



STRATEGY DAY 2007



NOVATEK London Representative Office, London, UK
23 April 2007

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- 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
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Presentation Team



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Chief Executive Officer
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Deputy Chairman, Management Board



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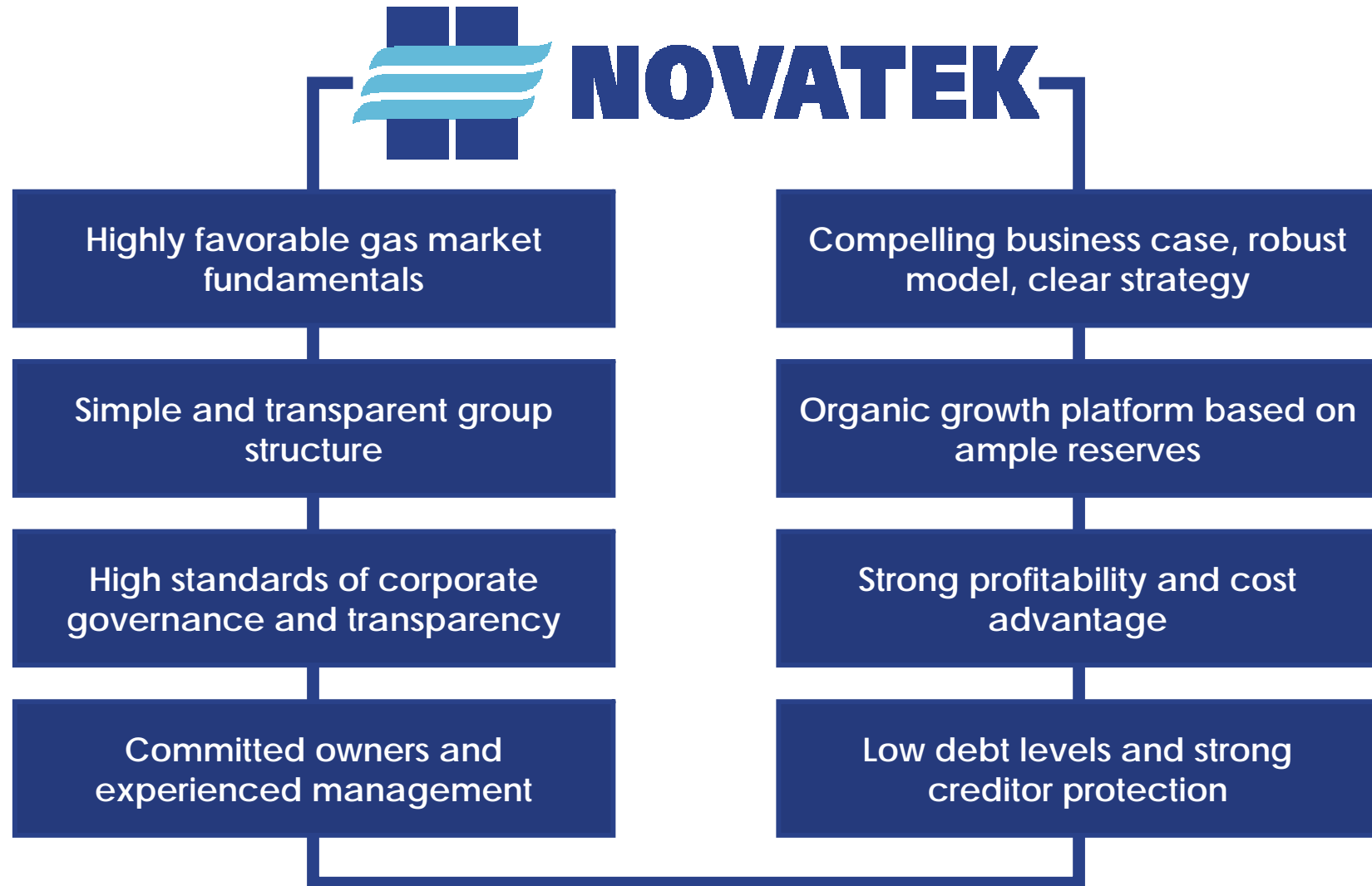
Agenda

	Speaker
Market and Company Overview Strategy Introduction	Leonid V. Mikhelson
Exploration and Production Strategy	Alexander M. Fridman
Financial Strategy	Mark Gyetvay
Questions and Answers	Presentation Team

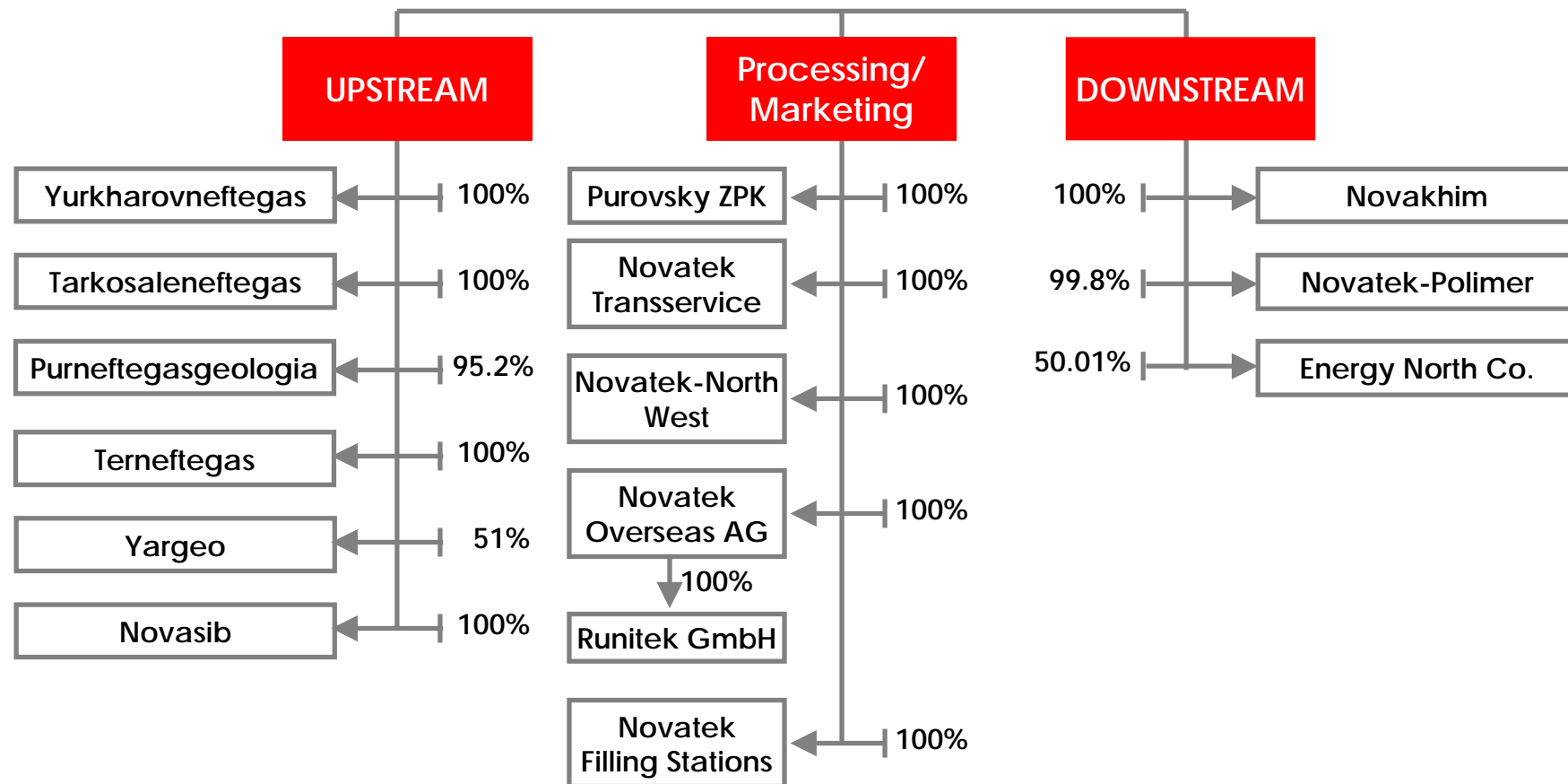
SECTION 1

Company Overview

Leveraging our intrinsic business strengths



Clear and transparent structure



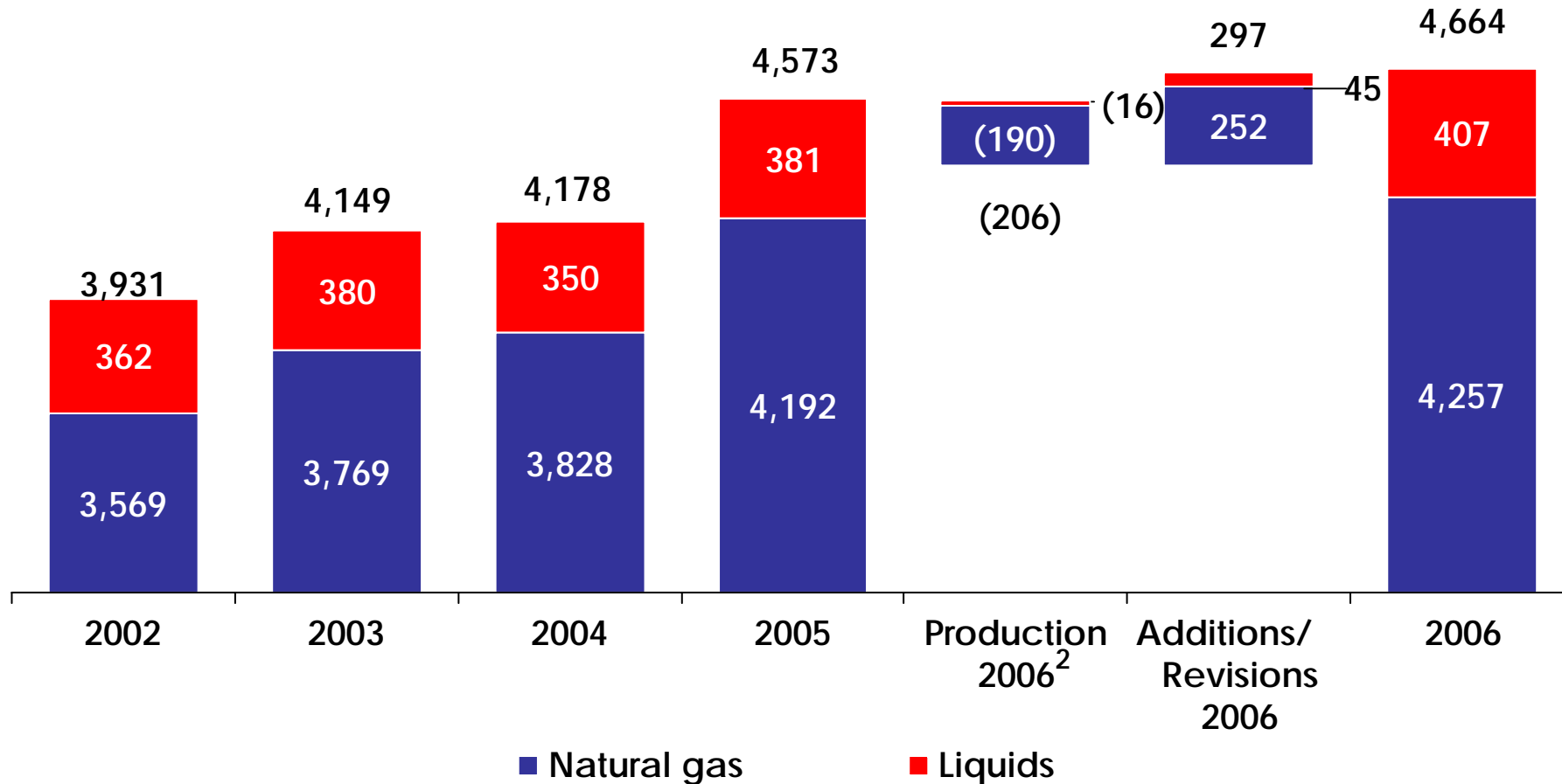
NOVATEK at a glance

- **Record 2006 production results**
 - Natural gas production increased 13.9% to 28.7 bcm (1,013.5 bcf)
 - Liquids production decreased 3.5% to 2.5 mmt (21 mmbbl's)
 - Total production increased 12.2% to 208 mm boe or 572.6 thousand bbl/day
- **Reserve appraisal results (as at 31 December 2006)**
 - Natural gas reserves – 651 bcm ("P1") and 1,015 bcm ("P2")
 - Liquid reserves (crude oil & NGL's) – 49.7 mmt ("P1") and 99.6 mmt ("P2")
 - Total reserves – 4,664 mm boe ("P1") and 7,448 mm boe ("P2")
- **Reserve replacement ratio (RRR) and Reserves-to-Production ratio (R/P)**
 - 2006 RRR – 144% and 3 yr avg. RRR - 194%
 - 2006 R/P – 23 years

NOVATEK at a glance

- Record revenues, EBITDA and net profits over the past three years
- Strong balance sheet and liquidity ratios – net cash position
- Increased dividend payout
- Strong share price appreciation since IPO in July 2005
- One of the leading stock performers relative to the Russian Trading System (RTS) and MSCI Emerging Market index in 2006

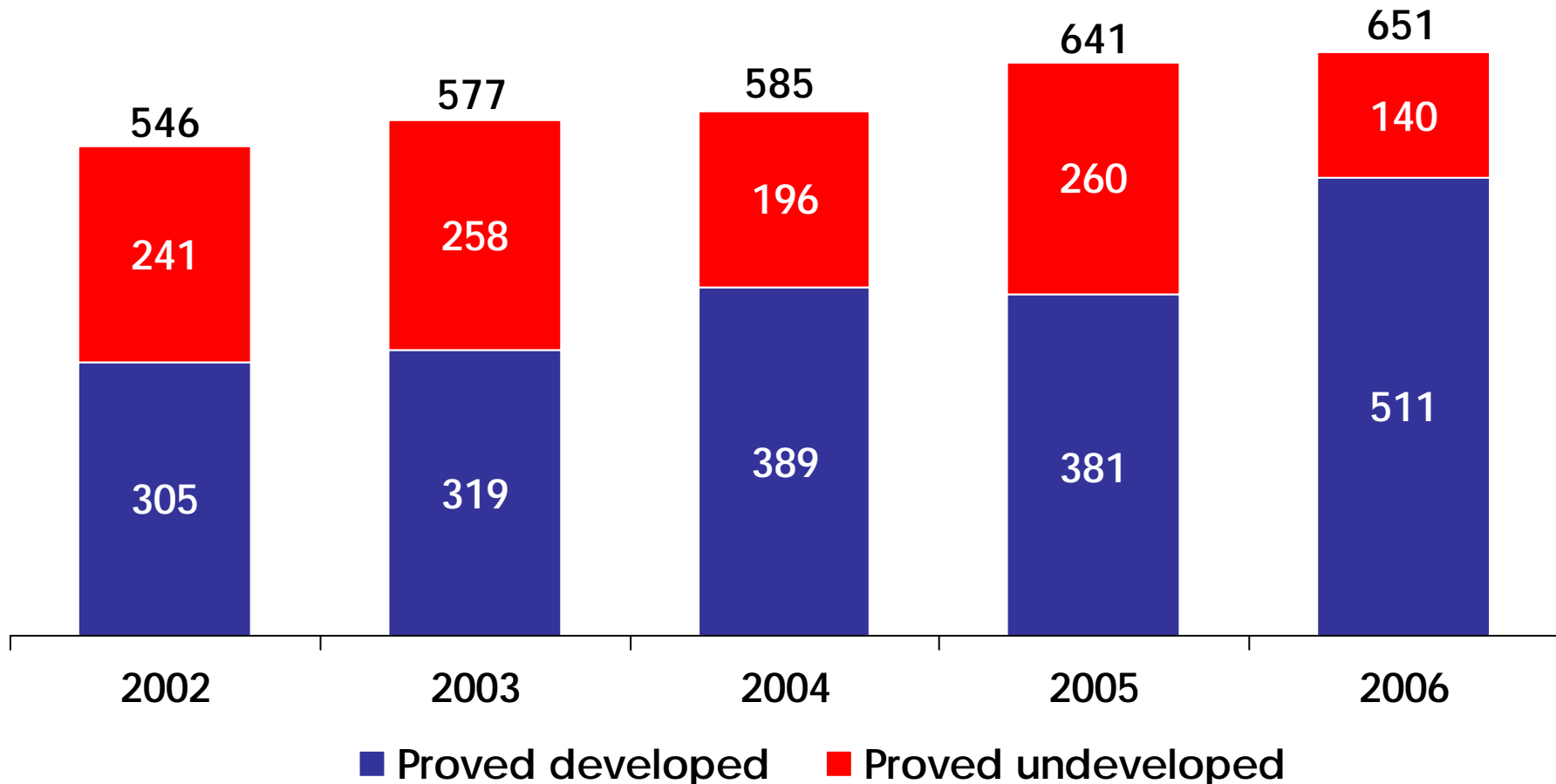
SEC P1 Reserves movements¹ mm boe



Notes:

1. Including the Company's equity interest in proved reserves of associates
2. Production net of technical losses and own usage from appraised fields only

Change in P1 natural gas reserves, bcm



34.3% growth of proved developed gas reserves¹ at appraised fields

Notes:

1. Including the Company's equity interest in proved reserves of associates

Resources for sustained long – term growth

Reserve category	Reserves/production (years)		
	Gas	Oil/liquids ²	Total
Proved (P1)	23	22	23
Proved + Probable (P2)	35	43	36
ABC1	30	38	30

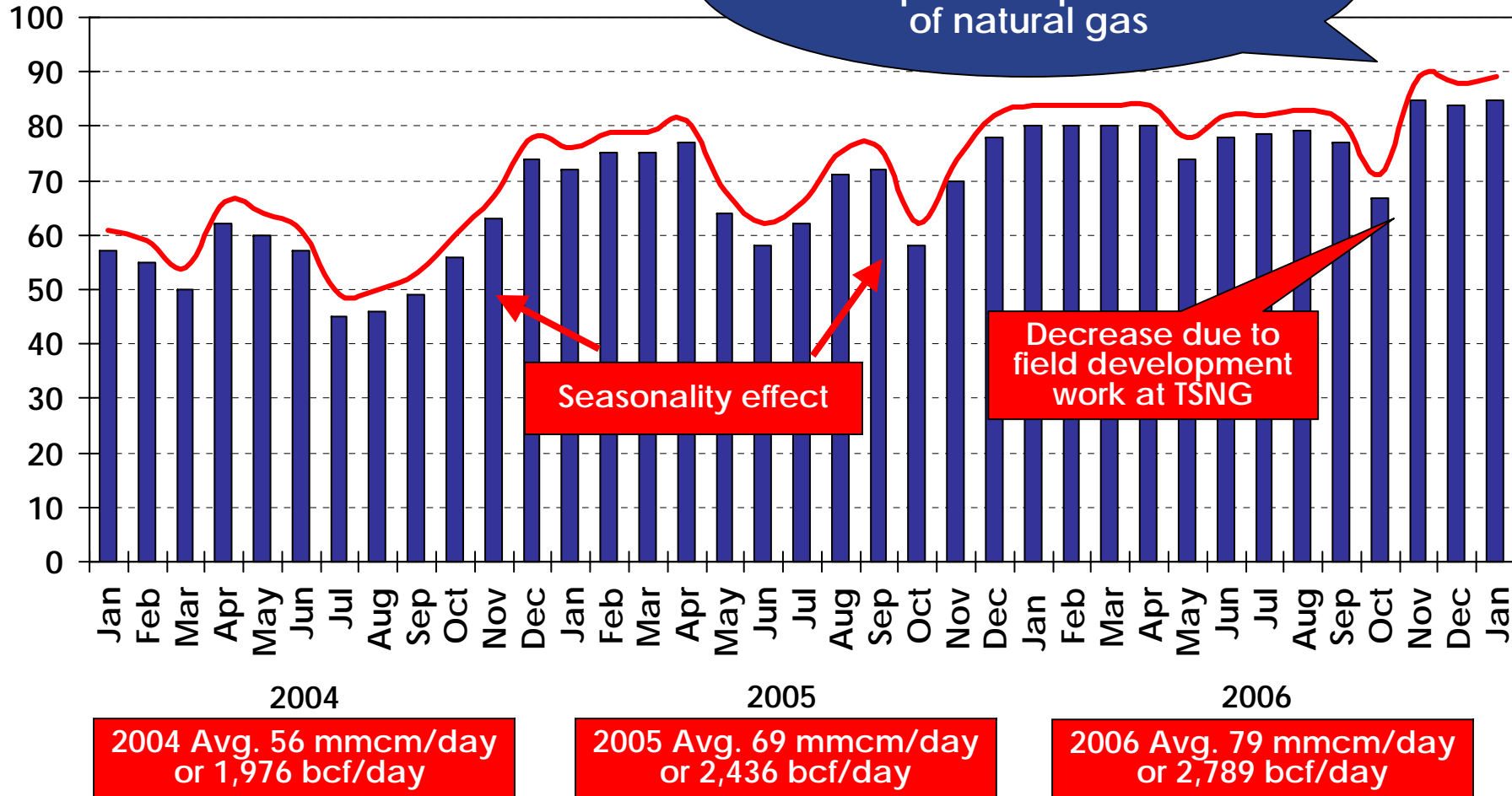
Notes:

1. P1 reserves are in accordance with SEC standards; P2 reserves are SPE based appraised by DeGolyer & MacNaughton as of 31 December 2006; ABC1 reserves according to Russian reserve classification standards as of 1 January 2007
2. Including both gas condensate and crude oil

Increasing gas production

Monthly Gas Production, mmcm/day

NOVATEK is one of the world's largest independent producers of natural gas



Global Energy Market Outlook

Global energy outlook

- Strong long-term forecast for oil and gas demand and prices
 - Significant demand growth expected for both natural gas and liquid hydrocarbons
 - Global oil prices expected to remain robust throughout our forecast period
- Volatile geopolitical climate in key producing regions
- Energy security at the forefront of political agendas
- Increased competition for licenses and resources
- Global warming initiatives take center stage in political discussions
- Inflationary pressures on oil service costs
 - CERA cost index increased by 54% since 2004
- Aging workforce is creating scarcity of top quality technical employees

Russia straddles two crucial markets

The European markets have traditionally been the primary focus of Russian companies.

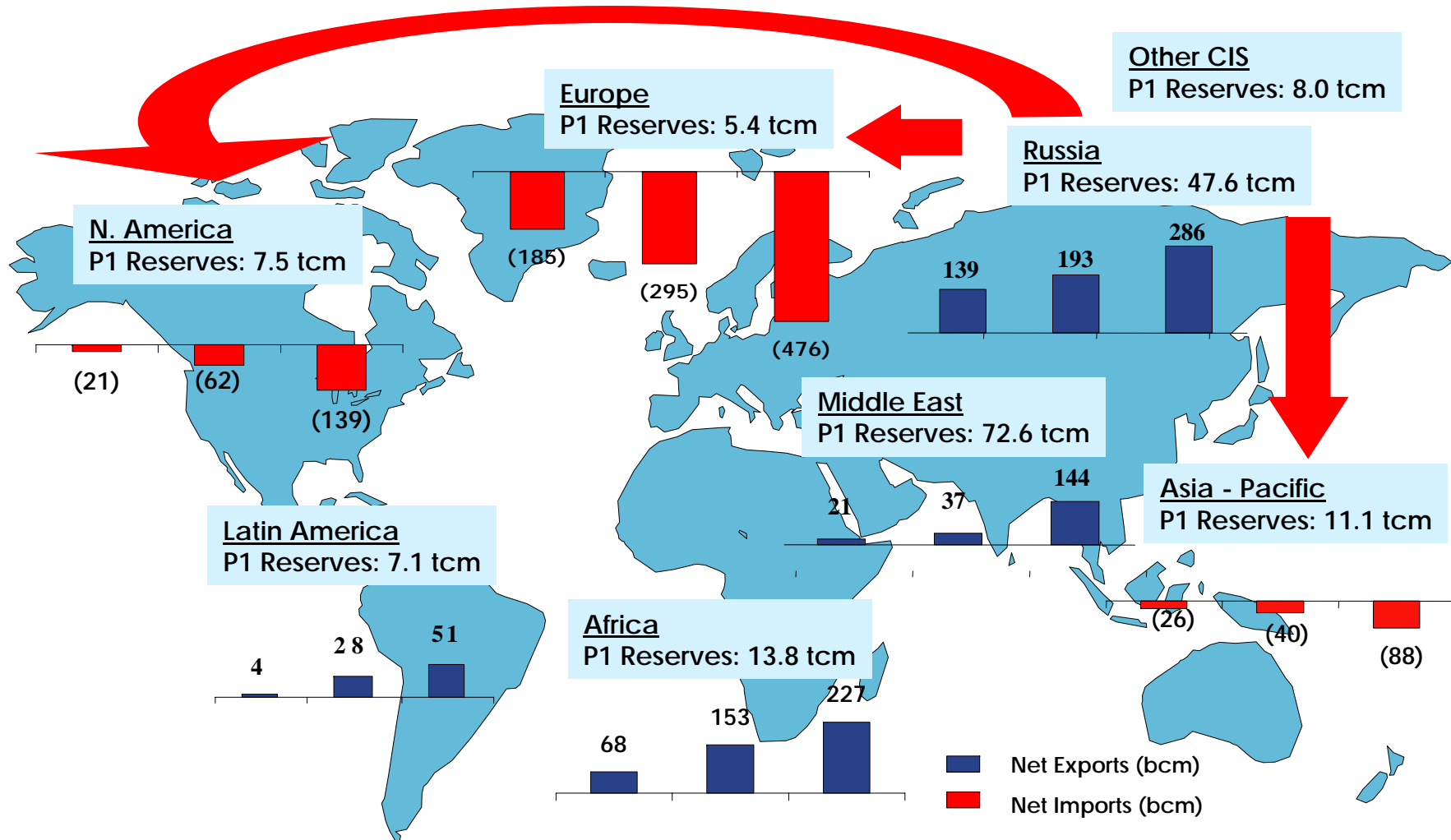
Natural resources have been a crucial driver in Russia-EU trade relationships.



The importance of the Asia markets is beginning to materialize.

Asia's potential has not been fully recognized in prior business dealings.

Global gas balance – “Call on Russian Gas”



Source: US Department of Energy (Production and demand), Oil and Gas Journal (P1 reserves as of 1/1/2006)

Note: Net Export/Import figures refer to 2000, 2010 and 2020, respectively

Opportunity: natural gas market – Europe

European Indigenous Gas Production¹

bcm	2002	2003	2004	2005	%chg 05/04
UK	102.1	101.8	94.5	86.2	-8.8
Norway	65.5	73.1	78.5	84.9	+8.2
Denmark	7.3	6.9	8.3	9.3	+12.0
Netherlands	70.7	68.8	80.1	72.7	-9.2
Total	245.6	250.6	261.4	253.1	-3.2

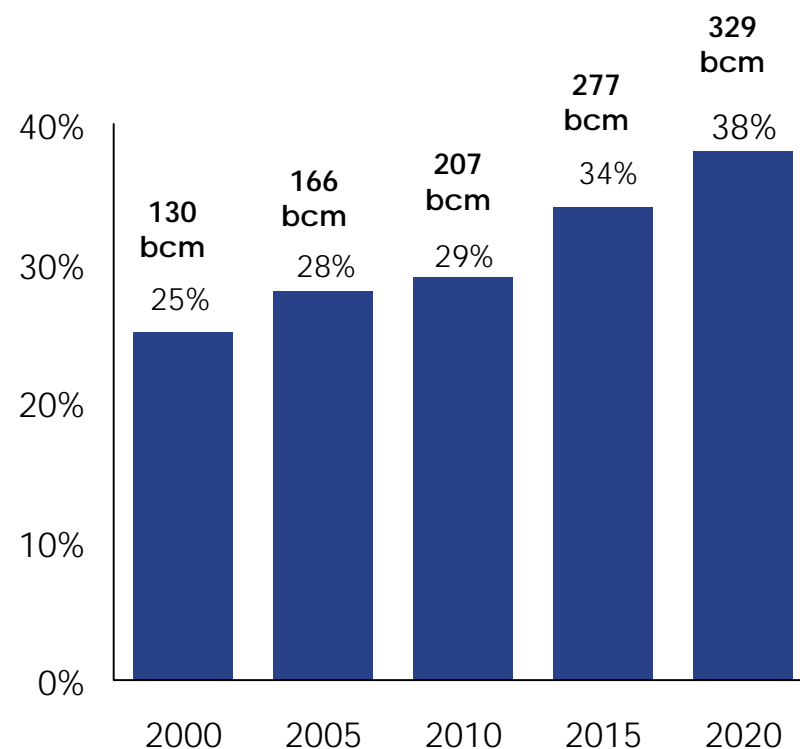
European Union Gas Demand²

bcm	1999	2010	2020
Pre 2004 – EU 15	386	500	597
Accession Countries - 15	76	142	179
EU - 30	462	642	776

Sources:

1. Petroleum Economist, April 2006
2. Observatoire Méditerranéen de L'Énergie

Gazprom European Market Share (%) and Gazprom's Supply (bcm)



Source: Wood Mackenzie "Time To Step on the Gas" December, 2004

Declining Indigenous Production + Growing Demand = Increase in Exports

General Business Climate & Domestic Gas Market

General business climate - Russia

- Strong domestic GDP growth
- Strengthening Russian rouble versus major currencies
- Strong current account and trade surplus
- Favorable domestic commodity pricing environment
- Stable political and social environment
- Reasonable corporate tax regime

Russia's energy market climate

- Continued strong domestic demand growth for natural gas by ~ 2.0 to 2.5% p.a. (average demand growth of ~ 2.2% from 2000 through 2006)
- Liberalized natural gas pricing environment in process (full market based prices expected by 2011)
- Continued competition for new license acquisitions by existing competitors and new market entrants
- Continued State involvement in energy industry
- Continued inflationary pressures on drilling costs, labor costs and materials and supplies
- Continued lobbying efforts to minimize industry tax hikes and other economic rents on the industry
- Long-term supply challenges requires significant investment of capital in more remote and harsh environments

Growing market share for independents

European supply deficit growing

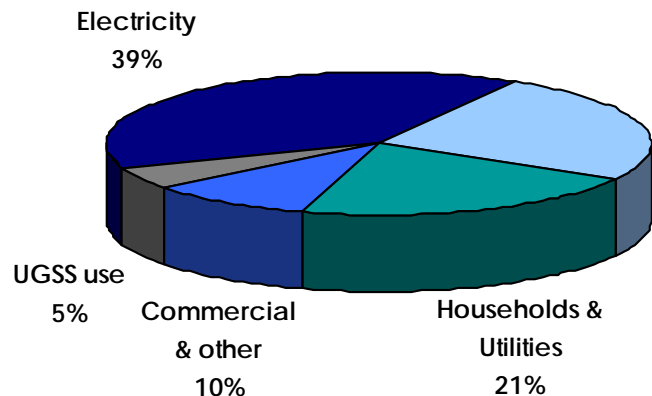


Gazprom export volumes increasing



Need for Independents' gas increasing

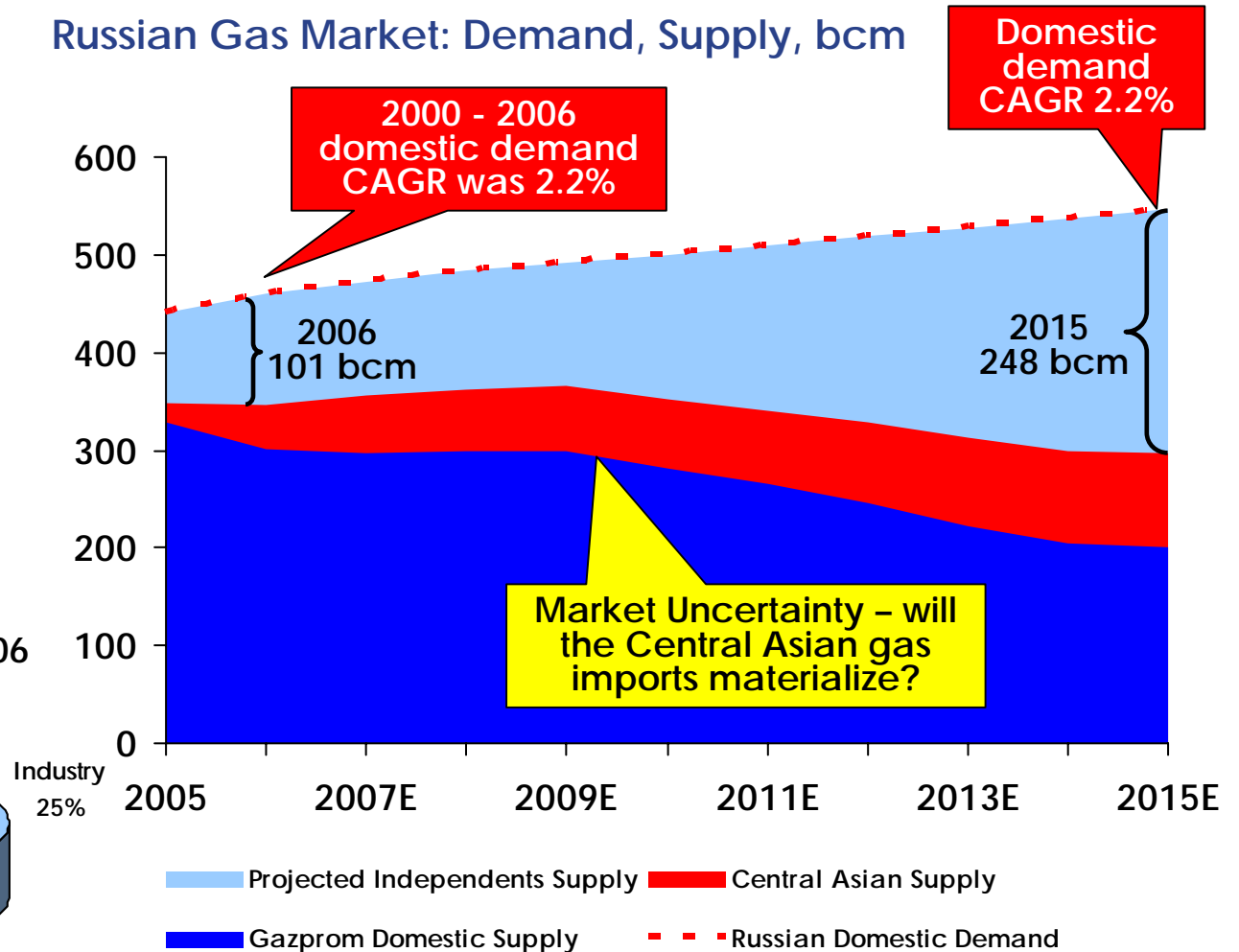
Gas consumption breakdown, 2006



Source: Company estimates



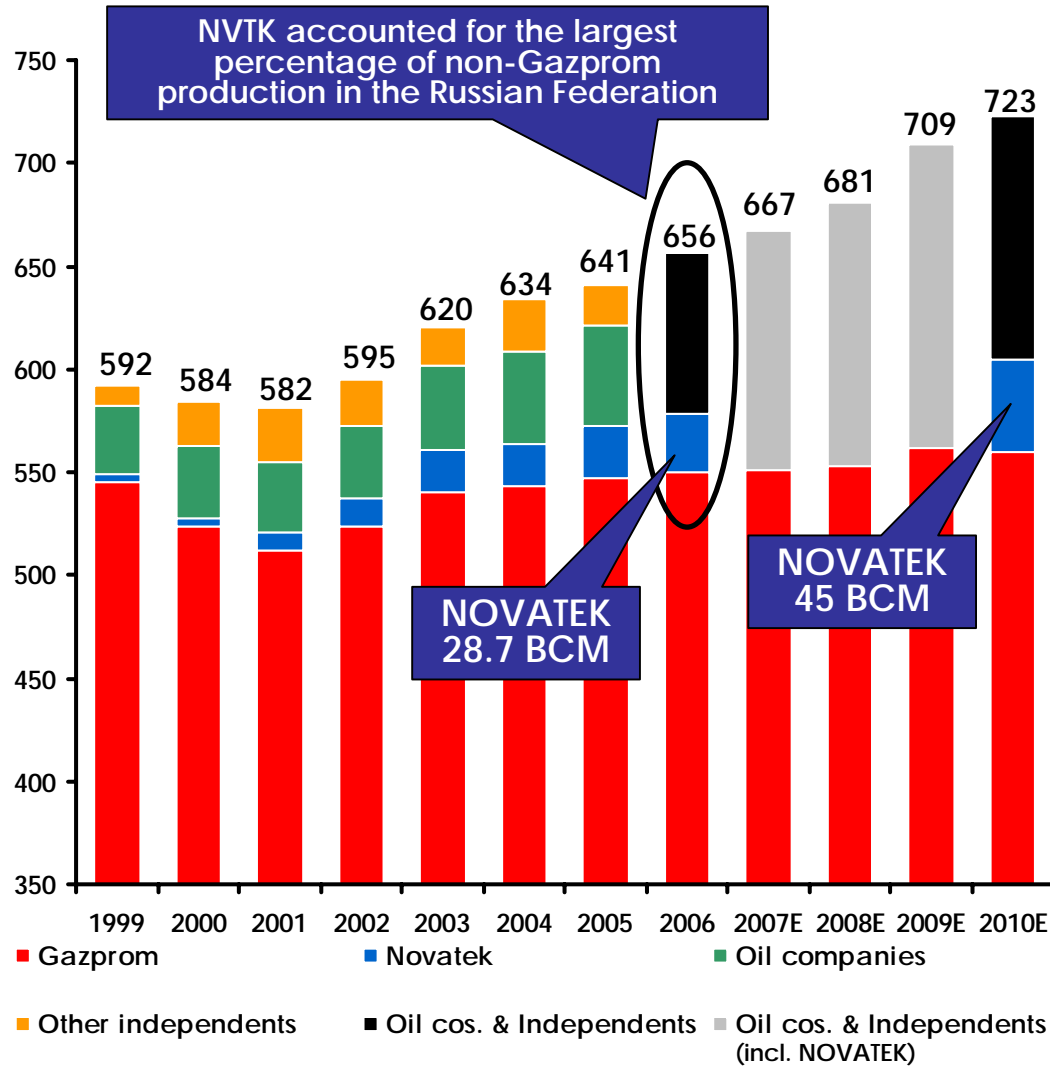
Russian Gas Market: Demand, Supply, bcm



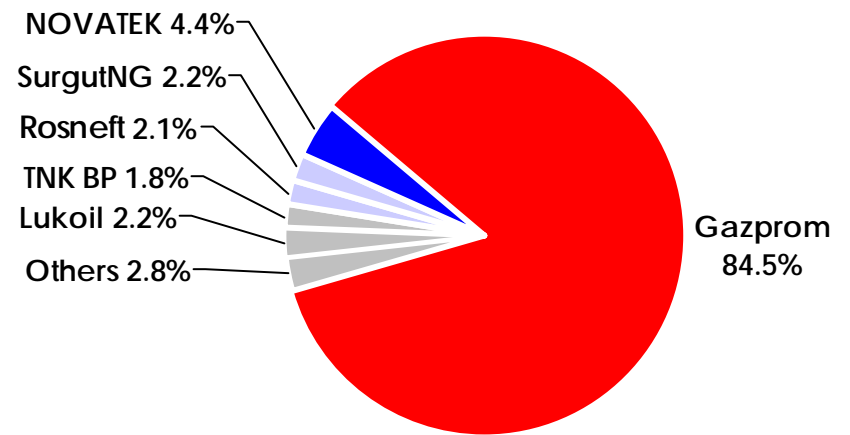
Domestic demand has been significantly underestimated by Gazprom and Russian long-term Energy Strategies

Source: UBS, "Russian Gas" July 2006

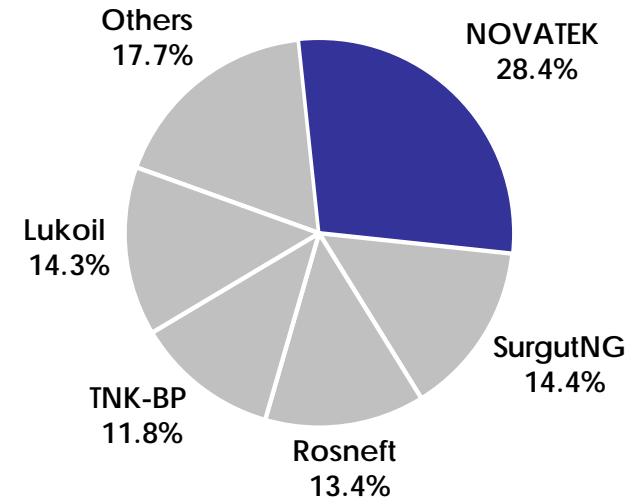
Gas production in the Russian Federation, bcm



Russian natural gas production, 2006



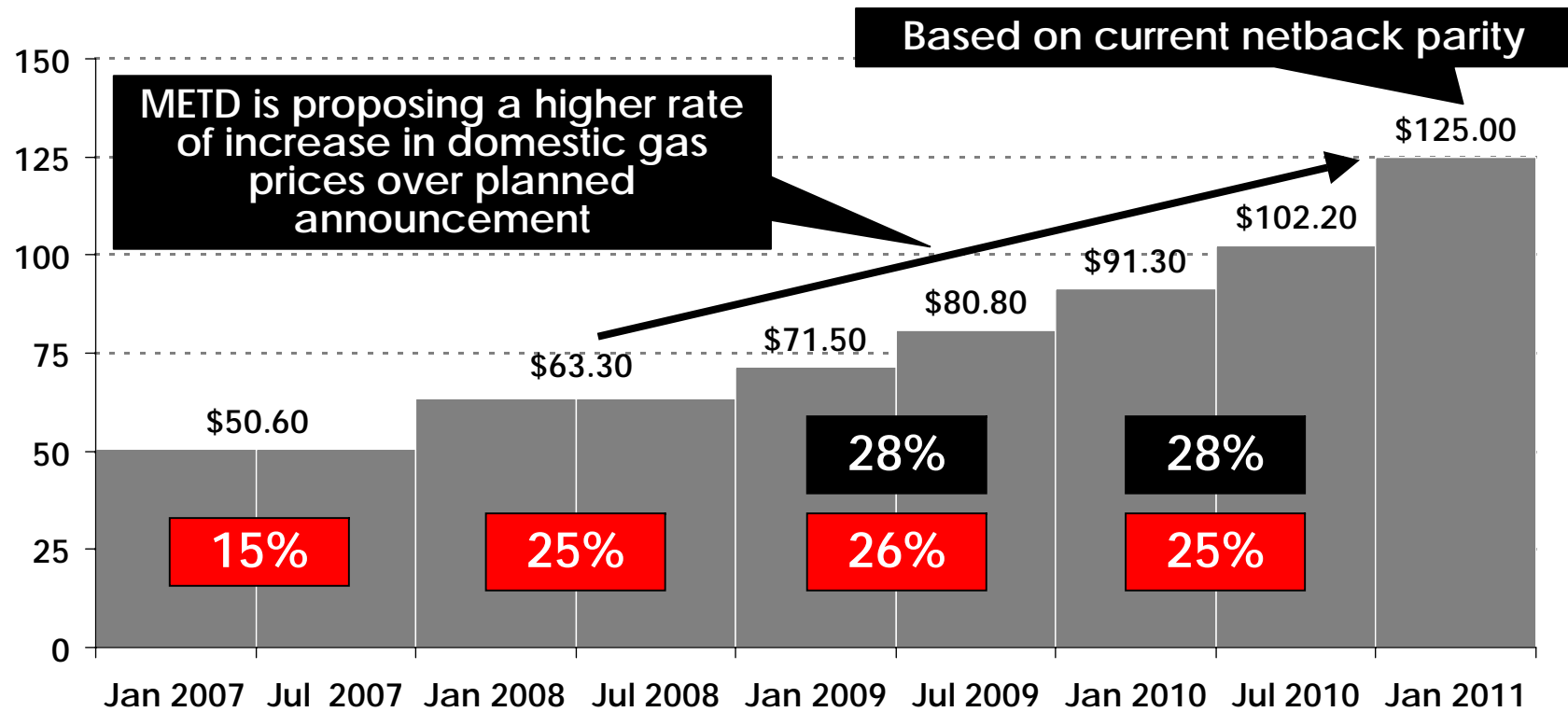
Russian non-Gazprom gas production, 2006



Source: Cambridge Energy Research Associates, Ministry of Industry and Energy, OAO "Gazprom", UBS, "Russian Gas" July 2006, Company data



Pricing update to achieve export netback parity



Source: Industry and Energy Ministry

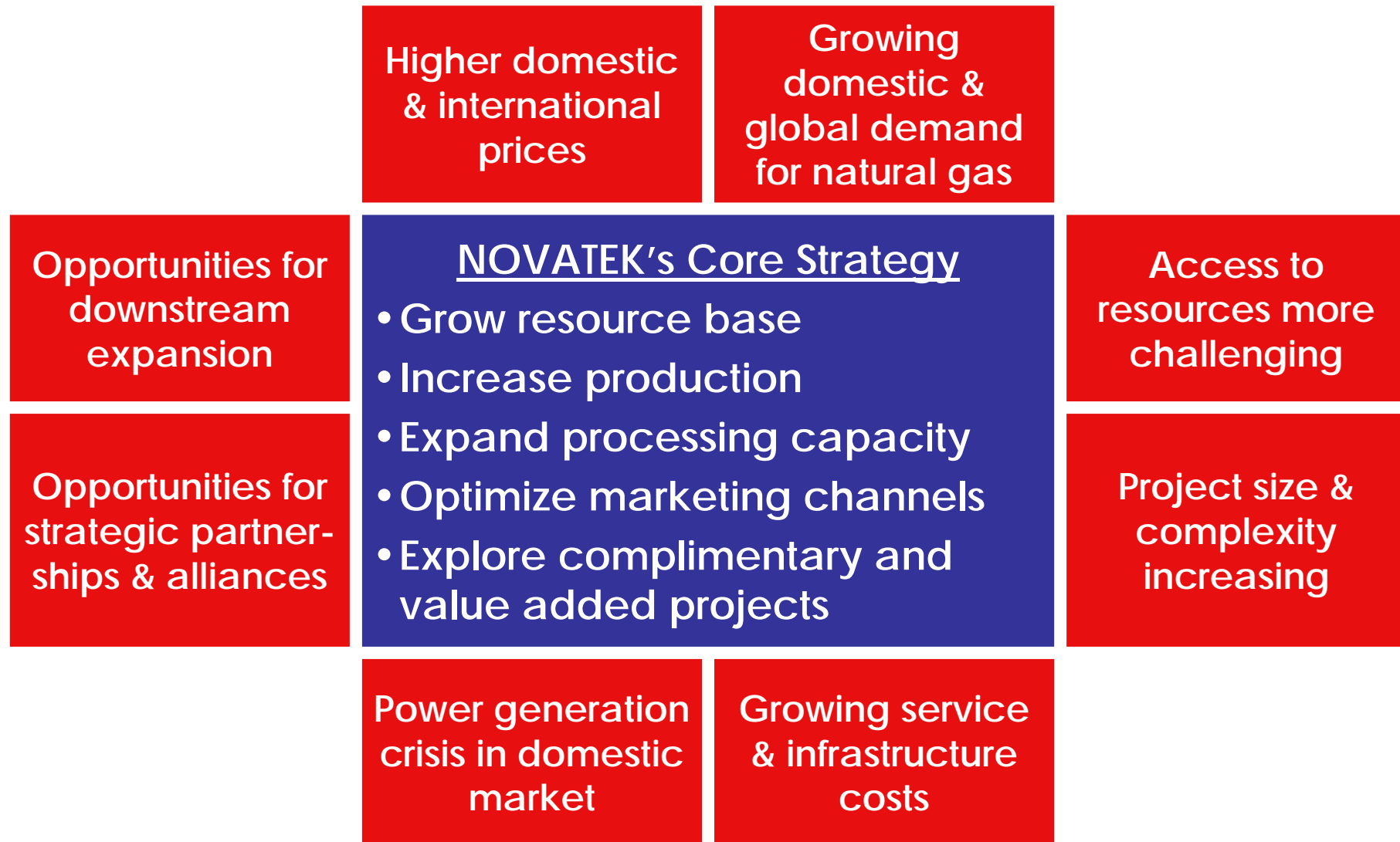
Gazprom is subject to regulated prices for domestic gas sales, whereas NOVATEK is not subject to regulated prices and, as a general rule, realizes higher average prices for natural gas sales on the domestic market

Competitive industry challenges

- Role of independent gas producers and the increased demand for natural gas in the overall Russian energy supply balance
- Changes in the competitive landscape of the domestic market due to increased deliveries of natural gas
- Necessity for expansion of the gas pipeline network
- Impact of alternative fuel sources, or conservation, due to higher domestic gas prices on demand
- The possibility of the Russian government levying additional taxes on the domestic gas industry due to higher gas prices

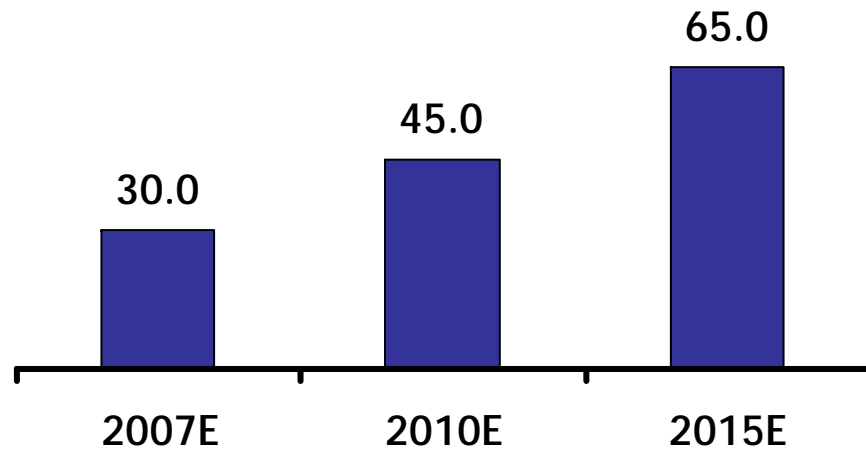
Our Strategy

Our operating environment and our strategy

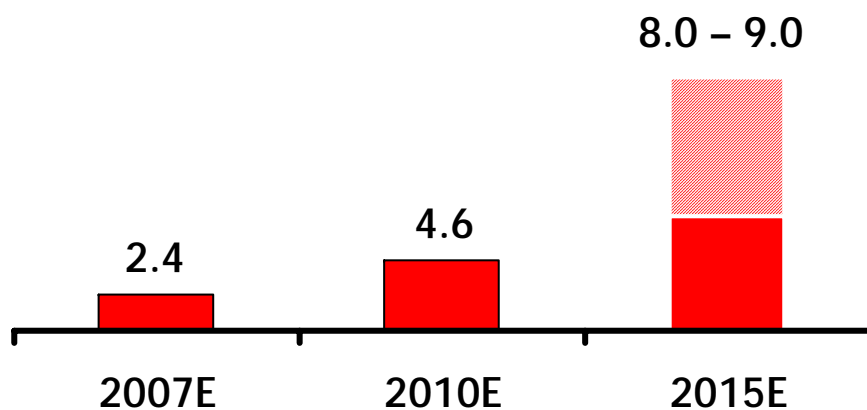


E&P production and capex plan

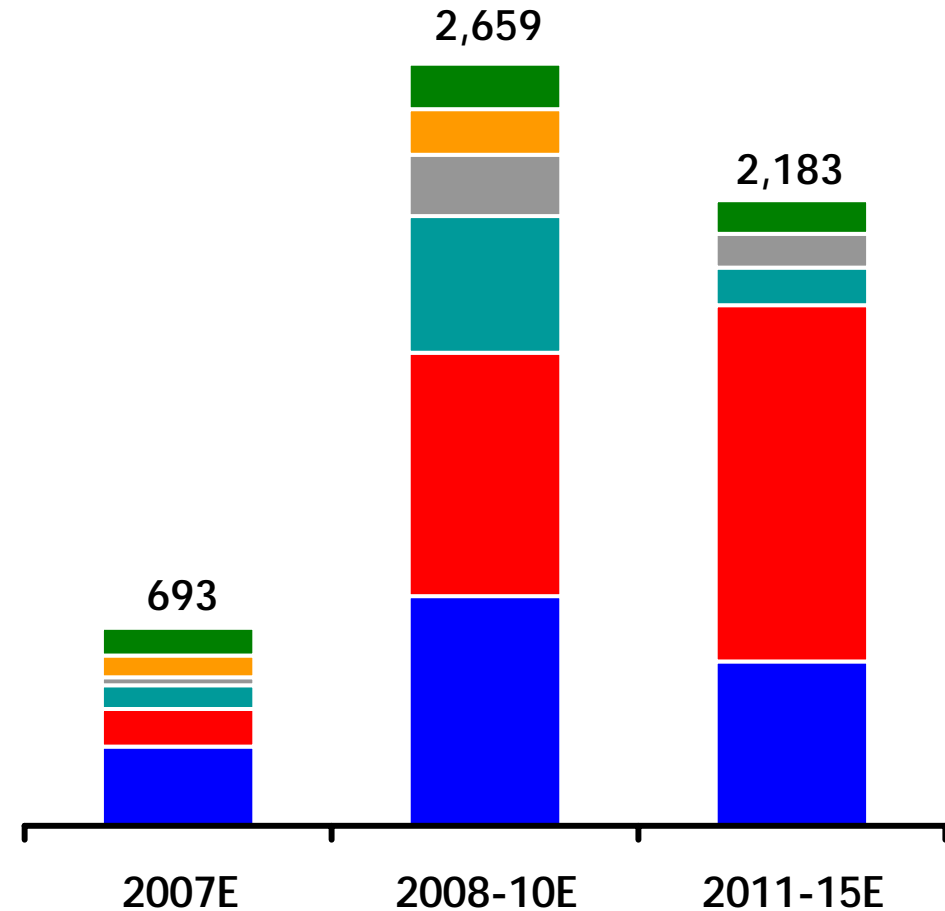
Natural gas production, bcm



Liquids, mmt



Capital expenditure program, MM \$US



- Infrastructure
- Pipelines
- Processing
- Drilling
- Booster stations
- Exploration

Notes:

1. Net of VAT, nominal amounts (RR/\$ = 26)

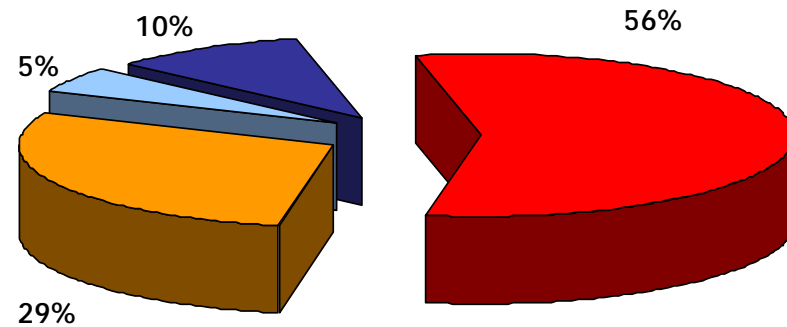


Optimize gas sales portfolio

Portfolio optimization plan

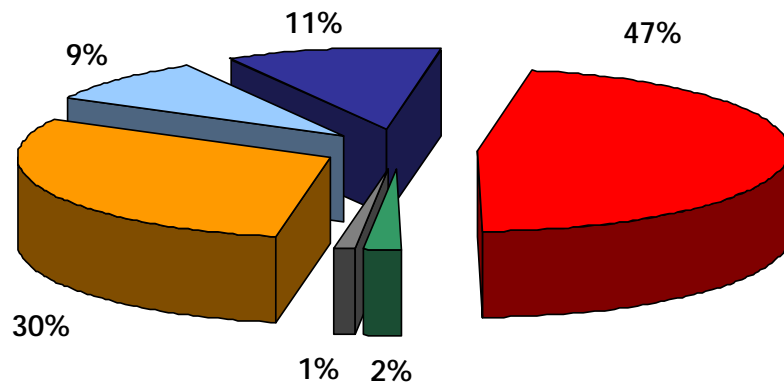
1. Migrate sales away from wholesalers
2. Target growing power generation sector
3. Increase sales to Industrial end users
4. Active participation in gas exchange

2006 Gas sales portfolio



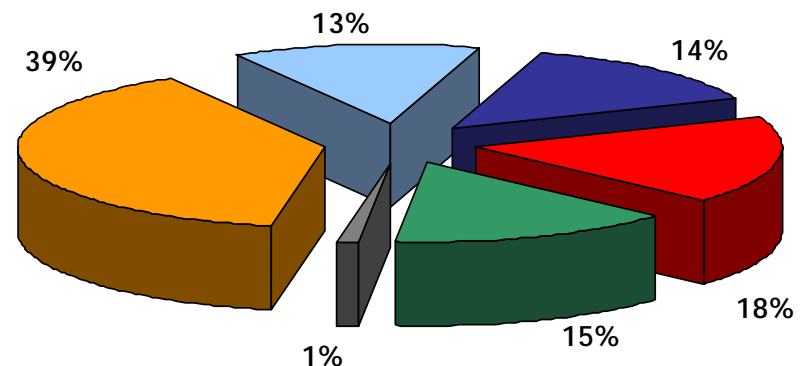
■ Energos
 ■ Reg. Distributors
 ■ Industrial
 ■ Traders

2007 Gas sales portfolio



■ Energos
 ■ Reg. Distributors
 ■ Industrial
 ■ Traders
 ■ Gas exchange
 ■ Other

2010 Gas sales portfolio



■ Energos
 ■ Reg. Distributors
 ■ Industrial
 ■ Traders
 ■ Gas exchange
 ■ Other

Liquids marketing strategy

- Increase sales volumes of stable gas condensate, LPG and crude oil
- Launch 2nd stage of Purovsky Processing plant to 5 mmt p.a. by 4Q 2008
- Achieve economies of scale by lower processing and commercial costs
- Partnership agreement with Russian Railways for delivery of increasing volumes minimizes transportation risks for processed products

Gas condensate strategy

- Increase sales and profitability
- Construct terminal facilities to reduce delivery expense by ~ \$5-8/ton
- Consideration of refining projects in close to markets for additional revenue enhancement of \$3-4/bbl

LPG strategy

- Guaranteed LPG market
- Retail network serving various regions
Up to 200,000 tons of LPG per annum
- Reduce seasonal fluctuations of market price
- Expected increase in LPG profitability of 15-25%

Gazprom: solidifying our business relationship

Complementary, not competing business models

- Equity stake in NOVATEK of 19.4% with two Board seats
- Our domestic focus allows Gazprom to meet its long-term export commitments
- Cooperation on expanding the UGSS pipeline network
- Move towards longer-term contracts for transportation of natural gas
- Plans to expand regional gasification programs

Reliable independent gas producer with large resource base to meet growing domestic demand

- Our gas is already factored into the Russian Federation gas balance
- We supply gas to large industrial regions (i.e., Tyumen, Sverdlovsk and Samara regions)
- Reduces need to import expensive Central Asian gas
- Strategic Framework partnership agreement with Gazprom signed in July 2005

Social and environmental responsibility

- ❑ Joint environmental program with IFC subject to annual review
- ❑ Regular environmental monitoring at all operational facilities
- ❑ Yurkharovneftegas' "Environmental, Health and Safety" management system certified for compliance with ISO 14001 standards and specifications of BSI OHSAS 18001.
- ❑ Use of advanced technologies and materials to preserve regional environment
- ❑ 2005 and 2006 National Environmental Award in the category "Sustainable Development"



Significant contributions to social development as well as an active cooperation with civic and charitable organizations and educational institutions

Why NOVATEK is a compelling investment story

Compelling opportunity

- Ideally positioned to fill the growing domestic gas supply gap
- Cost efficient monetization of liquid hydrocarbons
- Significant organic growth potential due to ample reserves

Market leadership

- Market leader in a highly attractive industry
 - Russia's largest independent gas producer and second-largest gas producer overall

Attractive business

- Supportive industry fundamentals and rising gas prices
- Limited exposure to volatile commodity prices
- Increasing diversification into liquids

Sustainable business model

- Clear and transparent business model
- Strong intrinsic profitability and cash flow characteristics
- Significant transformation in scale and profitability

Track record

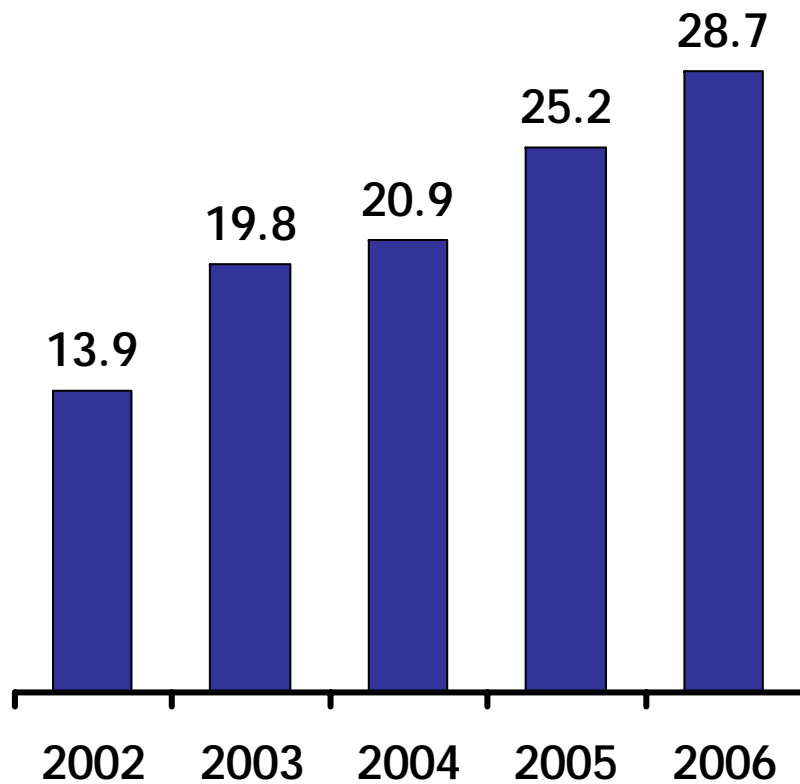
- Track record of strong financial performance
- International standards of corporate governance
- Established credit history, IFRS and reserve reporting
- Committed shareholders and experienced management

SECTION 2

Exploration and Production

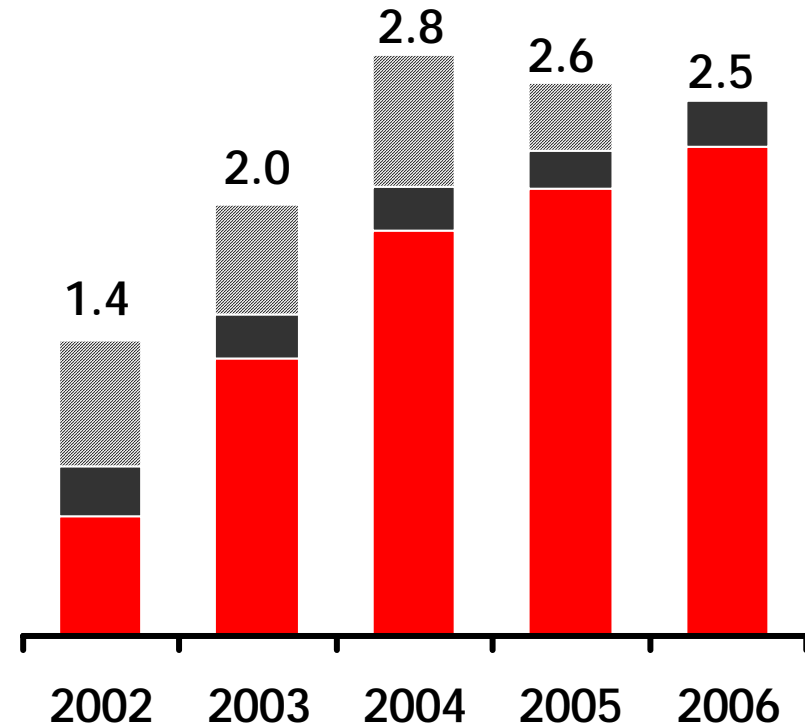
Production overview

Natural gas, bcm



4 year natural gas CAGR = 20%

- Crude oil, mmt (Geoilbent)
- Crude oil, mmt
- Gas Condensate, mmt



4 year gas condensate CAGR = 42%

Decrease in oil production due to disposal of Geoilbent in 1H 2005

E&P summary for 2006

- Completed drilling 7 gas condensate production wells (2 at TSNG; 4 at KhNG; and 1 at YNG)
- Confirmed project documentation at YNG
 - Projected annual peak production: 33.5 BCM natural gas & 2.55 mmt gas condensate
 - Peak production to be reached in 2012
 - Projected # of wells – 88
 - Construction of artificial island in Tazov Bay for 10 wells
- Completed technical documentation for development of East Tarkosalinskoye oil layers
- Confirmed production levels for Ust Purpeiskiy license area
- Confirmed project documentation for development of Termokarstovoye field including natural gas cycling process
 - Projected annual peak production: 2.8 bcm natural gas & 0.6 mmt gas condensate

Primary E&P Objectives (2007 – 2015)

Continue core field development

- Grow production and reserves at Yurkharovskoye field
- Develop crude oil deposits at Tarkosaleneftegas
- Maintain gas production levels Tarkosaleneftegas

Develop new fields

- Develop Termokarstvoye and Sterkhovoye fields
- Increase capital expenditures for exploration activities

Increase processing capacity

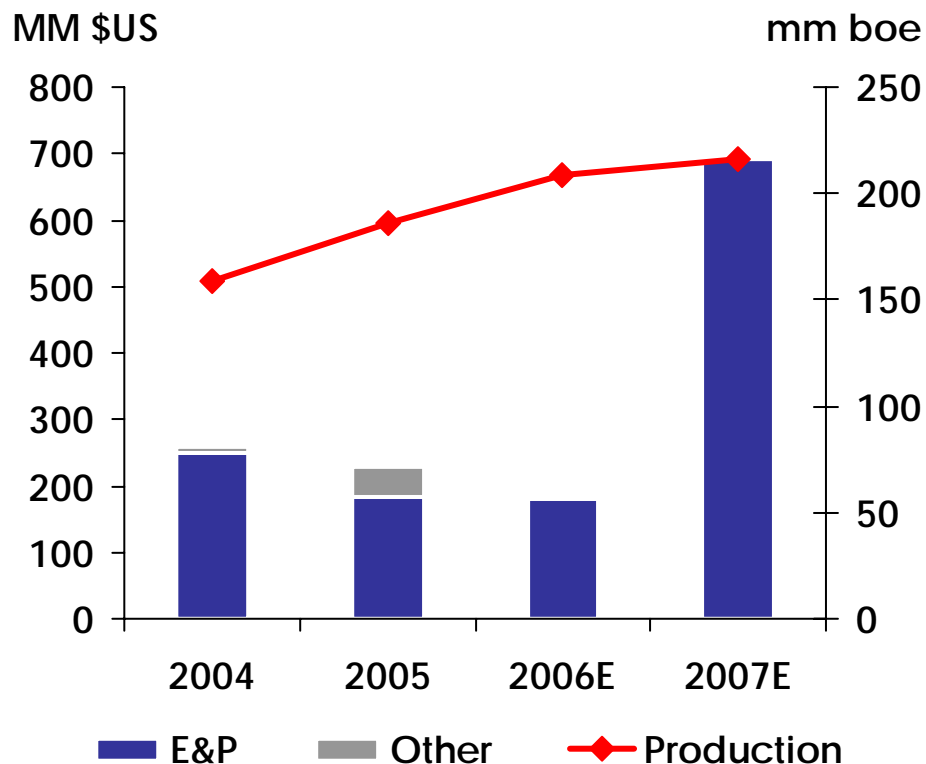
- Complete second phase of Purovsky processing plant
- Increase plant capacity for post 2010 production
- Connect Yurkharovskoye field to Purovsky plant via P/L

E&P environment

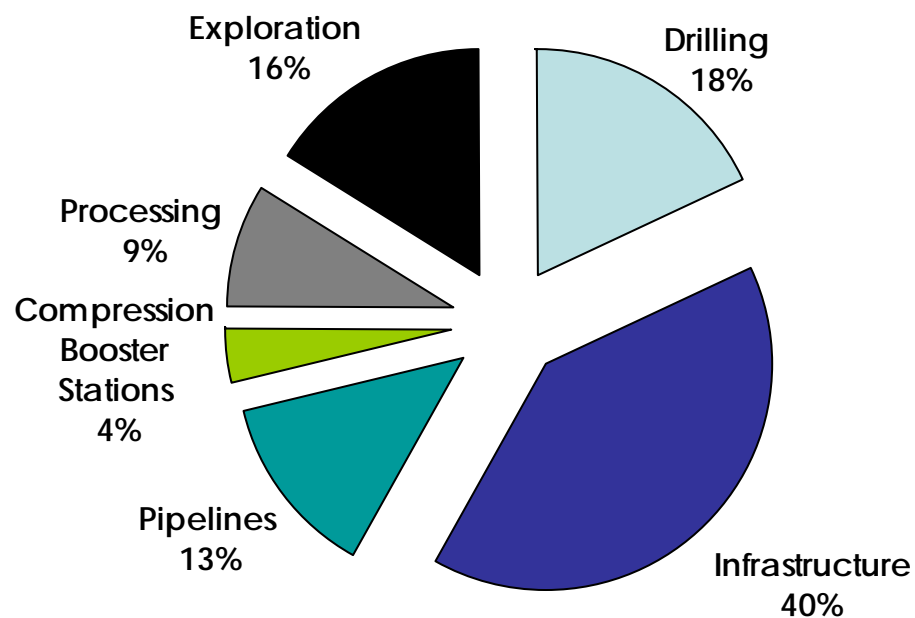
- Field development will become more complex and
- Service suppliers and materials' cost pressure

E&P Breakdown - 2007

Capital Investment¹ & Production



Capital Investment 2007 693 MM \$US¹



2007 Production guidance

Natural gas: 30 bcm

Liquids: 2.4 mmt

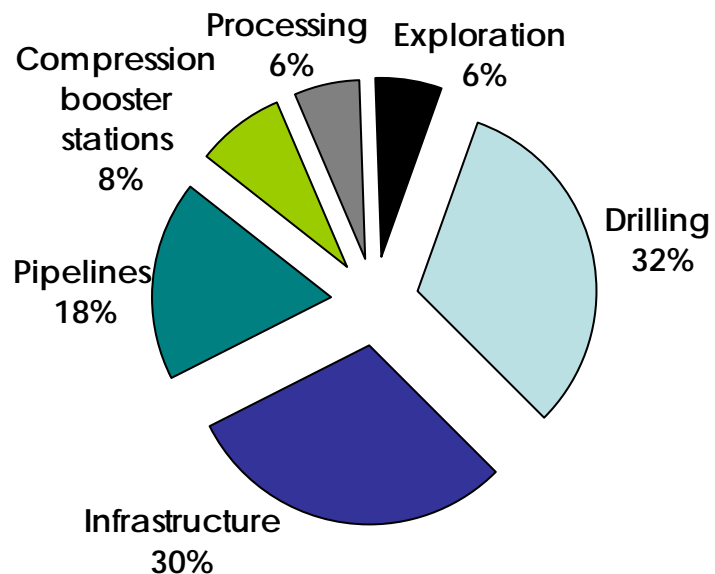
Total Boe: 216 mm

Notes:

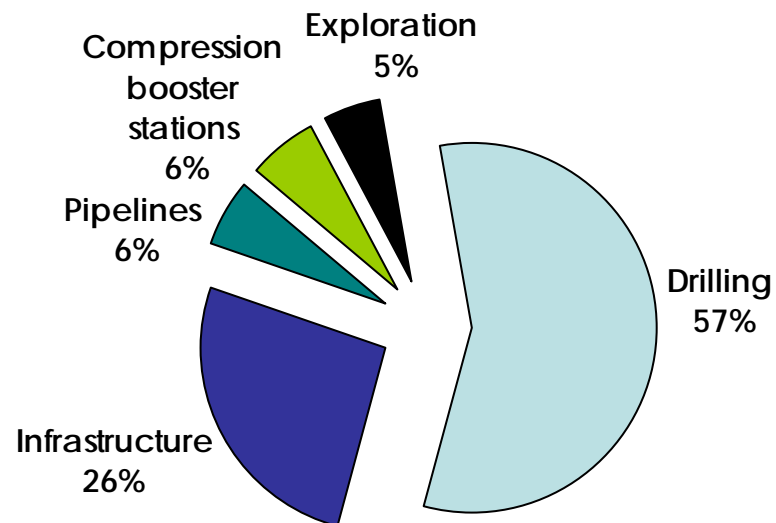
1. Net of VAT, nominal amounts (RR/\$ = 26)

E&P Breakdown

Capital Investment 2008 – 2010
2.66 Bln \$US²



Capital Investment 2011 – 2015¹
2.18 Bln \$US²



2010 Production Targets

- Natural gas – 45.0 bcm
- Liquids – 4.6 mmt
- Total Boe – 333 mm

2015 Production Targets

- Natural gas – 65.0 bcm
- Liquids – 8.0 – 9.0 mmt
- Total Boe – 489 - 502 mm

Notes:

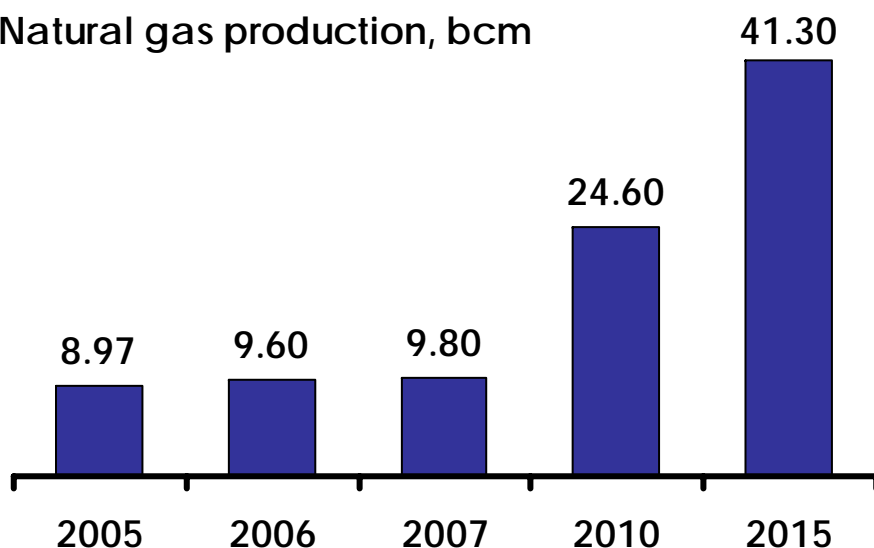
1. Does not include capex for increase in Purovsky capacity
2. Net of VAT, nominal amounts (RR/\$ = 26)

Yurkharovneftegas development plan

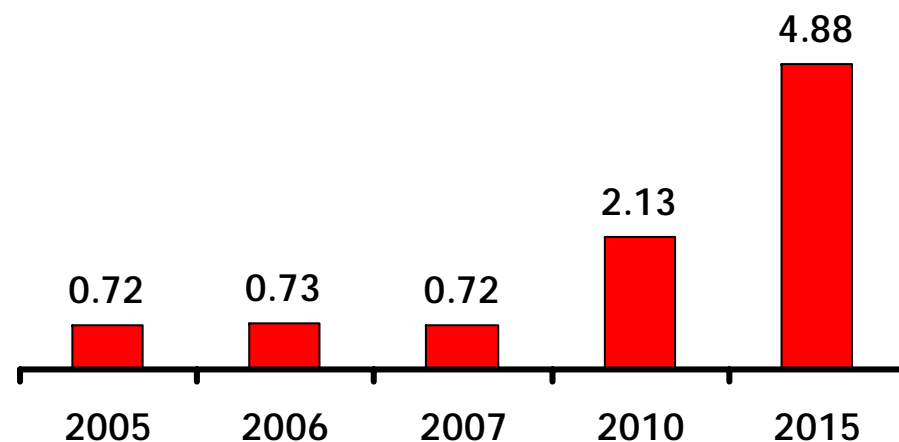
- Complete stages I – IV of second phase development of the Yurkharovskoye field (additional 24 bcm)
- Construction of artificial island to optimize drilling program
- Construction of de-ethanization plant and methanol plant
- Construction of gas condensate pipeline connecting the field to the Purovsky Plant
- Development of Achimov and Jurassic layers

Yurkharovskoye & New Yurkharovskoye Fields

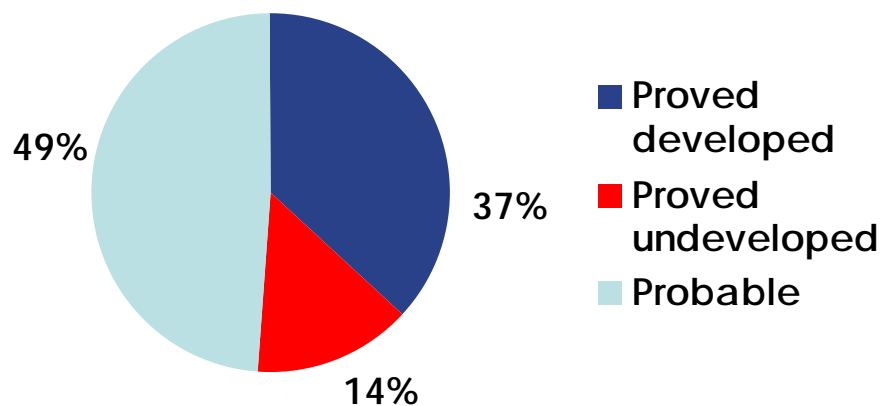
Natural gas production, bcm



Gas condensate production, mmt



595 bcm of P2 gas reserves at 12/31/2006



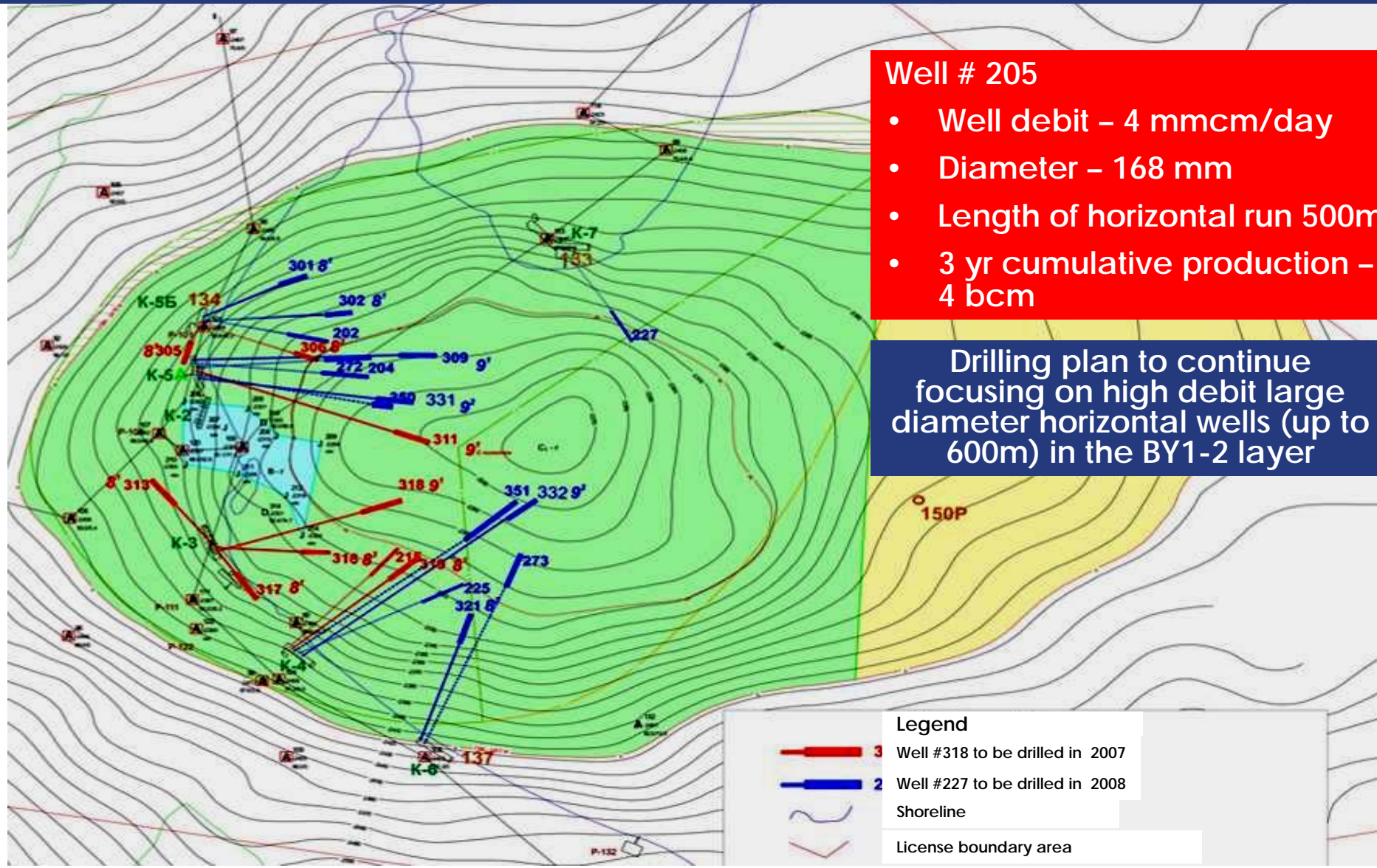
Capex (MM \$US)¹

	2006	2007	2008-10	2011-15
Drilling		89	606	947
<i>#Wells in operation (end of period)</i>	19	26	72	150
Infrastructure		196	611	426
Booster stations		0	75	104
Pipeline		72	261	131
Total		357	1,553	1,608

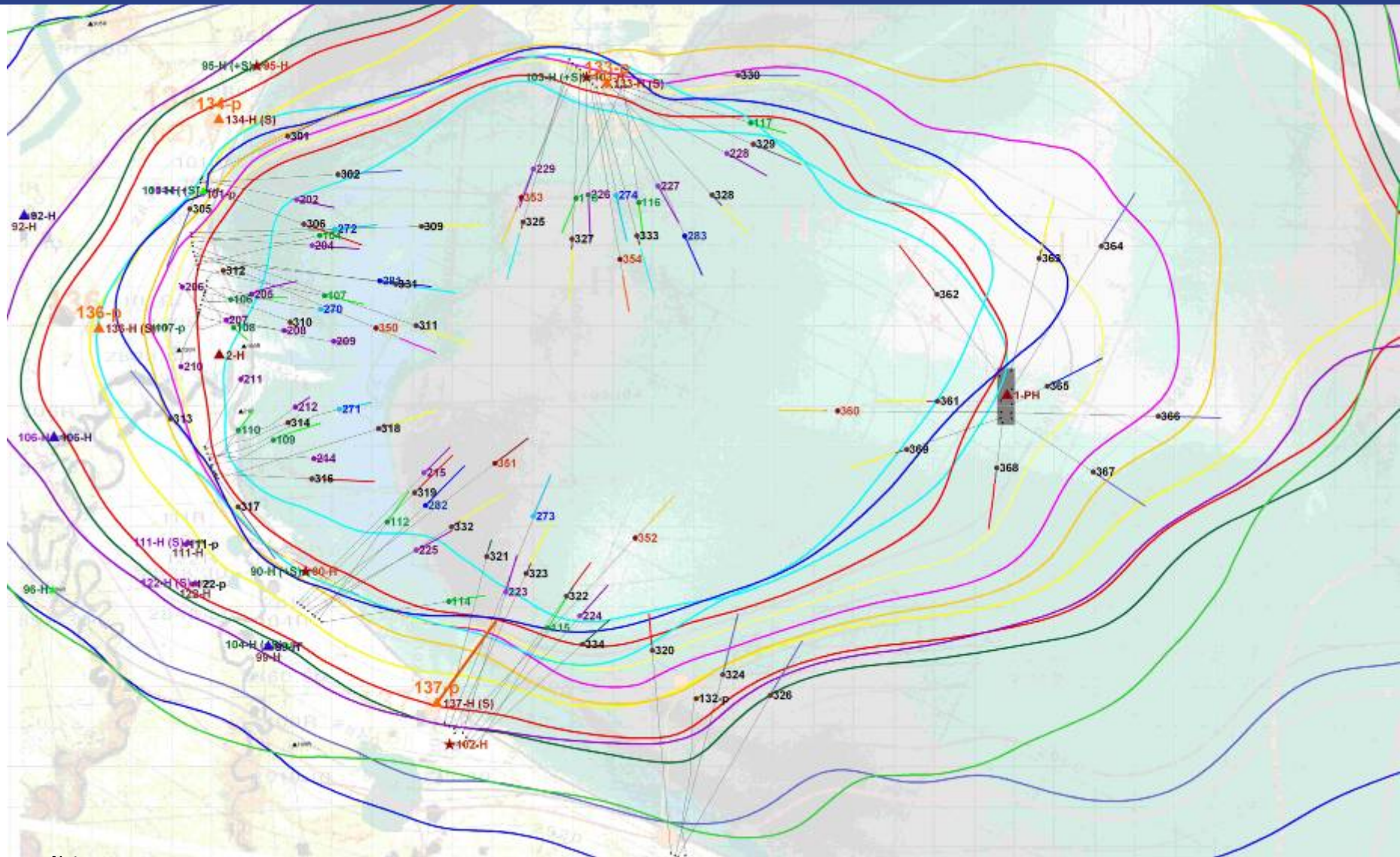
Notes:

1. Net of VAT, nominal amounts (RR/\$ = 26)

Yurkharovskoye field development



Yurkharovskoye Field Development¹



Notes:

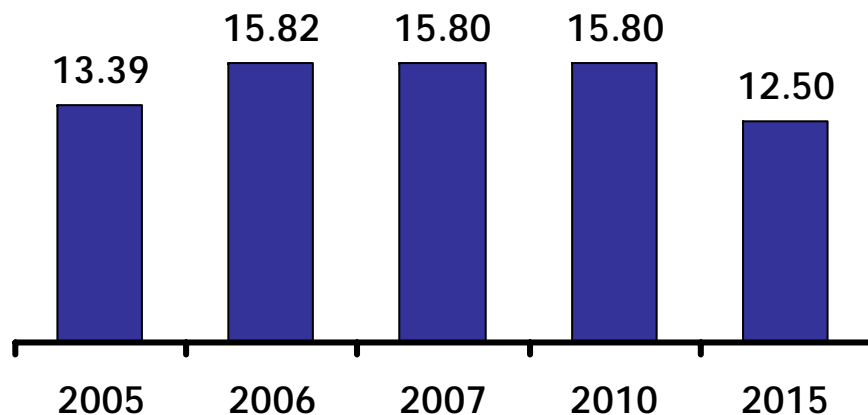
1. Full development of second phase (stages I – IV)

Tarkosaleneftegas development plan

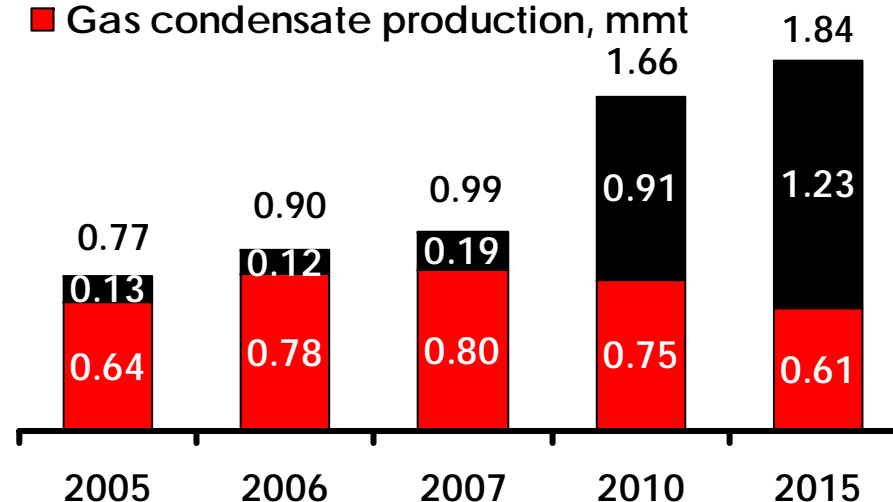
- Maintain gas production levels at East Tarkosalinskoye field
- Maintain gas production levels at Khancheyskoye field
- Develop northern, central and southern sections of East Tarkosalinskoye oil field
- Develop oil layer of Khancheyskoye field

East Tarkosalinskoye Field

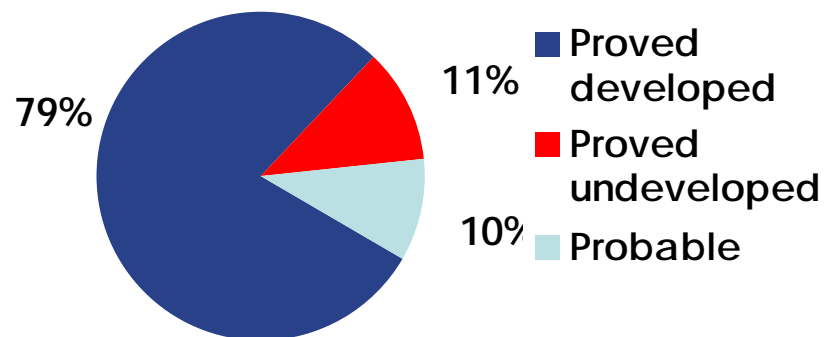
Natural gas production, bcm



■ Crude oil production, mmt
■ Gas condensate production, mmt



315 bcm of P2 gas reserves at 12/31/2006



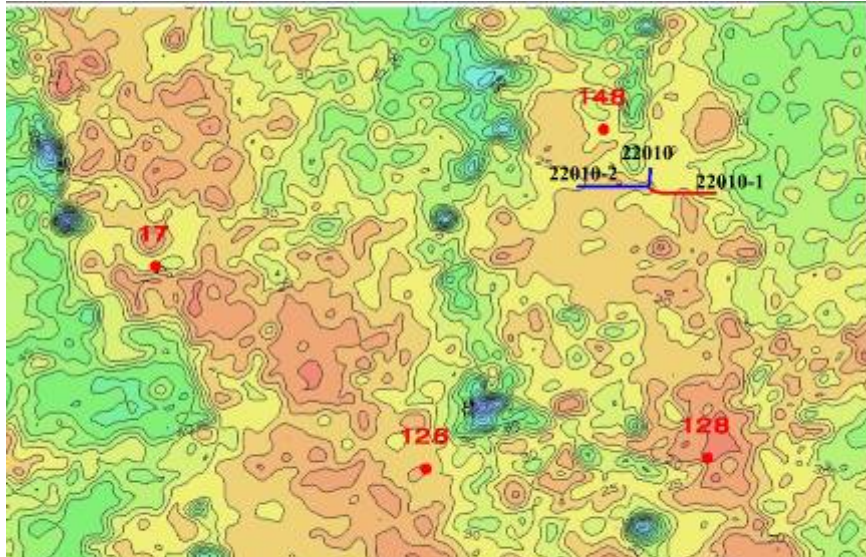
Capex (MM \$US)

	2006	2007	2008-10	2011-15
Drilling (gas/cond.)		3	14	0
# Gas wells in operation (end of period)	108	110	115	112
Drilling (oil)		32	114	142
# Oil wells in operation (end of period)	39	43	65	98
Infrastructure		45	86	72
Booster stations		1	94	20
Total		81	308	234

Notes:

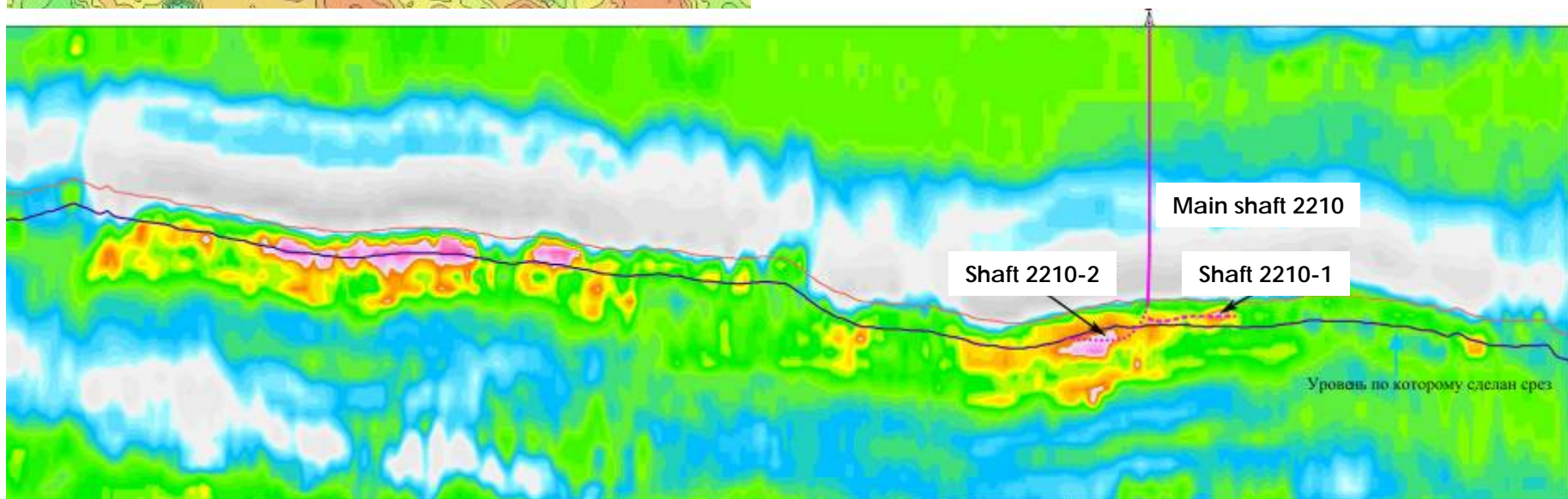
1. Net of VAT, nominal amounts (RR/\$ = 26)

East Tarkosalinskoye field development



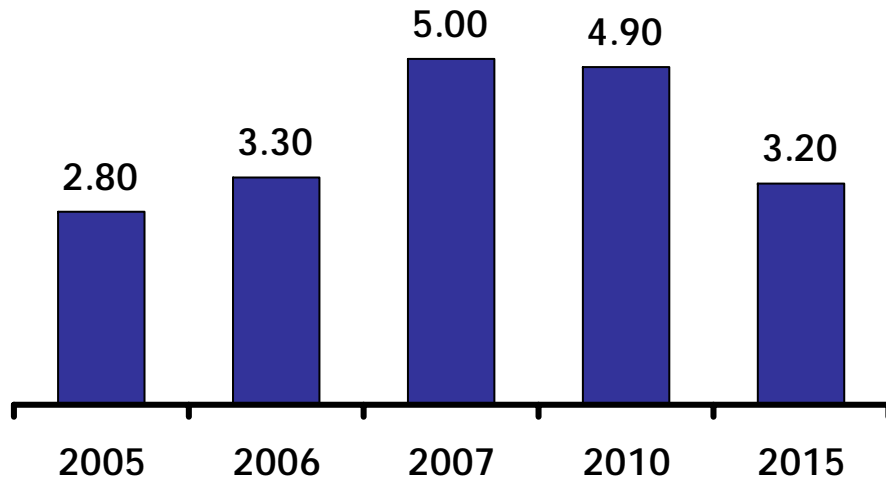
East Tarkosalinskoye Oil Layer

- Well # 22010
 - Shaft 22010-1: 4,055 meters (500 meter horizontal section)
 - Shaft 22010-2: drilling in process



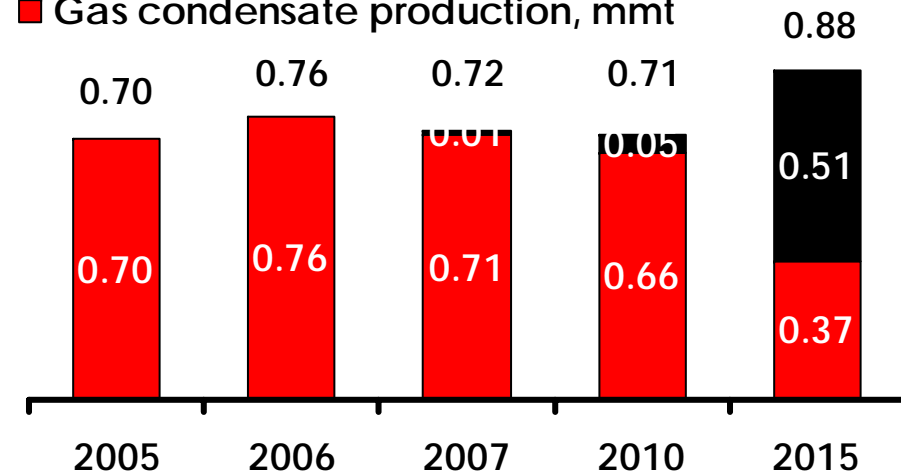
Khancheykoye Field

Natural gas production, bcm

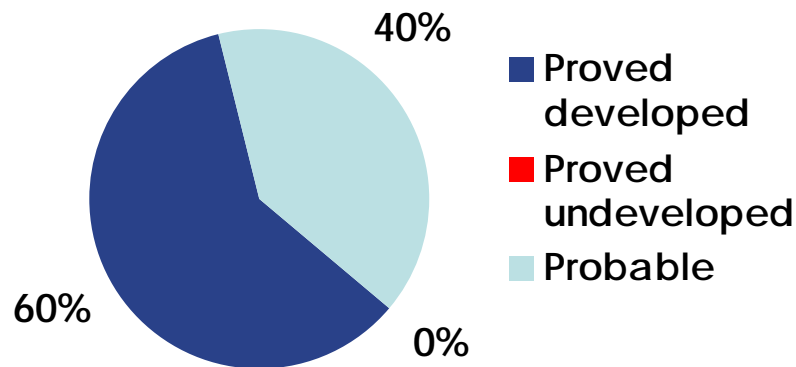


■ Crude oil production, mmt

■ Gas condensate production, mmt



69 bcm of P2 gas reserves at 12/31/2006



Capex (MM \$US)	2006	2007	2008-10	2011-15
Drilling (gas/cond.)		1	0	0
# Gas wells in operation (end of period)	26	27	27	27
Drilling (oil)	0	5	47	48
# Oil wells in operation (end of period)	0	2	11	31
Infrastructure		11	22	4
Pipeline		0	10	0
Booster stations		25	32	0
Total		42	111	52

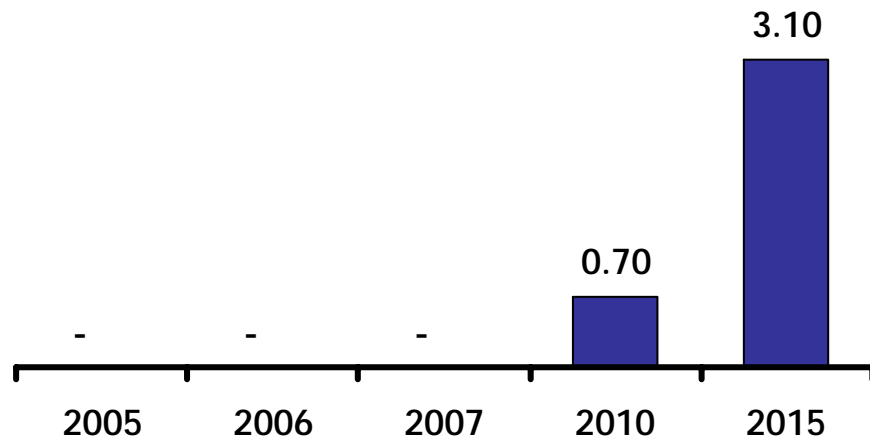
Notes:

1. Net of VAT, nominal amounts (RR/\$ = 26)

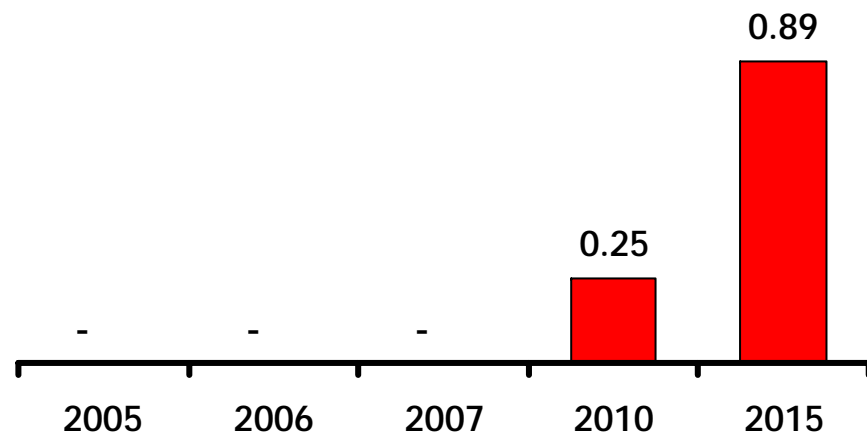
Sterkhovoye Field

Phase I and II of gas condensate development plan

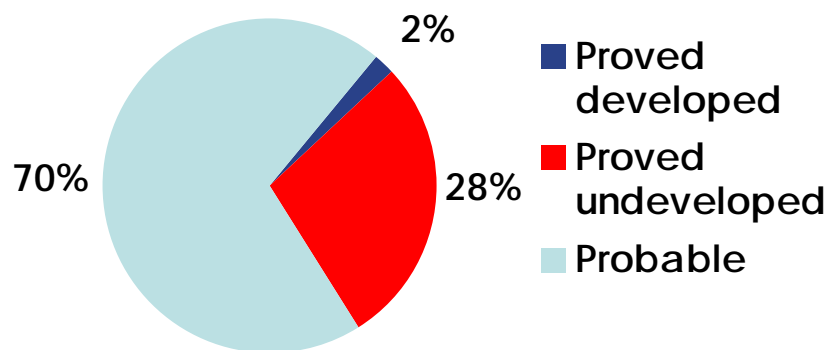
Natural gas production, bcm



Gas condensate production, mmt



11 bcm of P2 gas reserves at 12/31/2006



Capex (MM \$US)	2006	2007	2008-10	2011-15
Drilling (gas/cond.)		2	19	90
# Gas wells in operation (end of period)	1	1	6	32
Infrastructure		14	26	46
Pipelines		10	7	0
Total		26	52	136

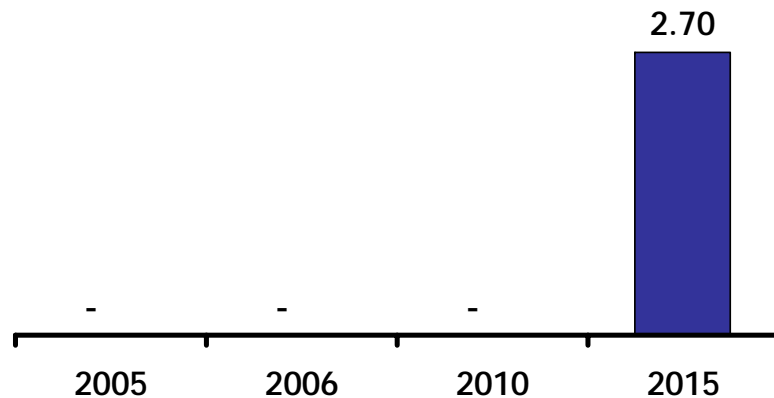
Notes:

1. Net of VAT, nominal amounts (RR/\$ = 26)

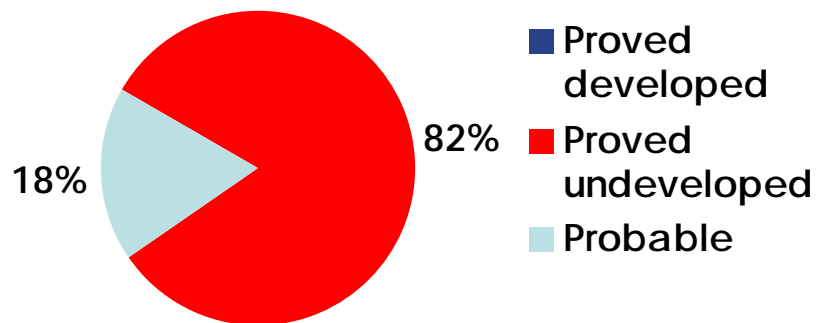
Termokarstovoye Field

Gas condensate field development including – gas cycling, de-ethanization plant and gas condensate pipeline

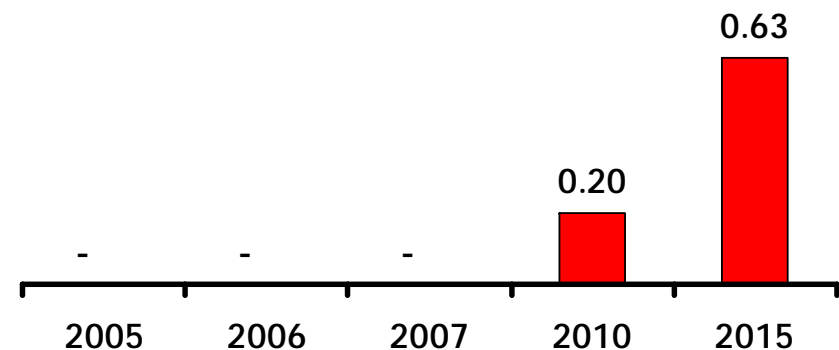
Natural gas production, bcm



24 bcm of 2P gas reserves at 12/31/2006



Gas condensate production, mmt



Capex (MM \$US)	2006	2007	2008-10	2011-15
Drilling (gas/cond.)		0	46	13
# Gas wells in operation (end of period)	0	0	7	19
Infrastructure		9	45	24
Pipelines		0	199	0
Total		9	290	37

Notes:

1. Net of VAT, nominal amounts (RR/\$ = 26)

Purovsky processing plant

- Purovsky Stage I - completed
 - Stage I capex – 210 MM \$US
 - 2 million tons per annum de-ethanized gas condensate processing capacity
 - Plant storage capacity - stable gas condensate 30,000 m³
LPG 10,000 m³
 - Plant production - approximately 80% stable gas condensate
20% LPG
- Purovsky Stage II – in progress
 - Stage II capex - 217 MM \$US, expected launch IV quarter 2008
 - Capex in 2007 - 78 MM \$US; Capex 2008 – 2010 – 139 MM \$US
 - Additional 3 million tons per annum processing capacity
 - Plant storage capacity - stable gas condensate 60,000 m³
LPG 30,000 m³
- Purovsky Stage III – projected
 - Planning in progress

Exploration results - 2006

Company	Seismic		Drilling		Capex ² MM \$US	Reserve growth		
	2D km	3D km ²	Meters	# wells ¹		Gas BCM	Condensate Mmt	Oil Mmt
YNG	160.1		4,045	1/0	8	31.8	3.0	
TSNG		230.5	5,230	1/1	6			
Purnovagas					0.67			
Purneft			305	1/0	0.66			
Terneftegas		200.0			4			
Novatek ³					1	0.5	0.1	
Novasib	134.1				3			
Yargeo	500.0				4			
Total	794.1	430.5	9,580	3/1	27	32.3	3.1	

Notes

1. Wells being drilled/wells completed)
2. Net of VAT, nominal amounts (RR/\$ = 26)
3. Yumantilskoye field



Exploration program - 2007

Company	Seismic		Drilling		Capex ² MM \$US	Est. reserve growth		
	2D km	3D km ²	Meters	# wells ¹		Gas BCM	Condensate Mmt	Oil Mmt
YNG			6,232	4/3	29	128.0	9.2	
TSNG		237	13,130	5/4	20	10.0	1.0	5.2
Purnovagas		300		1/0	9			
Purneft		134.0	5,000	3/3	12			1.1
Terneftegas		200.0			0.47			
Novatek			2,850	1/1	5	7.0	0.3	
Novasib			6,980	2/1	18	11.1	1.7	1.1
Yargeo			3,150	1/1	7			2.7
Total		681.0	37,342	17/13	100	156.1	12.2	10.1

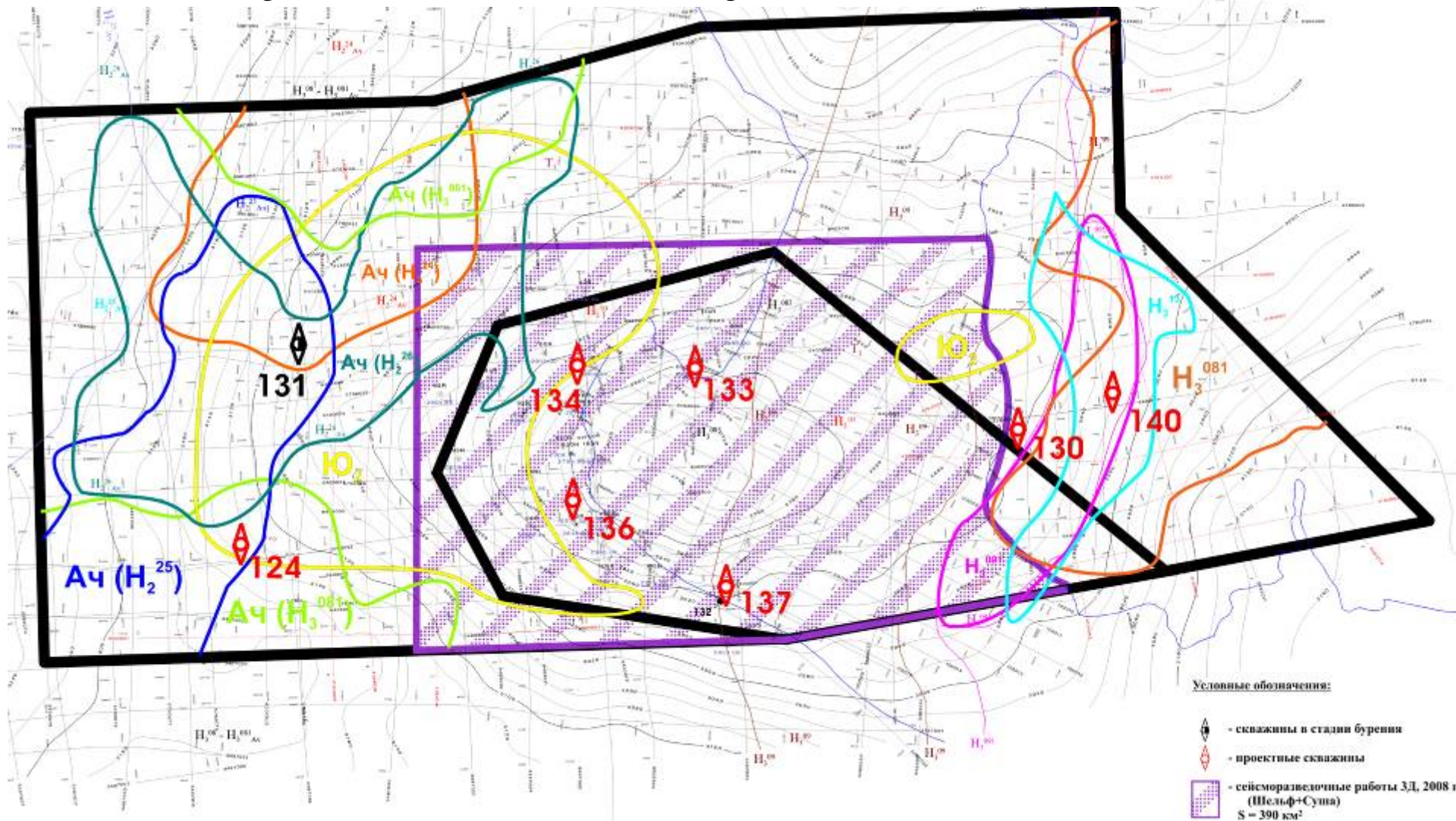
Notes:

1. Wells being drilled/wells completed
2. Net of VAT, nominal amounts (RR/\$ = 26)
3. North Khancheyskoye field



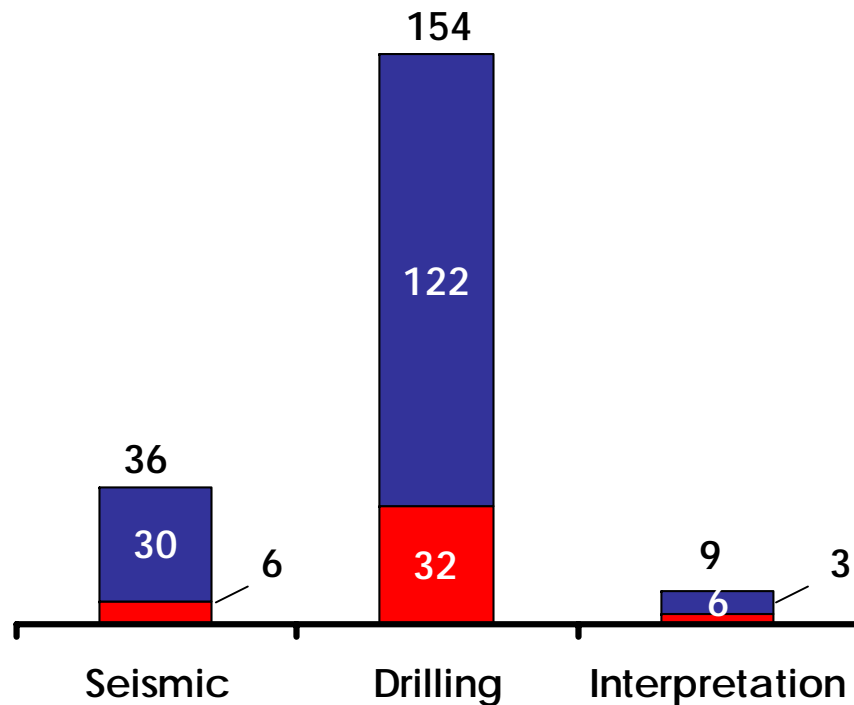
Exploration plan for Yurkharovneftegas' licenses

Yurkharovskoye and New Yurkharovskoye license areas



Exploration activities 2008 - 2015

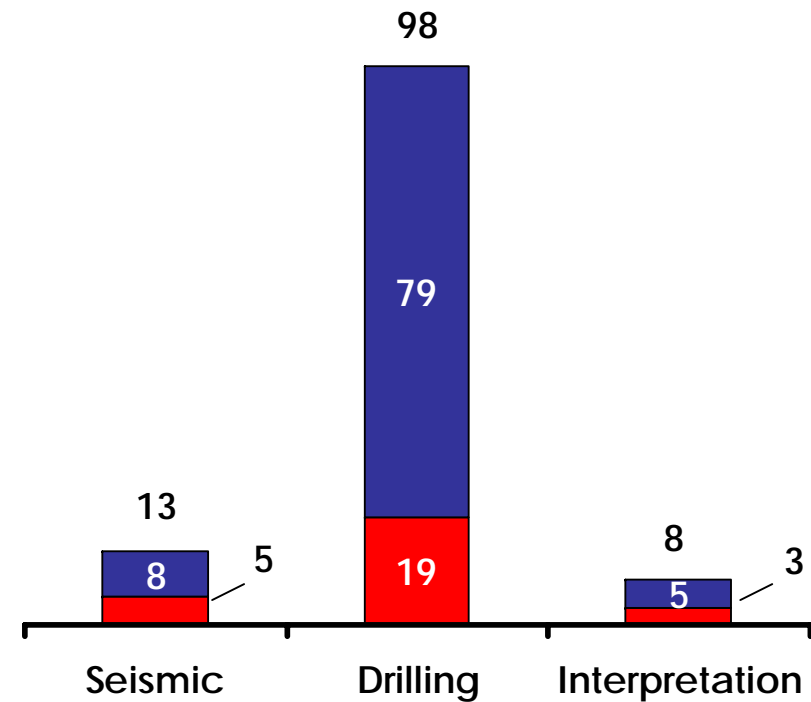
2008 - 2010, 199 MM \$US¹



■ Existing fields ■ Prospective license areas

of wells – 21
 2D seismic – 956 linear km
 3D seismic – 1,258 km²

2011 - 2015, 119 MM \$US¹



■ Existing fields ■ Prospective license areas

of wells – 17
 3D seismic – 500 km²

Notes:

1. Net of VAT, nominal amounts (RR/\$ = 26)



Resource base for prospective license areas

Current Reserve Base for Prospective lic. areas	C2		Resource	
	Gas bcm	Liquids mmt	Gas bcm	Liquids mmt
Achimov & Jurassic layers				
Yurkharovskiy lic. area	285.3	24.0	200.0	12.0
New Yurkharovskiy lic. area			220.0	18.0
Achimov layers				
Olimpiskiy lic. area	71.4	13.7	160.0	45.0
Raduzhniy lic. area			102.4	24.6
W. Urengoiskiy lic. area		5.0		
N. Yubileniy lic.. area			50.0	9.1
Tabyakha-Tarkinskiy lic. area			40.0	7.0
New layers				
S. Khancheyskiy lic. area			100.0	10.2
N. Khancheyskiy lic. area			63.2	3.3
Yarudeiskiy lic. area				10.0
Termokarstoviy lic. area	5.7	1.3		
Ust-Purpeiskiy lic. area		0.3		5.0
Total	362.4	44.3	935.6	144.2

SECTION 3

Financial Strategy

Financial management objectives

Financial targets

- Maintain Net Debt – to – EBITDA target of below 1.0x over the cycle
- Maintain EBITDA Net Interest Coverage of 10x to 15x over the cycle
- Maintain Operating Cashflow/Capex coverage of 100% over the cycle

Liquidity targets

- Maintain unrestricted balance sheet cash position of ~US\$100-150 Mm as reserve
- Conservative management of excess liquidity
- Top tier banks placements, limit concentrations
- Aim to maintain available bank line credit in the range of US\$300-500 million

Funding targets

- Centralised funding strategy with NOVATEK sole entity for raising external funding
- Borrowings to relevant Group entities through documented inter-company loans
- No direct borrowing by operating subsidiaries is envisaged
- Establish diversified sources of funding by instrument, maturity and market segment

Debt structure

- Increasing reliance on unsecured borrowings raised at the Group level
- Aim to maintain secured debt below 15% of total debt
- Optimise cost of borrowings by establishing flexible, long-term debt funding profile
- Target average maturity of 5 years or longer

Dividend policy

- At least 15% of net income of NOVATEK (unconsolidated, RAS) for 2005 to 2007
- At least 30% from 2008 and thereafter
- Additional payouts depend upon investment opportunities and related capex

Financial guidance

Metric	2003	2004	2005	2006E	Guidance
EBITDA, % ¹	30%	36%	54%	48%	43 – 45%
EBITDA (net of disposals)	-	-	50%	-	-
Effective tax rate ²	33.1%	28.3%	27.3%	26.7%	26 – 28%
Net Income, % ³	19%	23%	32%	29%	23 – 25%
ROE, % ⁴	27%	13%	24%	21%	21 – 23%
ROACE, % ⁵	21%	13%	20%	20%	18 – 20%
Net debt / Total Capitalization ⁶	29%	27%	8%	(3%)	15 – 30%

Notes:

1. EBITDA represents net income before finance income (expense) and income taxes from the statements of income, and depreciation, depletion and amortization and share-based compensation from the statements of cash flows as a percentage of Total revenues and other income
2. Effective tax rate represents total tax expense calculated as a percentage of our reported IFRS profit before income tax and share of net income from associates
3. as a percentage of Total revenues and other income
4. ROE represents net income/total shareholders equity
5. Net income plus finance expense (net of taxes)/Total debt plus total equity
6. Net debt represents total debt less cash and cash equivalents. Total capitalization represents total debt, total equity and deferred income tax liability.

Operational guidance

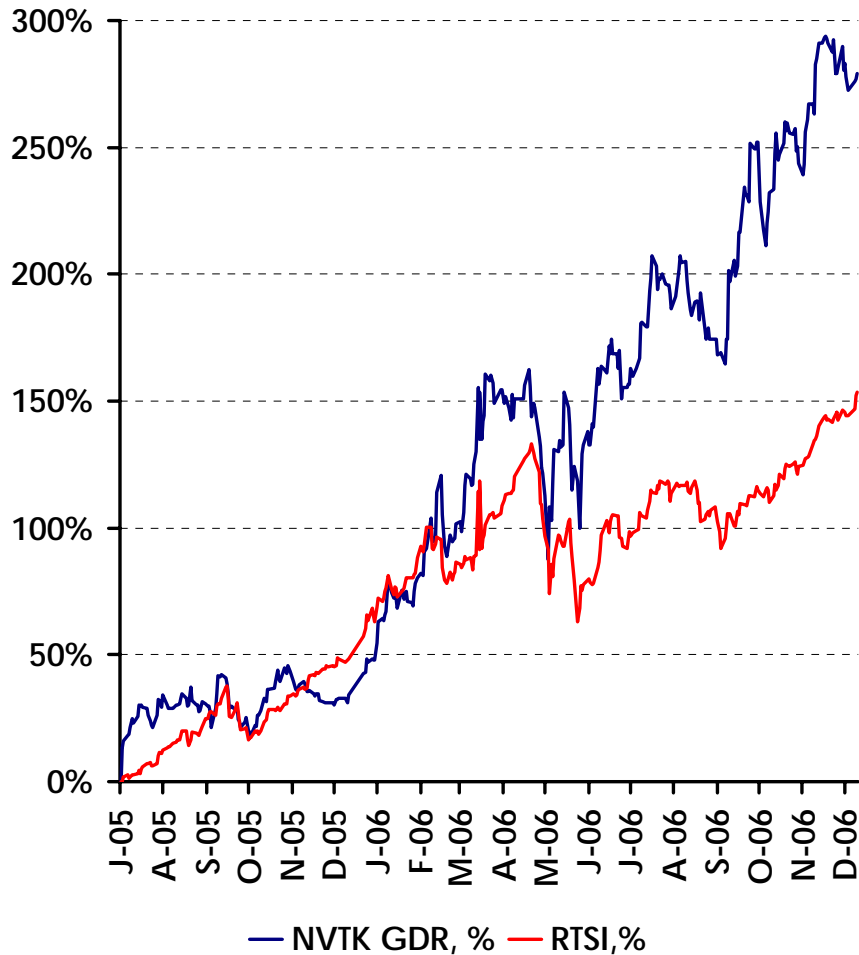
Metric	2003	2004	2005	2006E	Guidance
Lifting costs, \$/boe	0.43	0.38	0.52	0.45	0.50 – 0.55
F &D costs, \$/boe	0.72	1.06	0.30	0.57	0.62 – 0.68
RR costs, \$/boe ^{1,2}	0.72	0.69	0.30	0.66	0.70 – 0.75
RR rate ³	249%	118%	313%	144%	125%

Notes:

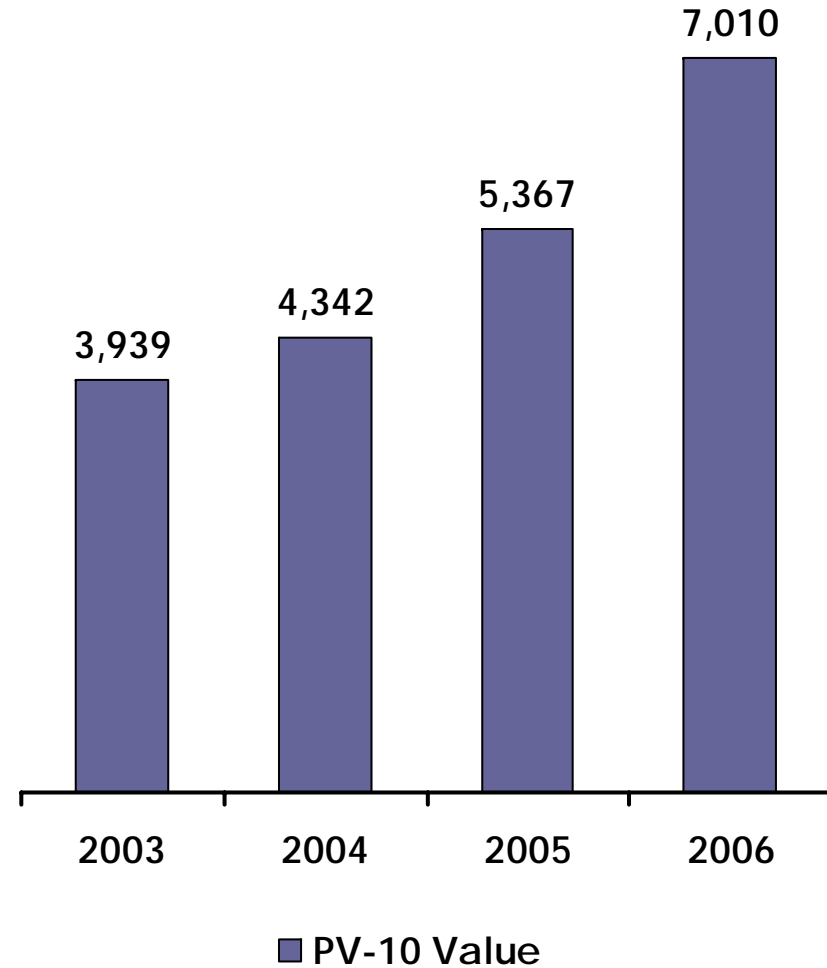
1. Includes acquisition cost for oil and gas assets not included in appraisal reports
2. RR costs per boe could potentially increase above guidance based on current trends in acquisitions of O&G companies and assets and increasing costs for new licenses
3. Based on gross production for all fields

Growing value

Share performance IPO to 12/31/2006



Growth in PV-10 value¹, MM \$US

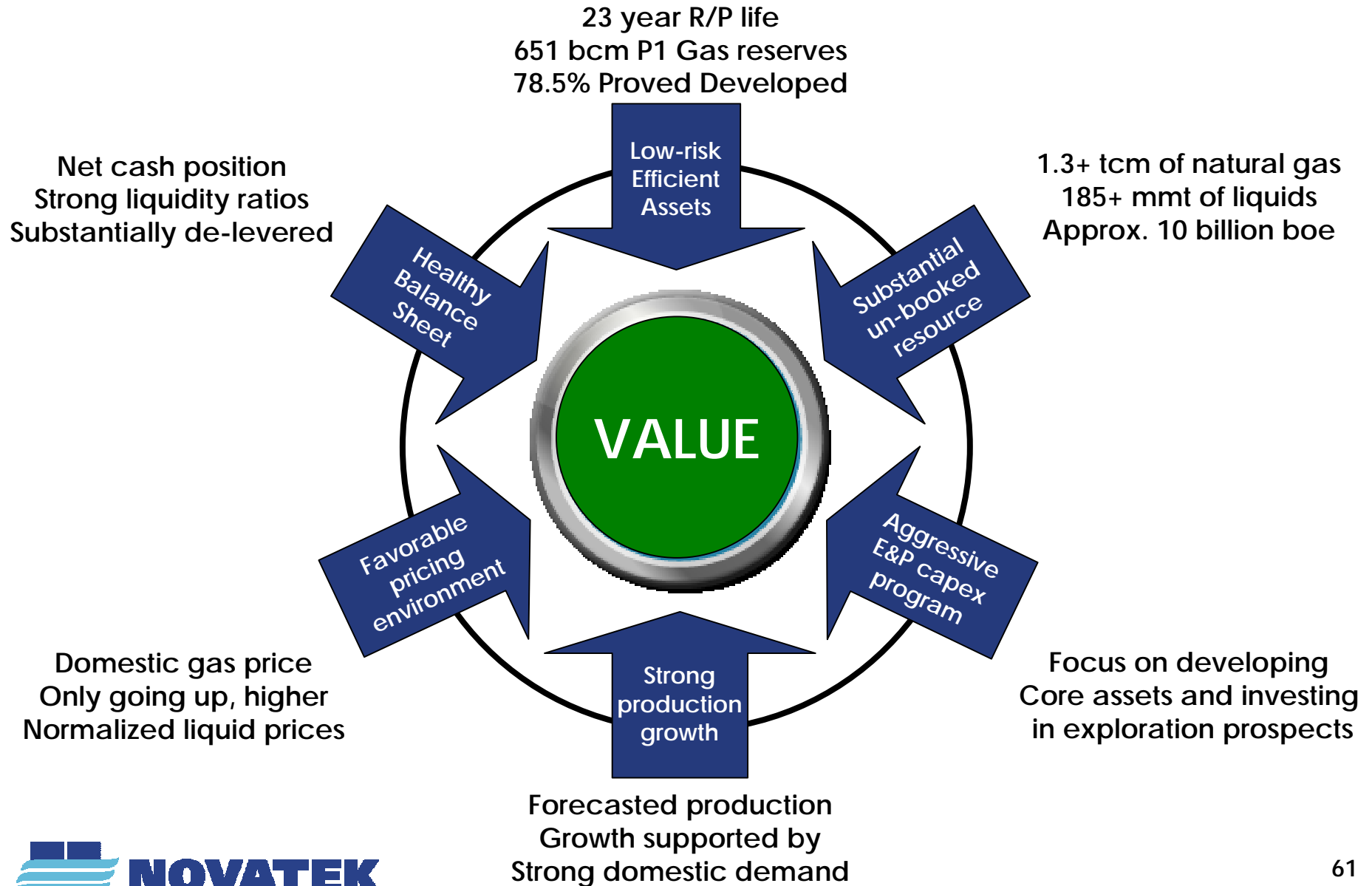


Notes:

1. PV-10 value based on D&M Reserve Appraisal Reports prepared in accordance with SEC Reserve Definitions. PV-10 value is not an indicator, nor should it be construed as a proxy for, market value



Value formula



How do we deliver value?

- Growing reserves and production according to sustainable development principles
- Exercising financial and capital discipline
- Maximizing value from production and processing assets
- Maintaining low-cost unit structure
- Preserving financial flexibility



Questions & Answers