Yamal LNG has signed a license agreement with BASF

Moscow, September 17, 2012 - Yamal LNG OAO has announced signing of a license agreement with BASF on the use of BASF's technology for the removal of carbon dioxide from natural gas. BASF's brand Oase technology is a prerequisite for the production of liquefied natural gas (LNG).

A.M. Fridman, NOVATEK Deputy CEO, said: "The selection of natural gas treatment technology is one of the most important design solutions for the Yamal LNG project. The Agreement with BASF is signed in full conformity with the project implementation schedule and is another important step towards the final investment decision on the Yamal LNG project".

Christof Thoma, Total LNG expert, noted: "BASF is a robust licensor of acid gas removal process used in a number of LNG plants worldwide. The application of this technique to an Arctic LNG project is well justified".

Dr. Andreas Northemann, head of global gas treatment business in BASF's Intermediates division, said: "BASF's Oase technology has proven its robustness and flexibility under extreme conditions, whether climatic or technical. The cooperation with Yamal is another milestone in our 40 years of experience in the gas treatment business".

NOTE

In October 2010 the Government of the Russian Federation approved the Large-Scale Plan for LNG Production Development on Yamal Peninsula. Yamal LNG was chosen as a pilot project. This project provides for construction of an LNG plant with the output of over 15 million t per annum. The plant will source the feed from Yuzhno-Tambeyskoe field, whose proven and probable reserves (according to PRMS standards) as of December 31, 2011 amount to 879 billion m3. Transport infrastructure, including a sea port and an airport near Sabetta (North-East of Yamal), are to be built within the framework of the project.

The project is implemented by Yamal LNG OAO, owned by NOVATEK OAO (80% share) and Total (20 % share).

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