PAO NOVATEK

Third Quarter 2017

Financial and Operational Results – Earnings Conference Call

26 October 2017
Moscow, Russian Federation

Ladies and Gentlemen, Shareholders and colleagues good evening and welcome to our Third Quarter and Nine Months 2017 earnings 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 2016, 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.

STRATEGY DAY 2017

Previously, I mentioned that I would let the investment community know of our planned corporate strategy day on tonight's conference call, but we decided to disclose this information on a press release on the 29th September to allow investors ample time to plan this date in your calendars. We will hold our Corporate Strategy Day on the 12th December in Moscow and we would like to again extend our formal invitation this evening to attend this important date. If you plan to attend the event please RSVP as per instruction on the press release by using our dedicated email address (StrategyDay2017@ novatek.ru). The press release can be found on our corporate website. For those investors who cannot physically attend the event in Moscow, we will webcast the event live with specific dial-in instructions on the 12th December or you can access the information at your own convenience.

CONFERENCE CALL TEXT

Commodity prices rebounded across our product range during the Third Quarter 2017 contributing to positive financial results despite declines in our legacy production and lower sales volumes largely due to seasonal injections into underground storage for natural gas and tankers in transit for liquids due to weather conditions at the port loading facility as well as the timing of their loading and transit to ports of destination.

I previously outlined our specific projects and remedial steps we will undertake to stem the production decline in our legacy assets over several conference calls, so tonight I will limit my remarks on this point and we will address this important issue in more detail at our upcoming strategy day. However, I will provide a few updates. Our geologists and production specialists believe we will decelerate the declines with a series of new projects and initiatives that should begin yielding positive results as early as 2018.

From a geological perspective, we completed exploration drilling at well #305 located on the Kharbeyskoye field and discovered two (2) productive zones at the Jurassic layers, which will add both gas and gas condensate resources and allow us to increase output at the North-Russkoye cluster. We also drilled wells #306 and #307 and reached the Jurassic layers during the respective quarter. Total resources at the Kharbeyskoye field are already assessed at 120 billion cubic meters (BCM) of natural gas, and 19 million tons (MT) of liquids in addition to the crude oil program we had previously identified. The test results look extremely positive for additional production contributions from the deeper Jurassic formation, and based on the test results and commercial flows of natural gas, gas condensate and crude oil, we have revised upward our annual production outlook for the North-Russkoye cluster to approximately 14 BCM, 1.0 to 1.5 million tons of gas condensate and 4.0 million tons of crude oil, when the cluster reaches full production plateau. This essentially means we will model the field's production profile to the upper range of natural gas production and add another 1.5 million tons to the annual liquids output.

During the quarter, we also received formal governmental approval for increasing the ABC1+2 reserves at the Utrenneye field to approximately 1.6 trillion cubic meters of natural gas and 65 MT of liquids, excluding the potential Jurassic resources at this field. We are presently drilling well #284, discovered two (2) Jurassic layers, and estimate additional Jurassic resources of approximately 320 BCM of natural gas and 33 MT of liquids. The increase in the size and quality of the resource base is important because the Utrenneye field is the primary feedstock for our Arctic LNG 2 project, and once again, these results confirm the enormous resource potential of the Gydan peninsula to provide long-lived, low-cost conventional natural gas to our future LNG projects. This enviable resource position is a huge competitive advantage to NOVATEK.

We participated in two State auctions in late June and late August and were awarded four (4) new licenses located in both the Yamal and Gydan peninsulas. The four (4) new licenses significantly increase our resource potential in our primary geological zone of interest, and will serve to substantially increase our LNG capabilities in the Arctic region. As we had stated many times already, NOVATEK's future strategic direction is focused on becoming one of the world's largest LNG producers utilizing a low-cost, conventional natural gas resource base and designing and fabricating Gravity Based Structures, or GBS, liquefaction platforms in the Kola Yard located in the Murmansk region to produce low-cost, competitive LNG to the market. We will elaborate much more about our plans during our 12th December Corporate Strategy Day.

In addition to exploration drilling, we completed 3D seismic works on both the developed and undeveloped portion of the resource base in the Ob River at the Yurkharovskoye field to assess the potential Jurassic layers as well as other producing formations. It is estimated that the seismic interpretation and the preparation of a development plan will take between 12 and 18 months to complete, but the exploration work already completed on the well #135 at the West-Yurkharovskoye field confirms commercial production at the lower producing depth.

An effective exploration program is key to unlocking future development opportunities of the Company. In this regard, we have increased our exploration efforts over the nine months of 2017 by running and interpreting 1,200 square kilometers of 3D seismic at both our subsidiary companies and joint ventures, representing an increase of 41% over the prior period. Moreover, we have also significantly increased our exploration activities by drilling approximately 23 thousand meters, representing an increase of 133%. In the current reporting period we were particularly active by drilling 7.5 thousand meter or approximately 1/3 of the total activity for the year. We will fund ongoing exploration activities in an effort to move forward producing assets within our prospective portfolio of licenses.

In respect of producing activities, we made a positive decision to drill 15 new wells in the Jurassic formation at our Yurkharovskoye field utilizing three well pads with potential production capacity of between 2.0 to 2.2 BCM by 2020. We anticipate that this new drilling program will begin yielding additional production in 2018, and offset some of the declining production at this key-producing field.

In 2018, we will drill our first well at the Nyakhartinskiy license area after completing the running and interpreting of 3D seismic. Our development plan calls for connecting this field to the primary infrastructure of the Yurkhavorskoye field by completing a 90-kilometer pipeline, with commercial production estimated to commence around 2020.

We recently made an investment decision to build an additional gas separation unit at Arcticgas's Samburskoye field to separate the wet gas from the high liquids component at the Samburgsky license area, both for current production and future development of the Ach-5 layers. I previously mentioned that the producing results of well #6001 with a horizontal length of 1,750 meters (~5,250 feet) targeting the Achimov layer achieved an extraordinary high gas condensate factor of roughly 800 grams per cubic meter. I also mentioned that we were not certain if this high liquid concentration rate was sustainable, but tonight I can confirm that the core and logging results from well #6001 and other wells being drilled in the northern section of the Samburgsky license area confirms this high concentration rate and supports our optimism to develop the deeper producing layers to sustain production plateaus. These results are fantastic news from an exploration and development perspective, and correspondingly extend the plateau level through 2030.

The very positive liquids production dynamics at the field supports our investment decision to drill into the deeper producing horizons, and, as such, we will expand the condensate preparation unit by one million tons per annum as a result of this production flow and expect this work to be completed in 2019.

A decision was also made to drill an additional 42 wells at the East-Tarkosalinskoye field beginning in 2018 to increase the field's crude oil output. This additional drilling will be required to maintain production output at this mature field. Moreover, in October, we commenced producing marketable gas from the Yarudeyskoye field at daily flow rates of roughly 4.5 mmcm/day versus 4.0 mmcm/day, which essentially translates into the equivalent of 1.6 BCM per annum.

This summary was just a quick snapshot of some of the exploration and development activities we are presently doing to support production output in our legacy core business. We are also looking at potential M&A activities in this area, such as the Severneft acquisition, which is awaiting regulatory approval to conclude, that either support or compliment our existing legacy production.

I would now like to focus my attention on Yamal LNG. Overall, the project is approximately 89% complete as of 30th September versus 85% at the end of the second quarter, with the first LNG train 97% complete (versus 94% - 2Q), with various commissioning activities underway.

Ninety-five (95) productions wells have already been drilled utilizing 10 of the 19 well pads, which means that we have exceeded the 93 production wells needed to supply natural gas feedstock for both LNG trains #1 and #2. Moreover, we have installed all modules comprising LNG train #1 as well as delivered and installed 51 modules of the remaining 64 modules for LNG trains #2 and #3. All modules and key components for the total project have been delivered to the Sabetta site.

On our last conference call I confirmed that we plan to expedite construction on LNG trains #2 and #3. With the rapid progress made to the overall project we will expedite the launch of LNG train #2 by approximately three (3) months in 2018 and LNG train #3 by roughly six (6) months between the first and second quarters of 2019. By accelerating the launches of both LNG trains #2 and #3, we have the possibility to distribute cash earlier to service shareholders loans and reach total LNG output by almost one-year ahead of schedule.

We realize everyone is waiting for us to provide an exact launch date for LNG train #1 but trying to guess the exact date is nearly impossible to predict at this moment. It is more important for us tonight is to inform everyone that the startup and commissioning process is currently proceeding as planned and our primary objective is to ensure a smooth and successful launch to a very complex project. LNG Train #1 Gas-in to the unit commenced on the 10th September. We have already received the first samples of gas condensate from the separation process, so things moving forward.

This essentially means we are pretty close to launching LNG Train #1. This landmark event will mark an exceptional achievement and the start of LNG production from the arctic zone of Russia. We are in the final stages of the commissioning process and we expect the first Arc 7 class tanker "the Christophe de Margarie" already at the Sabetta site to be ready to moor waiting tanker loading.

Another question many people are asking is the destination of the first tanker. This question is obviously a very symbolic point. Early LNG allocation to partners is based on agreed volumes, but it is our view that the first LNG tanker should be offloaded by CNPC in recognition for their overall contribution to the project and the importance the Asian Pacific market represents as a key-consuming region. The eventual contractual off-taking of LNG cargos from Yamal LNG will be delivered to markets based on the global gas portfolios of the buyers. We estimate that the larger proportion of LNG from Yamal will be sold in Asia but ultimately cargos will be sold to whichever market offers the highest netback to the respective seller.

I also think it is important tonight to comment on the news about the expected tanker shipments in 2017 based on information from the Customs Service. It is customary practice within the customs agency to prepare preliminary customs schedule but this does not always correlate to actual commercial activities, so it is best to wait until we formally announce the loading and shipment of early volumes rather than focus on preliminary custom information.

NOVATEK's strategic focus is now centered squarely on entering the global LNG markets to compliment our traditional legacy domestic market in Russia. We have amassed an enviable resource base in the Yamal and Gydan peninsulas that underscores our new strategic direction to become a preeminent global LNG player. The global gas market is rapidly shifting towards LNG and we believe we can offer consumers competitively priced LNG in key consuming regions.

We have spoken before about Arctic LNG 2 and our decision to localize the LNG technology and construction activities at the Kola Yard located in the Murmansk region. I don't want to spend much time on this topic this evening because we will provide deep insights into our global LNG ambitions at our Corporate Strategy Day in December. I would like to stress tonight that we have received very strong interest on our next project (Arctic LNG 2) from various sources confirming our belief that once the Yamal LNG project is launched we will be able demonstrate the viability of the Arctic region as the next major hub for delivering cost competitive LNG to the market.

To support our resource position, during the third quarter, we acquired three new license areas on the Yamal and Gydan peninsulas. Our wholly owned subsidiaries, Arctic LNG 2 and Yurkharovneftegas, won the State tenders to acquire the license areas containing approximately 15 billion barrels of oil equivalent under the Russian resource classification system for a one-time payment of RR 14.4 billion. The new license areas are located in close proximity to the Utrenneye and South-Tambeyskoye fields and will form the basis for future LNG projects.

Periodic license acquisitions are an integral part of maintaining a successful exploration program and a pipeline of future projects. The license acquisitions completed in August combined with the acquisition of the Gydansky license area via State tender in June provides NOVATEK with a low-cost resource base of approximately 20 billion barrels of oil equivalent. We have amassed enormous resource capabilities in both the Yamal and Gydan peninsulas to support our LNG ambitions and we will further participate in upcoming new State tenders when they are announced to support our legacy production portfolio and build our LNG platform.

We spent approximately RR 5.7 billion in our capital program on a cash basis versus RR 7.2 billion in the corresponding year, representing a decrease of 27% period on period. For the nine months 2017, we allocated total capital of RR 34 billion, inclusive of RR 9.3 billion for acquisitions of mineral licenses and RR 4.8 billion for Right-of-use assets for time chartering of marine tankers. This represents an increase in capital allocation of RR 11.7 billion, or 52%, year on year, but the delta mostly represents increase spending on license acquisitions and the commencement of the Right-of-use assets.

Our focus of capital expenditures has shifted more towards new future LNG projects such as the Arctic LNG 2 project, North Obskiy license area, the Kola Yard, and future new field developments like the North Russkoye cluster, as well as some remedial work at East Tarkosalinskoye and Yarudeyskoye fields and capital spent on the new West Yurharovskoye development activities.

Our total capital expenditures program in 2017 is estimated at approximately RR 40 billion, with funds being allocated between legacy assets, new development activities and infrastructure work for new LNG projects.

Total oil and gas revenues in the third quarter (3Q) 2017 were RR 130 billion, representing an increase year-on-year (y/y) of 3.3% and quarter-on-quarter (q/q) of 3.2%. Our oil and gas revenues continue to be impacted negatively and/or positively by fluctuating benchmark commodity prices and the translation of our export liquid volumes by movements in foreign currency exchange rates. This reporting quarter we benefited from positive pricing dynamics.

Our natural gas and liquids volumes were affected by seasonal changes in inventories and in sales. As of 30 September 2017, our natural gas inventory balance in the GTS, the UGSF and our own pipeline infrastructure aggregated approximately 1.4 BCM and increased by 808 mmcm during the quarter as compared to an increase by 801 mmcm in the corresponding period in 2016. Our liquids inventory balances increased by 270 thousand tons to record level of 969 thousand tons as of 30 September 2017 as compared to a decrease in inventory balances by 44 thousand tons to 626 thousand tons in the corresponding period in 2016.

Our natural gas sales volumes and corresponding revenues were also impacted by seasonal fluctuations in demand between the third and second quarters 2017. Our natural gas sales volumes decreased q/q by roughly 0.5 BCM, or by 3.4% on a volume basis, but were broadly flat in revenues, supported by the increase in regulated natural gas tariffs of 3.9% effective 1 July 2017. It's important to note that the decline in sales volumes and hence the corresponding increase in inventory injections were completely in line with our customers contractual off-takes in the period and corresponded to our quarterly sales plan. Our y/y natural gas sales volumes decreased by 3.9%, while our natural gas revenues increased by RR 2.8 billion, or by 5.4%, reflecting higher netback prices in the reporting period and a positive shift in our sales mix more towards end-customers by 3.4%.

Our natural gas sales volumes are up 1.6% for the nine-month period 2017 and we are confident that we will show positive volumetric results for the full year 2017 as we enter the traditional peak winter season.

Average natural gas prices to end-customers increased by 8.0% y/y due to the increase in the regulated tariffs and the geographical mix of our sales at more distant locations, which increased our average transport tariff by 6.6%, resulting in an overall increase in our average netbacks by 8.9% year-on year. Our average netbacks also increased q/q by 5.9%.

Our total liquid revenues increased q/q and y/y by 2.7% and 1.9%, respectively, driven by a number of factors, such an increase in commodity prices, changes in the Russian rouble rate versus the USD, which were offset by lower sales volumes due to an increase in tankers in transit. Our liquid volumes sold declined by 11% y/y and 8.6% q/q, largely due to decreased gas condensate and gas condensate refined products sales, as well as a decline in crude oil volumes recognized in the current period due to weather delays at the port loading facility at the end of third quarter.

It's important to highlight that all liquids in transit, including gas condensate refined products and crude oil, were sold at the beginning of the fourth quarter at strong commodity prices. The loading and the release of the tankers toward quarter end will always influence sales period on period, but this does not represent a weakness in our revenues or sales volumes; it is mainly a timing question on recognition of sales in the current financial period with DES terms.

Both of our processing units – the Purovsky Plant and the Ust-Luga Complex – operated at over 100% of their respective nameplate capacities on an annualized basis, which is key for maintaining strong, risk-adjusted margins. Unfortunately, product demand fluctuates period on period and this fluctuation obviously impacts revenues in a given period. Naphtha sale volumes were lower in both our respective reporting periods by 12% and 17%, although the higher average contractual price somewhat mitigated the negative affect on revenues.

Overall, in the third quarter 2017, we realized stronger commodity prices across our whole product range highlighting a favorable macro environment, and this trend has continued in the early part of the fourth quarter aided by strong underlying benchmark prices.

Our operating expenses reflected the dynamics of our business and were relatively in line with our expectations. Purchases of hydrocarbons from our joint ventures and third parties represented the single largest change in monetary terms q/q and y/y, reflecting our ability to offset legacy production declines with purchases to meet our contractual sales requirements, but was relatively higher in the current reporting period due to stronger benchmark commodity prices and the domestic gas tariff increase of 3.9% effective on the 1st July. Our combined purchases – natural gas and liquids – increased y/y and q/q by 16% and 20%, respectively.

Other major cost trends were relatively similar on a comparative basis with a large change in inventory balances between periods with the injection of natural gas into storage ahead of the peak winter season and the increase in liquids in transit. There were really no other major surprises or concerns with our operating expenses during the reporting period.

Our balance sheet and liquidity position remained very strong at the end of the third quarter 2017. We continued the positive trend in improving all of our credit metrics for the nine months of 2017 as compared to our year-end credit metrics, and this reflects strongly on NOVATEK's creditworthiness and non-capped credit rating. We generated over RR 29 billion of free cash flow (FCF) although we had lower operating cash flows in the reporting period, which were offset by a reduction in our capital expenditures on a cash-basis. Free cash flows for the nine months of 2017 totaled RR 109 billion versus RR 93 billion during the corresponding period. These are strong FCF results for the Company and reflect the cash-generating capabilities of our current producing assets. We have sufficient cash flows to fund our operations and pay our obligations and debt service as they become due. Our net debt position was RR 92 billion at the end of this reporting period representing a decrease of 54% from year-end balances as we repaid debt according to repayment schedules or before maturity.

In conclusion, we produced another set of good seasonally adjusted financial and operational results consistent with our expectations for the period, although we had lower sales volumes for both natural gas and liquids mitigated by stronger commodity prices. We maintained our focus on cost control and project execution, and we believe we are poised to deliver solid results in the upcoming winter peak season.

More importantly, we are a step closer to formally launching our Yamal LNG project and transforming NOVATEK into a global gas player. We have waited a very long time to be recognized internationally as a major gas producer and move beyond our traditional Russian domestic market. LNG will be our bridge to key consuming markets and our transformation to a major global gas player.

With the imminent launch of Yamal LNG we now look forward to introducing our next wave of LNG projects based on the prolific resources of the Yamal and Gydan peninsulas and the monetization of our world-class hydrocarbon resource base through the use of leading edge technology and innovative solutions like the GBS platforms to reduce LNG liquefaction costs. Even though LNG will play an enormous role in our future vision we have not lost sight of our responsibilities to deliver natural gas to the Russian domestic market. We have said many times that growth in the Russian domestic market is limited but nonetheless it is an important part of our business model and we will continue to maintain our market share and focus on offsetting some of the declines in our current legacy production profile by bringing on-stream new producing assets and drilling deeper into the Achimov and Jurassic layers across our portfolio where applicable.

We have also stated many times that we are confident in decelerating our declining natural gas and liquids production and we believe that the success outlined tonight as well as our focus on developing the lower producing horizons of the Achimov and Jurassic layers will achieve this aim. We have new producing fields such as the North-Russkoye cluster that will add 14 BCM of natural gas and 5.5 million tons of liquids as well as the additional production from developing the deeper horizons at the Yurkharovskoye field and the Arcticgas joint venture. This is no longer a question of "if" production is producible from these lower formations but rather a question of "time" to develop these horizons.

The partners of Yamal LNG has decided to construct the 4th LNG train of 1 million tons to supplement the existing three LNG trains of 16.5 million tons per annum. Many people are probably wondering why we did not decide to build a larger LNG train but we felt this was the most economically feasible alternative that did not require us to make additional infrastructure investments in the project. We will utilize Russian LNG technology developed by NOVATEK as well as mostly Russian equipment for the 4th LNG train, and we believe we can reduce the overall combined average cost of LNG produced by 3 to 4%.

We also announced this week that we are considering building a transshipment facility in the Kamchatka region in the Russia Far East as a way of optimizing our logistics to the key Asian Pacific consuming region, provide natural gas to the local region, and develop a Russian LNG pricing hub to support future trading activities. This will allow us to utilize lower cost conventional LNG tankers to ultimately deliver LNG to the Asian markets. We are presently at the early stages of project development but we view this project as one of the key elements to reducing overall LNG costs and providing competitively priced LNG to the market.

Global LNG demand remains strong and is up 12% year to date and will remain relatively robust for the foreseeable future led by strong demand from the Chinese markets and other emerging Asian Pacific consumers as well as the pending conversion of bunkering fuels and large scale motor transport to LNG. The most important factor for LNG producers today is the ultimate cost of producing LNG to price sensitive consumers as well as flexibility in contractual terms. Price will be one of the main factors in future demand stimulation and the conversion from coal to natural gas.

Climate change initiatives will also play a role in this conversion process but price will become the determining factor.

On the 12th December we will hold our long awaited Corporate Strategy Day here in Moscow that will outline in detail our next wave of LNG projects and our plans to bring new production to our core business. It's a comprehensive strategy covering the period up to 2030 and will highlight our views of the global markets and how we believe NOVATEK can play a key role in delivering clean-burning, affordable energy to the market.

We would again like to extend our invitation to attend this important event.

I would like to thank everyone for your continued support of NOVATEK and your time to attend tonight's conference call. I would now like to open up tonight's call for question and answers.

Thank you.

Q&A SESSION

Operator: Thank you. If you would like to ask a question, please signal by pressing Star 1 on your telephone keypad. If you're using a speakerphone, please make sure your mute function is turned off to allow your signal to reach our equipment. Again, that is Star 1 to ask a question. We'll just pause for a moment to allow everyone an opportunity to ask their questions.

We'll now take our first question from Pavel Kushnir from Deutsche Bank. Please go ahead.

Pavel Kushnir: Thank you. Good evening, Mark. I have two questions. First is easy one. Can you please repeat how much gas you expect to produce at North-Russkoye cluster, 14 billion or 13 billion cubic meters per annum?

And the second question is about your CAPEX guidance. I understand it remains at 40 billion rubles. Still if I look at your cash flow statement only about 16 billion rubles were expensed in the first nine months. If I look at your MD&A, the number is about 20 billion rubles. Can you please explain why do you expect such a significant increase in your investment spending in the last quarter of the year? Thank you.

Mark Gyetvay: Thank you, Pavel. Yes, it's 14 billion cubic meters at the North-Russkoye cluster. As I mentioned before, CAPEX are prepared on a planned basis, an allocated basis, and on a cash basis. What I gave you, I gave you two numbers. I gave you what we spend on a cash basis for the particular quarter, which you can find in the cash flow statements. But I also told you that we have allocated 34 billion a to various projects.

So if I look at the specificr capital expenditures, capital expenditures would primarily be in the traditional sense of the word for field development, et cetera, it's 20 billion rubles. I allocated an additional 9.3 billion rubles to mineral license acquisitions and another 5 billion rubles through the right of use assets, which are the chartering of marine tankers. So that's where we stand now at the end of the nine month period. We stick by the number 40 billion as I told you before and we'll see what happens by the time we get to the end of the year.

Pavel Kushnir: Thank you.

Operator: We will now take our next question from Ronald Smith from Citi. Please go ahead.

Ronald Smith: Good evening, Mark. Thanks for the presentation. I have a quick question. Let's go back to the North-Russkoye cluster. You may have mentioned it in the course of your comments but could you touch again on the launch date for that and remind us how far is the North-Russkoye field from your nearest established infrastructure?

Mark Gyetvay: I mentioned that we're in the process of drilling. We have done some drilling, as I said, the wells #305, #306, and #307. We have now four licenses that essentially comprise the North-Russkoye cluster area. I would say that at this particular point, we anticipate launching the first production about 2019, maybe slightly earlier, 2018, but probably most likely 2019, and that we expect to ramp up production around 2021 or 2022.

In terms of its connection to infrastructure, our production is going into the Zapolyarnoye line and we'll use that infrastructure to bring natural gas to the market.

Ronald Smith: Thank you very much.

Mark Gyetvay: You're welcome.

Operator: Once again, if you would like to ask a question, please press Star 1 on your telephone keypad. We will now take our next question from Henri Patricot from UBS. Please go ahead.

Henri Patricot: Yes. I wanted to thank you Mark for the presentation. Two questions for me. The first one relate to the fourth train of Yamal LNG. I was wondering if you can give us an indication at this stage on the timing for startup and any CAPEX associated with this train.

And second question on amount of cash you could get from associates and Articgas in particular. I wanted to ask about the other associates and in particular what we expect in terms of dividend payments for the next few years? Thank you.

Mark Gyetvay: Okay. Excuse me. On the fourth train, we're looking essentially -- this is a pilot train, and as I mentioned, utilizing technology, LNG liquefaction technology developed by NOVATEK and mostly Russian equipment. I hope that is clear to everyone. We're expecting that this LNG line will be on stream around roughly 2019 or maybe slightly after, but it's expected to come on stream around 2019.

In terms of Articgas, as I mentioned, we're looking today about new development plans, and as I talked about, we're still drilling. We're looking today to fund additional projects to extend the production plateaus. So obviously, we have to balance between investments into these particular fields to sustain production levels and dividend payments to shareholders. So I would just say we'll discuss that a little bit more in detail on the Strategy Day when we go through the timing of some of these big core projects and when we actually plan to do the drilling, et cetera and when we expect some cash coming in in the form of dividends. But essentially, we're now at a point of considering additional investments into Articgas, as I mentioned, at the Samburgskoye field, because of the results that we have achieved so far on the North-end side of the license area is extremely encouraging us from a geological and productive capabilities.

Operator: As a final reminder, press Star 1 if you wish to ask a question. There appear to be no further questions at this time. I would like to turn it back to our host for any additional closing remarks.

Mark Gyetvay: Okay. Thank you. I just want to remind everybody that if you plan to come to Moscow, please look at the press release that we issued in terms of the Corporate Strategy Day and give us ample notice. We have booked a series of hotel rooms and we need to have a proper headcount so that if we need to either get more rooms or release some of the existing rooms we have. But we look forward to this event and seeing all of you in person. It's been a long time and everybody is interested in understanding what we plan to do from a corporate strategy perspective.

I can assure you that it will be in fairly extensive detail that I believe everybody will walk away with a clear understanding of what we're doing in our domestic side of the business in terms of new fields, new projects, and addressing the declines as well as what our global ambitions and plans in terms of LNG including what I talked about today, the Kamchatka trans-shipment facility, Artic LNG 2, the GBS platforms, Kola Yard, et cetera.

So we're extremely excited about our future strategic direction. I also wanted to reiterate again because I noticed that there has been some comments and write-ups from some of the reviews from analysts. We're absolutely confident and I don't want to underestimate that, but we're absolutely confident that there's an enormous interest expressed to us today from various potential partners to join this particular project.

It's crucial that as a producer we realize that the market is shifting toward low cost LNG. And we believe, given where we are in the process, the projects that we're looking at, and the ability to reduce capital costs by at least a third of what we spent on Yamal LNG by the removal of all this infrastructure, we will be able to deliver cost competitive LNG to any market we want to deliver and that's going to underlie really our global LNG ambition.

So we hope to see you in Moscow on the 12th, and if not, like I said, we'll have the live web call, which we'll also have the recording if you can't attend that date and time. But that's coming up in another month or so. We look forward to seeing you and addressing everyone at our Corporate Strategy to the year 2030. And again, thank you very much for your support and we look forward to that important date. Thank you.

Operator: This concludes today's call. Thank you for your participation. You may now disconnect.