



Binding contract on LNG supply concluded with CNPC

Shanghai, 20 May 2014. OAO Yamal LNG ("Yamal LNG") announced the conclusion of a binding contract for the supply of liquefied natural gas (LNG) with China National Petroleum Corporation ("CNPC").

The contract provides for the supply of three (3) million tons of LNG per annum at delivered ex-ship (DES) terms for a period of 20 years. LNG price is indexed to the Japanese Crude Cocktail.

Chairman of the Management Board of OAO NOVATEK (the major shareholder of Yamal LNG), Leonid V. Mikhelson stated "Final consolidation of the long-term agreements on gas supplies from the Yamal Peninsula to one of the fastest growing energy markets in the world will provide a solid basis for the mutually beneficial cooperation and further development of relations with our Chinese partners, enabling them to increase the share of "clean" fuel in the energy balance of China".

Note

The Yamal LNG Project envisages the construction of a Liquefied Natural Gas (LNG) Plant with a capacity of 16.5 MTPA based on the hydrocarbon resources of the South-Tambeyskoye field. As of 31.12.2013, the field's proved and probable gas reserves according to PRMS standards are estimated at 927 billion cubic meters. Yamal LNG shareholders are NOVATEK (60%), TOTAL (20%) and CNPC (20%).

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