First Quarter 2012
Operational and Financial Results
Conference Call

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Moscow, Russian Federation
15 May 2012

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.

By participating in this presentation or by accepting any copy of this document, you agree to be bound by the foregoing limitations.

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Summary Highlights – 1Q 2012

- **Increase in revenues** driven by higher natural gas volumes and liquids prices:
  - Natural gas sales increased Y-o-Y by 31.7%
  - Liquids sales increased Y-o-Y by 2.1%
- **EBITDA increased** Y-o-Y by 5.2%
- **Cash flow from operations increased** Y-o-Y by 24.7% to RR 23,949 million from RR 19,205 million
- **Capital expenditures** related to exploration, production and marketing **increased** Y-o-Y by 18.6% to RR 7,519 million
- **EPS increased** Y-o-Y by 13.1% to RR 7.00 from RR 6.19
- **Natural gas and liquids production increased organically** due to ongoing development of our Yurkharovskoye field and the development of crude oil deposits at our East-Tarkosalinskoye and Khancheyskoye fields:
  - Natural gas production (including our share in production of our joint venture, Sibneftegas) increased Y-o-Y by 8.6%
  - Liquids production increased Y-o-Y by 5.5%
- **Purovsky Plant output** increased Y-o-Y by 1.8%

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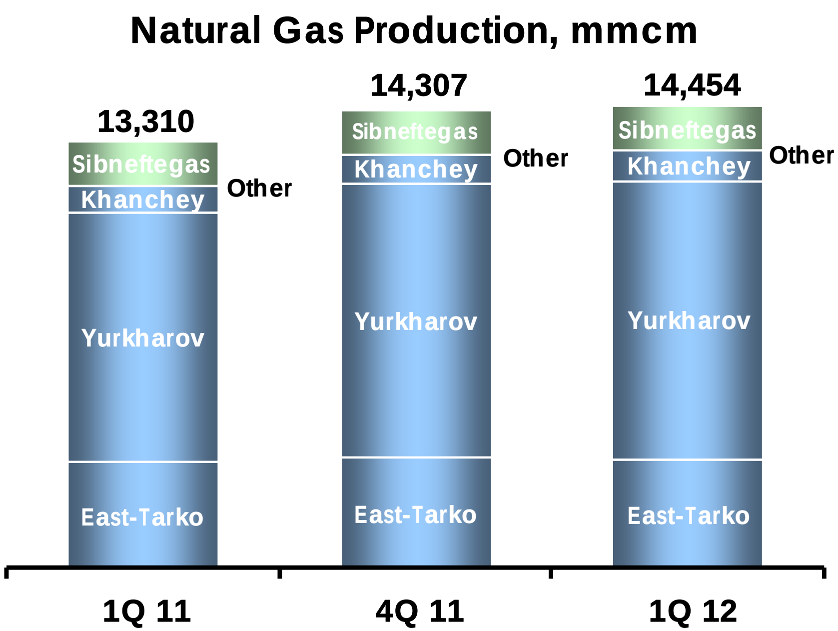
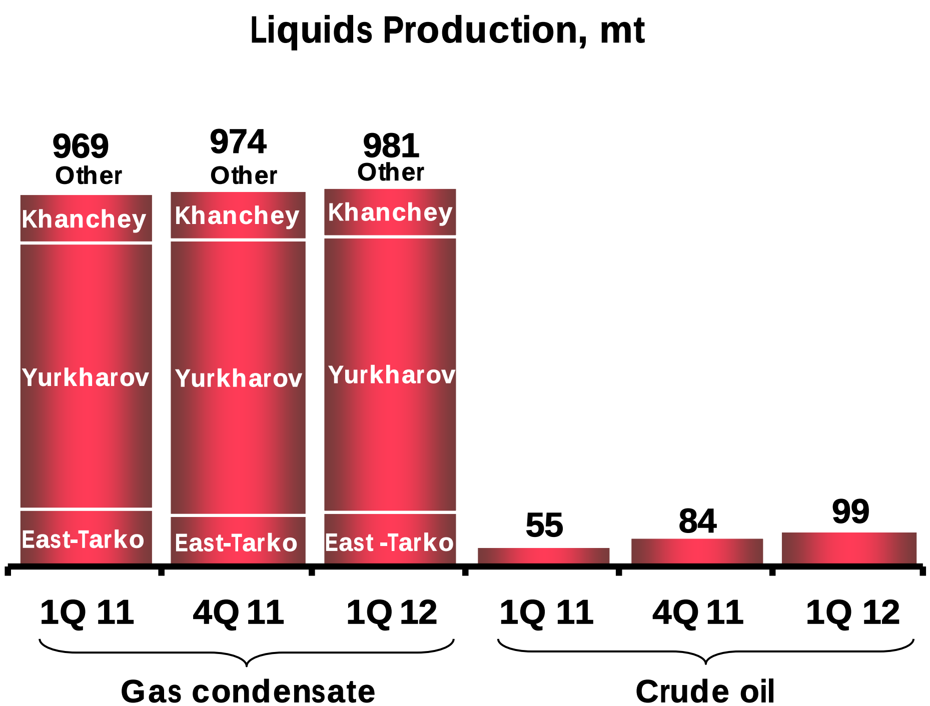
Operational Overview

Hydrocarbon Production





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

- Increased production at Yurkharov resulting from ongoing field development
- Utilization of more production capacity at East-Tarko and Khanchey fields due to increased demand

Liquids production increased Y-o-Y due to:

- Increased gas condensate production at Yurkharov resulting from ongoing field development
- Partially offset by a decrease in gas condensate production at East-Tarko and Khanchey fields as a result of natural declines in the concentration of gas condensate in extracted gas
- Increased crude oil production at East-Tarko and Khanchey due to development of crude oil deposits

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Purovsky Plant & Vitino Sea Port Terminal

- **Total volumes delivered: 991 mt**
  - East-Tarkosalinskoye and Khancheyskoye fields: 276 mt (100% of net production)
  - Yurkharovskoye field: 710 mt (100% of net production)
  - Other: 5 mt
- **Total plant output: 986 mt**
  - Stable gas condensate: 749 mt
  - LPG: 232 mt
  - Methanol: ~ 5 mt
- **Plant capacity:** approximately 79%
- **687 mt were dispatched from Vitino Sea Port Terminal (SGC)**
  - to Asian-Pacific Region ~ 359 mt
  - to Europe ~ 208 mt
  - to the USA ~ 120 mt
- **Stable gas condensate inventory reconciliation**
  - Tankers in transit ~ 240 mt
  - Rail road cisterns and port storage facilities ~ 93 mt
  - Purovsky Plant storage facilities ~ 19 mt
- **Export volumes of LPG: ~ 52% of total LPG volumes**

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Stable Gas Condensate in Transit

“Goods in transit” 31.03.2011 ~ 152 thousand tons	“Goods in transit” 31.12.2011 ~ 61 thousand tons	“Goods in transit” 31.03.2012 ~ 240 thousand tons
60 mt — USA; 31 mt — Europe; 61 mt — USA	61 mt — USA	60 mt — Singapore; 60 mt — Malaysia; 60 mt — South Korea; 60 mt — South Korea

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Financial Overview – 1Q 12 vs. 1Q 11

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Comparison of Quarterly Results (RR million)

	1Q 11	2Q 11	3Q 11	4Q 11	1Q 12	Q-o-Q +/- %	Y-o-Y +/- %
Oil and gas sales	44,826	40,551	39,888	50,544	54,152	7.1%	20.8%
Total revenues	44,894	40,626	40,033	50,718	54,373	7.2%	21.1%
Operating expenses	(23,443)	(22,475)	(22,920)	(28,980)	(31,851)	9.9%	35.9%
EBITDA (1)	23,020	19,760	18,877	86,692	24,217	-72.1%	5.2%
EBITDA margin	51.3%	48.6%	47.2%	170.9%	44.5%		
Normalized EBITDA (2)	*23,020*	*19,760*	*18,877*	*23,744*	*24,217*	*2.0%*	*5.2%*
Normalized EBITDA margin	*51.3%*	*48.6%*	*47.2%*	*46.8%*	*44.5%*		
Effective income tax rate	20.8%	21.3%	21.7%	5.7%	21.9%		
Profit attributable to NOVATEK	18,769	14,337	8,322	78,227	21,245	-72.8%	13.2%
Profit margin	41.8%	35.3%	20.8%	154.2%	39.1%		
Normalized earnings per share	*6.19*	*4.73*	*2.74*	*5.04*	*7.00*	*38.9%*	*13.1%*
CAPEX (3)	6,342	7,611	7,527	9,663	7,519	-22.2%	18.6%
Net debt (4)	69,388	75,109	78,903	71,647	48,045	-32.9%	-30.8%

Figures in the table above (except for CAPEX and Net debt) differ from those previously reported due to gross up of LPG domestic sales and transportation expenses as well as the correction of our share in Sibneftegas' net losses

Notes:

1. EBITDA represents profit (loss) attributable to shareholders of OAO NOVATEK adjusted for the addback of net impairment expense, income tax expense and finance income (expense) from the Consolidated Statement of Income, and depreciation, depletion and amortization from the Consolidated Statement of Cash Flows
2. Normalized EBITDA and normalized earnings per share exclude net gain on disposal of interest in subsidiaries
3. CAPEX represents additions to property, plant and equipment excluding acquisition of mineral licenses
4. Net debt calculated as long-term debt plus short-term debt less cash and cash equivalents

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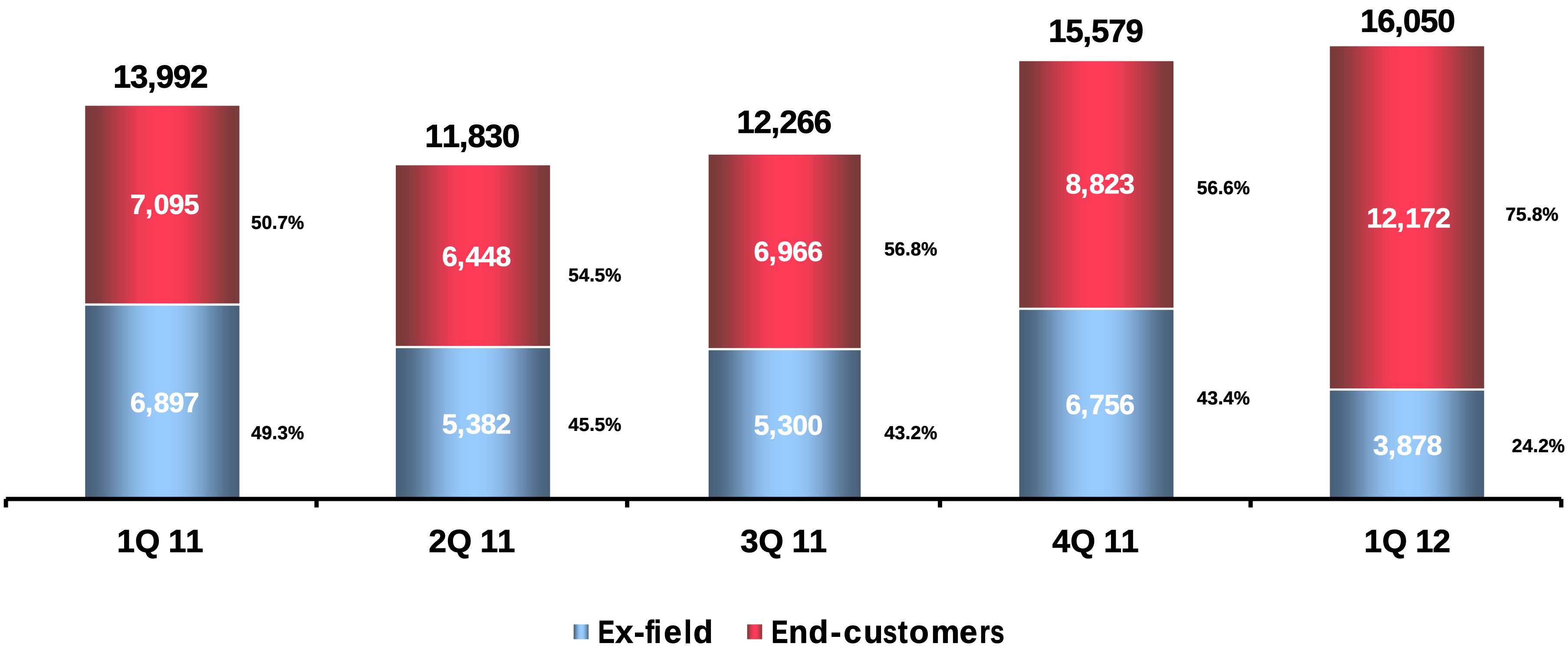
Market Distribution – Gas Sales Volumes (mmcm)



- Y-o-Y increase in natural gas sales volumes was due to an increase in production (including our share in production of our joint venture Sibneftegas), as well as an initiation of purchases from our related party in January 2012
- Our proportion of natural gas sold to end-customers increased Y-o-Y and Q-o-Q 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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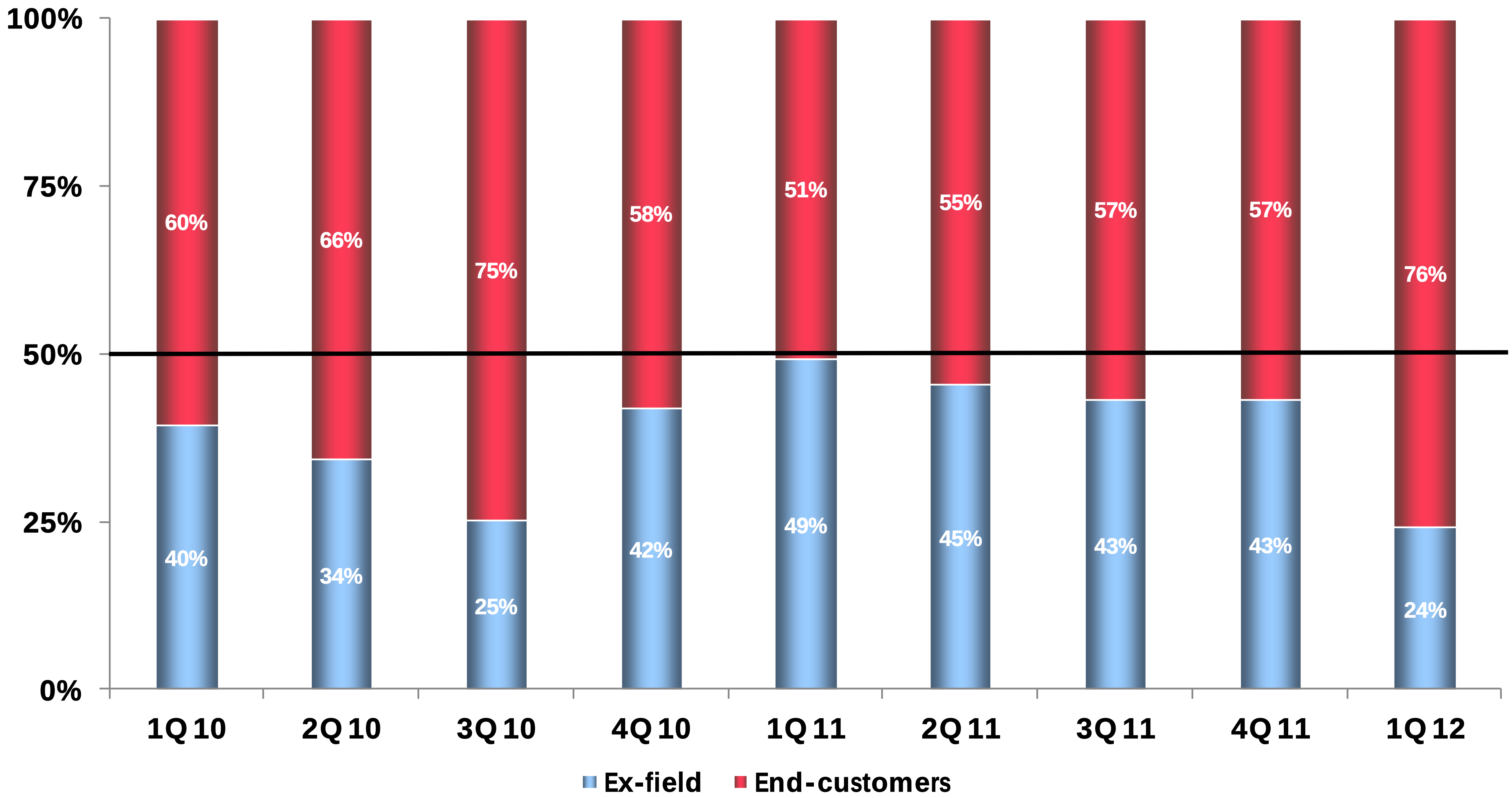
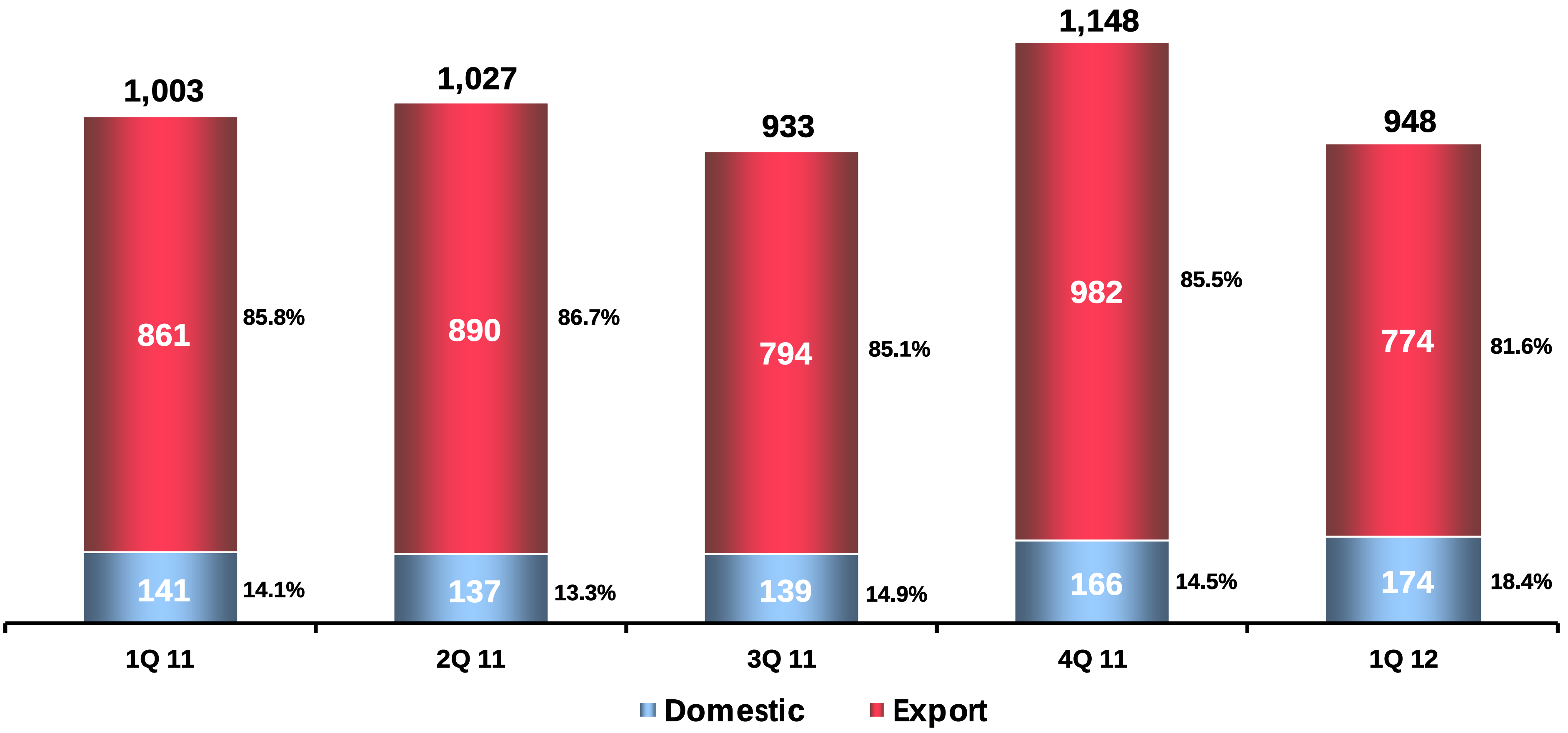
Natural Gas Sales Volume Mix



Market Distribution – Liquids Sales Volumes (mt)

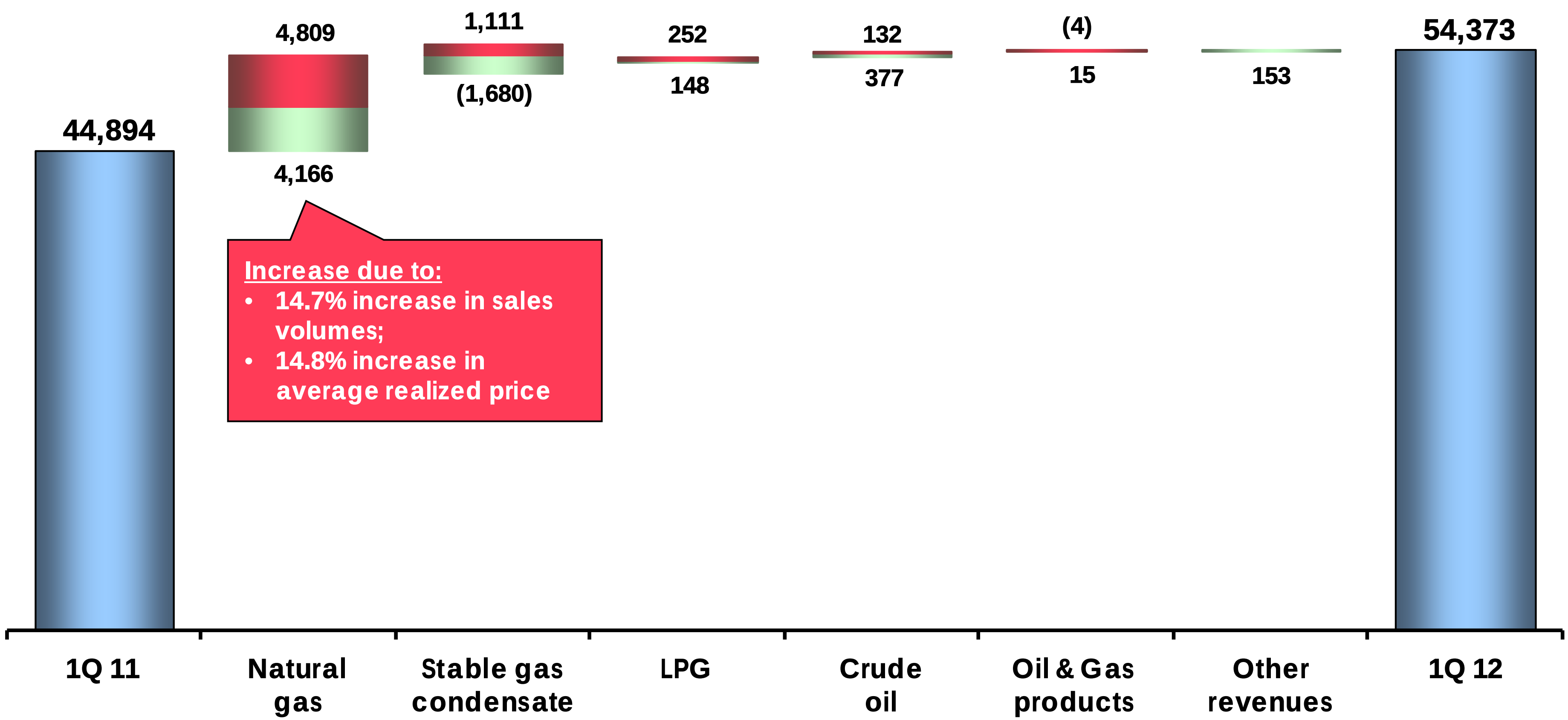


Y-o-Y and Q-o-Q decrease in liquids sales volumes was primarily due to an increase in our stable gas condensate inventory balance during 1Q 12

Total Revenues (RR million)

Change due to price
Change due to volume

Decrease due to:
- 14.0% decrease in export sales volumes due to an increase in goods in transit;
- offset by 7.0% increase in average realized SGC net export price



Increase due to:
- 14.7% increase in sales volumes;
- 14.8% increase in average realized price

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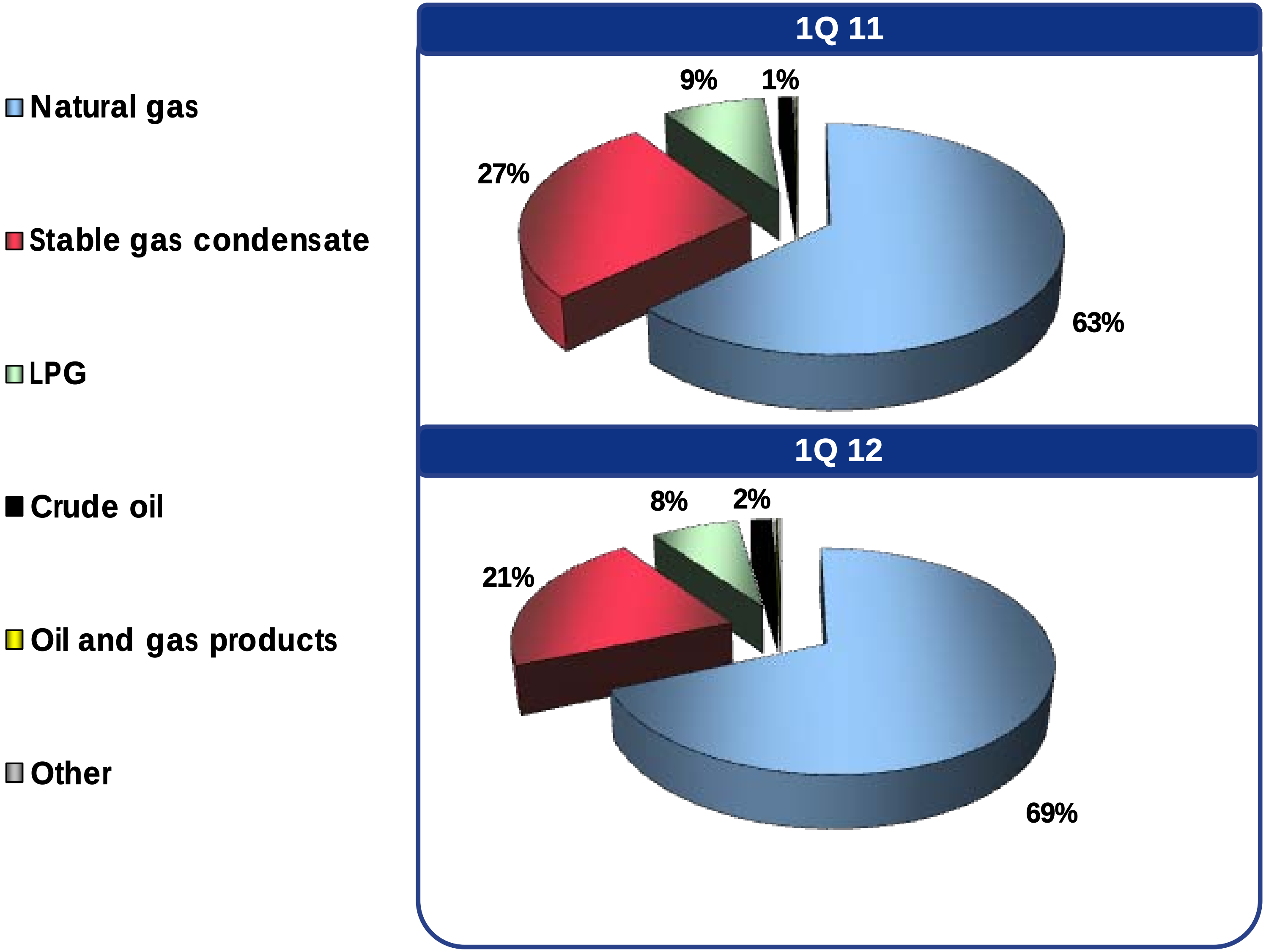
Total Revenues Breakdown



Realized Hydrocarbon Prices (net of VAT and export duties)

1Q 11	1Q 12	+/(-)	+/(-)%		4Q 11	1Q 12	+/(-)	+/(-)%
				Domestic prices				
2,634	2,630	(4)	-0.2%	**Natural gas end-customers, RR/mcm**	2,621	2,630	9	0.3%
-	2,128	n/a	n/a	**Natural gas residential customers, RR/mcm**	-	2,128	n/a	n/a
1,398	1,409	11	0.8%	**Natural gas ex-field, RR/mcm**	1,393	1,409	16	1.1%
-	14,186	n/a	n/a	**Stable gas condensate, RR/ton**	-	14,186	n/a	n/a
12,267	13,101	834	6.8%	**LPG, RR/ton**	14,459	13,101	(1,358)	-9.4%
10,107	11,576	1,469	14.5%	**Crude oil, RR/ton**	10,261	11,576	1,315	12.8%
9,999	10,004	5	0.1%	**Methanol, RR/ton**	10,002	10,004	2	0.0%
				Export market				
16,846	18,633	1,787	10.6%	**Stable gas condensate, RR/ton**	15,316	18,633	3,317	21.7%
20,383	21,417	1,034	5.1%	**LPG, RR/ton**	22,142	21,417	(725)	-3.3%
11,285	13,403	2,118	18.8%	**Crude oil, RR/ton**	11,591	13,403	1,812	15.6%

Note: Prices are shown excluding liquids trading activities

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

1Q 11	% of TR	1Q 12	% of TR		4Q 11	% of TR	1Q 12	% of TR
11,905	26.5%	16,379	30.1%	Transportation expenses	13,541	26.7%	16,379	30.1%
4,320	9.6%	4,613	8.5%	Taxes other than income tax	4,748	9.4%	4,613	8.5%
16,225	*36.1%*	**20,992**	*38.6%*	**Non-controllable expenses**	**18,289**	*36.1%*	**20,992**	*38.6%*
2,029	4.5%	2,545	4.7%	Depreciation and amortization	2,970	5.9%	2,545	4.7%
1,995	4.4%	2,396	4.4%	General and administrative	2,346	4.6%	2,396	4.4%
1,282	2.9%	1,586	2.9%	Materials, services & other	1,553	3.1%	1,586	2.9%
726	1.6%	896	1.6%	Exploration expenses	180	0.4%	896	1.6%
12	0.0%	25	0.0%	Net impairment expense	100	0.2%	25	0.0%
211	0.5%	60	0.1%	Change in natural gas, liquids and WIP	381	0.8%	60	0.1%
22,480	*50.1%*	**28,500**	*52.4%*	**Subtotal operating expenses**	**25,819**	*50.9%*	**28,500**	*52.4%*
963	2.1%	3,351	6.2%	Purchases of natural gas and liquid hydrocarbons	3,161	6.2%	3,351	6.2%
23,443	*52.2%*	**31,851**	*58.6%*	**Total operating expenses**	**28,980**	*57.1%*	**31,851**	*58.6%*

- **Our operating expenses increased Y-o-Y by 35.9% primarily due to an increase in our transportation expenses and purchases of natural gas**
- **Transportation expenses increased Y-o-Y and Q-o-Q primarily due to an increase in natural gas volumes sold to end-customers, for which we incurred transportation costs**
- **Our hydrocarbon purchases increased Y-o-Y due primarily to the commencement of natural gas purchases from our related party effective 1 January 2012**
- **Taxes other than income tax increased Y-o-Y primarily due to an increase in production volumes and a 5.9% increase in the natural gas production tax rate that was partially offset by an application of zero UPT rate for crude oil effective 1 January 2012**
- **Depreciation, depletion and amortization expense increased Y-o-Y by 25.4% 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**

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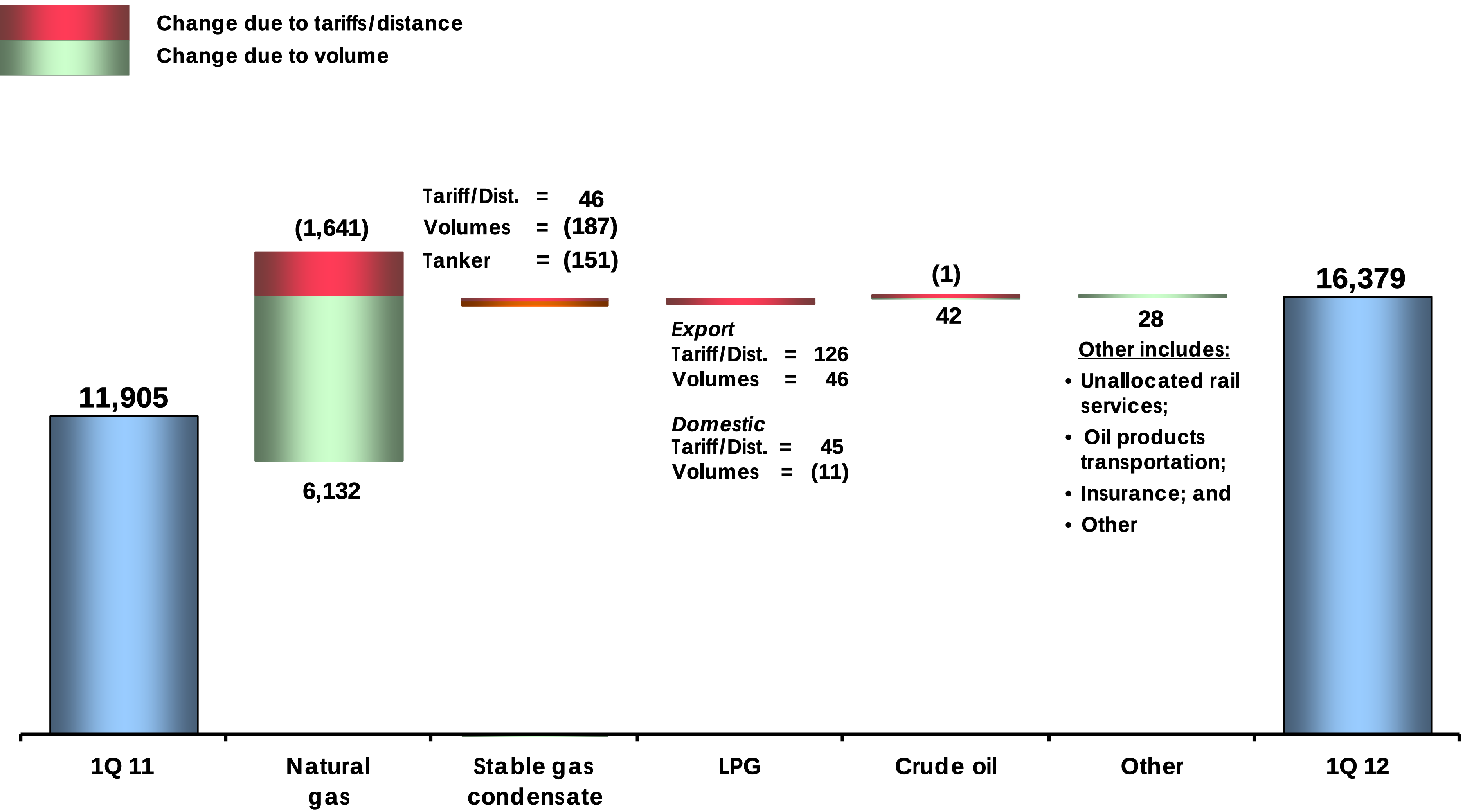
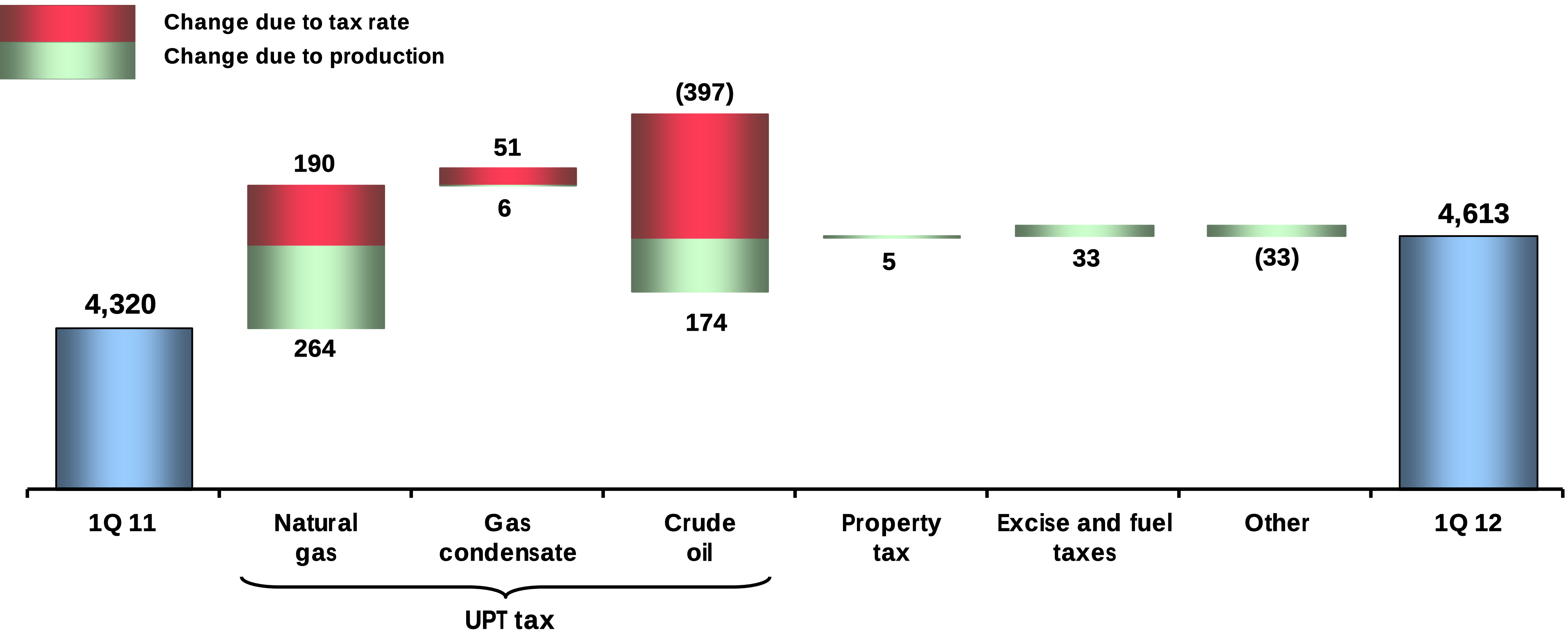
Transportation Expenses (RR million)



Taxes Other Than Income Tax Expense (RR million)



- The increase in UPT expense for natural gas was primarily due to a 5.9% increase in the natural gas UPT rate (RR 251 per mcm in 1Q 2012 versus RR 237 per mcm in 1Q 2011)
- The increase in UPT expense for gas condensate was due to a change in UPT rate. The UPT rate for gas condensate was set at RR 556 per ton effective from 1January 2012; in 2011, the UPT rate was set at 17.5% of gas condensate revenues recognized by the producing entities
- Effective from 1 January 2012, we utilize zero UPT rate for crude oil produced at our East-Tarkosalinskoye and Khancheyskoye fields due to amendments to Russian Tax Code

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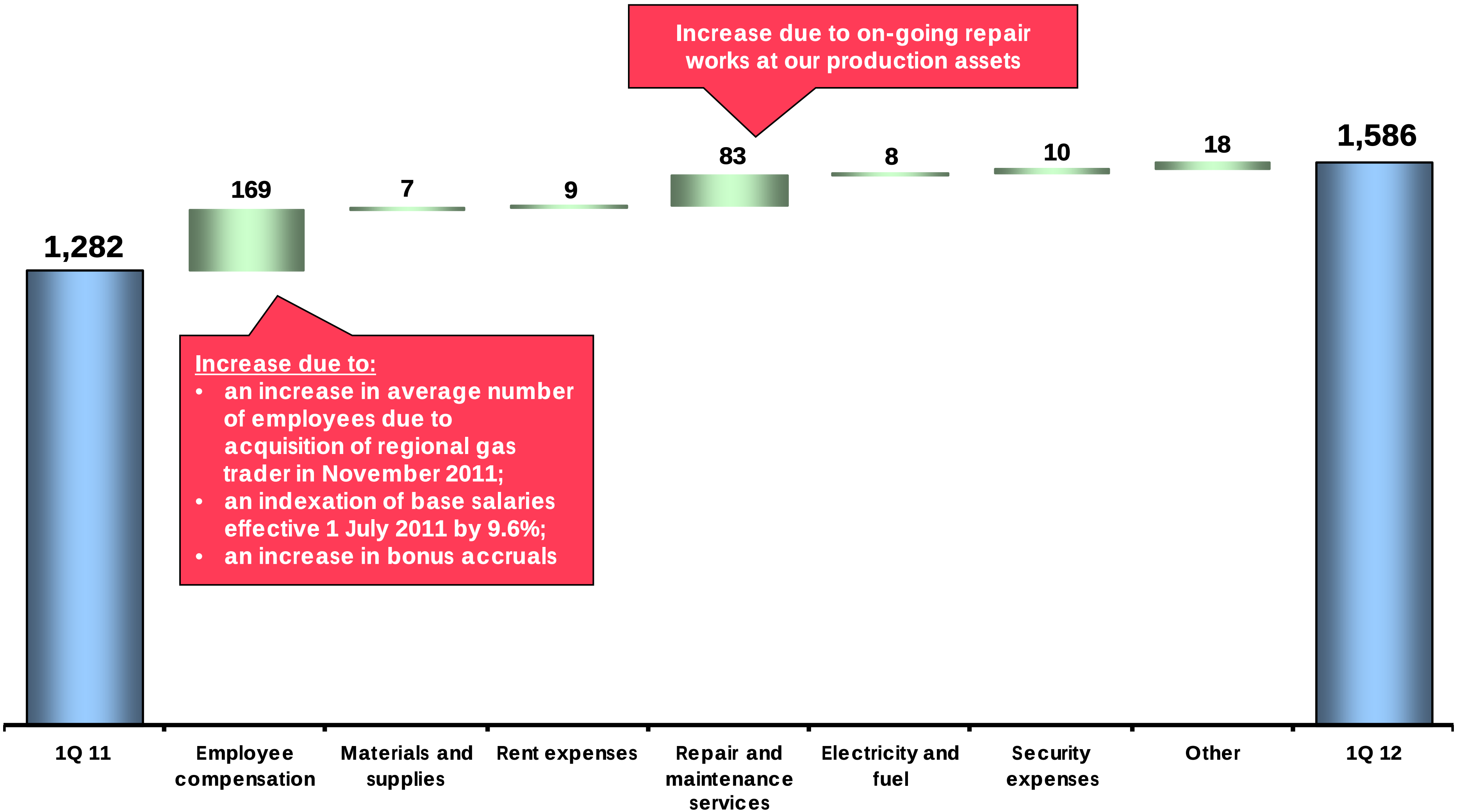
Materials, Services and Other Expenses (RR million)



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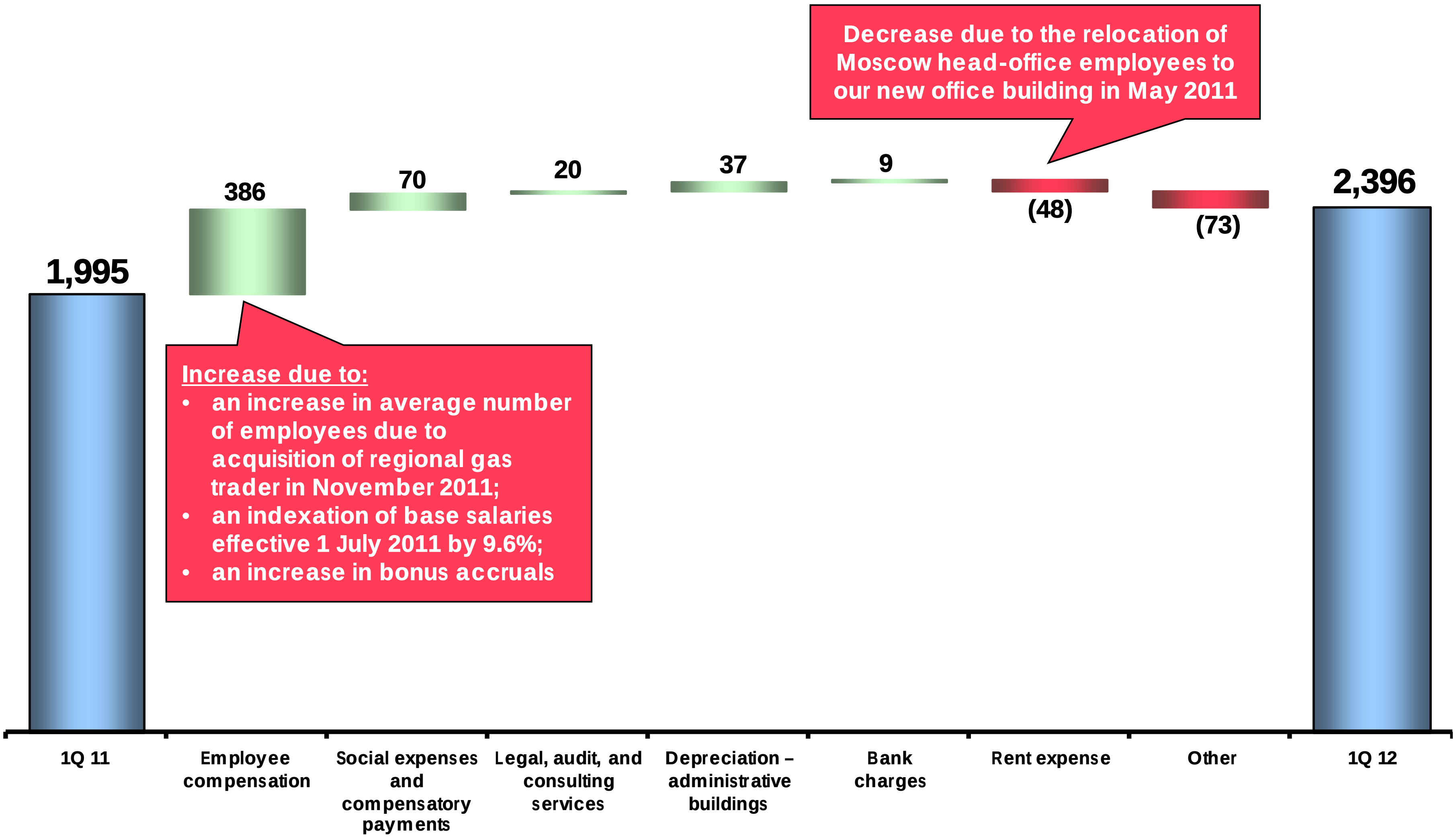
General and Administrative Expenses (RR million)



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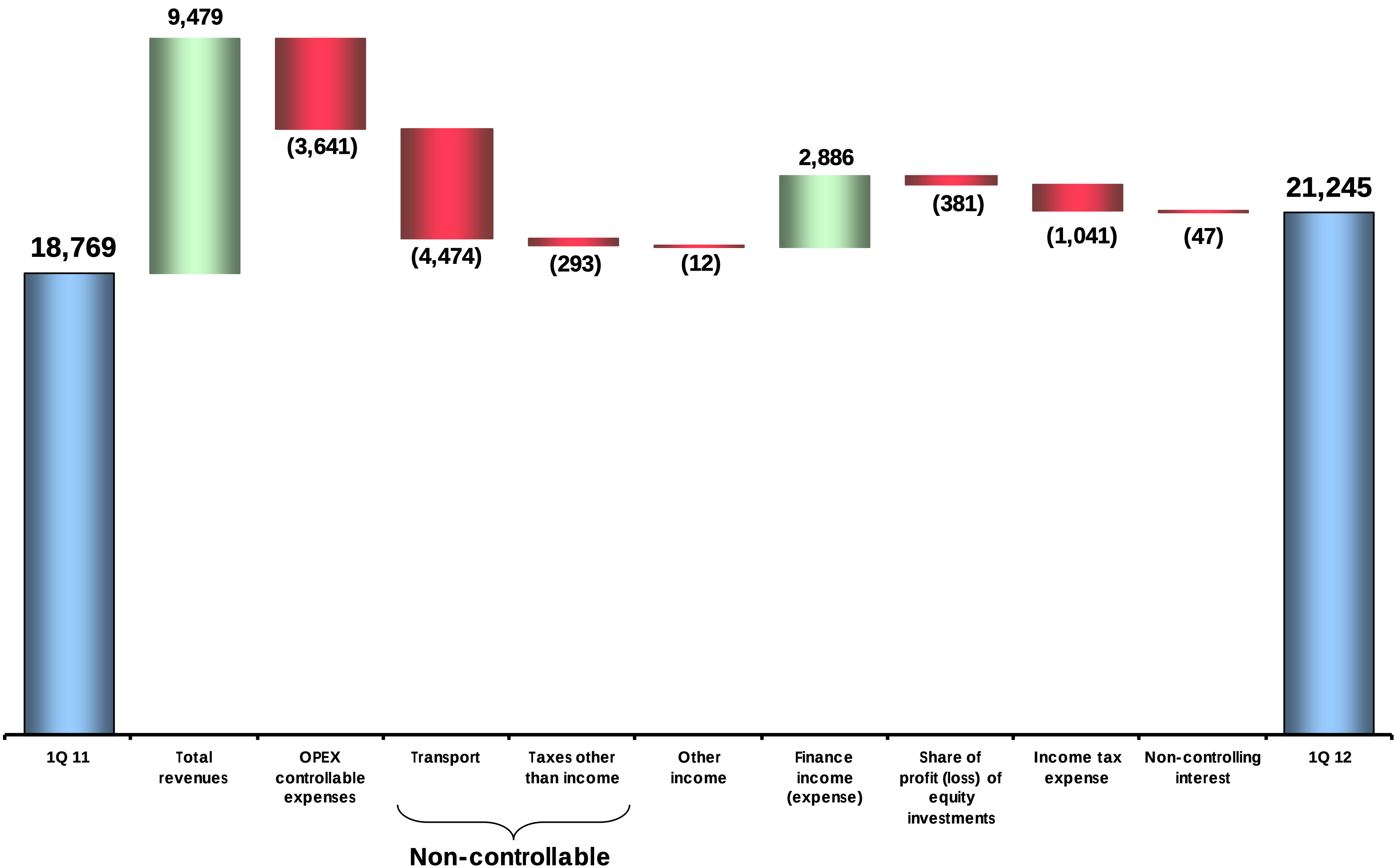
Profit Attributable to NOVATEK Shareholders (RR million)



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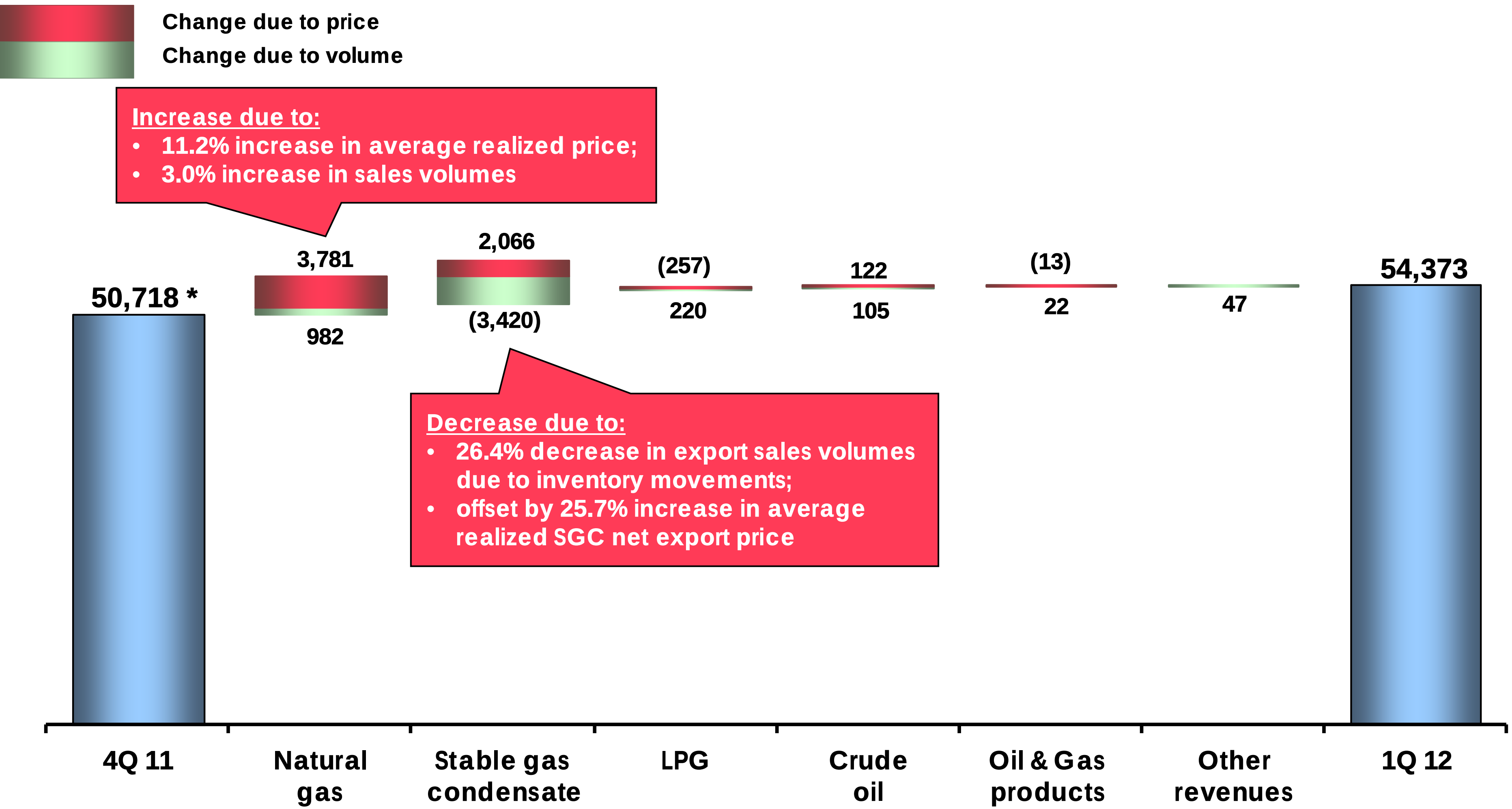
Financial Overview – 1Q 12 vs. 4Q 11

Total Revenues (RR million)



** Differs from previously reported due to gross up of LPG domestic sales and transportation expenses*

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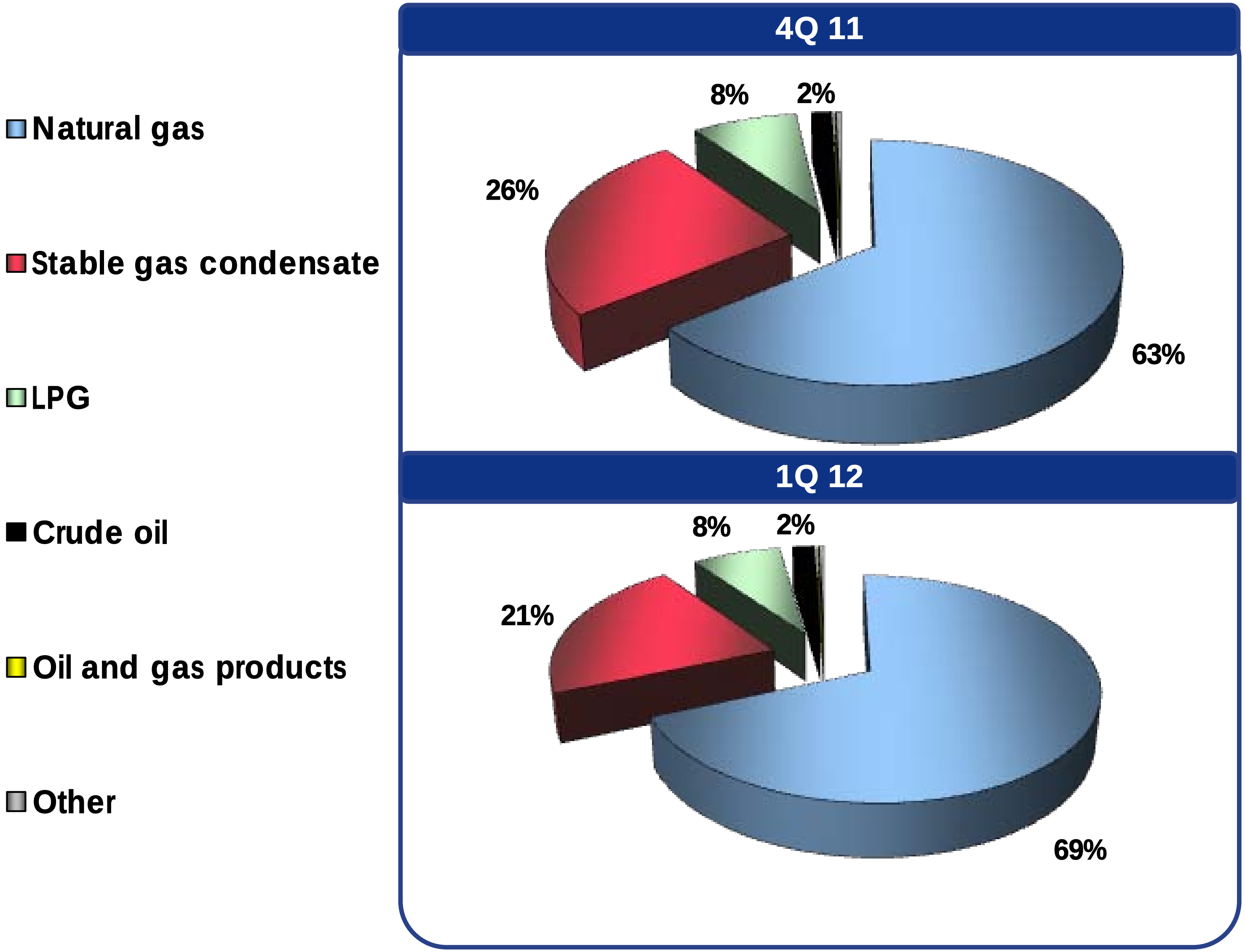
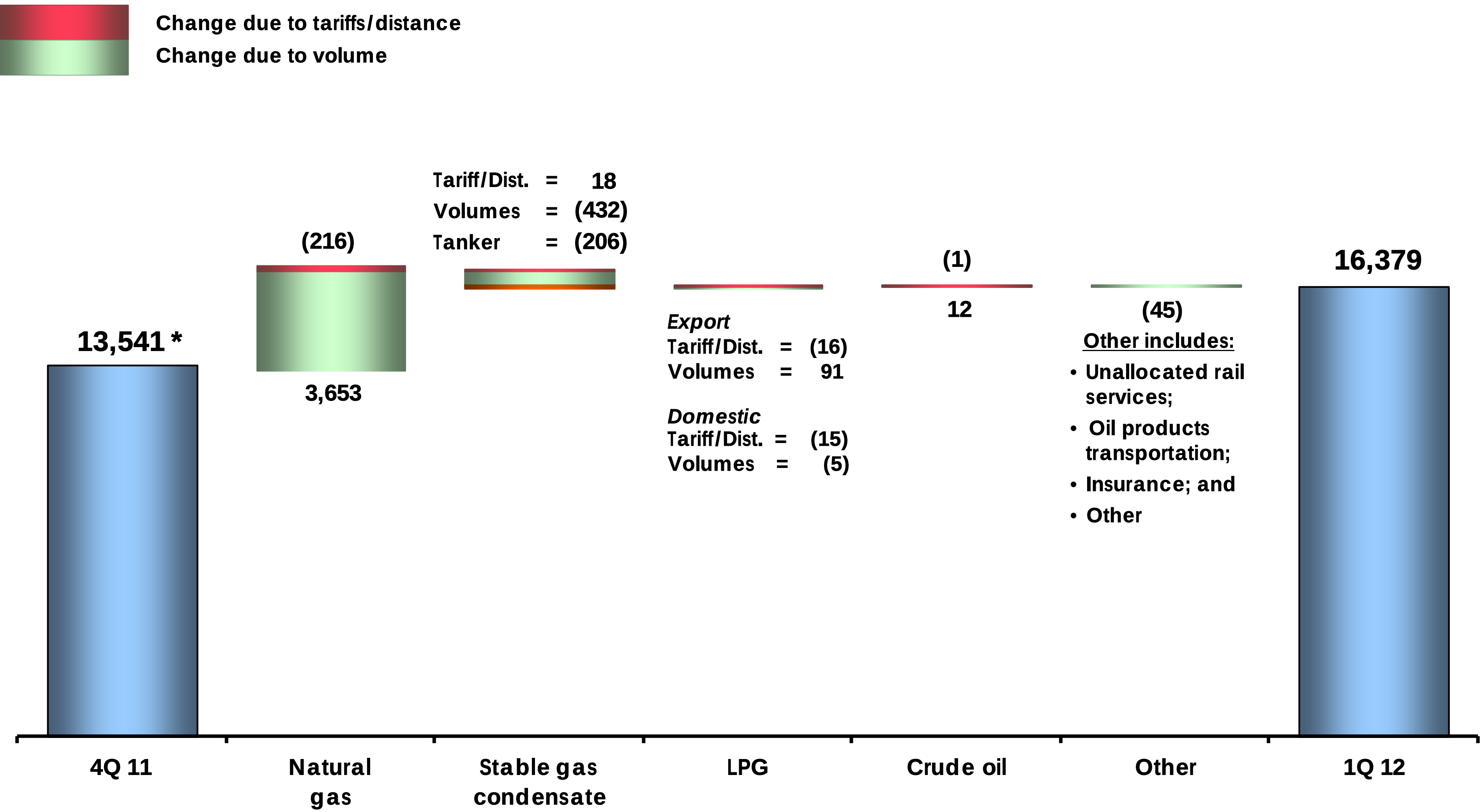
Total Revenues Breakdown



Transportation Expenses (RR million)



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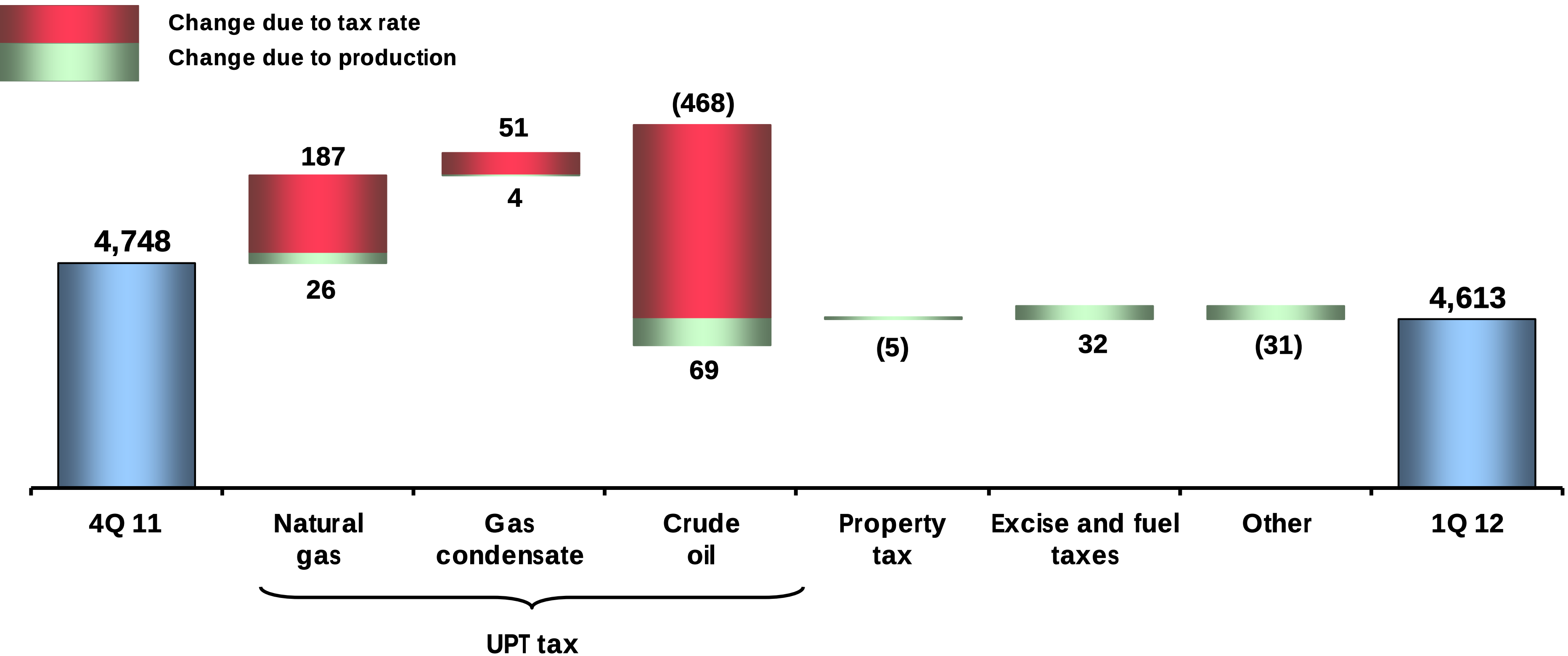
Taxes Other Than Income Tax Expense (RR million)



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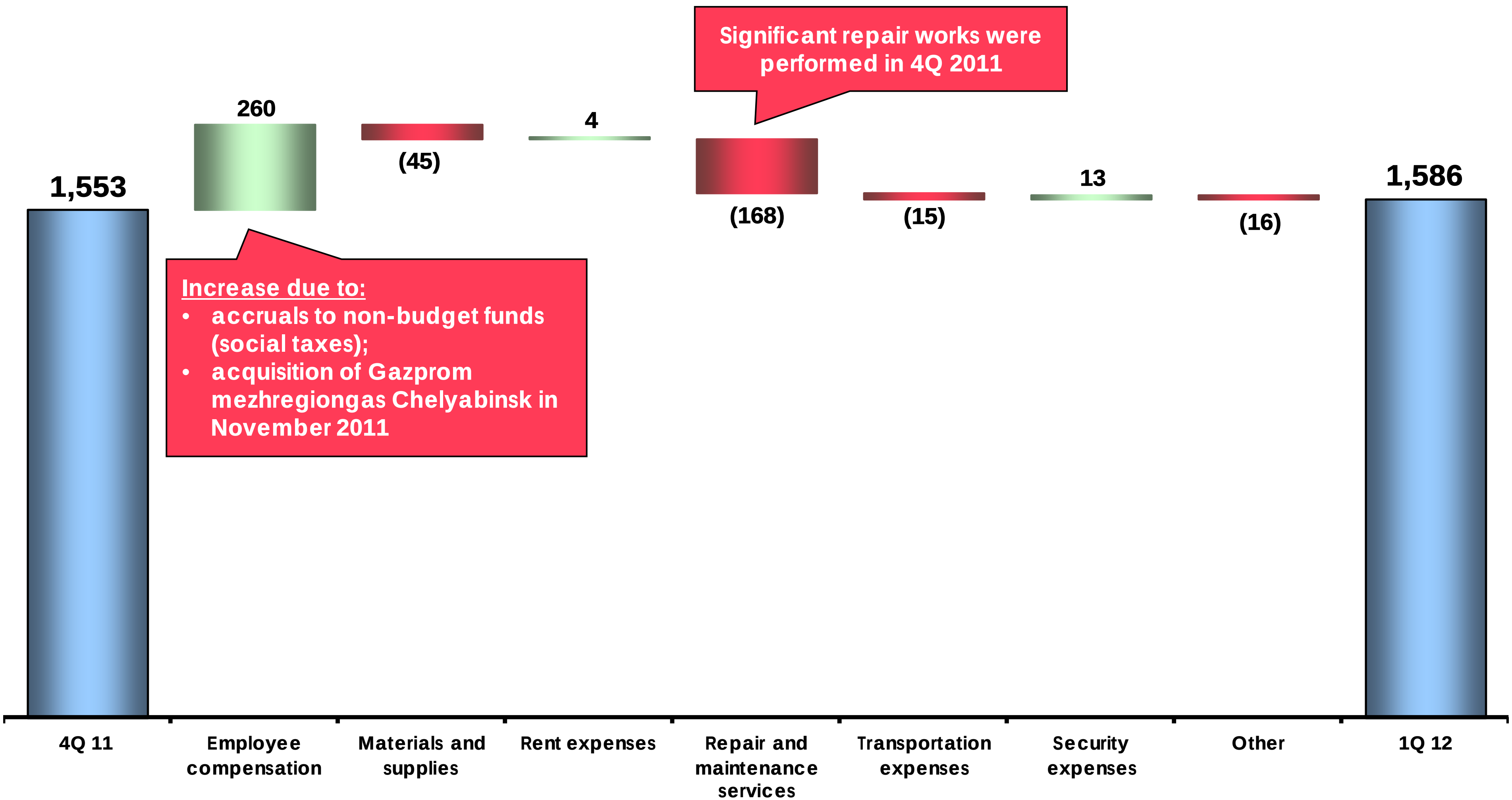
Materials, Services and Other Expenses (RR million)



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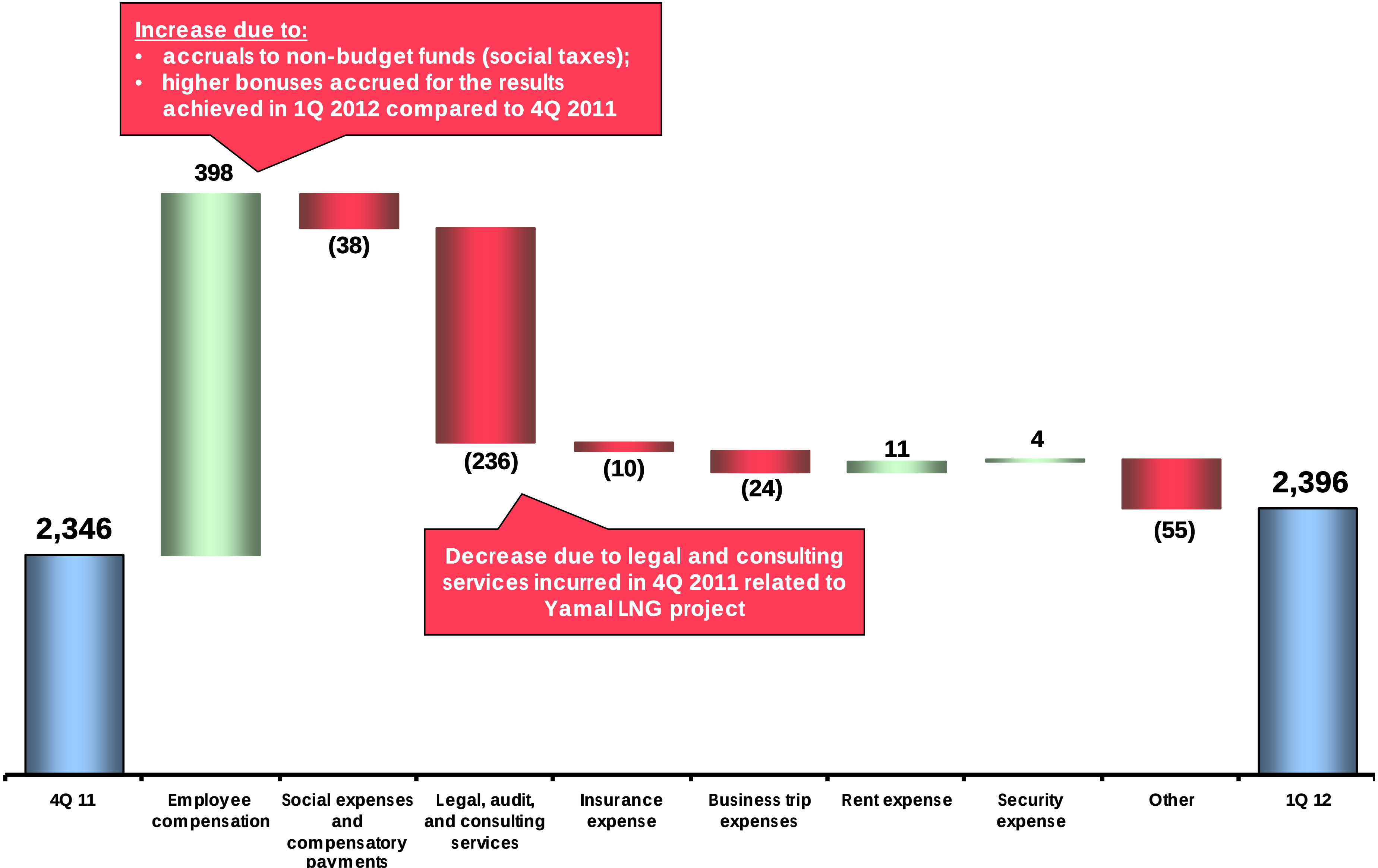
General and Administrative Expenses (RR million)



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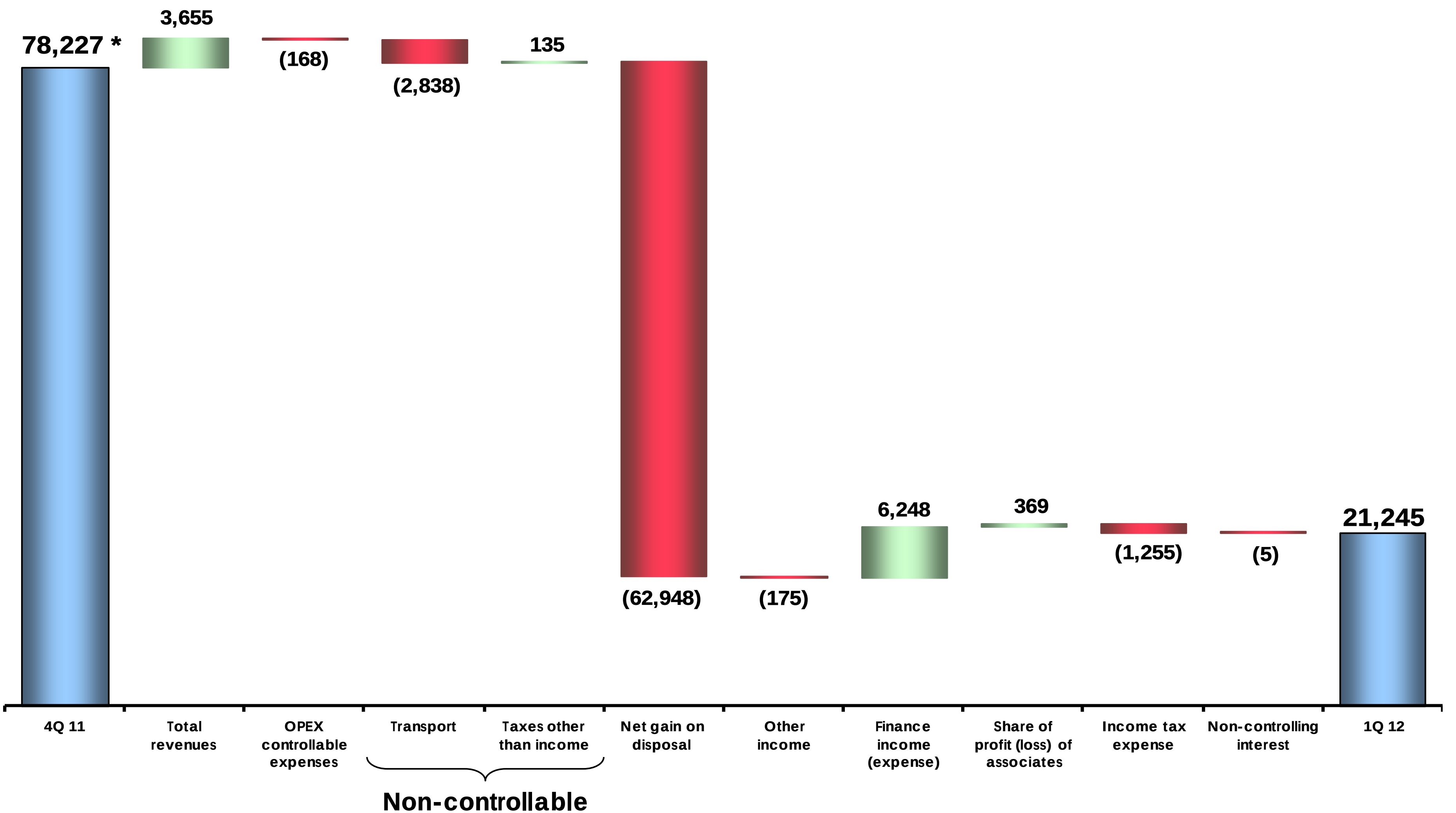
Profit Attributable to NOVATEK Shareholders (RR million)



*** Differs from those previously reported due to the correction of our share in Sibneftegas' net losses***

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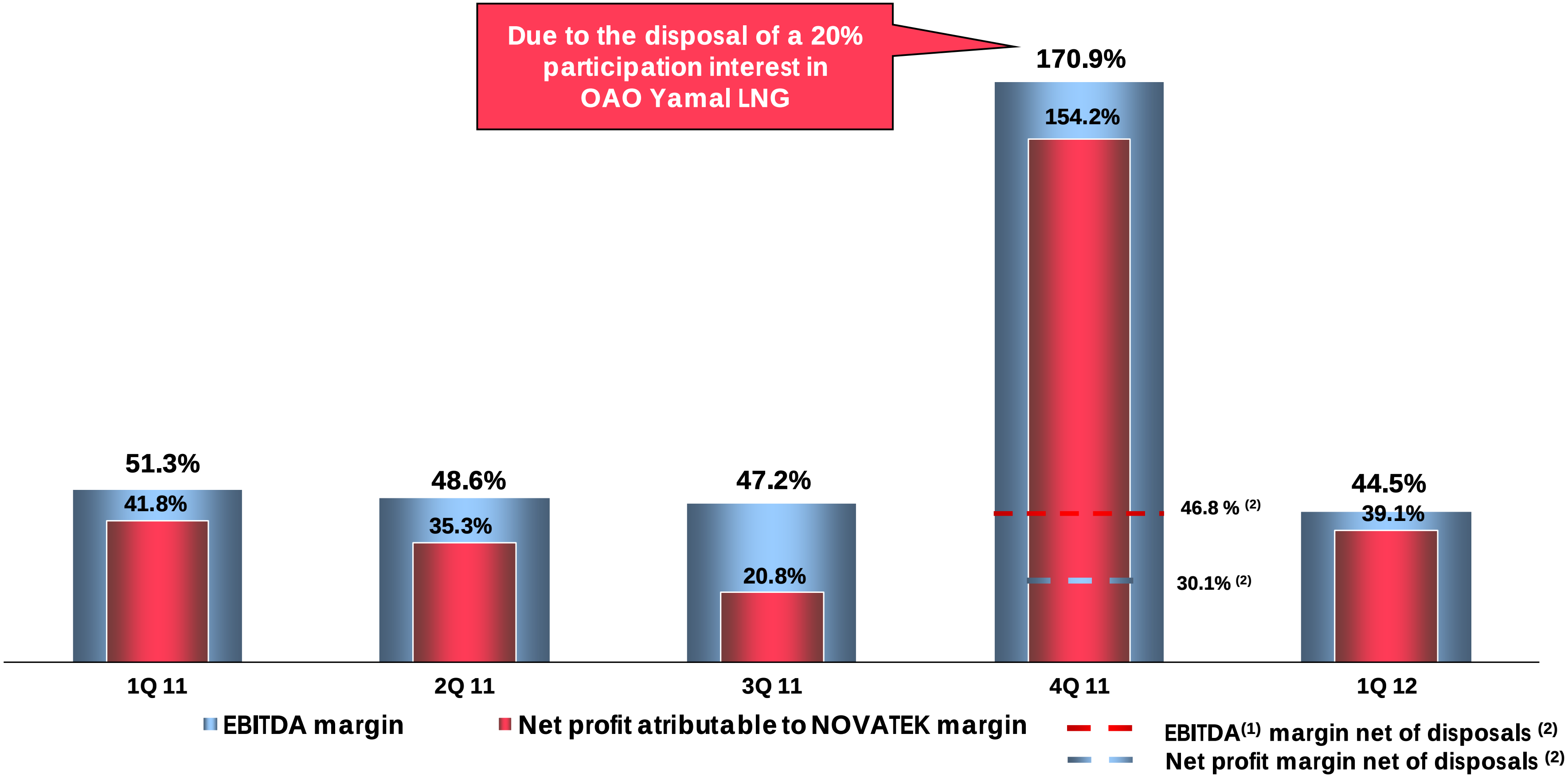
Appendices

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 addback of net impairment expense, income tax expense and finance income (expense) from the Consolidated Statement of Income, 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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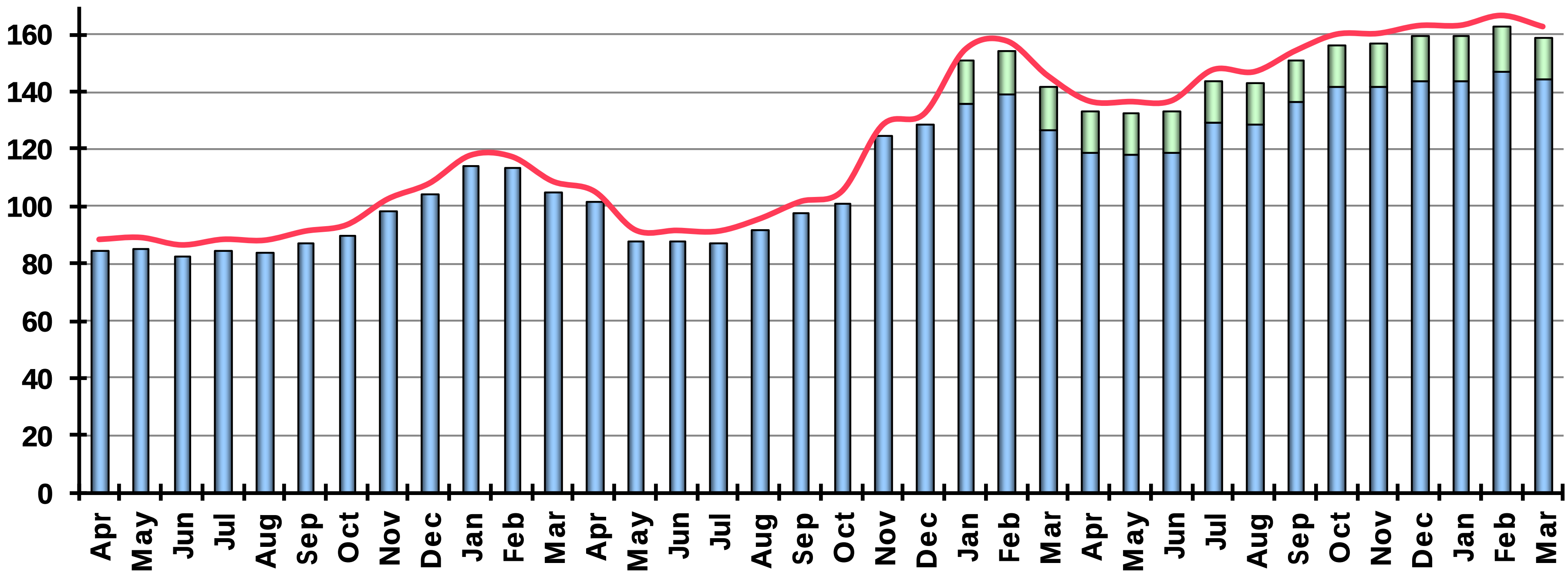
Increasing Natural Gas Production (mmcm per day)



2009	2010	2011	2012
2009 Avg. 90 mmcm/day 3,171 bcf/day	2010 Avg. 103 mmcm/day 3,655 bcf/day	2011 Avg. 147 mmcm/day 5,180 bcf/day	1Q 12 Avg. 161 mmcm/day 5,681 bcf/day

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Condensed Balance Sheet (RR million)

	31 March 2012	31 December 2011	+/(-)	+/(-)%
Total current assets	**54,443**	**58,316**	**(3,873)**	**-6.6%**
Incl. Cash and cash equivalents	*27,670*	*23,831*	*3,839*	*16.1%*
Total non-current assets	**332,273**	**325,116**	**7,157**	**2.2%**
Incl. Net PP&E	*171,696*	*166,784*	*4,912*	*2.9%*
Total assets	**386,716**	**383,432**	**3,284**	**0.9%**
Total current liabilities	**38,955**	**50,114**	**(11,159)**	**-22.3%**
Incl. ST debt and current portion of LT debt	*7,327*	*20,298*	*(12,971)*	*-63.9%*
Total non-current liabilities	**85,306**	**91,636**	**(6,330)**	**-6.9%**
Incl. Deferred income tax liability	*13,443*	*12,805*	*638*	*5.0%*
Incl. LT debt	*68,388*	*75,180*	*(6,792)*	*-9.0%*
Total liabilities	**124,261**	**141,750**	**(17,489)**	**-12.3%**
Total equity	**262,455**	**241,682**	**20,773**	**8.6%**
Total liabilities & equity	**386,716**	**383,432**	**3,284**	**0.9%**

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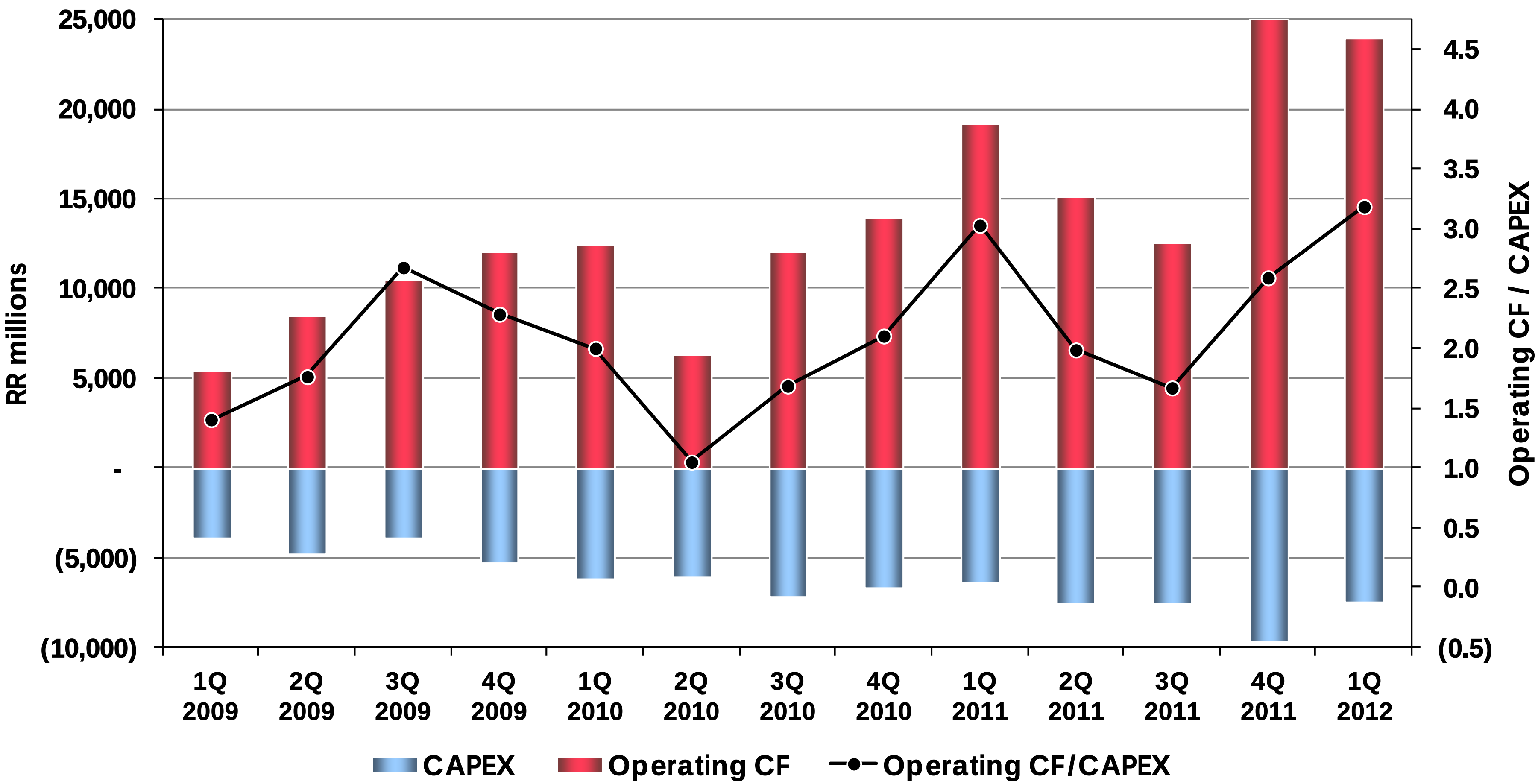
Internally Funded Investment Program



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

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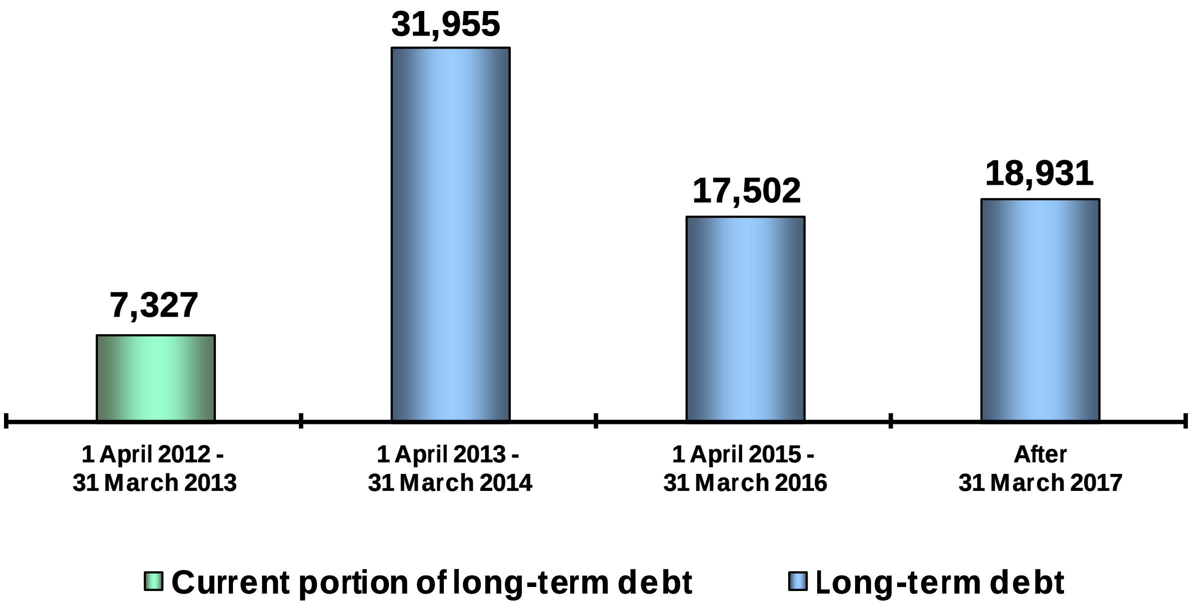
Total Debt Maturity Profile (RR million)



The Group has available funds:

- ✓ OAO Sberbank - RR 40 billion until July 2012
- ✓ Credit Agricole Corporate and Investment Bank - USD 100 million until June 2012
- ✓ ZAO UniCredit Bank - USD 270 million until August 2012
- ✓ ZAO BNP PARIBAS Bank - USD 100 million until September 2012
- ✓ Short-term credit lines in the form of bank overdrafts – USD 135 million

Debt repayment schedule:

Up to 31 March 2013 – UniCredit loan, OAO Nordea Bank credit lines, Sumitomo Mitsui Banking Corporation Europe Limited

Up to 31 March 2014 – RR denominated bonds, Sumitomo Mitsui Banking Corporation Europe Limited, OAO Nordea Bank credit lines and Sberbank loan

Up to 31 March 2016 – 1 tranches of Eurobonds Five-Year

After 31 March 2017 – 1 tranches of Eurobonds Ten-Year

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

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Questions and Answers

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