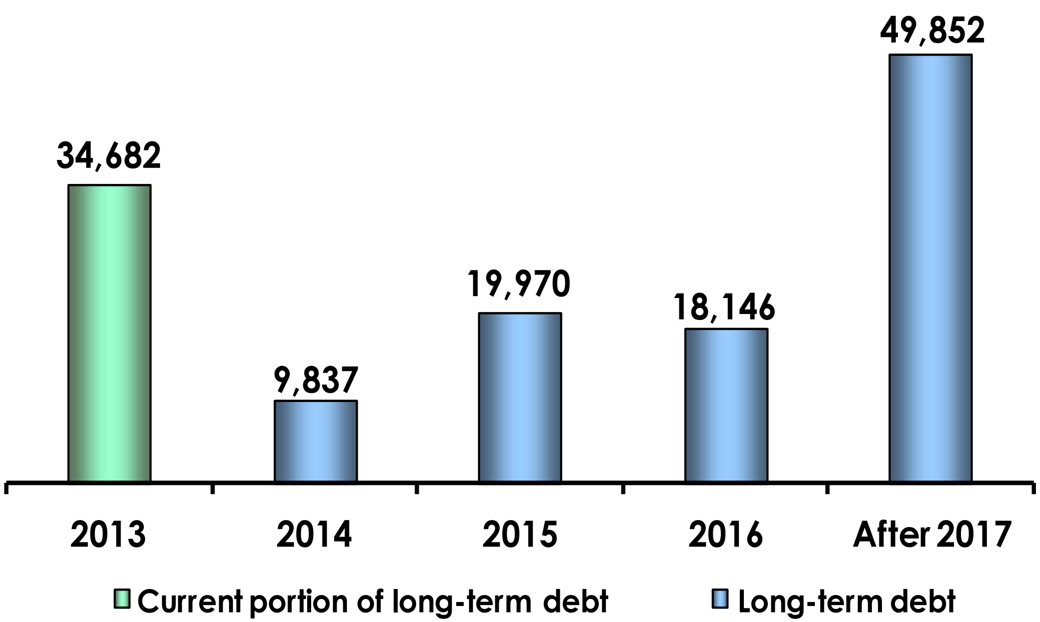
Total Debt Maturity Profile (RR million)



✓ In February 2013, the Group placed Russian rouble denominated Eurobonds in the amount of RR 14 billion with a four-year maturity and an annual coupon rate of 7.75%

✓ In February 2013, the Group repaid a RR 15 billion loan from OAO Sberbank ahead of its maturity schedule

✓ In March 2013, the Group repaid a USD 200 million loan from OAO Nordea Bank ahead of its maturity schedule

Debt repayment schedule:

Up to 2013 – Sumitomo Mitsui Banking Corporation Europe Limited, OAO Nordea Bank credit lines, RR denominated bonds, Sberbank loan

Up to 2014 – Sberbank loan

Up to 2015 – RR denominated bonds

Up to 2016 – Eurobonds Five-Year (USD 600 mln)

After 2017 – Eurobonds Ten-Year (USD 650 mln) and Eurobonds Ten-Year (USD 1 000 mln)

Note: Current debt maturity profile as of 31 December 2012 with repayments in the 12 months ended 31 December 2013, 2014, 2015, 2016, 2017 and after 2017

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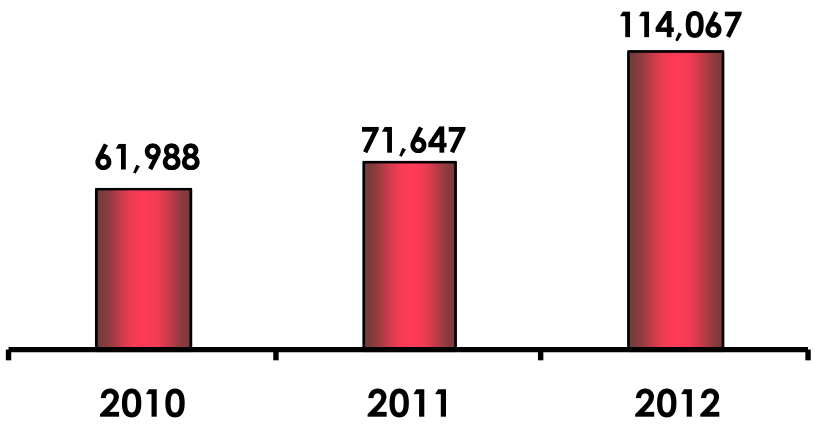
Debt Structure

Debt structure and maturities

RR million	2012	2011
Short-term debt	**34,682**	**20,298**
Including current portion of long-term debt	*34,682*	*20,298*
Long-term debt	**97,805**	**75,180**
Scheduled maturities		
2013	n/a	35,198
2014	9,837	-
2015	19,970	-
2016	18,146	19,206
after 2017	49,852	20,776
Total debt	**132,487**	**95,478**
Cash and cash equivalents	**18,420**	**23,831**
Net debt (cash)	**114,067**	**71,647**

Net Debt (cash) evolution, RR million



During 2012, the Group:

- ✓ repaid a RR 10 billion loan from OAO Gazprombank ahead of its maturity schedule (January)
- ✓ repaid the final tranche of loan from ZAO UniCredit Bank aggregating USD 20 million as scheduled (October)
- ✓ placed on the MICEX Stock Exchange the Russian rouble Bonds of RR 20 billion (October)
- ✓ issued ten-year USD denominated Eurobonds in the amount of USD one billion (December)

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Financial Overview – 4Q 12 vs. 3Q 12

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Comparison of Quarterly Results (RR million)

	4Q 11	1Q 12	2Q 12	3Q 12	4Q 12	Q-o-Q +/- %	Y-o-Y +/- %
Oil and gas sales	50,300	53,876	44,763	52,345	59,262	13.2%	17.8%
Total revenues	50,474	54,097	44,924	52,514	59,438	13.2%	17.8%
Operating expenses	(28,736)	(31,575)	(26,559)	(29,628)	(38,013)	28.3%	32.3%
EBITDA (1)	86,692	24,217	20,414	25,252	25,223	-0.1%	-70.9%
Normalized EBITDA (2)	*23,744*	*24,217*	*20,414*	*25,252*	*25,283*	*0.1%*	*6.5%*
EBITDA margin	171.8%	44.8%	45.4%	48.1%	42.4%		
Normalized EBITDA margin	*47.0%*	*44.8%*	*45.4%*	*48.1%*	*42.5%*		
Effective income tax rate (3)	5.7%	21.9%	20.9%	20.9%	13.9%		
Profit attributable to NOVATEK	78,227	21,245	9,663	20,003	18,547	-7.3%	-76.3%
Normalized profit attributable to NOVATEK (4)	*15,279*	*21,245*	*9,663*	*20,003*	*18,607*	*-7.0%*	*21.8%*
Profit margin	155.0%	39.3%	21.5%	38.1%	31.2%		
Normalized profit margin	*30.3%*	*39.3%*	*21.5%*	*38.1%*	*31.3%*		
Earnings per share	25.79	7.00	3.18	6.59	6.11	-7.3%	-76.3%
Normalized earnings per share	*5.04*	*7.00*	*3.18*	*6.59*	*6.13*	*-7.0%*	*21.6%*
CAPEX (5)	9,681	7,519	12,270	11,480	12,285	7.0%	26.9%
Net debt (6)	71,647	48,045	77,818	67,187	114,067	69.8%	59.2%

Notes:
1. EBITDA represents profit (loss) attributable to shareholders of OAO NOVATEK adjusted for the add-back of net impairment expenses (reversals), income tax expense and finance income (expense) from the Consolidated Statement of Income, income (loss) from changes in fair value of derivative financial instruments from the "Financial instruments and financial risk factors" in the notes to the consolidated financial statements and depreciation, depletion and amortization from the Consolidated Statement of Cash Flows
2. Normalized EBITDA represents EBITDA excluding net gain (loss) on disposal of interest in subsidiaries
3. Effective income tax rates, excluding the effect of application of a reduced income tax rate of 15.5% in respect of the Group's priority investment project in YNAO in 2012 and excluding the net gain on disposal of Yamal LNG in 2011, were 21.8% and 22.6%, respectively
4. Normalized profit attributable to shareholders of OAO NOVATEK represents profit attributable to shareholders of OAO NOVATEK excluding net gain (loss) on disposal of interest in subsidiaries
5. CAPEX represents additions to property, plant and equipment excluding prepayments for participation in tender for mineral licenses
6. Net debt calculated as long-term debt plus short-term debt less cash and cash equivalents

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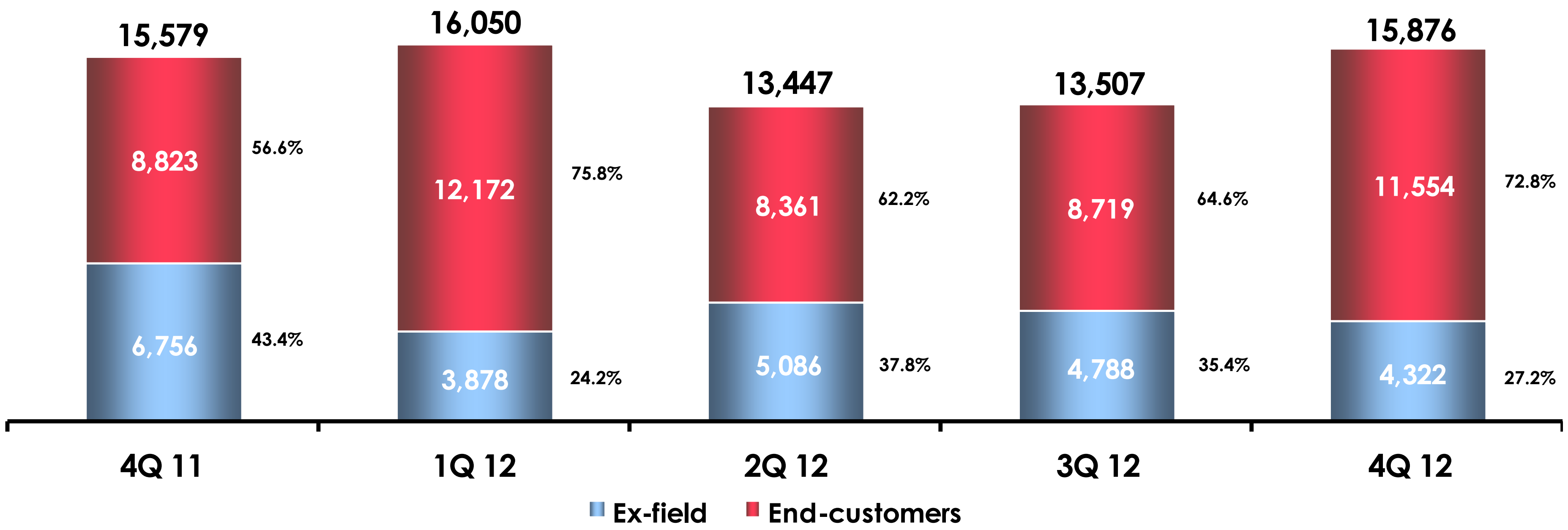
Market Distribution – Gas Sales Volumes (mmcm)



- Q-o-Q and Y-o-Y increase in natural gas sales volumes was due to the increase in natural gas production at the Yurkharov field resulting from the launch of the fourth stage of the second phase development in October 2012
- Our proportion of natural gas sold to end-customers increased Y-o-Y due to higher natural gas deliveries to the Chelyabinsk region as a result of the acquisition of regional gas trader Gazprom mezhregiongas Chelyabinsk in November 2011

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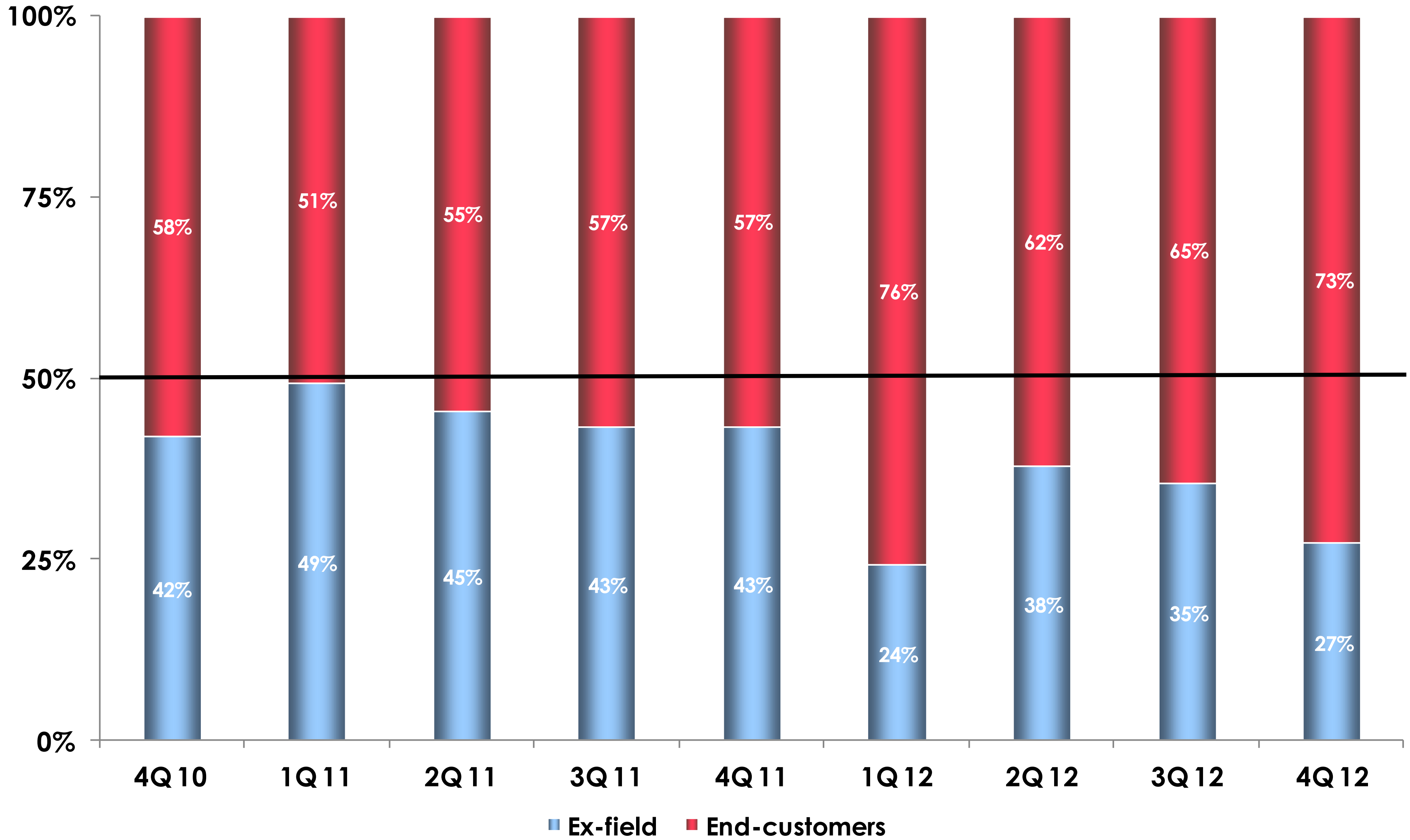
Natural Gas Sales Volume Mix



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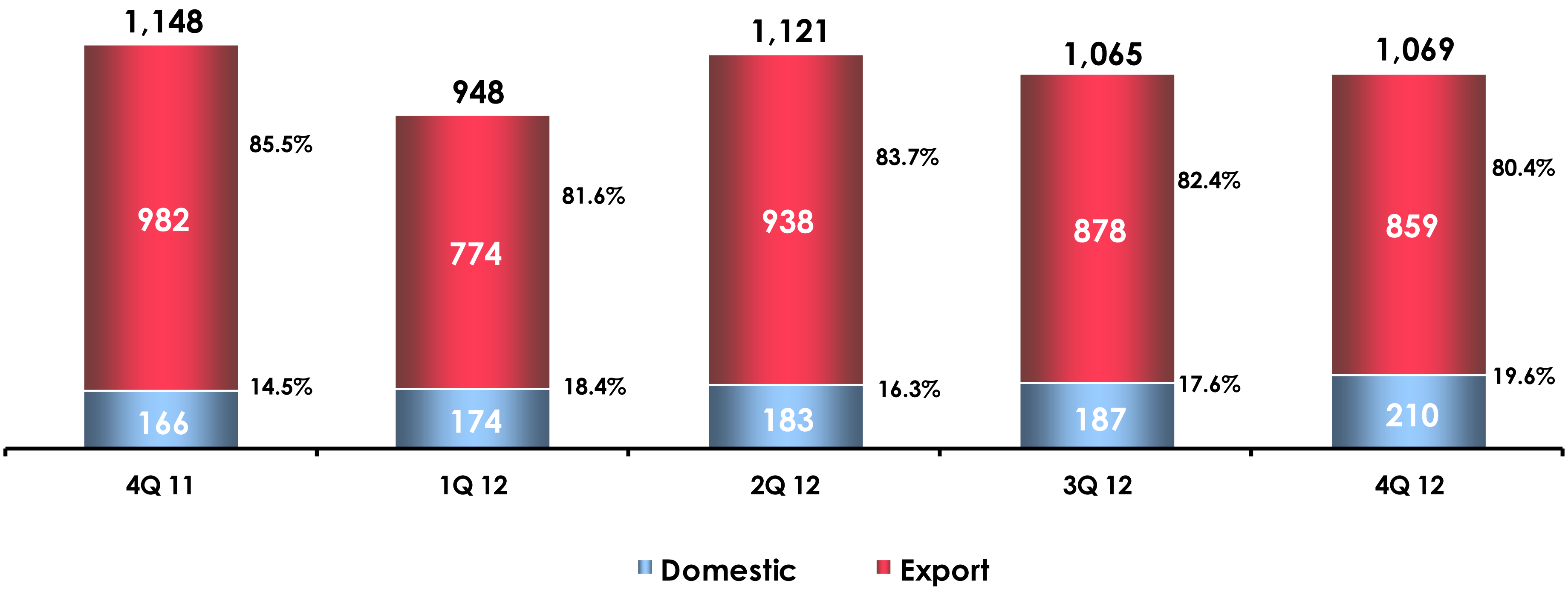
Market Distribution – Liquids Sales Volumes (mt)



Y-o-Y decrease in liquids sales volumes was primarily due to the increase in our SGC inventory balances during 4Q 2012 compared to a decrease in 4Q 2011, that was partially offset by the initiation of unstable gas condensate purchases from our joint ventures, as well as the increase in crude oil production

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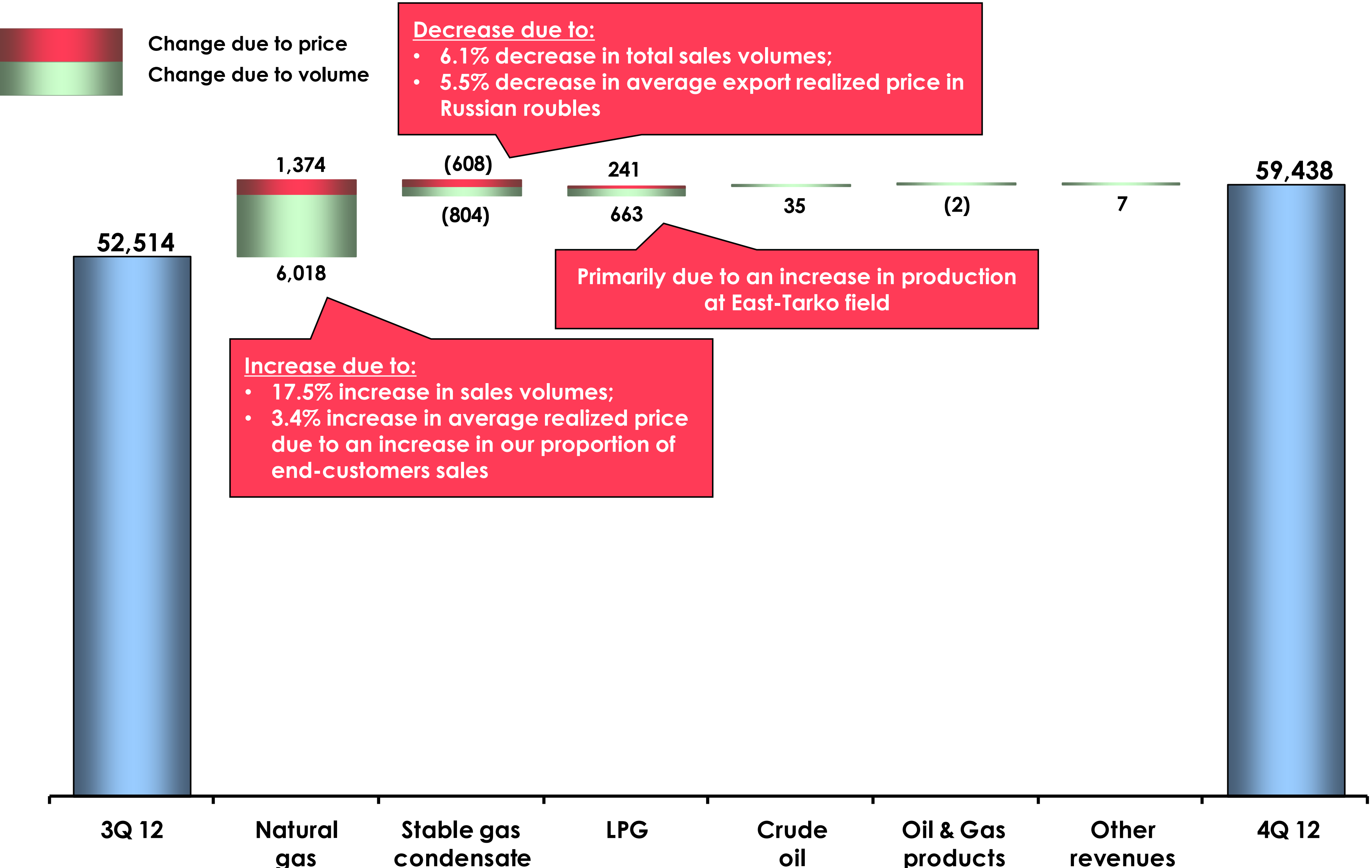
Total Revenues (RR million)



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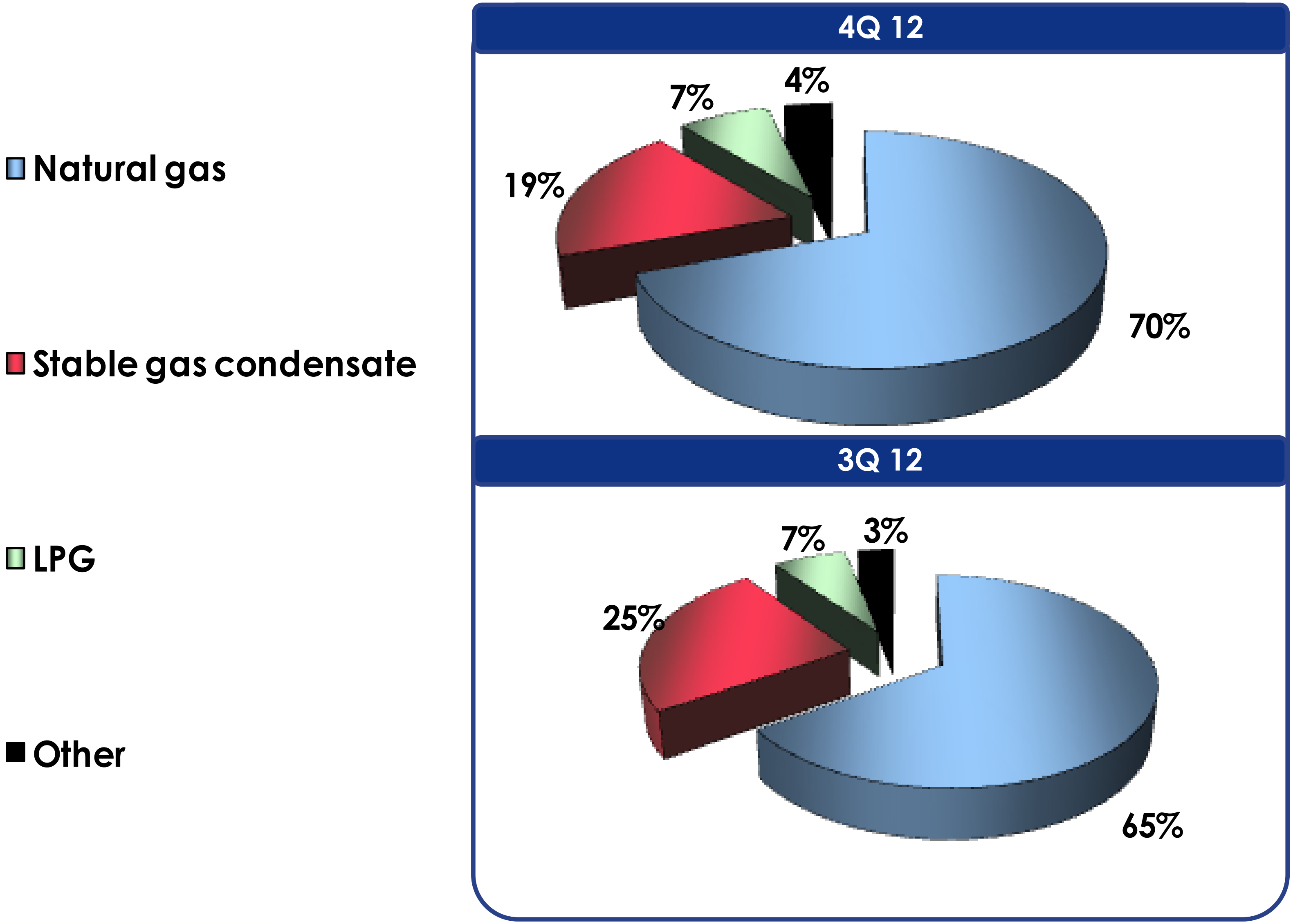
Total Revenues Breakdown



Realized Hydrocarbon Prices (net of VAT and export duties)

4Q 11	4Q 12	+/(-)	+/(-)%		3Q 12	4Q 12	+/(-)	+/(-)%
				Domestic prices				
2,621	2,993	372	14.2%	**Natural gas end-customers, RR/mcm**	3,050	2,993	(57)	-1.9%
1,393	1,644	251	18.0%	**Natural gas ex-field, RR/mcm**	1,619	1,644	25	1.5%
-	14,407	n/a	n/a	**Stable gas condensate, RR/ton**	12,278	14,407	2,129	17.3%
15,076	15,061	(15)	-0.1%	**LPG, RR/ton**	14,199	15,061	862	6.1%
10,261	10,952	691	6.7%	**Crude oil, RR/ton**	11,144	10,952	(192)	-1.7%
10,002	10,610	608	6.1%	**Methanol, RR/ton**	10,643	10,610	(33)	-0.3%
				Export market				
15,316	16,656	1,340	8.7%	**Stable gas condensate, RR/ton**	17,629	16,656	(973)	-5.5%
19,936	21,622	1,686	8.5%	**LPG, RR/ton**	20,192	21,622	1,430	7.1%
11,591	11,527	(64)	-0.6%	**Crude oil, RR/ton**	13,133	11,527	(1,606)	-12.2%

Note: Prices are shown excluding trading activities and excluding natural gas volumes purchased for resale in the location of end-customers

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Operating Expenses (RR million and % of Total Revenues (TR))

4Q 11	% of TR	4Q 12	% of TR		3Q 12	% of TR	4Q 12	% of TR
13,541	26.8%	17,199	28.9%	Transportation expenses	14,235	27.1%	17,199	28.9%
4,504	8.9%	4,452	7.5%	Taxes other than income tax	3,903	7.4%	4,452	7.5%
18,045	35.7%	21,651	36.4%	**Non-controllable expenses**	18,138	34.5%	21,651	36.4%
2,346	4.6%	3,701	6.2%	General and administrative	2,245	4.3%	3,701	6.2%
2,970	5.9%	3,597	6.1%	Depreciation and amortization	2,560	4.9%	3,597	6.1%
1,553	3.1%	2,078	3.5%	Materials, services & other	1,716	3.3%	2,078	3.5%
180	0.4%	1,393	2.3%	Exploration expenses	330	0.6%	1,393	2.3%
100	n/m	276	n/m	Net impairment expenses (reversals)	(15)	n/m	276	n/m
381	n/m	(560)	n/m	Change in natural gas, liquids and WIP	(178)	n/m	(560)	n/m
25,575	50.7%	32,136	54.1%	**Subtotal operating expenses**	24,796	47.2%	32,136	54.1%
3,161	6.2%	5,877	9.9%	Purchases of natural gas and liquid hydrocarbons	4,832	9.2%	5,877	9.9%
28,736	56.9%	38,013	64.0%	**Total operating expenses**	29,628	56.4%	38,013	64.0%

- **Our operating expenses increased Y-o-Y and Q-o-Q primarily due to an increase in our transportation expenses and purchases of natural gas and liquid hydrocarbons**
- **Transportation expenses increased Y-o-Y and Q-o-Q due to an increase in natural gas volumes transported and sold, and Q-o-Q also due to a 7% average increase in transportation tariffs set by FTS effective 1 July 2012**
- **Taxes other than income tax increased Q-o-Q primarily due to an increase in production volumes and slightly decreased Y-o-Y due to the application of a zero UPT rate for for crude oil production effective 1 January 2012 that was offset by an increase in production of natural gas and a 5.9% increase in the natural gas UPT rate**
- **Depreciation, depletion and amortization expense increased Y-o-Y and Q-o-Q as a result of an increase in our depletable cost base, as well as an increase in our total hydrocarbon production in barrels of oil equivalent**
- **Our hydrocarbon purchases increased Y-o-Y and Q-o-Q due to the commencement of natural gas purchases from our related party SIBUR Holding effective 1 January 2012, as well as unstable gas condensate purchases from our joint ventures SeverEnegia and Nortgas effective 1 April and 1 November 2012, respectively**

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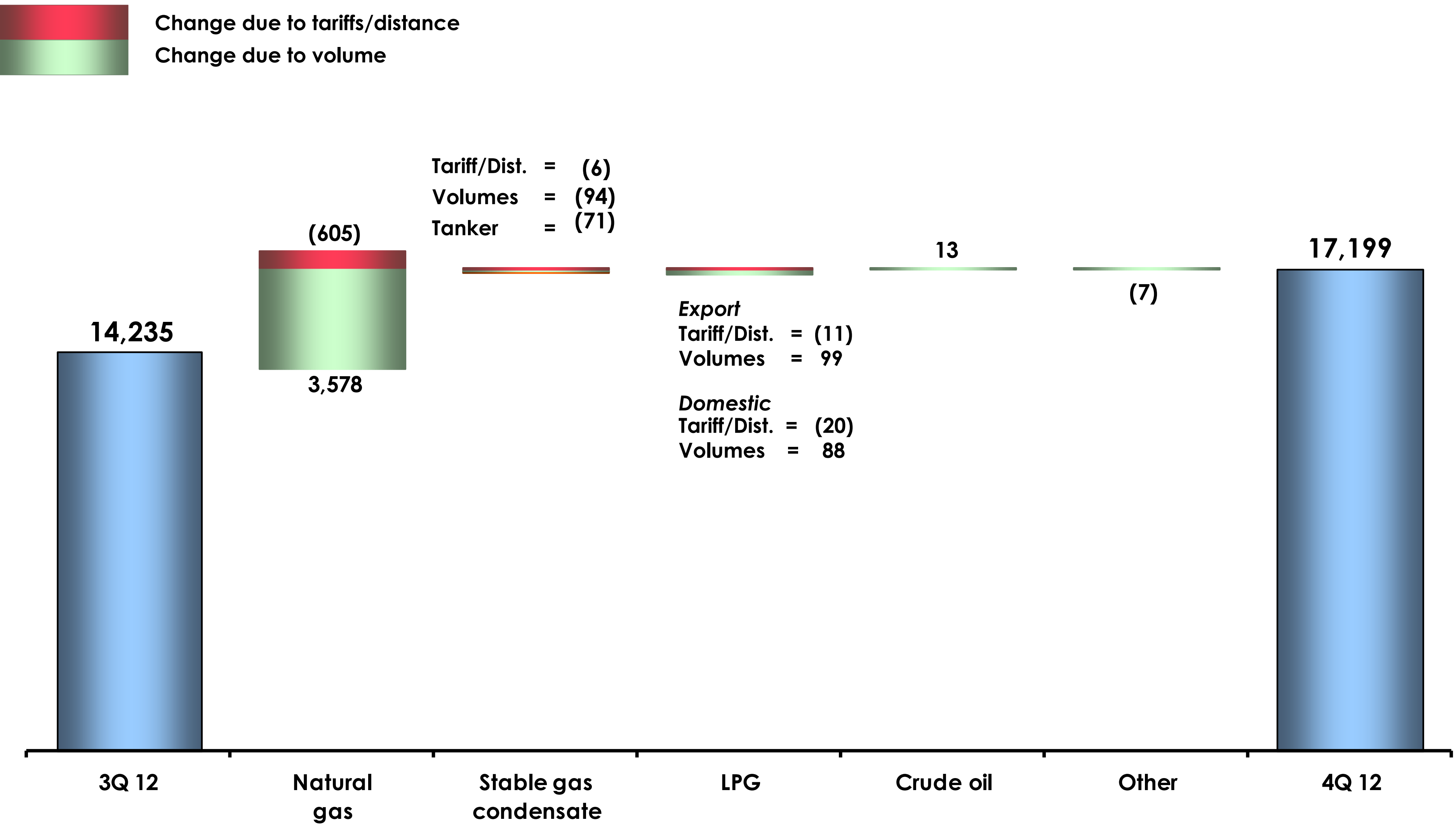
Transportation Expenses (RR million)



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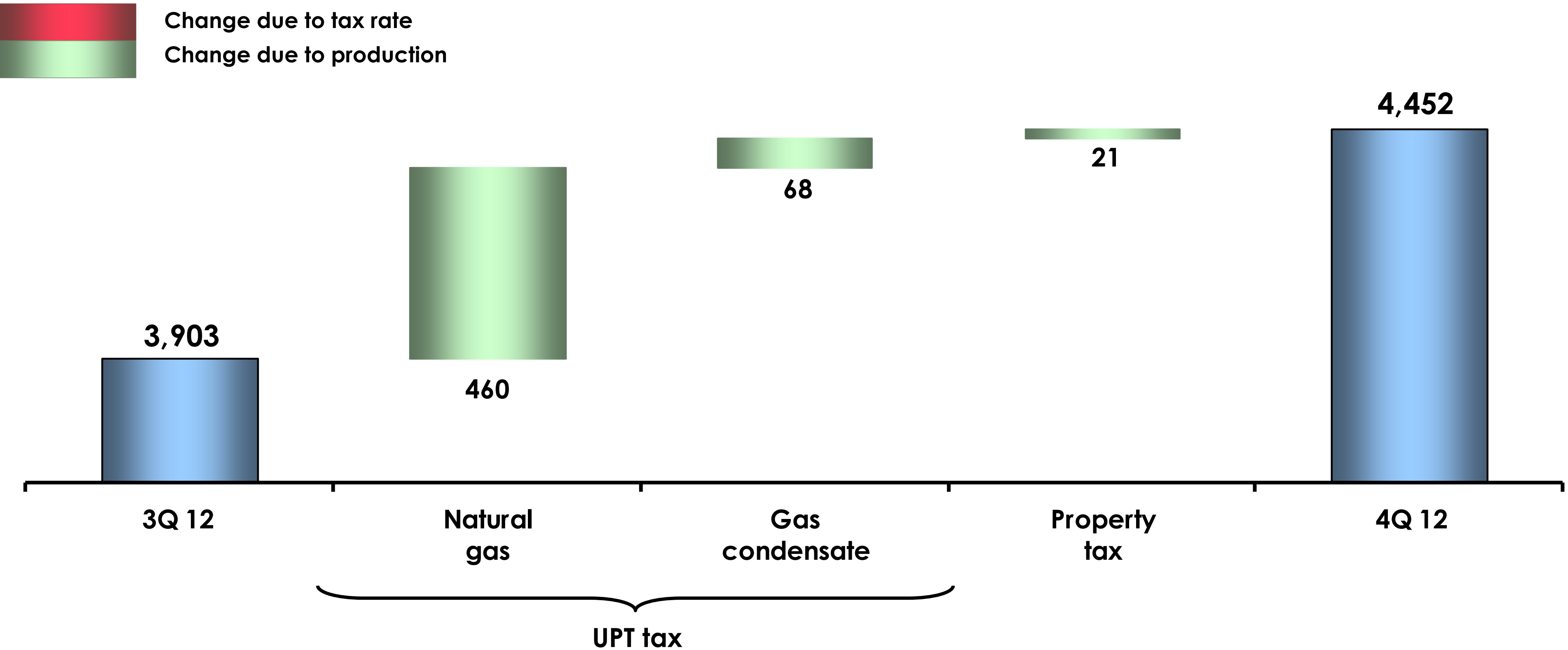
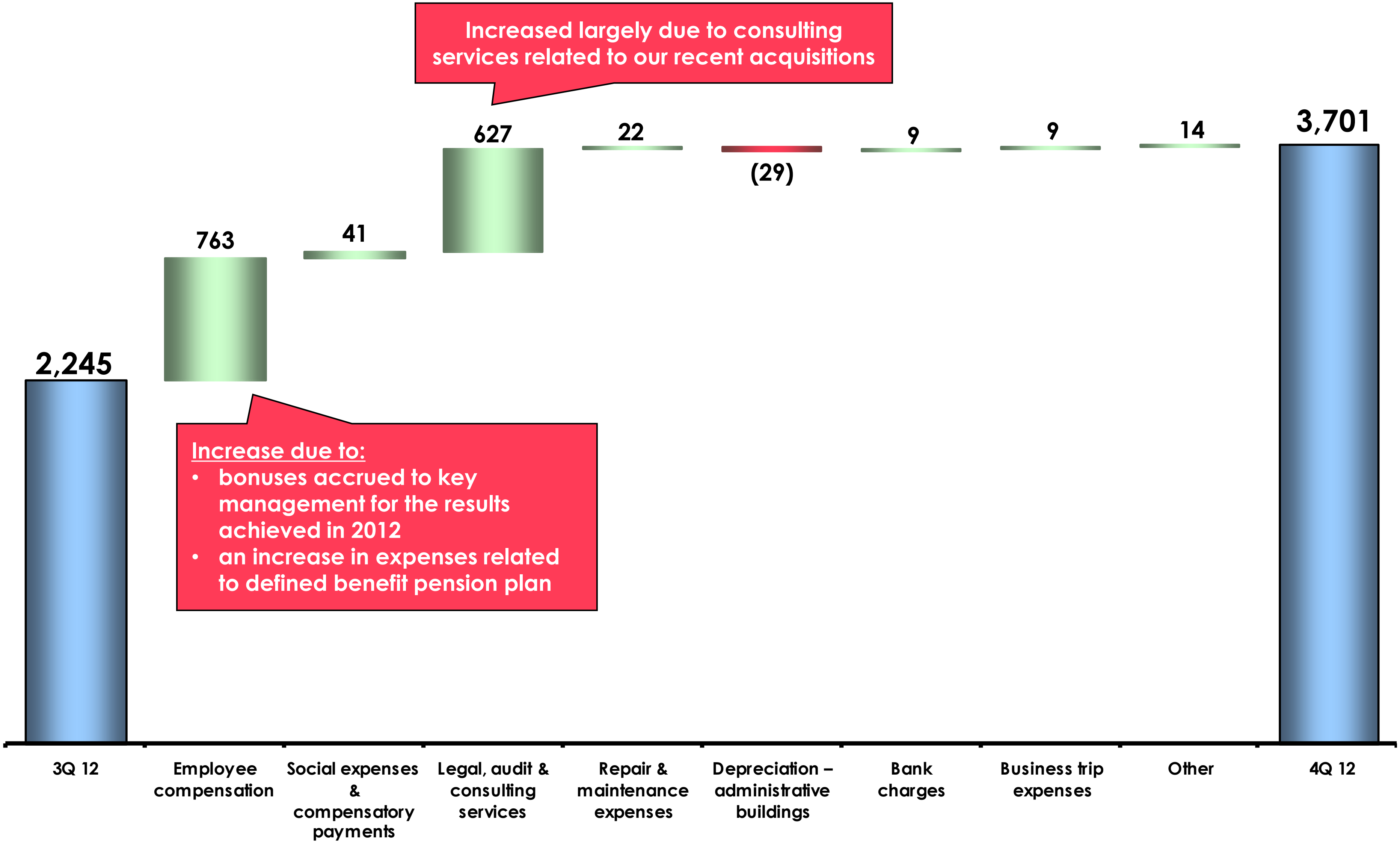
Taxes Other Than Income Tax Expense (RR million)



- The increase in UPT expense for natural gas and unstable gas condensate was due to a 15.4% and a 13.8% increase in our production volumes, respectively
- Effective from 1 January 2012, we utilized a zero UPT rate for crude oil produced at our East-Tarko and Khanchey fields due to amendments to the Russian Tax Code for fields producing crude oil north of 65 degree latitude

General and Administrative Expenses (RR million)



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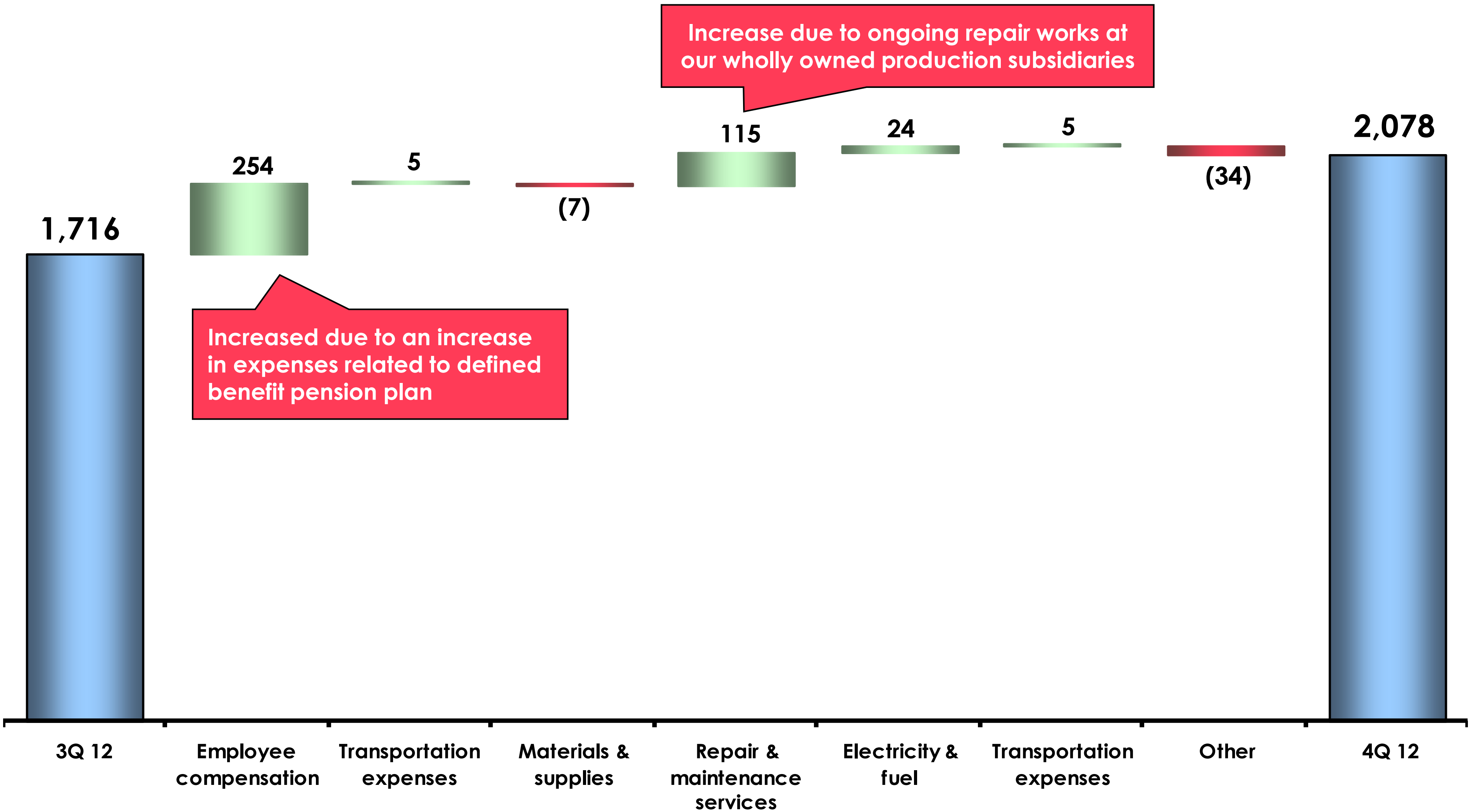
Materials, Services and Other Expenses (RR million)



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Questions and Answers

Appendices

Yamal LNG On-Site Activity

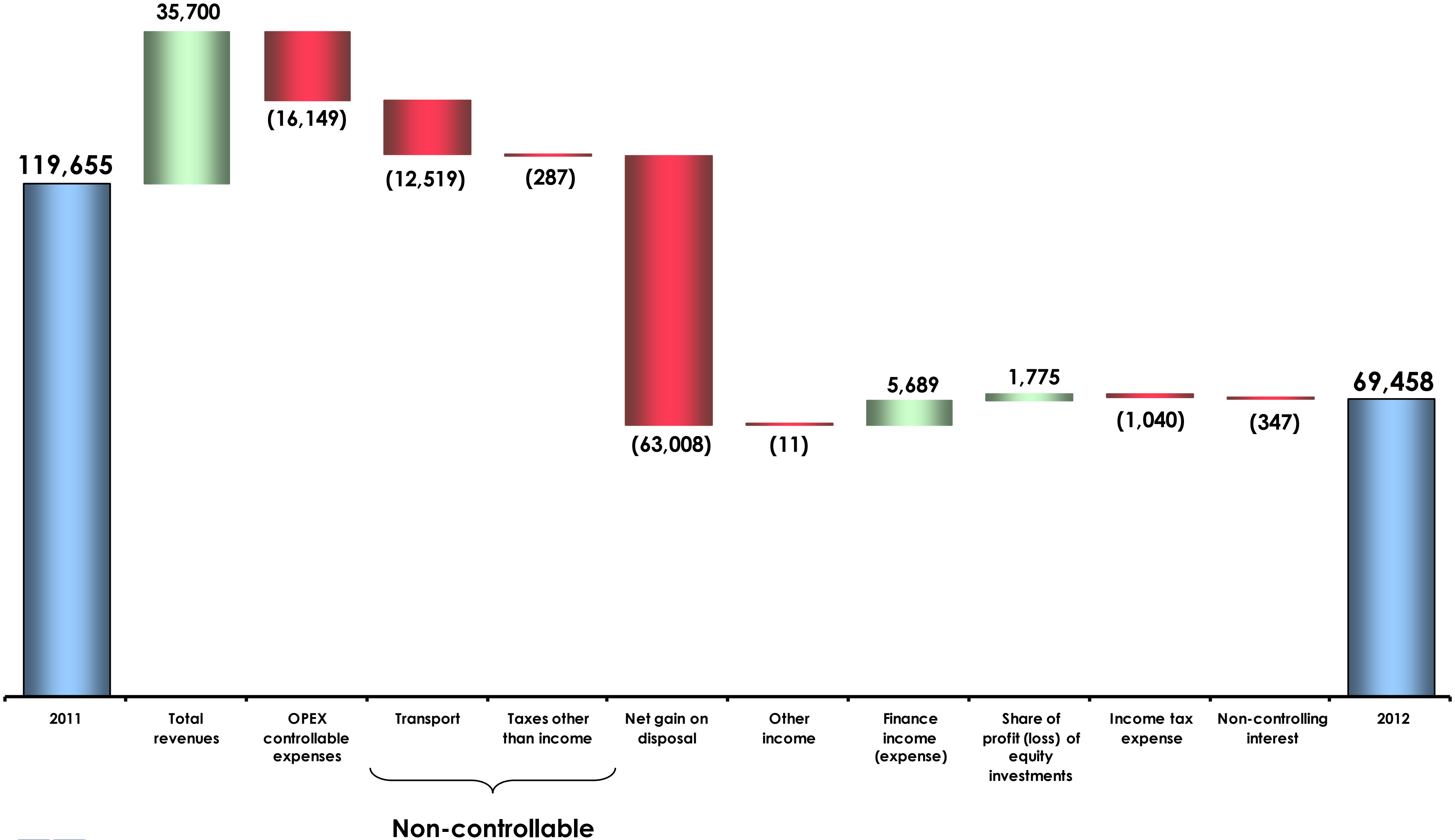
Berth piling construction

Arctic drilling rig assembled

Materials offloading (4.5 km offshore the Gulf of Ob)

Living quarters

Profit Attributable to NOVATEK Shareholders (RR million)



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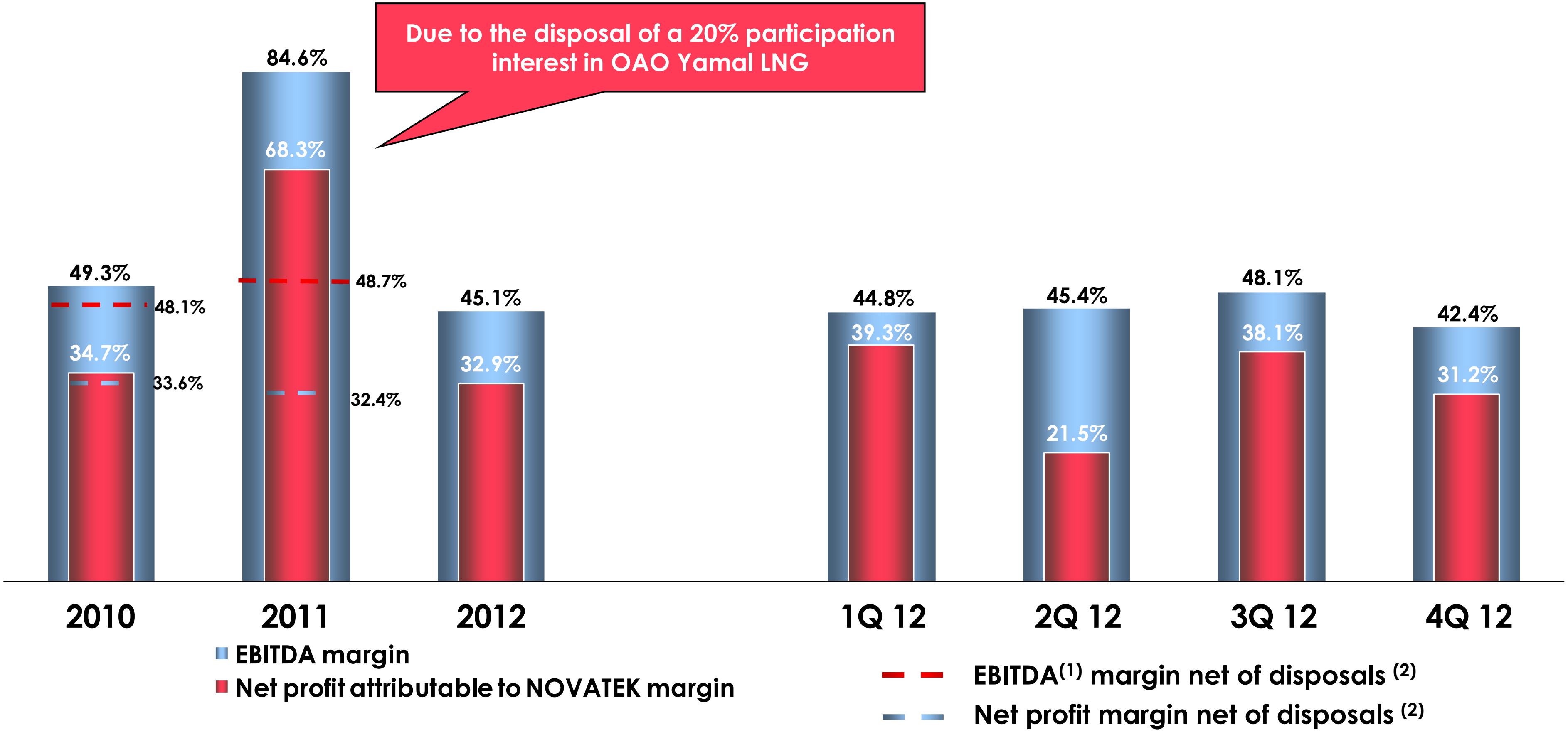
Maintaining Margins (% of total revenues)



Margins in-line with Group's strategic guidance

Notes:

1. EBITDA represents profit (loss) attributable to shareholders of OAO NOVATEK adjusted for the add-back of net impairment expenses (reversals), income tax expense and finance income (expense) from the Consolidated Statement of Income, income (loss) from changes in fair value of derivative financial instruments from the "Financial instruments and financial risk factors" in the notes to the consolidated financial statements and depreciation, depletion and amortization from the Consolidated Statement of Cash Flows

2. Adjusted net profit attributable to NOVATEK margin and adjusted EBITDA margin exclude net gain on disposal of subsidiaries

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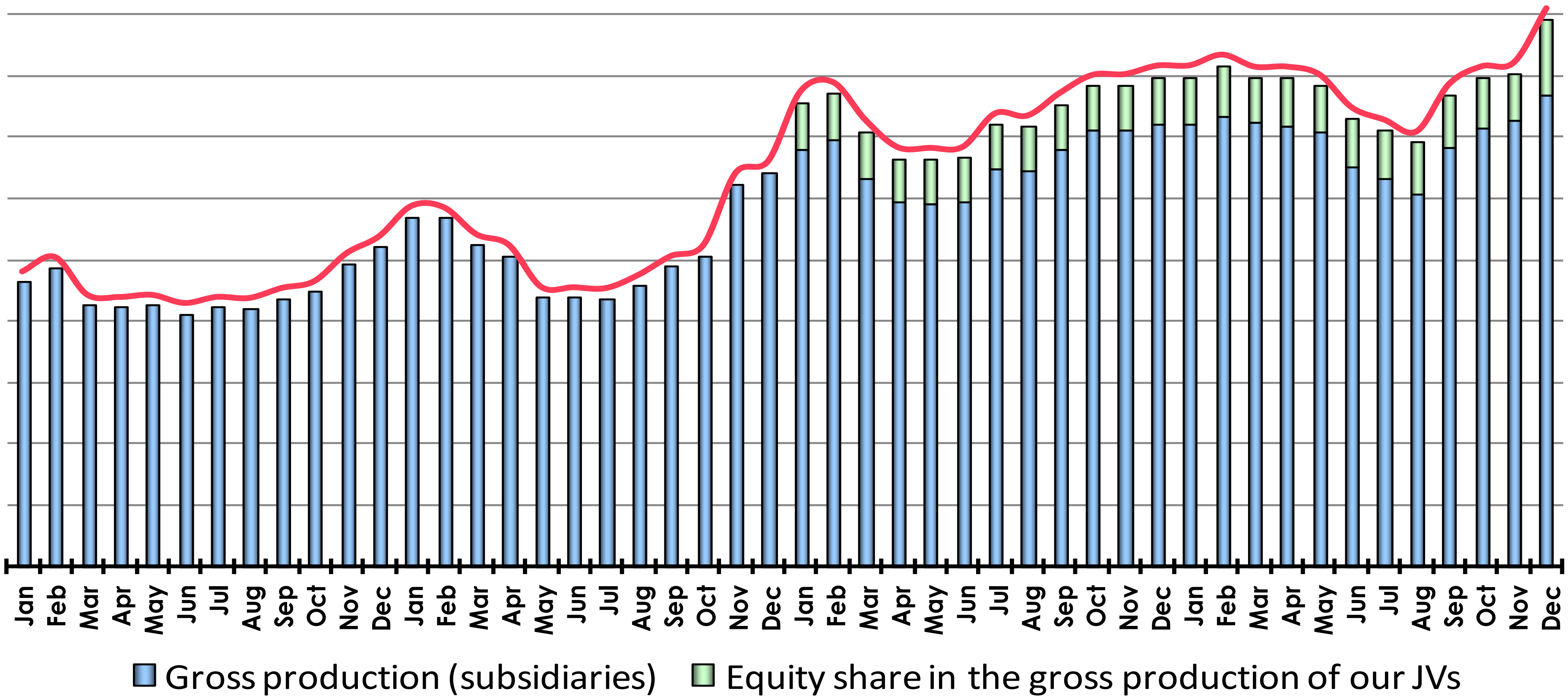
Increasing Natural Gas Production (mmcm per day)



2009

2009 Avg.
90 mmcm/day
3,171 bcf/day

2010

2010 Avg.
103 mmcm/day
3,655 bcf/day

2011

2011 Avg.
147 mmcm/day
5,180 bcf/day

2012

2012 Avg.
157 mmcm/day
5,531 bcf/day

4Q 12 Avg.
166 mmcm/day
5,875 bcf/day

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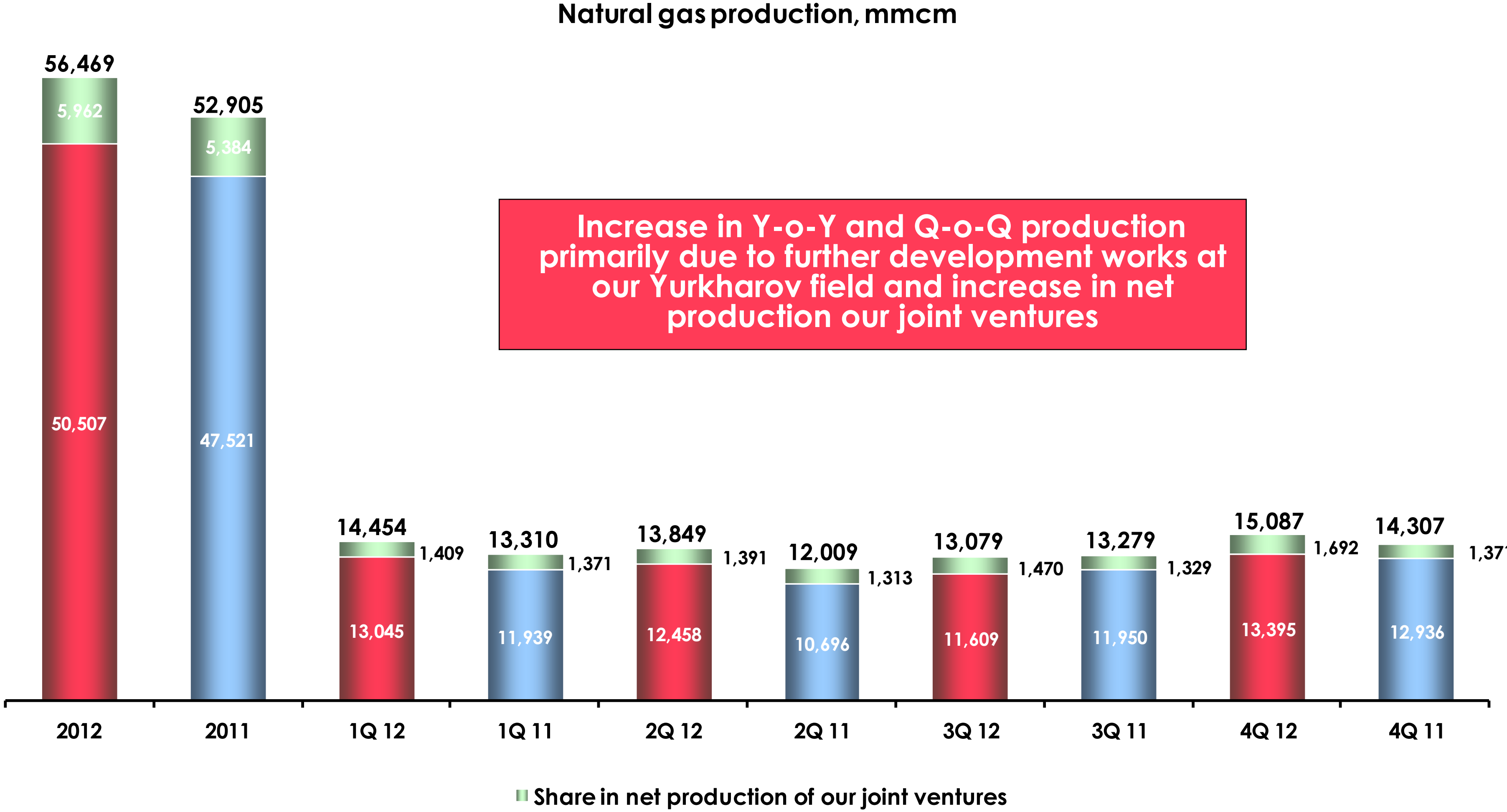
Net Production Y-o-Y and 2011/2012 Quarterly



Note: Net hydrocarbon production includes our proportional share in the production of our joint ventures

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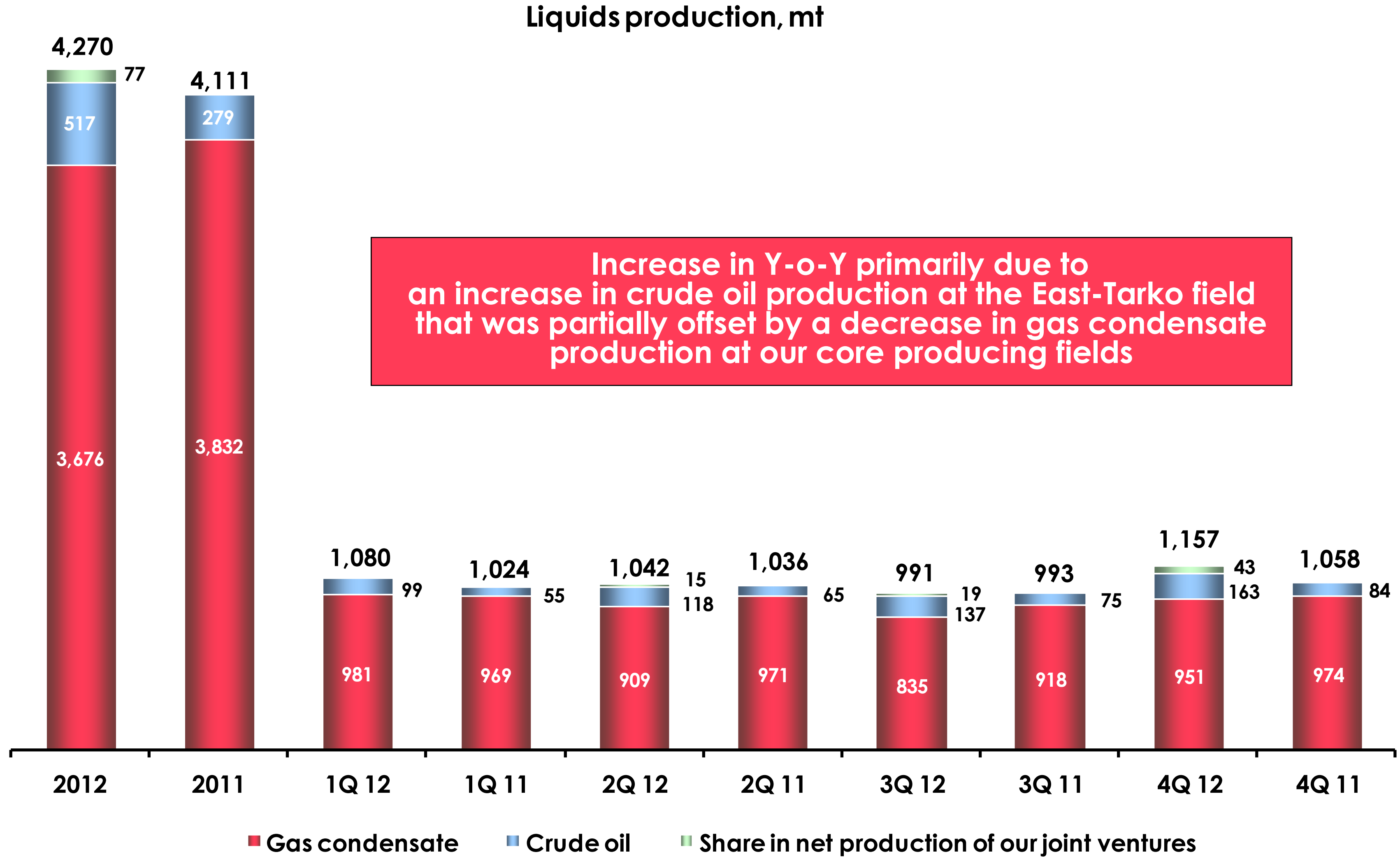
Net Production Y-o-Y and 2011/2012 Quarterly



Note: Net hydrocarbon production includes our proportional share in the production of our joint ventures

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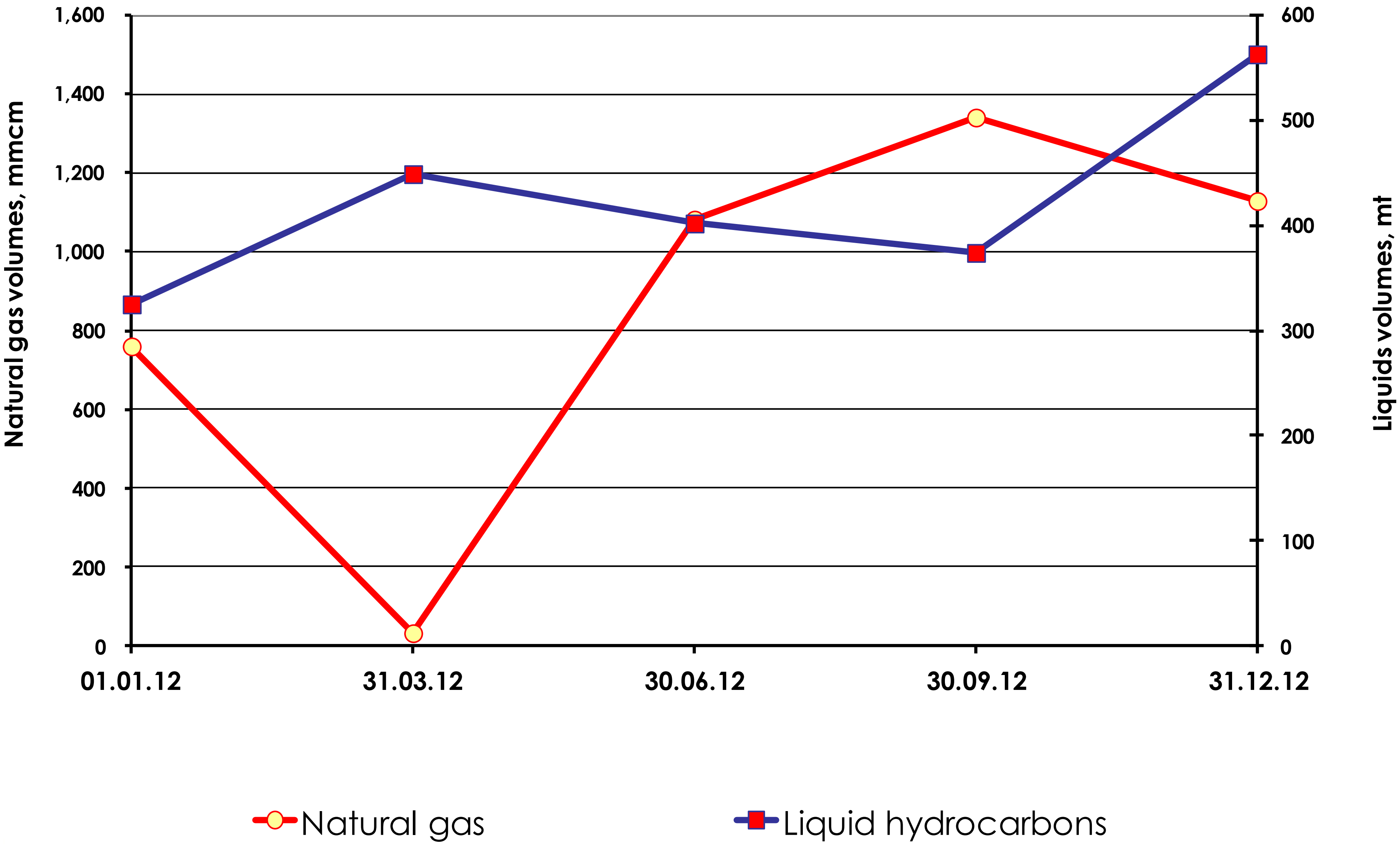
Change in Inventories



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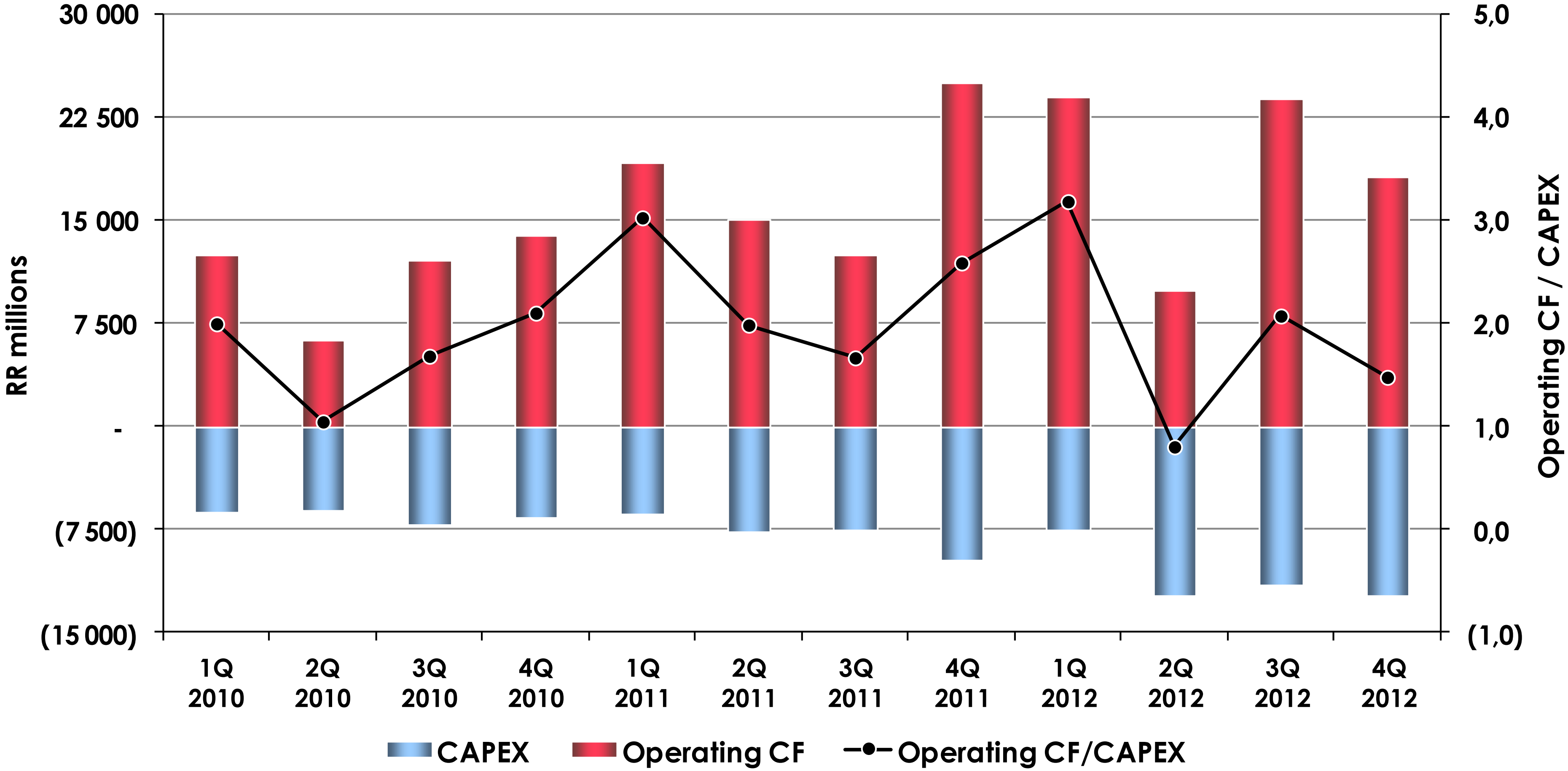
Internally Funded Investment Program



Core investments in upstream exploration, production and processing facilities funded primarily through internal cash flows

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